

FAR EAST HOLDINGS BERHAD
[Registration No. 197301001753 (14809-W)]
(Incorporated in Malaysia)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Twelve - Months Ended 31 December 2023
(The figures have not been audited)

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31-Dec-23 RM'000	31-Dec-22 RM'000	31-Dec-23 RM'000	31-Dec-22 RM'000 Audited
Revenue	190,289	167,252	542,359	785,657
Other operating income	482	1,238	2,492	5,284
Fair value loss on biological assets	(2,661)	(3,247)	(742)	(828)
Fair value gain on investment property	2,000	-	2,000	-
Depreciation and amortisation	(8,935)	(8,227)	(34,821)	(32,793)
Operating expenses	(141,838)	(128,143)	(429,451)	(573,997)
Finance income	2,197	701	5,845	2,169
Finance cost	(1,617)	(1,592)	(5,252)	(4,631)
Share of profit after tax of associates	20,536	4,737	47,708	93,825
Profit before tax	<u>60,453</u>	<u>32,719</u>	<u>130,138</u>	<u>274,686</u>
Tax expense	(8,261)	(5,133)	(24,047)	(46,772)
Net profit for the period	<u>52,192</u>	<u>27,586</u>	<u>106,091</u>	<u>227,914</u>
Attributable to:				
Owners of the Company	45,859	26,892	99,185	217,268
Non-controlling interests	<u>6,333</u>	<u>694</u>	<u>6,906</u>	<u>10,646</u>
	<u>52,192</u>	<u>27,586</u>	<u>106,091</u>	<u>227,914</u>
Earnings per share attributable to owners of the Company (sen):				
Basic	<u>7.72</u>	<u>4.53</u>	<u>16.70</u>	<u>36.59</u>
Diluted	<u>7.72</u>	<u>4.53</u>	<u>16.70</u>	<u>36.59</u>

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying notes attached to the interim financial statements.

FAR EAST HOLDINGS BERHAD
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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As At 31 December 2023

(The figures have not been audited)

	Note	As at 31-Dec-23 RM'000 Unaudited	As at 31-Dec-22 RM'000 Audited
Non-current assets			
Property, plant and equipment		299,042	310,543
Investment property		63,000	61,000
Investments in associates		611,365	595,932
Other financial assets		1,997	-
Right-of-use assets		437,135	443,014
Biological assets		1,551	688
		1,414,090	1,411,177
Current assets			
Inventories		5,643	9,536
Biological assets		7,733	8,475
Receivables		63,258	64,771
Tax recoverable		5,466	3,562
Deposits, cash and bank balances		205,498	244,150
		287,598	330,494
Total assets		1,701,688	1,741,671
Equity			
Share capital		197,946	197,946
Fair value reserve		23	-
Retained earnings		1,184,862	1,174,753
Equity attributable to Owners of the Company		1,382,831	1,372,699
Non-controlling interests		47,575	47,978
Total equity		1,430,406	1,420,677
Non current liabilities			
Deferred tax liabilities		74,033	73,714
Lease liabilities		15,958	16,090
Borrowings	24	86,250	101,250
		176,241	191,054
Current liabilities			
Payables		49,828	63,336
Dividend payable		29,692	47,507
Tax payables		217	3,774
Borrowings	24	15,000	15,000
Lease liabilities		304	323
		95,041	129,940
Total liabilities		271,282	320,994
Total equity and liabilities		1,701,688	1,741,671
Net tangible assets per share (RM)		2.41	2.39
Net assets per share attributable to Owners of the Company (RM)		2.33	2.31

Note: Total numbers of share capital is 593,837,985 units.

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying notes attached to the interim financial statements.

FAR EAST HOLDINGS BERHAD

[Registration No. 197301001753 (14809-W)]

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**For the Twelve - Months Ended 31 December 2023**

(The figures have not been audited)

	----- Attributable to owners of the Company -----				Non-controlling interests	Total equity
	Share capital RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000	RM'000	RM'000
Balance at 1 January 2023	197,946	-	1,174,753	1,372,699	47,978	1,420,677
Profit for the year	-	-	99,185	99,185	6,906	106,091
Other comprehensive income	-	23	-	23	-	23
Dividend for the year ended						
- 31 December 2022	-	-	(59,384)	(59,384)	-	(59,384)
- 31 December 2023	-	-	(29,692)	(29,692)	-	(29,692)
Dividend paid to non-controlling interests	-	-	-	-	(7,309)	(7,309)
Balance at 31 December 2023	197,946	23	1,184,862	1,382,831	47,575	1,430,406
Balance at 1 January 2022	197,946	-	1,052,499	1,250,445	43,990	1,294,435
Profit for the year	-	-	217,268	217,268	10,646	227,914
Dividends for the year ended						
- 31 December 2021	-	-	(47,507)	(47,507)	-	(47,507)
- 31 December 2022	-	-	(47,507)	(47,507)	-	(47,507)
Dividend paid to non-controlling interests	-	-	-	-	(6,658)	(6,658)
Balance at 31 December 2022	197,946	-	1,174,753	1,372,699	47,978	1,420,677

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

FAR EAST HOLDINGS BERHAD
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CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Twelve - Months Ended 31 December 2023
(The figures have not been audited)

	Year-to-date ended	
	31-Dec-23	31-Dec-22
	RM'000	RM'000
		Audited
Operating activities		
Profit for the year attributable to owners of the Company	99,185	217,268
Adjustments for:		
Non-controlling interests	6,906	10,646
Depreciation and amortisation	34,821	32,793
Gain on disposal of property, plant and equipment	(186)	(89)
Property, plant and equipment written off	-	3
Fair value gain on biological assets	742	828
Fair value gain on investment property	(2,000)	-
Gain on sales of biological assets	-	(514)
Loss on deemed disposal in associate	556	-
Share of profit after tax of associates	(47,708)	(93,825)
Finance income	(5,845)	(2,169)
Finance cost	5,252	4,631
Tax expense	24,047	46,772
Operating profit before working capital	<u>115,770</u>	<u>216,344</u>
Changes in working capital:		
- inventories	3,893	992
- receivables, deposits and prepayments	280	(1,236)
- payables	(13,508)	1,431
Cash from operations	<u>106,435</u>	<u>217,531</u>
Finance cost paid	(5,252)	(4,631)
Finance income received	5,845	2,169
Tax refunded	532	25
Tax paid	(29,721)	(48,523)
Net cash flow from operating activities	<u>77,839</u>	<u>166,571</u>
Investing activities		
Property, plant and equipment		
- purchase	(16,062)	(16,523)
- proceed from disposal	270	102
Addition to right-of-use assets	-	(11,002)
Dividend received from associates	31,719	22,541
Proceed from sales of biological assets	-	1,195
Investment in other financial assets	(1,974)	-
Purchase of biological assets	(863)	(735)
Net advances to related parties	-	3,153
Net cash flow from/(used in) investing activities	<u>13,090</u>	<u>(1,269)</u>

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CONSOLIDATED STATEMENTS OF CASH FLOWS (cont'd.)

For the Twelve - Months Ended 31 December 2023

(The figures have not been audited)

	Year-to-date ended	
	31-Dec-23	31-Dec-22
	RM'000	RM'000
		Audited
Financing activities		
Repayment of lease liabilities	(381)	(350)
Repayment of term loan	(15,000)	(15,000)
Dividend paid	(114,200)	(54,165)
Net advances from related parties	-	(8)
Net repayment to associates	-	21
Net cash flow used in financing activities	<u>(129,581)</u>	<u>(69,502)</u>
Net (decrease)/increase in cash and cash equivalents	(38,652)	95,800
Cash and cash equivalents		
- at start of the year	244,150	148,350
- at end of the year	<u>205,498</u>	<u>244,150</u>

The condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying notes attached to the interim financial statements.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim financial statements of the Group for the financial year ended 31 December 2023 are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2022. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2022.

The accounting policies applied in this interim financial report is the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2022.

The interim financial statements of the Group for the financial year ended 31 December 2023 was prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") Framework.

At the date of authorisation of these interim financial statements, the following MFRS, IC Interpretations and Amendments to IC Interpretations were issued but not yet effective and have not been applied by the Group:-

Effective for financial period beginning on or after 1 January 2024

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

Effective for financial period beginning on or after 1 January 2025

Amendments to MFRS 121	Lack of Exchangeability
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Effective date has been deferred and yet to be announced

Amendments to MFRS 10 and MFRS 128	Sale or contribution of assets between an investor and its associate or joint venture
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2. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's plantations business is affected by seasonal crop production, weather condition, fluctuating commodity prices and labour supplies.

3. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence in the current quarter and financial year ended 31 December 2023.

4. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no material changes in estimates of amounts that have any material effect in the current quarter and financial year ended 31 December 2023.

5. DISCLOSURE ON QUALIFICATION ON AUDIT REPORT

The audit report of the Group's financial statements for the financial year ended 31 December 2022 was not qualified.

6. ISSUANCE, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OR DEBTS AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the current quarter and financial year ended 31 December 2023.

7. DIVIDEND PAID

Dividend paid is as follow:-

	3 months ended		12 months ended	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Final dividend	-	-	59,384 ³	47,507 ⁴
Interim dividend	29,692 ¹	47,507 ²	29,692 ¹	47,507 ²
Total	29,692	47,507	89,076	95,014

Note:

- 1 An interim single tier dividend of five (5.00) sen per share for the financial year ended 31 December 2023 was paid on 10 January 2024. The amount was taken up in the retained earnings for the financial year ended 31 December 2023.
- 2 An interim single tier dividend of eight (8.00) sen per share for the financial year ended 31 December 2022 was paid on 10 January 2023.
- 3 A final single tier dividend of ten (10) sen per share for the financial year ended 31 December 2022 was paid on 6 July 2023.

- 4 A final single tier dividend of five (5) sen per share and a special single tier dividend of three (3) sen per share for the financial year ended 31 December 2021 were paid on 6 July 2022.

8. SEGMENTAL REPORTING

No segmental reporting has been prepared as the Group activities are predominantly in plantation activity, which is mainly carried out in Malaysia.

9. PROPERTY, PLANT AND EQUIPMENT

The Group upon the adoption of MFRS has elected to use the cost model from previous revaluation policy by using the last revaluation as deemed cost.

10. INVESTMENT PROPERTY

The Group owns a piece of land at Bandar Indera Mahkota, Kuantan, Pahang. The asset was classified under investment property based on a fair value model under MFRS 140.

11. SUBSEQUENT MATERIAL EVENTS

There was no subsequent material event after the balance sheet date.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no other changes in the composition of the Group during the current quarter and financial year ended 31 December 2023.

13. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent liabilities or contingent assets as at the date of this report.

14. REVIEW OF PERFORMANCE

Financial Information	3 months ended			12 months ended		
	31.12.2023 RM'000	31.12.2022 RM'000	Variance %	31.12.2023 RM'000	31.12.2022 RM'000	Variance %
Revenue	190,289	167,252	14	542,359	785,657	(31)
Profit before tax	60,453	32,719	85	130,138	274,686	(53)
Profit after tax	52,192	27,586	89	106,091	227,914	(53)

Production	3 months ended			12 months ended		
	31.12.2023 Mt	31.12.2022 Mt	Variance %	31.12.2023 Mt	31.12.2022 Mt	Variance %
FFB production	94,855	97,492	(3)	292,663	327,769	(11)
CPO production	18,495	18,273	1	55,670	61,598	(10)
PK production	4,671	4,816	(3)	14,176	16,150	(12)
FFB processed by mills	150,680	125,585	20	437,850	453,555	(3)

Average price	3 months ended			12 months ended		
	31.12.2023 RM/mt	31.12.2022 RM/mt	Variance %	31.12.2023 RM/mt	31.12.2022 RM/mt	Variance %
Average CPO price/mt	3,673	3,919	(6)	3,802	4,897	(22)
Average PK price/mt	1,993	2,086	(4)	2,018	2,953	(32)

Current Quarter vs Preceding Corresponding Quarter

For the current quarter ended 31 December 2023, the Group posted higher revenue, profit before tax and profit after tax when compared to the corresponding quarter 2022, mainly due to:-

- (a) Higher FFB processed by 25,095 mt (20%); and
- (b) Higher share of profit after tax of associates by RM15.80 million (333%).

Current Year-to-date vs Preceding Year-to-date

For the financial year ended 31 December 2023, the Group posted a lower revenue, profit before tax and profit after tax when compared to the preceding financial year 2022, mainly due to:-

- (a) Lower average CPO and PK prices per metric tonne by 22% and 32% respectively. The average CPO price per metric tonne was RM3,802 (2022: RM4,897) and the average PK price per metric tonne was RM2,018 (2022: RM2,953);
- (b) Lower share of profit after tax of associates by RM46.12 million (49%); and
- (c) Lower FFB production by 35,106 metric tonne (11%).

15. COMPARISON WITH PRECEDING QUARTER'S RESULTS

Financial Information	3 months ended			
	31.12.2023 RM'000	30.9.2023 RM'000	Variance RM'000	Variance %
Revenue	190,289	143,742	46,536	32
Profit before tax	60,453	41,658	18,794	45
Profit after tax	52,192	33,886	18,305	54

Production	3 months ended			
	31.12.2023 Mt	30.9.2023 Mt	Variance Mt	Variance %
FFB production	94,855	82,586	12,269	15
CPO production	18,495	15,624	2,871	18
PK production	4,671	3,911	760	19
FFB processed by mills	150,680	126,550	24,130	19

Average Price	3 months ended			
	31.12.2023 RM/Mt	30.9.2023 RM/Mt	Variance RM/Mt	Variance %
Average CPO price/mt	3,673	3,797	(124)	(3)
Average PK price/mt	1,993	2,043	(50)	(2)

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For the current quarter ended 31 December 2023, the Group posted higher revenue, profit before tax and profit after tax when compared to the preceding quarter mainly due to:-

- (a) Higher FFB production and FFB processed by mills by 15% and 19% respectively; and
- (b) Higher share of profit after tax of associates by RM5.64 million (38%).

16. GAIN OR LOSS ON DISPOSAL OF QUOTED OR UNQUOTED INVESTMENT OR PROPERTIES

There was no gain or loss on disposal of quoted or unquoted investment or properties for the current quarter and financial year ended 31 December 2023. However, during the year, the Group's interest in Future Prelude Sdn. Bhd. has been diluted from 47.17% to 46.24%, as a result, the Group recorded a loss of RM0.56 million from deemed disposal of interest in Future Prelude Sdn. Bhd.

17. FOREIGN EXCHANGE GAIN OR LOSS

The Group does not have any foreign exchange gain or loss for the current quarter and financial year ended 31 December 2023.

18. GAIN OR LOSS ON DERIVATIVES

The Group does not have any gain or loss on derivatives for the current quarter and financial year ended 31 December 2023.

19. PROSPECTS

Barring unforeseen circumstances, the CPO and kernel prices are expected to remain at the current level in the financial year ending 31 December 2024. Coupled with FFB production expected to be stable in year 2024, the financial performance for the year 2024 is anticipated not to be far off from the previous year. However, the Group's performance will continue to be challenging due to high operation costs.

20. CAPITAL COMMITMENTS

The amount of capital commitments approved but not provided for in the financial statements is as follow:-

	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Property, plant and equipment	6,937	7,421
Oil palm estates development	6,500	6,776
Nursery development	1,420	-
Total	14,857	14,197

21. VARIANCE FROM PROFIT FORECAST/PROFIT GUARANTEE

Not applicable as there was no profit forecast nor profit guarantee published.

22. TAXATION

	3 months ended		12 months ended	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Tax expense				
Current year	8,023	5,985	23,804	47,979
Over accrued in previous year	(81)	44	(76)	(311)
Deferred tax	319	(896)	319	(896)
Tax expense	8,261	5,133	24,047	46,772

The effective tax rate of the Group for the financial year ended 31 December 2023 and 31 December 2022 is calculated at Malaysian statutory tax rate of 24% based on the assessable profit for the year.

23. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals for the current quarter and financial year ended 31 December 2023.

24. BORROWING

Particular of the Group's borrowing is as follow:-

	31.12.2023 RM'000	31.12.2022 RM'000
Non-current liability		
Term loan (secured)	86,250	101,250
Current liabilities		
Term loan (secured)	15,000	15,000
Total	101,250	116,250

25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

During the current quarter and financial year ended 31 December 2023, the Group did not enter into any contract involving off balance sheet instruments.

26. STATUS OF THE MATERIAL LITIGATIONS

There was no material litigation of the Group during the current quarter and financial year ended 31 December 2023.

27. STATUS ON THE JOINT VENTURE PROJECTS

The status on the joint venture projects for the development of oil palm plantation between Far East Holdings Berhad and Rangkaian Delima Sdn. Bhd.

(a) **Far East Delima Plantations Sdn. Bhd. (“FEDP”)**

FEDP had recorded an unaudited profit before tax of RM0.92 million for the year ended 31 December 2023. Lower profit is due to lower prices of CPO and PK by 20% and 30% respectively coupled with lower production of FFB by 18%. 2,650 hectares (6,548.15 acres) of the total areas were affected by flood in January 2023 and prolonged to March 2023, hence had dampened the harvesting of FFB. Prolonged flood also damaged the palm root, which lead to poor palm growth and lower yield.

(b) **F.E. Rangkaian Sdn. Bhd. (“FERSB”)**

FERSB had recorded an unaudited profit before tax of RM4.84 million for the financial year ended 31 December 2023.

28. INVESTMENT IN FUTURE PRELUDE SDN. BHD. (“FPSB”)

FPSB recorded an unaudited profit after tax of RM20.01 million for the financial year ended 31 December 2023 and based on the 46.24% equity held by the Company, a total of RM9.20 million has been recognised in the Group’s results.

29. DIVIDENDS

(a) Paid/Payable in financial year ended 31 December 2023

(i) Current quarter for the financial year ended 31 December 2023

On 24 November 2023, the Company had announced an interim single tier dividend of five (5.00) sen per share in respect of the financial year ended 31 December 2023. The payment was made on 10 January 2024 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 20 December 2023.

The final dividend for the financial year ended 31 December 2023 would be announced at a later date.

(ii) Dividend for the financial year ended 31 December 2022

On 27 April 2023, the Company had announced payment for a final single tier dividend of ten (10) sen per share for the financial year ended 31 December 2022. The dividend was approved by the shareholders in the Annual General Meeting on 14 June 2023 and the payment date was on 6 July 2023.

(b) Paid/Payable in financial year ended 31 December 2022

(i) Current quarter for the financial year ended 31 December 2022

On 25 November 2022, the Company had announced an interim single tier dividend of eight (8.00) sen per share in respect of the financial year ended 31 December 2022. The payment was made on 10 January 2023 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 20 December 2022.

(ii) Dividend for the financial year ended 31 December 2021

On 28 April 2022, the Company had announced payment for a final single tier dividend of five (5) sen per share and a special single tier dividend of three (3) sen per share for the financial year ended 31 December 2021. The dividend was approved at the Annual General Meeting on 15 June 2022 and the payment date was on 6 July 2022.

30. EARNINGS PER SHARE (“EPS”)

(a) **Basic EPS**

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the owners of the Company by the weighted average number of ordinary shares in issue during the year:-

	3 months ended		12 months ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Profit attributable to equity holder of the owners of the Company (RM'000)	45,859	26,892	99,185	217,268
Weighted average number of ordinary shares in issue ('000)	593,838	593,838	593,838	593,838
Basic EPS (sen)	7.72	4.53	16.70	36.59

(b) **Diluted EPS**

There was no diluting factor to earnings per share for the current quarter and financial year ended.

31. AUTHORISED FOR ISSUE

The unaudited quarterly results were authorised for issue on 23 February 2024 by the Board of Directors in accordance with the resolution of the Directors.