

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Three - Months Ended 31 March 2024
 (The figures have not been audited)

	Cummulative Quarter 3 months ended	
	31-Mar-24 RM'000	31-Mar-23 RM'000
Revenue	145,510	109,757
Other operating income	299	958
Fair value gain/(loss) on biological assets	2,118	(1,359)
Depreciation and amortisation	(8,502)	(8,690)
Operating expenses	(109,255)	(87,830)
Finance income	658	410
Finance cost	(943)	(971)
Share of profit after tax of associates	9,225	7,665
Profit before tax	<u>39,110</u>	<u>19,940</u>
Tax expense	(8,687)	(5,186)
Net profit for the period	<u>30,423</u>	<u>14,754</u>
Attributable to:		
Owners of the Company	28,701	15,859
Non-controlling interests	<u>1,722</u>	<u>(1,105)</u>
	<u>30,423</u>	<u>14,754</u>
Earnings per share attributable to owners of the Company (sen):		
Basic	<u>4.83</u>	<u>2.67</u>
Diluted	<u>4.83</u>	<u>2.67</u>

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying notes attached to the interim financial statements.

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As At 31 March 2024

(The figures have not been audited)

	Note	As at 31-Mar-24 RM'000 Unaudited	As at 31-Dec-23 RM'000 Audited
Non-current assets			
Property, plant and equipment		296,139	299,014
Investment property		63,000	63,000
Investments in associates		620,590	611,365
Other financial assets - Bond		7,091	1,997
Right-of-use assets		434,896	437,135
		1,421,716	1,412,511
Current assets			
Inventories		10,159	7,223
Biological assets		9,851	7,733
Receivables		79,987	63,221
Tax recoverable		5,270	5,476
Deposits, cash and bank balances		185,181	205,498
		290,448	289,151
Total assets		1,712,164	1,701,662
Equity			
Share capital		197,946	197,946
Fair value reserve		2	23
Retained earnings		1,213,575	1,184,874
Equity attributable to Owners of the Company		1,411,523	1,382,843
Non-controlling interests		49,295	47,573
Total equity		1,460,818	1,430,416
Non current liabilities			
Deferred tax liabilities		74,033	74,033
Lease liabilities		15,885	15,958
Borrowings	24	82,500	86,250
		172,418	176,241
Current liabilities			
Payables		59,684	49,791
Dividend payable		-	29,692
Tax payables		3,964	217
Borrowings	24	15,000	15,000
Lease liabilities		280	305
		78,928	95,005
Total liabilities		251,346	271,246
Total equity and liabilities		1,712,164	1,701,662
Net tangible assets per share (RM)		2.46	2.41
Net assets per share attributable to Owners of the Company (RM)		2.38	2.33

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 2023 and the accompanying notes attached to the interim financial statements.

FAR EAST HOLDINGS BERHAD

[Registration No. 197301001753 (14809-W)]

(Incorporated in Malaysia)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**For the Three - Months Ended 31 March 2024**

(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 2024	197,946	23	1,184,874	1,382,843	47,573	1,430,416
Profit for the period	-	-	28,701	28,701	1,722	30,423
Other comprehensive income	-	(21)	-	(21)	-	(21)
Total comprehensive income	-	(21)	28,701	28,680	1,722	30,402
Balance at 31 March 2024	197,946	2	1,213,575	1,411,523	49,295	1,460,818
Balance at 1 January 2023	197,946	-	1,174,753	1,372,699	47,978	1,420,677
Profit for the period	-	-	15,859	15,859	(1,105)	14,754
Other comprehensive income	-	(4)	-	(4)	-	(4)
Total comprehensive income	-	(4)	15,859	15,855	(1,105)	14,750
Balance at 31 March 2023	197,946	(4)	1,190,612	1,388,554	46,873	1,435,427

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three - Months Ended 31 March 2024
(The figures have not been audited)

	Quarter ended	
	31-Mar-24 RM'000	31-Mar-23 RM'000
Operating activities		
Profit for the period attributable to owners of the Company	28,701	15,859
Adjustments for:		
Non-controlling interests	1,722	(1,105)
Depreciation and amortisation	8,502	8,690
Gain on disposal of property, plant and equipment	(76)	(134)
Capital repayment of other investment	-	(581)
Fair value (gain)/loss on biological assets	(2,118)	1,359
Share of profit after tax of associates	(9,225)	(7,665)
Finance income	(658)	(410)
Finance cost	943	971
Tax expense	8,687	5,186
Operating profit before working capital	<u>36,478</u>	<u>22,170</u>
Changes in working capital:		
- inventories	(2,936)	997
- receivables, deposits and prepayments	(16,766)	681
- payables	9,893	(16,788)
Cash from operations	<u>26,669</u>	<u>7,060</u>
Finance cost paid	(943)	(971)
Finance income received	658	410
Tax paid	(4,734)	(9,188)
Net cash flow from/(used in) operating activities	<u>21,650</u>	<u>(2,689)</u>
Investing activities		
Property, plant and equipment		
- purchase	(3,388)	(2,338)
- proceed from disposal	76	134
Proceed from capital repayment of other investment	-	581
Investment in other financial assets	(5,115)	(1,973)
Net cash flow used in investing activities	<u>(8,427)</u>	<u>(3,596)</u>
Financing activities		
Repayment of lease liabilities	(98)	(98)
Dividend paid	(29,692)	(47,507)
Repayment of term loan	(3,750)	(3,750)
Net cash flow used in financing activities	<u>(33,540)</u>	<u>(51,355)</u>
Net decrease in cash and cash equivalents	(20,317)	(57,640)
Cash and cash equivalents		
-at start of the period	<u>205,498</u>	<u>244,150</u>
-at end of the period	<u>185,181</u>	<u>186,510</u>

The condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying notes attached to the interim financial statements.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim financial statements 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 2023. 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 2023.

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 2023.

The interim financial statements of the Group for the financial period ended 31 March 2024 was prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") Framework.

At the date of authorisation of these interim financial 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 2025

Amendments to MFRS 121	Lack of Exchangeability
------------------------	-------------------------

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
------------------------------------	---

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 ended 31 March 2024.

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 ended 31 March 2024.

5. DISCLOSURE ON QUALIFICATION ON AUDIT REPORT

The audit report of the Group's financial statements for the financial year ended 31 December 2023 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 ended 31 March 2024.

7. DIVIDEND PAID

Dividend paid is as follow:-

	3 months ended	
	31.3.2024 RM'000	31.3.2023 RM'000
Interim dividend	29,692 ¹	47,507 ²

Note:

- 1 An interim single tier dividend of five (5) 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) sen per share for the financial year ended 31 December 2022 was paid on 10 January 2023. The amount was taken up in the retained earnings for the financial year ended 31 December 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 ended 31 March 2024.

13. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent liabilities or contingent assets as at 31 March 2024.

14. REVIEW OF PERFORMANCE

(A) Current Quarter vs Preceding Corresponding Quarter

Financial Information	3 months ended			
	31.3.2024 RM'000	31.3.2023 RM'000	Variance RM'000	Variance %
Revenue	145,510	109,757	35,753	33
Profit before tax	39,110	19,940	19,170	96
Profit after tax	30,423	14,754	15,669	106

Production	3 months ended			
	31.3.2024 Mt	31.3.2023 Mt	Variance Mt	Variance %
FFB production	74,394	61,693	12,701	21
CPO production	14,070	11,338	2,732	24
PK production	3,696	3,044	652	21
FFB processed by mills	112,460	87,280	25,180	29

Yield per hectare	3 months ended			
	31.3.2024 Mt/ha	31.3.2023 Mt/ha	Variance Mt/ha	Variance %
FFB yield	4.07	3.41	0.66	19
CPO yield	0.77	0.63	0.14	22

Average Price	3 months ended			
	31.3.2024 RM/Mt	31.3.2023 RM/Mt	Variance RM/Mt	Variance %
Average CPO price/mt	4,001	3,989	12	-
Average PK price/mt	2,226	2,051	175	9

For the current quarter ended 31 March 2024, the Group posted a higher revenue, profit before tax and profit after tax when compared to the corresponding quarter 2023, mainly due to:-

- (a) Higher FFB production by 12,701 metric tonne (21%) coupled with higher average PK prices by 9%. The average PK price per metric tonne was RM2,226 (2023: RM2,051);
- (b) Higher FFB processed by the Group's palm oil mills by 25,180 metric tonne (29%);

- (c) Fair value gain from valuation of FFB at RM2.12 million against loss of RM1.36 million previously; and
- (d) Higher share of profit after tax of associates by RM1.56 million (20%).

15. COMPARISON WITH PRECEDING QUARTER'S RESULTS

Financial Information	3 months ended			
	31.3.2024 RM'000	31.12.2023 RM'000	Variance RM'000	Variance %
Revenue	145,510	190,289	(44,779)	(24)
Profit before tax	39,110	59,772	(20,662)	(35)
Profit after tax	30,423	51,521	(21,098)	(41)

Production	3 months ended			
	31.3.2024 Mt	31.12.2023 Mt	Variance Mt	Variance %
FFB production	74,394	94,855	(20,461)	(22)
CPO production	14,070	18,495	(4,425)	(24)
PK production	3,696	4,671	(975)	(21)
FFB processed by mills	112,460	150,680	(38,220)	(25)

Yield per hectare	3 months ended			
	31.3.2024 Mt/ha	31.12.2023 Mt/ha	Variance Mt/ha	Variance %
FFB yield	4.07	5.28	(1.21)	(23)
CPO yield	0.77	1.03	(0.26)	(25)

Average Price	3 months ended			
	31.3.2024 RM/Mt	31.12.2023 RM/Mt	Variance RM/Mt	Variance %
Average CPO price/mt	4,001	3,673	328	9
Average PK price/mt	2,226	1,993	233	12

For the current quarter ended 31 March 2024, the Group posted lower revenue, profit before tax and profit after tax as compared to the preceding quarter, mainly due to:-

- (a) Lower FFB production by 20,461 metric tonne (22%);
- (b) Lower FFB processed by the Group's palm oil mills by 38,220 metric tonne (25%); and
- (c) Lower share of profit after tax of associates by RM10.63 million (54%).

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

There were no gain or loss on disposal of quoted or unquoted investment or properties for the current quarter ended 31 March 2024.

17. FOREIGN EXCHANGE GAIN OR LOSS

The Group does not have any foreign exchange gain or loss for the current quarter ended 31 March 2024.

18. GAIN OR LOSS ON DERIVATIVES

The Group does not have any gain or loss on derivatives for the current quarter ended 31 March 2024.

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 not provided for in the financial statements is as follow:-

	As at 31.3.2024 RM'000	As at 31.3.2023 RM'000
Property, plant and equipment	6,988	4,580
Oil palm estates development	6,500	5,983
Total	13,488	10,563

21. VARIANCE FROM PROFIT FORECAST/PROFIT GUARANTEE

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

22. TAXATION

	3 months ended	
	31.3.2024 RM'000	31.3.2023 RM'000
Tax expense - current year	8,687	5,186

The effective tax rate of the Group for the financial period ended 31 March 2024 and 31 March 2023 is calculated at Malaysian statutory tax rate of 24% based on the assessable profit for the period.

23. STATUS OF CORPORATE PROPOSALS

The Company had on 28 February 2024 entered into a Share Sale and Purchase Agreement with Endau Palm Oil Mill Sdn. Bhd., Rangkaian Delima Plantation Sdn. Bhd. and Insan Sejagat Sdn. Bhd. to acquire 10,000,000 ordinary shares in Merchong Palm Oil Mill Sdn. Bhd., representing 100% equity interest in MPOM for a purchase consideration of RM10,000,000 (“the Acquisition”).

The Acquisition has not yet completed as the Conditions Precedent have not been fully met.

24. BORROWING

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

	31.3.2024 RM'000	31.3.2023 RM'000
Non-current liability		
Term loan (secured)	82,500	97,500
Current liabilities		
Term loan (secured)	15,000	15,000
Total	97,500	112,500

25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

During the current quarter ended 31 March 2024, 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 ended 31 March 2024.

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 loss before tax of RM82,916 for the current quarter ended 31 March 2024 against RM55,958 loss before tax in preceding period of 2023 due to lower FFB production resulted from prolong flood which damaged the palm root that lead to poor palm growth and lower yield.

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

FERSB had recorded an unaudited profit before tax of RM1.00 million for the current quarter ended 31 March 2024.

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

FPSB recorded an unaudited profit after tax of RM4.52 million for the financial period ended 31 March 2024 and based on the 46.24% equity held by the Company, a total of RM2.09 million has been recognised in the Group’s results.

29. DIVIDENDS

No interim dividend was declared in the current quarter ended 31 March 2024 (31 March 2023: NIL).

30. EARNINGS PER SHARE (“EPS”)

(a) Basic EPS

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

	3 months ended	
	31.3.2024	31.3.2023
Profit attributable to equity holder of the owners of the Company (RM'000)	28,701	15,859
Number of ordinary shares in issue ('000)	593,838	593,838
Basic EPS (sen)	4.83	2.67

(b) Diluted EPS

There was no diluting factor to earnings per share for the current quarter.

31. AUTHORISED FOR ISSUE

The unaudited quarterly results were authorised for issue on 29 May 2024 by the Board of Directors in accordance with the resolution of the Directors.