

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Six - Months Ended 30 June 2024
 (The figures have not been audited)

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30-Jun-24 RM'000	30-Jun-23 RM'000	30-Jun-24 RM'000	30-Jun-23 RM'000
Revenue	180,818	98,571	326,328	208,328
Other operating income	681	529	980	1,487
Fair value gain/(loss) on biological assets	2,861	229	4,979	(1,130)
Depreciation and amortisation	(8,560)	(8,513)	(17,062)	(17,203)
Operating expenses	(124,541)	(88,741)	(233,796)	(176,571)
Finance income	2,232	2,733	2,890	3,143
Finance cost	(1,256)	(1,329)	(2,199)	(2,300)
Share of profit after tax of associates	17,671	4,608	26,896	12,273
Profit before tax	<u>69,906</u>	<u>8,087</u>	<u>109,016</u>	<u>28,027</u>
Tax expense	(13,882)	(2,828)	(22,569)	(8,014)
Net profit for the period	<u>56,024</u>	<u>5,259</u>	<u>86,447</u>	<u>20,013</u>
Attributable to:				
Owners of the Company	51,354	5,921	80,055	21,780
Non-controlling interests	4,670	(662)	6,392	(1,767)
	<u>56,024</u>	<u>5,259</u>	<u>86,447</u>	<u>20,013</u>
Earnings per share attributable to owners of the Company (sen):				
Basic	<u>8.65</u>	<u>1.00</u>	<u>13.48</u>	<u>3.67</u>
Diluted	<u>8.65</u>	<u>1.00</u>	<u>13.48</u>	<u>3.67</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 30 June 2024

(The figures have not been audited)

	Note	As at 30-Jun-24 RM'000 Unaudited	As at 31-Dec-23 RM'000 Audited
Non-current assets			
Property, plant and equipment		291,894	299,014
Investment property		63,000	63,000
Investments in associates		625,421	611,365
Other financial assets - Bonds		7,040	1,997
Right-of-use assets		433,298	437,135
		1,420,653	1,412,511
Current assets			
Inventories		16,569	7,223
Biological assets		12,712	7,733
Receivables		95,667	63,221
Tax recoverable		5,056	5,476
Deposits, cash and bank balances		219,307	205,498
		349,311	289,151
Total assets		1,769,964	1,701,662
Equity			
Share capital		197,946	197,946
Fair value reserve		41	23
Retained earnings		1,229,299	1,184,874
Equity attributable to Owners of the Company		1,427,286	1,382,843
Non-controlling interests		47,684	47,573
Total equity		1,474,970	1,430,416
Non current liabilities			
Deferred tax liabilities		74,033	74,033
Lease liabilities		16,010	15,958
Borrowings	24	78,750	86,250
		168,793	176,241
Current liabilities			
Payables		62,801	49,791
Dividend payable	29	35,630	29,692
Tax payables		12,489	217
Borrowings	24	15,000	15,000
Lease liabilities		281	305
		126,201	95,005
Total liabilities		294,994	271,246
Total equity and liabilities		1,769,964	1,701,662
Net tangible assets per share (RM)		2.48	2.41
Net assets per share attributable to Owners of the Company (RM)		2.40	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)]

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Six - Months Ended 30 June 2024

(The figures have not been audited)

Note	----- 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
	197,946	23	1,184,874	1,382,843	47,573	1,430,416
	-	-	80,055	80,055	6,392	86,447
	-	18	-	18	-	18
	-	18	80,055	80,073	6,392	86,465
29	-	-	(35,630)	(35,630)	(6,281)	(41,911)
	197,946	41	1,229,299	1,427,286	47,684	1,474,970
	197,946	-	1,174,753	1,372,699	47,978	1,420,677
	-	-	21,780	21,780	(1,767)	20,013
	-	10	-	10	-	10
	-	10	21,780	21,790	(1,767)	20,023
29	-	-	(59,384)	(59,384)	(7,309)	(66,693)
	197,946	10	1,137,149	1,335,105	38,902	1,374,007

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)]
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CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six - Months Ended 30 June 2024
(The figures have not been audited)

	Quarter ended	
	30-Jun-24 RM'000	30-Jun-23 RM'000
Operating activities		
Profit for the period attributable to owners of the Company	80,055	21,780
Adjustments for:		
Non-controlling interests	6,392	(1,767)
Depreciation and amortisation	17,062	17,203
Gain on disposal of property, plant and equipment	(166)	(134)
Capital repayment of other investment	-	(581)
Fair value (gain)/loss on biological assets	(4,979)	1,130
Share of profit after tax of associates	(26,896)	(12,273)
Finance income	(2,890)	(3,143)
Finance cost	2,199	2,300
Tax expense	22,569	8,014
Operating profit before working capital	<u>93,346</u>	<u>32,529</u>
Changes in working capital:		
- inventories	(9,346)	2,631
- receivables, deposits and prepayments	(32,356)	8,840
- payables	<u>13,010</u>	<u>(27,463)</u>
Cash from operations	64,654	16,537
Finance cost paid	(2,199)	(2,300)
Finance income received	2,890	3,143
Tax paid	(9,877)	(17,851)
Net cash flow from/(used in) operating activities	<u>55,468</u>	<u>(471)</u>
Investing activities		
Property, plant and equipment		
- purchase	(5,965)	(7,155)
- proceed from disposal	166	134
Proceed from capital repayment of other investment	-	581
Dividend received from associates	12,840	23,139
Investment in other financial assets	(5,115)	(1,973)
Purchase of biological assets	-	(126)
Net cash flow from investing activities	<u>1,926</u>	<u>14,600</u>
Financing activities		
Repayment of lease liabilities	(112)	(195)
Repayment of term loan	(7,500)	(7,500)
Dividend paid	<u>(35,973)</u>	<u>(54,816)</u>
Net cash flow used in financing activities	<u>(43,585)</u>	<u>(62,511)</u>
Net increase/(decrease) in cash and cash equivalents	13,809	(48,382)
Cash and cash equivalents		
- at start of the period	205,498	244,150
- at end of the period	<u>219,307</u>	<u>195,768</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 30 June 2024 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 2025

Amendments to MFRS 121	Lack of Exchangeability
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Effective for financial period beginning on or after 1 January 2026

Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments
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Effective for financial period beginning on or after 1 January 2027

MFRS 19	Subsidiaries without Public Accountability: Disclosures
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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 cumulative quarter ended 30 June 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 and cumulative quarter ended 30 June 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 OF DEBTS AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the current quarter and cumulative quarter ended 30 June 2024.

7. DIVIDEND PAID

Dividend paid is as follow:-

	3 months ended		6 months ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Final dividend	35,630 ¹	59,384 ²	35,630 ¹	59,384 ²

Note:

- 1 A final single tier dividend of six (6) sen per share for the financial year ended 31 December 2023 was paid on 5 July 2024.
- 2 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.

8. SEGMENTAL REPORTING

No segmental reporting has been prepared as the group activities are predominantly in plantation activity, which is 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 cumulative quarter ended 30 June 2024.

13. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent liabilities or contingent assets as at 30 June 2024.

14. REVIEW OF PERFORMANCE

Financial Information	3 months ended			6 months ended		
	30.6.2024 RM'000	30.6.2023 RM'000	Variance %	30.6.2024 RM'000	30.6.2023 RM'000	Variance %
Revenue	180,818	98,571	83	326,328	208,328	57
Profit before tax	69,906	8,087	764	109,016	28,027	289
Profit after tax	56,024	5,259	965	86,447	20,013	332

Production	3 months ended			6 months ended		
	30.6.2024 Mt	30.6.2023 Mt	Variance %	30.6.2024 Mt	30.6.2023 Mt	Variance %
FFB production	97,894	53,529	83	172,288	115,222	50
CPO production	18,485	10,213	81	32,555	21,551	51
PK production	4,761	2,550	87	8,457	5,594	51
FFB processed by mills	148,910	73,340	103	261,370	160,620	63

Average Price	3 months ended			6 months ended		
	30.6.2024 RM/mt	30.6.2023 RM/mt	Variance %	30.6.2024 RM/mt	30.6.2023 RM/mt	Variance %
Average CPO price/mt	4,033	3,893	4	4,019	3,915	3
Average PK price/mt	2,405	1,988	21	2,327	2,022	15

Current Quarter vs Preceding Corresponding Quarter

For the current quarter ended 30 June 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 44,365 metric tonne (83%) coupled with higher average CPO and PK prices per metric tonne by 4% and 21% respectively. The average CPO price per metric tonne was RM4,033 (2023: RM3,893) and the average PK price per metric tonne was RM2,405 (2023: RM1,988);
- (b) Higher FFB processed by 75,570 metric tonne (103%); and
- (c) Higher share of profit after tax of associates by RM13.06 million (283%).

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

The Group posted a higher revenue, profit before tax and profit after tax for the cumulative current quarter when compared to the corresponding cumulative quarter 2023 was mainly due to:-

- (a) Higher FFB produced by 57,066 metric tonne (50%) coupled with higher average CPO and PK prices per metric tonne by 3% and 15% respectively. The average CPO price per metric tonne was RM4,019 (2023: RM3,915) and the average PK price per metric tonne was RM2,327 (2023: RM2,022);
- (b) Higher share of profit after tax of associates by RM14.62 million (119%); and
- (c) Higher FFB processed by 100,750 metric tonne (63%).

15. COMPARISON WITH PRECEDING QUARTER'S RESULTS

Financial Information	3 months ended			
	30.6.2024 RM'000	31.3.2024 RM'000	Variance RM'000	Variance %
Revenue	180,818	145,510	35,308	24
Profit before tax	69,906	39,110	30,796	79
Profit after tax	56,024	30,423	25,601	84

Production	3 months ended			
	30.6.2024 Mt	31.3.2024 Mt	Variance Mt	Variance %
FFB production	97,894	74,394	23,500	32
CPO production	18,485	14,070	4,415	31
PK production	4,761	3,696	1,065	29
FFB processed by mills	148,910	112,460	36,450	32

Average Price	3 months ended			
	30.6.2024 RM/Mt	31.3.2024 RM/Mt	Variance RM/Mt	Variance %
Average CPO price/mt	4,033	4,001	32	1
Average PK price/mt	2,405	2,226	179	8

For the current quarter ended 30 June 2024, the Group posted higher revenue, profit before tax and profit after tax as compared to the preceding quarter, mainly due to:-

- (a) Higher FFB production by 23,500 metric tonne (32%);
- (b) Higher FFB processed by the Group's palm oil mills by 36,450 metric tonne (32%); and
- (c) Higher share of profit after tax of associates by RM8.45 million (92%).

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 and cumulative quarter ended 30 June 2024.

17. FOREIGN EXCHANGE GAIN OR LOSS

The Group does not have any foreign exchange gain or loss for the current quarter and cumulative quarter ended 30 June 2024.

18. GAIN OR LOSS ON DERIVATIVES

The Group does not have any gain or loss on derivatives for the current quarter and cumulative quarter ended 30 June 2024.

19. PROSPECTS

Barring unforeseen circumstances, crude palm oil ("CPO") and palm kernel ("PK") prices are expected to remain stable in the financial year ending 31 December 2024.

With fresh fruit bunches ("FFB") production anticipated to be higher than in the previous year, the Group's financial performance for 2024 is expected to improve, primarily driven by the increase in FFB production and steady CPO and PK prices.

However, the Group will continue to face challenges from high operational costs.

20. CAPITAL COMMITMENTS

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

	As at 30.6.2024 RM'000	As at 30.6.2023 RM'000
Property, plant and equipment	6,334	4,359
Oil palm estates development	5,595	4,672
Total	11,929	9,031

21. VARIANCE FROM PROFIT FORECAST/PROFIT GUARANTEE

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

22. TAXATION

	3 months ended		6 months ended	
	30.6.2024 RM'000	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2023 RM'000
Current period	13,882	2,823	22,569	8,009
Under accrued previous period	-	5	-	5
Tax expense	13,882	2,828	22,569	8,014

The effective tax rate of the Group for the financial period ended 30 June 2024 and 30 June 2023 is calculated at Malaysian statutory tax rate of 24% based on the assessable profit for the period.

23. STATUS OF CORPORATE PROPOSALS

(a) **Acquisition of Merchong Palm Oil Mill Sdn. Bhd.**

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 fulfillment of the Conditions Precedent took place on 13 June 2024 and the Acquisition was completed on 15 July 2024.

(b) **Shareholders Agreement regarding Progressive Agricultural Research and Services Sdn. Bhd. (“PARAS”)**

On 23 July 2024, FEHB has entered into a Shareholders Agreement with United Malacca Berhad and Prosper Capital Holdings Sdn. Bhd. to jointly operate a shared service centre through a joint venture company under the name of PARAS.

24. BORROWING

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

	30.6.2024 RM'000	30.6.2023 RM'000
Non-current liability		
Term loan (secured)	78,750	93,750
Current liabilities		
Term loan (secured)	15,000	15,000
Total	93,750	108,750

25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

During the current quarter and cumulative quarter ended 30 June 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 and cumulative quarter ended 30 June 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 profit before tax of RM1.66 million for the period ended 30 June 2024.

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

FERSB had recorded an unaudited profit before tax of RM3.13 million for the period ended 30 June 2024.

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

FPSB recorded an unaudited profit after tax of RM10.13 million for the financial period ended 30 June 2024 and based on the 46.24% equity held by the Company, a total of RM4.68 million has been recognised in the Group’s results.

29. DIVIDENDS

(a) **Current quarter for the financial period ended 30 June 2024**

Dividend for the financial year ended 31 December 2023

On 26 April 2024, the Company had declared a final single tier dividend of six (6) sen per share for the financial year ended 31 December 2023. The dividend was approved by the shareholders in the Annual General Meeting on 12 June 2024 and the payment date was on 5 July 2024.

Dividend for the financial year ending 31 December 2024

The Board had approved an interim single tier dividend of five (5.00) sen per share be declared in respect of the financial year ending 31 December 2024. The payment will be made on 27 September 2024 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 13 September 2024.

(b) **Current quarter for the financial period ended 30 June 2023**

Dividend for the financial year ended 31 December 2022

On 27 April 2023, the Company had declared 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.

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		6 months ended	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
Profit attributable to equity holder of the owners of the Company (RM'000)	51,354	5,921	80,055	21,780
Number of ordinary shares in issue ('000)	593,838	593,838	593,838	593,838
Basic EPS (sen)	8.65	1.00	13.48	3.67

(b) **Diluted EPS**

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

31. AUTHORISED FOR ISSUE

The unaudited quarterly results were authorised for issue on 22 August 2024 by the Board of Directors in accordance with the resolution of the Directors.