

**FAR EAST HOLDINGS BERHAD**

Company No : 14809-W

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME****For the Six - Months Ended 30 June 2017**

|  | <b>3 months ended</b> |                  | <b>6 months ended</b> |                  |
|--|-----------------------|------------------|-----------------------|------------------|
|  | <b>30-Jun-17</b>      | <b>30-Jun-16</b> | <b>30-Jun-17</b>      | <b>30-Jun-16</b> |
|  | <b>RM'000</b>         | <b>RM'000</b>    | <b>RM'000</b>         | <b>RM'000</b>    |
|  | <b>Unaudited</b>      | <b>Unaudited</b> | <b>Unaudited</b>      | <b>Unaudited</b> |
| Revenue  | 101,087               | 79,873           | 193,276               | 140,724          |
| Other operating income   | 934                   | 1,288            | 1,821                 | 2,212            |
| Depreciation and amortisation  | (2,834)               | (2,886)          | (5,494)               | (5,770)          |
| Operating expenses   | (72,893)              | (64,716)         | (135,394)             | (115,066)        |
| Finance income   | 750                   | 718              | 1,468                 | 1,538            |
| Finance cost   | (1)                   | (1)              | (2)                   | (2)              |
| Share of profit after tax of equity accounted associates               | 8,789                 | (510)            | 13,783                | 1,961            |
| Profit before taxation   | 35,832                | 13,766           | 69,458                | 25,597           |
| Taxation   | (6,473)               | (3,209)          | (13,333)              | (5,526)          |
| <b>Net profit for the period</b>                                       | <b>29,359</b>         | <b>10,557</b>    | <b>56,125</b>         | <b>20,071</b>    |
| <b>Attributable to:</b>  |                       |                  |                       |                  |
| Owners of the Company  | <b>25,052</b>         | <b>7,578</b>     | <b>49,226</b>         | <b>15,930</b>    |
| Non-controlling interests  | 4,307                 | 2,979            | 6,899                 | 4,141            |
|  | <b>29,359</b>         | <b>10,557</b>    | <b>56,125</b>         | <b>20,071</b>    |
| <b>Earnings per share attributable to owners of the Company (sen):</b> |                       |                  |                       |                  |
| Basic  | <b>17.72</b>          | 5.36             | <b>34.82</b>          | <b>11.27</b>     |
| Diluted  | <b>17.72</b>          | 5.36             | <b>34.82</b>          | 11.27            |

*The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying notes attached to the interim financial statements.*

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**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME****For the Six - Months Ended 30 June 2017**

|  | 3 months ended |               | 6 months ended |               |
|--|----------------|---------------|----------------|---------------|
|  | 30-Jun-17      | 30-Jun-16     | 30-Jun-17      | 30-Jun-16     |
|  | RM'000         | RM'000        | RM'000         | RM'000        |
|  | Unaudited      | Unaudited     | Unaudited      | Unaudited     |
| <b>Profit for the period</b>   | 29,359         | 10,557        | 56,125         | 20,071        |
| <b>Other comprehensive income</b>  |                |               |                |               |
| <u>Items that will not be reclassified subsequently to profit or loss:</u> |                |               |                |               |
| - Transfer from revaluation reserve  | 1,000          | 1,000         | 2,000          | 2,000         |
| - Transfer to retained earnings  | (1,000)        | (1,000)       | (2,000)        | (2,000)       |
| <b>Total comprehensive income</b>  | <b>29,359</b>  | <b>10,557</b> | <b>56,125</b>  | <b>20,071</b> |
| <b>Total comprehensive income attributable to:</b>                         |                |               |                |               |
| Owners of the Company  | 25,052         | 7,578         | 49,226         | 15,930        |
| Non-controlling interests  | 4,307          | 2,979         | 6,899          | 4,141         |
|  | <b>29,359</b>  | <b>10,557</b> | <b>56,125</b>  | <b>20,071</b> |

*The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying notes attached to the interim financial statements.*

# FAR EAST HOLDINGS BERHAD

Company No : 14809-W

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## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As At 30 June 2017

|   | As at<br>30-Jun-17<br>RM'000<br>Unaudited | As at<br>31-Dec-16<br>RM'000<br>Audited |
|---|---|---|
| <b>Non Current Assets</b>   |   |   |
| Property, plant and equipment   | 846,602                                   | 842,990                                 |
| Land held for disposal  | 22,413                                    | 22,413                                  |
| Associates  | 410,181                                   | 375,640                                 |
| Other financial assets  | 3,000                                     | 3,000                                   |
|   | <u>1,282,196</u>                          | <u>1,244,043</u>                        |
| <b>Current Assets</b>   |   |   |
| Other financial assets  | 3,296                                     | 3,245                                   |
| Inventories   | 7,776                                     | 3,908                                   |
| Receivables, deposits and prepayments                                 | 60,095                                    | 67,440                                  |
| Tax recoverable   | 1,663                                     | 1,865                                   |
| Deposits, bank and cash balances                                      | 284,573                                   | 289,050                                 |
|   | <u>357,403</u>                            | <u>365,508</u>                          |
| <b>Less: Current Liabilities</b>                                      |   |   |
| Payables  | 51,380                                    | 40,053                                  |
| Hire purchase creditor  | 38  | 36                                      |
| Current tax liabilities   | 7,974                                     | 3,332                                   |
|   | <u>59,392</u>                             | <u>43,421</u>                           |
| <b>Net Current Assets</b>   | <u>298,011</u>                            | <u>322,087</u>                          |
| <b>Non Current Liabilities</b>  |   |   |
| Deferred tax liabilities  | 161,099                                   | 161,099                                 |
| Hire purchase liabilities   | 6   | 23                                      |
|   | <u>161,105</u>                            | <u>161,122</u>                          |
|   | <u><b>1,419,102</b></u>                   | <u><b>1,405,008</b></u>                 |
| <b>Capital and reserves attributable to owners<br/>of the Company</b> |   |   |
| Share capital   | 141,390                                   | 141,390                                 |
| Share premium   | 47,998                                    | 47,998                                  |
| Revaluation reserves  | 401,903                                   | 403,903                                 |
| Retained earnings   | 751,556                                   | 735,678                                 |
| Shareholders' equity  | <u>1,342,847</u>                          | <u>1,328,969</u>                        |
| <b>Non-controlling interests</b>                                      | 76,255                                    | 76,039                                  |
| <b>Total equity</b>   | <u><b>1,419,102</b></u>                   | <u><b>1,405,008</b></u>                 |

Net assets per share attributable to  
owners of the Company (RM)

9.50

9.40

*The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying notes attached to the interim financial statements.*

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## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Six - Months Ended 30 June 2017

[The figures have not been audited]

|   | ----- Attributable to owners of the Company ----- |                         |                                |                             |                  | Non-controlling interests | Total equity     |
|---|---|-------------------------|--------------------------------|-----------------------------|------------------|---------------------------|------------------|
|   | Share capital<br>RM'000                           | Share premium<br>RM'000 | Revaluation reserves<br>RM'000 | Retained earnings<br>RM'000 | Total<br>RM'000  | RM'000                    | RM'000           |
| <b>At 1 January 2016</b>                  | 141,390   | 47,998                  | 402,834                        | 645,631                     | 1,237,853        | 77,375                    | <b>1,315,228</b> |
| Profit for the period                     | -   | -                       | -                              | 15,930                      | 15,930           | 4,141                     | <b>20,071</b>    |
| Other comprehensive income                | -   | -                       | (2,000)                        | 2,000                       | -                | -                         | -                |
| Total comprehensive income                | -   | -                       | (2,000)                        | 17,930                      | 15,930           | 4,141                     | <b>20,071</b>    |
| Dividend paid                             | -   | -                       | -                              | (21,209)                    | (21,209)         | -                         | <b>(21,209)</b>  |
| Dividend paid to non-controlling interest | -   | -                       | -                              | -                           | -                | (6,179)                   | <b>(6,179)</b>   |
| <b>At 30 June 2016</b>                    | <b>141,390</b>                                    | <b>47,998</b>           | <b>400,834</b>                 | <b>642,352</b>              | <b>1,232,574</b> | <b>75,337</b>             | <b>1,307,911</b> |
| <b>At 1 January 2017</b>                  | 141,390   | 47,998                  | 403,903                        | 735,678                     | 1,328,969        | 76,039                    | <b>1,405,008</b> |
| Profit for the period                     | -   | -                       | -                              | 49,226                      | 49,226           | 6,899                     | <b>56,125</b>    |
| Other comprehensive income                | -   | -                       | (2,000)                        | 2,000                       | -                | -                         | -                |
| Total comprehensive income                | -   | -                       | (2,000)                        | 51,226                      | 49,226           | 6,899                     | <b>56,125</b>    |
| Dividend paid                             | -   | -                       | -                              | (35,348)                    | (35,348)         | -                         | <b>(35,348)</b>  |
| Dividend paid to non-controlling interest | -   | -                       | -                              | -                           | -                | (6,683)                   | <b>(6,683)</b>   |
| <b>At 30 June 2017</b>                    | <b>141,390</b>                                    | <b>47,998</b>           | <b>401,903</b>                 | <b>751,556</b>              | <b>1,342,847</b> | <b>76,255</b>             | <b>1,419,102</b> |

*The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.*

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## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

For the Six - Months Ended 30 June 2017

|   | 6 months and year-to-date ended |                      |
|---|---------------------------------|----------------------|
|   | 30-Jun-17                       | 30-Jun-16            |
|   | RM'000                          | RM'000               |
|   | Unaudited                       | Unaudited            |
| <b>Operating activities</b>                                 |                                 |                      |
| Profit for the period attributable to owners of the Company | 49,226                          | 15,930               |
| Adjustments for:  |                                 |                      |
| Non-controlling interests                                   | 6,899                           | 4,141                |
| Property, plant and equipment                               |                                 |                      |
| - depreciation  | 5,494                           | 5,770                |
| - gain on disposal  | (127)                           | (92)                 |
| Share of profit of associates , net of tax                  | (13,783)                        | (1,961)              |
| Interest income   | (1,468)                         | (1,538)              |
| Interest expense  | 2                               | -                    |
| Tax expense   | 13,333                          | 5,526                |
| Operating profit before working capital                     | <u>59,576</u>                   | <u>27,776</u>        |
| Changes in working capital:                                 |                                 |                      |
| - inventories   | (3,868)                         | (87)                 |
| - receivables, deposits and prepayments                     | 7,345                           | (17,265)             |
| - payables  | 12,175                          | 28,824               |
| Cash from operations  | <u>75,228</u>                   | <u>39,248</u>        |
| Interest received   | 1,468                           | 1,538                |
| Interest expense  | (2)                             | -                    |
| Tax refunded  | 335                             | 300                  |
| Tax paid  | (9,672)                         | (8,900)              |
| Net cash flow from operating activities                     | <u><b>67,357</b></u>            | <u><b>32,186</b></u> |

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## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

For the Six - Months Ended 30 June 2017

|  | 6 months and year-to-date ended |                 |
|--|---------------------------------|-----------------|
|  | 30-Jun-17                       | 30-Jun-16       |
|  | RM'000                          | RM'000          |
|  | Unaudited                       | Unaudited       |
| <b>Investing activities</b>                      |                                 |                 |
| Property, plant and equipment                    |                                 |                 |
| - purchase                                       | (9,106)                         | (10,829)        |
| - proceed from disposal                          | 127                             | 92              |
| Purchase of investment                           | (51)                            | (3,029)         |
| Payment for Rights Issue in associate            | (20,758)                        | -               |
| Net cash flow used in investing activities       | <u>(29,788)</u>                 | <u>(13,766)</u> |
| <b>Financing activities</b>                      |                                 |                 |
| Hire purchase paid                               | (15)                            | (12)            |
| Dividend paid                                    | (42,031)                        | (41,527)        |
| Net cash used in financing activities            | <u>(42,046)</u>                 | <u>(41,539)</u> |
| <b>Net decrease in cash and cash equivalents</b> | (4,477)                         | (23,119)        |
| Cash and cash equivalents                        |                                 |                 |
| -at start of the period                          | 289,050                         | 276,004         |
| -at end of the period                            | <u>284,573</u>                  | <u>252,885</u>  |

*The condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying notes attached to the interim financial statements.*

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## **1. BASIS OF PREPARATION**

The interim financial statements, other than financial instruments, have been prepared under the historical cost convention. Financial instruments have been fair valued in accordance to FRS 139 Financial Instruments: Recognition and Measurement.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 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 2016. 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 2016.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

During the financial year, the Group has adopted the following new and revised Financial Reporting Standards and Interpretations (collectively referred to as 'FRSs'), issued by the Malaysian Accounting Standards Board ('MASB') and effective for the financial periods beginning on or after 1 January 2017:

### **2.1 FRSs that do not have significant impacts on these financial statements**

The following new and revised FRSs issued by the MASB, effective for financial periods beginning on or after 1 January 2017, have been adopted, but the adoptions do not have a significant impact on the financial statements:

#### Effective for financial period beginning on or after 1 January 2017

Amendments to FRS 107 : Disclosure Initiative

Amendments to FRS 112 : Recognition of Deferred Tax Assets for Unrealised Losses

Annual Improvements to FRSs 2014 – 2016 Cycle

Amendments to FRS 12 : Disclosure of Interests in Other Entities

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### **2.2 FRSs that have been issued but are not yet effective**

The Group has not adopted the following FRSs that have been issued by the MASB but are not yet effective:

Effective for financial period beginning on or after 1 January 2018

|  |   |
|--|---|
| Amendments to FRS 2                                    | : Classification and Measurement of Share- based Payment Transactions |
| Amendments to FRS 4                                    | : Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts |
| FRS 9  | : Financial Instruments (IFRS 9 as issued by IASB in July 2014)       |
| Amendments to FRS 140                                  | Transfers of Investment Property                                      |
| IC Interpretation 22                                   | : Foreign Currency Transactions and Advance Consideration             |
| Annual Improvements to FRS Standards 2014 – 2016 Cycle |   |
| Amendments to FRS 1                                    | : First-time Adoption of Financial Reporting Standards                |
| Amendments to FRS 128                                  | : Investments in Associates and Joint Ventures                        |

The adoption of the above revised FRSs, IC Interpretation and Amendments did not have any significant impact on the financial performance, position or presentation of financial of the Group.

### **Malaysian Financial Reporting Standards**

The Group falls within the scope definition of Transitioning Entities which are allowed to defer adoption of the Malaysian Financial Reporting Standards (“MFRS”) Framework. Adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2018. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.



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The Group expects to be in position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2018.

### **3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

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

### **4. 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 2017.

### **5. 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 2017.

### **6. DISCLOSURE ON QUALIFICATION ON AUDIT REPORT**

The audit report of the Group's financial statements for the financial year ended 31 December 2016 was not qualified.

### **7. 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 cumulative quarter ended 30 June 2017.

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### **8. DIVIDEND PAID**

Dividend paid is as follow:-

|                  | 3 months ended      |                     | 3 months ended      |                     |
|------------------|---------------------|---------------------|---------------------|---------------------|
|                  | 30.6.2017<br>RM'000 | 30.6.2016<br>RM'000 | 30.6.2017<br>RM'000 | 30.6.2016<br>RM'000 |
| Interim dividend | -                   | -                   | -                   | 14,139 <sup>1</sup> |
| Final dividend   | 28,278 <sup>3</sup> | 21,209 <sup>2</sup> | 28,278 <sup>3</sup> | 21,209 <sup>2</sup> |
| Special dividend | 7,070 <sup>4</sup>  | -                   | 7,070 <sup>4</sup>  | -                   |
| <b>Total</b>     | <b>35,348</b>       | <b>21,209</b>       | <b>35,348</b>       | <b>35,348</b>       |

#### **Note:**

- 1 An interim single tier dividend of ten (10.0) sen per share for the financial year ended 31 December 2015 was paid on 15 January 2016. The amount was taken-up in the retained earnings for the financial year ended 31 December 2015.
- 2 A final single tier dividend of fifteen (15.0) sen per share for the financial year ended 31 December 2015 was paid on 29 June 2016.
- 3 A final single tier dividend of twenty (20.0) sen per share for the financial year ended 31 December 2016 was paid on 16 June 2017.
- 4 A special single tier dividend of five (5.00) sen per share for the financial year ended 31 December 2016 was paid on 16 June 2017.

### **9. SEGMENTAL REPORTING**

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

### **10. PROPERTY, PLANT AND EQUIPMENT**

The valuation of property, plant and equipment has been brought forward without amendments from the financial statements for the year ended 31 December 2016.

### **11. SUBSEQUENT MATERIAL EVENTS**

There was no subsequent material events at the date of this current quarter and cumulative quarter ended 30 June 2017.

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### **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 2017.

### **13. CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

The contingent liabilities relate to the material litigation as disclosed in Note 26.

### **14. REVIEW OF PERFORMANCE**

|                           | <b>3 months ended</b>       |                             | <b>6 months ended</b>       |                             |
|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                           | <b>30.6.2017<br/>RM'000</b> | <b>30.6.2016<br/>RM'000</b> | <b>30.6.2017<br/>RM'000</b> | <b>30.6.2016<br/>RM'000</b> |
| Revenue                   | <b>101,087</b>              | 79,873                      | 193,276                     | 140,724                     |
| Profit before taxation    | <b>35,832</b>               | 13,766                      | 69,458                      | 25,597                      |
| Net profit for the period | <b>29,359</b>               | 10,557                      | 56,125                      | 20,071                      |

Higher revenue, profit before taxation and net profit for the cumulative current quarter when compared to the corresponding cumulative quarter 2016 was mainly due to:-

- (i) Higher average CPO and kernel prices of RM2,880 per metric tonne and RM2,608 per metric tonnes respectively when compared to RM2,415 per metric tonne and RM2,249 per metric tonne respectively for the corresponding cumulative quarter 2016. Both average CPO and kernel prices increased by 19% and 16% respectively.
- (ii) Higher FFB production by 23,494 metric tonnes (18%) to 154,629 metric tonnes when compared to FFB produced in corresponding cumulative quarter 2016 of 131,135 metric tonnes.
- (iii) Higher contribution from the share of profits from associated companies by RM11.82 million (603%) mainly due to:-
  - (a) Higher share of profit contributed from Prosper Palm Oil Mill Sdn Bhd by RM8.83 million (307%) to RM11.71 million against RM2.88 million of share of profit in the corresponding period of 2016; and

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- (b) Higher share of profit contributed from Future Prelude Sdn Bhd by RM3.88 million (207%) to RM2.10 million against RM1.87 million of share of losses in the corresponding period of 2016.
- (iv) Lower estate expenditure by RM6.50 million (16%) due to some of estate programmes not completed as per schedule especially for the manuring programme.

### 15. COMPARISON WITH PRECEDING QUARTER'S RESULTS

|                           | <b>Current Quarter<br/>30.6.2017<br/>RM'000</b> | <b>Preceding<br/>Quarter<br/>31.3.2017<br/>RM'000</b> |
|---------------------------|---|---|
| Revenue                   | <b>101,087</b>                                  | 92,189  |
| Profit before taxation    | <b>35,832</b>                                   | 33,626  |
| Net profit for the period | <b>29,359</b>                                   | 26,766  |

For the current quarter ended 30 June 2017, the Group posted higher revenue, profit before tax and net profit when compared to the preceding quarter 31 March 2017 mainly due to:-

- (i) Higher FFB production by 9,966 metric tonnes (14%).
- (ii) Higher contribution from the share of profits from associated companies by RM3.80 million (76%).

### 16. OTHER OPERATING INCOME

|  | <b>3 months ended</b>       |                             | <b>6 months ended</b>       |                             |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|  | <b>30.6.2017<br/>RM'000</b> | <b>30.6.2016<br/>RM'000</b> | <b>30.6.2017<br/>RM'000</b> | <b>30.6.2016<br/>RM'000</b> |
| - Net sales of scout harvesting              | 155                         | 312                         | 277                         | 493                         |
| - Net sales of FFB from "tapping right" area | 238                         | 122                         | 482                         | 282                         |
| - Net sales of seedlings                     | 5                           | 66                          | 6                           | 157                         |
| - Net sales of palm kernel shell and others  | 283                         | 588                         | 532                         | 750                         |
| - Gain on disposal of PPE                    | 69                          | -                           | 127                         | 92                          |
| - Rental income                              | 55                          | 51                          | 111                         | 80                          |
| - Others                                     | 129                         | 149                         | 286                         | 358                         |
| <b>Total</b>                                 | <b>934</b>                  | <b>1,288</b>                | <b>1,821</b>                | <b>2,212</b>                |

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### **17. 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 2017.

### **18. 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 2017.

### **19. 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 2017.

### **20. CURRENT YEAR PROSPECTS**

The Group is expected to achieve favourable result in view of the sustainable crude palm oil prices.

### **21. CAPITAL COMMITMENTS**

The amounts of capital commitments not provided for in the financial statements are as follow:-

|                               | <b>As at<br/>30.6.2017<br/>RM'000</b> | <b>As at<br/>30.6.2016<br/>RM'000</b> |
|-------------------------------|---------------------------------------|---------------------------------------|
| Property, plant and equipment | 5,447                                 | 6,474                                 |
| Oil palm estates development  | 4,469                                 | 5,322                                 |
| Acquisition of land           | 10,000                                | 10,000                                |
| <b>Total</b>                  | <b>19,916</b>                         | <b>21,796</b>                         |

### **22. VARIANCE FROM PROFIT FORECAST/PROFIT GUARANTEE**

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

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### **23. TAXATION**

|                                      | <b>3 months ended</b>       |                             | <b>6 months ended</b>       |                             |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                      | <b>30.6.2017<br/>RM'000</b> | <b>30.6.2016<br/>RM'000</b> | <b>30.6.2017<br/>RM'000</b> | <b>30.6.2016<br/>RM'000</b> |
| Tax expense                          | <b>6,472</b>                | 3,333                       | <b>13,332</b>               | 5,650                       |
| Under/(Over) provision in prior year | <b>1</b>                    | (124)                       | <b>1</b>                    | (124)                       |
| <b>Total</b>                         | <b>6,473</b>                | 3,209                       | <b>13,333</b>               | 5,526                       |

The effective tax rate of the Group for the cumulative quarter ended 30 June 2017 and 30 June 2016 is calculated at Malaysian statutory tax rate of 24% based on the assessable profit for the period.

The effective tax rate of the Group for the current quarter and cumulative quarter ended 30 June 2017 and 30 June 2016 was lower than the statutory tax rate due to certain income which was not taxable.

### **24. STATUS OF CORPORATE PROPOSALS**

There were no corporate proposals for the current quarter and cumulative quarter ended 30 June 2017.

### **25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

During the current quarter and cumulative quarter ended 30 June 2017, the Group did not enter into any contract involving off balance sheet instruments.

### **26. STATUS OF THE MATERIAL LITIGATIONS**

Status on material litigation between Far East Holdings Berhad (“FEHB”), Kampong Aur Oil Palm Plantations Company (Sdn.) Berhad (“KAOP”) and Majlis Ugama Islam dan Adat Resam Melayu Pahang (“MUIP”).

#### **1. Appeal to the Federal Court Civil Appeal No. 02(f)-19-04/2016 (W)**

This is the appeal filed by FEHB/KAOP against the decision of the Court of Appeal (i.e. the Enforcement Proceedings).

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### **2. Appeal to the Federal Court Civil Appeal No. 02(f)-20-04/2016 (W)**

This is the appeal filed by FEHB/KAOP against the decision of the Court of Appeal (i.e. in the Setting Aside Proceedings).

### **3. Appeal to the Federal Court Civil Appeal No. 02(f)-21-04/2016 (W)**

MUIP had also filed an appeal to the Federal Court on 6.4.2016 to appeal against the decision of the Court of Appeal on the interest issue.

The decision date for the above appeals has not been fixed yet.

## **27. STATUS ON THE JOINT VENTURE PROJECT**

### **(i) The status on the joint venture project for the development of oil palm plantation between Far East Holdings Berhad and Rangkaian Delima Sdn Bhd**

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

FEDP had recorded a profit before tax of RM2.77 million for the current quarter ended 30 June 2017.

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

FERSB had recorded a loss before tax of RM442,823 for the current quarter ended 30 June 2017.

### **(ii) The status on the joint venture project for the biodiesel and glycerine refinery - Future Prelude Sdn Bhd (“FPSB”)**

FPSB had recorded a profit before tax of RM4.29 million for the current quarter ended 30 June 2017.

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### **28. DIVIDEND**

#### **(i) Current quarter for the financial period ending 30 June 2017**

##### **Dividend for the financial year ended 31 December 2016:**

On 26 April 2017, the Company had announced recommendation for a final single tier dividend of 20 sen per share and a special single tier dividend of 5 sen per share for the financial year ended 31 December 2016. The dividends were approved at Annual General Meeting on 24 May 2017 and the payment date was on 16 June 2017.

#### **(ii) Current quarter for the financial period ending 30 June 2016**

##### **Dividend for the financial year ended 31 December 2015:**

On 26 April 2016, the Company had announced recommendation for a final single tier dividend of 15 sen per share for the financial year ended 31 December 2015 and the dividend was approved at Annual General Meeting on 25 May 2016 and the payment date was on 29 June 2016.

### **29. EARNINGS PER SHARE (“EPS”)**

#### **(i) 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 weighted average number of ordinary shares in issue during the period:-

|  | <b>3 months ended</b> |                  | <b>6 months ended</b> |                  |
|--|-----------------------|------------------|-----------------------|------------------|
|  | <b>30.6.2017</b>      | <b>30.6.2016</b> | <b>30.6.2017</b>      | <b>30.6.2016</b> |
| Profit attributable to equity holder of the owners of the Company (RM'000) | <b>25,052</b>         | 7,578            | <b>49,226</b>         | 15,930           |
| Weighted average number of ordinary shares in issue ('000)                 | <b>141,390</b>        | 141,390          | <b>141,390</b>        | 141,390          |
| <b>Basic EPS (sen)</b>   | <b>17.72</b>          | 5.36             | <b>34.82</b>          | 11.27            |

#### **(ii) Diluted EPS**

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



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**30. RETAINED EARNINGS**

|                                | <b>As at<br/>30.6.2017<br/>Unaudited<br/>RM'000</b> | <b>As at<br/>31.12.2016<br/>Audited<br/>RM'000</b> |
|--------------------------------|---|--|
| Realised                       | 756,138   | 742,760  |
| Unrealised                     | (4,582)   | (7,082)  |
| <b>Total Retained Earnings</b> | <b>751,556</b>                                      | <b>735,678</b>                                     |

**31. AUTHORISED FOR ISSUE**

The interim financial statements were authorised for issue on 24 August 2017 by the Board of Directors in accordance with the resolution of the Directors.