

Company Name : Far East Holdings Berhad
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Far East's 3Q Net Profit Halves On-Year, Declares Five Sen Dividend



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KUALA LUMPUR (Nov 24): Far East Holdings Bhd expects its performance to continue to be challenging due to rising operation costs and lower crude palm oil (CPO) and palm kernel (PK) prices, after its net profit for the third quarter ended Sept 30, 2023 (3QFY2023) dropped 49.85% to RM31.55 million from RM62.91 million a year earlier.

Quarterly revenue declined by 23.94% to RM143.74 million from RM188.98 million.

The lower earnings were dragged down mainly by associates' profit after tax, which shrank by 58% to RM14.9 million from RM35.28 million, the oil palm plantation company's filing showed.

During the quarter under review, average CPO prices slipped 5% to RM3,797 per metric ton (mt) from RM3,979 per mt a year ago, while PK prices fell 15% to RM2,043 per mt from RM2,413 per mt.

Additionally, the group's fresh fruit and bunch (FFB) production decreased by 18% to 82,586 mt from 100,400 mt.

Nevertheless, the group declared a five sen dividend, which will be paid on Jan 10, 2024.

The lower quarterly earnings have pushed Far East's net profit for the nine months ended Sept 30, 2023 (9MFY2023) down by 71.99% to RM53.33 million from RM190.38 million a year prior. Nine-month revenue sank 43.07% to RM352.07 million from RM618.4 million.

"The average selling prices of CPO and PK have weakened since the end of the financial year ended Dec 31, 2022 (FY2022), and this would have a corresponding effect for FY2023. However, barring unforeseen circumstances, FFB production is forecasted to be stable in 2023," the group commented on its prospects.

Far East shares were last traded at RM3.60, with a market capitalisation of RM2.14 billion.