



FELDA GLOBAL VENTURES HOLDINGS BERHAD (800165-P)

QUARTERLY REPORT

**Condensed Consolidated Financial Statements
For The First Quarter Ended 31 March 2013**



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT

On consolidated results for the quarter ended 31 March 2013

The Directors are pleased to announce the following:

**Unaudited Condensed Consolidated Statement of Comprehensive Income
Amounts in RM thousand unless otherwise stated**

	Note	Quarter ended 31 March		% + / (-)
		2013	2012	
Revenue		2,682,208	1,719,997	55.9
Cost of sales		(2,388,774)	(1,345,434)	
Gross profit		293,434	374,563	(21.7)
Other operating income		39,901	1,038	
Selling and distribution costs		(38,388)	(30,926)	
Administrative expenses		(31,789)	(41,620)	
Other operating expenses		(13,657)	-	
Other losses, net, including fair value changes in Land Lease Agreement ("LLA") liability		(102,296)	(47,765)	
Operating profit	16	147,205	255,290	(42.3)
Finance income		40,890	11,147	
Finance costs		(23,208)	(27,777)	
Finance costs-net		17,682	(16,630)	
Share of results from associates		54,438	35,014	
Share of results from jointly controlled entities		(812)	7,132	
Profit before zakat and taxation		218,513	280,806	(22.2)
Zakat		(10,000)	-	
Taxation	17	(41,456)	(57,594)	
Profit for the financial period		167,057	223,212	(25.2)
Profit attributable to:				
-Owners of the Company		136,716	192,165	(28.9)
-Non-controlling interests		30,341	31,047	(2.3)
Profit for the financial period		167,057	223,212	(25.2)
Earnings per share for profit attributable to the owners of the Company:				
Basic (sen)	23	3.7	10.9	
Diluted (sen)	23	3.7	7.2	



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

On consolidated results for the third quarter ended 31 March 2013 (continued)

Unaudited Condensed Consolidated Statement of Comprehensive Income (continued)
Amounts in RM thousand unless otherwise stated

	Note	Quarter ended 31 March		% + / (-)
		2013	2012	
Profit for the period		167,057	223,212	(25.2)
Other comprehensive (loss)/income				
Share of other comprehensive (loss)/income of associates		(5,626)	7,192	
Share of other comprehensive income/(loss) of jointly controlled entities		15,501	(10,630)	
Currency translation differences		(1,051)	(8,049)	
Other comprehensive income/(loss) for the financial period, net of tax		8,824	(11,487)	
Total comprehensive income for the period		<u>175,881</u>	<u>211,725</u>	(16.9)
Total comprehensive income attributable to:				
- Owners of the Company		145,537	180,678	
- Non-controlling interests		<u>30,344</u>	<u>31,047</u>	
Total comprehensive income for the financial period		<u>175,881</u>	<u>211,725</u>	(16.9)

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the interim financial report and the audited financial statements for the financial year ended 31 December 2012.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

On consolidated results for the third quarter ended 31 March 2013 (continued)

Unaudited Condensed Consolidated Statement of Financial Position
Amounts in RM thousand unless otherwise stated

	Note	Unaudited As at 31 March 2013	Audited As at 31 December 2012
<u>Non-current assets</u>			
Property, plant and equipment		1,699,475	1,683,316
Investments properties		1,648	40,378
Intangible assets		704,818	707,099
Interests in associates		1,904,074	2,386,306
Interests in jointly controlled entities		336,919	333,577
Biological assets		1,868,413	1,864,224
Prepaid lease payments		698	715
Receivables		8,198	8,198
Deferred tax assets		1,478,159	1,479,710
		<u>8,002,402</u>	<u>8,503,523</u>
<u>Current assets</u>			
Inventories		563,405	597,667
Biological assets		42,074	41,662
Receivables		449,394	742,765
Amounts due from a significant shareholder		57,172	73,091
Amount due from a jointly controlled entity		317,967	318,224
Amounts due from related companies		777,473	503,650
Tax recoverable		46,706	23,217
Derivative financial assets	20	930	5,189
Cash and cash equivalents		6,232,184	5,688,372
		<u>8,487,305</u>	<u>7,993,837</u>
Assets held for sale		39,342	1,941
Total assets		<u>16,529,049</u>	<u>16,499,301</u>
<u>Equity</u>			
Share capital		3,648,152	3,648,152
Reserves		2,599,749	2,454,212
Equity attributable to owners of the Company		<u>6,247,901</u>	<u>6,102,364</u>
Non-controlling interests		888,159	857,815
Total equity		<u>7,136,060</u>	<u>6,960,179</u>



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

On consolidated results for the third quarter ended 31 March 2013 (continued)

Unaudited Condensed Consolidated Statement of Financial Position (continued)
Amounts in RM thousand unless otherwise stated

	Note	Unaudited As at 31 March 2013	Audited As at 31 December 2012
<u>Non-current liabilities</u>			
Borrowings	19	383	509
Loan due to a significant shareholder	19	1,620,714	1,620,714
LLA liability		5,183,104	5,167,831
Provisions		4,617	4,500
Provision for defined benefit plan		19,429	19,429
Deferred tax liabilities		90,030	91,461
		<u>6,918,277</u>	<u>6,904,444</u>
<u>Current liabilities</u>			
Payables		303,478	348,688
Loan due to a significant shareholder	19	233,933	219,557
Amount due to an associate		11,609	69,510
Amount due to a significant shareholder		85,278	93,826
Amounts due to related companies		893,067	755,023
Borrowings	19	429,495	599,160
Derivative financial liabilities	20	2,078	1,668
Provisions		309	412
LLA liability		505,302	496,938
Current tax liabilities		10,163	49,896
		<u>2,474,712</u>	<u>2,634,678</u>
Total liabilities		<u>9,392,989</u>	<u>9,539,122</u>
Total equity and liabilities		<u>16,529,049</u>	<u>16,499,301</u>
		As at 31 March 2013	As at 31 December 2012
Net assets per share attributable to owners of the Company		<u>1.71</u>	<u>1.67</u>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial report and the audited financial statements for the financial year ended 31 December 2012.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)
Unaudited Condensed Consolidated Statement of Changes in Equity
Amounts in RM thousand unless otherwise stated

Quarter ended	Note	Share capital	Share premium	Foreign exchange reserve	Re-organisation reserve	Available for sale reserve	Capital redemption reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
31 March 2013		3,648,152*	3,371,685	(84,016)	(2,088,969)	20,027	10,052	33,615	1,191,818	6,102,364	857,815	6,960,179
At 1 January 2013		-	-	-	-	-	-	-	136,716	136,716	30,341	167,057
Profit for the financial period		-	-	(1,054)	-	-	-	-	-	(1,054)	3	(1,051)
Other comprehensive income/(loss) for the financial period, net of tax:		-	-	547	-	(6,185)	-	-	12	(5,626)	-	(5,626)
- currency translation differences		-	-	3,853	-	11,648	-	-	-	15,501	-	15,501
- share of other comprehensive income/(loss) of associates		-	-	3,346	-	5,463	-	-	12	8,821	3	8,824
- share of other comprehensive income of jointly controlled entities		-	-	3,346	-	5,463	-	-	136,728	145,537	30,344	175,881
Total comprehensive income for the financial period		3,648,152*	3,371,685	(80,670)	(2,088,969)	25,490	10,052	33,615	1,328,546	6,247,901	888,159	7,136,060
At 31 March 2013												

* Includes 1 Special Share of RM1.00 held by Minister of Finance (Incorporated).



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

**Unaudited Condensed Consolidated Statement of Changes in Equity (continued)
Amounts in RM thousand unless otherwise stated**

Quarter ended	Note	Share capital	Redeemable preference shares	Share premium	Foreign exchange reserve	Re-organisation reserve	Available for sale reserve	Capital redemption reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
31 December 2012													
At 1 January 2012		1,767,612	9,005	881,783	(60,608)	2,347,742	33,526	1,047	33,615	601,541	5,615,263	823,362	6,438,625
Effects of acquisition of plantation estates		-	-	-	-	(4,436,711)	-	-	-	-	(4,436,711)	-	(4,436,711)
Profit for the financial period		1,767,612	9,005	881,783	(60,608)	(2,088,969)	33,526	1,047	33,615	601,541	1,178,552	823,362	2,001,914
Other comprehensive income/(loss) for the financial period, net of tax:		-	-	-	-	-	-	-	-	192,165	192,165	31,047	223,212
- currency translation differences		-	-	-	(8,049)	-	-	-	-	-	(8,049)	-	(8,049)
- share of other comprehensive income of associates		-	-	-	286	-	6,906	-	-	-	7,192	-	7,192
- share of other comprehensive loss of jointly controlled entities		-	-	-	(7,237)	-	(3,393)	-	-	-	(10,630)	-	(10,630)
Total comprehensive (loss)/income for the financial period		-	-	-	(15,000)	-	3,513	-	-	-	(11,487)	-	(11,487)
		-	-	-	(15,000)	-	3,513	-	-	192,165	180,678	31,047	211,725
At 31 December 2012		1,767,612	9,005	881,783	(75,608)	(2,088,969)	37,039	1,047	33,615	793,706	1,359,230	854,409	2,213,639

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial report and the audited financial statements for the financial year ended 31 December 2012.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Unaudited Condensed Consolidated Statement of Cash Flows
Amounts in RM thousand unless otherwise stated

	Quarter ended 31 March	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial period	167,057	223,212
Adjustments for non-cash items	95,293	108,942
Operating profit before working capital changes	262,350	332,154
Changes in working capital	103,246	(41,911)
Cash generated from operations	365,596	290,243
Finance income received	40,844	10,613
Taxation paid	(103,635)	(30,128)
Zakat paid	(10,000)	-
Retirement benefits paid	-	(157)
Net cash generated from operating activities	292,805	270,571
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(41,526)	(30,305)
Purchase of biological assets	(6,359)	-
Purchase of intangible assets	-	(13,318)
Proceeds from disposal of property, plant and equipment	6,285	23
Proceeds from disposal of investment in associate	551,435	-
Net cash generated from/(used in) from investing activities	509,835	(43,600)



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Unaudited Condensed Consolidated Statement of Cash Flows (continued)
Amounts in RM thousand unless otherwise stated

	Quarter ended 31 March	
	2013	2012
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	-	(124,880)
Net utilisation of bankers acceptances	(170,100)	(105,900)
Repayment of LLA liability	(78,515)	(62,120)
Finance costs paid	(11,567)	(27,777)
Decrease in fixed deposits pledged for bank guarantee	15,369	76,062
Net cash used in financing activities	<u>(244,813)</u>	<u>(244,615)</u>
Net increase in cash and cash equivalents	557,827	(17,644)
Effect of foreign exchange rate changes	1,354	(10,242)
Cash and cash equivalents at beginning of the financial period	5,673,003	1,457,483
Cash and cash equivalents at end of the financial period	<u>6,232,184</u>	<u>1,429,597</u>
For the purpose of the statement of cash flows, cash and cash equivalents comprised the following:		
Bank balances, deposits and cash	6,232,184	1,674,180
Fixed deposits pledged	-	(244,583)
Cash and cash equivalents at end of the period	<u>6,232,184</u>	<u>1,429,597</u>

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial report and the audited financial statements for the financial year ended 31 December 2012.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2013
Amounts in RM thousand unless otherwise stated

EXPLANATORY NOTES

This interim financial information of Felda Global Ventures Holdings Berhad ('FGVH') is prepared in accordance with the requirements of paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and complies with the requirements of the Financial Reporting Standard ('FRS') No. 134 – Interim Financial Reporting. The interim financial report is unaudited and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012.

1. Basis of Preparation

(a) General

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the annual financial statements for the financial year ended 31 December 2012, except for the adoption of the new Financial Reporting Standards ("FRS"), Amendments to FRSS and IC Interpretations with effect from 1 January 2013.

In the financial year beginning 1 January 2014, the Group, being a Transitioning Entity, will be adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards ("MFRS").

(b) FRSS applicable in 2013

- Amendment to FRS 101 "Presentation of Items of Other Comprehensive Income" (effective from 1 July 2012) requires entities to separate items presented in 'other comprehensive income' (OCI) in the statement of comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. The amendments do not address which items are presented in OCI.
- FRS 10 "Consolidated Financial Statements" (effective from 1 January 2013) changes the definition of control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. It establishes control as the basis for determining which entities are consolidated in the consolidated financial statements and sets out the accounting requirements for the preparation of consolidated financial statements. It replaces all the guidance on control and consolidation in FRS 127 "Consolidated and Separate Financial Statements" and IC Interpretation 112 "Consolidation – Special Purpose Entities".
- FRS 11 "Joint Arrangements" (effective from 1 January 2013) requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations arising from the arrangement, rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2013 (continued)
Amounts in RM thousand unless otherwise stated

1. Basis of Preparation (continued)

(b) FRSs applicable in 2013 (continued)

- FRS 12 “Disclosures of Interests in Other Entities” (effective from 1 January 2013) sets out the required disclosures for entities reporting under the two new standards, FRS 10 and FRS 11, and replaces the disclosure requirements currently found in FRS 128 “Investments in Associates”. It requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity’s interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.
- FRS 13 “Fair Value Measurement” (effective from 1 January 2013) aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across FRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhanced disclosure requirements are similar to those in FRS 7 “Financial Instruments: Disclosures”, but apply to all assets and liabilities measured at fair value, not just financial ones.
- Revised FRS 127 “Separate Financial Statements” (effective from 1 January 2013) includes the provisions on separate financial statements that are left after the control provisions of FRS 127 have been included in the new FRS 10.
- Revised FRS 128 “Investments in Associates and Joint Ventures” (effective from 1 January 2013) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of FRS 11.
- Amendments to FRS 1 “Government Loans” (effective from 1 January 2013) allows a first-time adopter to use its previous GAAP carrying amount for such loans on transition to MFRS. It requires entities to classify all government loans as a financial liability or an equity instrument in accordance with FRS 132 “Financial Instruments: Presentation” and apply the requirements in FRS 9 “Financial Instruments” and FRS 120 “Accounting for Government Grants and Disclosure of Government Assistance” prospectively to government loans existing at the date of transition to FRSs and shall not recognise the corresponding benefit of the government loan at a below-market rate of interest as a government grant.
- Amendment to FRS 7 “Financial Instruments: Disclosures” (effective from 1 January 2013) requires more extensive disclosures focusing on quantitative information about recognised financial instruments that are offset in the statement of financial position and those that are subject to master netting or similar arrangements irrespective of whether they are offset.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2013 (continued)
Amounts in RM thousand unless otherwise stated

1. Basis of Preparation (continued)

(b) FRSs applicable in 2013 (continued)

- Amendments to FRS 10, FRS 11 and FRS 12 “Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance” (effective from 1 January 2013) clarifies that the date of initial application is the first day of the annual period in which FRS 10 is adopted. The entities should assess the control at the date of initial application which will impact the treatment in the immediately preceding comparative period. The amendment also requires certain comparative disclosures in relation to subsidiaries, associates and jointly controlled entities under FRS 12 upon transition. Any difference between FRS 10 carrying amounts and previous carrying amounts at the beginning of the immediately preceding annual period is adjusted to equity.
- Improvement to FRSs relating to IASB Improvements to IFRSs in 2011
 - Amendment to FRS 16 “Property, Plant and Equipment” clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment.
- IC Interpretation 20 “Stripping Costs in Production Phase of a Surface Mine” (effective from 1 January 2013) sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. It requires entities reporting under MFRS to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body.

The Group will apply the above standards from the financial period beginning on 1 January 2013.

The effects of the above standards are currently being assessed by the Directors.

(c) FRSs applicable in 2014

MFRS 1 “First-time Adoption of MFRS” provides for certain optional exemptions and certain mandatory exceptions for first-time MFRS adopters.

The impact of adoption of MFRS 1 to the Group and the Company based on mandatory exemptions and optional exemptions for first-time MFRS adoptions is still being assessed by the Directors.

- MFRS 141 “Agriculture”
- Amendment to MFRS 132 “Financial Instruments: Presentation”

The principal effects resulting from the adoption of MFRS 141 and Amendment to MFRS 132 are discussed below:



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2013 (continued)
Amounts in RM thousand unless otherwise stated

1. Basis of Preparation (continued)

(c) FRSs applicable in 2014 (continued)

- MFRS 141 “Agriculture” (effective from 1 January 2012) requires biological assets and agricultural produce at the point of harvest to be measured at fair value less costs to sell.

Upon adoption of MFRS 141 on 1 January 2014, the biological assets for the Group will be fair valued and the impact of the fair value adjustment will be accounted for retrospectively by adjusting retained earnings. Subsequent fair value changes after that date of biological assets shall be included in profit and loss in the period in which the changes arise.

- Amendment to MFRS 132 “Financial Instruments: Presentation” (effective from 1 January 2014) does not change the current offsetting model in MFRS 132. It clarifies the meaning of ‘currently has a legally enforceable right of set-off’ that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

The Group will apply the above standards from the financial period beginning on 1 January 2014.

(c) FRSs applicable in 2015

- MFRS 9 “Financial Instruments - Classification and Measurement of Financial Assets and Financial Liabilities” (effective from 1 January 2015) replaces the multiple classification and measurement models in MFRS 139 with a single model that has only two classification categories: amortised cost and fair value. The basis of classification depends on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The accounting and presentation for financial liabilities and for de-recognising financial instruments has been relocated from MFRS 139, without change, except for financial liabilities that are designated at fair value through profit or loss (‘FVTPL’). Entities with financial liabilities designated at FVTPL recognise changes in the fair value due to changes in the liability’s credit risk directly in other comprehensive income (‘OCI’). There is no subsequent recycling of the amounts in OCI to profit or loss, but accumulated gains or losses may be transferred within equity.

The guidance in MFRS 9 on impairment of financial assets and hedge accounting continues to apply.

The Group will apply this standard from the financial period beginning on 1 January 2015.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2013 (continued)
Amounts in RM thousand unless otherwise stated

2. Seasonal or Cyclical Factors

Sales of refined sugar products in Malaysia typically increase slightly during the months leading up to major holidays and festivals in Malaysia, especially Hari Raya and Chinese New Year, due to increased consumer demand for cooking oil and refined sugar. Global sales of oils and fats products also follows a similar pattern where sales increase ahead of festivities due to increased consumer demand. In addition, the harvest of FFB at the palm oil plantations tends to increase in the second half of the financial year as a result of the rainfall pattern in Malaysia, which leads to a greater supply of CPO and PK during the second half of the financial year as FFB is immediately processed following its harvest.

3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no material unusual items affecting FGVH's assets, liabilities, equity, net income or cash flows during the financial period under review.

4. Material Changes in Estimates

Other than the changes in assumptions made to the fair value changes of financial liabilities as per Note 21, there were no other material changes in the estimates of amounts reported in the prior interim periods of the current financial year or the previous financial years that have a material effect on the results for the current quarter under review.

5. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period under review.

6. Dividend

No dividend has been paid during the quarter ended 31 March 2013.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2013 (continued)
Amounts in RM thousand unless otherwise stated

7. Segment Information

Operating segments are reported in a manner consistent with the internal management reporting provided to the chief operating decision maker ("CODM"), which is the Management Committee ("MC").

The reportable segments for the financial period ended 31 March 2013 have been identified as follows:

- Plantation – Plantation estates activities including cultivation, harvesting and production of fresh fruit bunches ("FFB"), processing of FFB and selling of crude palm oil ("CPO") and palm kernel ("PK").
- Downstream – Refining of CPO, fractionation of refined bleached deodorised palm oil ("RBDPO") and Palm Olein ("PO"), crushing of PK, production of oleochemicals namely fatty acid and glycerine and production of consumer end products.
- Sugar – Sugar refining and sales and marketing of refined sugar and molasses.
- Manufacturing, Logistics & Others – Cocoa, rubber and fertilisers processing and production, bulking and transportation facilities and services, engineering, construction and property management, information technology, security, travel, research and development activities and sale of planting materials.

Reconciliation to the reportable segments mainly relates to the elimination of Felda Holdings Bhd ('FHB'), an associate of the Group which is included within the reportable segments, and inclusion of investment holding companies within the Group, which are not operating segments.

The MC assesses the performance of the operating segments based on profit before taxation.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2013 (continued)
Amounts in RM thousand unless otherwise stated

7. Segment Information (continued)

The segment information provided to the Management Committee ('MC') for the reportable segments of FGVH for the financial period is as follows:

	Plantation	Downstream	Sugar	Manufacturing, logistics and others	Reconciliation	Total
Quarter ended 31 March 2013						
Total segment revenue	3,761,798	1,542,516	521,800	793,613	(3,937,519)	2,682,208
Less : Inter-segment revenue	(355,445)	(40,413)	(6,845)	(119,470)	522,173	-
Revenue from external customers	<u>3,406,353</u>	<u>1,502,103</u>	<u>514,955</u>	<u>674,143</u>	<u>(3,415,346)</u>	<u>2,682,208</u>
Finance income	2,685	1,007	7,643	2,819	26,736	40,890
Finance costs	(427)	(2,932)	(939)	(3,327)	(15,583)	(23,208)
Depreciation and amortisation	(31,118)	(11,106)	(10,660)	(9,507)	35,213	(27,178)
Impairment loss	-	(13,657)	-	-	-	(13,657)
Share of results of jointly controlled entities	(276)	(536)	-	-	-	(812)
Share of results of associates	10,674	-	-	-	43,764	54,438
Profit/(loss) before taxation for the financial period	<u>179,854</u>	<u>17,246</u>	<u>89,572</u>	<u>65,177</u>	<u>(133,336)</u>	<u>218,513</u>
The analysis of external revenue by segment:						
FGVH and its subsidiaries	1,978,085	170,228	514,955	-	18,940	2,682,208
Associates - FHB	<u>1,428,268</u>	<u>1,331,875</u>	<u>-</u>	<u>674,143</u>	<u>(3,434,286)</u>	<u>-</u>
Revenue from external customers	<u>3,406,353</u>	<u>1,502,103</u>	<u>514,955</u>	<u>674,143</u>	<u>(3,415,346)</u>	<u>2,682,208</u>
The analysis of profit before taxation by segment:						
FGVH and its subsidiaries	183,153	(1,901)	89,572	-	(96,074)	174,750
Associates - FHB	<u>(3,299)</u>	<u>19,147</u>	<u>-</u>	<u>65,177</u>	<u>(37,262)</u>	<u>43,763</u>
Profit/(loss) before taxation	<u>179,854</u>	<u>17,246</u>	<u>89,572</u>	<u>65,177</u>	<u>(133,336)</u>	<u>218,513</u>



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2013 (continued)
Amounts in RM thousand unless otherwise stated

7. Segment Information (continued)

The segment information provided to the Management Committee ('MC') for the reportable segments of FGVH for the financial period is as follows:
(continued)

	Plantation	Downstream	Sugar	Manufacturing, logistics and others	Reconciliation	Total
Quarter ended 31 March 2012						
Total segment revenue	3,360,766	1,952,916	533,215	999,897	(5,126,797)	1,719,997
Less : Inter-segment revenue	(952,642)	(64,547)	(1,455)	(138,453)	1,157,097	-
Revenue from external customers	2,408,124	1,888,369	531,760	861,444	(3,969,700)	1,719,997
Finance income	1,897	1,551	7,246	3,668	(3,215)	11,147
Finance costs	(1,454)	(8,661)	(620)	(3,593)	(13,449)	(27,777)
Depreciation and amortisation	(27,825)	(13,953)	(7,639)	(18,551)	42,628	(25,340)
Share of results of jointly controlled entities	1,660	5,472	-	-	-	7,132
Share of results of associates	15,027	-	-	-	19,987	35,014
Profit/(loss) before taxation for the financial period	246,461	(9,267)	91,283	100,475	(148,146)	280,806
The analysis of external revenue by segment:						
FGVH and its subsidiaries	971,498	211,336	531,760	-	5,403	1,719,997
Associates - FHB	1,436,626	1,677,033	-	861,444	(3,975,103)	-
Revenue from external customers	2,408,124	1,888,369	531,760	861,444	(3,969,700)	1,719,997
The analysis of profit before taxation by segment:						
FGVH and its subsidiaries	243,584	(1,510)	91,283	-	(72,538)	260,819
Associates - FHB	2,877	(7,757)	-	100,475	(75,608)	19,987
Profit/(loss) before taxation	246,461	(9,267)	91,283	100,475	(148,146)	280,806



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2013 (continued)
Amounts in RM thousand unless otherwise stated

8. Capital Commitments

Authorised capital expenditure not provided for in the interim financial report are as follows:

	As at 31 March 2013	As at 31 December 2012
Property, plant and equipment:		
- contracted	87,321	92,507
- not contracted	<u>263,730</u>	<u>296,724</u>
	<u>351,051</u>	<u>389,231</u>
Biological assets:		
- contracted	857	-
- not contracted	<u>50,636</u>	<u>31,963</u>
	<u>51,493</u>	<u>31,963</u>

9. Significant Related Party Transactions

Federal Land Development Authority ("FELDA"), a significant shareholder of the Group, effectively owns 37% of the issued share capital of the Company. FELDA is a statutory body corporate set up under the Land Development Act 1956, and controlled by the Malaysian Government. The Group considers that, for the purpose of MFRS 124 – "Related Party Disclosures", FELDA and the Malaysian Government is in the position to exercise significant influence over it. As a result, the Malaysian Government and Malaysian Government controlled bodies (collectively referred to as "government-related entities") are related parties of the Group.

The Group have collectively, but not individually, significant transactions with other government-related entities which include but not limited to the following:

- (i) Purchasing of goods and services, including use of public utilities and amenities
- (ii) Placing of bank deposits with government-related financial institutions

These transactions are conducted in the ordinary course of the Group's business on commercial terms consistently applied in accordance with the Group's internal policies and processes. These terms do not depend on whether the counterparties are government-related entities or not.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2013 (continued)
Amounts in RM thousand unless otherwise stated

9. Significant Related Party Transactions (continued)

(I) Related party transactions during the quarter ended 31 March 2013 and 31 March 2012 are as follows:

a. Sales of goods and services

	Quarter ended 31 March	
	2013	2012
(i) Transactions with jointly controlled entities		
Tolling fees income of TRT ETGO from Bunge ETGO	9,079	16,919
Sales of CPO by Felda Global Ventures Plantation (Malaysia) Sdn. Bhd. to Felda Iffco Sdn. Bhd. Group ('FISB')	405,587	155,170
(ii) Transactions with subsidiaries of FHB		
Sales of FFB by FGVP to Felda Palm Industries Sdn. Bhd. ('FPISB')	524,400	460,786
Sales of cup lumps and latex by FGVP to Felda Rubber Industries Sdn. Bhd. ('FRISB')	10,698	14,907
Sales of CPO by FGVP to Felda Vegetable Oil Sdn. Bhd. ('FVOP') and Delima Oil Products Sdn. Bhd. ('DOP')	608,255	207,425
Sales of PK by FGVP to Felda Kernel Products Sdn. Bhd. ('FKPSB')	-	121,455
Management fees charged by FGVH to subsidiaries of FHB	16,413	2,858
b. <u>Purchase of goods and services</u>		
(i) Transactions with an associate		
Management fees charged by FHB	17,975	2,528



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2013 (continued)
Amounts in RM thousand unless otherwise stated

9. Significant Related Party Transactions (continued)

(I) Related party transactions during the quarter ended 31 March 2013 and 31 March 2012 are as follows (continued):

b. Purchase of goods and services (continued)

	Quarter ended 31 March	
	2013	2012
(ii) Transactions with subsidiaries of FHB		
Purchase of coconut oil and other palm oil products by Twin River Technologies Holdings, Inc ('TRTH') from Felda Marketing Services Sdn. Bhd. ('FELMA')	60,588	72,029
Purchase of fertilizer by FGVP, Kilang Gula Felda Perlis ('KGFP') and FGV Perlis from FPM Sdn. Bhd. ('FPM')	9,309	6,211
Purchase of chemicals and seedlings by FGVP, KGFP and FGV Perlis from Felda Agricultural Services Sdn. Bhd. ('FASSB')	72,655	144,092
Purchase of CPO by FGVP from FPISB	1,409,163	235,748
Purchase of IT services from Felda Prodata Services Sdn. Bhd. ('FPSSB')	3,474	8,044
Purchase of security services from Felda Security Services Sdn. Bhd. ('FSSSB')	13,794	11,717
(iii) Transactions between subsidiaries and FELDA		
Interest expense charged by FELDA	21,522	21,346
Repayment of LLA Liability by FGVP to FELDA	78,515	62,120



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2013 (continued)
Amounts in RM thousand unless otherwise stated

9. Significant Related Party Transactions (continued)

- (I) Related party transactions during the quarter ended 31 March 2013 and 31 March 2012 are as follows (continued):

	Quarter ended 31 March	
	2013	2012
c. <u>Other transactions</u>		
(i) Transactions subsidiaries of FHB		
Management incentives received by TRTH from FPI on purchase of palm oil products	-	7,630
d. <u>Transactions with Government related entities</u>		
(i) Transactions between subsidiaries and other government agencies		
Sugar subsidy received from Kementerian, Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan	17,560	27,398
Windfall tax paid to Kastam Diraja Malaysia	-	15,519



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2013 (continued)
Amounts in RM thousand unless otherwise stated

10. Effect of Significant Changes in the Composition of FGVH

On 28 February 2013, the disposal of 20% equity interest in an associate of the Group, Tradewinds (M) Berhad was completed for a total consideration of RM551.43 million, which resulted in a gain on disposal of RM26.49 million.

Other than the above, there were no changes in the composition of the Group for the current period under review.

11. Contingent Liabilities and Material Litigation

- (a) An associate of FGVH, Felda Holdings Bhd, has the following contingent liabilities, of which FGVH is not jointly or severally liable:
- (i) On 12 June 2009, Felda Palm Industries Sdn Bhd ('FPISB') and FELDA were sued by 645 settlers of Felda Maokil Scheme in Johor for alleged fraud and manipulation of the extraction rate of palm oil. The claim amounted to RM71.8 million. On 29 August 2012, Johor Baharu High Court ordered the case to be closed pending the outcome of the Plaintiff's Motion and Appeal to the Federal Court against the Court of Appeal's Decision. The Federal Court has fixed 16 July 2013 for final case management of the Applicants' Originating Motion to the Federal Court for Leave to Appeal.
 - (ii) On 3 September 2010, FPISB and FELDA were sued by 514 settlers of Felda Serting Scheme and 252 settlers of Felda Gugusan Raja Alias Scheme in Jempol, Negeri Sembilan for alleged fraud and manipulation of the extraction rate for palm oil. The claim amounted to RM15.4 million for year 2008 only. The Seremban High Court fixed 14 September 2012 for the hearing of the Plaintiffs' application to withdraw 82 Plaintiffs from the suit. The Court allowed the application accordingly but it highlighted that the application had omitted another 14 Plaintiffs. Therefore Court instructed the Plaintiff's Solicitors to file 2nd application to withdraw the suit for those Plaintiffs who were omitted earlier as well as to file afresh Issues to be Tried and Agreed facts. The Court now has adjourned the matter, pending for next hearing dates on 12, 15 and 16 July 2013 for Defendants to cross examine the Plaintiffs' second witness.
 - (iii) On 12 July 2011, FPISB and FELDA were sued by 711 settlers of Felda Jengka 1 to 25 and Felda Sg. Tekam in Temerloh, Pahang (Jengka A) for alleged fraud and manipulation of the extraction rate of palm oil. The claim amounted to RM22.9 million for year 2008 alone. The Temerloh High Court has on 24 April 2012 allowed order in terms for application by FELDA and FPISB to strike out 42 Plaintiffs with cost on the cause. The Court has fixed the matter for trial on 14 and 15 January 2014.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2013 (continued)
Amounts in RM thousand unless otherwise stated

11. Contingent Liabilities and Material Litigation (continued)

(a) An associate of FGVH, Felda Holdings Bhd, has the following contingent liabilities of which FGVH is not jointly or severally liable (continued):

- (iv) On 10 November 2011, FPISB and FELDA were sued by 365 settlers of Felda Jengka 1 to 7, 10, 13 to 19, 23 to 24, Felda Ulu Jempol and Felda Sg. Tekam Utara (Jengka B) for alleged fraud and manipulation of the extraction rate of palm oil. The claim amounted to RM11.7 million for year 2008 only. FPISB has filed Memorandum of Appearance in Temerloh High Court on 15 November 2011, Statement of Defense on 27 December 2011 and an application to Strike-Out Ground on Plaintiffs' claims on 9 February 2012. The Court had on 19 April 2012 allowed order in terms for application by FELDA and FPISB to strike out 20 Plaintiffs with cost on the cause. The Temerloh High Court has fixed the matter for trial on 20 to 21 November 2013.
- (v) On 20 September 2011, FPISB and FELDA were sued by 550 settlers of Gugusan Bera for alleged fraud and manipulation of the extraction rate of palm oil. The plaintiffs are claiming for a share from the sale of kernel, burn ash and sludge oil which was derived from their FFB consignments sold to FPISB's mills. The claim amounted to RM19.2 million for year 2008 only. FPISB has filed Memorandum of Appearance in High Court on 15 November, a SOD on 3 January 2012 and have also filed an application to Strike-Out Ground on Plaintiffs' claims on 25 January 2012. The Court now fixed for final case management on 11 June 2013 and reserved trial dates on 17 & 18 September 2013.
- (vi) On 10 May 2012, FPISB and FELDA were sued by 770 settlers of Rancangan Felda Chini 1 to 5 and Rancangan Felda Chini Timur 1 to 3 in Pahang for alleged fraud and manipulation of the extraction rate of palm oil. The claim amounted to RM24.8 million for year 2008 only. FPISB has file Memorandum of Appearance in High Court on 16 May 2012. The Court has fixed the matter for Trial on 11 to 13 March 2013, which has been adjourned to 10 to 13 September 2013.
- (vii) On 5 June 2012, FPISB and FELDA were sued by 956 settlers of Rancangan Felda Keratong 1 to 10 for alleged fraud and manipulation of the extraction rate of palm oil. The claim amounted to RM30.9 million, for year 2008 alone. FPISB has filed Memorandum of Appearance in High Court on 26 June 2012. The Kuantan High Court fixed new dates for trial of this matter on 7 to 11 October 2013.
- (viii) On 25 January 2013, FPISB and FELDA were sued by 351 settlers of Rancangan Felda Mempaga for alleged fraud and manipulation of the extraction of palm oil. The High Court of Temerloh has fixed the matter for case management on 11 June 2013.

Based on available information and on legal advices received, the directors of Felda Holdings Bhd are of the view that there is a reasonable chance of defending all the above claims and therefore, no provision has been made in the financial statements of Felda Holdings Bhd. As a result, no adjustment has been recorded to the share of associates results in the Group's profit and loss.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2013 (continued)
Amounts in RM thousand unless otherwise stated

12. Review of Group Performance

	Quarter ended 31 March		% + / (-)
	2013	2012	
Revenue	<u>2,682,208</u>	<u>1,719,997</u>	55.9
Plantation	179,854	246,461	(27.0)
Sugar	89,572	91,283	(1.9)
Downstream	17,246	(9,267)	>100
Manufacturing, logistics and others	<u>65,177</u>	<u>100,475</u>	(35.1)
Segment results	351,849	428,952	(18.0)
Reconciliation	<u>(31,185)</u>	<u>(100,594)</u>	
Profit before taxation and before fair value			
changes in LLA liability	320,664	328,358	(2.3)
Fair value changes in LLA liability	<u>(102,151)</u>	<u>(47,552)</u>	
Profit before taxation after fair value			
changes in LLA liability	218,513	280,806	(22.2)
Zakat	(10,000)	-	
Tax expense	<u>(41,456)</u>	<u>(57,594)</u>	
Profit for the financial period	<u>167,057</u>	<u>223,212</u>	(25.2)
Profit attributable to:			
Owners of the Company	136,716	192,165	
Non-controlling interests	<u>30,341</u>	<u>31,047</u>	
Profit after tax and non-controlling interests	<u>167,057</u>	<u>223,212</u>	(25.2)

Overall

The Group generated RM2.68 billion in terms of revenue and RM167.06 million in profit after tax (PAT) compared to RM1.72 billion revenue and PAT of RM223.21 million year on year. The decline in profit primarily reflecting the effects of:

- lower average realised CPO price of RM2,264 per MT compared to RM3,205 per MT in 2012
- higher fair value changes in the LLA liability of RM54.60 million
- provision for impairment amounting to RM13.66 million related to a joint controlled entity
- offset by recognition of gain on disposal of Tradewinds (M) Bhd amounting to RM26.5 million



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2013 (continued)
Amounts in RM thousand unless otherwise stated

12. Review of Group Performance (continued)

Segment Performance Analysis

(a) Plantation

The revenue from the Plantation segment increased by 41.5% primarily due to higher volume of CPO sold for the quarter ended compared to the previous quarter as CPO sales activities had begun only in March 2012.

The segment's results fell by 27.0% to RM179.85 million in 2013 compared to RM246.46 million in 2012 due to lower average CPO price realized of RM2,264 per MT against RM3,205 per MT in the previous corresponding period.

(b) Sugar

Profit from Sugar segment decreased slightly by 1.9% owing predominantly to the decline in domestic sales which was not fully offset by higher export sales volume for the current quarter.

(c) Downstream

The Downstream segment generated a profit of RM17.25 million compared to losses of RM9.27 million in the previous quarter ended due to a positive contribution from the US fatty acid business and better margins from the Group's local refineries.

(d) Manufacturing, Logistics and Others

The Manufacturing, Logistics and Others segment's profit declined by 35.1% in 2013 primarily due to the decline in R&D income and sharp reduction in compound fertiliser margins.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2013 (continued)
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13. Material Changes In The Quarterly Results Compared to Preceding Quarter

	Quarter ended		%
	31 March 2013	31 December 2012	+ / (-)
Revenue	2,682,208	3,858,810	(30.5)
Plantation	179,854	234,023	(23.1)
Sugar	89,572	76,182	17.6
Downstream	17,246	67,429	(74.4)
Manufacturing, logistics and others	65,177	75,548	(13.7)
Segment results	351,849	453,182	(22.4)
Reconciliation	(31,185)	(253,438)	
Profit before taxation and before fair value changes in LLA liability	320,664	199,744	60.5
Fair value changes in LLA liability	(102,151)	25,498	
Profit before taxation after fair value changes in LLA liability	218,513	225,242	(3.0)
Zakat	(10,000)	(15,611)	
Tax expense	(41,456)	27,591	
Profit for the financial period	167,057	237,222	(29.6)
Profit attributable to:			
Owners of the Company	136,716	179,818	
Non-controlling interests	30,341	57,404	
Profit after tax and non-controlling interests	167,057	237,222	(29.6)

Overall

The Group's revenue fell by 30.5% to RM2,682.21 million in the current quarter compared to RM3,858.81 million in the preceding quarter while the profit before taxation margin after fair value changes in LLA liability of RM218.51 million was 3.0% lower than that of the preceding quarter of RM225.24 million. Lower profits were recorded by all segments except for Sugar which improved by 17.6%.

The Group's profit after taxation decreased by 29.6% to RM167.06 million from RM237.22 million in the preceding quarter mainly due to increase in fair value changes in LLA liability by RM127.65 million and tax expense instead of tax income in the preceding quarter.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2013 (continued)
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13. Material Changes in the Quarterly Results Compared to Preceding Quarter (continued)

(a) Plantation

The plantation segment's results was 23.1% lower than Q4 2012 and this was primarily due to the decrease in FFB selling prices and FFB production. The average CPO price realised of RM2,264 per MT was 7.4% lower compared to the preceding quarter of RM2,445 per MT.

(b) Sugar

The Sugar segment's result increased by 17.6% primarily due to higher margin achieved as a result of decrease in raw sugar costs consumed.

(c) Downstream

The Downstream segment's results was 74.4% lower than the preceding quarter due to inclusion of reversal of impairment impact amounted to RM39.38 million in intangible assets and property, plant and equipment in the US business in Q4 2012. Excluding the reversal of impairment impact, the segment's results was only 6.1% lower compared to the preceding quarter and this was mainly due to the reduction in sales volume of refined palm products of 332.6 million in Q1 2013 compared to 415.0 million mt in Q4 2012.

(d) Manufacturing, Logistics and Others ("MLO")

The MLO segment profits reduced by 13.7% mainly due to lower R&D income arising from sales of FFB which contributed to lower realised sales margin per tonne of RM226 in Q1 2013 compared to RM318 in Q4 2012 and also as a results of lower throughput handled by the segment's logistics operation. The decrease was partially offset by the increase in the fertiliser volume sold in Q1 2013 of 170,937 mt compared to 60,627 mt sold in Q4 2012.



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QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2013 (continued)
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14. Prospects

Malaysian CPO prices has been trading around RM2,315 per metric ton since December 2012 compared to last year's average of RM3,190 per metric ton, which is exacerbated by reduced palm products purchases as well as high inventory holdings in the edible oil consuming countries such as India and China.

Similar to other plantation companies, the Group's plantation division has also been adversely impacted. However, as an integrated organisation, it has the flexibility to utilise cheaper feedstock in its refineries to offset the effect of reduced pricing and at the same time compete with other edible oil producers. The palm oil industry is expecting a price correction by the middle of the year especially during the incoming fasting month as demand rises.

The Malaysian government's decision to launch the B10 biodiesel programme in its effort to stabilise the CPO price is also timely. Taking on this opportunity, the Group has entered into an agreement to acquire a biodiesel refinery located in Kuantan, Pahang and expects the plant to be fully operational by mid-2013.

The current scenario has thus amplified the need for the Group to diversify its income contribution from other commodities such as rubber and sugar. Notwithstanding that, it has been very selective in its investment choices and is currently assessing several proposals which could fit the Group's overall strategy. At present, the Group continues to focus on improving the efficiency and productivity of its plantation estates as well as midstream and downstream facilities.

Barring any unforeseen circumstances, the Board is of the opinion that the Group's performance for the financial year ending 31 December 2013 is expected to be satisfactory.

15. Variance of Actual Profit from Profit Forecast or Profit Guarantee

Not applicable as there was no profit forecast or profit guarantee issued.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2013 (continued)
 Amounts in RM thousand unless otherwise stated

16. Operating Profit

	Quarter ended 31 March	
	2013	2012
Included in operating profit are:		
Amortisation of intangible assets	2,549	1,458
Amortisation of prepaid lease payments	17	17
Depreciation of property, plant and equipment	22,244	23,865
Depreciation of investment properties	198	-
Accelerated depreciation of biological assets	2,170	-
Property, plant and equipment written off	815	102
(Gain)/loss on disposal of property, plant and equipment	(5,153)	23
Gain on disposal of investment in associate	26,494	-
Fair value changes in LLA	102,151	47,552
Net foreign exchange loss	2,780	3,563
Impairment loss on investment in a jointly controlled entity	13,657	-
	<u>13,657</u>	<u>-</u>

17. Taxation

	Quarter ended 31 March	
	2013	2012
Malaysian income tax		
Current financial period	(40,992)	(60,441)
Foreign income tax		
Current financial period	(4,296)	(1,420)
Deferred tax	<u>3,832</u>	<u>4,267</u>
	<u>(41,456)</u>	<u>(57,594)</u>

The effective tax rate of 20% for the period ended 31 March 2013 is lower than the Malaysian income tax rate of 25% as certain income is tax exempted.

18. Status of Corporate Proposals

There was no corporate proposal entered into during the financial period under review.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2013 (continued)
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19. Borrowings

<u>Long-term borrowings</u>	As at 31 March 2013		Total
	Secured	Unsecured	
Term loan-significant shareholder	-	1,620,714	1,620,714
Term loan-financial institution	383	-	383
	<u>383</u>	<u>1,620,714</u>	<u>1,621,097</u>
 <u>Short-term borrowings</u>			
Term loan-significant shareholder	-	233,933	233,933
Term loan-financial institution	38,595	-	38,595
Bankers acceptances	-	390,900	390,900
	<u>38,595</u>	<u>624,833</u>	<u>663,428</u>
Total borrowings	<u>38,978</u>	<u>2,245,547</u>	<u>2,284,525</u>

Borrowings in RM equivalent analysed by currencies in which the borrowings are denominated are as follows:

Ringgit Malaysia	2,245,547
United States Dollar	38,205
Canadian Dollar	773
Total borrowings	<u>2,284,525</u>

Certain borrowings are secured by fixed deposits pledged to a financial institution and a letter of credit from a significant shareholder, FELDA.

20. Derivative Financial Instruments

FGVH uses forward foreign exchange contracts and commodity contracts to manage its exposure to various financial risks. The outstanding contracts/notional amounts and fair values of these derivatives as at 31 March 2013 are as follows:

	Contract/ Notional Amount	Fair Value	
		Assets	Liabilities
Foreign currency forward contracts	177,763	805	223
Sugar future contracts	53,011	-	1,617
Palm oil future contracts	13,385	125	238
	<u>244,159</u>	<u>930</u>	<u>2,078</u>

There is no change to the type of derivative financial contracts entered into, cash requirements of the derivatives, risk associated with the derivatives and the risk management objectives and policies to mitigate these risks since the last financial year ended 31 December 2012. The maturity periods of the above derivatives are less than one year.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2013 (continued)
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21. Fair Value Changes of Financial Liabilities

Other than derivatives which are classified as liabilities only when they are at a loss position as at the end of the reporting period after being fair valued and the LLA liability, FGVH does not remeasure its financial liabilities at fair value after the initial recognition.

Fair value changes for the LLA liability has been measured based on assumptions made on discount rate, crude palm oil prices, fresh fruit bunches prices, palm kernel prices, average yield of fresh fruit bunches, inflation rate, total acreage of planted oil palm and rubber, estate replanting fixed cost and capital expenditure; amongst others, on periodic basis.

22. Realised and Unrealised Profits or Losses

The breakdown of realised and unrealised retained earnings of FGVH is as follows:

	As at 31 March 2013	As at 31 March 2012
Total retained earnings of the Company and its subsidiaries		
- realised	55,499	(679,171)
- unrealised	16,120	(68,089)
	<u>71,619</u>	<u>(747,260)</u>
Total share of retained earnings from jointly controlled entities		
- realised	(87,206)	(66,938)
- unrealised	(14,267)	10,128
	<u>(101,473)</u>	<u>(56,810)</u>
Total share of retained earnings from associates		
- realised	1,521,895	2,058,420
- unrealised	(48,278)	10,128
	<u>1,473,617</u>	<u>2,068,548</u>
Less: consolidation adjustments	(115,217)	(470,772)
Total retained earnings of FGVH	<u>1,328,546</u>	<u>793,706</u>

The unrealised profits are determined in accordance with the Guidance on Special Matter No. 1 (GSM1) issued by the Malaysian Institute of Accountants. In arriving at the unrealised profits, we have also included the following which are deemed in the GSM1 as unrealised:

- (a) Credits or charges relating to the recognition of deferred tax,
- (b) Cumulative net gains (but not net losses) from the remeasurement of assets or liabilities at fair value through profit or loss,
- (c) Provision of liabilities in respect of present obligations where resources are only consumed upon settlement of the obligation, and
- (d) Translation gains or losses of monetary items denominated in a currency other than the functional currency.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2013 (continued)
Amounts in RM thousand unless otherwise stated

23. Earnings Per Share

(a) Basic earnings per share

	Quarter ended 31 March	
	2013	2012
Basic earnings per share are computed as follows:		
Profit for the period attributable to owners of the Company (RM'000)	<u>136,716</u>	<u>192,165</u>
Weighted average number of ordinary shares in issue (thousands)	3,648,152	1,767,612
Basic earnings per share (sen)	<u>3.7</u>	<u>10.9</u>

(b) Diluted earnings per share

	Quarter ended 31 March	
	2013	2012
Diluted earnings per share are computed as follows:		
Profit for the period attributable to owners of the Company (RM'000)	<u>136,716</u>	<u>192,165</u>
Weighted average number of ordinary shares in issue (thousands)	3,648,152	2,668,152
Basic earnings per share (sen)	<u>3.7</u>	<u>7.2</u>

24. Material events after the Reporting Period

There were no material events which occurred subsequent to the end of the quarter ended 31 March 2013.

By Order of the Board

Ida Suryati Ab. Rahim
Company Secretary

29 May 2013