



FELDA GLOBAL VENTURES HOLDINGS BERHAD (800165-P)

QUARTERLY REPORT

**Condensed Consolidated Financial Statements
For The Financial Year Ended 31 December 2014**



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT

On consolidated results for the fourth quarter ended 31 December 2014

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 December		% + / (-)	Year to date ended 31 December		% + / (-)
		2014	2013		2014	2013	
Continuing operations							
Revenue		4,299,827	3,674,096	17.0	16,434,331	12,568,008	30.8
Cost of sales		(3,888,961)	(3,622,250)	(7.4)	(14,290,212)	(11,689,738)	(22.2)
Gross profit		410,866	51,846	>100	2,144,119	878,270	>100
Other operating income		79,332	426,223	(81.4)	252,426	508,820	(50.4)
Selling and distribution costs		(94,772)	(48,660)	(94.8)	(339,942)	(208,183)	(63.3)
Administrative expenses		(308,316)	(51,061)	<100	(839,820)	(193,180)	<100
Other operating expenses		(127,264)	(15,748)	<100	(168,822)	(45,838)	<100
Commodity (losses)/gain - net		50,648	(10,934)	>100	(14,447)	(224)	<100
Operating profit	15	10,494	351,666	(97.0)	1,033,514	939,665	10.0
Fair value changes in Land Lease Agreement ('LLA') liability		143,751	359,022	(60.0)	(172,840)	494,485	<100
Operating profit after LLA		154,245	710,688	(78.3)	860,674	1,434,150	(40.0)
Finance income		43,667	36,823	18.6	125,683	164,172	(23.4)
Finance costs		(68,372)	(30,009)	<100	(194,384)	(103,429)	(87.9)
Finance (costs)/income-net		(24,705)	6,814	<100	(68,701)	60,743	<100
Share of results from associates		4,589	(7,907)	>100	13,031	110,692	(88.2)
Share of results from joint ventures		6,114	15,515	(60.6)	21,375	(41,939)	>100
Profit before zakat and taxation		140,243	725,110	(80.7)	826,379	1,563,646	(47.2)
Zakat		(5,865)	(17,481)	66.4	(13,184)	(32,612)	59.6
Taxation	16	(47,564)	(184,573)	74.2	(262,091)	(366,659)	28.5
Profit from continuing operations		86,814	523,056	(83.4)	551,104	1,164,375	(52.7)
Discontinuing operations							
Loss from discontinuing operations		(10,688)	(9,141)	(16.9)	(29,244)	(56,077)	47.9
Profit for the financial year		76,126	513,915	(85.2)	521,860	1,108,298	(52.9)
Other comprehensive income/(loss)							
Share of other comprehensive loss of associates		-	(4,111)		-	(9,411)	
Share of other comprehensive income of joint ventures		22,331	20,598		42,034	14,924	
Actuarial loss - defined benefit plan		(1,470)	(212)		(1,498)	(212)	
Available-for-sale fair value changes		16,683	-		17,665	-	
Currency translation differences		54,766	(16,447)		26,767	26,645	
Other comprehensive income for the financial year, net of tax		92,310	(172)		84,968	31,946	
Total comprehensive income for the financial year		168,436	513,743	(67.2)	606,828	1,140,244	(46.8)



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

On consolidated results for the fourth quarter ended 31 December 2014 (continued)

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

	Note	Quarter ended 31 December		%	Year to date ended 31 December		%
		2014	2013	+ / (-)	2014	2013	+ / (-)
Profit attributable to:							
-Owners of the Company		20,211	499,924	(96.0)	306,369	982,251	(68.8)
-Non-controlling interests		<u>55,915</u>	<u>13,991</u>	>100	<u>215,491</u>	<u>126,047</u>	71.0
Profit for the financial year		<u>76,126</u>	<u>513,915</u>	(85.2)	<u>521,860</u>	<u>1,108,298</u>	(52.9)
Total comprehensive income attributable to:							
- Owners of the Company		106,232	499,779	(78.7)	374,528	1,014,304	(63.1)
- Non-controlling interests		<u>62,204</u>	<u>13,964</u>	>100	<u>232,300</u>	<u>125,940</u>	84.5
Total comprehensive income for the financial year		<u>168,436</u>	<u>513,743</u>	(67.2)	<u>606,828</u>	<u>1,140,244</u>	(46.8)
Earnings per share for profit attributable to the owners of the Company:							
Basic (sen)	21	0.6	13.7		8.4	26.9	

The unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to this quarterly report and the audited financial statements for the financial year ended 31 December 2013.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

On consolidated results for the fourth quarter ended 31 December 2014 (continued)

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

	Note	Unaudited As at 31 December 2014	Audited As at 31 December 2013 (Restated)
<u>Non-current assets</u>			
Property, plant and equipment		6,188,483	5,711,516
Investment properties		153,102	147,582
Goodwill and intangible assets		1,516,630	988,516
Interests in associates		218,160	213,118
Interests in joint ventures		750,158	634,762
Biological assets		2,749,755	2,447,265
Prepaid lease payments		231,815	40,969
Receivables		165,273	84,441
Deferred tax assets		1,269,923	1,265,707
Available-for-sale financial assets		243,685	225,305
		<u>13,486,984</u>	<u>11,759,181</u>
<u>Current assets</u>			
Inventories		1,763,695	1,788,499
Biological assets		50,697	41,491
Receivables		1,078,819	1,351,537
Amount due from a significant shareholder		79,233	81,923
Amount due from joint ventures		328,941	421,838
Amount due from an associate		36	37
Amounts due from related companies		66,400	29,060
Tax recoverable		129,407	177,575
Financial assets at fair value through profit and loss		21,431	12,955
Derivative financial assets	18	15,337	3,499
Cash and cash equivalents		3,673,781	5,028,986
		<u>7,207,777</u>	<u>8,937,400</u>
Assets held for sale		24,687	159,920
		<u>7,232,464</u>	<u>9,097,320</u>
Total assets		<u><u>20,719,448</u></u>	<u><u>20,856,501</u></u>
<u>Equity</u>			
Share capital		3,648,152	3,648,152
Reserves		2,713,680	2,922,856
Equity attributable to owners of the Company		<u>6,361,832</u>	<u>6,571,008</u>
Non-controlling interests		2,446,171	2,358,245
Total equity		<u><u>8,808,003</u></u>	<u><u>8,929,253</u></u>



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

On consolidated results for the fourth quarter ended 31 December 2014 (continued)

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

	Note	Unaudited As at 31 December 2014	Audited As at 31 December 2013
<u>Non-current liabilities</u>			
Borrowings	17	434,461	11,801
Loan due to a significant shareholder	17	1,980,404	2,473,828
LLA liability		4,309,308	4,458,623
Provisions		30,610	32,291
Provision for defined benefit plan		39,720	34,686
Deferred tax liabilities		734,177	728,161
		7,528,680	7,739,390
<u>Current liabilities</u>			
Payables		1,422,020	1,392,696
Loan due to a significant shareholder	17	222,515	223,962
Amount due to a significant shareholder		240,444	386,921
Amount due to joint ventures		-	23,000
Amounts due to related companies		11,315	4,721
Borrowings	17	1,990,545	1,638,109
Derivative financial liabilities	18	32,392	15,361
Provisions		87	82
LLA liability		371,521	385,767
Current tax liabilities		11,829	21,900
		4,302,668	4,092,519
Liabilities directly associated with assets classified as held for sale		80,097	95,339
		4,382,765	4,187,858
Total liabilities		11,911,445	11,927,248
Total equity and liabilities		20,719,448	20,856,501
		As at 31 December 2014	As at 31 December 2013
Net assets per share attributable to owners of the Company		1.74	1.80

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to this quarterly report and the audited financial statements for the financial year ended 31 December 2013.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Unaudited Condensed Consolidated Statement of Changes in Equity
Amounts in RM thousand unless otherwise stated

	<u>Note</u>	<u>Share capital</u>	<u>Share premium</u>	<u>Foreign exchange reserve</u>	<u>Re-organisation reserve</u>	<u>Available-for-sale-reserve</u>	<u>Capital redemption reserve</u>	<u>Retained earnings</u>	<u>Total</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
Year ended											
31 December 2014											
At 1 January 2014, as previously stated		3,648,152*	3,371,685	(62,801)	(2,088,969)	13,739	10,052	1,679,150	6,571,008	2,374,788	8,945,796
Adjustment to purchase price allocation for acquisition of a subsidiary		-	-	-	-	-	-	-	-	(16,543)	(16,543)
At 1 January 2014, as restated		3,648,152*	3,371,685	(62,801)	(2,088,969)	13,739	10,052	1,679,150	6,571,008	2,358,245	8,929,253
Profit for the financial year		-	-	-	-	-	-	306,369	306,369	215,491	521,860
Other comprehensive income / (loss) for the financial year, net of tax:											
<u>Items that will not be reclassified to profit and loss</u>											
- Actuarial loss on defined benefit plan		-	-	-	-	-	-	(1,400)	(1,400)	(98)	(1,498)
<u>Items that will be subsequently reclassified to profit and loss</u>											
- currency translation differences		-	-	24,361	-	-	-	-	24,361	2,406	26,767
- available-for-sale fair value changes		-	-	-	-	3,164	-	-	3,164	14,501	17,665
- share of other comprehensive income/(loss) of joint ventures		-	-	26,481	-	15,553	-	-	42,034	-	42,034
		-	-	50,842	-	18,717	-	-	69,559	16,907	86,466
Total comprehensive income for the financial year		-	-	50,842	-	18,717	-	304,969	374,528	232,300	606,828
Acquisition of subsidiaries		-	-	-	-	-	-	-	-	1,237	1,237
Accretion of interest in subsidiaries		-	-	-	-	-	-	-	-	806	806
Dividend paid for the financial year ended:											
- 31 December 2013 (final)		-	-	-	-	-	-	(364,815)	(364,815)	-	(364,815)
- 31 December 2014 (interim)		-	-	-	-	-	-	(218,889)	(218,889)	-	(218,889)
Dividend paid to non-controlling interests of subsidiaries		-	-	-	-	-	-	-	-	(146,417)	(146,417)
Total transaction with owners		-	-	-	-	-	-	(583,704)	(583,704)	(144,374)	(728,078)
At 31 December 2014		3,648,152*	3,371,685	(11,959)	(2,088,969)	32,456	10,052	1,400,415	6,361,832	2,446,171	8,808,003

* 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

	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
Year ended 31 December 2013												
At 1 January 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
Profit for the financial year		-	-	-	-	-	-	-	982,251	982,251	126,047	1,108,298
Other comprehensive income/(loss) for the financial year, net of tax:												
<u>Items that will not be reclassified to profit and loss</u>												
- Actuarial loss on defined benefit plan		-	-	-	-	-	-	-	(212)	(212)	-	(212)
<u>Items that will be subsequently reclassified to profit and loss</u>												
- currency translation differences		-	-	26,752	-	-	-	-	-	26,752	(107)	26,645
- share of other comprehensive income/(loss) of associates		-	-	(190)	-	(9,881)	-	-	660	(9,411)	-	(9,411)
- share of other comprehensive income/(loss) of joint ventures		-	-	(9,885)	-	24,809	-	-	-	14,924	-	14,924
		-	-	16,677	-	14,928	-	-	660	32,265	(107)	32,158
Total comprehensive income for the financial year		-	-	16,677	-	14,928	-	-	982,699	1,014,304	125,940	1,140,244
Acquisition of subsidiary		-	-	4,538	-	(21,216)	-	-	-	(16,678)	1,463,370	1,446,692
Dividends paid for the financial year ended												
- 31 December 2012 (final)		-	-	-	-	-	-	-	(310,093)	(310,093)	-	(310,093)
- 31 December 2013 (interim)		-	-	-	-	-	-	-	(218,889)	(218,889)	-	(218,889)
Dividend paid to non-controlling interests of subsidiaries		-	-	-	-	-	-	-	-	-	(72,337)	(72,337)
Others		-	-	-	-	-	-	(33,615)	33,615	-	-	-
Total transaction with owners		-	-	4,538	-	(21,216)	-	(33,615)	(495,367)	(545,660)	1,391,033	845,373
At 31 December 2013		3,648,152*	3,371,685	(62,801)	(2,088,969)	13,739	10,052	-	1,679,150	6,571,008	2,374,788	8,945,796

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to this quarterly report and the audited financial statements for the financial year ended 31 December 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 Cash Flows
Amounts in RM thousand unless otherwise stated**

	Note	Year to date ended 31 December	
		2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the financial year		521,860	1,108,298
Adjustments for non-cash items		867,801	(271,499)
Operating profit before working capital changes		1,389,661	836,799
Changes in working capital		179,371	59,929
Cash generated from operations		1,569,032	896,728
Finance income received		94,080	144,306
Taxation paid		(282,231)	(261,462)
Zakat paid		(13,184)	(32,612)
Retirement benefit paid		(1,022)	(1,544)
Net cash generated from operating activities		1,366,675	745,416
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(643,388)	(252,269)
Purchase of biological assets		(37,683)	(67,319)
Purchase of intangible assets		(9,434)	(8,364)
Purchase of prepaid lease payments		(11,787)	-
Purchase of investment properties		(9,137)	-
Purchase of available-for-sale financial assets		(113)	-
Acquisition of an associate		(1,461)	-
Acquisition of subsidiaries	23	(548,994)	(1,578,276)
Additional investment in a joint venture	23	(80,082)	-
Payment for asset retirement obligation		(74)	(43)
Payment for restructuring		-	(105)
Proceeds from disposal of property, plant and equipment		137,231	6,116
Proceeds from disposal of investments at fair value through profit and loss		1,065	-
Proceeds from assets held for sale		-	6,513
Proceeds from disposal of investment in associate		-	551,435
Proceeds from dissolution of jointly venture		-	75,033
Deposit for acquisition of a subsidiary		(86,624)	(12,719)
Dividend received from associates		9,450	76,863
Dividend received from joint ventures		45,725	-
Net cash used in investing activities		(1,235,306)	(1,203,135)



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

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

	Note	Year to date ended	
		31 December	
		2014	2013
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown of borrowings		5,524,256	2,165,284
Repayment of borrowings		(5,281,168)	(1,148,955)
Repayment of LLA liability		(336,401)	(325,894)
Repayment of loan due to a significant shareholder		(499,286)	(214,286)
Dividend paid to shareholders		(583,704)	(528,982)
Dividend paid to non-controlling interests		(146,417)	(72,337)
Finance costs paid		(177,620)	(96,213)
Decrease in fixed deposits pledged for bank guarantee		-	15,369
Net cash used in financing activities		(1,500,340)	(206,014)
Net decrease in cash and cash equivalents		(1,368,971)	(663,733)
Effect of foreign exchange rate changes		13,766	19,716
Cash and cash equivalents at beginning of the financial year		5,028,986	5,673,003
Cash and cash equivalents at end of the financial year		3,673,781	5,028,986

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to this quarterly report and the audited financial statements for the financial year ended 31 December 2013.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 December 2014
Amounts in RM thousand unless otherwise stated

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 Unaudited Condensed Interim Financial Information should be read in conjunction with FGVH's audited financial statements for the financial year ended 31 December 2013. These explanatory notes attached to the Unaudited Condensed Interim Financial Information 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 financial year ended 31 December 2013.

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 2013, except for the adoption of the new Financial Reporting Standards ("FRS"), Amendments to FRSs and IC Interpretations with effect from 1 January 2014.

The Group includes transitioning entities and has elected to continue to apply FRS during the financial year. The Group will be adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards ("MFRS") on 1 January 2017. In adopting the new framework, the Group will be applying MFRS 1 "First-time adoption of MFRS".

(b) Amendments to published standards and interpretations adopted by the Group and the Company as at 1 January 2014:

- Amendments to FRS 132 'Offsetting Financial Assets and Financial Liabilities'
- Amendments to FRS 10, FRS 12 and FRS 127 'Investment entities'
- IC Interpretation 21 'Levies'

The adoption of the above amendments to published standards and interpretations did not have a significant financial impact to the Group and Company other than additional disclosures in the financial statements.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 December 2014 (continued)

Amounts in RM thousand unless otherwise stated

2. Seasonal or Cyclical Factors

Global sales of oils and fats products follow a similar pattern where sales increases ahead of festivities due to increased consumer demand. In addition, the harvest of fresh fruit bunches ("FFB") at 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.

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.

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

With the acquisition of Felda Holdings Berhad ("FHB") on 27 December 2013, transactions with FHB and its group of companies are now treated as transactions with subsidiaries of the Group in the condensed consolidated financial statements of FGVH and eliminated upon consolidation. In prior year, FHB was an associate of FGVH.

Other than the above, there were no material unusual items affecting FGVH's assets, liabilities, equity, net income or cash flows during the financial year 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 19, 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 year under review.

6. Dividend

The Board of Directors has agreed to recommend a final dividend of 4.0 sen per share on 3,648,151,500 ordinary shares under the single-tier system which approximates RM145.93 million for the financial year ended 31 December 2014, subject to approval of shareholders at the forthcoming Annual General Meeting.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 December 2014 (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 Executive Committee ("EXCO").

The EXCO considers the business by product related activities. The reportable segments for the financial year ended 31 December 2014 have been identified as follows:

- Palm 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").
- Palm Downstream – Refining of CPO, fractionation of refined bleached deodorised palm oil ("RBDPO") and Palm Olein ("PO"), crushing of PK, processing and sales of biodiesel products, production of oleochemicals namely fatty acid and glycerine, crushing of soy and canola, production of graphene and nanotubes and production of consumer bulk and packed products.
- Sugar – Sugar refining and sales and marketing of refined sugar and molasses.
- Trading, Logistics, Marketing & Others – Trading, bulking and transportation facilities and services, engineering services, information technology, security and travel.
- Others – Rubber processing, research and development activities, fertilisers processing and production and sale of planting materials

The reportable segments have changed from the third quarter 2014 due to the changes in the internal management reporting structure of the CODM. Comparatives have been restated to conform to the revised reportable segments.

In prior financial year, reconciliation to the reportable segments mainly relates to the elimination of Felda Holdings Bhd, an associate of the Group up to 27 December 2013 which is included within the applicable reportable segments, and inclusion of investment holding companies within the Group, which do not form part of the reportable segments.

The discontinuing operations mainly relates to cocoa business, which the Group has previously approved to exit.

The EXCO assesses the performance of the operating segments based on profit before zakat and taxation.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 December 2014 (continued)

Amounts in RM thousand unless otherwise stated

7. Segment Information (continued)

The segment information provided to the EXCO for the reportable segments of FGVH for the financial year is as follows:

	Palm Plantation	Palm Downstream	Sugar	Trading, logistics, marketing & others	Others	Reconciliation	Total	Discontinuing operations	Total
Year to date ended 31 December 2014									
Total segment revenue	18,036,898	7,357,048	2,345,210	1,573,470	1,617,483	(14,495,778)	16,434,331	28,062	16,462,393
Less : Inter-segment revenue	(13,383,720)	(142,514)	(63,717)	(457,774)	(448,053)	14,495,778	-	-	-
Revenue from external customers	<u>4,653,178</u>	<u>7,214,534</u>	<u>2,281,493</u>	<u>1,115,696</u>	<u>1,169,430</u>	<u>-</u>	<u>16,434,331</u>	<u>28,062</u>	<u>16,462,393</u>
Finance income	9,942	7,283	25,827	2,285	7,491	72,855	125,683	-	125,683
Finance costs	(19,684)	(16,909)	(5,686)	(3,961)	(6,051)	(142,093)	(194,384)	-	(194,384)
Depreciation and amortization	(200,797)	(73,750)	(48,515)	(77,042)	(30,693)	(2,458)	(433,255)	-	(433,255)
Fair value changes in LLA liability	(172,840)	-	-	-	-	-	(172,840)	-	(172,840)
Share of results of joint ventures	(6,777)	20,368	-	6,784	(85)	1,085	21,375	-	21,375
Share of results of associates	704	-	-	9,746	-	2,581	13,031	-	13,031
Profit/(loss) before zakat and taxation financial year	<u>704,557</u>	<u>(125,201)</u>	<u>372,964</u>	<u>172,719</u>	<u>48,210</u>	<u>(346,870)</u>	<u>826,379</u>	<u>(29,244)</u>	<u>797,135</u>



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 December 2014 (continued)

Amounts in RM thousand unless otherwise stated

7. Segment Information (continued)

The segment information provided to the EXCO for the reportable segments of FGVH for the financial year is as follows: (continued)

	Palm Plantation	Palm Downstream	Sugar	Trading, logistics, marketing & others	Others	Reconciliation	Total	Discontinuing operations	Total
Year to date ended 31 December 2013									
Total segment revenue	18,073,011	6,583,679	2,249,689	1,189,180	2,022,751	(17,550,302)	12,568,008	-	12,568,008
Less : Inter-segment revenue	(1,694,710)	(159,907)	(47,209)	(381,650)	(155,148)	2,438,624	-	-	-
Revenue from external customers	<u>16,378,301</u>	<u>6,423,772</u>	<u>2,202,480</u>	<u>807,530</u>	<u>1,867,603</u>	<u>(15,111,678)</u>	<u>12,568,008</u>	<u>-</u>	<u>12,568,008</u>
Finance income	13,076	18,443	27,924	1,197	1,512	102,020	164,172	-	164,172
Finance costs	(11,261)	(7,494)	(4,895)	(4,209)	(11,573)	(63,997)	(103,429)	-	(103,429)
Depreciation and amortization	(139,688)	(54,110)	(39,260)	(61,631)	(19,993)	195,744	(118,938)	-	(118,938)
Fair value changes in LLA liability	494,485	-	-	-	-	-	494,485	-	494,485
Share of results of jointly controlled entities	(20,235)	(21,704)	-	-	-	-	(41,939)	(28,753)	(70,692)
Share of results of associates	10,494	-	-	-	-	100,198	110,692	(27,324)	83,368
Profit/(loss) before taxation for the financial year	<u>1,164,184</u>	<u>(52,481)</u>	<u>387,158</u>	<u>180,460</u>	<u>75,092</u>	<u>(190,767)</u>	<u>1,563,646</u>	<u>(56,077)</u>	<u>1,507,569</u>
The analysis of external revenue by segment :									
FGVH and its subsidiaries	9,284,177	1,020,257	2,202,480	-	985,848	(924,754)	12,568,008	-	12,568,008
Associates - FHB	<u>7,094,124</u>	<u>5,403,515</u>	<u>-</u>	<u>807,530</u>	<u>881,755</u>	<u>(14,186,924)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenue from external customers	<u>16,378,301</u>	<u>6,423,772</u>	<u>2,202,480</u>	<u>807,530</u>	<u>1,867,603</u>	<u>(15,111,678)</u>	<u>12,568,008</u>	<u>-</u>	<u>12,568,008</u>
The analysis of profit before taxation by segment:									
FGVH and its subsidiaries	996,833	(27,203)	387,158	-	(733)	107,393	1,463,448	(28,753)	1,434,695
Associates – FHB	<u>167,351</u>	<u>(25,278)</u>	<u>-</u>	<u>180,460</u>	<u>75,825</u>	<u>(298,160)</u>	<u>100,198</u>	<u>(27,324)</u>	<u>72,874</u>
Profit/(loss) before taxation	<u>1,164,184</u>	<u>(52,481)</u>	<u>387,158</u>	<u>180,460</u>	<u>75,092</u>	<u>(190,767)</u>	<u>1,563,646</u>	<u>(56,077)</u>	<u>1,507,569</u>



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 December 2014 (continued)

Amounts in RM thousand unless otherwise stated

8. Capital Commitments

Authorised capital expenditure not provided for are as follows:

	As at 31 December 2014	As at 31 December 2013
Property, plant and equipment:		
- contracted	503,953	444,787
- not contracted	497,982	413,930
	<u>1,001,935</u>	<u>858,717</u>
Biological assets:		
- contracted	22,310	10,639
- not contracted	86,714	66,101
	<u>109,024</u>	<u>76,740</u>
Intangible assets:		
- contracted	41	1,367
- not contracted	27,555	-
	<u>27,596</u>	<u>1,367</u>
Investment in subsidiaries	<u>-</u>	<u>85,629</u>

9. Significant Related Party Transactions

Federal Land Development Authority ("FELDA"), a significant shareholder of the Group, effectively owns 33.7% 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 FRS 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.

With the acquisition of Felda Holdings Berhad ("FHB") on 27 December 2013, transactions with FHB and its group of companies are now treated as transactions with subsidiaries of the Group in the condensed consolidated financial statements of FGVH and eliminated upon consolidation. In prior financial year, FHB was an associate of FGVH.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 December 2014 (continued)
Amounts in RM thousand unless otherwise stated

9. Significant Related Party Transactions (continued)

(I) Related party transactions for the financial year ended 31 December 2014 and 31 December 2013 are as follows:

(a) Sales of goods and services

	Year to date ended	
	31 December	
	2014	2013
(i) Transactions with joint ventures		
Tolling fees income of Twin River Technologies Enterprise De Transformation De Graines Oleagineuses Du Quebec Inc ('TRT ETGO') from Bunge ETGO L.P. ('Bunge ETGO')	-	21,782
Sales of CPO by Felda Global Ventures Plantation (Malaysia) Sdn. Bhd. ('FGVPM') to Felda Iffco Sdn. Bhd. ('FISB') Group	2,070,807	2,189,549
Sales of CPKO, RBDPKO and PFAD by Felda Kernel Sdn. Bhd. ('FKP') to FISB Group and FPG Oleochemicals Sdn. Bhd. ('FPG')	1,131,996	-
Sales of Processed Palm Oil ("PPO") by Felda Marketing Services Sdn. Bhd. ("FELMA") to FISB Group	137,559	-
Sales of Storage for vegetable oil by Felda Bulkers Sdn. Bhd. ("FBSB") to FISB Group and FPG	16,207	-
Sales of CPO by FGVPM to Mapak Edible Oils (Pvt) Ltd ("MAPAK")	231,278	-



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 December 2014 (continued)
Amounts in RM thousand unless otherwise stated

9. Significant Related Party Transactions (continued)

(I) Related party transactions for the financial year ended 31 December 2014 and 31 December 2013 are as follows: (continued)

(a) Sales of goods and services (continued)

	Year to date ended	
	31 December	
	2014	2013
(ii) Transactions with subsidiaries of FHB		
Management fees charged by FGVH to subsidiaries of FHB	-	52,051
Sales of FFB by FGVPM to Felda Palm Industries Sdn. Bhd. ('FPISB')	-	2,242,503
Sales of cup lumps and latex by FGVPM to Felda Rubber Industries Sdn. Bhd. ('FRISB')	-	38,280
Sales of CPO by FGVPM to Felda Vegetable Oil Sdn. Bhd. ('FVOP') and Delima Oil Products Sdn. Bhd. ('DOP')	-	2,750,741
Sales of CPO by Pontian United Plantation ('PUP') to Felda Vegetable Oil Sdn. Bhd. ('FVOP')	-	27,143
(iii) Transactions between subsidiaries and FELDA Group		
Sales of fertilizer by FPM Sdn. Bhd. ('FPM')	253,708	-
IT services rendered by Feldata Services Sdn. Bhd. ('Prodata')	33,267	-
Security services rendered by Feldata Security Services Sdn. Bhd. ('FSSSB')	23,767	-
Sales of seedlings and planting materials by FASSB	15,610	-



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 December 2014 (continued)
Amounts in RM thousand unless otherwise stated

9. Significant Related Party Transactions (continued)

(I) Related party transactions for the financial year ended 31 December 2014 and 31 December 2013 are as follows: (continued)

(b) Purchase of goods and services

	Year to date ended	
	31 December	
	2014	2013
(i) Transactions with an associate		
Management fees charged by FHB	-	55,909
(ii) Transactions with joint ventures		
Purchase of PPO by FELMA from FISB Group	110,797	-
(iii) Transactions with subsidiaries of FHB		
Purchase of coconut oil and other palm oil products by Twin River Technologies Holdings, Inc ("TRTH") from FELMA	-	61,353
Purchase of fertilizer by FGVP and Kilang Gula Felda Perlis ('KGFP') from FPM	-	306,179
Purchase of chemicals and seedlings by FGVP and KGFP from Felda Agricultural Services Sdn. Bhd. ('FASSB')	-	33,959
Purchase of CPO by FGVP from FPISB	-	6,977,255
Purchase of IT services from Prodata	-	16,450
Purchase of security services from FSSSB	-	56,556
Purchase of travel services by Felda Travel	-	13,874
Purchase of marketing services from FELMA	-	11,606



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QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 December 2014 (continued)
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9. Significant Related Party Transactions (continued)

(I) Related party transactions for the financial year ended 31 December 2014 and 31 December 2013 are as follows: (continued)

(b) Purchase of goods and services: (continued)

	Year to date ended	
	31 December	
	2014	2013
(iv) Transactions between subsidiaries and FELDA Group		
Building rental charged by FELDA	12,324	-
Finance expense charged by FELDA to FGVH	126,097	93,085
LLA liability paid to FELDA	336,401	325,894
Share of infrastructure cost in Sabah charged to FGVP by FELDA	25,918	16,902
Contribution to Yayasan Felda	22,782	-
Purchase of latex by Felda Rubber Industries Sdn. Bhd. ("FRI") from FELDA	91,581	-
Purchase of FFB by FPI from FELDA	2,894,632	-
Compensation claim receivable/(reversal)	(75,500)	82,938

(c) Transactions with Government related entities

(i) Transactions between subsidiaries and other government agencies

Sugar subsidy received from Kementerian, Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan	-	134,623
Cooking oil subsidy received from Malaysia Palm Oil Board ("MPOB")	160,014	-
CPO export tax paid to Kastam Diraja Malaysia	39,465	58,190



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 December 2014 (continued)
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10. Effect of Significant Changes in the Composition of FGVH

Acquisition of a subsidiary

On 13 October 2014, FGVH obtained control of Asian Plantations Limited (“APL”), a company incorporated in Singapore. The acquisition of 100% equity interest was completed on 31 October 2014 for a cash consideration of RM568 million. This was in pursuant to a General Offer made by FGVH at GBP2.20 per share, a premium of 3.5% above the last traded price of APL.

The provisional effects of the acquisition of APL are as follows:

	Carrying value	Fair value
Property, plant and equipment	207,602	220,461
Biological assets	225,183	247,222
Prepaid lease payments	185,613	194,212
Net current liabilities	<u>(566,216)</u>	<u>(576,770)</u>
	52,182	85,125
Non-controlling interests		18
Net assets acquired		<u>85,143</u>
Purchase consideration		567,898
Net assets acquired		<u>85,143</u>
Goodwill		<u>482,755</u>

The cash outflow on acquisition is as follows:

Purchase consideration	567,898
Less: Cash and cash equivalents of subsidiary acquired	<u>(18,904)</u>
Net cash outflow on acquisition of subsidiary	<u>548,994</u>

The effect on the statement of comprehensive income for the year ended 31 December 2014 had the acquisition taken effect at the beginning of the financial year is shown below.

Revenue	113,117
Cost of sales	<u>(127,726)</u>
Gross loss	(14,609)
Other operating income	709
Administrative expenses	(19,554)
Other operating expenses	(31,907)
Finance costs	<u>(39,726)</u>
Loss before taxation	(105,087)
Taxation	<u>4,163</u>
Loss after taxation	<u>(100,924)</u>



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 December 2014 (continued) Amounts in RM thousand unless otherwise stated

10. Effect of Significant Changes in the Composition of FGVH (continued)

Incorporation of new companies

1. On 24 December 2014, FGVH through its wholly owned subsidiary, Felda Global Ventures Rubber Sdn. Bhd. had acquired the entire issued and paid-up share capital of FGV Green Rubber Sdn. Bhd. ("FGV Green Rubber"), a company incorporated in Malaysia for a cash consideration of RM2.

FGV Green Rubber was incorporated on 5 December 2014 and is presently dormant. The authorised share capital of FGV Green Rubber is RM400,000 comprising of 400,000 ordinary shares of RM1 each of which 2 ordinary shares of RM1 each have been issued and fully paid-up. The intended principal activity of FGV Green Rubber is to carry on the business of purchasing and processing raw latices and marketing rubber.

11. Contingent Liabilities and Material Litigation

- (i) On 3 September 2010, FPISB and FELDA were sued by 514 settlers of Felda Seriting 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 the 2008 only. The matter is still on going and the Court now fixed the matter for continued trial on 4, 5, 10, 11, 12 March 2015.
- (ii) 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 the 2008 only. This case was called for mention on 18 September 2013 and the Judge has ordered the Plaintiffs to determine who actually has the locus standi to sue in this suit and to determine which Plaintiffs have signed agreements with Felda. The Court now fixed the matter for continued trial on 19 and 20 March 2015.
- (iii) 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 the year 2008 only. The Court had on 19 April 2012 allowed an order in terms for application by FELDA and FPISB to strike out 20 Plaintiffs with costs. The matter fixed for trial on 11 to 15 August 2014 have been vacated to give priority to hear Jengka A case. The court has yet to fix trial dates for this case.
- (iii) 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 the year 2008 only. FPISB has filed Memorandum of Appearance in High Court on 15 November, a Statement of Defence on 3 January 2012 and have also filed an application to Strike-Out Ground on Plaintiffs' claims on 25 January 2012. The matter scheduled for continued trial on 27, 28 & 29 August 2014 and 15, 17, 18 & 19 September 2014 was postponed due to the Plaintiffs' application to amend the Statement of Claim. The court now fixed the matter for continued trial on 1 to 6 June and 15 to 19 June 2015.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 December 2014 (continued)
Amounts in RM thousand unless otherwise stated

11. Contingent Liabilities and Material Litigation (continued)

- (v) 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 the year 2008 only. FPISB has to file a Memorandum of Appearance in High Court on 16 May 2012. The matter was heard on 25,26,27,28,29 August 2014 and continued hearing on 19,20 & 21 November 2014 was vacated. The Court has yet to fix the dates for trial.
- (vi) 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 the year 2008 only. FPISB has filed a Memorandum of Appearance in High Court on 26 June 2012 and the Kuantan Court has yet to fix trial dates for this case.
- (vii) 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 claim amounted to RM11.3 million for the year 2008 only. The matter which was fixed for trial on 22nd to 26th September 2014 have been vacated to give priority to hear Jengka A case. The court has yet to fix trial dates for this case.

Based on available information and on legal advices received, the Directors 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.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 December 2014 (continued)
Amounts in RM thousand unless otherwise stated

12. Review of Group Performance

	Year to date ended		% + / (-)
	31 December		
	2014	2013	
Revenue	<u>16,434,331</u>	<u>12,568,008</u>	30.8
Palm Plantation	704,557	1,164,184	(39.5)
Sugar	372,964	387,158	(3.7)
Palm Downstream	(125,201)	(52,481)	<100
Trading, Logistics, Marketing and Others	172,719	180,460	(4.3)
Others	<u>48,210</u>	<u>75,092</u>	(35.8)
Segment results	1,173,249	1,754,413	(33.1)
Reconciliation	<u>(346,870)</u>	<u>(190,767)</u>	(81.8)
Profit before taxation ("PBT")	826,379	1,563,646	(47.2)
Zakat	(13,184)	(32,612)	(59.6)
Tax expense	<u>(262,091)</u>	<u>(366,659)</u>	28.5
Profit from continuing operations	551,104	1,164,375	(52.7)
Loss from discontinuing operations	<u>(29,244)</u>	<u>(56,077)</u>	(47.9)
Net profit for the financial year	<u>521,860</u>	<u>1,108,298</u>	(52.9)
Profit attributable to:			
Owners of the Company	306,369	982,251	(68.8)
Non-controlling interests	<u>215,491</u>	<u>126,047</u>	71.0
Profit after tax and non-controlling interests	<u>521,860</u>	<u>1,108,298</u>	(52.9)

Overall

Overall, the Group registered 30.8% growth in revenue YOY and a total net profit of RM521.86 million for the year.

While the main reason for the revenue growth was attributed to the full year effects of FHB consolidation into FGV, the Group had also realised a higher average CPO price of RM2,410 per MT compared to RM2,333 per MT in 2013 and higher OER of 21.01% vis a vis 20.44% in 2013. In addition, the Group also continue to embark upon aggressive replanting efforts to correct it's age profile during the year and thus caused a drop in CPO production volume and FFB processed.

The PBT achieved was RM826 million, a drop of 47.2% compared to 2013. These were largely due to the long drought in the first quarter of the year which had disrupted FFB and CPO production and coupled with other factors such as soy bumper crop, sharp drop in the crude oil prices and shadow banking issues in China which resulted in the commodity prices rallies and had shifted the demand in the vegetable oils market.

The Group's operating profit (before LLA) comparison against 2013 was not comparable due to the inclusion of a fair value gain of RM330.86 million from FHB's acquisition instead of nil in 2014. Excluding this effect, the operating profit (before LLA) in 2013 was RM608.80 million 70% lower than 2014 of RM1.03 billion.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 December 2014 (continued)
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12. Review of Group Performance (continued)

Segment Performance Analysis

(a) Plantation

The Plantation segment registered a 39.5% reduction in profit compared to previous year largely attributed by the LLA fair value charge of RM172.84 million in 2014 vis a vis a gain of RM494.49 million in 2013. Excluding the LLA effect, the segment's result was RM877.40 million, higher compared to RM669.70 million in 2013.

The increase was due to higher average CPO realised price of RM2,410 per MT in 2014 against RM2,333 per MT in 2013 in spite of the fall in CPO production to 3.10 million MT in 2014 from 3.21 million MT in 2013 and the lower FFB production of 4.97 million MT in 2014 compared to 5.05 million MT in 2013. OER achieved was higher at 21.01% as compared to the previous year at 20.44%.

(b) Sugar

Although subsidy was totally removed commencing from October 2013, segment profit declined only by 3.7%, resulting in a profit of RM372.96 million. The segment experienced a drop in domestic sales volume by 9% which partly offset by higher industry sales and low raw sugar prices throughout 2014 as the global prices slid to as low as USD16 cents per pound.

(c) Downstream

The Downstream segment registered a loss of RM125.20 million in 2014 compared to a loss of RM52.48 million in 2013 mainly due to lower crush margin from the Canadian business.

The segment's result was further affected by the negative refining margins but was offset in part by higher profits generated by the kernel crushing activities due to higher prices of CPKO and RBDPKO products and better margins achieved as compared to 2013.

(d) Trading, logistics, marketing and others ("TLMO")

The Trading, logistics, marketing and others segment's profit decreased slightly by 4.3% in 2014 due to lower throughput handled by the Group's bulking operations compared to the same period last year.

(e) Others

Other businesses recorded a reduction in profit from RM75.09 million to RM48.21 million in 2014 due to lower sales volume of compound fertilizers and the drop in the rubber prices which impacted processing margins.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 December 2014 (continued)
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13. Material Changes in the Quarterly Results Compared to Preceding Quarter

	Quarter ended		% + / (-)
	31 December 2014	30 September 2014	
Revenue	<u>4,299,827</u>	<u>4,324,895</u>	(0.6)
Palm Plantation	240,155	157,495	52.5
Sugar	116,556	66,397	75.5
Palm Downstream	(22,492)	(110,971)	(79.7)
Trading, Logistics, Marketing and Others	58,035	21,198	>100
Others	<u>6,922</u>	<u>19,264</u>	(64.1)
Segment results	399,176	153,383	>100
Reconciliation	<u>(258,933)</u>	<u>(58,202)</u>	<100
PBT	140,243	95,181	47.3
Zakat	(5,865)	(6,023)	2.6
Tax expense	<u>(47,564)</u>	<u>(60,923)</u>	(21.9)
Profit from continuing operations	86,814	28,235	>100
Loss from discontinuing operations	<u>(10,688)</u>	<u>(5,242)</u>	<100
Net profit/profit for the financial year	<u>76,126</u>	<u>22,993</u>	>100
Profit attributable to:			
Owners of the Company	20,211	(9,332)	>100
Non-controlling interests	<u>55,915</u>	<u>32,325</u>	73.0
Profit after tax and non-controlling interests	<u>76,126</u>	<u>22,993</u>	>100

Overall

The Group results rebounded from a net loss of RM9.3 million in the preceding quarter to a net profit of RM20.21 million in the final quarter of 2014 on the back of RM4.30 billion of revenue. This is achieved on a backdrop of weak global market sentiment, low energy prices and the weakening RM against the greenback. Coupled with the effect of long drought in the early parts of the year, Q3 has proven to be the weakest quarter for the Group in 2014. Sustainable agriculture practices with strict KPI-driven management have translated into improved earnings across all key segments in Q42014.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 December 2014 (continued)

Amounts in RM thousand unless otherwise stated

13. Material Changes in the Quarterly Results Compared to Preceding Quarter (continued)

(a) Plantation

The segment's results surged to RM240.16 million in the current quarter compared to RM157.49 million in the previous quarter due to fair value gain in LLA of RM143.75 million vis a vis a charge of RM98.90 million in the preceding quarter.

Notwithstanding the above, the segment's average CPO price realised edged down by 7.0% from RM2,317 per MT in the preceding quarter to RM2,154 per MT in current quarter. In addition, the recent flood in the East Coast area led to lower FFB production of 1.25 million MT in the current quarter as compared to 1.27 million MT in the preceding quarter.

The segment made a reversal of compensation income amounted to RM75.50 million due from Felda which had been waived based on actual hectareage given up for mining activities.

(b) Sugar

The Sugar segment's results increased by 75.5% primarily due to increase in export sales volume by 25% to 57,748 MT from 46,121 MT in preceding quarter and lower cost of refined sugar compared to preceding quarter.

(c) Downstream

The Downstream segment registered a loss RM22.49 million which had improved from RM110.97 million losses recorded in the preceding quarter. The Q3 2014 mark to market unrealised losses in the Canadian crushing business of RM52.04 million had turned to a gain of RM35.24 million as the soy and canola prices shifted in the current quarter.

The local downstream business units performed better in the current quarter underpinned by positive margin of RBD products compared to negative margin in preceding quarter. The segment's results were partly offset by lower margin achieved from the sales of CPKO and RBDPKO.

(d) Trading, logistics, marketing and others ("TLMO")

The TLMO segment profits increased to RM58.03 million from RM21.20 million in preceding quarter due to higher transportation income and unrealised gain from trading activities in the current quarter.

(e) Others

Contribution from others declined by 64.1% mainly due to decrease in sales volume of fertiliser, lower margins from R&D activities and impairment loss of investment in a joint venture.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 December 2014 (continued)
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14. Variance of Actual Profit from Profit Forecast or Profit Guarantee

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

15. Operating Profit

	Year to date ended	
	31 December	
	2014	2013
Included in operating profit are:		
Compensation claim receivable/(reversal)	(75,500)	82,938
Amortisation of intangible assets	21,647	11,064
Amortisation of prepaid lease payments	6,558	150
Depreciation of property, plant and equipment	390,784	98,818
Depreciation of investment properties	3,551	224
Accelerated depreciation of biological assets	10,715	8,682
Property, plant and equipment written off	27,049	2,335
Biological asset written off/(reversal)	(14,652)	32,195
Impairment of property, plant and equipment	1,774	40,000
Impairment loss on biological assets	4,870	663
(Reversal)/impairment loss on jointly controlled entity	(54,897)	43,657
Gain on disposal of property, plant and equipment	(5,475)	(5,978)
Gain on disposal of investment in an associate	(12,618)	(26,673)
Net foreign exchange loss/(gain)	<u>8,335</u>	<u>(15,859)</u>

16. Taxation

	Quarter Ended		Year to date Ended	
	31 December		31 December	
	2014	2013	2014	2013
Malaysian income tax				
Current financial year	(40,000)	57,666	(235,681)	(139,205)
Prior financial year	(26,412)	(12,545)	(26,635)	(12,557)
	<u>(66,412)</u>	<u>45,121</u>	<u>(262,316)</u>	<u>(151,762)</u>
Foreign income tax				
Current financial year	(619)	12,434	(15,369)	(820)
Deferred tax	<u>19,467</u>	<u>(242,128)</u>	<u>15,594</u>	<u>(214,077)</u>
	<u>(47,564)</u>	<u>(184,573)</u>	<u>(262,091)</u>	<u>(366,659)</u>

The effective tax rate of 32% for the financial year ended 31 December 2014 is higher than the Malaysian income tax rate of 25% due to certain expenses which are not taxable and deferred tax assets not recognized on losses in certain subsidiaries.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 December 2014 (continued)
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17. Borrowings

The total unsecured borrowings are as follows:

	As at 31 December 2014		
	Secured	Unsecured	Total
<u>Long-term borrowings</u>			
Loan due to a significant shareholder	-	1,980,404	1,980,404
Term loans	166,025	13,408	179,433
Finance lease liabilities	3,064	-	3,064
Bank guaranteed Medium Term Notes programme	251,964	-	251,964
	<u>421,053</u>	<u>1,993,812</u>	<u>2,414,865</u>
<u>Short-term borrowings</u>			
Loan due to a significant shareholder	-	222,515	222,515
Term loans	16,205	2,083	18,288
Export credit refinancing	-	70,000	70,000
Revolving credits	232,621	227,337	459,958
Bank overdrafts	8,659	51,590	60,249
Bankers acceptances	13,385	1,362,160	1,375,545
Finance lease liabilities	2,007	-	2,007
Convertible loan	4,498	-	4,498
	<u>277,375</u>	<u>1,935,685</u>	<u>2,213,060</u>
Total borrowings	<u>698,428</u>	<u>3,929,497</u>	<u>4,627,925</u>

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

Ringgit Malaysia	4,081,948
Canadian Dollar	205,509
Thai Baht	13,385
Indonesia Rupiah	47,856
United States Dollar	231,331
Great Britain Pound	45,197
Singapore Dollar	2,699
Total borrowings	<u>4,627,925</u>

On 27 November 2014, FGVH had made an early settlement of loan facility from Felda amounted to RM285 million.

As at 31 December 2014, certain bankers acceptances and revolving credits were collateralised by the mortgage and/or pledge by the land, including structures, machinery, benefits of an insurance covering finished goods, and guaranteed by some of the Directors and/or shareholders of the subsidiary company and by the immediate holding company. The Medium Term Notes Programme is secured over the leasehold land in which the Group has prepaid rights to use the land.



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 December 2014 (continued)
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18. Derivative Financial Instruments

FGVH uses forward foreign exchange contracts and commodity contracts to manage its exposure to various financial risks. The outstanding contractual/notional amounts and fair values of these derivatives as at 31 December 2014 are as follows:

	Contractual / Notional Amount	Fair Value	
		Assets	Liabilities
Foreign currency forwards	885,391	529	15,271
Sugar future contracts	6,364	38	-
Palm oil futures	61,753	61	2,524
Rubber futures	9,977	2,078	19
Soy futures	168,262	1,367	3,432
Soy meal futures	263,654	4,472	2,152
Soy oil futures	149,494	4,066	2,594
Canola futures	235,113	2,669	4,719
Natural gas futures	6,698	57	1,681
	<u>1,786,706</u>	<u>15,337</u>	<u>32,392</u>

19. Fair Value Changes of Financial Instruments

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 2013. The maturity periods of the above derivatives are less than one year. The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2014.

31 December 2014

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
Financial assets at fair value through profit or loss:				
- Derivatives	14,808	529	-	15,337
- Available-for-sale financial assets	24,846	-	218,839	243,685
- Trading securities	<u>21,431</u>	<u>-</u>	<u>-</u>	<u>21,431</u>
Total assets	<u>61,085</u>	<u>529</u>	<u>218,839</u>	<u>280,453</u>
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss:				
- LLA liability	-	-	4,680,829	4,680,829
- Derivatives	<u>17,121</u>	<u>15,271</u>	<u>-</u>	<u>32,392</u>
Total liabilities	<u>17,121</u>	<u>15,271</u>	<u>4,680,829</u>	<u>4,713,221</u>



FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 December 2014 (continued)

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19. Fair Value Changes of Financial Instruments (continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily equity investments listed in Bursa Malaysia Securities Berhad or foreign stock exchanges classified as trading securities or available for sale and commodity derivatives quoted on Malaysia Derivatives Exchange ("MDEX") for palm oil and other foreign commodity exchanges and over the counter ("OTC") commodity contracts.

The fair value of financial instruments that are not traded in an active market (for example, foreign currency forward contracts) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. Instruments included in Level 2 comprise foreign currency forward contracts.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Instruments included in Level 3 comprise LLA liability.

The following table presents the changes in Level 3 instruments during the financial year:

	Financial year <u>2014</u>	Financial year <u>2013</u>
<u>LLA liability</u>		
1 January	4,844,390	5,664,769
Fair value changes charged/(credited) to profit or loss	172,840	(494,485)
Repayment during the year	(336,401)	(325,894)
31 December	<u>4,680,829</u>	<u>4,844,390</u>

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 a periodic basis. Any changes on assumptions used will cause a material variation of the liability.



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20. Realised and Unrealised Profits or Losses

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

	As at 31 December 2014	As at 31 December 2013
Total retained earnings of the Company and its subsidiaries:		
- realised	3,969,590	4,090,421
- unrealised	(271,535)	(249,888)
	<u>3,698,055</u>	<u>3,840,533</u>
Total share of retained earnings from jointly controlled entities:		
- realised	204,318	(75,625)
- unrealised	(55,661)	(63,380)
	<u>148,657</u>	<u>(139,005)</u>
Total share of retained earnings from associates:		
- realised	130,219	(2)
- unrealised	(6,987)	-
	<u>123,232</u>	<u>(2)</u>
Less: consolidation adjustments	(2,569,529)	(2,022,376)
Total retained earnings of FGVH	<u>1,400,415</u>	<u>1,679,150</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.



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Explanatory Notes on the Quarterly Report – 31 December 2014 (continued)
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21. Earnings Per Share

	Quarter ended 31 December		Year to date ended 31 December	
	2014	2013	2014	2013
Basic earnings per share are computed as follows:				
Profit for the financial year attributable to owners of the Company	<u>20,211</u>	<u>499,924</u>	<u>306,369</u>	<u>982,251</u>
Weighted average number of ordinary shares in issue (thousands)	3,648,152	3,648,152	3,648,152	3,648,152
Basic earnings per share (sen)	<u>0.6</u>	<u>13.7</u>	<u>8.4</u>	<u>26.9</u>

22. Status of Corporate Proposals

- (a) There was no corporate proposal entered into during the financial year under review.
- (b) Utilisation of IPO proceeds

The gross proceeds of RM4,459,000,000 arising from the Public Issue are expected to be fully utilised for our core businesses in the following manner:

Details of Use of Proceeds	Estimated Timeframe for Utilisation Upon Listing		Amount utilised as at 31 December 2014	Balance of IPO proceeds as at 31 December 2014
Acquisition of plantation assets	within 3 years	2,190,000	(2,006,884)	183,116
Selective acquisitions of oil and fats, manufacturing and logistics businesses	within 3 years	840,000	(840,000)	-
Construction or acquisitions of mills and refineries	within 3 years	780,000	(537,456)	242,544
Loan repayment for our overseas operation	within 6 months	260,000	(260,000)	-
Capital expenditures for increases in efficiency, as well as extension of capabilities	within 2 years	100,000	(79,330)	20,670
Working capital requirements, general corporate purposes	within 6 months	129,000	(129,000)	-
Estimated listing expenses	within 6 months	160,000	(160,000)	-
Total gross proceeds		<u>4,459,000</u>	<u>(4,012,670)</u>	<u>446,330</u>



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QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 December 2014 (continued) Amounts in RM thousand unless otherwise stated

23. Significant events

- (a) On 14 January 2014, a subsidiary of Felda Global Ventures Downstream Sdn. Bhd. ("FGVD"), Cambridge Nanosystems Ltd, signed a Share Purchase Agreement for acquisition of GasPlas AS ("GP"), for a purchase price of GBP5.9 million (RM31.9 million). GP is a company incorporated in Norway and through its wholly owned subsidiary, EnPlas Ltd which is incorporated in United Kingdom and based in Norwich, collectively holds patents and owned Micro-Wave Plasma reactors which will be used to produce high grade carbon nanotubes and graphene using crude palm oil and methane as the feedstock using a certain technology. The acquisition of GP was completed on 16 January 2014.
- (b) On 8 March 2014, FGV Myanmar (L) Pte Ltd, a wholly owned subsidiary of FGVH entered in a joint venture agreement with Pho La Min Trading Company Limited ("PLM") to establish a joint venture company in the Republic Union of Myanmar to carry out the business of rubber plantation, processing, sale and marketing of rubber and other activities incidental and ancillary thereto and modifications and/or expansions thereof as mutually agreed by the parties ("proposed joint venture").

The joint venture company, FGV Pho La Min Company Limited was formed on 26 May 2014 and is presently dormant.

- (c) On 7 April 2014, the Board of Directors of FGVH approved to increase the share capital of Felda Global Ventures Plantation Sdn. Bhd. ("FGVP") and Felda Global Ventures Kalimantan Sdn. Bhd. ("FGVK") by RM80,000,000 for the purpose of increasing the shareholders (FGVK) contribution of RM80,000,000 in Trurich Resources Sdn. Bhd. ("TRSB") which was completed in Quarter 3 2014 . The total shareholders contribution amounting to RM160,000,000 into TRSB is equally contributed between FGVH and Lembaga Tabung Haji.
- (d) On 23 May 2014, FGV Cambodia (L) Pte. Ltd ("FGVC"), a wholly owned subsidiary of FGV Investment (L) Pte Ltd, entered into a joint venture agreement and a shareholders' agreement with Co-Op Village Co. Ltd to establish a joint venture company ("JVC") in the Kingdom of Cambodia to carry out the business of production and export of CSR 10 Rubber Blocks or other classification of processed rubber as the JVC deems fit, and other activities incidental and ancillary thereto and modifications thereof as mutually agreed by the parties. FGV-CVC (Cambodia) Co. Ltd. was incorporated on 4 June 2014 and operations commenced in September 2014.
- (e) On 31 May 2014, FGVH disposed off its 45.0% equity interest in Voray Holdings Limited for a total consideration of RM9.64 million, which resulted in a gain on disposal of RM12.62 million for the Group.



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23. Significant events (continued)

- (f) On 29 August 2014, Merrill Lynch (Singapore) Pte. Ltd. had, on behalf FGVH, served the notice of voluntary conditional cash offer (“the Offer”) to acquire all the issued and paid up capital of Asian Plantations Limited (“APL”), a company listed on the Alternative Investment Market of the London Stock Exchange (“AIM”) for a cash consideration of £2.20 (approximately the equivalent of RM11.50). The proposed acquisition of APL through the Offer is in line with FGV’s expansion roadmap.

On 13 October 2014, FGVH received valid acceptances for a total of 43,915,662 APL shares, representing 93.9% of the total number of issued shares. On 22 October 2014, FGVH received valid acceptances (which have not been withdrawn) in respect of 45,438,108 APL shares, representing approximately 97.2% of the total number of issued shares. Subsequently, on 27 October 2014, FGV had received valid acceptances totalling 45,648,088 APL shares, representing approximately 97.6%.

On 14 October 2014, APL announced that their securities will be cancelled from trading on AIM with effect from 11 November 2014.

On 31 October 2014, FGVH has despatched to the shareholders who have not accepted the Offer (“the Dissenting Shareholders”) the following documents:

- (i) a letter (“CA Letter”) with regards to FGVH’s exercise of its right of compulsory acquisition and the right of such Dissenting Shareholders to require FGVH to acquire the shares held by them; and
- (ii) a Notice to Dissenting Shareholder and a Notice to Non-Assenting Shareholder.

As at 31 October 2014, the acquisition of 100% APL has been completed with a purchase consideration of RM567,898,000.

- (g) On 31 October 2014, FGVH entered into a conditional agreement for the acquisition of the entire equity interest of Felda Iffco South China Ltd (“FISC”) from Felda Iffco Sdn. Bhd. (“FISB”), a joint venture company of FGVH, for a total purchase consideration of RMB320 million which shall be payable in three instalments. On 3 November 2014, FGVH paid RMB160 million (RM86.62 million) upon execution of the agreement.

24. Material events after reporting year

- (i) On 28 January 2015, FGVH through its wholly owned subsidiary, Felda Global Ventures Kalimantan Sdn. Bhd. (“FGVK”) had received the approval from the Ministry of Law and Justice and Human Rights of Indonesia for the incorporation of PT Bumi Agro Nusantara (“PT BAN”).

The entire issued and paid-up share capital of PT BAN is RM873,045 and are held by FGVK (99.6%) and Felda Global Ventures Plantation Sdn. Bhd. (0.4%) respectively.

The intended principal activity of PT BAN is to carry on the business of management and consulting services.



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25. Prospects

2015 kick started with severe flooding in the country which was earlier on expected to disrupt harvesting and consequently reduce the country's CPO production. The flood nevertheless has minimal effect on the Group's internal FFB production.

Against the backdrop of CPO prices trending sideways, low crude oil energy prices and weakening Ringgit against USD, 2015 is set to be another challenging year for the Group as well as the industry. The cold season may hamper CPO demand in the short term but CPO will be back in demand from the traditional markets such as Pakistan, India, China and the European Union (EU) once the warmer season and festive season kicks in.

In line with the Group's strategic blueprint aspiration, the Group achieved another milestones with the incorporation of its two new companies namely PT Bumi Agro Nusantara, an entity based in Indonesia and FGV Trading Sdn Bhd, a trading and marketing arm of FGV under the new enhanced business model. In addition, as a responsible organisation, the Group will continue its support for the Country's biodiesel mandate as well as continue to pursue the Malaysian Sustainable Palm Oil (MSPO) standard certification which should help put Malaysia at the forefront in the global palm oil industry.

With the right trajectory and barring any unforeseen circumstances, the Board of Directors is of the opinion that the Group's performance for the current financial year ending 31 December 2015 will be satisfactory.

By Order of the Board

Koo Shuang Yen
Company Secretary

24 February 2015