

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**QUARTERLY REPORT****On consolidated results for the first quarter ended 31 March 2012**

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 2012	Quarter ended 31 March 2011
Revenue		1,719,997	1,688,481
Cost of sales		<u>(1,330,223)</u>	<u>(1,036,756)</u>
Gross profit		389,774	651,725
Other operating income		1,038	3,702
Selling and distribution costs		(30,926)	(38,036)
Administrative expenses		(56,831)	(44,408)
Other operating expenses		-	(9,490)
Other (losses)/gains-net		(213)	(16,907)
Fair value changes in Land Lease Agreement ('LLA') liability		<u>(47,552)</u>	<u>-</u>
Operating profit	15	255,290	546,586
Finance income		11,147	4,073
Finance costs		<u>(27,777)</u>	<u>(27,039)</u>
Finance costs-net		(16,630)	(22,966)
Share of results from associates		35,014	(11,185)
Share of results from jointly controlled entities		<u>7,132</u>	<u>(17,151)</u>
Profit before taxation		280,806	495,284
Taxation	16	<u>(57,594)</u>	<u>(145,126)</u>
Profit for the financial period		<u>223,212</u>	<u>350,158</u>

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

On consolidated results for the first quarter ended 31 March 2012 (continued)

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

	Note	Quarter ended 31 March 2012	Quarter ended 31 March 2011
Profit for the financial period		223,212	350,158
Other comprehensive income/(loss)			
Share of other comprehensive income of associates		7,192	9,305
Share of other comprehensive (loss)/income of jointly controlled entities		(10,630)	12,145
Currency translation differences		(8,049)	(1,518)
Other comprehensive (loss)/income for the financial period, net of tax		(11,487)	19,932
Total comprehensive income for the financial period		<u>211,725</u>	<u>370,090</u>
Profit/(loss) attributable to:			
- Owners of the Company		192,165	359,048
- Non-controlling interests		31,047	(8,890)
Profit for the financial period		<u>223,212</u>	<u>350,158</u>
Total comprehensive income attributable to:			
- Owners of the Company		180,678	379,141
- Non-controlling interests		31,047	(9,051)
Total comprehensive income for the financial period		<u>211,725</u>	<u>370,090</u>
Basic EPS (sen)	22	10.9	20.3
Diluted EPS (sen)	22	7.2	12.9

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 2011 included in the Prospectus.

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

On consolidated results for the first quarter ended 31 March 2012 (continued)

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

	Note	Unaudited As at 31 March 2012	Audited As at 31 December 2011 (restated)
<u>Non-current assets</u>			
Property, plant and equipment		1,699,704	1,697,026
Goodwill and intangible assets		674,314	662,686
Interests in associates		2,434,590	2,388,197
Interests in jointly controlled entities		345,855	349,353
Biological assets		1,861,123	1,858,842
Prepaid lease payments		768	786
Loan due from other related company		17,069	17,090
Amounts due from jointly controlled entity		75,306	45,520
Deferred tax assets		1,509,979	41,998
		<u>8,618,708</u>	<u>7,061,498</u>
<u>Current assets</u>			
Inventories		635,895	464,117
Biological assets		4,103	11,198
Receivables		358,795	403,580
Amounts due from other related companies		767,947	4,118
Amounts due from an associate		2,641	-
Tax recoverable		36,347	21,729
Loan due from other related company		10,481	10,836
Derivative financial assets	19	977	2,842
Cash and cash equivalents		1,674,180	1,778,130
		<u>3,491,366</u>	<u>2,696,550</u>
Total assets		<u>12,110,074</u>	<u>9,758,048</u>
<u>Equity</u>			
Share capital		1,767,612	1,767,612
Redeemable preference shares		9,005	9,005
Share premium		881,783	881,783
Foreign exchanges reserve		(75,608)	(60,608)
Reorganisation reserve		(2,088,969)	2,347,742
Other reserves		71,701	68,188
Retained earnings		793,706	601,541
Equity attributable to owners of the Company		<u>1,359,230</u>	<u>5,615,263</u>
Non-controlling interests		854,409	823,362
Total equity		<u>2,213,639</u>	<u>6,438,625</u>
<u>Non-current liabilities</u>			
Borrowings	18	35,732	40,518
Loan due to ultimate holding body	18	1,835,000	1,835,000
LLA liability		5,220,066	-
Provision for liabilities		4,346	7,398
Provision for defined benefit plan		342	492
Deferred tax liabilities		154,396	154,782
		<u>7,249,882</u>	<u>2,038,190</u>

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

On consolidated results for the first quarter ended 31 March 2012 (continued)

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

	Note	Unaudited As at 31 March 2012	Audited As at 31 December 2011 (restated)
<u>Current liabilities</u>			
Payables		413,682	244,984
Loan due to ultimate holding body	18	19,736	5,448
Amount due to ultimate holding body		54,926	-
Amount due to an associate		2,695	21
Amount due to jointly controlled entity		-	35,092
Amounts due to other related companies		948,433	217,698
Borrowings	18	535,979	761,974
Provision for other liabilities		1,081	1,738
LLA liability		608,060	-
Current tax liabilities		61,961	14,278
		<u>2,646,553</u>	<u>1,281,233</u>
Total liabilities		<u>9,896,435</u>	<u>3,319,423</u>
Total equity and liabilities		<u>12,110,074</u>	<u>9,758,048</u>
	Note	As at 31 March 2012	As at 31 December 2011
Net assets per share attributable to owners of the Company		<u>0.77</u>	<u>3.18</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 2011 included in the Prospectus.

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 31 March 2012	Note	Share capital	Redem-able 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
At 1 January 2012 (Audited)		1,767,612	9,005	881,783	(60,608)	-	33,526	1,047	33,615	601,541	3,267,521	823,362	4,090,883
Effects of acquisition of Plantation Estates	24	-	-	-	-	2,347,742	-	-	-	-	2,347,742	-	2,347,742
As restated		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 LLA and LLA Addendum	1	-	-	-	-	(4,436,711)	-	-	-	-	(4,436,711)	-	(4,436,711)
Total transactions with owner		-	-	-	-	(4,436,711)	-	-	-	-	(4,436,711)	-	(4,436,711)
Profit for the financial period		-	-	-	-	-	-	-	-	192,165	192,165	31,047	223,212
Other comprehensive income for the financial period, net of tax:		-	-	-	(8,049)	-	-	-	-	-	(8,049)	-	(8,049)
- currency translation differences		-	-	-	286	-	6,906	-	-	-	7,192	-	7,192
- share of other comprehensive income of associates		-	-	-	-	-	-	-	-	-	-	-	-
- share of other comprehensive income of jointly controlled entities		-	-	-	(7,237)	-	(3,393)	-	-	-	(10,630)	-	(10,630)
Total comprehensive income for the financial period		-	-	-	(15,000)	-	3,513	-	-	-	(11,487)	-	(11,487)
At 31 March 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

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 31 March 2011	Note	Share capital	Share preference shares	Share premium	Foreign exchange reserve	Re-organisation reserve	Available for sale reserve	Others	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2011 (Audited)		1,767,612	10,052	984,342	(58,034)	-	17,901	33,343	202,489	2,957,705	45,335	3,003,040
Effects of acquisition of Plantation Estates		-	-	-	-	2,400,784	-	-	-	2,400,784	-	2,400,784
As restated		1,767,612	10,052	984,342	(58,034)	2,400,784	17,901	33,343	202,489	5,358,489	45,335	5,403,824
Profit for the financial period		-	-	-	-	347,613	-	-	11,435	359,048	(8,890)	350,158
Other comprehensive income for the financial period, net of tax:		-	-	-	(1,357)	-	-	-	-	(1,357)	(161)	(1,518)
- currency translation differences		-	-	-	(1,000)	-	10,305	-	-	9,305	-	9,305
- share of other comprehensive income of associates		-	-	-	-	-	-	-	-	-	-	-
- share of other comprehensive income of jointly controlled entities		-	-	-	(2,484)	-	14,172	457	-	12,145	-	12,145
Total comprehensive income for the financial period		-	-	-	(4,841)	-	24,477	457	-	20,093	(161)	19,932
Capital contribution to FELDA		-	-	-	(4,841)	347,613	24,477	457	11,435	379,141	(9,051)	370,090
Dilution of interest in subsidiaries		-	-	-	-	(356,633)	-	-	-	(356,633)	-	(356,633)
Total transactions with owner		-	-	-	-	(356,633)	-	-	109,349	109,349	159,741	269,090
At 31 March 2011		1,767,612	10,052	984,342	(62,875)	2,391,764	42,378	33,800	323,273	5,490,346	196,025	5,686,371

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 2011 included in the Prospectus.

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**QUARTERLY REPORT (CONTINUED)****Unaudited Condensed Consolidated Statement of Cash Flows
Amounts in RM thousand unless otherwise stated**

	Note	Quarter ended 31 March	
		2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the financial period		223,212	350,158
Adjustments for non-cash items		108,942	247,252
Operating profit before working capital changes		332,154	597,410
Changes in working capital		(41,911)	(32,416)
Cash generated from operations		290,243	564,994
Finance income received		10,613	3,385
Taxation paid		(30,128)	(30,605)
Retirement benefits paid		(157)	(459)
Net cash generated from operating activities		270,571	537,315
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(30,305)	(32,166)
Acquisition of intangible assets		(13,318)	-
Proceeds from disposal of property, plant and equipment		23	90
Proceeds from dilution of interest in investment in a subsidiary		-	269,090
Dividend received from associate		-	8,894
Net cash (used in)/ generated from investing activities		(43,600)	245,908

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	
	Note	2012	2011
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown of borrowings		-	64,001
Repayment of borrowings		(124,880)	-
Net (repayment)/proceeds from bankers acceptances		(105,900)	(67,700)
Repayment of LLA liability		(62,120)	-
Payment for capital lease		-	(461)
Finance costs paid		(27,777)	(27,039)
Net capital contribution to FELDA	1	-	(356,633)
Decrease in fixed deposits pledged for bank guarantee		76,062	-
Net cash used in financing activities		<u>(244,615)</u>	<u>(387,832)</u>
Net (decrease)/increase in cash and cash equivalents		(17,644)	395,391
Effect of foreign exchange rate changes		(10,242)	(10,674)
Cash and cash equivalents at beginning of the financial period		1,457,483	417,033
Cash and cash equivalents at end of the financial period		<u>1,429,597</u>	<u>801,750</u>

For the purpose of the statement of cash flows, cash and cash equivalents comprised the following:

Bank balances, deposits and cash	1,674,180	836,198
Fixed deposits pledged	(244,583)	(34,448)
Cash and cash equivalents at end of the period	<u>1,429,597</u>	<u>801,750</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 2011 included in the Prospectus.

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 **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 and other FRS issued by the Malaysian Accounting Standards Board. The interim financial report is unaudited and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 included in the Prospectus.

1. Basis of Preparation

(a) General

- (i) 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 2011, except as disclosed in Note 1(a)(ii) and 1(b) below.

On 19 November 2011, the Malaysian Accounting Standards Board ('MASB') issued the Malaysian Financial Reporting Framework (MFRS Framework). This IFRS-compliant framework is applicable for all non-private entities for annual periods beginning on or after 1 January 2012, other than Transitioning Entities ('TEs'), which may defer adoption by one year in view of potential changes on the horizon which may change current accounting treatment.

TEs are non-private entities within the scope of MFRS 141 'Agriculture' and IC Interpretation 15 'Agreements for the Construction of Real Estate', including their parent, significant investor and venturer.

FGVH has elected to be a TE and therefore, will adopt the MFRS Framework with effect from the financial year beginning 1 January 2013.

- (ii) FGVH entered into an agreement with FELDA on 1 November 2011 to lease (i) lands with individual land titles issued to FELDA as the registered owner (ii) existing lands granted to FELDA for development but where individual land titles have not been issued to FELDA and (iii) other lands to be alienated or to be acquired by FELDA in the future.

The LLA will commence on 1 January 2012 or upon fulfilment of statutory approvals, whichever is later, which includes consent by the relevant State Authorities in which the lands are situated.

On 2 January 2012, FGVH entered into an addendum to the LLA ('LLA Addendum') to acquire certain assets and liabilities of the Plantation Estates ('Plantation Estates') owned by FELDA and operated by Felda Plantations Sdn. Bhd. ('FPSB') for a purchase consideration equivalent to the carrying values of the assets and liabilities acquired as at 31 December 2011.

On 6 January 2012, as part of its restructuring process, FELDA, FGVH and Felda Global Ventures Plantations (Malaysia) Sdn. Bhd. ('FGVPM') had entered into a Novation Agreement whereby all benefits, rights, title, interest, obligations, undertakings, covenants and liabilities of FGVH under the Land Lease Agreement ('LLA') shall be transferred by FGVH to FGVPM from 1 January 2012 and FELDA has consented to the transfer of all of FGVH's benefits, rights, title, interest, obligations, undertakings, covenants and liabilities to FGVPM subject to the terms and conditions of the Novation Agreement.

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)

Amounts in RM thousand unless otherwise stated

1. Basis of Preparation (continued)

(a) General (continued)

- (ii) As FGVPM applies the predecessor method of accounting, the carve-out financial statements of the Plantation Estates owned by FELDA ('Plantation Estates') and operated by Felda Plantations Sdn. Bhd. ('FPSB') have been incorporated in the condensed consolidated interim financial information from the date the Plantation Estates first came under common control of the controlling party, FELDA. Accordingly, the statement of comprehensive income and statement of cash flows for the period ended 31 March 2011 were prepared as if this structure of FGVH had been existence throughout the period presented. The net cash flows arising from the operation of the Plantation Estates for the comparative period is deemed to be a net capital contribution to FELDA. The statement of financial position as at 31 December 2011 was prepared to present the assets and liabilities of FGVH as if the above structure had been in existence at that date.

The results of the Plantation Estates that have been accounted for in the statement of comprehensive income under the predecessor method of accounting are as follows:

	Quarter ended 31 March 2011
Revenue	775,396
Cost of sales	<u>(283,305)</u>
Gross profit	492,091
Other operating income	1,230
Administrative expenses	(25,327)
Other operating expenses	(4,509)
Taxation	<u>(115,871)</u>
Profit for the financial period	<u>347,614</u>

The assets and liabilities contributed by the Plantation Estates included in the statement of financial position under the predecessor method of accounting are as follows:

	As at 31 December 2011
Property, plant and equipment	695,262
Biological assets	1,858,220
Inventories	57,488
Receivables	8,102
Cash and cash equivalents	306
Payables	(123,969)
Amounts due to other related companies	(129,793)
Deferred tax liabilities	<u>(17,874)</u>
	<u>2,347,742</u>

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)
Amounts in RM thousand unless otherwise stated

1. Basis of Preparation (continued)

(a) General (continued)

- (ii) The LLA is deemed to be effective from 1 January 2012 pursuant to the contractual arrangements of the LLA and the effects are as follows:

	As at 1 January 2012
LLA liability	5,842,694
Amount due to the ultimate holding body	54,690
Deferred tax assets	<u>(1,460,673)</u>
Reorganisation reserve	<u>4,436,711</u>

(b) FRSs applicable in 2012

Financial reporting standards under the existing FRS Framework that are adopted by FGVH as of 1 January 2012 in preparing this interim financial report are disclosed below.

- (i) **Revised FRS 124 – Related Party Disclosures**
Revised FRS 124 simplifies the definition of a related party and provides for reduced disclosures for transactions with government-related entities. The impact of the additional disclosures is described in Note 8.
- (ii) **Amendments to FRS 7 – Financial Instruments : Disclosures**
Amendments to FRS 7 stipulate the disclosure requirements for all transferred financial assets that are not derecognised and also for any continuing involvement in a transferred financial asset.
- (iii) **Amendments to FRS 112 – Income Taxes**
Amendments to FRS 112 clarifies that deferred tax on investment property measured using fair value model should be based on the tax rate applicable to taxable amount derived from sale unless the objective is to consume substantially all of the economic benefits embodied in the investment property over time. If the objective is to consume the economic benefits over time, deferred tax should reflect the tax consequences of recovering the carrying amount of the investment property through usage.
- (iv) **IC Interpretation 14 – FRS 119 – The Limit on a Defined Benefit Assets, minimum funding Requirements and their Interaction**
ICI 14 permits an entity to recognize the prepayments of contributions as an asset, rather than an expense in circumstances when the entity is subject to a minimum funding requirement and makes an early payment of contributions to meet those requirements.
- (v) **IC Interpretation 19 – Extinguishing Financial Liabilities with Equity Instruments**
ICI 19 provides clarification when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. A gain or loss, being the difference between the carrying value of the financial liability and the fair value of the equity instruments issued, shall be recognised in profit or loss. Entities are no longer permitted to reclassify the carrying value of the existing financial liability into equity with no gain or loss recognised in profit or loss.

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued) Amounts in RM thousand unless otherwise stated

1. Basis of Preparation (continued)

(b) FRSs applicable in 2012 (continued)

The adoption did not result in any changes to FGVH accounting policies, results and financial position, other than additional disclosures required by 1(b)(i) above

(c) FRSs applicable from 2013

New and revised standards and interpretations that will be effective for annual periods beginning on or after 1 January 2013:

(i) **MFRS 1 – First Time Adoption of Fixed Dates and Hyperinflation**

In the financial year beginning 1 January 2013, FGVH will be adopting the new IFRS-compliant framework, Malaysia Financial Reporting Standards ('MFRS'). MFRS 1 First-time Adoption of MFRS provides for certain optional exemptions and certain mandatory exceptions for first-time MFRS adopters.

(ii) **MFRS 10 - Consolidated Financial Statements**

MFRS 10 outlines the changes in 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 MFRS 127 'Consolidated and separate financial statements' and IC Interpretation 112 'Consolidation – special purpose entities'.

(iii) **MFRS 11 - Joint Arrangements**

MFRS 11 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.

(iv) **MFRS 12 - Disclosures of Interests In Other Entities**

MFRS 12 sets out the required disclosures for entities reporting under the two new standards, MFRS 10 and MFRS 11, and replaces the disclosure requirements currently found in MFRS 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.

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued) Amounts in RM thousand unless otherwise stated

1. Basis of Preparation (continued)

(c) FRSS applicable from 2013 (continued)

New and revised standards and interpretations that will be effective for annual periods beginning on or after 1 January 2013 (continued)

(v) **MFRS 13 - Fair Value Measurement**

MFRS 13 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 MFRSSs. 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 MFRS 7 'Financial instruments: Disclosures', but apply to all assets and liabilities measured at fair value, not just financial ones.

(vi) **MFRS 141 - Agriculture**

MFRS 141 requires biological assets and agricultural produce at the point of harvest to be measured at fair value less costs to sell. Upon adoption, the biological assets of FGVH will be fair valued and the impact of the fair value adjustment will be accounted for retrospectively by adjusting retained earnings. Subsequent changes in fair value after that date of the biological assets shall be included in profit or loss in the period in which the changes arise.

Upon adoption of MFRS 141 on 1 January 2013, the biological assets of FGVH will be fair valued and the impact of the fair value adjustment will be accounted for retrospectively by adjusting retained earnings. Subsequent changes in fair value after that date of the biological assets shall be included in profit or loss in the period in which the changes arise.

(vii) **Amendment to MFRS 7 - Financial instruments: Disclosures**

MFRS 7 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.

(viii) **Amendment to MFRS 101 Presentation of Items of Other Comprehensive Income**

Amendment to MFRS 101 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.

(ix) **Amendment to Revised MFRS 119 - Employee Benefits**

Revised MFRS 119 makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. Actuarial gains and losses will no longer be deferred using the corridor approach. MFRS 119 shall be withdrawn on application of this amendment.

Upon adoption of Revised MFRS 119, FGVH will no longer apply the corridor approach as an accounting policy.

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)
Amounts in RM thousand unless otherwise stated

1. Basis of Preparation (continued)

(c) FRSS applicable from 2013 (continued)

New and revised standards and interpretations that will be effective for annual periods beginning on or after 1 January 2013 (continued)

(x) **Revised MFRS 127 - Separate Financial Statements**

Revised MFRS 127 includes the provisions on separate financial statements that are left after the control provisions of MFRS 127 have been included in the new MFRS 10.

(xi) **Revised MFRS 128 - Investments in Associates and Joint Ventures**

Revised MFRS 128 includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of MFRS 11.

(xii) **Amendment to MFRS 1 – Government Loans**

A first-time adopter shall classify all government loans received as a financial liability or an equity instrument in accordance with MFRS 132 *Financial Instruments: Presentation*. This is applied prospectively to government loans existing at the date of transition to MFRSs and shall not recognise the corresponding benefit of the government loan at a below-market rate of interest as a government grant. Consequently, if a first-time adopter did not, under its previous accounting treatment, recognise and measure a government loan at a below-market rate of interest on a basis consistent with MFRS requirements, it shall use its previous carrying amount of the loan at the date of transition to MFRSs as the carrying amount of the loan in the opening MFRS statement of financial position. An entity shall apply MFRS 9 to the measurement of such loans after the date of transition to MFRSs.

(d) FRSS applicable from 2014

New and revised standards and interpretation that will be effective for annual periods beginning on or after 1 January 2014:

(i) **Amendment to MFRS 132 - Financial instruments: Presentation**

Amendments to MFRS 132 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.

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)
Amounts in RM thousand unless otherwise stated

1. Basis of Preparation (continued)

(e) FRSs applicable from 2015

New and revised standards and interpretations that will be effective for annual periods beginning on or after 1 January 2015:

(i) **MFRS 9 - Financial Instruments - Classification and Measurement of Financial Assets and Financial Liabilities**

MFRS 9 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 issuer'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 financial impact of these FRSs is pending assessment by the Directors.

2. Seasonal or Cyclical Factors

FGVH's operations are not materially affected by seasonal or cyclical factors except for the rubber tapping process during monsoon season in November until March and production of fresh fruit bunches ('FFB') may also be affected by the vagaries of weather and cropping patterns. The harvest of FFB in our palm oil plantations tends to increase in the second half of the financial year as a result of rainfall pattern in Malaysia, which typically leads to a greater supply of CPO and PK during the second half of the financial year as FFB is processed following its harvest.

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued) Amounts in RM thousand unless otherwise stated

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 except for the impact of the following agreements:

- (a) The LLA dated 1 November 2011 between FGVH and Lembaga Kemajuan Tanah Persekutuan ('FELDA'), the ultimate holding body of FGVH came into effect on 1 January 2012. The effects are as detailed in Note 1 (a)(ii) to the Report;
- (b) The Supply and Delivery Agreement ('SDA') signed between FGVPM, a wholly-owned subsidiary of FGVH and Felda Palm Industries Sdn. Bhd. ('FPISB'), a subsidiary of Felda Holdings Bhd, an associate of FGVH.

As the SDA only came into effect on 1 March 2012, any related transactions, including the purchase and sale of crude palm oil ('CPO') under the arrangement, are not presented in the condensed consolidated interim financial information for the three months ended 31 March 2011, and the consolidated interim financial information for the three months ended 31 March 2012 reflects only CPO sales for one month of that three-month period.

Prior to entering into SDA, no revenue from CPO sales and no cost of sales relating to CPO purchases were recognised by FGVH.

In the condensed consolidated interim financial information for the three months ended 2012, FGVPM recognised revenue from sales of FFB to FPISB for the first two months of the three-month period, but with the effectiveness of the SDA, FGVPM no longer recognises revenue from the sales of FFB that FGVPM makes to FPISB, which comprises substantially all of their FFB sales. For periods after 1 March 2012, FGVPM recognises revenue from sales of CPO that FPISB produces using the FFB that is supplied by FGVPM. In respect of these CPO sales, FGVPM recognises as cost of sales the costs relating to the production of this FFB, including replanting, harvesting and cultivation costs.

In addition to the revenue FGVPM recognises from the sale of CPO that FPISB produces using the FFB that FGVPM supplies to it, FGVPM also recognises revenue from resale of CPO that FPISB produces from FFB it sources from other suppliers. The cost of this additional CPO that was purchased from FPISB is recognised as cost of sales.

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)

Amounts in RM thousand unless otherwise stated

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

- (c) The tolling agreement between Twin Rivers Technologies Enterprise de Transformation De Graines Oleagineuses Du Quebec Inc ('TRT ETGO'), a subsidiary of FGVH and Bunge ETGO, on 9 December 2011, pursuant to which Bunge ETGO provides TRT ETGO with soybeans and canola seeds, which TRT ETGO processes into soy and canola products that Bunge ETGO markets and sells.

Prior to entering into the tolling agreement, FGVH recognised revenue from the sale of soy and canola products and cost of sales from the purchase of soybeans and canola seeds. Following the effectiveness of the tolling agreement, however, FGVH no longer recognises such revenue and cost of sales, and recognises revenue only from tolling fees that Bunge ETGO pays to process the soybeans and canola seeds that it provides and the cost of sales related to the processing arrangements. Accordingly, the condensed consolidated interim financial information for the three months ended 31 March 2012 does not reflect revenue from the sale of soy and canola products or cost of sales from the purchase of soybeans and canola seeds, while the condensed consolidated interim financial information for the corresponding period in 2011 reflects such revenue and cost of sales. Since 9 December 2011, a share of Bunge ETGO's results of operations is included in the condensed consolidated financial information under share of results of jointly controlled entities.

4. Material Changes in Estimates

There were no 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. Dividend

There were no dividends paid and declared during the first quarter ended 31 March 2012.

VELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)
Amounts in RM thousand unless otherwise stated

6. Segment Information

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

Quarter ended 31 March 2012

	Plantation	Sugar	Downstream	Logistics and services	Investment holding	Others	Reconciliation	Total
Total segment revenue	4,174,746	533,215	1,952,463	185,043	22,996	1,425	(5,149,891)	1,719,997
Less: Inter-segment revenue	(1,008,402)	(1,455)	(64,094)	(82,693)	(14,741)	(453)	1,171,838	-
Revenue from external customers	3,166,344	531,760	1,888,369	102,350	8,255	972	(3,978,053)	1,719,997
Finance income	4,390	3,588	1,341	1,175	6,005	-	(5,352)	11,147
Finance costs	(4,753)	(619)	(6,823)	(117)	(24,077)	(177)	8,789	(27,777)
Depreciation and amortisation	(33,781)	(17,472)	(13,953)	(12,593)	(253)	(84)	52,796	(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	264,773	87,628	(12,119)	34,193	(30,603)	562	(63,628)	280,806
Taxation	-	-	-	-	-	-	(57,594)	(57,594)
Profit after taxation for the financial period	-	-	-	-	-	-	-	223,212
The analysis of external revenue by segment:								
FGVH and its subsidiaries	971,498	531,760	211,336	-	5,291	112	-	1,719,997
Associates - FHB	2,194,846	-	1,677,033	102,350	2,964	860	(3,978,053)	-
Revenue from external customers	3,166,344	531,760	1,888,369	102,350	8,255	972	(3,978,053)	1,719,997
The analysis of profit before taxation by segment:								
FGVH and its subsidiaries	196,207	87,628	(4,362)	-	(37,194)	(26)	18,566	260,819
Associates - FHB	68,566	-	(7,757)	34,193	6,591	588	(82,194)	19,987
Profit/(loss) before taxation	264,773	87,628	(12,119)	34,193	(30,603)	562	(63,628)	280,806

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)
Amounts in RM thousand unless otherwise stated

6. Segment Information (continued)

Quarter ended 31 March 2011

	Plantation	Sugar	Downstream	Logistics and services	Investment holding	Others	Reconciliation	Total
Total segment revenue	4,128,140	521,035	2,382,840	165,976	22,079	5,573	(5,537,162)	1,688,481
Less: Inter-segment revenue	(1,450,716)	(17,863)	(60,353)	(65,119)	(19,374)	(2,455)	1,615,880	-
Revenue from external customers	2,677,424	503,172	2,322,487	100,857	2,705	3,118	(3,921,282)	1,688,481
Finance income	3,338	1,019	690	439	2,364	-	(3,777)	4,073
Finance costs	(6,383)	(783)	(5,047)	-	(24,351)	(310)	9,835	(27,039)
Depreciation and amortisation	(43,997)	(8,865)	(16,597)	(11,690)	(499)	(132)	54,415	(27,365)
Share of results of jointly controlled entities	(1,064)	-	(16,087)	-	-	-	-	(17,151)
Share of results of associates	19,315	-	-	-	-	-	(30,500)	(11,185)
Profit/(loss) before taxation for the financial period	451,508	94,887	(25,595)	32,344	23,384	(331)	(80,913)	495,284
Taxation	-	-	-	-	-	-	-	(145,126)
Profit after taxation for the financial period	-	-	-	-	-	-	-	350,158
The analysis of external revenue by segment:								
FGVH and its subsidiaries	775,396	503,172	408,076	-	1,391	446	-	1,688,481
Associates - FHB	1,902,028	-	1,914,411	100,857	1,314	2,672	(3,921,282)	-
Revenue from external customers	2,677,424	503,172	2,322,487	100,857	2,705	3,118	(3,921,282)	1,688,481
The analysis of profit before taxation by segment:								
FGVH and its subsidiaries	463,484	94,887	(2,697)	-	22,329	(540)	(52,211)	525,252
Associates - FHB	(11,976)	-	(22,898)	32,344	1,055	209	(28,702)	(29,968)
Profit/(loss) before taxation	451,508	94,887	(25,595)	32,344	23,384	(331)	(80,913)	495,284

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)
Amounts in RM thousand unless otherwise stated

7. Capital Commitments

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

	As at 31 March 2012	As at 31 December 2011
Property, plant and equipment:		
- contracted	56,096	20,105
- not contracted	241,854	85,161
	<u>297,950</u>	<u>105,266</u>
Biological asset:		
- not contracted	<u>9,500</u>	<u>-</u>

8. Significant Related Party Transactions

(I) Related party transactions during the quarters ended 31 March 2012 and 31 March 2011 are as follows:

a. Sales of goods and services

	Quarter ended 31 March	
	2012	2011
(i) Transactions with jointly controlled entities		
Tolling fees income from Bunge ETGO	16,919	-
Sales of Crude Palm Oil ('CPO') by FGVP to Felda Iffco Sdn. Bhd. Group (FISB)	155,170	-
Interest income earned from Felda Iffco, Inc	535	727
(ii) Transactions with associate		
Management fees charged to Felda Holdings Bhd ('FHB')	2,433	45
(iii) Transactions with subsidiaries of FHB		
Sales of fresh fruit bunches ('FFB') by FGVP to FPISB	460,786	-
Sales of cup lumps and latex by FGVP to Felda Rubber Industries Sdn. Bhd. ('FRISB')	14,907	-
Sales of CPO by FGVP to Felda Vegetable Oil Sdn. Bhd. ('FVOP') and Delima Oil Products Sdn. Bhd. ('DOP')	207,425	-
Sales of palm kernel ('PK') by FGVP to Felda Kernel Products Sdn. Bhd. ('FKPSB')	121,455	-
Management fees charged	2,858	744

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)
Amounts in RM thousand unless otherwise stated

8. Significant Related Party Transactions (continued)

(I) Related party transactions during the quarters ended 31 March 2012 and 31 March 2011 are as follows (continued):

a. Sales of goods and services (continued)

	Quarter ended 31 March	
	2012	2011
(iv) Transactions with subsidiary of KPF, the holding company of FHB		

Sales of refined sugar to Felda Trading Sdn. Bhd. ('FTSB')

4,031 5,747

b. Purchase of goods and services

	Quarter ended 31 March	
	2012	2011
(i) Transactions with associate		
Management fees charged by FHB	75,284	116,711

(ii) Transactions with subsidiaries of FHB

Purchase of coconut oil and other palm oil products by Twin River Technologies US, Inc ('TRT US') from Felda Marketing Services Sdn. Bhd. ('FELMA')

72,029 119,434

Purchase of fertilizer by FGVPM from FPM Sdn. Bhd. ('FPM') and Felda Agricultural Services Sdn. Bhd. ('FASSB')

144,092 18

Purchase of CPO by FGVPM from FPISB

235,748 -

Purchase of IT services from Felda Prodata Services Sdn. Bhd. ('FPSSB')

8,044 147

Tolling fee charged by FPISB

17,100 -

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)

Amounts in RM thousand unless otherwise stated

8. Significant Related Party Transactions (continued)

(I) Related party transactions during the quarters ended 31 March 2012 and 31 March 2011 are as follows (continued):

b. Purchase of goods and services (continued)

	Quarter ended 31 March	
	2012	2011
(ii) Transactions with subsidiaries of FHB (continued)		
Transportation services rendered by Felda Transport Services Sdn. Bhd. ('FTSSB')	817	2
Purchase of security services by Felda Security Services Sdn. Bhd. ('FSSSB')	11,717	15
Purchase of travel services by Felda Travel Sdn. Bhd. ('Felda Travel')	2,905	463
Engineering works rendered by Felda Engineering Services Sdn. Bhd. ('FESSB')	198	213
(iii) Transactions with subsidiaries of KPF, the holding company of FHB		
Catering services rendered by Felda D'Saji Sdn. Bhd. ('FDSB')	106	37
Insurance commissions charged by FTSB	84	1
(iv) Transactions between subsidiaries and FELDA		
Building rental charges by FELDA	134	134
Interest expense charged by FELDA	21,346	21,379
Term loan owing by FGVH to FELDA	1,835,000	1,835,000
LLA liability by FGVPM to FELDA	5,828,126	-
Repayment of LLA Liability by FGVPM to FELDA	62,120	-
(v) Transactions with companies having common directors		
Donation by FGVH to Media Prima Berhad	26	-
Interest received from Malaysia Building Society Berhad ('MBSB')	-	1,394

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)
Amounts in RM thousand unless otherwise stated

8. Significant Related Party Transactions (continued)

(II) Related party transactions with government and government-related entities during the quarters ended 31 March 2012 and 31 March 2011 are as follows:

	Quarter ended 31 March	
	2012	2011
(i) Transactions between subsidiaries and Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan		
Sugar subsidy received	24,386	13,557
(ii) Transactions between subsidiaries and government-related financial institutions		
Interest expense from bankers acceptances	222	2,924
Interest income from fixed deposits and cash balances	6,458	2,854
	31 March	As at
	2012	31 December
		2011
(iii) Balances between subsidiaries and Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan		
Sugar subsidy receivable	49,927	21,477
(iv) Balances between subsidiaries and government related financial institutions		
Bankers acceptances	60,000	130,000
Fixed deposits and cash balances	1,183,280	694,003

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued) Amounts in RM thousand unless otherwise stated

9. Effect of Significant Changes in the Composition of FGVH

- (i) On 6 January 2012, FGVH incorporated Felda Global Ventures Plantations Sdn. Bhd. ('FGV Plantations'), a private limited liability company, incorporated and operating in Malaysia. The paid up capital for FGV Plantation is 2 ordinary shares of RM1 each.
- (ii) On 6 January 2012, FGVH incorporated Felda Global Ventures Downstream Sdn. Bhd. ('FGV Downstream'), a private limited liability company, incorporated and operating in Malaysia. The paid up capital for FGV Downstream is 2 ordinary shares of RM1 each.
- (iii) On 6 January 2012, FGV Plantations incorporated Felda Global Ventures Plantations (Malaysia) Sdn. Bhd. ('FGVPM'), a private limited liability company, incorporated and operating in Malaysia. The paid up capital for FGVPM is 2 ordinary shares of RM1 each.
- (iv) On 17 February 2012, FGVH incorporated Pakatan Mastiara Sdn. Bhd., a private limited liability company, incorporated and operating in Malaysia. On 28 March 2012, the company changed its name to Felda Global Ventures Shared Services Centre Sdn. Bhd. ('FGV SSC'). The paid up capital for FGV SSC is 2 ordinary shares of RM1 each.
- (v) On 9 January 2012, the board of directors of FELDA approved the conversion of RCPS and RCCPS into ordinary shares. The number of RCPS and RCCPS to be converted is 329,949,500 and 570,590,000 respectively, at a nominal value of RM0.01 and a premium of RM0.99 per share. The RCPS and RCCPS conversion has been completed as at 17 May 2012, resulting in an increase in the issued and paid share capital of FGVH from RM1,767,612,000 to RM2,668,151,500.
- (vi) In the prior financial year, Felda Global Ventures Kalimantan Sdn. Bhd. ('FGVK'), a subsidiary of FGVH, entered into an agreement to acquire 95% interest in PT Citra Niaga Perkasa from Joko Sintrajaya for a total consideration of RM16.5 million, to be completed upon the receipt of relevant regulatory approvals in Indonesia. The acquisition was completed on 27 February 2012. The impact of acquisition to the financial results to FGVH for the period to 31 March 2012 is not material. The purchase price allocation is currently being determined as of the date of this report
- (vii) On 28 February 2012, FGVPM issued new ordinary shares of RM1.00 each at an issue price of RM1.00 per ordinary share amounting to RM99,999,998. FGV Plantations has fully subscribed for the shares and maintained its effective equity interest of 100% in FGVPM.
- (viii) On 12 April 2012, FGV Downstream entered into a Sale and Purchase Agreement with FGVH to acquire 100% interest in the ordinary shares in Felda Global Ventures North America Sdn. Bhd. ('FGVNA'). The transaction was completed on 9 May 2012.
- (ix) On 12 April 2012, FGV Plantations entered into a Sale and Purchase Agreement with FGVH to acquire 100% interest in the ordinary shares in FGVK. The transaction was completed on 9 May 2012.

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)

Amounts in RM thousand unless otherwise stated

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

- (x) On 14 May 2012, FGV Downstream entered into a Memorandum of Understanding with Louis Dreyfus Commodities Asia Pte. Ltd. ('LDC') with a view of exploring and evaluating the potential opportunities available to collaborate and enter into a joint venture arrangement in the trading and marketing business and also downstream assets joint venture in the oil palm industry.

On the same date, FGVH, FELDA and LDC entered into Joint Venture Partner Investment Agreement whereby LDC has agreed to acquire the Offer Shares from FELDA, subject to the terms of the JV Partner Investment Agreement, representing 2.5% of the enlarged issued and paid-up share capital immediately following the Admission at the Institutional Price. This agreement is conditional upon the terms and condition as stipulated therein the agreement.

- (xi) On 15 May 2012, FGVH entered into a Memorandum of Understanding with Vitol, S.A. to consider and discuss further the feasibility of collaboration on the supply, international trading and marketing, international logistical operations, hedging and derivatives on commodities other than oils and fats and to serve as a basis for a potential joint venture between the parties.

- (xii) On 16 May 2012, FGVH's authorised share capital was increased from RM2,012,500,000 comprising 2,012,500,000 ordinary shares of RM1 each to RM4,000,000,000 comprising 4,000,000,000 ordinary shares of RM1 each and 1 special share of RM1 each.

10. 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, 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. The Putrajaya Court of Appeal had on 30 November 2011 decided that the case shall be heard before an arbitration proceeding based on section 10 of the Arbitration Act 2005 and original agreement between the settlers and FELDA which mentioned that if any dispute arises, the dispute shall be heard before an arbitration proceeding. On 7 December 2011, FPISB's counsel had filed the order from the Court of Appeal before the Senior Assistant Registrar ('SAR') of Johor Bahru High Court and on 22 February 2012, the plaintiffs informed the SAR that the application for appeal before the Federal Court is pending judgment order from the Court of Appeal. The SAR then instructed that if the appeal is not allowed then the onus to initiate arbitration proceedings will be on the plaintiffs and not on the defendants. The SAR then gave a new mention date on 29 August 2012 for both parties to update the status of appeal and arbitration.

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued) Amounts in RM thousand unless otherwise stated

10. 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):
- (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. FPISB filed Pleading and Statement of Defence ('SOD') in the Seremban High Court on 22 December 2011 together with confirmation of documents which was filed by the Plaintiffs. On 22 December 2011, the SAR informed that the judge has instructed the case to go through mediation process before undergoing full trial. On 7 March 2012, the SAR directed both parties to file pleading, documents and issues to be tried. Further, on 26 March 2012 the SAR informed both parties to file supplementary documents/evidence for mediation on 9 April 2012. The date for mediation proceedings was scheduled for 9 May 2012. The mediation failed and the Court fixed a case management date of 26 July 2012 for further instructions.
 - (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 for alleged fraud and manipulation of the extraction rate of palm oil. The claim amounted to RM22.9 million. FPISB has filed SOD in the Temerloh High Court on 9 September 2011 and the plaintiffs had filed their reply on 9 November 2011. The case has gone through the case management before the SAR on 10 November 2011. FPISB has filed an affidavit in reply to the Statement of Reply of SOD on 20 December 2011 as well as application to strike out Plaintiffs' claim. On 3 April 2012 both parties have filed written submissions for the application to Strike-Out Ground on Plaintiffs' claims. The 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 also fixed the matter for further case management on 24 May 2012 with directions that the parties are to file Bundle of Pleadings, Bundle of Documents, Statement of Issues to be Tried and Statement of Agreed Facts.
 - (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 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. FPISB has filed a SOD on 27 December 2011. Defendants had also filed an application to Strike-Out Ground on Plaintiffs' claims on 9 February 2012. During the latest case management on 22 February 2012, the SAR instructed Plaintiffs to reply to the Application to Strike-Out Ground on 8 March 2012 and 22 March 2012 for Defendants to reply to the Plaintiffs' reply. Further, both parties have filed written submissions on the Strike-Out Ground issue. The Court has 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 Court also fixed the matter for further case management on 24 May 2012 with directions that the parties are to file Bundle of Pleadings, Bundle of Documents, Statement of Issues to be Tried and Statement of Agreed Facts.

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)
Amounts in RM thousand unless otherwise stated

10. Contingent Liabilities and Material Litigation (continued)

- (a) An associate of FGVH, Felda Holdings Bhd, has the following contingent liabilities as of which FGVH is not jointly or severally liable (continued):
- (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. FPISB has filed a SOD on 3 January 2012. On 25 January 2012, Plaintiffs have filed the reply to the SOD and Defendants have filed a reply to it on 9 February 2012. Defendants also have filed an application to Strike-Out Ground on Plaintiffs' claims on the same date. During the latest case management on 22 February 2012, the SAR instructed Plaintiffs to reply to the Application to Strike-Out Ground on 8 March 2012 and 22 March 2012 for Defendants to reply to the Plaintiffs' reply. Further, both parties have filed written submissions on the Strike-Out Ground issue. The Court has 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 Court also fixed the matter for further case management on 24 May 2012 with directions that the parties are to file Bundle of Pleadings, Bundle of Documents, Statement of Issues to be Tried and Statement of Agreed Facts.
 - (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 filed Memorandum of Appearance in High Court on 16 May 2012. The case is fixed for first Case Management on 21 May 2012. The Defendants are currently in the midst of preparing the Defence.

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued) Amounts in RM thousand unless otherwise stated

10. Contingent Liabilities and Material Litigation (continued)

(b) An associate of FGVH, Tradewinds (M) Bhd, has the following contingent liabilities, of which FGVH is not jointly or severally liable:

- (i) On 5 May 2006, Padiberas Nasional Berhad ('Bernas'), have received a Writ of Summons and Statement of Claim initiated by A Halim Bin Hamzah & 291 others ('the Plaintiffs'). The civil suit was brought by the Plaintiffs against Bernas and 24 others ('the Defendants') claiming that the year 2000 Voluntary Separation Scheme initiated by Bernas is void and of no effect. In relation to this suit, Bernas had filed Summons in Chambers for the Writ and Statement of Claim as against the said Defendants be struck out.

The Court had granted Order In Terms for the Bernas' Application to strike out the 21st Defendant with cost payable to Bernas but dismissed Bernas' Application to strike out the 2nd to 12 Defendants on 3 September 2007. On 3 March 2008, the Court dismissed Bernas' Application to strike out the 2nd to 12th Defendants from being the party to the suit. Bernas' solicitors had on 17 April 2008, filed Statements of Defence for the 2nd to 12th Defendants. The matter is fixed for hearing on 12 to 16 March 2012. The Court has fixed 30 April 2012 for decision of the said matter. On 30 April 2012, The Court dismissed the Plaintiffs' claims with no order as to cost.

- (ii) On 6 June 2006, Bernas was served with a sealed copy of Originating Summons and Affidavit in Support ('the Plaintiffs Application') for and on behalf of the 690 others ('the Plaintiffs') claiming that the Plaintiffs as employees of Bernas whose service of employment have been terminated before attaining the age of 55 due to reasons other than that of compulsory retirement, optional retirement, death or a disability are entitled to the Retirement/Termination Benefits Provision. They demand for the Termination Benefit to be paid with 8% interest per annum from 1 January 2004, together with their Employee Provident Fund contribution until the date of the Order, with costs to be paid by Bernas.

Plaintiffs through their solicitors had filed an application on 7 March 2011 for leave to appeal to the Federal Court against the entire decision of the Court of Appeal given on 7 February 2011. Plaintiffs' application for leave to appeal at the Federal Court has been allowed. The Court has fixed the matter for decision on 4 June 2012.

- (iii) On 4 January 2010, Bernas was served with a sealed copy of Originating Summons and Affidavit in Support ('the Plaintiffs Application') for and on behalf of 242 others ('the Plaintiffs') claiming that the Plaintiffs as employees of Bernas whose service of employment have been terminated before attaining the age of 55 due to reasons other than that of compulsory retirement, optional retirement, death or a disability, are entitled to the Retirement/Termination Benefits Provision. They demand for the Termination Benefit to be paid with 8% interest per annum from 1 January 2004, together with their Employee Provident Fund contribution until the date of the Order, with costs to be paid by Bernas. The case has been fixed for mention on 6 June 2012.

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)
Amounts in RM thousand unless otherwise stated

10. Contingent Liabilities and Material Litigation (continued)

- (b) An associate of FGVH, Tradewinds (M) Bhd, has the following contingent liabilities, of which FGVH is not jointly or severally liable: (continued)
 - (iv) A claim filed against Mardec Yala Co. Ltd., for the alleged wrongful transfer of shares and the claim for compensation of Thai Baht (THB) 110.0 million (approximately RM11.039 million). On 3 December 2007, the Court had dismissed the claim and issued a written judgment. However, the claimant has filed an appeal against the judgment of which the Court has dismissed the claims. The claimant has filed a second appeal to the Supreme Court on 30 July 2010. The outcome of the second appeal is expected to be given by the end of 2013.

Based on available information and on the legal advice 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 March 2012 (continued)
Amounts in RM thousand unless otherwise stated

11. Review of Group Performance

	Quarter ended 31 March		% + / (-)
	2012	2011	
Revenue	<u>1,719,997</u>	<u>1,688,481</u>	1.9
Plantation	264,773	451,508	(41.4)
Sugar	87,628	94,887	(7.6)
Downstream	(12,119)	(25,595)	52.7
Logistics and services	34,193	32,344	5.7
Investment holdings	(30,603)	23,384	<100
Others	<u>562</u>	<u>(331)</u>	>100
Segment results	344,434	576,197	(40.2)
Intercompany transactions and reconciliation	<u>(63,628)</u>	<u>(80,913)</u>	
Profit before taxation	280,806	495,284	(43.3)
Tax expense	<u>(57,594)</u>	<u>(145,126)</u>	
Profit for the financial period	<u>223,212</u>	<u>350,158</u>	(36.3)
Profit/(loss) attributable to:			
Owners of the Company	192,165	359,048	
Non-controlling interests	31,047	(8,890)	
Profit after tax and non-controlling interests	<u>223,212</u>	<u>350,158</u>	

Overall

FGVH's revenue increased by 1.9% to RM1,720.0 million for the three months ended 31 March 2012 from RM1,688.5 million for the three months ended 31 March 2011. This increase primarily reflects the sales of CPO and PK by FGVPM beginning on 1 March 2012, offset in part by a decrease in revenue from the downstream segment as a result of tolling agreement following which sales of soy and canola products is no longer recorded. For the month of March 2012 only, revenues of FGVPM included sales of PK, but for periods after 31 March 2012, its revenue will not include PK sales. Revenues of FGVPM for the three months ended 31 March 2011 only comprised sales of FFB.

As a result of the above, the profit before taxation for the three months ended 31 March 2012 decreased to RM280.8 million, compared to RM495.3 million for the corresponding period in 2011. The profit before taxation margin decreased to 16.3% for the three months ended 31 March 2012, compared to 29.3% for the corresponding period in 2011, primarily reflecting the increase in cost of sales and administrative expenses as well as the incurrence of fair value changes in the Land Lease Agreement liability for the three months ended 31 March 2012.

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)
Amounts in RM thousand unless otherwise stated

11. Review of Group Performance (continued)

Segment

(a) Plantation

Plantation segment's results were affected by the significant increase in its cost of sales for the three months ended 31 March 2012. The increase was primarily due to the cost of purchasing CPO and PK in the month of March 2012 and higher costs relating to replanting and manuring costs, primarily reflecting higher volume of fertilizer used as well as higher fertilizer prices. In addition, cost of sales for the plantations segment in the first three months of 2012 was also higher as a result of new incentive payments to plantation workers effective November 2011.

(b) Sugar

Sugar segment's revenue increased for the three months ended 31 March 2012 primarily as a result of higher export sales volume and an increase in selling prices of refined sugar products. The profit before taxation, however, decreased primarily due to an increase in raw sugar costs as the purchase price for the raw sugar under the current long-term raw sugar supply contract was higher than that under the long-term raw sugar supply contract in effect in 2011.

(c) Downstream

The improvement of downstream segment's results primarily reflects the tolling agreement with FGVH's joint-venture, Bunge ETGO, entered into in December 2011, following which revenue from the sale of soy and canola products is no longer recognized. Following the effectiveness of the tolling agreement, the soy and canola business only recognises as revenue the tolling fees that Bunge ETGO pays it pursuant to the tolling agreement, which amounted to RM16.9 million for the three months ended 31 March 2012.

(d) Logistics and services*

Logistics and services segment's revenue and profit before tax remained relatively stable with slight increases in both revenue and profit before tax.

(e) Investment holdings*

Investment holdings segment recorded a loss of RM30.6 million compared to profit of RM23.4 million primarily from increased administrative expenses relating to the listing of FGVH.

(f) Others*

Others segment comprises non-core businesses within FGVH that generated profit from interest income, rental income and other ancillary income.

** Non-core segments*

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)
Amounts in RM thousand unless otherwise stated

12. Material Changes In The Quarterly Results Compared to Preceding Quarter

	2012	2011	Variance
	Quarter 1	Quarter 4	%
Revenue	1,719,997	1,770,727	2.9
Profit before taxation	280,806	(89,447)	>100

Revenue in quarter under review was 2.9% lower compared to the preceding quarter due to no revenue from the sale of soy and canola in the current quarter and also lower sales in sugar segment.

Meanwhile, profit before taxation was higher compared to preceding quarter mainly due to impairment loss on property, plant and equipment and goodwill of RM164.7 million and RM42.8 million, respectively during the preceding quarter.

13. Prospects

The results of our operations for the financial year ended 31 December 2012 are expected to be primarily influenced by the following factors:

- (a) our ability to maintain our market share and grow our sales;
- (b) the state of the Malaysian and global economy and expectations of economic recovery;
- (c) our ability to manage our operating costs;
- (d) impact of the incurrence of indebtedness, including as a result of any change in interest charges on the indebtedness.

Except as disclosed above, to the best of our Board's knowledge and belief, there are no other known trends, factors, demands, commitments, events or uncertainties that are reasonably likely to have a material effect on our financial condition and results of operations, and our Board expects our performance for the financial year ended 31 December 2012 to be satisfactory.

14. 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 2012 (continued)

Amounts in RM thousand unless otherwise stated

15. Operating Profit

	Quarter ended 31 March	
	2012	2011
Included in operating profit are:		
Amortisation of intangible assets	1,458	2,758
Amortisation of prepaid lease payments	17	329
Depreciation of property, plant and equipment	23,865	24,278
Impairment loss of prepaid lease payments	-	3,024
Property, plant and equipment written off	102	-
Loss on disposal of property, plant and equipment	23	170
Fair value changes in LLA	47,552	-
Net foreign exchange loss/(gain)	<u>3,563</u>	<u>(1,164)</u>

16. Taxation

	Quarter ended 31 March	
	2012	2011
Malaysian income tax		
Current financial year	(60,441)	(149,000)
Prior financial year	-	(1,917)
	<u>(60,441)</u>	<u>(150,917)</u>
Foreign income tax		
Current financial year	(1,420)	(2,727)
Deferred tax	<u>4,267</u>	<u>8,518</u>
	<u>(57,594)</u>	<u>(145,126)</u>

The effective tax rate of 24% after adjusting for share of results of associates and jointly controlled entities for the quarter under review approximates the Malaysian income tax rate of 25%.

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)
Amounts in RM thousand unless otherwise stated

17. Status of Corporate Proposals

The following corporate proposals are pending as of the date of this report:

FGVH will undertake the Initial Public Offering ('IPO') which consists of an Institutional Offering and a Retail Offering, totalling up to 2,188,890,900 IPO Shares comprising:

Offer for Sale of 1,208,890,900 shares ('Offer Shares') by (i) FELDA ('the Selling Shareholder') and (ii) the offering of 980,000,000 new shares ('Issue Shares'):

(a) Institutional Offering

Institutional Offering of up to 1,915,279,900 IPO Shares, representing 52.5% of the enlarged issued and paid-up share capital of FGVH, at the Institutional Price, subject to clawback and reallocation provisions, to be allocated in the following manner:

- (i) Up to 1,208,890,900 Offer Shares and 286,852,000 Issue Shares to Malaysian institutional and selected investors and foreign institutional and selected investors at the Institutional Price; and
- (ii) 419,537,000 Issue Shares to Bumiputera institutional and selected investors approved by the MITI at the Institutional Price.

(b) Retail Offering

Retail Offering of 273,611,000 Issue Shares, representing 7.5% of the enlarged issued and paid-up share capital of FGVH, at the Retail Price, subject to clawback and reallocation provisions, to be allocated in the following manner:

- (i) 200,648,000 Issue Shares made available to the Eligible Employees, Eligible FELDA Settlers and persons who have contributed to the success of FGVH; and
- (ii) 72,963,000 Issue Shares made available to the Malaysian Public.

The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date, and will be equal to the lower of:

- (a) the Retail Price; and
- (b) 98% of the Institutional Price, subject to rounding to the nearest sen.

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)
Amounts in RM thousand unless otherwise stated

17. Status of Corporate Proposals (continued)

(c) Listing

Upon completion of the IPO, FGVH will seek the listing of and quotation for its entire enlarged issued and paid-up share capital comprising 3,648,151,500 Shares at the illustrated price of RM4.55 per share ('IPO Price') on the Main Market of Bursa Securities ('Main Market'). The final IPO Price will be determined after the Institutional Price is fixed on the price determination date pursuant to a book building exercise. The IPO expenses to be borne by FGVH, which are expected to comprise brokerage, underwriting commission and placement fees relating to new issuance of shares are estimated to be RM108 million. These are set-off against share premium. The remaining professional fees and miscellaneous expenses of RM52 million will be expensed off.

Approvals have been obtained from Securities Commission on 15 May 2012 and Ministry of International Trade and Industry ('MITI') on 9 May 2012 for the IPO.

18. Borrowings

<u>Long-term borrowings</u>	As at 31 March 2012		Total
	Secured	Unsecured	
Term loan-ultimate holding body	-	1,835,000	1,835,000
Term loan-financial institution	35,732	-	35,732
	<u>35,732</u>	<u>1,835,000</u>	<u>1,870,732</u>
<u>Short-term borrowings</u>			
Revolving credit	331,934	-	331,934
Term loan-ultimate holding body	-	19,736	19,736
Term loan-financial institution	11,645	-	11,645
Bankers acceptance	-	192,400	192,400
	<u>343,579</u>	<u>212,136</u>	<u>555,715</u>
Total borrowings	<u>379,311</u>	<u>2,047,136</u>	<u>2,426,447</u>

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

Ringgit Malaysia	2,047,136
United States Dollar	55,774
Canadian Dollar	323,537
Total borrowings	<u>2,426,447</u>

Certain borrowings are secured by fixed deposits pledged to financial institution and a letter of credit from ultimate holding body.

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)
Amounts in RM thousand unless otherwise stated

19. Derivative Financial Instruments

FGVH uses forward foreign exchange contracts and commodity contracts to manage its exposure to various financial risks. The fair values of these derivatives as at 31 March 2012 are as follows:

	Contract/ Notional Amount	Fair Value	
		Assets	Liabilities
Foreign currency forward contracts	37,622	96	-
Sugar future contracts	30,743	881	-
	<u>68,365</u>	<u>977</u>	<u>-</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 2011. The maturity periods of the above derivatives are less than one year.

20. 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 land lease liability has been measured based on assumptions made on discount rate, crude palm oil prices, fresh fruit bunches average yield, inflation rate and total area and planted oil palm and rubber area amongst others on an annual basis.

Subsequent to the initial measurement, certain assumptions used in the basis of calculation were changed. The changes to the assumptions used in the relevant calculation are (i) the payments made in respect of the financial liability under the LLA are now assumed to be made on a quarterly basis and (ii) the proportion of the annual FFB production reflected in each quarter is varied to take into account variations in FFB production.

The recalculation of the fair value of the LLA liability as at 31 March 2012 using the revised assumptions discussed above resulted in one-time adjustments that affected the first quarter of 2012, and fair value changes of RM47.6 million for the three months ended 31 March 2012.

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)
Amounts in RM thousand unless otherwise stated

21. Realised and Unrealised Profits or Losses

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

	As at 31 March 2012
Total retained earnings of the Company and its subsidiaries	
- realised	(679,171)
- unrealised	(68,089)
	<u>(747,260)</u>
Total share of retained earnings from jointly controlled entities	
- realised	(66,938)
- unrealised	10,128
	<u>(56,810)</u>
Total share of retained earnings from associates	
- realised	2,058,420
- unrealised	10,128
	<u>2,068,548</u>
Less: consolidation adjustments	(470,772)
Total retained earnings of FGVH	<u><u>793,706</u></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 2012 (continued)
Amounts in RM thousand unless otherwise stated

22. Earnings Per Share

(a) Basic earnings per share

	Quarter ended 31 March	
	2012	2011
Basic earnings per share are computed as follows:		
Profit for the period attributable to owners of the Company (RM'000)	<u>192,165</u>	<u>359,048</u>
Weighted average number of ordinary shares in issue (thousands)	<u>1,767,612</u>	<u>1,767,612</u>
Basic earnings per share (sen)	<u>10.9</u>	<u>20.3</u>

(b) Diluted earnings per share

	Quarter ended 31 March	
	2012	2011
Diluted earnings per share are computed as follows:		
Profit for the period attributable to Owners of the Company (RM'000)	<u>192,165</u>	<u>359,048</u>
Weighted average number of ordinary shares in issue (thousands)	<u>1,767,612</u>	<u>1,767,612</u>
Adjustment for:		
Assumed conversion of RCPS/RCCPS (thousands)	<u>900,540</u>	<u>1,005,195</u>
Weighted average number of ordinary shares (thousands)	<u>2,668,152</u>	<u>2,772,807</u>
Diluted earnings per share (sen)	<u>7.2</u>	<u>12.9</u>

23. Material events after the Reporting Period

There were no material events after the reporting period other than as disclosed in Note 9.

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)
Amounts in RM thousand unless otherwise stated

24. Restatement of comparatives due to the LLA

The following comparatives have been restated to reflect the impact of predecessor accounting arising from the LLA as disclosed in Note 1(a)(ii):

	As previously reported	Impact of predecessor accounting	As restated
Statement of financial position as at 31 December 2011			
Property, plant & equipment	1,001,764	695,262	1,697,026
Biological assets	622	1,858,220	1,858,842
Inventories	406,629	57,488	464,117
Receivables	395,478	8,102	403,580
Cash and bank	1,777,824	306	1,778,130
Payables	121,015	123,969	244,984
Amount due to other related companies	87,905	129,793	217,698
Reorganisation reserve	-	2,347,742	2,347,742
Deferred tax liabilities	136,908	17,874	154,782

FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)
Amounts in RM thousand unless otherwise stated

25. Authorisation for issue

This interim financial information has been approved for issue in accordance with resolution of the Board of Directors dated 18 May 2012.

On behalf of the Board



Dato' Sabri Ahmad
Director



Dr. Mohd Emir Mavani Abdullah
Director

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