



MINORITY SHAREHOLDER WATCHDOG GROUP
Shareholder Activism and Protection of Minority Interest

22 May 2017

BY FAX/EMAIL

(Fax No: 609-513 6211)

The Board of Directors
Far East Holdings Berhad
Suite 5 & 6, Tingkat 8, Kompleks Teruntum
Jalan Mahkota, 25000 Kuantan
Pahang Darul Makmur

Attention: Puan Asmin Binti Yahya
Puan Noor Anisah Binti Sabarudin
Company Secretaries

Dear Sir,

Re: 43rd Annual General Meeting (AGM) of Far East Holdings Berhad ("The Company" or "FEHB") on 24 May 2017

In the interest of minority shareholders and all other stakeholders of the Group and the Company, we would like to raise the following issues at the 43rd Annual General Meeting of Far East Holdings Berhad:

Strategy/Financial

1. Page 38 of the Annual Report showed that 26% of the crops in the developed area are old palms aged 19 and above. As stated in the Management Discussion and Analysis, the Company have been aggressively optimizing the average age of the plantations with new developed areas and focusing on replanting activities. In FY2016, the Company incurred a replanting cost of RM4.1 million.
 - (a) Could the Board share the details, such as the location, hectarage, etc of the new developed areas and the development schedule for the areas?
 - (b) What was the replanted hectarage in FY2016?
 - (c) What is the hectarage scheduled for replanting and the cost expected to be incurred in FY2017?
 - (d) What is the current average age profile of the palm trees and what is the targeted average age profile to be achieved?
2. It was recently reported that the MSPO certification compliance will be made mandatory for Malaysian plantations by end of 2019. As stated in the reply to MSWG's queries raised in FEHB's 42nd AGM in 2016, full MSPO certification of the Group would be completed in year 2018.
 - (a) Are the activities in pursuing the full MSPO certification on track?

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia • Company No: 524989-M)
Tingkat 11, Bangunan KWSP, No: 3, Changkat Raja Chulan, Off Jalan Raja Chulan, 50200 KUALA LUMPUR.
Tel: (603) 2070 9090 Fax: (603) 2070 9107
E-Mail: watchdog@mswg.org.my Website: www.mswg.org.my

- (b) What are the key challenges in the process and how does the Board addressed them?
- (c) What would be the estimated budget for the certification?
3. We noted that the Group had increased the "Investment in fund management" significantly from RM165,182 to RM3.24 million during the year 2016.
- (a) Could the Board share the details of the fund invested?
- (b) What was the rate of return recorded in FY2016?
- (c) What is the Board's view on the risks associated with the investment and how the Board managed these risks?
4. As reported in the Corporate Sustainability Statement, the Group is committed to Occupational Safety & Health ("OSHA") at the work place. Towards this, the Group has established a Group Safety & Health Department and OSHA Sub-Committee at every operating unit to ensure that the OSHA Policy put in place is complied with.
- (a) Could the Board provides the data related to OSHA issues, such as number of accidents, lost time injury, etc for FY2016. We hope these data would be provided in the future annual reports.
- (b) What is the annual budget allocated for OSHA activities to ensure effective implementation of the Occupational Health and Safety Management?

Corporate Governance

1. Under Chapter 15, Section 15.08A, Part 3 of the Main Market Listing Requirements, the Company must provide, in its Annual Report, a statement about the activities of the Nominating Committee in discharging its duties for the financial year which should include a policy on board composition having regard to the mix of skills, independence and diversity (including gender diversity).

We have, again noted that there was no disclosure of Company's gender diversity policy in the FY2016 Annual Report despite that the Board had in the reply to our letter dated 19 May 2016 stated that the Board noted the recommendation.

What was the reason for the Board's hesitancy in disclosing the gender diversity policy in the annual report?

2. At the 42nd AGM of the Company held on 25 May 2016, YH Dato' Tan Bing Hua, who is above the age of 70, was reappointed pursuant to Section 129 of the repealed Companies Act 1965 to hold office until the conclusion of 43rd AGM. His

term of office therefore will technically end at the conclusion of the 43rd AGM irrespective of no age limit for directors under the new Companies Act 2016.

In view that there was no resolution tabled for YH Dato' Tan Bing Hua to continue to act as Directors of the Company, could the Board advise whether YH Dato' Tan Bing Hua would be re-appointed as Director of the Company by the Board?

We would appreciate if the Board could present the points raised here, and their related answers, for shareholders present at the forthcoming AGM. At the same time, we await a written reply as soon as possible for our records, and for posting on our website for the benefits of all stakeholders.

Thank you.

Yours sincerely



LYA RAHMAN
General Manager

LY/LH/AGM2017