



MINORITY SHAREHOLDER WATCHDOG GROUP
Shareholder Activism and Protection of Minority Interest

8 June 2015

BY FAX/EMAIL

(Fax No.: 609-513 6211)

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

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

Dear Sir,

Re: 41st Annual General Meeting (AGM) of Far East Holdings Berhad

In the interest of minority shareholders and all other stakeholders of the Group and the Company, we would like to raise the following points and queries.

Strategy/Financials

1. The Chairman's Statement reported that the Group's performance and results for the year under review were commendable despite the challenging fluctuations in the crude palm oil prices. The Group's total planted area has increased to 21,239 hectares with matured area of 18,106 hectares or 85% of the total planted area, increased from 16,927 hectares in 2013.
 - (a) Would there be any strategic plans to expand and diversify the Group's earnings base for sustainable performance and future direction of the Company and the Group?
 - (b) What are the Board's measures to sustain higher production and CPO yield given that the age profile of the planted area has 5,879 hectares of old oil palms reaching 19 years and above?
2. In Note 26 of the Financial Statements on page 105 of the Annual Report, it was stated that the Company has allocated RM40 million for the acquisition of land.

Would the Board formulate a more aggressive replanting programme policy in view of its plan to acquire more plantation land bank?
3. What is the status of the Company's readiness for the Malaysian Sustainable Palm Oil (MSPO) and the International Sustainability & Carbon Certification (ISCC)?
4. Material litigation reported under Note 30 on pages 116-120 of the Annual Report represents a High Court case between FEHB and Kampong Aur Oil Palm Company Sdn Bhd as Plaintiffs and Majlis Ugama Islam dan Adat Resam Melayu Pahang as Defendant since 2012.

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

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Could the Board enlighten the shareholders the nature of this High Court case and why has the outcome of this case not resolved after the appeals were heard on 12 January 2015?

Corporate Governance

MSWG is promoting high standards of corporate governance best practices in PLCs. In this regard, we hope the Board would give due consideration to address the following issues:

1. In accordance with the Recommendation 2.2 of the MCCG2012 (the Code), the Board should explicitly disclose in the annual report its gender diversity policies and targets and the measures taken to meet those targets. Under Chapter 15, Section 15.25 Part 2 (a) and (b) of the Main Market Listing Requirements, the Company must include how it has applied the Principles set out in the Code to its particular circumstances, having regard to the Recommendations stated under each Principle and any Recommendation which the Company has not followed, together with the reasons for not following it and the alternatives adopted by the listed issuer, if any. In this respect, we do not see any explanation with regard to the compliance with gender diversity.

Can the Board please explain?

2. The Directors' Remuneration disclosed on page 44 of the Annual Report showed that both Executive Directors and Non-Executive Directors were being paid salaries and other fees.

What was the rationale and justification for the payment of salaries and other fees to Non-Executive Directors?

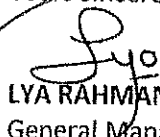
3. The Board is led by an Executive Chairman appointed since 16 August 2002. He is the Chairman of Remuneration Committee and Nomination Committee respectively.

Has the Board any plan to transform the board composition given that one Independent Director is not seeking for re-election at the AGM and the Board has no senior Independent Director but with less than 50% of Independent Directors on the Board?

We hope and appreciate it very much if the Board could present the queries raised and the related responses for shareholders present at the forthcoming AGM. At the same time, we await a written reply as soon as possible for our records.

Thank you.

Yours sincerely


LYA RAHMAN
General Manager
Corporate Services