



Far East Holdings Berhad
(14809-W)

ANNUAL

REPORT **2008**





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KANDUNGAN





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Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 35th Annual General Meeting of FAR EAST HOLDINGS BERHAD (“the Company”) will be held at MS Garden Hotel, Lot 5 & 10, Lorong Gambut, Off Jalan Beserah, Kuantan, Pahang Darul Makmur on 27 May 2009 at 2.30 p.m. on Wednesday to transact the following businesses:-

AGENDA

A: Ordinary Business

1. To receive and adopt the Audited Financial Statement for the financial year ended 31 December 2008 together with the Directors and Auditors’ Reports thereon. *(Ordinary Resolution 1)*
2. To approve the payment of single tier final dividend of 15 sen per share for the financial year ended 31 December 2008 as recommended by Directors. *(Ordinary Resolution 2)*
3. To re-elect the following Directors retiring under Article 97 of the Company’s Articles of Association:-
 - i. En Nowawi bin Abdul Rahman *(Ordinary Resolution 3)*
 - ii. Mr Tee Lip Hian *(Ordinary Resolution 4)*
4. To approve the payment of Directors’ fees for the financial year ended 31 December 2008. *(Ordinary Resolution 5)*
5. To appoint Messrs Parker Randall Thomas as auditors for the coming year and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 6)*

B: As Special Business

To consider and, if thought fit, to pass the following resolutions:-

7. Authority For The Directors To Issue Shares Pursuant To The Employees’ Share Option Scheme

“THAT pursuant to the Far East Holdings Berhad Employees’ Share Option Scheme (“the Scheme”) as approved at the Extraordinary General Meeting (“EGM”) of the Company held on 29 December 2001 and subsequent EGM on 2 April 2007, approval be and is hereby given to the Directors pursuant to Section 132D of the Companies Act, 1965 to issue shares in the Company at any time and in accordance with the terms and conditions of the Scheme.” *(Ordinary Resolution 7)*
8. Proposed Renewal of Shareholders’ Mandate In Respect of Recurrent Related Party Transactions of a Revenue or Trading Nature

“That the mandate granted by the shareholders of the Company on 4 June 2008 pursuant to paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad, authorising the Company to enter into recurrent transactions of a revenue nature as set in paragraph 2 of the Circular to Shareholders dated 5 May 2009 (“Circular”) with the related parties mentioned therein which are necessary for the Company’s day to day operations, be and is hereby renewed.

That the Company is hereby authorised to enter into the recurrent transactions with the related parties mentioned therein provided that the transactions are in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company and the Board will seek shareholders’ approval for the renewal of the proposed Shareholders’ Mandate annually subject to satisfactory review by the Audit Committee of its continued application to the interested parties transaction. In this respect, if approved at the forthcoming Annual General Meeting (“AGM”) such mandate shall continue in force until:

Notice Of Annual General Meeting

- a. the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed;
- b. the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- c. revoked or varied by resolution passed by the shareholders in a general meeting, whichever is earlier and

That the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution.” (*Ordinary Resolution 8*)

9. To transact any other ordinary business for which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT a final single tier dividend of 15 sen per share for the financial year ended 31 December 2008 if approved by the shareholders at the Annual General Meeting will be paid on 11 June 2009 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 4 June 2009.

A depositor shall qualify for entitlement to the dividend only in respect of:-

- a) Shares deposited into the Depositor’s Securities Account before 12.30 p.m. on 2 June 2009 (in respect of share which are exempted from mandatory deposit);
- b) Shares transferred into Depositor’s Securities Account before 4.00 p.m. on 4 June 2009 in respect of ordinary shares; and
- c) Share bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

ASMIN BINTI YAHYA (MIA 10161)
NOOR ANISAH BINTI SABARUDIN (LS 0008153)
Company Secretaries

Kuantan, Pahang
Date: 5 May 2009

Notice Of Annual General Meeting

Notes :-

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. To be valid, the duly completed form of proxy must be deposited at the registered office of the Company, Suite 5 & 6, Tingkat 8, Kompleks Teruntum, Jalan Mahkota, 25000 Kuantan, Pahang Darul Makmur, not less than 48 hours before the time for holding the meeting.
3. A member who is an authorised nominee may appoint one (1) proxy in respect of each securities account he/she holds with ordinary shares of the Company standing to the credit of the said securities account.
4. A member other than an authorised nominee shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
6. If the appointor is a corporation, the form of proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.

Explanatory Notes on Special Businesses:-

1 Ordinary Resolution 7 – Authority For The Directors to Issue Shares pursuant to ESOS

The proposed resolution 7 if passed, will empower the Directors to issue shares in the Company pursuant to the terms and conditions of the Employees' Share Option Scheme which was approved at the Extraordinary General Meetings of the Company held on 29 December 2001 and 2 April 2007.

2 Ordinary Resolution 8 – Proposed Renewal of Shareholders Mandate For Recurrent Related Party Transactions of A Revenue Nature

This proposed resolution 8, if passed, will enable the Company to enter into recurrent transactions involving related parties which are of a revenue nature and necessary for the Group's day-to-day operations, subject to transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company. For further information, please refer to the Circular to Shareholders' dated 5 May 2009 accompanying the Company's Annual Report for the financial year ended 31 December 2008.

Notis Mesyuarat Agung Tahunan

DENGAN INI DIBERITAHU BAHAWA Mesyuarat Agung Tahunan pemegang-pemegang saham yang ke 35 FAR EAST HOLDINGS BERHAD (“Syarikat”) akan diadakan di MS Garden Hotel, Lot 5 & 10, Lorong Gambut, Off Jalan Beserah, Kuantan, Pahang Darul Makmur pada hari Rabu, 27 Mei 2009 pada pukul 2.30 petang untuk menimbang transaksi-transaksi yang berikut:

AGENDA

A: Urusan Biasa

1. Menerima dan menimbang Akaun bagi tahun kewangan berakhir 31 Disember 2008 berserta Laporan Pengarah dan Juruaudit mengenainya. (*Resolusi Biasa 1*)
2. Meluluskan pembayaran dividen akhir (single tier) sebanyak 15 sen sesaham bagi tahun kewangan berakhir 31 Disember 2008, seperti yang disyorkan oleh Lembaga Pengarah. (*Resolusi Biasa 2*)
3. Untuk memilih semula Pengarah-Pengarah berikut yang bersara menurut Artikel 97 Tataurusan Syarikat:-
 - i. En Nowawi bin Abdul Rahman (*Resolusi Biasa 3*)
 - ii. Mr Tee Lip Hian (*Resolusi Biasa 4*)
5. Meluluskan pembayaran yuran dan ganjaran Pengarah-Pengarah bagi tahun kewangan berakhir 31 Disember 2008. (*Resolusi Biasa 5*)
6. Melantik Tetuan Parker Randall Thomas sebagai Juruaudit Syarikat dan memberi kuasa kepada Lembaga Pengarah untuk menetapkan bayaran mereka. (*Resolusi Biasa 6*)

B: Sebagai Urusan Khas

Bagi tujuan mempertimbangkan dan jika difikirkan wajar meluluskan resolusi-resolusi berikut:-

7. Kuasa diberi kepada Lembaga Pengarah untuk menerbitkan Saham Berkaitan Skim Opsyen Saham Kakitangan

“Dengan ini sejajar Skim Opsyen Saham Kakitangan (“ESOS”) Far East Holdings Berhad [“Skim”] yang di luluskan pada Mesyuarat Agung Luarbiasa Syarikat yang diadakan pada 29 Disember 2001 dan selepas itu pada 2 April 2007, kelulusan dan kuasa diberikan kepada Lembaga Pengarah berkaitan Seksyen 132D Akta Syarikat 1965 untuk menerbitkan saham syarikat pada bila-bila masa dan tertakluk kepada syarat dan terma Skim”. (*Resolusi Biasa 7*)

8. Cadangan Pembaharuan Mandat Pemegang-Pemegang Saham berkenaan Transaksi Berulang dengan Pihak Berkaitan yang bersifat Pendapatan

“Bahawa mandat yang diberikan oleh pemegang-pemegang saham Syarikat pada 4 Jun 2008 tertakluk kepada perenggan 10.09 Syarat-Syarat Penyenaaraan Bursa Malaysia Securities Berhad, memberikuasa kepada Syarikat untuk menyertai transaksi berulang yang bersifat pendapatan seperti yang dinyatakan di perenggan 2 Pekeliling kepada pemegang saham yang bertarikh 5 Mei 2009 (Pekeliling) dengan pihak yang berkaitan yang menyatakan di mana perlu untuk operasi seharian Syarikat, dengan ini diperbaharui.

Dengan ini Syarikat diberikuasa untuk menyertai transaksi berulang dengan pihak berkaitan yang disebutkan tertakluk transaksi tersebut dibuat dalam urusan biasa perniagaan dan terma biasa yang tidak memberi keutamaan kepada pihak berkaitan melainkan apa yang ada pada pihak tidak berkaitan dan tidak menyentuh hak pemegang saham minoriti Syarikat; dan

Lembaga Pengarah memohon kelulusan pemegang-pemegang saham untuk memperbaharui Cadangan Mandat Tahunan Pemegang-Pemegang Saham tertakluk kepada nilai yang memuaskan oleh Jawatankuasa Audit yang menunjukkan aplikasi berterusan kepada pihak yang berminat dengan transaksi tersebut. Dengan ini, jika diluluskan pada Mesyuarat Agung ini, kelulusan itu akan berterusan sehingga:

Notis Mesyuarat Agung Tahunan

- a. penamatan Mesyuarat Agung akan datang melainkan resolusi diluluskan di Mesyuarat Agung Tahunan untuk memperbaharui mandat ini;
- b. penamatan tempoh di mana Mesyuarat Agung Tahunan yang akan datang perlu diadakan sejajar dengan Seksyen 143(1) Akta (tetapi tidak dilanjutkan ke suatu tempoh yang mungkin dibenarkan sejajar Seksyen 143(2) Akta); atau
- c. dibatalkan atau diubah melalui resolusi yang diluluskan pada Mesyuarat Agung Tahunan atau Mesyuarat Agung Luarbiasa, mana-mana yang terdahulu dan

Dengan ini Lembaga Pengarah Syarikat diberikuasa untuk menyiapkan dan mengambil tindakan sewajarnya di atas Cadangan Memperbaharui Mandat Transaksi Berulang dengan Pihak Berkaitan ." (*Resolusi Biasa 8*)

9. Untuk melaksanakan lain-lain urusan biasa perniagaan yang mana notis sewajarnya telahpun diberikan.

KELAYAKAN DAN PEMBAYARAN DIVIDEN

DENGAN INI DIBERITAHU BAHAWA dividen akhir (single tier) sebanyak 15 sen sesaham bagi tahun kewangan berakhir 31 Disember 2008, jika diluluskan oleh pemegang saham di Mesyuarat Agung Tahunan, akan dibayar pada 11 Jun 2009 kepada para pemegang saham yang nama-nama mereka terdapat di dalam Rekod Pendeposit Syarikat semasa tutup perniagaan pada 4 Jun 2009.

Seorang pendeposit adalah layak untuk menerima dividen hanya berhubung dengan;

- a) Saham-saham yang dideposit kepada Akaun Securities Pendeposit sebelum jam 12.30 tengahari pada 2 Jun 2009 (berkaitan saham yang dikecualikan dari deposit wajib);
- b) Saham-saham yang dipindahmilik kepada Akaun Sekuriti Pendeposit sebelum jam 4.00 petang pada 4 Jun 2009 Berkenaan pemindahan; dan
- c) Saham-saham yang di beli di Bursa Malaysia Securities Berhad selaras dengan kelayakan asas tertakluk kepada syarat-syarat Bursa Malaysia Securities Berhad

Dengan Perintah Lembaga Pengarah

ASMIN BINTI YAHYA (MIA 10161)
NOOR ANISAH BINTI SABARUDIN (LS 0008153)
Setiausaha-Setiausaha Syarikat

Kuantan, Pahang
Bertarikh: 5 Mei 2009

Notis Mesyuarat Agung Tahunan

Nota:-

1. Proksi berkemungkinan tetapi tidak semestinya seorang ahli syarikat dan Peruntukan Seksyen 149(1)(b) Akta Syarikat 1965 tidak diterimapakai oleh syarikat.
2. Borang proksi ini mestilah diserahkan kepada Pejabat Berdaftar Syarikat, Suite 5 & 6, Tingkat 8, Kompleks Teruntum, Jalan Mahkota, 25000 Kuantan, Pahang Darul Makmur tidak lewat daripada empat puluh lapan jam (48) sebelum masa yang ditetapkan untuk mengadakan mesyuarat.
3. Seorang ahli yang berhak menghadiri dan mengundi dalam mesyuarat ini adalah berhak melantik seorang proksi bagi setiap akaun sekuriti yang ada.
4. Seorang ahli melainkan nominee yang diberikuasa adalah layak melantik tidak lebih dari dua proksi untuk menghadiri dan mengundi pada mesyuarat yang sama.
5. Jika seorang ahli melantik lebih dari seorang proksi, perlantikan itu tidak sah melainkan dinyatakan setiap proksi mewakili berapa kepentingan sahamnya.
6. Jika yang melantik sebuah perbadanan borang proksi mestilah dimeteri dengan cop mohor atau ditandatangani oleh peguam atau pegawai perbadanan tersebut.

Nota Penjelasan Untuk Urusan Khas:-

1. Resolusi Biasa 7 – Kuasa Kepada Pengarah Untuk menerbitkan Saham berkaitan ESOS

Resolusi Biasa 7 yang dicadangkan, jika diluluskan, memberi kuasa kepada Lembaga Pengarah untuk menerbitkan Saham Syarikat tertakluk kepada syarat dan terma Skim Opsyen Saham Kakitangan yang telah diluluskan pada Mesyuarat Agung Luarbiasa bertarikh 29 Disember 2001 dan 2 April 2007.

2. Resolusi Biasa 8 – Cadangan Mandat untuk Transaksi Berulang dengan pihak berkaitan

Resolusi Biasa 8 yang dicadangkan, jika diluluskan, membolehkan Syarikat membuat transaksi Berulang dengan pihak Berkaitan untuk operasi seharian Syarikat tertakluk transaksi secara biasa dibuat dan tidak menyentuh hak pemegang saham minoriti Syarikat. Untuk maklumat lanjut, sila rujuk Pekeliling kepada Pemegang Saham bertarikh 5 Mei 2009 yang diedarkan bersama Laporan Tahunan Syarikat untuk tahun kewangan berakhir 31 Disember 2008.

Statement Accompanying Notice Of Annual General Meeting

Pursuant To Paragraph 8.28(2) Of The Listing Requirements Of The Bursa Malaysia Securities Berhad

Penyata Mengiringi Notis Mesyuarat Agung Tahunan

Tertakluk Kepada Perenggan 8.28(2) Syarat-Syarat Penyenaraian Bursa Malaysia Securities Berhad

1. Names of Directors who are standing for re-election/re-appointment:
Nama-nama para pengarah yang menawarkan diri untuk perlantikan semula:

- i.) En Nowawi bin Abdul Rahman
ii.) En Tee Lip Hian

The details of the abovenamed Directors who are standing for re-election/re-appointment are set out in the Directors' profiles (page 11 to 19 of the Annual Report); while their securities holdings (where applicable) are set out in the Analysis of Shareholdings – Directors' Interests in the Company and Related Corporations (page 50 of the Annual Report).

Maklumat lanjut Lembaga Pengarah yang bersara dan menawarkan diri untuk dilantik semula dibentangkan pada Profil Lembaga Pengarah mukasurat 11 hingga 19 Lapuran Tahunan; manakala jadual pegangan saham mereka dinyatakan pada mukasurat 50 Lapuran Tahunan.

2. Place, date and time of the 35th Annual General Meeting
Tempat, tarikh dan masa Mesyuarat Agung Tahunan ke 35

The 35th Annual General Meeting of the Company will be held at MS Garden Hotel, Lot 5 & 10, Lorong Gambut, Off Jalan Beserah, Kuantan, Pahang Darul Makmur on Wednesday, 27 May 2009 at 2.30 p.m.

Mesyuarat Agung Tahunan yang ke 35 Syarikat akan diadakan di MS Garden Hotel, Lot 5 & 10, Lorong Gambut, Off Jalan Beserah, Kuantan, Pahang Darul Makmur pada hari Rabu, 27 Mei 2009 jam 2.30 petang.

3. Details of Attendance of Directors at Board Meetings
Senarai Kehadiran para Pengarah di Mesyuarat Lembaga Pengarah

A total of six (6) Board Meetings were held during the financial year ended 31 December 2008. Details of attendance of Directors holding office at the end of financial year are as follows:-

Mesyuarat Lembaga Pengarah telah diadakan sebanyak enam (6) kali bagi tahun kewangan berakhir 31 Disember 2008. Bilangan kehadiran adalah seperti berikut:-

Name	Attendance	Appointment
YH Dato' Kamaruddin Bin Mohammed	6/6	16/08/2002
YH Dato' Md. Adnan bin Sulaiman	6/6	16/01/2008
Mr Tee Kim Tee @ Tee Ching Tee	6/6	16/08/2002
En Nowawi Bin Abdul Rahman	6/6	16/08/2002
Mr Tee Cheng Hua	6/6	16/08/2002
Cik Sharina Bahrin	6/6	15/01/2004
Mr Tee Lip Hian	6/6	09/09/2004
En Khairul Azahar bin Ariffin	6/6	23/07/2007
Ms Ng Yee Kim	6/6	23/07/2007

Corporate Information

Maklumat Korporat

BOARD OF DIRECTORS

LEMBAGA PENGARAH

- YH Dato Kamaruddin bin Mohammed**
Chairman
Pengerusi
Non-Independent Non-Executive Director
Pengaruh Tidak Bebas Bukan Eksekutif
- YH Dato' Md. Adnan bin Sulaiman**
Non-Independent Non-Executive Director
Pengaruh Tidak Bebas Bukan Eksekutif
- Mr Tee Kim Tee @ Tee Ching Tee**
Non-Independent Non-Executive Director
Pengaruh Tidak Bebas Bukan Eksekutif
- En Nowawi bin Abdul Rahman**
Non-Independent Executive Director
Pengaruh Tidak Bebas Eksekutif
- Mr Tee Cheng Hua**
Non-Independent Executive Director
Pengaruh Tidak Bebas Eksekutif
- Cik Sharina Bahrin**
Independent Non-Executive Director
Pengaruh Bebas Bukan Eksekutif
- Mr Tee Lip Hian**
Non-Independent Non-Executive Director
Pengaruh Tidak Bebas Bukan Eksekutif
- En Khairul Azahar bin Ariffin**
Independent Non-Executive Director
Pengaruh Bebas Bukan Eksekutif
- Ms Ng Yee Kim**
Independent Non-Executive Director
Pengaruh Bebas Bukan Eksekutif

BOARD'S COMMITTEE

JAWATANKUASA LEMBAGA PENGARAH

Audit Committee

Chairperson
Cik Sharina Bahrin

Members

YH Dato' Kamaruddin bin Mohammed
En Khairul Azahar bin Ariffin
Ms Ng Yee Kim

Remuneration Committee

Chairman
YH Dato' Kamaruddin bin Mohammed

Members

Mr Tee Kim Tee @ Tee Ching Tee
En Khairul Azahar bin Ariffin

Nomination Committee

Chairman
YH Dato' Kamaruddin bin Mohammed

Members

Mr Tee Kim Tee @ Tee Ching Tee
Ms Ng Yee Kim

Employees Share Option Scheme Committee

Chairman
YH Dato' Md. Adnan bin Sulaiman

Members

En Nowawi bin Abdul Rahman
Mr Tee Cheng Hua
Mr Tee Lip Hian

SECRETARIES

SETIAUSAHA-SETIAUSAHA

Puan Asmin binti Yahya

- MIA10161

Puan Noor Anisah binti Sabarudin

- LS0008153

STOCK EXCHANGE LISTING

PENYENARAIAH DI PASARAN SAHAM

Main Board Bursa Malaysia Securities Berhad – Plantation Sector
Papan Utama Bursa Malaysia Securities Berhad - Sektor Perladangan

REGISTERED ADDRESS

ALAMAT BERDAFTAR

Suite 5 & 6, Tingkat 8, Kompleks Teruntum, Jalan Mahkota, 25000 Kuantan, Pahang Darul Makmur.
Tel: 09-514 1936 / 948 / 339
Faks: 09-513 6211
Laman Web: www.fehb.com.my
E-mail: fareast@fareh.po.my

SHARE REGISTRAR

PENDAFTAR SAHAM

Symphony Share Registrars Sdn Bhd
Level 26,
Menara Multi Purpose,
Capital Square, No 8,
Jalan Munshi Abdullah,
50100 Kuala Lumpur.
Tel: 03-2721 2222
Faks: 03-2721 2530/2721 2531

MAJOR BANKERS

JURUBANK-JURUBANK UTAMA

CIMB Bank Berhad
A1, Lorong Tun Ismail 9,
Sri Dagangan 2,
25000 Kuantan,
Pahang Darul Makmur.

CIMB Bank Berhad
Lot G-1, Kompleks Teruntum,
Jalan Mahkota 25000 Kuantan,
Pahang Darul Makmur.

Bank Islam (Malaysia) Berhad
No G-05, G-06 & G-07 (Ground Floor) &
No 1-05, 1-06 & 1-07 (First Floor)
Mahkota Square, Jalan Mahkota,
25000 Kuantan
Pahang Darul Makmur

SUBSIDIARIES

SUBSIDIARI-SUBSIDIARI

B.S. Oil Palm Plantations Sdn. Bhd.
Dawn Oil Palm Plantations Sdn. Bhd.
Kampong Aur Oil Palm Company (Sdn.)
Berhad
Madah Perkasa Sdn. Bhd.
Kilang Kosfarm Sdn. Bhd.
Far East Delima Plantations Sdn. Bhd.
Radiant Apex Sdn Bhd.
Spectacular Potential Sdn. Bhd.

ASSOCIATED COMPANIES

SYARIKAT-SYARIKAT SEKUTU

Prosper Palm Oil Mill Sdn. Bhd.
Business & Budget Hotels (Kuantan) Sdn.
Bhd.
Future Prelude Sdn. Bhd.

Financial Calendar

FINANCIAL YEAR END

31 December 2008

ANNOUNCEMENT OF RESULTS

First Quarter	22 May 2008
Second Quarter	21 August 2008
Third Quarter	25 November 2008
Fourth Quarter	27 February 2009

PUBLISHED ANNUAL REPORT AND FINANCIAL STATEMENTS

Notice of Annual General Meeting	05 May 2009
ANNUAL GENERAL MEETING	27 May 2009

DIVIDENDS

Interim

Announcement	21 August 2008
Entitlement Date	09 September 2008
Payment Date	23 September 2008

Interim

Announcement	25 November 2008
Entitlement Date	26 December 2008
Payment Date	16 January 2009

Final

Announcement	05 May 2009
Entitlement Date	04 June 2009
Payment Date	11 June 2009

Directors' Profile Profil Pengarah-Pengarah

YH Dato' Kamaruddin bin Mohammed

A Malaysian, aged 61, is a Non-Independent Non-Executive Director. He is the Chairman of Far East Holdings Berhad's Board of Directors. He was appointed to the Board on 16 August 2002. YH Dato' Kamaruddin bin Mohammed is also the Chairman of the Board's Remuneration Committee as well as the Nomination Committee and a member of the Audit Committee.

A graduate of Business Studies from MARA College (UiTM) in 1969, he pursued a professional course in Investment Analysis at the Securities Institute of Australia, Sydney, Australia in 1972. He was made a Fellow Member of The Securities Institute of Australia in 1983. In 1981, he pursued a Management course at the Asian Institute of Management, Manila, Philippines.

In November 2005, he was elevated as Senior Fellow of a newly merged Securities Institute named Financial Services Institute of Australasia (SF Fin).

YH Dato' Kamaruddin bin Mohammed started his career with Amanah Saham MARA Berhad in July 1969. He was the Group Managing Director of Amanah Saham MARA Berhad from December 1995 until April 2008, when he retired from the said post.

Currently he is the Chairman of Pascorp Paper Industries Berhad, Deputy Chairman of Amanah Saham MARA Berhad and a Board member of ASM Investment Service Berhad, Amanah Saham Pahang Berhad and YTL Cement Berhad.

YH Dato' Kamaruddin bin Mohammed does not have any family relationship with Director and/or other major shareholder of the Company and has no conflict of interest with the Company. He has had no convictions for offences within the past ten years.

YH Dato' Kamaruddin bin Mohammed attended all six Board Meetings of the Company held in the financial year ended 31 December 2008.

Warganegara Malaysia, umur 61 tahun, Pengarah tidak bebas bukan eksekutif. Beliau adalah Pengerusi kepada Ahli Lembaga Pengarah Far East Holdings Berhad. Beliau telah dilantik sebagai ahli Lembaga Pengarah pada 16 Ogos 2002. Beliau juga Pengerusi kepada Jawatankuasa Imbuhan serta Jawatankuasa Pencalonan dan ahli kepada Jawatankuasa Audit.

Graduan dalam jurusan Kajian Perniagaan (Business Studies) dari Maktab MARA (UiTM) pada tahun 1969. Beliau telah mengikuti kursus profesional di dalam Analisa Pelaburan di Securities Institute Australia, Sydney, Australia di dalam tahun 1972. Kini beliau seorang Ahli Fellow, The Securities Institute of Australia sejak tahun 1983. Pada tahun 1981, mengikuti kursus Pengurusan di Asian Institute of Management, Manila, Filipina.

Pada November 2005, dilantik sebagai Fellow Kanan Institut Sekuriti yang baru digabungkan dikenali sebagai Financial Services Institute of Australasia (SF Fin) .

YH Dato' Kamaruddin bin Mohammed mula berkhidmat dengan Amanah Saham MARA Berhad pada bulan Julai 1969. Beliau adalah Pengarah Urusan Kumpulan, Amanah Saham MARA Berhad dari Disember 1995 hingga April 2008, apabila bersara dengan jawatan tersebut.

Beliau kini adalah Pengerusi kepada Pascorp Paper Industries Berhad dan Timbalan Pengerusi Amanah Saham MARA Berhad dan ahli Lembaga Pengarah ASM Investment Service Berhad, Amanah Saham Pahang Berhad dan YTL Cement Berhad.

YH Dato' Kamaruddin bin Mohammed tidak mempunyai ikatan persaudaraan dengan ahli lembaga yang lain dan pemegang saham utama. Tidak mempunyai konflik kepentingan dengan Syarikat. Tidak pernah disabitkan dengan kesalahan undang-undang dalam tempoh sepuluh tahun yang lepas.

YH Dato' Kamaruddin bin Mohammed menghadiri kesemua enam Mesyuarat Lembaga Pengarah yang diadakan bagi tahun kewangan berakhir 31 Disember 2008.

Directors' Profile

Profil Pengarah-Pengarah

YH Dato' Md. Adnan bin Sulaiman

A Malaysian, aged 60. He is a Non-Independent Non-Executive Director. He was appointed to the Board on 16 January 2008. The Chairman of Employees' Share Option Scheme Committee.

YH Dato' Md. Adnan bin Sulaiman started his career with the government sector when he was attached to the Department of Agriculture from 1974 to 1990. He was the Principal of the Agriculture Institute in Besut, Terengganu from 1981 to 1982 and in Serdang, Selangor until 1983. He served as Pahang Deputy Director of Agriculture from 1983 to 1990. He joined Lembaga Kemajuan Perusahaan Pertanian Pahang as Deputy General Manager in 1991 and became its General Manager in April 1996.

He graduated from University of Malaya with a Bachelor of Agriculture Science and obtained his Master of Science from University of Wisconsin, USA. He sits on the Board of Astral Asia Berhad and Kurnia Setia Berhad.

YH Dato' Md. Adnan bin Sulaiman does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He had no convictions for offences within the past ten years.

YH Dato' Md. Adnan bin Sulaiman attended all six Board Meetings of the Company held in the financial year ended 31 December 2008.

Warganegara Malaysia, umur 60 tahun, Beliau seorang Pengarah Tidak Bebas dan Bukan Eksekutif. Dilantik sebagai ahli Lembaga Pengarah pada 16 Januari 2008. Pengerusi kepada Jawatankuasa Skim Opsyen Saham Kakitangan.

YH Dato' Md. Adnan bin Sulaiman memulakan kerjaya dalam perkhidmatan awam semasa berkhidmat di Jabatan Pertanian dari 1974 hingga 1990. Beliau adalah Pengetua Institut Pertanian di Besut, Terengganu dari 1981 hingga 1982 dan di Serdang, Selangor sehingga 1983. Beliau berkhidmat sebagai Timbalan Pengarah Pertanian Pahang dari 1983 hingga 1990. Beliau menyertai Lembaga Kemajuan Perusahaan Pertanian Pahang sebagai Timbalan Pengurus Besar pada tahun 1991 dan menjadi Pengurus Besar pada bulan April 1996.

Beliau memperolehi Ijazah Sarjana Muda Sains Pertanian daripada Universiti Malaya dan Ijazah Sarjana Sains daripada Universiti Wisconsin, Amerika Syarikat. Beliau juga menganggotai Lembaga Pengarah Astral Asia Berhad dan Kurnia Setia Berhad.

YH Dato' Md. Adnan bin Sulaiman tidak mempunyai ikatan persaudaraan dengan ahli Lembaga yang lain dan pemegang saham utama. Tidak mempunyai konflik kepentingan dengan Syarikat. Tidak pernah disabitkan dengan kesalahan undang-undang dalam tempoh sepuluh tahun yang lepas.

YH Dato' Md. Adnan bin Sulaiman menghadiri kesemua enam Mesyuarat Lembaga Pengarah yang diadakan bagi tahun kewangan berakhir 31 Disember 2008.

Directors' Profile

Profil Pengarah-Pengarah

Mr Tee Kim Tee @ Tee Ching Tee

A Malaysian, aged 61 is a Non-Independent Non-Executive Director. He was appointed to the Board on 16 August 2002. He is a member of Remuneration Committee and Nomination Committee.

A businessman possessing vast experience and expertise in the plantation industry. He started his career 38 years ago as an estate contractor and fresh fruit bunches dealer.

Subsequently in 1978, he was involved in palm oil milling business both as an owner and operator. He was also involved in palm oil refinery business through his part ownership of a refinery in Kuantan. Currently, he sits on the Board of a number of private limited companies involving in oil palm industry.

He is a father of Mr Tee Lip Hian and an elder brother of Mr Tee Cheng Hua. He is a Board member of Prosper Trading Sdn Bhd which is also a major shareholder of the Company and has no conflict of interest with the Company. He has had no convictions for offences within the past ten years.

Mr Tee Kim Tee attended all six Board Meetings of the Company held in the financial year ended 31 December 2008.

Warganegara Malaysia, umur 61 tahun seorang Pengarah Tidak Bebas Bukan Eksekutif. Beliau dilantik sebagai ahli Lembaga Pengarah pada 16 Ogos 2002. Beliau ahli kepada Jawatankuasa Imbuhan dan Jawatankuasa Pencalonan.

Seorang ahli perniagaan yang mempunyai banyak pengalaman dan kemahiran dalam bidang perladangan. Beliau memulakan kerjaya 38 tahun lalu sebagai seorang kontraktor estet dan peniaga buah tandan segar.

Selepas itu pada tahun 1978, beliau berkecimpung di dalam perniagaan mengilang minyak kelapa sawit sebagai pemilik dan pengendali operasi. Beliau turut melibatkan diri di dalam bidang penapisan kelapa sawit melalui kepentingannya sebagai salah seorang penapis di Kuantan.

Sekarang beliau adalah ahli Lembaga Pengarah bagi beberapa syarikat sendirian berhad yang terlibat dalam industri kelapa sawit.

Mr Tee Kim Tee adalah bapa kepada Mr Tee Lip Hian dan abang kepada Mr Tee Cheng Hua. Beliau juga Lembaga Pengarah kepada Prosper Trading Sdn Bhd, pemegang saham utama Syarikat. Tidak mempunyai konflik kepentingan dengan Syarikat. Tidak pernah disabitkan dengan kesalahan undang-undang dalam sepuluh tahun yang lepas.

Mr Tee Kim Tee menghadiri kesemua enam Mesyuarat Lembaga Pengarah yang diadakan bagi tahun kewangan berakhir 31 Disember 2008.

Directors' Profile

Profil Pengarah-Pengarah

En Nowawi bin Abdul Rahman

A Malaysian, aged 54. He is an Executive Director, Operations. He was appointed to the Board on 16 August 2002. He is a member of Employees' Share Option Scheme Committee.

He graduated with Master of Science in Management Science, Cranfield University, England and Bachelor of Science in Agribusiness, University Putra Malaysia.

En Nowawi previous posts include Perbadanan Kemajuan Negeri Pahang's Investment Officer, International Islamic University Lecturer in Operations Management, Managerial Science and Financial Management, and Investment Manager of Yayasan Pahang. He has attended several management courses, including at the Asian Institute of Management, Manila, Philippines.

He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has had no convictions for offences within the past ten years.

En Nowawi bin Abdul Rahman attended all six Board Meetings of the Company held in the financial year ended 31 December 2008.

Warganegara Malaysia, umur 54 tahun. En Nowawi bin Abdul Rahman adalah Pengarah Eksekutif, Operasi dan dilantik sebagai ahli Lembaga Pengarah pada 16 Ogos 2002. Beliau juga ahli Jawatankuasa Skim Opsyen Saham Kakitangan.

En Nowawi adalah graduan Sarjana Sains dalam Sains Pengurusan dari Universiti Cranfield, England dan Sarjana Muda Sains Perniagaantani, Universiti Putra Malaysia.

Kerjaya lepas En Nowawi merangkumi sebagai Pegawai Pelaburan Perbadanan Kemajuan Negeri Pahang, Pensyarah Universiti Islam Antarabangsa dalam bidang Pengurusan Operasi, Sains Pengurusan dan Pengurusan Kewangan, dan Pengurus Pelaburan Yayasan Pahang. Telah menghadiri beberapa kursus pengurusan, antaranya di Asian Institute of Management, Manila, Filipina.

En Nowawi tidak mempunyai ikatan persaudaraan dengan ahli lembaga yang lain dan pemegang saham utama. Tidak mempunyai konflik kepentingan dengan Syarikat. Tidak pernah disabitkan dengan kesalahan undang-undang dalam tempoh sepuluh tahun yang lepas.

En Nowawi menghadiri kesemua enam Mesyuarat Lembaga Pengarah yang diadakan bagi tahun kewangan berakhir 31 Disember 2008.

Directors' Profile

Profil Pengarah-Pengarah

Mr Tee Cheng Hua

A Malaysian, aged 55. He is an Executive Director, Estates and Plantations. He was appointed to the Board on 16 August 2002. He is a member of Employees' Share Option Scheme Committee.

He graduated with Bachelor of Mechanical Engineering from University Technology Malaysia.

Mr Tee Cheng Hua started his career as an Engineer with Highlands and Lowlands Bhd. Subsequently he was attached to Kulim (M) Bhd. as Mill Manager/ Engineer. He is at present the Executive Director of Prosper Group of Companies.

He is a younger brother of Mr Tee Kim Tee @ Tee Ching Tee and an uncle to Mr Tee Lip Hian. He is a Board member of Prosper Trading Sdn Bhd which is also a major shareholder of the Company and has no conflict of interest with the Company. He has had no convictions for offences within the past ten years.

Mr Tee Cheng Hua attended all six Board Meetings of the Company held in the financial year ended 31 December 2008.

Warganegara Malaysia, umur 55 tahun. Mr Tee Cheng Hua adalah Pengarah Eksekutif, Estet & Perladangan. Beliau dilantik sebagai ahli Lembaga Pengarah pada 16 Ogos 2002. Beliau juga ahli Jawatankuasa Skim Opsyen Saham Kakitangan.

Mr Tee Cheng Hua adalah graduan Sarjana Muda Kejuruteraan Mekanikal daripada Universiti Teknologi Malaysia.

Beliau memulakan kerjaya sebagai Jurutera bersama Highlands and Lowlands Bhd. Kemudian bersama Kulim (M) Bhd. sebagai Pengurus Kilang/Jurutera. Sekarang beliau adalah Pengarah Eksekutif Kumpulan Syarikat Prosper.

Mr Tee Cheng Hua adalah adik kepada Mr Tee Kim Tee @ Tee Ching Tee dan bapa saudara kepada Mr Tee Lip Hian. Mr Tee Cheng Hua adalah ahli Lembaga Pengarah Prosper Trading Sdn Bhd yang merupakan salah satu daripada pemegang saham utama Syarikat. Tidak mempunyai konflik kepentingan dengan Syarikat. Tidak pernah disabitkan dengan kesalahan undang-undang dalam sepuluh tahun yang lepas.

Mr Tee Cheng Hua menghadiri kesemua enam Mesyuarat Lembaga Pengarah yang diadakan bagi tahun kewangan berakhir 31 Disember 2008.

Directors' Profile

Profil Pengarah-Pengarah

Cik Sharina Bahrin

A Malaysian, aged 43. She is an Independent Non-Executive Director. She was appointed to the Board on 15 January 2004. She is the Chairperson of Audit Committee.

She is a member of the Institute of Chartered Accountants in Australia since 1991 and the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants. She graduated with Master of Accounting and Bachelor of Commerce with Honours in Finance from the University of Western Australia.

She has over 21 years experience in corporate finance and business advisory in Malaysia and Australia. Prior to joining Aftaas Consulting Sdn Bhd, she spent several years in PricewaterhouseCoopers' Corporate Finance and Recovery as an Associate Director. She spent many years in PETRONAS as holdings company accounts manager, finance manager of a joint-venture project and as a group corporate finance senior executive. She was also a member of the PETRONAS corporate strategy team focusing on globalisation. In Australia, Sharina provided business advisory services as well as preparing accounts and tax returns of entities in the various industries.

She does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. She has had no convictions for offences within the past ten years.

Cik Sharina attended all six Board Meetings of the Company held in the financial year ended 31 December 2008.

Warganegara Malaysia, umur 43 tahun. Pengarah Bebas dan Bukan Eksekutif. Beliau adalah Pengerusi Jawatankuasa Audit. Menganggotai Lembaga Pengarah pada 15 Januari 2004.

Ahli kepada Institute of Chartered Accountants, Australia semenjak tahun 1991 dan graduan Sarjana Perakaunan dan Sarjana Muda Perdagangan (Kewangan) daripada Universiti of Western Australia. Cik Sharina juga ahli kepada Malaysian Institute of Certified Public Accountants dan Malaysian Institute of Accountants.

Beliau memiliki pengalaman lebih 21 tahun di dalam Kewangan Korporat dan Penasihat Perniagaan di Malaysia dan Australia. Sebelum bertugas di Aftaas Consulting Sdn Bhd, beliau berkhidmat selama beberapa tahun di PricewaterhouseCoopers di bahagian Kewangan Korporat dan Pemulihan sebagai Pengarah Sekutu dan beberapa tahun di PETRONAS sebagai Pengurus Akaun, Pengurus Kewangan Projek Usahasama dan juga Eksekutif Kanan Kewangan Korporat Kumpulan. Beliau juga pernah menjadi ahli Pasukan Strategi Korporat PETRONAS memfokus kepada globalisasi. Semasa di Australia, beliau memberi khidmat nasihat perniagaan serta penyediaan akaun dan percukaian untuk beberapa syarikat dalam pelbagai industri.

Cik Sharina tidak mempunyai ikatan persaudaraan dengan ahli lembaga yang lain dan pemegang saham utama. Tidak mempunyai konflik kepentingan dengan Syarikat. Tidak pernah disabitkan dengan kesalahan undang-undang dalam tempoh sepuluh tahun yang lepas.

Cik Sharina menghadiri kesemua enam Mesyuarat Lembaga Pengarah yang diadakan bagi tahun kewangan berakhir 31 Disember 2008.

Directors' Profile

Profil Pengarah-Pengarah

Mr Tee Lip Hian

A Malaysian, aged 36. He is a Non-Independent Non-Executive Director. He was appointed to the Board on 9 September 2004. He is a member of Employees' Share Option Scheme Committee.

He is a graduate of Curtin University of Technology, Australia with a Bachelor of Business Administration.

Upon his graduation in 1998, he joined Prosper Group of Companies as an Administrative/Marketing Executive. He is currently the Executive Director of Ria Gemilang Sdn Bhd in charge of the Company's plantation and milling operations.

He is the son of Mr Tee Kim Tee @ Tee Ching Tee and a nephew of Mr Tee Cheng Hua. He has no conflict of interest with the Company. He has had no convictions for offences within the past ten years.

Mr Tee Lip Hian attended all six Board Meetings of the Company held in the financial year ended 31 December 2008.

Warganegara Malaysia, umur 36 tahun. Pengarah Bukan Bebas dan Bukan Eksekutif. Dilantik sebagai ahli Lembaga Pengarah pada 9 September 2004. Ahli Jawatankuasa Skim Opsyen Saham Kakitangan.

Beliau merupakan siswazah Curtin University of Technology, Australia di dalam jurusan Pentadbiran Perniagaan.

Sebaik menamatkan ijazahnya pada tahun 1998, beliau berkhidmat di Kumpulan Syarikat-syarikat Prosper sebagai Eksekutif Pentadbiran dan Pemasaran. Kini beliau merupakan Pengarah Eksekutif Ria Gemilang Sdn Bhd bertanggungjawab di dalam operasi perladangan dan perkilangan.

Mr Tee Lip Hian adalah anak kepada Mr Tee Kim Tee @ Tee Ching Tee dan anak saudara kepada Mr Tee Cheng Hua. Tidak mempunyai konflik kepentingan dengan Syarikat. Tidak pernah disabitkan dengan kesalahan undang-undang dalam tempoh sepuluh tahun yang lepas.

Mr Tee Lip Hian menghadiri kesemua enam Mesyuarat Lembaga Pengarah yang diadakan bagi tahun kewangan berakhir 31 Disember 2008.

Directors' Profile

Profil Pengarah-Pengarah

En Khairul Azahar bin Ariffin

A Malaysian. Aged 46, is an Independent Non-Executive Director. He was appointed to the Board on 23 July 2007. He is a member of Audit Committee and Remuneration Committee.

He is a Chartered Accountant by profession. He graduated with a Bachelor of Accountancy (Hons), from University Kebangsaan Malaysia. He is a member of Malaysia Institute of Accountants and a member of CPA Australia

He began his career with Abu Bakar Rajudin & Co and Coopers & Lybrand, and currently a Chartered Accountant of his own firm. He also serves as a board member of Pascorp Paper Industries Berhad.

He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has had no convictions for offences within the past ten years.

En Khairul Azahar bin Ariffin attended all six Board Meetings of the Company held in the financial year ended 31 December 2008.

Warganegara Malaysia, umur 46 tahun Pengarah Bebas dan Bukan Eksekutif. Beliau dilantik menganggotai Lembaga Pengarah pada 23 Julai 2007. Beliau ahli kepada Jawatankuasa Audit dan Jawatankuasa Imbuan.

En Khairul Azahar adalah Akauntan Bertauliah. Graduan Ijazah Perakaunan (Hons) dari Universiti Kebangsaan Malaysia. Beliau juga ahli kepada Malaysian Institute of Accountants dan CPA Australia.

Memulakan karier dengan Abu Bakar Rajudin & Co dan Coopers Lybrand dan pada masa ini mempunyai firma Akauntan Bertauliahnya sendiri. En Khairul juga menganggotai Lembaga Pengarah Pascorp Paper Industries Berhad.

En Khairul Azahar bin Ariffin tidak mempunyai ikatan persaudaraan dengan ahli lembaga yang lain dan pemegang saham utama. Tidak mempunyai konflik kepentingan dengan Syarikat. Tidak pernah disabitkan dengan kesalahan undang-undang dalam tempoh sepuluh tahun yang lepas.

Beliau menghadiri kesemua enam Mesyuarat Lembaga Pengarah yang diadakan bagi tahun kewangan berakhir 31 Disember 2008.

Directors' Profile

Profil Pengarah-Pengarah

Ms Ng Yee Kim

A Malaysian, aged 40. She is an Independent Non-Executive Director. She was appointed to the Board on 23 July 2007. She is a member of Audit Committee and Nomination Committee.

She is a Chartered Financial Analyst (CFA), a member of CFA Institute, USA since 1999. And she is currently the secretary for Malaysian Chapter of CFA Institute, CFA Malaysia. She is also a Certified Financial Planner (CFP) in 2003, Ms Ng Yee Kim graduated from University of Oklahoma, Oklahoma, USA with a Bachelor of Business Administration.

Her past experience as Remisier with Sime Securities Sdn Bhd, CIMB Securities Sdn Bhd and at present she is attached to Kenanga Investment Bank Berhad.

She does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. She had no convictions for offences within the past ten years.

Ms Ng Yee Kim attended all six Board Meetings of the Company held in the financial year ended 31 December 2008.

Warganegara Malaysia, umur 40 tahun. Pengarah Bebas Bukan Eksekutif. Dilantik menganggotai Lembaga Pengarah pada 23 Julai 2007. Ahli kepada Jawatankuasa Audit dan Jawatankuasa Pencalonan.

Beliau adalah Penganalisis Kewangan Bertauliah, ahli kepada Institute of Chartered Financial Analyst dari tahun 1999. Pada masa ini beliau adalah Setiausaha kepada Malaysian Chapter of CFA Institute, CFA Malaysia. Dan di perakui sebagai Perancang Kewangan (Certified Financial Planner Association) pada tahun 2003. Cik Ng Yee Kim berkelulusan Ijazah Pengurusan Perniagaan dari Universiti Oklahoma, Oklahoma, USA.

Pengalaman dulu pernah menjadi Remisier di Sime Securities Sdn Bhd, CIMB Securities Sdn Bhd dan pada masa ini sebagai Remisier di Kenanga Investment Berhad.

Cik Ng Yee Kim tidak mempunyai ikatan persaudaraan dengan ahli Lembaga yang lain dan pemegang saham utama. Tidak mempunyai konflik kepentingan dengan Syarikat. Tidak pernah disabitkan dengan kesalahan undang-undang dalam tempoh sepuluh tahun yang lepas.

Beliau menghadiri kesemua enam Mesyuarat Lembaga Pengarah yang diadakan bagi tahun kewangan berakhir 31 Disember 2008.

Group Financial Summary

Ringkasan Kewangan Kumpulan

	2008	2007	2006	2005	2004
CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER					
LEMBARAN IMBANGAN YANG DISATUKAN PADA 31 DISEMBER					
(RM'000)					
Capital And Reserves / Modal Dan Rizab					
Share Capital / Modal Saham	135,649	135,089	134,861	133,038	65,089
Non-Distributable Reserves / Rizab Tidak Diagihkan	192,107	186,555	183,790	182,365	103,223
Retained Earnings / Keuntungan Terkumpul	316,574	230,422	178,704	157,687	204,721
	644,330	552,066	497,355	473,090	373,033
Shareholders' Equity / Dana Pemegang Saham					
Minority Interest / Kepentingan Minoriti	58,873	60,600	54,382	33,616	27,041
	703,203	612,666	551,737	506,706	400,074
Non Current Assets / Aset Bukan Semasa					
Property, Plant and Equipment and Prepaid lease rental / Hartanah, Loji dan Peralatan dan Sewa Pajak Tanah	470,150	450,450	408,050	391,013	312,821
Land held for development / Tanah untuk pembangunan	40,379	40,285	40,246	40,246	-
Deferred Tax Asset / Cukai Aset Tertunda	268	185	67	25	-
Associates / Syarikat Bersekutu	155,173	119,751	72,679	63,335	54,039
Investments / Pelaburan	39,129	30,709	18,299	15,299	2,299
Breeding Stocks / Stok Pemiak	-	-	92	449	513
	705,099	641,380	539,433	510,367	369,672
Current Assets / Aset-Aset Semasa	117,208	97,149	120,801	85,987	85,766
Current Liabilities / Liabiliti-Liabiliti Semasa	38,928	44,384	24,428	6,800	5,106
	78,280	52,765	96,373	79,187	80,660
Net Current Assets / Aset Semasa Bersih					
Non-Current Liabilities / Liabiliti Bukan Semasa					
Deferred Tax Liabilities / Cukai Liabiliti Tertunda	79,997	81,282	83,557	82,848	50,258
Hire Purchase Liability and Borrowing / Liabiliti Sewa Beli dan Pinjaman	179	197	512	-	-
	80,176	81,479	84,069	82,848	50,258
	703,203	612,666	551,737	506,706	400,074
CONSOLIDATED INCOME STATEMENT AS AT 31 DECEMBER					
PENYATA PENDAPATAN YANG DISATUKAN PADA 31 DISEMBER					
Sales / Jualan	526,625	372,066	169,811	71,315	80,412
Profit Before Taxation / Keuntungan Sebelum Cukai	181,200	115,947	59,179	46,859	63,088
Profit After Taxation / Keuntungan Selepas Cukai	148,071	90,595	43,712	35,249	44,135

Group Financial Summary

Ringkasan Kewangan Kumpulan

	2008	2007	2006	2005	2004
HIGHLIGHTS AS AT 31 DECEMBER					
TUMPUAN PADA 31 DISEMBER					
Earning Per Share (sen) / Pendapatan Sesaham (sen)	97.94	57.46	29.02	24.90	62.99
Net Tangible Asset Per Share (RM) / Aset Ketara Bersih Sesaham (RM)	4.75	4.09	3.69	3.55	5.73
Current Ratio / Nisbah Semasa	3.01	2.19	4.94	12.64	16.80
Pre-Tax Profit As a Percentage of Sales (%) / Keuntungan Sebelum Cukai Sebagai Peratus Jualan (%)	34.41	31.16	34.85	70.39	78.46
Pre-Tax Profit As a Percentage of Shareholders' Equity (%) / Keuntungan Sebelum Cukai Sebagai Peratus Dana Pemegang Saham (%)	28.12	21.00	11.90	9.90	16.91

Note / Nota:

The comparative figures for year 2004 have not been adjusted in accordance to the new FRS Standards and earning per share and net tangible asset per share for the comparative figures for year 2004-2008 is based on the share capital of the respective years.

Angka-angka perbandingan untuk tahun 2004 tidak dipinda berdasarkan kepada peraturan baru Piawaian-Piawaian FRS dan pendapatan sesaham dan aset ketara bersih sesaham untuk angka-angka perbandingan 2004-2008 adalah berdasarkan kepada modal saham untuk tahun-tahun yang berkenaan.

Plantation Metrics

		Actual 2008	Actual 2007	Actual 2006	Actual 2005	Actual 2004
Mature Area	Hectare	12,949	12,973	13,492	12,878	12,213
Total Planted Area	Hectare	19,648	18,497	16,090	14,825	13,989
FFB Production	Mt	336,635	307,056	284,510	270,872	261,069
FFB Yield	mt/ha	26.00	23.67	21.09	21.03	21.38
OER	%	18.54	18.15	18.28	18.45	18.46
CPO Yield	mt/ha	4.82	4.30	3.85	3.88	3.95
CPO Price	RM/mt	2,930	2,150	1,504	1,390	1,658
Kernel Recovery Revenue	RM/mt	388	370	224	254	268
CPO Production Cost (Ex-estate)	RM/mt	726	545	518	523	474
CPO Production Cost (Exclude Replanting Cost)	RM/mt	1,219	904	782	768	746
Profit from CPO & Kernel / Mature ha	RM/ha	10,175	7,240	3,747	3,478	4,599

Chairman's Statement



It gives me great pleasure in presenting to you the Annual Report and Audited Financial Statements detailing the performance and operations of the Group and the Company for the year ended 31 December 2008.

Performance

The Group recorded a total revenue of RM526.62 million with a pretax profit of RM181.20 million for the financial year under review as compared to a total revenue of RM372.07 million and a pretax profit of RM115.95 million recorded in financial year 2007. Net profit for 2008 was RM148.07 million as compared to RM90.60 million in the previous year. As a result the Group's earnings per share improved by 40.48 sen to 97.94 sen while the NTA per share also increased by 66.0 sen to RM4.75.

The significant increases in revenue and pretax profit were mainly due to two major factors namely higher CPO and Palm Kernel prices as well as higher FFB production.

The average price of crude palm oil ("CPO") achieved increased by 36.3% from RM2,150 per metric tonne in 2007 moving to RM2,930 for the year in review. The price of palm kernel increased by 17.88% from RM 1,426 per metric tonne in 2007 to RM1,681 per metric tonne in 2008.

The production of FFB showed an increase of 10% from 307,056 mt in 2007 to 336,635 mt in 2008. The increase in crop production was largely due to the continuous process improvement efforts undertaken by the Group and the implementation of best practices in replanting programmes. FFB yield in 2008 was 26.00 mt per hectare, which was well above the average FFB yield per hectare for the state of Pahang and West Malaysia. (Pahang: 19.48 mt per hectare, West Malaysia: 19.63 mt per hectare. Source: MPOB).

The Group's total planted area had also increased by 1,151 hectares from a total area of 18,497 hectares in 2007 to 19,648 hectares in 2008. The area statements with respect to maturity stage in 2008 are as follows:

Mature Area	:	12,949 hectares
Immature Area	:	4,812 hectares
New planting/replanting / Land preparation	:	1,887 hectares

Chairman's Statement

The Group's overall cost of production of crude palm oil per metric tonne, recorded an increase from RM904 in the preceding year to RM1,219 during the year in review, primarily due to significant increase in fertilizer cost, FFB cess and windfall tax imposed by the Government during the year in review.

The share of profits from our associate companies had also shown a commendable increase from RM18 million in 2007 to RM46 million in 2008. The performance of Prosper Palm Oil Mill Sdn Bhd ("PPOM") in which the Company holds 40% equity was equally outstanding in 2008. Our share of profits from PPOM was RM43 million.

Dividend

The Group is committed to enhancing shareholders value as well as to reward shareholders for their continued support, trust and confidence. This commitment is clearly evidenced by the following record of dividends distribution:

Year	Gross Rate (%)
2003	17.0
2004	27.5
2005	17.5
2006	20.0
2007	30.0

As for the financial year ended 31 December 2008, an interim single tier dividend of 10 sen per share on 135,649,000 ordinary shares was paid on 23 September 2008 and a special interim single tier dividend of 7.5 sen per share on 135,649,000 ordinary shares was paid on 16 January 2009. The Board of Directors is recommending the payment of a final single tier dividend of 15 sen per share on 135,649,000 ordinary shares amounting to RM20,347,350 for the year ended 31 December 2008. This final dividend if approved by the shareholders at the forthcoming Annual General Meeting, will increase the total dividend paid for year 2008 to 32.5 sen. This reflect your Board commitment to continuously enhanced your Company's performance.

Corporate Development

- (i) The Company on 21 August 2008 had entered into a shareholders Agreement to regulate the participation and interest in Future Prelude Sdn Bhd ("FPSB"). The Company had also agreed initially to subscribe to 18,000,000 Redeemable Cumulative Preference Shares ("RCPS") in FPSB representing an investment of RM18 million. On 17 October 2008, FEHB has agreed to subscribe an additional 6,000,000 RCPS in FPSB representing an investment of RM6 million and the third subscription was on 23 April 2009 for another 6,000,000 RCPS in FPSB representing an investment of RM6 million for the RCPS renounced by other shareholders under the first offer.



Chairman's Statement

FPSB has a manufacturing license issued by Ministry of International Trade and Industry for production of Biodiesel (Palm Methyl Ester) and Crude Glycerine and Refined Glycerine.

The plant, which is located in Pulau Indah, Klang would be operating with a capacity of 200,000 tonne per year of pre treatment CPO, 100,000 tonne per year of palm methyl ester and 20,000 tonne per year of refined glycerine. The plant is under construction and is scheduled for commissioning by November 2009.

- (ii) Kilang Kosfarm Sdn Bhd ("Kosfarm") a subsidiary of FEHB had on 27 August 2008 entered a Sale and Purchase agreement with Tasik Sentosa Sdn Bhd and Mergeboom Sdn Bhd for the disposals of its 30% shares entity equivalent to 10,500,000 units in Sendi Unik Sdn Bhd at RM1.82 per share.

Kosfarm acquired 45% stake in Jaspurna Sdn Bhd in late December 2008. Jaspurna Sdn Bhd is a holding company of Kilang Sawit Sawira Sdn Bhd which operates 30 metric tonne per hour CPO mill in Muadzam Shah.

Prospects

The plantation industry is again expected to face new challenges in 2009 against the backdrop of global financial crisis and economic slowdown.

Although CPO prices in 2009 are expected to soften compared to 2008, the overall fundamentals of the plantation industry would remain strong arising from continuous strong demand of palm products. Based on this ground of optimism, the prospect of the Group to achieve fair results in 2009 would remain bright.

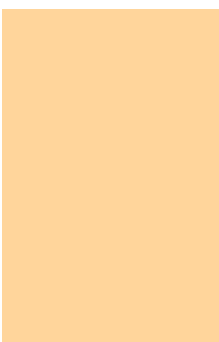
Corporate Social Responsibility ("CSR")

The Group upholds the highest standards of operations and conduct. As a socially responsible corporation, we will continue to contribute positively to the sustainable development of the economy and the community.

The Group will continue to place importance on its CSR and remain committed for the care of environment, employees and in fostering strong relationships with business associates.

The Group recognised the importance of employees with the right skill and competencies as it moves forward. In order to develop its employees, the Group continued to invest in human capital development programmes.

The Group makes regular contribution to education trust funds and other needy request from society. The Group continues to adopt Zero-Burning practices in its replanting programmes to demonstrate its emphasis on environmental conservation.



Chairman's Statement

Corporate Governance

The statements on Corporate Governance and Internal Control are included in our Annual Report to affirm the Board's commitment to ensure that the utmost standards of Corporate Governance are practiced throughout the Group. The statements had been approved by the Board in the meeting dated 2 April 2009 for disclosure in the Annual Report.

Acknowledgement and Appreciation

On behalf of the Board, I would like to extend our utmost gratitude to our valued customers, associates and the relevant government authorities especially the State of Pahang for their support and assistance.

I would like to record our vote of thanks and appreciation from the Board to Cik Sharina Bahrin who is retiring from the Board for her invaluable contributions during her tenure with the Group.

I also wish to express our sincere appreciation to our employees for their positive efforts and to our shareholders for their continued faith and endorsement.

Last but not least, my personal thanks to my fellow colleagues on the Board for their astute guidance and wise counsel.



Dato' Kamaruddin Bin Mohammed

Chairman



Audit Committee Report

1.0 COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee presently comprises of the following Directors:

Cik Sharina Bahrin	Chairperson, Independent Non-Executive Director
YH Dato' Kamaruddin bin Mohammed	Member, Non-Independent Non-Executive Director
Encik Khairul Azahar bin Ariffin	Member, Independent Non-Executive Director
Miss Ng Yee Kim	Member, Independent Non-Executive Director

2.0 TERMS OF REFERENCE

Duties and Responsibilities

The duties and responsibilities of the Audit Committee are as follows:

- To review and reassess the adequacy of the Terms of Reference annually and recommend any proposed changes to the Board for approval.
- To review the quarterly results and year-end financial statements of the Company and the Group, and to recommend the same to the Board for approval, focusing particularly on:
 - Any changes in accounting policies and practices;
 - Significant adjustments arising from the audit;
 - The going concern assumption;
 - Significant and unusual events;
 - Compliance with accounting standards, Bursa and other legal - requirements;
 - Public announcement of results and dividend payment.
- To review any related party transaction and conflict of interest situation that may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises questions of management integrity.
- To review and verify annually the effectiveness of the Company's Risk Management Program and to review the Company's major risk exposures and the steps management has taken to monitor and control such exposures.
- To review with the external and internal auditors whether the employees of the Group have given them appropriate assistance in discharging their duties.
- To review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work.
- To review the internal audit plan and processes, the results of the internal audit programme or investigation undertaken and whether or not appropriate action is taken by management on the recommendations of the internal auditors.
- To appraise the performance of the Head of Internal Audit and to review the appraisals of senior staff members of the internal audit function.
- To approve any appointment or termination of the Head of Internal Audit and senior staff members of the internal audit function and to review any resignations of internal audit staff members and provide resigning staff members an opportunity to submit reasons for resigning, where necessary.

Audit Committee Report

- To review with the external auditors, the nature and scope of their audit plan, their evaluation of the system of internal controls and their management letter and discuss any matter that the external auditors may wish to raise in the absence of management, where necessary.
- To obtain explanations from Management for unusual variances in the Company's annual financial statements from year to year and review annually the independent auditors' letter of the recommendations to management and management's response.
- To recommend to the Board on the appointment and the annual reappointment of the external auditors and their audit fee, after taking into consideration the independence and objectivity of the external auditors and the cost effectiveness of their audit.
- To consider whether the independent auditors provision of non-audit services is compatible with maintaining the independent auditors independence.
- To discuss and review with the external auditors any proposal from them to resign as auditors.
- To review the co-ordination of the audit approaches where more than one audit firm of external auditors is involved and the co-ordination between the external and internal auditors.
- To review the minutes of meetings of other audit committees within the Group and be satisfied that all matters arising there from are being appropriately addressed by these other audit committees.
- To consider and examine such other matters as the Board consider appropriate and beneficial.
- To review the external auditors' management letter and management's response/follow-up actions on the weaknesses of internal accounting procedures and controls.
- To review the audit report with the external auditors.
- To ensure prompt publication of annual accounts.
- To review the Group's Statement of Internal control systems prior to endorsement by the Board.
- To perform any other functions as may be agreed by the Audit Committee and the Board.

Authority

- The Committee is authorised by the Board to investigate any matter within its term of reference, to obtain the resources, which it needs, and to have full and unrestricted access to information. It is also authorised to seek any information it requires from any employee of the Group and all employees are directed to co-operate with any request made by the Committee.
- The Committee shall have direct communication channels with the external and internal auditors.
- The Committee is authorised by the Board to obtain independent professional or other advice at the Company's expense and to invite outsiders with relevant experience and expertise to attend meetings if it considers this necessary.
- Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa"), the Committee shall promptly report such matter to the Bursa.
- Convene meetings with the external auditors, excluding the attendance of the Executive Members of the Committee, whenever deemed necessary.

Audit Committee Report

Meetings

- Meetings shall be held at least four (4) times a year with a minimum quorum of two (2) members and the majority of members present shall be independent non-executive directors. Additional meetings may be called at any time at the discretion of the Chairman of the Committee or if requested by any Audit Committee member, the management, the internal or external auditors.
- The Head of Internal Audit shall be in attendance at meetings of the Committee. The Committee may invite the external auditors, the chief financial officer, any other directors or members of the management and employees of the Group to be in attendance during meetings to assist in its deliberations.
- At least once a year, the Committee shall meet with the external auditors without any executive Board member present. The Chairman of the Committee would be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the listed issuer, whenever deemed necessary.
- The Company Secretary shall be the Secretary of the Committee.
- The minutes of each Committee meeting shall be tabled to the Board by the Chairman of the Committee.

Membership

- The committee shall be appointed by the Board from amongst the non-executive directors of the Company and shall consist of not less than three members, of whom the majority shall be independent.
- At least one member of the Committee:
 - Shall be a member of the Malaysian Institute of Accountants; or
 - If he is not a member of the Malaysian of Accountants, he shall have at least three (3) years' working experience and:
 - He must have passed the examinations specified in part I of the 1st Schedule of the Accountants Act 1967; or
 - He must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.
- The term of office and performance of the Committee and each of its members must be reviewed by the board at least once every three (3) years.

Overseeing The Internal Audit Function

- The Committee shall oversee all internal audit functions and is authorised to commission investigations to be conducted by internal audits as it deems fit.
- The committee must ensure that the internal audit function is independent from the activities it audits.
- The internal auditor shall report directly to the Committee and shall have direct access to the Chairman of the Committee.
- All proposals by management regarding the appointment, transfer or dismissal of the internal auditor shall require the approval of the Committee.

Audit Committee Report

Reporting Procedures

- The Company Secretary shall be the Secretary of the Committee. He/She shall record attendance of all members and invitees and take minutes to record the proceedings of every meeting of the Committee. All minutes of the meetings shall be circulated to every member of the Board.
- The Committee shall prepare an annual report to the Board that provides a summary of the activities of the Committee for inclusion in the Company's annual report.
- The Committee shall assist the Board in preparing the following for publication in the Company's annual report.
 - Statement of the Company's application of the principles set out in Part 1 of the Malaysian Code on Corporate Governance;
 - Statement of the extent of compliance with the Best Practices in Corporate Governance set out in Part 2 the Malaysian Code on Corporate Governance specifying reasons for any areas of non-compliance (if any) and the alternatives adopted in such areas;
 - Statement on the Board's responsibility for preparing the annual audited accounts; and
 - Statement about the state of internal control of the Group.
- The Committee may report any breaches of the Listing Requirements, which have not been satisfactorily resolved, to the Bursa Malaysia Securities Berhad.

3.0 ATTENDANCE AT MEETINGS

During the financial year ended 31 December 2008, the Audit Committee held a total of five (5) meetings.

Dates:

25 February 2008	20 August 2008
16 April 2008	24 November 2008
21 May 2008	

The details of attendance of the Audit Committee members are as follows:

Name of Audit Committee Member	Total Number of Meetings	Number of Meetings Attended
Cik Sharina Bahrin	5	5
YH Dato' Kamaruddin bin Mohammed	5	5
Encik Khairul Azahar bin Ariffin	5	5
Miss Ng Yee Kim	5	5

Audit Committee Report

4.0 ACTIVITIES

During the year under review, the Audit Committee has undertaken the following activities :

- Reviewed the external auditors' audit plan, scope and areas of audits of the Group, evaluation of the system of internal controls and audit findings, management letter and management's response and the audit report.
- Reviewed the annual financial statements of the Group, semi annual returns and quarterly results of the Group and thereafter submitted them to the Board for approval.
- Reviewed the policy on recurrent related party transactions (RRPT) of a revenue or trading nature ("related party transactions") within the Group and recommended to the Board for approval and adoption.
- Reviewed the recurrent related party transactions within the Group for inclusion in the circular to shareholders in relation to the proposed renewal of shareholders' mandate for recurrent related party transactions pursuant to the Bursa Malaysia Listing Requirements.
- Reviewed the suitability of the external auditors and recommended to the Board for appointment and the audit fee thereof.
- Reviewed the business and financial risk, management objectives and policies of the Group and recommended to the Board for approval and adoption.
- Reviewed and recommended the new clauses in the updated letters of engagement from the external auditors for the Group and recommended to the Board for approval.
- Reviewed the results of the Group's internal audit reports and the adequacy of remedial actions taken by the management as recommended in the reports.
- Reviewed and approved the 2009 Internal Audit Plan.
- Reviewed follow-up actions by management on any weaknesses in internal accounting procedures and controls as highlighted by the external and internal auditors.

5.0 INTERNAL AUDIT FUNCTION

The Audit Committee is assisted by the Internal Audit Unit in maintaining a sound system of internal controls. The Internal Audit Unit undertakes internal audit functions based on the audit plan that is reviewed and approved by the Audit Committee, which covers review on adequacy of financial and operational controls, risk management, compliance with laws and regulations and management efficiency amongst others.

The internal audit reports prepared by the Unit are presented to the Audit Committee and recommendations are duly acted upon by the Management.

Audit Committee Report

6.0 EMPLOYEES' SHARE OPTION SCHEME

The Company's Employees' Share Option Scheme ("ESOS") came into effect on 18 March 2002. The ESOS is governed by the By-Laws, which were approved by the shareholders on 29 December 2001. On 18 August 2004, the shareholders of the Company had approved the amendments to the By-Laws to extend the participant of the ESOS to Non-Executive Directors of the Group.

On 2 April 2007, the shareholders of the Company had approved certain amendment on the clauses in the By-Laws governing the Company's ESOS, particularly that all options and offers shall not exceed an amount equivalent to 15% of the issued and paid up share capital of the Company at any point of time during the existence of the ESOS. The ESOS, which was expired on 17 March 2007, had been extended to 16 March 2012.

From 1 January 2008 until 2 April 2009, a total of 560,000 new ordinary shares of RM1 each were issued by the Company for cash by virtue of the exercise of options pursuant to the Company's ESOS at the exercise price of RM5.234. The exercises were made in one batch with closing paid up at RM135,649,000.

After taking into consideration of the offered and exercised ESOS, there were 11,384,350 ordinary shares still not allocated to employees as at 2 April 2009 from the total ESOS. As at 2 April 2009, a balance of 1,340,000 ordinary shares are still not exercised.

A breakdown of the options offered to and exercised by all directors pursuant to a share scheme for employees and directors as at 2 April 2009 is as follows:

Name	Balance @ 1.1.2008	Options Exercised	Balance @ 2.4.2009
YH Dato' Kamaruddin bin Mohammed	1,750,000	500,000	1,250,000
Mr Tee Lip Hian	150,000	60,000	90,000
Total	1,900,000	560,000	1,340,000

Corporate Governance Statement

The Board of Directors is committed to ensure that the highest standards of corporate governances are practised throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders value and financial performance.

The Board of Far East Holdings Berhad confirms that the Group has applied the principles, and the extent of compliance with the Best Practices of Good Governance as set out in Part 1 and Part 2 respectively of the Malaysian Code on Corporate Governance (“the Code”) pursuant to Paragraph 15.26 of the Listing Requirements of the Bursa Malaysia Securities Berhad (“LR”). These principles and best practices have been applied throughout the year ended 31 December 2008.

The Board of Directors further confirms that the Group will continually apply the said principles and practices and where deemed appropriate, enhance the application thereof in pursuit of its commitment to the highest standards of corporate governance.

SECTION A: THE BOARD OF DIRECTORS

1.0 Principal Roles

Board has the overall responsibility for corporate governance, strategic direction, formulation of policies and overseeing the investment and business of the Company.

The Board meets at least six (6) times a year, with additional meetings convened as and when necessary. During the financial year ended 31 December 2008, six (6) Board meetings were held. Details on attendance of the Directors at Board meetings are as follow:

Name of Directors	Attendance
YH Dato' Kamaruddin bin Mohammed	6/6
YH Dato' Md. Adnan bin Sulaiman	6/6
Mr Tee Kim Tee @ Tee Ching Tee	6/6
En Nowawi bin Abdul Rahman	6/6
Mr Tee Cheng Hua	6/6
Cik Sharina Bahrin	6/6
Mr Tee Lip Hian	6/6
En Khairul Azahar bin Ariffin	6/6
Ms Ng Yee Kim	6/6

2.0 Board balance

The Board consists of seven (7) Non-Executive Directors (including the Chairman) and two (2) Executive Directors, with three (3) of the nine (9) Directors being Independent Directors with a synergistic mixture of businessmen, planters, professionals and technical expertist. This mix of skills and experience is vital for the successful direction of the Group. A brief profile of each Director is presented on page 11 to 19.

The role of the Chairman and the Executive Directors are separated and clearly defined, so as to ensure that there is a balance of power and authority. The Chairman is responsible for ensuring Board effectiveness and conduct, whilst the Executive Directors have overall responsibility for the operating units, organisational effectiveness and implementation of Board policies and decisions. The current Chairman has never been a Chief Executive Officer of the Company. The presence of three (3) Independent Non-Executive Directors fulfills a pivotal role in corporate accountability. Although all the Directors have an equal responsibility for the Group's operations, the role of these Independent Non-Executive Directors is particularly important as they provide an unbiased and independent views, advice and judgment.

Corporate Governance Statement

3.0 Supply Of Information

All Directors are provided with formal schedule of matters and a set of necessary Board papers in advance prior to board meetings. They have direct access to the advice and services of the Company Secretary. The Board reviews quarterly management performance reports. The Board also considers and endorses recommendations of Board Committees. The Board papers include, among others, the followings:-

- Minutes of meetings of all Board Committees;
- Management report, which covers the Group financial and estates' performance;
- Recommendation of strategies and review of group strategies, including the review of key performance indicator;
- Current review of the operation of the Group;
- Annual Budget and regular financial reports.

In furtherance of their duties and responsibilities, Directors may obtain independent professional advice, where necessary at the company's expense.

4.0 Appointments To The Board

Pursuant to the best practices promulgated by the Code, the Board has established a Nomination Committee, consisting of three (3) Directors without executive functions. The duties and responsibilities of the Committee are to propose new nominees to the Board and to assess the contribution of each individual Director and overall effectiveness of the Board on an on-going basis. The membership and principal duties and responsibilities of the Committee are set out in the following paragraph 5.0.

5.0 Board Committees

The Board delegates specific responsibilities to the Board Committees, all of which have their written terms of reference. These Committees have the authority to examine particular issues and report to the Board with their recommendations. The ultimate responsibility for the final decision on all matters lies with the Board. The four principal Board Committees are:-

i) Audit Committee

The Audit Committee reviews issues of accounting policies, presentation for external financial reporting, monitors the work of the Internal Audit function and ensures an objective, and professional relationship is maintained with the external auditors. The Audit Committee has full access to the auditors both internally and externally who, in turn, have access at all times to the Chairman of the Audit Committee. The report of the Audit Committee is stated on page 27 to 32. The Audit Committee meets once a year with the external auditors without the presence of executive officers of the Company.

ii) Nomination Committee

The membership of the Nomination Committee comprises one (1) Independent Non-Executive Director and two (2) Non-Independent Non-Executive Directors, as follows:-

Non-Independent Non-Executive Director

- YH Dato' Kamaruddin bin Mohammed (Chairman)
- Mr Tee Kim Tee @ Tee Ching Tee

Independent Non-Executive Director

- Ms Ng Yee Kim

Corporate Governance Statement

The Committee is authorised to propose new nominees of the Board and to assess the contribution of each individual Director and overall effectiveness of the Board and an on-going basis. The actual decision as to who shall be appointed a Director would be the responsibility of the full Board after considering the recommendations of the Committee.

iii) Remuneration Committee

The Remuneration Committee currently consists of two (2) Non-Independent Non-Executive Directors and one (1) Independent Non-Executive Director. The Committee is responsible for setting the policy framework and for making recommendations to the Board on remuneration and other terms of employment for member of the Board and senior executives.

The members of Remuneration Committee are as follows:-

Non-Independent Non-Executive Director

- YH Dato' Kamaruddin bin Mohammed (Chairman)
- Mr Tee Kim Tee @ Tee Ching Tee

Independent Non-Executive Director

- En Khairul Azahar bin Ariffin

iv) Employees' Share Option Scheme Committee

The Employees' Share Option Scheme Committee or the Option Committee was established to administer the Far East Holdings Berhad Employees' Share Option Scheme. The Committee ensures that the Scheme is administered in accordance with the By-Laws. The Company Secretary also serves on the Option Committee. The Directors who serve on the Option Committee are as follows:-

Non Independent Non-Executive Director

- YH Dato' Md. Adnan bin Sulaiman (Chairman)
- Mr Tee Lip Hian

Non-Independent Executive Director

- Mr Tee Cheng Hua
- En Nowawi bin Abdul Rahman

6.0 Re-Election Of Directors

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to re-election by shareholders at the next Annual General Meeting immediately after their appointment.

In accordance with the Articles, one third of the remaining Directors, including the Executive Directors, are required to submit themselves for re-election by rotation at each Annual General Meeting.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act 1965.

Corporate Governance Statement

7.0 Directors Training

Every Director of the Company undergoes continuous training to equip himself to effectively discharge his duties as a Director and for that purpose he/she ensures that he attends such training programmes as prescribed by the Bursa Malaysia from time to time. All Directors attended the Mandatory Accreditation Programme (“MAP”) prescribed by the Bursa Malaysia and have completed their Continuing Education Programme (“CEP”) as prescribed by the Bursa Malaysia. For the financial year ended 31 December 2008, all the Directors had participated and attended seminars as recommended and approved by the Board as follows.

NO	NAME	COURSED ATTENDED	DURATION
1.	YH Dato' Kamaruddin bin Mohammed	Program on Negotion For Senior Executives	2 days
		Due Diligence – Is Your Company Creating Shareholder Value	1 day
		Effective Portfolio Management	1 day
2.	YH Dato' Md. Adnan bin Sulaiman	Corporate Governance & Directors' Duties	1 day
3.	Mr Tee Kim Tee @ Tee Ching Tee	In-House Training in relation to Agronomic Practices	2 days
4.	En Nowawi bin Abdul Rahman	Motorola University Six Sigma	2 days
		Enhancing Sustainability of Plantation Crops and Integration	1 day
5.	Mr Tee Cheng Hua	Program on Negotiation For Senior Executives	2 days
6.	Mr Tee Lip Hian	Bring the Mind of Einstein to your organisation	1 day
7.	Cik Sharina Bahrin	National Accountants Conference	2 days
8.	Ms Ng Yee Kim	Investor Relations Management	2 days
		Strategy, Assessment & Structure of Risk Management	1 day
9.	En Khairul Azahar bin Ariffin	National Accountants Conference	2 days

Corporate Governance Statement

SECTION B : DIRECTORS' REMUNERATION

1.0 Directors Remuneration

The aggregate Directors' remuneration paid or payable or otherwise made to all Directors of the Company who served during the financial year 31 December 2008 are as follows:-

Category	Fees (RM'000)	Salaries (RM'000)	Other Emoluments (RM'000)	Total (RM'000)
Executive	80	336	272	688
Non-Executive	389	249	276	914
Total	469	585	548	1,602

The number of Directors whose total remuneration falls within the following bands is as follows:-

Range of Remuneration	Executive Directors	Non-Executive Directors
Below RM50,000	-	6
RM50,001-RM200,000	-	-
RM201,001-RM500,000	2	1

SECTION C : RELATIONS WITH SHAREHOLDERS AND INVESTORS

1.0 Corporate Communication

The Annual General Meeting ("AGM") is the principal forum for dialogue with individual shareholders and investors. It is a crucial mechanism in shareholder communication for the Company. At the Company's AGM, which is generally well attended, shareholders have direct access to the Board and are given the opportunities to ask question during open question and answer session prior to the motion moving for approval of the Company's Audited Statements and Directors' Report for the financial year. The shareholders are encouraged to ask questions both about the resolutions being proposed or about the Group's operations in general. Where it is not possible to provide the questions with immediate answer to a significant question, the Chairman will undertake to provide him/her with a written answer after the AGM.

The Company's e-mail fareast@fareh.po.my is one of the means to communicate with the company. The Board has appointed Ms Ng Yee Kim as Independent Non-Executive Director of which any queries with regard to the Group may be conveyed. At all times shareholders may contact the Company Secretaries or visit our website www.fehb.com.my.

Corporate Governance Statement

SECTION D : ACCOUNTABILITY AND AUDIT

1.0 Financial Reporting

The Directors recognise the responsibility for ensuring that accounting records are properly kept and the financial statements are prepared in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

The quarterly results announcements to the Bursa Malaysia Securities Berhad ("Bursa Malaysia") reflect the Board's commitment to give regular updated assessments on the Group's performance and prospects. The statement by the Board pursuant to Section 169(15) of the Companies Act, 1965 is presented on page 52.

2.0 Internal Controls

The Group has established internal controls that cover all levels of personnel and business processes that ensure the Group's operations are effective and efficient as well as the safeguarding of the Group's assets and shareholders' interests. The Statement on Internal Control furnished on page 44 to 46 of the Annual Report provides an overview of the state of internal controls within the Group.

3.0 Audit Committee

The Group's financial reporting and internal control system is overseen by the Audit Committee, which comprises of three (3) Independent Non-Executive and one (1) Non-Independent Non-Executive Director. The composition, terms of reference and summary of the activities of the Audit Committee during the financial year are disclosed in the Audit Committee Report. A charter that is approved by the Board governs the activities of the Audit Committee.

The Audit Committee meets quarterly. Additional meetings are held as and when required. During the financial year ended 31 December 2008, a total of five (5) Audit Committee meetings were held.

The Head of Departments in Head Office are invited to attend the Audit Committee meetings when deemed necessary by the Audit Committee for the purpose of briefing the Audit Committee on the activities involving their areas of responsibilities.

The Audit Committee meets with the Group's external auditors annually to review the scope and adequacy of the audit process, the annual financial statements and their audit findings. The Audit Committee also meets with the external auditors whenever it deems necessary.

The Audit Committee Report is presented page 27 to 32.

4.0 Internal Audit

The Group has an established Internal Audit Unit that assists the Audit Committee in the discharge of its duties and responsibilities. Its role is to provide independent and objective reports on the organisation's management, records, accounting policies and controls to the Board. The Internal Audit function includes evaluation of the processes by which significant risks are identified, assessed and managed. Such audits are carried out to ensure instituted controls are appropriate, effectively applied and within acceptable risk exposures consistent with the Group's risk management policy. The Internal Audit Unit reports directly to the Audit Committee and its findings and recommendations are communicated to the Board.

5.0 External Audit

The Group independent External Auditor fills an essential role for the shareholders by enhancing the reliability of the Group's financial statements and giving assurance of that reliability to users of these financial statements.

The External Auditors have an obligation to bring any significant defects in the Group's system of control and compliance to the attention of the management and, if necessary, to the Audit Committee and the Board. This includes the communication of any fraud detected.

Additional Compliance Statements

1.0 Recurrent Related Party Transactions of A Revenue or Trading Nature

Pursuant to paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad, the company will be seeking the renewal from the shareholders for recurrent related party transactions of a revenue or trading nature, entered into between Far East Holdings Berhad or its subsidiary companies and related parties, at the forthcoming Annual General Meeting of Far East Holdings Berhad scheduled to be held on 27 May 2009. The related party transactions for the group are as follows:

Name	Nature of Relationship	Date and Place of Incorporation	Principal Activities
KKSB	FEHB directly holds 51%* equity interest in KKSB	13.11.1989 Malaysia	Operating of palm oil mill
WWSB	KKSB directly holds 51%* equity interest in WWSB	29.11.2005 Malaysia	Operating of palm oil mill
PTSB	PTSB is a major shareholder of FEHB that holds 24.69%* equity interest in FEHB	09.09.1985 Malaysia	Operating of palm kernel mill
PPOM	FEHB directly holds 40.00%* equity interest in PPOM	13.01.1978 Malaysia	Operating of palm oil mill and cultivation of oil palm
RPOM	PPOM directly holds 30%* equity interest in RPOM	28.01.1994 Malaysia	Operating of palm oil mill
EPOM	PTSB directly holds 32%* equity interest in EPOM	23.10.1997 Malaysia	Operating of palm oil mill
PGC	KKSB directly holds 30%* equity interest in PGC	10.04.2004 Malaysia	Management Services in palm oil plantations and marketing of sales and purchases of CPO
PPOPM	PPOM directly holds 30%* equity interest in PPOPM	18.08.1994 Malaysia	Trading and Marketing agent
KOSMA	KOSMA is a shareholder of WWSB that holds 49%* equity interest in WWSB.	04.12.1967 (Incorporated under Cooperative Act 1993) Malaysia	Operating of palm oil mill
LKPP Corp.	LKPP Corp. holds 6.21%* equity interest in FEHB. LKPP Corp is a wholly owned subsidiary of LKPP. LKPP is a major shareholder of FEHB that holds 26.24%* equity interest in FEHB.	21.06.1990 Malaysia	Operating of palm oil mill
Kilang Sawit Sawira	KKSB indirectly holds 31.5%* stake in Kilang Sawit Sawira via its associated company i.e. Jaspurna Sdn Bhd	18.11.1993 Malaysia	Operating of palm oil mill

* As at 17 April 2009

KKSB - Kilang Kosfarm Sdn Bhd
WWSB - Wujud Wawasan Sdn Bhd
PTSB - Prosper Trading Sdn Bhd

Additional Compliance Statements

PPOM	-	Prosper Palm Oil Mill Sdn Bhd
RPOM	-	Rompin Palm Oil Mill Sdn Bhd
EPOM	-	Endau Palm Oil Mill Sdn Bhd
PGC	-	PGC Management Services Sdn Bhd
PPOPM	-	Prosper Palm Oil Product Marketing Sdn Bhd
KOSMA	-	Koperasi Serbausaha Makmur Berhad
LKPP	-	Lembaga Kemajuan Perusahaan Pertanian Negeri Pahang
LKPP Corp.	-	LKPP Corporation Sdn Bhd
Kilang Sawit Sawira	-	Kilang Sawit Sawira Sdn Bhd

The parties related to the FEHB Group, which have recurrent transactions of a revenue or trading nature with the Group are as follows:

(i) Sales of fresh fruit bunches:

Related Party	Estimated Aggregate Value from the date of the forthcoming AGM to the next AGM** RM'000	Nature of Transaction	Method of Pricing
KKSB	124,393	Sales of FFB by FEHB to KKSB	Based on forward sales and MPOB pricing
WWSB	28,713	Sales of FFB between KKSB and WWSB	Based on forward sales and MPOB pricing
PPOM	912	Sales of FFB by KKSB to PPOM	Based on forward sales and MPOB pricing
RPOM	58,233	Sales of FFB by FEHB and KKSB to RPOM	Based on forward sales and MPOB pricing
EPOM	441	Sales of FFB by FEHB and KKSB to EPOM	Based on forward sales and MPOB pricing
LKPP Corp.	1,304	Sales of FFB by FEHB to LKPP Corp.	Based on MPOB pricing

** Estimated aggregate value was based on amount transacted for the financial year ended 31 December 2008 and will vary with the fluctuation of oil palm prices and production during the year.

Additional Compliance Statements

(ii) Purchases of fresh fruit bunches:

Related Party	Estimated Aggregate Value from the date of the forthcoming AGM to the next AGM** RM'000	Nature of Transaction	Method of Pricing
FEHB	124,393	Purchases of FFB by KKSB from FEHB	Based on forward sales and MPOB pricing
KKSB	28,713	Purchases of FFB between KKSB and WWSB	Based on forward sales and MPOB pricing
PPOM	956	Purchases of FFB by KKSB from PPOM	Based on forward sales and MPOB pricing
RPOM	35,630	Purchases of FFB by KKSB from RPOM	Based on forward sales and MPOB pricing
KOSMA	127,011	Purchases of FFB by WWSB from KOSMA	Based on MPOB pricing

** Estimated aggregate value was based on amount transacted for the financial year ended 31 December 2008 and will vary with the fluctuation of oil palm prices and production during the year.

(iii) Sales of CPO and Palm Kernel

Related Party	Estimated Aggregate Value from the date of the forthcoming AGM to the next AGM** RM'000	Nature of Transaction	Method of Pricing
KKSB	6,863	Sales of CPO by KKSB to WWSB	Based on the contract price
WWSB	22,361	Sales of CPO by WWSB to KKSB	Based on the contract price
PTSB	37,972	Sales of palm kernel by KKSB and WWSB to PTSB	Based on the contract price
PPOM	39,634	Sales of CPO by KKSB and WWSB to PPOM	Based on the contract price
RPOM	35,188	Sales of CPO and palm kernel by KKSB and WWSB to RPOM	Based on the contract price
EPOM	46,462	Sales of CPO and palm kernel by KKSB and WWSB to EPOM	Based on the contract price
PGC	111,603	Sales of CPO by KKSB to PGC	Based on the forward sales and sales contract price

** Estimated aggregate value was based on amount transacted for the financial year ended 31 December 2008 and will vary with the fluctuation of oil palm prices and production during the year

Additional Compliance Statements

(iv) Purchases of CPO and Palm Kernel

Related Party	Estimated Aggregate Value from the date of the forthcoming AGM to the next AGM** RM'000	Nature of Transaction	Method of Pricing
KKSB	22,361	Purchases of CPO by KKSB from WWSB	Based on the contract price
WWSB	6,863	Purchases of CPO by WWSB from KKSB	Based on the contract price
PPOM	29,746	Purchases of CPO by KKSB and WWSB from PPOM	Based on the contract price
RPOM	28,176	Purchases of CPO by KKSB and WWSB from RPOM	Based on the contract price
EPOM	33,299	Purchases of CPO and palm kernel by KKSB and WWSB from EPOM	Based on the contract price
PPOPM	147	Purchases of CPO and palm kernel by KKSB and WWSB from PPOPM	Based on the contract price
Kilang Sawit Sawira	1,173	Purchases of CPO by KKSB and WWSB from Kilang Sawit Sawira	Based on the contract price

** Estimated aggregate value was based on amount transacted for the financial year ended 31 December 2008 and will vary with the fluctuation of oil palm prices and production during the year.

(v) Management fee

Related Party	Estimated Aggregate Value from the date of the forthcoming AGM to the next AGM** RM'000	Nature of Transaction	Method of Pricing
PGC	2,798	Management fee charged by PGC to KKSB and WWSB	Based on agreed contract agreement for the management services.

** Estimated aggregate value was based on amount transacted for the financial year ended 31 December 2008.

(vi) Purchases of Fertilizers

Related Party	Estimated Aggregate Value from the date of the forthcoming AGM to the next AGM** RM'000	Nature of Transaction	Method of Pricing
PTSB	1,912	Purchases of fertilizers by FEHB from PTSB	Based on the agreed fertilizer prices negotiated

** Estimated aggregate value based on amount transacted for the first half 2009 and will vary with the fertilizer requirements and price of fertilizer during the year.

Additional Compliance Statements

2.0 Share Buy-Back

The Company has not purchased any of its own shares during the financial year under review. As such, there is no treasury share maintained by the Company.

3.0 Options

The Employees' Share Option Scheme ("ESOS") of FEHB came into effect on 18 March 2002 and continued for another five years. The details of the ESOS exercise is disclosed in page 83 to 84 of the Notes to the Accounts of the Financial Statements.

4.0 Warrant or Convertible Securities

The Company has not issued any warrant or convertible securities in the financial year ended 31 December 2008.

5.0 American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")

The Company has not sponsored any ADR or GDR programme in the financial year ended 31 December 2008.

6.0 Approved Utilisation of Fund

There were no approved utilisations of fund obtained by the Company from any relevant bodies.

7.0 Penalties Imposed on FEHB and Its Subsidiaries

There were no sanctions and/or penalties imposed on the Company by the relevant regulatory bodies during the financial year ended 31 December 2008.

8.0 Non-Audit Fees

No non-audit fees paid/payable to the external auditors by the Company for the financial year ended 31 December 2008 (2007:RM3,000).

9.0 Internal Audit

The Company's In-House Internal Audit Function had incurred an expenses amounting to RM374,704 for the financial year ended 31 December 2008 (2007:RM200,963).

10.0 Material Contracts

Except for transactions disclosed in Recurrent Related Party Transactions, none of the directors and major shareholders had any material contracts with the Company during the financial year ended 31 December 2008.

11.0 Profit Estimate, Forecast, Projection and Variation in Results

There were no variations of 10% or more between the audited results for the financial year ended 31 December 2008 and the unaudited results for the quarter ended 31 December 2008 of the Company previously announced.

12.0 Profit Guarantee

The Company has not issued any profit guarantees in the financial year ended 31 December 2008.

13.0 Revaluation Policy on Landed Properties

Long-term leasehold land, mature and immature plantations are subsequently shown at revalued amount, based on valuation at regular intervals of once every five (5) years carried out by a firm of independent external valuers, less subsequent depreciation and impairment losses. All other properties, plants and equipments are stated at cost less accumulated depreciation and impairment losses. Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluations is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same assets. In all other cases, a decrease in carrying amount is charged to income statement. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

Statement On Internal Control

BOARD RESPONSIBILITY

The Board of Directors is committed to maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets and to reviewing its adequacy and integrity. The systems of internal control cover not only financial matters but also operational, compliance and risk management.

The Board also recognises that a sound system of internal control can only reduce but not eliminate the possibility of poor judgement in decision making, human error, control process being deliberately circumvented by employees, management overriding controls and the occurrence of unforeseeable circumstances. Accordingly, the system could provide only reasonable but not absolute assurance against material misstatement, operational failures, fraud or loss.

RISK MANAGEMENT FRAMEWORK

The Board with the assistance of the Management undertook to identify the principal business risks in the critical areas of the Group, assessing the likelihood of material exposures and identifying the measures taken and the time frame to mitigate and minimise these risks. This was done through desktop reviews, interviews with the Management and thorough deliberation and discussion among the Directors in the Board meeting.

After the review and taking into consideration the nature of the Group's business, the Directors are of the view that the Group is not materially exposed to legal and environmental risks and therefore have concluded to focus on the operational risks relevant to the business. Although there is exposure to market risk as a result of price fluctuations in the commodity market, the Directors consider these as movement in market forces inherent in the industry in which the Group operates.

As part of risk management framework, the Board has established a Risk Management Committee which is responsible for the ongoing process of identifying, assessing and managing key business, operational and financial risks that are considered likely to affect the profitable operation of the business units in the Group.

In addition, Internal Audit Function also reviews the operational procedures and processes to ensure the Group's effectiveness and integrity of the internal control system.

OTHER KEY ELEMENTS OF INTERNAL CONTROL SYSTEM

The other key elements of the Group's internal control system which has been reviewed by the Board are as follow:

- **Board Meetings**

The Board meets at least quarterly and has a formal agenda on matters for discussion. The Chairman, together with the Executive Directors, leads the presentation of board papers and provides comprehensive explanation of pertinent issues.

In arriving at any decision, on recommendation by the Management, a thorough deliberation and discussion by the Board is a prerequisite. In addition, the Board is kept updated on the Group's activities and operations on a regular basis.

Statement On Internal Control

- **Organisational Structure with Formally Defined Responsibility Lines and Delegation of Authority**

The Board is headed by the Chairman who ensures the Group operates within its mission and established policies to enable the group to meet its objective in enhancing shareholders' wealth. The monitoring and managing of the Group operations is delegated to its Executive Directors who are actively involved in day-to-day operations of the Group.

There is a clearly defined organisation structure which outlines the responsibilities lines and authorities to ensure proper and clear delegation of responsibilities to Committees of the Board and to the Management.

- **Performance Management Framework**

Comprehensive management reports covering the estates and financial performance are presented to the Board at its regular meetings. Reports are generated on a regular and consistent basis to facilitate the Board and the Management to perform financial and operating reviews on the various operating units. The reviews encompass areas such as financial and non-financial key performance indicators, variances between budget and operating results and compliance with laws and regulations.

The Group also has a detailed budgeting process with an annual budget approved by the Board. Actual results are reported monthly against budget and major variances are reviewed and corrective action are taken, where necessary.

Internal Audit visits are systematically organized over a period, to monitor compliance with policies, procedures and assess the integrity of financial and operational information provided.

- **Operational Policies and Procedures**

The documented policies and procedures form an integral part of the internal control system to safeguard the Group's assets against material loss and ensure complete and accurate financial information. The documents consist of circulars, memoranda, manuals and procedures that are continuously being revised and updated to meet operational needs. Management is responsible for the periodic review of policies and procedures manuals to accommodate necessary updates.

- **Audit Committee and Internal Audit**

The Audit Committee was formed with a view to assist the Board in discharging its duties. The Audit Committee comprises of non-executive members of the Board and review internal audit findings, discuss risk management plans and ensure that weaknesses in controls highlighted are appropriately addressed by the management. The Internal Audit Function adopts a risk-based approach and is independent of the activities they audit. Their work is based on an annual audit plan approved by the Audit Committee and to ensure independence, the Head of Internal Audit reports directly to the Audit Committee.

The Internal Audit Function has the primary objective to carry out a review of the internal control systems to determine whether the accounting and internal controls have been complied with and also make recommendations to strengthen the accounting and internal control system.

- **Review of Recurrent Related Party Transactions**

All recurrent related party transactions are dealt with in accordance with the Listing Requirements of the Bursa Malaysia Securities Berhad. The Board and the Audit Committee review the recurrent related party transactions annually.

Statement On Internal Control

- **Financial and Operating Manuals**

The Financial and Operating Manuals set out the policies and procedures for day-to-day operations and act as a guideline as to proper measures to be undertaken in a given set of circumstances. The Manuals enable tasks to be carried out within a set of flexible rules with minimal supervision.

- **Financial Authority Limits**

The Financial Authority Manual defines the revenue and capital expenditure limits for each level of management within the Group. This internal control acts as a check and balance before financial expenditure is actually incurred.

- **Tender Committees**

The procurement of goods and services exceeding a prescribed limit is approved by the Tender Committees at the Head Office. A minimum number of three quotations are called for and tenders are awarded based on factors such as quality, track record, pricing and speed of delivery. The Tender Committees, therefore, ensure transparency in the award of contracts.

- **Plantation Advisory Services**

The Plantation Advisory Service that is outsourced is entrusted with achieving and maintaining performance benchmarks for the Plantation sector. Any departures from the agreed standards and poor performances in the estates are reported to the top management for corrective measures to be taken.

- **Plantation Coordination Meeting**

As a pro-active measure to achieve greater cooperation and coordination to enhance productivity and quality, the Group has established Mill/Estate Committee meetings which meet regularly.

All problems regarding delivery, quality, diversion of fresh fruit bunches [FFB] and other plantation matters are discussed openly and solutions will be recommended by the Committee.

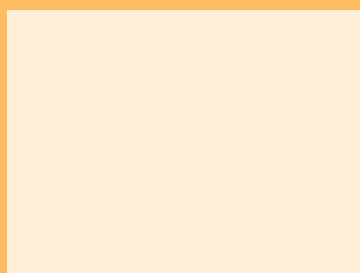
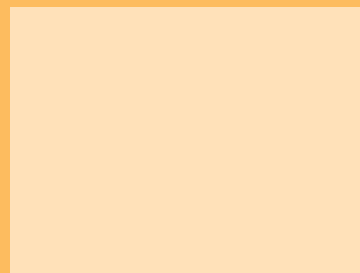
WEAKNESS IN INTERNAL CONTROL

There were no material internal control failures nor have any of the reported weaknesses resulted in material losses or contingencies during the financial year.

This statement is made in accordance with a resolution of the Board of Directors dated 2 April 2009.

FINANCIAL STATEMENTS

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Director's Report

for the year ended 31 December 2008

The Directors are pleased to submit their Annual Report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2008.

Principal activities

The principal activities of the Company are cultivation of oil palms, productions and sales of fresh fruit bunches, crude palm oil and palm kernel and investment holding. The principal activities of the subsidiaries of the Group consist of oil palm plantations and palm oil mill. There was no significant change in the nature of these activities during the financial year.

Financial results

	Group RM	Company RM
Profit for the year attributable to equity holders of the Company	132,611,947	129,593,889

Dividends

The dividends on ordinary shares paid or declared by the Company since 31 December 2007 were as follows:

	RM
In respect of the financial year ended 31 December 2007, final dividend of 12.5 sen per share, less income tax of 26% and a special tax exempt dividend of 7.5 sen per share on 135,649,000 ordinary shares, paid on 4 July 2008	22,721,206
In respect of the financial year ended 31 December 2008, interim single tier dividend of 10 sen per share on 135,649,000 ordinary shares, paid on 23 September 2008	13,564,900
In respect of the financial year ended 31 December 2008 special interim single tier dividend of 7.5 sen per share on 135,649,000 ordinary shares, paid on 16 January 2009	10,173,675
	<u>46,459,781</u>

The Directors now recommend the payment of a final single tier dividend of 15 sen per share on 135,649,000 ordinary shares amounting to RM20,347,350 for the year ended 31 December 2008. The proposed dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2009.

Reserves and provisions

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

Employees' Share Option Scheme

The Company's Employees' Share Option Scheme ("ESOS") came into effect on 18 March 2002. The ESOS is governed by the By-Laws, which were approved by the shareholders on 29 December 2001. On 18 August 2004, the shareholders of the Company had approved the amendments to the By-Laws to extend the participation of the ESOS to Non-Executive Directors of the Group.

Director's Report

for the year ended 31 December 2008

On 2 April 2007 certain clauses in the By-Laws governing the Company's ESOS, were amended particularly that all options and offers shall not exceed an amount equivalent to 15% of the issued and paid up share capital of the Company at any point of time during the existence of the ESOS. The ESOS, which was expired on 17 March 2007, had been extended to 16 March 2012.

During the year, 560,000 new ordinary shares of RM1 each were issued by the Company for cash by virtue of the exercise of options pursuant to the Company's Employees' Share Option Scheme. Details of the unit and exercise price of the ESOS are as per Note 23(b) to the financial statements.

The new ordinary shares issued during the year ranked *pari passu* in all respects with the existing ordinary shares of the Company.

Details of the ESOS are set out in Note 23(b) to the financial statements.

Directors

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:

YH Dato' Kamaruddin bin Mohammed
Encik Nowawi bin Abdul Rahman
Mr Tee Kim Tee @ Tee Ching Tee
Mr Tee Cheng Hua
Cik Sharina Bahrin
Mr Tee Lip Hian
YH Dato' Haji Md Adnan bin Sulaiman
Encik Khairul Azahar bin Ariffin
Ms Ng Yee Kim

In accordance with Article 97 of the Company's Articles of Association, Encik Nowawi bin Abdul Rahman, Cik Sharina Bahrin and Mr Tee Lip Hian retire by rotation at the forthcoming Annual General Meeting. Encik Nowawi bin Abdul Rahman and Mr Tee Lip Hian being eligible offers themselves for re-election. Cik Sharina Bahrin did not offer herself for re-election.

Directors' benefits

During and at the end of the year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate other than the Company's Employees Share Option Scheme as disclosed in Note 7 to the financial statements.

Since the end of the previous year, no Director has received or become entitled to receive a benefit (other than Directors' remunerations disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in Note 7 and 29 to the financial statements.

Director's Report

for the year ended 31 December 2008

Directors' interests in shares

According to the register of directors' shareholdings, particulars of interests of Directors who held office at the end of the year in shares and options over shares in the Company and its related corporations are as follows:

	Number of ordinary shares of RM1 each			
	1.1.2008	Bought/ESOS exercised	Sold	31.12.2008
Direct interest – in the Company				
YH Dato' Kamaruddin bin Mohammed	700,000	500,000	-	1,200,000
Mr Tee Kim Tee @ Tee Ching Tee	3,659,100	495,300	-	4,154,400
Encik Nowawi bin Abdul Rahman	678,000	-	-	678,000
Mr Tee Cheng Hua	2,124,000	-	-	2,124,000
Mr Tee Lip Hian	191,600	60,000	-	251,600
Ms Ng Yee Kim	-	40,000	-	40,000
Number of options over ordinary shares of RM1 each				
	1.1.2008	Granted	Exercised	31.12.2008
YH Dato' Kamaruddin bin Mohammed	-	1,750,000	(500,000)	1,250,000
Mr Tee Lip Hian	-	150,000	(60,000)	90,000

Other than disclosed above, according to the register of directors' shareholdings, the other Directors in office at the end of the year did not hold any interest in shares and options over ordinary shares in the Company and its related corporations during the year.

The Directors by virtue of their interest in shares of the Company are also deemed to have interest in shares of the Company's subsidiaries to the extent that the Company has an interest.

Statutory information on the financial statements

Before the income statements and balance sheets were made out, the Directors took reasonable steps:

- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

Director's Report
for the year ended 31 December 2008

- which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due.

At the date of this report, there does not exist:

- any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- any contingent liability of the Group or of the Company, which has arisen since the end of the year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements misleading other than material litigation as disclosed in Note 32 to the financial statements.

In the opinion of the Directors:

- the results of the Group's and of the Company's operations during the year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or of the Company for the year in which this report is made.

Auditors

The auditors, Parker Randall Thomas, have expressed their willingness to continue in office.

In accordance with a resolution of the Board of Directors dated 2 April 2009



Dato' Kamaruddin bin Mohammed
Chairman




Nowawi bin Abdul Rahman
Executive Director

Statement by Directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, Dato' Kamaruddin bin Mohammed and Nowawi bin Abdul Rahman, two of the Directors of Far East Holdings Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 55 to 90 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2008 and of the results and cash flows of the Group and of the Company for the year ended on that date in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965.

In accordance with a resolution of the Board of Directors dated 2 April 2009



Dato' Kamaruddin bin Mohammed
Chairman



Nowawi bin Abdul Rahman
Executive Director

Statutory declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, Asmin binti Yahya, being the Officer primarily responsible for the financial management of Far East Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 55 to 90 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



Asmin binti Yahya

Subscribed and solemnly declared by the abovenamed Asmin binti Yahya

At: Kuantan

On: 2 April 2009

Before me:

Commissioner for Oaths



F 108, Blok B,
Tingkat 1, Kuantan Centre Point,
Jalan Haji Abdul Rahman
25000 Kuantan,
Pahang Darul Makmur

Independent Auditors' Report

to the Members of Far East Holdings Berhad Company No : 14809 - W (Incorporated in Malaysia)

Parker Randall Thomas (AF 001879) Chartered Accountants	A-37, Jalan Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Malaysia postal address PO Box 253 25730 Kuantan	telephone (609) 5138333 facsimile (609) 5141988
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Report on the Financial Statements

We have audited the financial statements of Far East Holdings Berhad, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 55 to 90.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditors' Report

to the Members of Far East Holdings Berhad Company No : 14809 - W (Incorporated in Malaysia)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2008 and of their financial performance and cash flows for the year then ended.

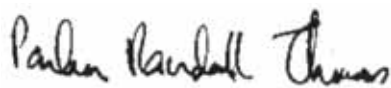
Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act, to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) Our audit reports on the accounts of the subsidiaries did not contain any qualification and did not include any comment made under Section 174(3) of the Act.

Other Matters

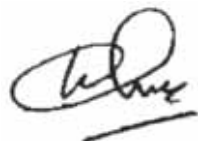
This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Parker Randall Thomas

(AF 001879)

Chartered Accountants



Chong Loong Choy

[2589/08/10(J)]

Partner of the firm

Kuantan 2 April 2009

Income statements

for the year ended 31 December 2008

	Note	Group		Company	
		2008 RM	2007 RM	2008 RM	2007 RM
Revenue	5	526,624,614	372,066,137	167,412,924	52,886,155
Other operating income		4,734,623	5,867,106	182,632	4,768,787
Staff costs		(7,453,361)	(7,184,365)	(1,064,031)	(1,080,687)
Changes in inventories		(6,728,995)	5,455,824	-	-
Finished goods purchased		(115,274,997)	(92,678,817)	-	-
Raw material purchased		(190,778,682)	(132,951,217)	-	-
Production cess		(1,606,247)	(1,326,249)	-	-
Carriage outwards		(5,461,561)	(3,983,524)	-	-
Upkeep, repair and maintenance of assets		(5,296,707)	(3,473,095)	-	-
Utilities and fuel		(2,317,623)	(1,663,442)	-	-
Depreciation		(3,236,744)	(2,636,901)	(689,356)	(457,247)
Prepaid land lease payments amortised		(2,674,450)	(2,673,264)	(714,374)	(714,374)
Upkeep and cultivation		(25,641,678)	(14,596,902)	(4,791,132)	(2,896,826)
Harvesting		(14,081,443)	(11,044,910)	(2,633,059)	(1,967,883)
Estate general charges		(3,403,861)	(2,428,056)	(834,178)	(557,139)
Replanting expenses		(3,284,096)	(1,716,905)	(2,060,237)	(1,073,209)
Other operating expenses		(14,708,953)	(8,861,314)	(3,793,831)	(1,594,274)
Finance income		2,255,311	2,269,575	873,241	1,013,486
Finance cost		(93,327)	(297,942)	(56,566)	(263,741)
Gain from disposal of associate		3,602,776	-	-	-
Share of profit after tax of equity accounted associates		46,025,837	17,804,885	-	-
Profit before tax	6	181,200,436	115,946,624	151,832,033	48,063,048
Tax expenses	8	(33,129,239)	(25,351,199)	(22,238,144)	(10,501,802)
Profit for the year		148,071,197	90,595,425	129,593,889	37,561,246
Attributable to :					
Equity holders of the Company		132,611,947	77,592,592	129,593,889	37,561,246
Minority interests		15,459,250	13,002,833	-	-
		148,071,197	90,595,425	129,593,889	37,561,246
Earnings per share attributable to equity holders of the Company (sen)					
- basic	9(a)	97.94	57.46		
- diluted	9(b)	97.91	57.46		

The accompanying notes form an integral part of these financial statements.

Balance sheets

as at 31 December 2008

	Note	Group		Company	
		2008 RM	2007 RM	2008 RM	2007 RM
Non current assets					
Property, plant and equipment	11	237,705,595	216,469,445	48,728,198	38,674,872
Prepaid land lease payments	12	232,444,678	233,980,352	85,322,879	84,990,559
Land held for development	13	40,378,739	40,285,186	40,378,739	40,285,186
Deferred tax asset	22	267,954	184,954	-	-
Subsidiaries	14	-	-	36,199,351	36,199,352
Associates	15	155,173,229	119,750,813	63,463,281	57,463,281
Investments, at cost	16	39,129,075	30,709,393	35,000,000	14,000,000
		705,099,270	641,380,143	309,092,448	271,613,250
Current assets					
Inventories	17	7,166,122	13,796,959	645,312	384,637
Receivables, deposits and prepayments	18	34,798,060	22,013,016	34,009,300	34,691,353
Tax recoverable		2,578,504	1,471,938	464,309	626,415
Deposits, bank and cash balances	19	72,665,881	59,867,561	19,235,905	85,724
		117,208,567	97,149,474	54,354,826	35,788,129
Less: Current liabilities					
Payables	20	27,558,670	28,916,309	17,444,769	49,430,743
Dividend payable		10,173,675	9,996,586	10,173,675	9,996,586
Current tax liabilities		900,367	4,865,753	-	-
Hire purchase liabilities	21	295,509	340,605	-	-
Overdraft	19	-	264,528	-	264,528
		38,928,221	44,383,781	27,618,444	59,691,857
Net current assets		78,280,346	52,765,693	26,736,382	(23,903,728)
Less: Non current liabilities					
Hire purchase liabilities	21	178,828	196,982	-	-
Deferred tax liabilities	22	79,997,338	81,282,338	16,256,000	15,184,000
		80,176,166	81,479,320	16,256,000	15,184,000
Total net assets		703,203,450	612,666,516	319,572,830	232,525,522
Capital and reserves attributable to equity holders of the Company					
Share capital	23	135,649,000	135,089,000	135,649,000	135,089,000
Share premium	24	13,203,020	10,403,020	10,152,294	7,352,294
Share option reserve	25	153,200	-	153,200	-
Revaluation reserves	26	178,751,151	176,152,151	26,242,138	25,842,138
Retained earnings	27	316,574,188	230,422,022	147,376,198	64,242,090
Shareholders' equity		644,330,559	552,066,193	319,572,830	232,525,522
Minority interest		58,872,891	60,600,323	-	-
Total equity		703,203,450	612,666,516	319,572,830	232,525,522

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

for the year ended 31 December 2008

Group	Attributable to equity holders of the Company							Total equity RM	
	Note	Share capital (Note 23) RM	Share premium (Note 24) RM	Share option reserves (Note 25) RM	Revaluation reserves (Note 26) RM	Retained earnings RM	Total RM		Minority interest RM
At 31 December 2006		134,861,000	10,207,860	55,735	173,526,151	178,704,160	497,354,906	54,381,805	551,736,711
Employees shares									
option scheme									
- issue of shares		228,000	139,425	-	-	-	367,425	-	367,425
Share options exercised		-	55,735	(55,735)	-	-	-	-	-
Transfer from deferred tax		-	-	-	2,626,000	-	2,626,000	-	2,626,000
Profit for the year		-	-	-	-	77,592,592	77,592,592	13,002,833	90,595,425
Dividends for the year ended									
- 31 December 2006	10	-	-	-	-	(15,878,144)	(15,878,144)	(1,884,315)	(17,762,459)
- 31 December 2007	10	-	-	-	-	(9,996,586)	(9,996,586)	(4,900,000)	(14,896,586)
At 31 December 2007		135,089,000	10,403,020	-	176,152,151	230,422,022	552,066,193	60,600,323	612,666,516
Employees shares									
option scheme									
- issue of shares		560,000	2,371,040	-	-	-	2,931,040	-	2,931,040
Share options granted		-	-	582,160	-	-	582,160	-	582,160
Share options exercised		-	428,960	(428,960)	-	-	-	-	-
Transfer from deferred tax		-	-	-	2,599,000	-	2,599,000	-	2,599,000
Profit for the year		-	-	-	-	132,611,947	132,611,947	15,459,250	148,071,197
Dividends for the year ended									
- 31 December 2007	10	-	-	-	-	(22,721,206)	(22,721,206)	(7,506,982)	(30,228,188)
- 31 December 2008	10	-	-	-	-	(23,738,575)	(23,738,575)	(9,679,700)	(33,418,275)
At 31 December 2008		135,649,000	13,203,020	153,200	178,751,151	316,574,188	644,330,559	58,872,891	703,203,450

Statements of Changes in Equity

for the year ended 31 December 2008

Company	Note	Share capital (Note 23) RM	Share premium (Note 24) RM	Share option reserves (Note 25) RM	Revaluation reserve (Note 26) RM	Retained earnings (Note 27) RM	Total RM
At 31 December 2006		134,861,000	7,157,134	55,735	25,438,138	52,555,574	220,067,581
Employees share option scheme							
- issue of shares		228,000	139,425	-	-	-	367,425
Share options exercised		-	55,735	(55,735)	-	-	-
Transfer from deferred tax		-	-	-	404,000	-	404,000
Profit for the year		-	-	-	-	37,561,246	37,561,246
Dividends for the year ended							
- 31 December 2006	10	-	-	-	-	(15,878,144)	(15,878,144)
- 31 December 2007	10	-	-	-	-	(9,996,586)	(9,996,586)
At 31 December 2007		135,089,000	7,352,294	-	25,842,138	64,242,090	232,525,522
Employees share option scheme							
- issue of shares		560,000	2,371,040	-	-	-	2,931,040
Share options granted		-	-	582,160	-	-	582,160
Share options exercised		-	428,960	(428,960)	-	-	-
Transfer from deferred tax		-	-	-	400,000	-	400,000
Profit for the year		-	-	-	-	129,593,889	129,593,889
Dividends for the year ended							
- 31 December 2007	10	-	-	-	-	(22,721,206)	(22,721,206)
- 31 December 2008	10	-	-	-	-	(23,738,575)	(23,738,575)
At 31 December 2008		135,649,000	10,152,294	153,200	26,242,138	147,376,198	319,572,830

Cash flow statements

for the year ended 31 December 2008

Note	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Operating activities				
Profit for the year attributable to equity holders of the Company	132,611,947	77,592,592	129,593,889	37,561,246
Adjustments for:				
Minority interest	15,459,250	13,002,833	-	-
Prepaid land lease payments amortised Property, plant and equipment	2,674,450	2,673,264	714,374	714,374
- depreciation	3,236,744	2,636,901	689,356	457,247
- written off	51,564	14,787	2,007	11,347
- gain on disposal	(114,052)	(7,507)	(14,052)	(9,991)
Gain on disposal of other investment	(2,373,519)	(4,339,403)	-	(4,239,000)
Gain on disposal of subsidiary	(475,695)	-	(5,999)	-
Gain on disposal of associate	(3,602,776)	-	-	-
Amount due from subsidiary disposed written off	434,889	-	-	-
Share of profit of associates	(46,025,837)	(17,804,885)	-	-
Share options granted	582,160	-	582,160	-
Dividend income	(280,560)	(194,814)	(129,872,632)	(32,961,622)
Interest expense	93,327	297,942	56,566	263,741
Interest income	(2,255,311)	(2,269,575)	(873,241)	(1,013,486)
Breeding stock	-	91,954	-	-
Tax	33,129,239	25,351,199	22,238,144	10,501,802
Operating profit before working capital	133,145,820	97,045,288	23,110,572	11,285,658
Changes in working capital:				
- inventories	6,630,837	(5,751,074)	(260,675)	(336,543)
- receivables, deposits and prepayments	(13,454,765)	8,744,134	58,752	4,318,114
- subsidiaries	-	-	(31,966,951)	21,098,343
- payables	(1,348,468)	5,473,234	510,725	1,270,340
Cash from/(used in) operations	124,973,424	105,511,582	(8,547,577)	37,635,912
Lease land payments paid in advance	(1,138,776)	(31,500,000)	(1,046,694)	(31,500,000)
Interest received	2,255,311	2,269,575	873,241	1,013,486
Interest paid	(93,327)	(297,942)	(56,566)	(263,741)
Tax refunded	779,682	-	-	-
Tax paid	(37,690,787)	(21,200,457)	(4,396,800)	(2,752,802)
Net cash flow from/(used in) operating activities	89,085,527	54,782,758	(13,174,396)	4,132,855

Cash flow statements

for the year ended 31 December 2008

	Note	Group		Company	
		2008 RM	2007 RM	2008 RM	2007 RM
Investing activities					
Property, plant and equipment					
- acquisition		(23,521,979)	(15,629,352)	(10,747,609)	(4,346,112)
- proceed from disposal		116,972	62,011	16,972	10,000
Purchase of investment		(27,000,000)	(18,118,286)	(27,000,000)	-
Investment in associates		(6,000,450)	(29,345,025)	(6,000,000)	(29,345,025)
Proceed from disposal of subsidiary		(35,896)	-	6,000	-
Proceed from disposal of other investment		20,953,837	10,047,371	6,000,000	7,409,000
Proceed from disposal of associates		19,110,000	-	-	-
Dividend received		1,318,121	216,382	113,665,394	5,174,168
Net cash (used in)/from investing activities		(15,059,395)	(52,766,899)	75,940,757	(21,097,969)
Financing activities					
Proceed from issue of shares under employees share option scheme		2,931,040	367,425	2,931,040	367,425
Hire purchase paid		(424,950)	(405,317)	-	-
Dividend paid		(63,469,374)	(22,662,459)	(46,282,692)	(15,878,144)
Net cash used in financing activities		(60,963,284)	(22,700,351)	(43,351,652)	(15,510,719)
Increase/(Decrease) in cash and cash equivalent		13,062,848	(20,684,492)	19,414,709	(32,475,833)
Cash and cash equivalent					
- at start of year		59,603,033	80,287,525	(178,804)	32,297,029
- at end of year	19	72,665,881	59,603,033	19,235,905	(178,804)

Notes to the financial statements

for the year ended 31 December 2008

1 General information

The principal activities of the Company are cultivation of oil palms, productions and sales of fresh fruit bunches, crude palm oil and palm kernel and investment holding. The principal activities of the subsidiaries of the Group consist of oil palm plantations and palm oil mill.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of the Bursa Malaysia Securities Berhad.

The address of the registered office and principal place of business of the Company is Suite 5 & 6, Tingkat 8, Kompleks Teruntum, Jalan Mahkota, 25000 Kuantan, Pahang Darul Makmur.

The financial statements are presented in Ringgit Malaysia.

2 Basis of preparation of financial statements

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the individual policy statements in Note 3 to the financial statements and comply with Financial Reporting Standards and the provisions of the Companies Act, 1965.

The preparation of financial statements in conformity with the provisions of the Companies Act, 1965 and the Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Although these estimates are based on the Directors' best knowledge of current events and actions, actual result may differ from those estimates.

(a) Standards, amendments and interpretation that are effective for the current financial year

The following standards, amendments and interpretations are mandatory for the Group's financial year ended 31 December 2008:

FRS 107:	Cash Flow Statements
FRS 111:	Construction Contracts
FRS 112:	Income Taxes
FRS 118:	Revenue
FRS 120:	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134:	Interim Financial Reporting
FRS 137:	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121:	The effect of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
IC Interpretation 1:	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2:	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5:	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6:	Liabilities arising from Participation in a Specific Market – Waste Electrical and Electronic Equipment
IC Interpretation 7:	Applying the Restatement Approach under FRS 129 ²⁰⁰⁴ - Financial Reposting in Hyperinflationary Economies
IC Interpretation 8:	Scope of FRS 2

The adoption of FRS 107, FRS 112, FRS 118, FRS 134 and FRS 137 does not have any significant financial impact on the results of the Group.

The rest of the above-mentioned standards, amendments and interpretations are not relevant to the Group's operations.

Notes to the financial statements

for the year ended 31 December 2008

2 Basis of preparation of the financial statements (continued)

(b) Standards and interpretations that have been issued but are not yet effective and not been early adopted by the Group

		Effective for financial periods beginning on or after
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010

FRS 4 is not relevant to the Group's operations.

FRS 7 requires expanded disclosures about the significance of the financial instruments and the nature and extent of risks arising from those financial instruments. The Group will apply FRS 7 from 1 January 2010. The impact of applying FRS 7 on the financial statements upon its initial application is not disclosed by virtue of the exemption given in the standard.

FRS 8 replaces FRS 114²⁰⁰⁴: Segment Reporting and requires a "management approach", under which segment information is presented on the same basis as that used for the internal reporting purposes. The Group will apply FRS 8 from 1 January 2010. This Standard has no impact on the financial statements of the Group.

FRS 139 establishes principles for the recognition and measurement of financial assets and financial liabilities including the circumstances under which hedge accounting is permitted. The Group will apply FRS 139 from 1 January 2010. The impact of applying FRS 139 on the financial statements upon its initial application is not disclosed by virtue of the exemption given in the standard.

IC Interpretation 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Reassessment is required only if there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

IC Interpretation 10 prohibits impairment losses recognised in an interim period on goodwill and investments in equity instruments and financial assets carried at cost to be reversed at a subsequent balance sheet date. As the Group has no impairment losses previously recognised in respect of such assets, the interpretation has had no impact on the financial statements of the Group.

Notes to the financial statements

for the year ended 31 December 2008

3 Summary of significant accounting policies

The following accounting policies have been used in dealing with items, which are considered material in relation to the financial statements.

(a) Property, plant and equipment

Property, plant and equipment are initially stated at cost. Mature and immature plantations are subsequently shown at revalued amount, based on valuation at regular interval of once every five years carried out by a firm of independent external valuers, less subsequent depreciation and impairment losses. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenditure are charged to the income statement during the period in which they are incurred.

Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to income statement. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

Mature and immature plantations are not depreciated. Other property, plant and equipment are depreciated on the straight line basis to allocate the cost of each asset, or its revalued amount, to its residual value over its estimated useful life as follows:

	%
Building	2 – 20
Plant and machinery	10 – 20
Motor vehicles, furniture, fixtures and equipment	10 – 25

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date.

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3(h) on impairment of assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/(loss) from operation.

Depreciation on assets under construction commences when the assets are ready for their intended use.

Notes to the financial statements

for the year ended 31 December 2008

3 Summary of significant accounting policies (continued)

(b) Estate planting expenditure

New planting

Planting expenditure of new oil palm plantations have been capitalised as immature plantation cost and shown as property, plant and equipment. As and when the new oil palm plantation mature the costs incurred will be charged to income statement.

Replanting

Replanting of oil palm is charged to income statement as replanting expenses as and when incurred.

(c) Prepaid land lease payments

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the leasee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid land lease payments and are amortised over the respective lease term.

(d) Land held for property development

Land held for property development consist of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

When an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(h) on impairment of assets.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commission, conversion fees and other relevant levies. Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed.

(e) Subsidiaries and basis of consolidation

Subsidiaries are those enterprises in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than half of the voting rights.

Subsidiaries are consolidated using the purchase method of accounting. Under the purchase method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and de-consolidated from the date that control ceases. The cost of acquisition is measured as fair value of the assets given, equity issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition is reflected as goodwill. If the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Notes to the financial statements

for the year ended 31 December 2008

3 Summary of significant accounting policies (continued)

(e) Subsidiaries and basis of consolidated (continued)

Minority interest represents that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent. It is measured at the minorities' share of the fair value of the subsidiaries identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since that date.

Intragroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies of the Group.

The gain or loss in disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal is recognised in the income statement.

(f) Associates

Associates are enterprises in which the Group exercises significant influence, but it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies.

Investments in associates are accounted for in the consolidated financial statements by using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post acquisition profits or losses is recognised in the income statement and its share of post-acquisition movement in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the assets transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

(g) Investments

Investments in subsidiaries and associates are shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See Note 3(h) on impairment of assets.

Investment in other non-current investments are shown at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the year in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged/credited to the income statement.

Notes to the financial statements

for the year ended 31 December 2008

3 Summary of significant accounting policies (continued)

(h) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to revaluation surplus. Any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

(j) Trade and other receivables

Trade and other receivables are carried at invoiced amounts less an estimate made for doubtful debts, based on a review of outstanding amounts at the year end. Bad debts are written off in the year in which they are identified.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(l) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for the initial recognition of assets and liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Notes to the financial statements

for the year ended 31 December 2008

3 Summary of significant accounting policies (continued)

(m) Assets acquired under hire purchase agreements

Assets acquired under hire purchase agreement are included in property, plant and equipment and the capital element of the hire purchase commitments is shown as liability. The capital element of the hire purchase instalment is applied to reduce the outstanding obligations. The interest element is charged to the income statement so as to give a constant periodic rate of interest on the outstanding liability at the end of each accounting period. Assets acquired under hire purchase agreements are depreciated over the useful lives of equivalent owned assets.

(n) Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave and bonuses are accrued in the year in which the associated services are rendered by employees of the Group.

(ii) Post-employment benefits

As required by law, companies incorporated in Malaysia make contribution to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

(iii) Share-based compensation

The Group operates an equity-settled, share-based compensation plan for the employees of the Group. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the income statement over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in the assumptions about the number of options that are expected to vest. At each balance sheet date, the Group revises its estimates of the number of share options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transactions costs are credited to share capital (nominal value) and share premium when the options are exercised.

(o) Financial instruments

(i) Financial instruments recognised on the balance sheet

The particular recognition method adopted for financial instruments recognised on the balance sheet is disclosed in the individual policy statements associated with each item.

(ii) Fair value estimation for disclosure purposes

The face values for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

Notes to the financial statements

for the year ended 31 December 2008

3 Summary of significant accounting policies (continued)

(p) Revenue recognition

Revenue is recognised upon delivery of products and customer acceptance net of discounts, if any, and after eliminating sales within the Group.

Dividend income is recognised when the Group's right to receive payment is established.

Income from rental and interest are recognised on accrual basis.

4 Financial risk management objectives and policies

The Group is inherently exposed to the following financial risks in its day to day operations:

Interest rate risk

The Group's income and operating cash flows are not substantially affected by the changes in interest rates, as the Group has no significant borrowings for the year in review. Interest rate exposure for the Group's borrowings and deposits is managed through the use of fixed and floating rates negotiated and agreed by the Group and the financial institutions.

Market risk

The Group's exposure to market risk comprises primarily the fluctuations in the palm oil prices. To mitigate some of these risks, the Group always keeps abreast with the latest updates on global supply and demand for oils and fats market.

Credit risk

The Group is not exposed to significant credit risk as the Group deals with reputable customers that have good track records.

Liquidity and cash flow risk

The Group manages its liquidity risk by maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities to meet estimated commitments arising from operational expenditures and financial liabilities. The Group also has an effective control of cash flow management to ensure that the Group can pay its targeted dividends to shareholders at an appropriate time.

5 Revenue

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Sales of fresh fruit bunches	53,186,674	49,259,756	37,540,292	19,924,533
Sales of crude palm oil and palm kernel	473,157,380	322,806,381	-	-
Dividend income (gross)	280,560	-	129,872,632	32,961,622
	526,624,614	372,066,137	167,412,924	52,886,155

Notes to the financial statements

for the year ended 31 December 2008

6 Profit before tax

(a) The following items have been charged/(credited) in arriving at profit before tax :

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Auditors' remuneration				
- statutory audit	93,000	91,500	20,000	20,000
Property, plant and equipment				
- written off	51,564	14,787	2,007	11,347
- gain on disposal	(114,052)	(7,507)	(14,052)	(9,991)
Gain on disposal of subsidiary	(475,695)	-	(5,999)	-
Amount due from subsidiary disposed written off	434,889	-	-	-
Cost of contract workers	62,140	168,460	-	-
Rental of lorry	34,085	10,645	-	-

(b) Employee benefits cost

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Salaries, bonus and other benefits	6,909,558	6,533,773	926,113	944,832
Defined contribution retirement plan	543,803	650,592	137,918	135,855
	7,453,361	7,184,365	1,064,031	1,080,687

7 Key management personnel compensation

(a) Directors

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Directors of the Company				
Non-executive Directors:				
- Fees	621,545	473,466	368,739	318,466
- Other emoluments	524,850	110,400	524,850	110,400
	1,146,395	583,866	893,589	428,866
Executive Directors:				
- Fees	339,000	262,000	100,000	80,000
- Other emoluments	899,950	992,259	608,350	652,059
	1,238,950	1,254,259	708,350	732,059
Directors of subsidiaries:				
Non-executive Directors:				
- Fees	320,273	260,750	-	-
Total	2,705,618	2,098,875	1,601,939	1,160,925

Notes to the financial statements

for the year ended 31 December 2008

7 Key management personnel compensation (continued)

Directors of the Company have been granted options under the Employees' Share Option Scheme on the same terms and conditions as those offered to other employee of the Group (see Note 23(b)) as follows:

	2008		2007	
	Average exercised price RM/share	Options	Average exercised price RM/share	Options
At start of the year	-	-	1.635	150,000
Granted	5.234	1,900,000	-	-
Exercised	5.234	(560,000)	(1.635)	(150,000)
At end of year	5.234	1,340,000	-	-

Options exercised during the year resulted in 560,000 units shares being issued at RM1 each. The weighted average share price at the time of exercise was RM6.73 per share (2007: RM4.79 to RM5.28).

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Expiry date	Exercise price RM/share	2008	2007
16 March 2012	5.234	1,340,000	-

(b) Other key management personnel

	Group and Company	
	2008 RM	2007 RM
Salaries, bonus and other benefits	311,163	323,463
Defined contribution retirement plan	46,488	48,355
Share based payments	-	4,550
Total	357,651	376,368

Notes to the financial statements

for the year ended 31 December 2008

8 Tax expenses

(a) Tax charge for the year

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Malaysian income tax	31,898,239	25,118,061	20,766,144	10,034,802
Deferred tax (Note 22)	1,231,000	233,138	1,472,000	467,000
Share of tax of equity accounted associates	10,036,514	6,183,836	-	-
Total tax expense	43,165,753	31,535,035	22,238,144	10,501,802
Malaysian income tax				
Current year	32,644,567	25,158,037	20,700,038	10,070,000
Under accrual in prior years	(746,328)	(39,976)	66,106	(35,198)
	31,898,239	25,118,061	20,766,144	10,034,802
Deferred tax				
Temporary differences	1,231,000	233,138	1,472,000	467,000
Tax expenses	33,129,239	25,351,119	22,238,144	10,501,802

(b) Numerical reconciliation of income tax expense

The explanation on the difference in the tax on the Group's and Company's profit and the theoretical amount that would arise using the statutory income tax rate of Malaysia is as follows:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Profit for the year	148,071,197	90,595,425	129,593,889	37,561,246
Total tax expense	43,165,753	31,535,035	22,238,144	10,501,802
	191,236,950	122,130,460	151,832,033	48,063,048
Tax calculated at the tax rate of 20%	299,622	-	-	-
Tax calculated at the tax rate of 26% (2007 : 27%)	49,332,098	32,975,224	39,476,329	12,977,023
Tax effect of :				
- effect of change in tax rate from 27% to 26% (2007: 28% to 27%)	(634,000)	(767,923)	(208,000)	(208,000)
- expenses not deductible for tax purposes	1,650,427	591,029	464,717	289,507
- (over)/under accrued for prior years	(746,328)	(39,976)	66,106	(35,198)
- benefits from utilisation of reinvestment allowance	(338,457)	(58,708)	-	-
- income not taxable	(6,397,609)	(1,164,611)	(17,561,008)	(2,521,530)
Total tax expenses	43,165,753	31,535,035	22,238,144	10,501,802

Notes to the financial statements

for the year ended 31 December 2008

9 Earnings per share

(a) Basic earnings per share

Basic earnings per share of the Group are calculated by dividing the net profit for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	2008	2007
Profit attributable to equity holders of the Company (RM)	132,611,947	77,592,592
Weighted average number of ordinary shares in issue	135,404,191	135,030,973
Basic earnings per share (sen)	97.94	57.46

(b) Diluted earnings per share

For the diluted earnings per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares, which is the share option granted to employees and Non-Executive Directors.

In respect of share options granted to employees and Non-Executive Directors, a calculation is done to determine the number of shares that could have been acquired at market price (determined as the average annual share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. This calculation serves to determine the "bonus" element to the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to the net profit for the financial year for the share options calculation.

	2008	2007
Weighted average number of ordinary shares in issue	135,404,191	135,030,973
Adjustment for share options	32,711	-
Weighted average number of ordinary shares for diluted earnings per share	135,436,902	135,030,973
Diluted earnings per share (sen)	97.91	57.46

Notes to the financial statements

for the year ended 31 December 2008

10 Dividends

Dividends declared or proposed for year ended 31 December 2008 are as follows:

	Group and Company			
	31.12.2008		31.12.2007	
	Gross dividend per share Sen	Amount of dividend, net of tax RM	Gross dividend per share Sen	Amount of dividend, net of tax RM
Interim single tier dividend	10.0	13,564,900	-	-
Special interim single tier dividend declared	7.5	10,173,675	10.0	9,996,586
Proposed				
- Final dividend	-	-	12.5	12,495,733
- Final single tier dividend	15.0	20,347,350	-	-
- Tax exempted special dividend	-	-	7.5	10,131,675
	32.50	44,085,925	30.0	32,623,994
Dividend per share recognised as distribution to ordinary equity holders of the Company				
- paid during the year	30.0	36,286,106	15.0	15,878,144
- declared during the year	7.5	10,173,675	10.0	9,996,586
	37.5	46,459,781	25.0	25,874,730

Interim single tier dividend of 10 sen per share on 135,649,000 ordinary shares totalling RM13,564,900 was paid on 23 September 2008.

Special interim single tier dividend declared of RM10,173,675 paid on 16 January 2009 by the Company was in respect of the special interim single tier dividend of 7.5 sen per share on 135,649,000 ordinary shares for the year ended 31 December 2008.

At the forthcoming Annual General Meeting, a final single tier dividend of 15 sen per share on 135,649,000 ordinary shares amounting to RM20,347,350 will be proposed for shareholders' approval.

The proposed dividends are subject to the approval of the shareholders at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2009.

Notes to the financial statements

for the year ended 31 December 2008

11 Property, plant and equipment

Group	Immature and mature plantations RM	Buildings RM	Plant and machinery RM	Motor vehicles, furniture, fixtures and equipment RM	Assets under construction RM	Total RM
Carrying amounts at						
31 December 2006	187,570,227	7,436,615	5,413,600	2,369,683	106,160	202,896,285
Additions	9,365,892	1,172,632	5,445,892	294,936	-	16,279,352
Written off	-	(7)	(11)	(14,769)	-	(14,787)
Disposal	-	-	(54,494)	(10)	-	(54,504)
Reclassification	-	315,498	-	(209,338)	(106,160)	-
Depreciation charge	-	(485,402)	(1,538,599)	(612,900)	-	(2,636,901)
Carrying amounts at						
31 December 2007	196,936,119	8,439,336	9,266,388	1,827,602	-	216,469,445
Additions	18,958,707	704,123	1,895,918	2,576,746	398,185	24,533,679
Disposal of subsidiary	-	-	-	(6,301)	-	(6,301)
Written off	-	(20)	(2,689)	(48,855)	-	(51,564)
Disposal	-	-	-	(2,920)	-	(2,920)
Reclassification	106,160	(106,160)	-	-	-	-
Depreciation charge	(65,124)	(518,516)	(1,740,548)	(912,556)	-	(3,236,744)
Carrying amounts at						
31 December 2008	215,935,862	8,518,763	9,419,069	3,433,716	398,185	237,705,595
At 31 December 2007						
Cost	20,130,664	20,757,539	32,296,087	5,680,540	-	78,864,830
Valuation	176,805,455	-	-	-	-	176,805,455
Accumulated depreciation	-	(12,318,203)	(23,029,699)	(3,852,938)	-	(39,200,840)
Carrying amounts	196,936,119	8,439,336	9,266,388	1,827,602	-	216,469,445
At 31 December 2008						
Cost	39,195,531	20,908,270	33,948,161	7,339,905	398,185	101,790,052
Valuation	176,805,455	-	-	-	-	176,805,455
Accumulated depreciation	(65,124)	(12,389,507)	(24,529,092)	(3,906,189)	-	(40,889,912)
Carrying amounts	215,935,862	8,518,763	9,419,069	3,433,716	398,185	237,705,595

Notes to the financial statements

for the year ended 31 December 2008

11 Property, plant and equipment (continued)

Company	Immature and mature plantations RM	Buildings RM	Plant and machinery RM	Motor vehicles, furniture, fixtures and equipment RM	Total RM
Carrying amounts at 31 December 2006	33,421,894	111,565	215,795	1,048,108	34,797,362
Additions	3,617,021	245,132	298,620	185,340	4,346,113
Reclassifications	-	116,538	-	(116,538)	-
Disposal	-	-	-	(9)	(9)
Written off	-	(5)	(5)	(11,337)	(11,347)
Depreciation charge	-	(71,526)	(86,185)	(299,536)	(457,247)
Carrying amounts at 31 December 2007	37,038,915	401,704	428,225	806,028	38,674,872
Additions	9,181,517	24,400	146,132	1,395,560	10,747,609
Disposal	-	-	-	(2,920)	(2,920)
Written off	-	(7)	(12)	(1,988)	(2,007)
Depreciation charge	(65,124)	(64,814)	(123,464)	(435,954)	(689,356)
Carrying amounts at 31 December 2008	46,155,308	361,283	450,881	1,760,726	48,728,198
At 31 December 2007					
Cost	5,003,810	2,817,455	1,371,869	2,737,020	11,930,154
Valuation	32,035,105	-	-	-	32,035,105
Accumulated depreciation	-	(2,415,751)	(943,644)	(1,930,992)	(5,290,387)
Carrying amounts	37,038,915	401,704	428,225	806,028	38,674,872
At 31 December 2008					
Cost	14,185,327	2,688,628	1,450,795	3,805,677	22,130,427
Valuation	32,035,105	-	-	-	32,035,105
Accumulated depreciation	(65,124)	(2,327,345)	(999,914)	(2,044,951)	(5,437,334)
Carrying amounts	46,155,308	361,283	450,881	1,760,726	48,728,198

Details of independent professional valuation of mature and immature plantations owned by the Group at 31 December 2007 are as follows :

Year of Valuation	Description of Property	Amount RM	Basis of Valuation
2000	Mature and immature plantations	111,363,861	Open market value
2005	Mature and immature plantations	180,576,598	Open market value

For prior to year 2000, no disclosure is made on the valuation of mature and immature plantations due to absence of historical records and as permitted by the previous accounting standard on property, plant and equipment, FRS 116 in 2000.

Notes to the financial statements

for the year ended 31 December 2008

12 Prepaid land lease payments

	2008 RM	2007 RM
Group		
At cost/valuation		
At 1 January	239,457,829	207,957,829
Addition	1,138,776	31,500,000
At 31 December	240,596,605	239,457,829
Less: Amortisation		
At 1 January	(5,477,477)	(2,804,213)
Amortisation for the year	(2,674,450)	(2,673,264)
At 31 December	(8,151,927)	(5,477,477)
Carrying amounts as at the year-end	232,444,678	233,980,352
Company		
At cost/valuation		
At 1 January	86,500,300	55,000,300
Addition	1,046,694	31,500,000
At 31 December	87,546,994	86,500,300
Less: Amortisation		
At 1 January	(1,509,741)	(795,367)
Amortisation for the year	(714,374)	(714,374)
At 31 December	(2,224,115)	(1,509,741)
Carrying amounts as at the year-end	85,322,879	84,990,559

Leasehold land of the Group and of the Company were last revalued on 31 December 2005. Fair value is determined by reference to the open market values using comparison method.

13 Land held for development

	Group and Company	
	2008 RM	2007 RM
At start of the year	40,285,186	40,245,683
Addition	93,553	39,503
At end of the year	40,378,739	40,285,186

Notes to the financial statements

for the year ended 31 December 2008

14 Subsidiaries

	Company	
	2008 RM	2007 RM
Unquoted shares, at cost	36,199,351	36,499,351
Allowance for diminution in value	-	(299,999)
	36,199,351	36,199,352

Details of the subsidiaries are as follows:

Name of Company	Country of incorporation	Effective interest of the Group				Principal activities
		Company		Subsidiary		
		2008 %	2007 %	2008 %	2007 %	
Dawn Oil Palm Plantations Sdn Bhd	Malaysia	100	100	-	-	Oil palm plantations
B.S. Oil Palm Plantations Sdn Bhd	Malaysia	100	100	-	-	Oil palm plantations
Spectacular Potential Sdn Bhd	Malaysia	100	100	-	-	Investment holding
Radiant Apex Sdn Bhd	Malaysia	100	100	-	-	Dormant
Kampong Aur Oil Palm Company (Sdn.) Berhad	Malaysia	83	83	-	-	Oil palm plantations
Madah Perkasa Sdn Bhd *	Malaysia	-	-	83	83	Oil palm plantations
Far East Delima Plantations Sdn Bhd	Malaysia	80	80	-	-	Oil palm plantations
Kilang Kosfarm Sdn Bhd	Malaysia	51	51	-	-	Palm oil mill
Gem Asia Sdn Bhd #	Malaysia	-	100	-	-	Ceased operation

* Wholly owned subsidiary of Kampong Aur Oil Palm Company (Sdn.) Berhad.

Disposed during the year (Note 31).

All subsidiaries are audited by Parker Randall Thomas.

15 Associates

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
At cost				
Unquoted shares	47,429,035	53,025,232	63,463,281	57,463,281
Share of post acquisition reserve	107,744,194	66,725,581	-	-
	155,173,229	119,750,813	63,463,281	57,463,281

Notes to the financial statements

for the year ended 31 December 2008

15 Associates (continued)

Summary of financial information on associates are as follows:

	2008 RM	Group 2007 RM
Revenue (100%)	482,500,585	209,910,994
Profit for the year (100%)	72,417,826	58,959,298
Total assets (100%)	501,954,995	357,700,554
Total liabilities (100%)	72,707,602	56,689,907

The details of the associates are as follows:

Name of company	Country of incorporation	Effective interest of equity held by			
		Group		Subsidiary	
		2008 %	2007 %	2008 %	2007 %
* Prosper Palm Oil Mill Sdn Berhad (PPOM)	Malaysia	40.0	40.0	-	-
* Business & Budget Hotels (Kuantan) Sdn Bhd	Malaysia	36.2	36.2	-	-
# Future Prelude Sdn Bhd	Malaysia	30.0	30.0	-	-
* Jaspurna Holdings Sdn Bhd	Malaysia	-	-	22.9	-
# Audited by Parker Randall Thomas					
* Audited by other firms of auditors					

16 Investments, at cost

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Quoted investments	-	12,580,318	-	-
Unquoted structured investments	5,000,000	12,000,000	3,000,000	9,000,000
Unit trust	9,000,000	5,000,000	8,000,000	5,000,000
Redeemable Cumulative Preference Shares	24,000,000	-	24,000,000	-
Unconsolidated subsidiary*	1,129,075	1,129,075	-	-
	39,129,075	30,709,393	35,000,000	14,000,000
Market value of :				
Unit trust	10,709,316	7,498,857	9,633,655	7,498,857
Quoted shares	-	13,444,960	-	-

* Since the financial year ended 31 December 2001, the results of the operations and net assets of the subsidiary, Inai Prisma Sdn Bhd (IPSB), had not been consolidated with that of the Company as IPSB had been placed under winding up order by High Court of Malaya, Kuantan, Pahang Darul Makmur.

The Company had lost control over the affairs of IPSB, which was principally involved in plantation advisory. The cost of investment in IPSB was stated at its carrying amount after it ceased operations in 2001.

Notes to the financial statements

for the year ended 31 December 2008

17 Inventories

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
At cost				
Finished goods	4,404,049	11,413,112	-	-
Raw material	1,958	580,537	-	-
Nursery	422,188	542,769	-	-
Consumables	1,479,280	1,260,541	645,312	384,637
	6,307,475	13,796,959	645,312	384,637
At net realisable value				
Finished goods	858,647	-	-	-
	7,166,122	13,796,959	645,312	384,637

18 Receivables, deposits and prepayments

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Trade receivables	26,712,456	20,251,983	199,894	94,689
Other receivables	3,410,313	1,112,004	800,920	449,998
Allowance for doubtful debts	-	(89,543)	-	(89,543)
	3,410,313	1,022,461	800,920	360,455
Deposits	36,595	47,059	18,520	14,860
Prepayment	98,984	691,513	20,142	628,224
Amounts due from associates	4,539,712	-	3,957	3,957
Amounts due from subsidiaries	-	-	32,965,867	34,024,057
Allowance for doubtful debts	-	-	-	(434,889)
	-	-	32,965,867	33,589,168
	34,798,060	22,013,016	34,009,300	34,691,353

Credit term of trade receivables to the Group and of the Company is 30 days (2007 : 30 days).

The amounts due from subsidiaries are advances, which are unsecured, free of interest and with no fixed terms of repayment.

The amounts due from associates are in respect of trading and repayable within the normal credit period.

Notes to the financial statements

for the year ended 31 December 2008

19 Cash and cash equivalents

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Deposits with licensed banks	55,900,000	39,402,466	19,000,000	-
Deposit with licensed finance companies	1,280,000	1,280,000	-	-
Deposit with building society	2,000,000	2,000,000	-	-
Bank and cash balances	13,485,881	17,185,095	235,905	85,724
	72,665,881	59,867,561	19,235,905	85,724
Bank overdraft (unsecured)	-	(264,528)	-	(264,528)
Deposits, bank and cash balances	72,665,881	59,603,033	19,235,905	(178,804)

The effective weighted average interest rates of the deposits and bank overdraft at the end of the year were as follows:

	Group and Company	
	2008 %	2007 %
Deposits with licensed banks	3.0	3.0
Deposits with building society	3.2	3.2
Deposits with licensed finance companies	3.0	3.0
Bank overdraft (unsecured)	-	8.0

As at 31 December 2008, the deposits of the Group and of the Company have maturity period of 30 to 90 days (2007: 30 to 90 days). Bank balances are deposits held at call with banks.

20 Payables

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Trade payables	19,037,918	18,608,941	2,700,368	2,095,131
Other payables	3,804,856	3,183,582	417,954	425,537
Amounts due to associates	-	2,279,690	-	-
Amount due to unconsolidated subsidiary	933,333	933,333	141,984	141,984
Accruals	3,782,563	3,910,763	1,831,276	1,824,652
Amounts due to subsidiaries	-	-	12,353,187	44,943,439
	27,558,670	28,916,309	17,444,769	49,430,743

Credit terms of trade payables of the Group and of the Company ranges from 30 to 90 days (2007 : 30 to 90 days).

The amounts due to associates are in respect of trading and repayable within the normal credit period.

The amounts due to subsidiaries and unconsolidated subsidiary are unsecured, interest free and with no fixed terms of repayment.

Notes to the financial statements

for the year ended 31 December 2008

21 Hire purchase liabilities

Hire purchase liabilities are effectively secured as the rights to the hired assets revert to the hirer in the event of default.

	Group	
	2008 RM	2007 RM
Current		
Hire purchase liabilities (secured)	295,509	340,605
Non Current		
Hire purchase liabilities (secured)	178,828	196,982
Hire purchase		
Minimum hire purchase payments		
- not later than 1 year	326,881	364,046
- later than 1 year but not later than 5 years	195,615	222,988
Future finance charges on hire purchase	522,496 (48,159)	587,034 (49,447)
Present value of hire purchase liabilities	474,337	537,587
	2008 RM	2007 RM
Representing hire purchase liabilities:		
- current	295,509	340,605
- non current	178,828	196,982
	474,337	537,587
Present value of hire purchase liabilities:		
- not later than 1 year	295,509	340,605
- later than 1 year and not later than 5 years	178,828	196,982
	474,337	537,587

The effective interest rate at year end was 3.30% (2007: 4.98%).

Notes to the financial statements

for the year ended 31 December 2008

22 Deferred tax

Deferred tax liabilities are offset when there is a legal enforceable right to set off current tax assets against current tax liabilities that relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Deferred tax assets	267,954	184,954	-	-
Deferred tax liabilities	(79,997,338)	(81,282,338)	(16,256,000)	(15,184,000)
At start of year (Charged)/Credited to income statement (Note 8)	(81,097,384)	(83,490,246)	(15,184,000)	(15,121,000)
- property, plant and equipment	(1,462,000)	(269,138)	(1,472,000)	(467,000)
- business loss	216,000	-	-	-
- others	15,000	36,000	-	-
Transfer to revaluation reserve (Note 26)	(1,231,000) 2,599,000	(233,138) 2,626,000	(1,472,000) 400,000	(467,000) 404,000
At end of year	(79,729,384)	(81,097,384)	(16,256,000)	(15,184,000)
Deferred tax assets before offsetting				
- unabsorbed business loss	873,416	657,416	-	-
Offsetting	(605,462)	(472,462)	-	-
Deferred tax assets after offsetting	267,954	184,954	-	-
Deferred tax liabilities before offsetting				
- property, plant and equipment	(80,369,800)	(81,506,800)	(16,256,000)	(15,184,000)
- others	(233,000)	(248,000)	-	-
Offsetting	605,462	472,462	-	-
Deferred tax liabilities after offsetting	(79,997,338)	(81,282,338)	(16,256,000)	(15,184,000)

23 Share capital

	Company	
	2008 RM	2007 RM
(a) Authorised ordinary shares of RM1 each At start and end of year	500,000,000	500,000,000
Issued and fully paid ordinary shares of RM1 each At 1 January	135,089,000	134,861,000
Issued during the year		
- exercise of share option	560,000	228,000
At 31 December	135,649,000	135,089,000

Notes to the financial statements

for the year ended 31 December 2008

23 Share capital (continued)

(b) Employees' Share Option Scheme

The Company's Employees' Share Option Scheme ("ESOS") came into effect on 18 March 2002. The ESOS is governed by the By-Laws, which were approved by the shareholders on 29 December 2001. On 18 August 2004, the shareholders of the Company had approved the amendments to the By-Laws to extend the participation of the ESOS to Non-Executive Directors of the Group.

On 2 April 2007 the shareholders of the Company had approved certain amendment on the clauses in the By-Laws governing the Company's ESOS, particularly that all options and offers shall not exceed an amount equivalent to 15% of the issued and paid up share capital of the Company at any point of time during the existence of the ESOS. The ESOS, which was expired on 17 March 2007, had been extended to 16 March 2012.

The main features of the ESOS are as follows:

- Eligible persons are employees of the Group who have been confirmed in the employment of the Group and have served for at least one year before the date of the offer. The eligible persons also include the Directors of the Group. The eligibility for participation in the ESOS shall be at the discretion of the ESOS Committee appointed by the Board of Directors.
- The Option price shall be the weighted average market price of the shares (calculated as the average of the highest and lowest prices of the shares transacted) as shown in the Daily Official List issued by the Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the Date of Offer, subject to a discount of not more than ten per cent (10%) which the Company may at its discretion decide to give, or the par value of the shares of the Company of RM1, whichever is higher.
- No Option shall be granted for less than 1,000 shares nor more than maximum allowable allotment of shares to any eligible employee, provided the number shall be in multiples of 1,000 shares.
- The Option shall immediately become null and void and of no further force and effect on the bankruptcy of the Grantee.

Movements in the number of share options outstanding are as follows:

Grant date Year ended	Expiry date	Exercise price before bonus issue RM/share	Exercise price after bonus issue RM/share	At start of year '000	Granted '000	Exercised '000	At end of year '000
31.12.2008							
2.1.2008	16.3.2012	-	5.234	-	1,750	(500)	1,250
8.1.2008	16.3.2012	-	5.234	-	150	(60)	90
				-	1,900	(560)	1,340
31.12.2007							
30.4.2002	17.3.2007	2.040	1.020	35	-	(35)	-
8.12.2004	17.3.2007	3.270	1.635	160	-	(160)	-
5.8.2005	17.3.2007	4.250	2.125	33	-	(33)	-
				228	-	(228)	-
Number of share options vested at the balance sheet date					31.12.2008	31.12.2007	
					200,000	-	

Notes to the financial statements

for the year ended 31 December 2008

23 Share capital (continued)

(b) Employees' Share Option Scheme (continued)

Details relating to options exercised during the financial year are as follows:

Exercise date	Fair value of shares at share issue date RM/share	Exercise price RM/share	Number of shares issued	
			2008 Unit	2007 Unit
June 2008	7.43	5.234	560,000	-
March 2007	4.76	1.020	-	35,000
March 2007	4.76	1.635	-	100,000
March 2007	4.76	2.125	-	33,000
July 2007	5.30	1.635	-	60,000
			560,000	228,000
			2008 RM	2007 RM
Ordinary share capital at par			560,000	228,000
Share premium			2,371,040	139,425
Proceeds received on exercise of share options			2,931,040	367,425
Fair value at exercise date of shares issued			4,160,800	1,117,680

The fair value of shares issued on the exercise of options is the monthly average of low and high market price at which the Company's shares were traded on the Bursa Malaysia Securities Berhad.

24 Share premium

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
At 1 January	10,403,020	10,207,860	7,352,294	7,157,134
Exercise of share option	2,371,040	139,425	2,371,040	139,425
Transfer from share option reserve (Note 25)	428,960	55,735	428,960	55,735
At 31 December	13,203,020	10,403,020	10,152,294	7,352,294

Notes to the financial statements

for the year ended 31 December 2008

25 Share option reserve

	Group and Company	
	2008	2007
At start of the year	-	55,735
Share option granted	582,160	-
Transfer to share premium (Note 24)	(428,960)	(55,735)
At end of the year	153,200	-

26 Revaluation reserves

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
At 1 January	176,152,151	173,526,151	25,842,138	25,438,138
Transfer from deferred tax (Note 22)	2,599,000	2,626,000	400,000	404,000
At 31 December	178,751,151	176,152,151	26,242,138	25,842,138

Revaluation reserves being surplus arising from revaluation of the Group's and of the Company's leasehold land and oil palm plantations and are not distributable by way of dividend.

27 Retained earnings

On 24 April 2008, the Company has applied to the Inland Revenue Board for the single tier dividend system. Therefore all its retained earnings as at 31 December 2008 can be paid out as single tier exempt dividend.

28 Segmental information

No segmental reporting has been prepared as the Group activities are predominantly in plantation related activities, which are carried out in Malaysia.

29 Related parties

(a) Identity of related parties

For the purpose of these financial statements, parties are considered related to the Group if the Group has the ability, directly or indirectly to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group has a related party relationship with its subsidiaries (see Note 14), associates (see Note 15), key management personnel and other related parties.

Notes to the financial statements

for the year ended 31 December 2008

29 Related parties (continued)

(a) Identity of related parties (continued)

Other related parties and their relationship are as follows:

Related parties	Relationship
- PGC Management Services Sdn Bhd	Associate of Kilang Kosfarm Sdn Bhd (KKSB)
- Rompin Palm Oil Mill Sdn Bhd (RPOM)	PPOM holds 30% equity in RPOM
- Endau Palm Oil Mills Sdn Bhd (EPOM)	PTSB holds 32% equity in EPOM
- Prosper Trading Sdn Bhd (PTSB)	Substantial shareholder of the Company
- Prosper Palm Oil Product Marketing Sdn Bhd (PPOPM)	PPOM holds 30% equity interest in PPOPM
- Wujud Wawasan Sdn Bhd	51% subsidiary of Kilang Kosfarm Sdn Bhd
- Koperasi Serbausaha Makmur Berhad	Shareholder of Wujud Wawasan Sdn Bhd
- LKPP Corporation Sendirian Berhad	Shareholder of the Company

(b) Transactions with key management personnel

Key management personnel compensation is disclosed in Note 7.

There are no other transactions with key management personnel other than compensation.

(c) Transactions with subsidiaries

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Dividend income				
- Kampong Aur Oil Palm Plantation (Sdn) Berhad	-	-	90,325,913	12,458,747
- Dawn Oil Palm Plantations Sdn Bhd	-	-	22,861,905	7,200,600
- B.S. Oil Palm Plantations Sdn Bhd	-	-	14,563,214	8,100,675
- Kilang Kosfarm Sdn Bhd	-	-	1,020,000	5,100,000
Sales of fresh fruit bunches				
- Kilang Kosfarm Sdn Bhd	-	75,255,101	37,894,441	13,935,203

Notes to the financial statements

for the year ended 31 December 2008

29 Related parties (continued)

(d) Transactions with associates (continued)

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Dividend income:				
- Prosper Palm Oil Mill Sdn Berhad	-	-	1,000,000	-
- Business & Budget (Hotels) Sdn Bhd	-	101,600	101,600	101,600
Sales of fresh fruit bunches				
- Prosper Palm Oil Mill Sdn Berhad	912,243	12,141,657	-	5,767,646
Purchase of fresh fruit bunches				
- Prosper Palm Oil Mill Sdn Berhad	956,186	-	-	-
Sales of crude palm oil and palm kernel				
- Prosper Palm Oil Mill Sdn Berhad	39,634,272	18,423,336	-	-
Purchases of crude palm oil and palm kernel				
- Prosper Palm Oil Mill Sdn Berhad	29,746,239	17,965,048	-	-

(e) Other related parties transactions

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Sales of fresh fruit bunches:				
- Rompin Palm Oil Mill Sdn Bhd	58,233,370	47,377,874	-	-
- LKPP Corporation Sendirian Berhad	1,303,730	1,159,701	1,303,730	1,159,701
- Cheekah Kemayan Plantation Sdn Bhd	-	14,184,833	-	-
- Wujud Wasawan Sdn Bhd	-	1,503,427	-	-
- Endau Palm Oil Mill Sdn Bhd	441,436	-	-	-
Purchase of fresh fruit bunches:				
- Rompin Palm Oil Mill Sdn Bhd	35,630,061	25,853,348	-	-
- Wujud Wawasan Sdn Bhd	-	1,951,157	-	-
- Koperasi Serbausaha Makmur Berhad	127,011,466	-	-	-
Sales of crude palm oil and palm kernel				
- Prosper Trading Sdn Bhd	37,927,113	29,620,169	-	-
- Cheekah Kemayan Plantations Sdn Bhd	-	34,173,256	-	-
- PGC Management Services Sdn Bhd	111,602,628	63,518,726	-	-
- Endau Palm Oil Mill Sdn Bhd	46,462,194	26,510,467	-	-
- Rompin Palm Oil Mill Sdn Bhd	35,188,133	23,107,244	-	-
Purchases of crude palm oil and palm kernel				
- Cheekah Kemayan Plantations Sdn Bhd	-	22,933,126	-	-
- Endau Palm Oil Mill Sdn Bhd	33,298,814	20,968,301	-	-
- Rompin Palm Oil Mill Sdn Bhd	28,176,105	28,695,135	-	-
- Prosper Palm Oil Product Marketing Sdn Bhd	146,574	-	-	-
Management fee payable to:				
PGC Management Services Sdn Bhd	2,797,700	2,309,725	-	-

Notes to the financial statements

for the year ended 31 December 2008

29 Related parties (continued)

(e) Outstanding balances for related party transactions carried out during the year

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Related parties				
Receivables:				
- Prosper Palm Oil Mill Sdn Berhad	4,829,219	-	-	-
- Rompin Palm Oil Mill Sdn Bhd	4,066,677	3,038,457	3,855	-
- Kilang Kosfarm Sdn Bhd	-	6,195,836	7,514,677	1,338,104
- Prosper Trading Sdn Bhd	2,322,810	3,216,385	-	-
- PGC Management Services Sdn Bhd	7,491,896	5,300,077	-	-
- LKPP Corporation Sendirian Berhad	65,797	94,688	65,797	94,688
- Cheekah Kemayan Plantations Sdn Bhd	-	2,622,654	-	-
- Endau Palm Oil Mills Sdn Bhd	38,698	931,180	71,731	-
Related parties				
Payables:				
- PGC Management Services Sdn Bhd	141,476	100,250	-	-
- Rompin Palm Oil Mill Sdn Bhd	3,218,985	3,183,973	-	-
- Prosper Palm Oil Mill Sdn Berhad	-	2,266,900	-	-

30 Capital commitments

Capital expenditures not provided for in the financial statements are as follows:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Authorised by the Directors and not contracted	48,815,000	53,386,000	26,652,000	40,675,000
Analysed as follows:				
- property, plant and equipment	15,885,000	6,478,000	5,808,000	2,544,000
- oil palm plantation development	22,730,000	18,908,000	10,644,000	10,131,000
- acquisition of shares	10,200,000	8,000,000	10,200,000	8,000,000
- bio diesel and glycerine project	-	20,000,000	-	20,000,000
	48,815,000	53,386,000	26,652,000	40,675,000

Notes to the financial statements

for the year ended 31 December 2008

31 Disposal of subsidiary

On 1 January 2008, the Company completed the disposal of its entire equity in Gem Asia Sdn Bhd (GASB).

	RM
Sales consideration (cash inflow of the Company on disposal of GASB)	6,000
Less: Fair value of net assets disposed	(469,695)
Gain on disposal	475,695
Details of net assets disposed are as follows:	
	Carrying amount RM
Property, plant and equipment (Note 11)	6,301
Receivables, deposits and prepayment	19,721
Bank and cash balances	41,896
Payables	(537,613)
Net assets disposed	(469,695)
Details of cash flow arising from the disposal are as follows:	
Sales consideration settled in cash	6,000
Less : Cash and cash equivalent of subsidiary disposed	(41,896)
Cash outflow of the Group on disposal	(35,896)

There was no disposal in the prior year.

32 Material litigation

On 29 September 2006, the Company had received summon from Majlis Ugama Islam dan Adat Resam Pahang (MUIP) against the Company and its subsidiary Kampong Aur Oil Palm Company (Sdn) Berhad ("KAOP").

The claims are as follows:

- (i) The increased in the paid up share capital of KAOP amounting to 22,096,868 units of shares and the allotment of 22,096,868 units of shares to the Company is invalid;
- (ii) Share certificates and all relevant documents pertaining to 22,096,868 shares allotted to the Company to be cancelled and KAOP to return the equity structure of KAOP to the following status:

Name	No. of shares	Percentage
The Company	16,685,099	67%
MUIP	8,218,033	33%
Total	24,903,132	100%

Notes to the financial statements

for the year ended 31 December 2008

32 Material litigation (continued)

- (iii) A declaration that MUIP had exercised its option to acquire 3,984,501 unit of shares at RM1.33 each in accordance to Clause 2.02(b), (c) and (d) of the joint venture agreement;
- (iv) An order that the Company to transfer 3,984,501 units of KAOP's shares to MUIP at a price of RM1.33 each within 7 days from the date the MUIP pay the sum of RM5,299,386.33;
- (v) In the event the Company fails to transfer the shares as stated in Para (iv) above; the Senior Assistant Registrar of the High Court would act accordingly to transfer the shares to the MUIP;
- (vi) A declaration that MUIP had exercised its option to purchase 2,739,344 unit of shares in accordance to Clause 2.02(e) and (f) of the JV Agreement;
- (vii) An order that an accountant and/or independent professional valuer be appointed by the Court to assess KAOP and Madah Perkasa Sdn Bhd assets as at 1 September 2004 and to determine the price of each shares of KAOP;
- (viii) In the event the Company fails to transfer the shares as stated in Para (vi) above; the Senior Assistant Registrar of the High Court would act accordingly to transfer the shares to MUIP;
- (ix) The Company to pay all losses, relevant payments and dividends arising from the changed in the equity structure of KAOP to MUIP;
- (x) The cost of this originating summon to be borne by the Company and KAOP;
- (xi) Any other instruction that may deem fit by the Court.

The High Court of Malaya at Kuantan had on the 21.6.2007 ordered that the action be stayed pursuant to Section 110 of the Arbitration Act 2005 and also ordered that the Kuala Lumpur Regional Centre for Arbitration to appoint an arbitrator to conduct the proceedings.

MUIP had filed their appeal to the Court of Appeal and had also referred the matter to the Kuala Lumpur Regional Centre for Arbitration.

Both MUIP and FEHB had their Second Pre-hearing meeting on 21 January 2009 at the Kuala Lumpur Regional Centre for Arbitration and the next mention date before the arbitrator is on 22 May 2009 and the full trial is on the 22 to 24 July 2009.

33 Approval of financial statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 2 April 2009.

Shareholdings Structure

LIST OF TOP THIRTY (30) LARGEST SHAREHOLDERS AS AT 17 April 2009

	Name of Shareholders	No. of Shares Held	% of Issued Share Capital
1	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PROSPER TRADING SDN BHD	22,994,400	16.95
2	LEMBAGA KEMAJUAN PERUSAHAAN PERTANIAN NEGERI PAHANG	22,807,800	16.81
3	LEMBAGA KEMAJUAN PERUSAHAAN PERTANIAN NEGERI PAHANG	12,793,000	9.43
4	LKPP CORPORATION SDN BHD	8,300,280	6.12
5	PROSPER TRADING SDN BHD	7,894,920	5.82
6	FOKAS SEHATI SDN BHD	6,881,100	5.07
7	HIKMAT ELIT SDN BHD	6,849,200	5.05
8	PROSPER TRADING SDN BHD	2,603,600	1.92
9	HIKMAT ELIT SDN BHD	2,469,800	1.82
10	TEE CHENG HUA	2,124,000	1.57
11	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE KIM TEE @ TEE CHING TEE	1,728,700	1.27
12	AFFIN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE KIM TEE @ TEE CHING TEE	1,536,000	1.13
13	BUDI-JS PLANTATION MANAGEMENT SDN BHD	1,451,000	1.07
14	AFFIN NOMINEES (TEMPATAN) SDN BHD AFFIN FUND MANAGEMENT SDN BHD FOR MAJLIS UGAMA ISLAM DAN ADAT RESAM MELAYU PAHANG	1,320,000	0.97
15	KAMARUDDIN BIN MOHAMMED	1,200,000	0.88
16	MERGEBOOM (M) SDN BHD	893,700	0.66
17	YEOH KEAN HUA	835,000	0.62
18	DELUXE ERA SDN BHD	812,000	0.60
19	AMANAH SAHAM PAHANG BERHAD	784,100	0.58
20	TEE KIM TEE @ TEE CHING TEE	770,300	0.57
21	AMANAH SAHAM MARA BERHAD	767,400	0.57
22	MAN FOH @ CHAN MAN FOH	728,000	0.54
23	HAN KEE JUAN	720,000	0.53
24	ANG KIM SENG @ ANG ENG HOCK	682,600	0.50
25	NOWAWI BIN ABDUL RAHMAN	678,000	0.50
26	PHUA CHEE ENG	600,000	0.44
27	POO AH HAI	576,000	0.42
28	TEE CHAIN YEE	575,000	0.42
29	YEW PENG DU	555,000	0.41
30	KALSOM BINTI AHMAD	500,000	0.37
		113,430,900	83.62

Shareholdings Structure

INFORMATION ON SUBSTANTIAL SHAREHOLDERS (EXCLUDING BARE TRUSTEES) AS AT 17 APRIL 2009

Nos.	Names Of Substantial Shareholders	No of Shares	%
1	LEMBAGA KEMAJUAN PERUSAHAAN PERTANIAN NEGERI PAHANG Share held through:- Own Account - 22,807,800 Own Account - 12,793,000	35,600,800	26.24
2	PROSPER TRADING SDN BERHAD Share held through:- Own Account - 7,894,920 Own Account - 2,603,600 AMSEC Nominees (Tempatan) Sdn Bhd - 22,994,400	33,492,920	24.69
3	HIKMAT ELIT SDN BHD Share held through:- Own Account - 6,849,200 Own Account - 2,469,800	9,319,000	6.87
4	LKPP CORPORATION SDN BHD Share held through:- Own Account - 8,300,280 TA Nominees (Tempatan) Sdn Bhd - 121,000	8,421,280	6.21
5	FOKAS SEHATI SDN BHD Share held through:- Own Account - 6,881,100	6,881,100	5.07

INFORMATION ON DIRECTORS SHAREHOLDING AS AT 17 APRIL 2009

Nos.	Names of Directors	Shareholdings	%
1	YH DATO' KAMARUDDIN BIN MOHAMMED	1,200,000	0.88
2	YH DATO' MD. ADNAN BIN SULAIMAN	-	-
3	MR TEE KIM TEE @ TEE CHING TEE Share held through:- Individual Account - 119,400 Individual Account - 770,300 Kenanga Nominees (Tempatan) Sdn Bhd = 1,728,700 Affin Nominees (Tempatan) Sdn Bhd = 1,536,000	4,154,400	3.06
4	CIK SHARINA BAHRIN	-	-
5	EN NOWAWI BIN ABDUL RAHMAN	678,000	0.50
6	MR TEE CHENG HUA	2,124,000	1.57
7	MR TEE LIP HIAN	251,600	0.19
8	MS NG YEE KIM Share held through:- Kenanga Nominees (Tempatan) Sdn Bhd = 40,000	40,000	0.03
9	EN KHAIRUL AZAHAR BIN ARIFFIN	-	-

Shareholdings Structure

DISTRIBUTION TABLE A AS AT 17 APRIL 2009

Category	No. of Holders	%	No. of Shares	%
Less than 100	8	0.36	240	0.00
100 - 1,000	316	14.25	174,560	0.13
1,001 - 10,000	1,534	69.19	5,371,000	3.96
10,001 - 100,000	286	12.90	7,352,000	5.42
100,001 to less than 5% of issued shares	66	2.98	34,230,500	25.23
5% and above of issued shares	7	0.32	88,520,700	65.26
TOTAL	2,217	100.00	135,649,000	100.00

ANALYSIS OF EQUITY STRUCTURE AS AT 17 APRIL 2009

Type of Ownership	Shareholders	%	Shareholdings	%
1) GOVERNMENT AGENCY	4	0.18	36,095,500	26.61
2) BUMIPUTRA :				
a) Individuals	137	6.18	3,691,800	2.72
b) Companies	27	1.22	17,553,580	12.94
c) Nominees Company	75	3.38	28,578,100	21.07
3) NON-BUMIPUTRA :				
a) Individuals	1,808	81.55	24,434,400	18.01
b) Companies	37	1.67	23,449,820	17.29
c) Nominees Company	81	3.65	943,200	0.69
MALAYSIAN TOTAL	2,169	97.83	134,746,400	99.33
4) FOREIGN :				
a) Individuals	27	1.22	269,100	0.20
b) Companies	2	0.09	9,800	0.01
c) Nominees Company	19	0.86	623,700	0.46
FOREIGN TOTAL	48	2.17	902,600	0.67
GRAND TOTAL	2,217	100.00	135,649,000	100.00

Group Properties

Harta-harta Kumpulan

Lokasi Location	Title	Tempoh Tenure	Keluasan (Hek) Area (Hec)	Kegunaan Usage	Nilai Buku Bersih @ 31.12.08 (RM'000) Net Book Value @ 31.12.08 (RM'000)
Far East Holdings Berhad					
i. Ladang Sg. Seraya Daerah Rompin Pahang Darul Makmur	H.S (D)61 H.S (D)62 H.S (D)63 H.S (D)64 H.S (D)4116 H.S (D)4121	Pajakan untuk tempoh sehingga 2079 2079 2079 2079 2103 2103	161.87 259.00 230.67 190.20 60.82 10.83	Perladangan Kelapa sawit	
ii. Ladang Bukit Jin Daerah Bera Pahang Darul Makmur	H.S (D)3171 H.S (D)3172 H.S (D)3173 H.S (D)3174 H.S (D)3175 H.S (D)3176 H.S (D)3177 H.S (D)3178 H.S (D)3179 H.S (D)3180	Pajakan untuk tempoh sehingga 2079	420.87 420.87 190.20 230.67 274.78 8.50 384.45 36.42 68.80 68.80	Perladangan Kelapa sawit	
iii. Ladang Sg. Rasau Daerah Pekan Pahang Darul Makmur	H.S (D)1971	Pajakan untuk tempoh sehingga 2091	118.04	Pertanian	
iv. Ladang Sungai Batu Daerah Kuantan Pahang Darul Makmur	H.S.(D)23609	Pajakan untuk tempoh sehingga 2103	874.75	Perladangan Kelapa sawit	
v. Ladang Chengal Daerah Rompin Pahang Darul Makmur	H.S.(D)4147 H.S.(D)4148	Pajakan untuk tempoh sehingga 2106	1,103.01 1,096.99	Perladangan Kelapa sawit	
vi. Bandar Indera Mahkota Daerah Kuantan Pahang Darul Makmur	PN 7721 PN 7722 PN 7723	Pajakan untuk tempoh sehingga 2096	8.67 2.65 4.33	Bangunan	
			6,226.19		171,857
Kampong Aur Oil Palm Company (Sdn) Berhad					
i. Ladang Kg. Aur Daerah Rompin Pahang Darul Makmur	H.S(D)3708 H.S(D)3709 H.S(D)3781 H.S(D)3780 H.S(D)3886 H.S(D)38 H.S(D)74 H.S(D)75 H.S(D)4084	Pajakan untuk tempoh sehingga 2070 2070 2073 2073 2074 2077 2079 2079 2100	118.98 242.41 64.75 260.62 419.26 407.11 283.28 137.60 35.59	Perladangan Kelapa sawit	
			1,969.60		54,146

Group Properties

Harta-harta Kumpulan

Lokasi Location	Title	Tempoh Tenure	Keluasan (Hek) Area (Hec)	Kegunaan Usage	Nilai Buku Bersih @ 31.12.08 (RM'000) Net Book Value @ 31.12.08 (RM'000)	
Madah Perkasa Sdn Bhd						
i. Ladang Sungai Marung	H.S(D)3514	Pajakan untuk tempoh sehingga 2095	876.20	Perladangan Kelapa sawit		
	H.S(D)3513		666.60			
ii. Ladang Sungai Gayung Daerah Rompin Pahang Darul Makmur	H.S(D)3512		1,039.70			
	H.S(D)3511		1,898.80			
			4,481.30		132,801	
Dawn Oil Palm Plantations Sdn Bhd						
i. Ladang Dawn Daerah Rompin Pahang Darul Makmur	H.S(D)3718	Pajakan untuk tempoh sehingga 2071	235.12	Perladangan Kelapa sawit		
	H.S(D)3719		11.33			
	H.S (D)3772		2072			236.34
	H.S(D)3773		2072			14.57
	H.S(D)11		2075			297.85
	H.S(D)18		2076			133.14
	H.S(D)57		2079			242.81
	H.S(D)58		2079			178.06
	H.S(D)4115		2103			114.18
	PN 7815		2103			218.53
	H.S(D)4120	2103	23.69			
ii. Ladang Cempaka Daerah Bera Pahang Darul Makmur	H.S(D)988	Pajakan untuk tempoh sehingga 2096	452.60	Perladangan Kelapa sawit		
			2,158.22		55,962	
B.S. Oil Palm Plantations Sdn. Bhd						
i. Ladang Bukit Serok Daerah Rompin Pahang Darul Makmur	H.S(D)8	Pajakan untuk tempoh sehingga 2075	350.46	Perladangan Kelapa sawit		
	H.S(D)16		2076			346.82
	H.S(D)50		2085			357.80
	H.S(D)59		2079			171.99
	H.S(D)60		2079			248.88
	H.S(D)3716		2071			136.38
	H.S(D)3717		2071			137.19
	H.S(D)3741		2071			290.16
	H.S(D)4117		2071			27.89
						2,067.57

Group Properties

Harta-harta Kumpulan

Lokasi Location	Title	Tempoh Tenure	Keluasan (Hek) Area (Hec)	Kegunaan Usage	Nilai Buku Bersih @ 31.12.08 (RM'000) Net Book Value @ 31.12.08 (RM'000)
Kilang Kosfarm Sdn Bhd	H.S(D)3896	Pajakan untuk tempoh sehingga 2070 (Pajakan kecil dari Kampong Aur Oil Palm Company (Sdn) Berhad sehingga 2050)	123.84	Bangunan Kilang dan ladang kelapa sawit	
			123.84		469
Far East Delima Plantations Sdn Bhd					
i. Ladang Delima Daerah Rompin Pahang Darul Makmur	H.S(D)4568*	Pajakan untuk tempoh sehingga 2103	2,832.86	Perladangan Kelapa sawit	
			2,832.86		24,289
			19,859.58		488,760

Notes:

* The land is subleased from Rangkaian Delima Sdn Bhd



FAR EAST HOLDINGS BERHAD
(14809 - W)

FORM OF PROXY

I / We _____

NRIC/Company No. _____

Of _____

being a member / members of FAR EAST HOLDINGS BERHAD,

hereby appoint _____

of _____

or failing him _____

of _____

or failing him the chairman of the meeting as my/our proxy to vote for me/us and on behalf at the 35th Annual General Meeting of Far East Holdings Berhad to be held on Wednesday, 27 May 2009 at 2.30 p.m. MS Garden Hotel, Lot 5 & 10, Lorong Gambut, Off Jalan Beserah, Kuantan Pahang Darul Makmur and at any adjournment thereof.

My/Our proxy to vote on the resolution as indicated with (X) in the space provided. If the form is returned in the absence of specific directions as to the manner the vote is to be cast, My/our proxy will vote or abstain as he thinks fit.

Resolution Number	1	2	3	4	5	6	7	8
For								
Against								

Signed this _____ day of _____ 2009.

Total Share Held _____

Signature(s)/Company Seal _____

Witness* _____

* This signature on Proxy Form executed outside Malaysia must be attested by a notary or Consul

NOTES

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. To be valid, the duly completed form of proxy must be deposited at the registered office of the Company, Suite 5 & 6, Tingkat 8, Kompleks Teruntum, Jalan Mahkota, 25000 Kuantan, Pahang Darul Makmur, not less than 48 hours before the time for holding the meeting.
3. A member who an authorized nominees may appoint one (1) proxy in respect of each securities account he/she holds with ordinary shares of the Company standing to the credit of the said securities account.
4. A member other than an authorized nominee shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
6. If the appointor is a corporation, the form of proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.

STAMP

The Company Secretary
FAR EAST HOLDINGS BERHAD
Suite 5 & 6, Tingkat 8
Kompleks Teruntum
Jalan Mahkota, 25000 Kuantan
Pahang Darul Makmur



FAR EAST HOLDINGS BERHAD
(14809 - W)

BORANG PROKSI

Saya/Kami _____

No KP/Syarikat _____

yang beralamat di _____

sebagai pemegang saham/pemegang-pemegang saham FAR EAST HOLDINGS BERHAD,

dengan ini melantik _____

yang beralamat di _____

atau sebagai penggantinya _____

yang beralamat di _____

atau pengerusi mesyuarat sebagai proksi saya/kami yang akan mengundi bagi pihak saya/kami di Mesyuarat Agung Tahunan Syarikat yang ke 35 yang akan diadakan pada hari Rabu, 27 Mei 2009, jam 2.30 petang di MS Garden Hotel, Lot 5 & 10, Lorong Gambut, Off Jalan Beserah, Kuantan Pahang Darul Makmur dan pada sebarang hari penangguhannya.

Proksi saya / kami hendaklah mengundi ke atas resolusi-resolusi seperti yang telah ditentukan dengan tanda (X) di ruang yang berkenaan di bawah ini. Sekiranya ruang ini dikembalikan tanpa apa-apa penentuan mengenai cara-cara pengundian, proksi akan mengambil tindakan yang sewajarnya untuk mengundi ataupun tidak.

Nombor Resolusi	1	2	3	4	5	6	7	8
Bersetuju								
Menentang								

Ditandatangani pada _____ haribulan _____ 2009.

Jumlah Saham Dipegang

Tandatangan/Meterai _____

Dihadapan* _____

* Tandatangan di Borang Proksi yang dilaksanakan di luar Malaysia mestilah disahkan oleh seorang notary awam atau konsul.

NOTA

1. Proksi berkemungkinan tetapi tidak semestinya seorang ahli syarikat dan Peruntukan Seksyen 149(1)(b) Akta Syarikat 1965 tidak diterimapakai oleh syarikat.
2. Borang proksi ini mestilah diserahkan kepada Pejabat Berdaftar Syarikat, Suite 5 & 6, Tingkat 8, Kompleks Teruntum, Jalan Mahkota, 25000 Kuantan, Pahang Darul Makmur tidak lewat daripada empat puluh lapan jam (48) sebelum masa yang ditetapkan untuk mengadakan mesyuarat.
3. Seorang ahli yang berhak menghadiri dan mengundi dalam mesyuarat ini adalah berhak melantik seorang proksi bagi setiap akaun sekuriti yang ada.
4. Seorang ahli melainkan nominee yang diberikuasa adalah layak melantik tidak lebih dari dua proksi untuk menghadiri dan mengundi pada mesyuarat yang sama.
5. Jika seorang ahli melantik lebih dari seorang proksi, perlantikan itu tidak sah melainkan dinyatakan setiap proksi mewakili berapa kepentingan sahamnya.
6. Jika yang melantik sebuah perbadanan borang proksi mestilah dimeterai dengan cop mohor atau ditandatangani oleh pegawai atau pegawai perbadanan tersebut.

SETEM

Setiausaha Syarikat

FAR EAST HOLDINGS BERHAD

Suite 5 & 6, Tingkat 8

Kompleks Teruntum

Jalan Mahkota, 25000 Kuantan

Pahang Darul Makmur



Far East Holdings Berhad (14809-W)

Suite 5, Tingkat 8, Kompleks Teruntum, Jalan Mahkota, 25000 Kuantan, Pahang Darul Makmur

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