

Growing Beyond Boundaries

ANNUAL REPORT 2014



FAR EAST HOLDINGS BERHAD
(14809-W)





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KEY INDICATORS

As at 31 December 2014

REVENUE

RM **428.34** Million



NET TANGIBLE ASSET PER SHARE

RM **7.82**

EARNINGS PER SHARE

65.87 Sen



MARKET CAPITALISATION

RM **1,093.46** Million

PROFIT BEFORE TAX

RM **129.24** Million



SHARE PRICE

(Source: Bursa Market Watch)

RM **8.00**



SHAREHOLDERS' EQUITY

RM **1,106.06** Million

DIVIDEND PER SHARE

30 Sen



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 41st Annual General Meeting of **FAR EAST HOLDINGS BERHAD** ("the Company") will be held at The Zenith Hotel, Jalan Putra Square 6, 25200 Kuantan, Pahang Darul Makmur on Wednesday, 10 June 2015 at 10.00 a.m. to transact the following businesses:-

AGENDA

As Ordinary Business

- | | |
|--|-------------------------------|
| 1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2014 together with the Directors' and Auditors' Reports thereon. | Please refer to Note A |
| 2. To approve the payment of a final single tier dividend of 20 sen per share in respect of the financial year ended 31 December 2014 as recommended by Directors. | Ordinary Resolution 1 |
| 3. To re-elect Mr Tee Kim Tee @ Tee Ching Tee who retires pursuant to Article 97 of the Company's Articles of Association. | Ordinary Resolution 2 |
| 4. To consider and, if thought fit, pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965 as ordinary resolution:-

"That pursuant to Section 129(6) of the Companies Act, 1965, YH Dato' Tan Bing Hua be and is hereby re-appointed Director of the Company and to hold office until the next Annual General Meeting of the Company." | Ordinary Resolution 3 |
| 5. To approve the payment of Directors' fees for the financial year ended 31 December 2014. | Ordinary Resolution 4 |
| 6. To re-appoint Messrs McMillan Woods Thomas as auditors for the coming year and to authorise the Directors to fix their remuneration. | Ordinary Resolution 5 |

As Special Business

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

- | | |
|---|------------------------------|
| 7. 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 11 June 2014 pursuant to paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad, authorising the Company to enter into recurrent transactions of a revenue nature as set in paragraph 2.1 of the Circular to Shareholders dated 18 May 2015 ("Circular") with the related parties mentioned therein which are necessary for the Company's day to day operations, be and is hereby renewed. | Ordinary Resolution 6 |
|---|------------------------------|

NOTICE OF ANNUAL GENERAL MEETING

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 such mandate shall continue in force until:

- 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 Annual General Meeting 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."

8. 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 20 sen per share for the financial year ended 31 December 2014 if approved by the shareholders at the Annual General Meeting will be paid on 15 July 2015 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 1 July 2015.

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 29 June 2015 (in respect of share which are exempted from mandatory deposit);
- b) Shares transferred into Depositor's Securities Account before 4.00 p.m. on 1 July 2015 (in respect of ordinary shares) and
- c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of 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: 18 May 2015

NOTICE OF ANNUAL GENERAL MEETING

Notes On Proxy

1. Depositor who appear in the Record of Depositors as at 4 June 2015 (which is not less than three (3) market days before the date of this meeting) shall be regarded as member of the Company entitled to attend at the 41st General Meeting or appoint a proxy or proxies to attend and vote on his behalf.
2. 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.
3. 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.
4. A member who is an authorised nominee may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. 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.
6. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
7. 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.
8. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiples beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
9. Where an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

Explanatory Notes on

Ordinary Business : Note A : This agenda item is meant for discussion only as the provision of Section 169 (1) of the Companies Act, 1965 does not require a formal approval by the members and hence, is not put forward for voting.

Re-appointment of Director pursuant to Section 129(6) of the Companies Act 1965 : Pursuant to Section 129(6) of the Companies Act, 1965, a person of or over the age of 70 years who is proposed for appointment as a Director of the Company shall be appointed by a resolution passed by a majority of not less than three-fourths of the members of the Company present and voting in person or by proxy at a general meeting, and if so appointed, the Director shall hold office until the conclusion of the next AGM of the Company. The proposed Ordinary Resolution 3, if passed, would enable Dato' Tan Bing Hua to hold office until the next AGM of the Company.

Special Business Ordinary Resolution 6 : This proposed Resolution 6, if passed, will enable the Company to enter into recurrent related party 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 18 May 2015 accompanying the Company's Annual Report for the financial year ended 31 December 2014.

Proposed Renewal of Shareholders' Mandate For Recurrent Related Party Transactions of A Revenue Nature

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Names of Retiring Directors:

Article 97 of the Company's Articles of Association

- (i) Mr Tee Kim Tee @ Tee Ching Tee
(seeking re-election)
- (ii) Encik Khairul Azahar bin Ariffin
(not seeking re-election)

Pursuant to Section 129(6) of the Companies Act, 1965

- (iii) YH Dato' Tan Bing Hua

The details of the abovenamed Directors who are standing for re-election/re-appointment are set out in the Directors' profiles (pages 13 to 20 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 (pages 128 to 129 of the Annual Report).

Place, date and time of the 41st Annual General Meeting:

The 41st Annual General Meeting of the Company will be held at The Zenith Hotel, Jalan Putra Square 6, 25200 Kuantan, Pahang Darul Makmur on Wednesday, 10 June 2015 at 10.00 a.m.

Details of Attendance of Directors at Board Meetings:

A total of eight (8) Board Meetings were held during the financial year ended 31 December 2014. Details of attendance of Directors holding office at the end of financial year are as follows:-

Name	Meeting Attendance	Date Appointed	Date Resigned/ Retired
YH Dato' Kamaruddin bin Mohammed	8/8	16/08/2002	-
YH Dato' Wan Bakri bin Wan Ismail	7/8	17/03/2014	-
YH Dato' Tan Bing Hua	8/8	23/07/2012	-
Mr Tee Kim Tee @ Tee Ching Tee	8/8	16/08/2002	-
Mr Tee Cheng Hua	8/8	16/08/2002	-
En Khairul Azahar bin Ariffin	8/8	23/07/2007	-
En Hashim Naina Merican bin Yahaya Merican	8/8	13/08/2009	-
Mr Tee Lip Teng	8/8	23/07/2012	-

FINANCIAL CALENDAR

FINANCIAL YEAR END	31 December 2014	
ANNOUNCEMENT OF RESULTS	First Quarter	8 May 2014
	Second Quarter	22 August 2014
	Third Quarter	20 November 2014
	Fourth Quarter	27 February 2015
	ANNUAL GENERAL MEETING	10 June 2015 (10.00 a.m.)
PUBLISHED ANNUAL REPORT AND FINANCIAL STATEMENTS	Notice of Annual General Meeting	18 May 2015
DIVIDENDS	Interim	
	Book Closure Announcement Date	21 November 2014
	Entitlement Date	8 December 2014
	Payment Date	19 December 2014
	Final	
	Book Closure Announcement Date	6 May 2015
	Entitlement Date	1 July 2015
	Payment Date	15 July 2015

CORPORATE INFORMATION

BOARD OF DIRECTORS

YH Dato' Kamaruddin bin Mohammed

Executive Chairman

Non-Independent-Executive Director

YH Dato' Tan Bing Hua

Independent Non-Executive Director

YH Dato' Wan Bakri bin Wan Ismail

Non-Independent Non-Executive Director

Mr Tee Kim Tee @ Tee Ching Tee

Non-Independent Non-Executive Director

Mr Tee Cheng Hua

Non-Independent Executive Director

En Khairul Azahar bin Ariffin

Independent Non-Executive Director

En Hashim Naina Merican bin Yahaya Merican

Independent Non-Executive Director

(Responsible For Investor Relations)

Tel: 09-514 1936 / 948 / 339

Fax: 09-513 6211

Email: hashimmerican@fareh.po.my

Mr Tee Lip Teng

Non-Independent Non-Executive Director

SECRETARIES

Puan Asmin binti Yahya – MIA10161

Puan Noor Anisah binti Sabarudin – LS0008153

Tel: 09-514 1936 / 948 / 339

Fax: 09-513 6211

Website: www.fehb.com.my

E-mail: fareast@fareh.po.my

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad Main Market

(Listing Date: 31.01.1991)

REGISTERED ADDRESS

Suite 5 & 6, Tingkat 8

Kompleks Teruntum

Jalan Mahkota, 25000 Kuantan

Pahang Darul Makmur

Tel: 09-514 1936 / 948 / 339

Fax: 09-513 6211

Website: www.fehb.com.my

E-mail: fareast@fareh.po.my

CORPORATE INFORMATION

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd

Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46, 47301 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-78418000
Fax: 03-78418151/52
URL: www.symphony.com.my

MAJOR BANKERS

CIMB Bank Berhad

Lot G-01, Kompleks Teruntum
Jalan Mahkota, 25000 Kuantan
Pahang Darul Makmur

CIMB Bank Berhad

A1, Lorong Tun Ismail 9
Sri Dagangan 2, 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

CORPORATE INFORMATION

Senior Management Team

YH Dato' Kamaruddin bin Mohammed
Executive Chairman

Mr Tee Cheng Hua
Executive Director, Plantations

Puan Asmin binti Yahya
General Manager, Operations

Encik Adnan bin Mustafa
Senior Regional Manager, Zone A

Encik Nazaruddin bin Hasim
Senior Regional Manager, Zone B

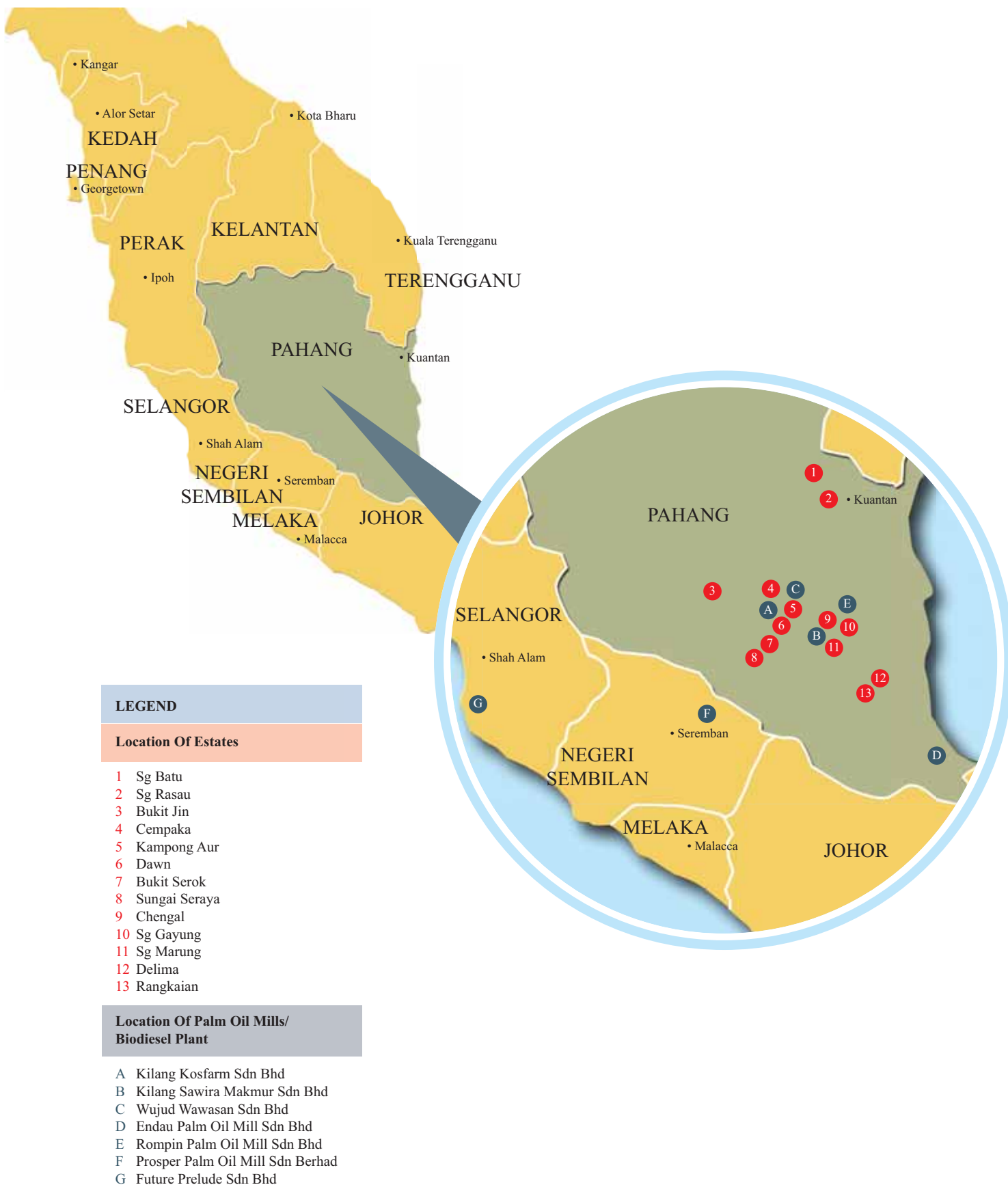
Tuan Haji Ahmad Ghazalli bin Johari
Senior Manager, Estate Management

Puan Noor Anisah binti Sabarudin
Manager, Secretarial & Corporate Affairs

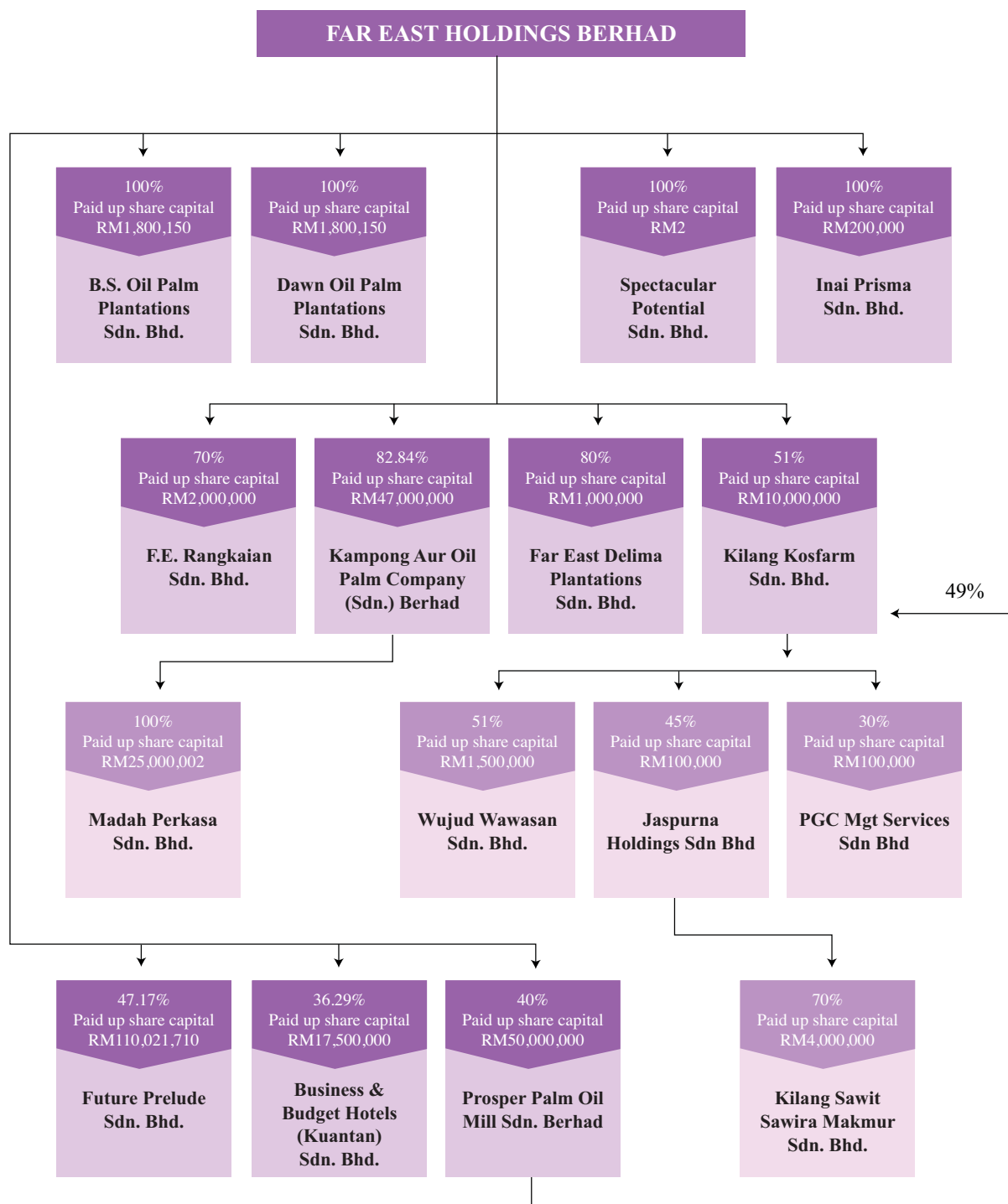
Encik Zahari bin Jaafar
Manager, Internal Audit

Puan Rosliha binti Husin
Accountant

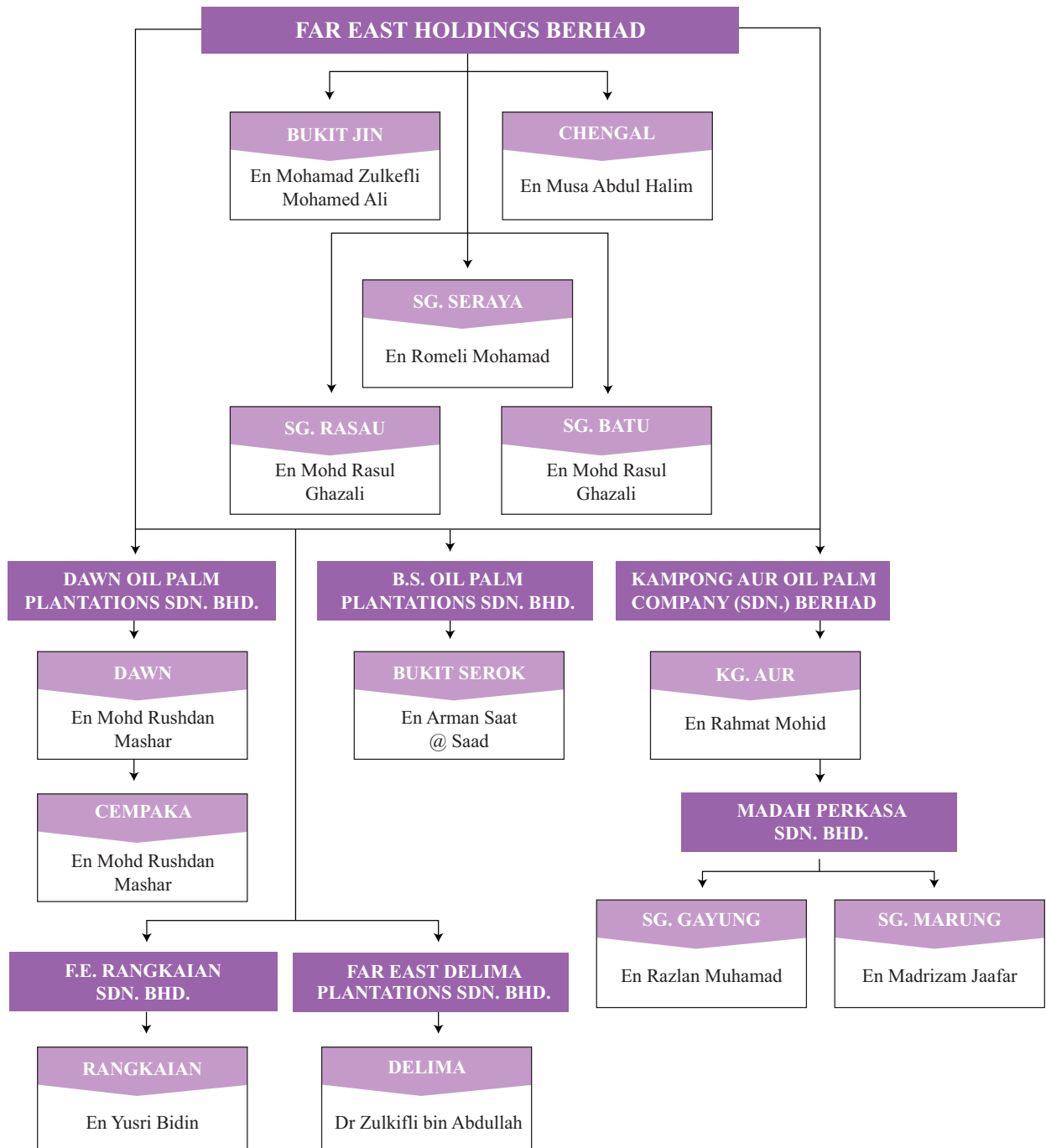
LOCATION OF OPERATIONS



CORPORATE STRUCTURE



ESTATE STRUCTURE



DIRECTORS' PROFILE

YH Dato' Kamaruddin bin Mohammed *DSAP, DIMP, SF Fin (Aust)*

Age	67
Nationality	Malaysian
Qualification	<ul style="list-style-type: none"> • A Business graduate from MARA College (UiTM) in 1969. • Professional graduate in Investment Analysis from the Securities Institute of Australia, Sydney, Australia in 1972. • A Fellow Member of The Securities Institute of Australia in 1983. • Management graduate from the Asian Institute of Management, Manila, Philippines. • A Senior Fellow of a newly merged Securities Institute named Financial Services Institute of Australasia (SF Fin).
Position on the FEHB Board	<ul style="list-style-type: none"> • Executive Chairman of the Company • Non-Independent Executive Director
Date first appointment to the FEHB Board	16 August 2002
Membership of FEHB Board Committees	<ul style="list-style-type: none"> • Chairman of Remuneration Committee • Chairman of Nomination Committee
Working experience	<ul style="list-style-type: none"> • Vast experience in Investment Management, Finance & Corporate Restructuring and Management. Worked over 40 years in ASMB (now Pelaburan MARA Berhad – PMB) • Group Managing Director of ASMB (PMB) from December 1995 until April 2008. • Deputy Chairman cum Advisor of ASMB (PMB) from May 2008 to 30 April 2010.
Any other directorships in public companies	<ul style="list-style-type: none"> • Pascorp Paper Industries Berhad • Amanah Saham Pahang Berhad • YTL Cement Berhad
Securities holdings in FEHB and subsidiaries	<ul style="list-style-type: none"> • Direct - 2,700,000 • Indirect - 600,000
Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries	Nil
List of conviction for offences within the past 10 years other than traffic offences, if any	Nil
Number of FEHB Board Meetings attended in the financial year	All eight meetings

DIRECTORS' PROFILE

YH Dato' Wan Bakri bin Wan Ismail

Age	61
Nationality	Malaysian
Qualification	Bachelor of Social Science (Hons) majoring in Political Science from University Science Malaysia in 1994.
Position on the FEHB Board	Non-Independent Non-Executive Director
Date first appointment to the FEHB Board	17 March 2014
Membership of FEHB Board Committees	None
Working experience	<ul style="list-style-type: none"> Started his career with Lembaga Kemajuan Perusahaan Pertanian Negeri Pahang ("LKPP") in 1969. He sits on the Board of Tanah Makmur Berhad and in a few private limited companies. He is currently the General Manager of LKPP.
Any other directorships in public companies	<ul style="list-style-type: none"> Tanah Makmur Berhad Astral Asia Berhad
Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries	Nil
List of conviction for offences within the past 10 years other than traffic offences, if any	Nil
Number of FEHB Board Meetings attended in the financial year	Seven out of eight meetings

DIRECTORS' PROFILE

YH Dato' Tan Bing Hua

Age	71
Nationality	Malaysian
Qualification	<ul style="list-style-type: none"> • B.A (Hons) degree from the University of Malaya. • LL.B (Hons) degree from the University of London. • Barrister-at-Law from Lincoln'Inn, England.
Position on the FEHB Board	Independent Non-Executive Director
Date first appointment to the FEHB Board	23 July 2012
Membership of FEHB Board Committees	Member of Audit Committee
Working experience	<ul style="list-style-type: none"> • Started his career with Bank Negara Malaysia from 1969 to 1982. • He practiced law at Amin-Tan & Co in Kuala Lumpur from 1987 to 2012.
Any other directorships in public companies	Hua Yang Berhad
Securities holdings in FEHB and subsidiaries	Indirect - 44,000
Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries	Nil
List of conviction for offences within the past 10 years other than traffic offences, if any	Nil
Number of FEHB Board Meetings attended in the financial year	All eight meetings

DIRECTORS' PROFILE

Mr Tee Kim Tee @ Tee Ching Tee

Age	67
Nationality	Malaysian
Position on the FEHB Board	Non-Independent Non-Executive Director
Date first appointment to the FEHB Board	16 August 2002
Membership of FEHB Board Committees	<ul style="list-style-type: none"> • Member of Remuneration Committee • Member of Nomination Committee
Working experience	<ul style="list-style-type: none"> • Started his career 44 years ago as an estate contractor and FFB dealer. • He has been involved in palm oil plantations management, palm oil milling and refinery business both as an owner as well as operator over the last 40 years. • Vast experience in managing palm oil estates.
Any other directorships in public companies	Nil
Securities holdings in FEHB and subsidiaries	Direct - 4,704,400
Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries	He is the elder brother of Mr Tee Cheng Hua and an uncle of Mr Tee Lip Teng.
List of conviction for offences within the past 10 years other than traffic offences, if any	Nil
Number of FEHB Board Meetings attended in the financial year	All eight meetings

DIRECTORS' PROFILE

Mr Tee Cheng Hua

Age	61
Nationality	Malaysian
Qualification	Bachelor of Mechanical Engineering from University Technology Malaysia.
Position on the FEHB Board	Non-Independent Executive Director
Date first appointment to the FEHB Board	16 August 2002
Membership of FEHB Board Committees	None
Working experience	<ul style="list-style-type: none"> • Engineer with Highlands and Lowlands Bhd. • Mill Manager/Engineer with Kulim (M) Bhd. • He is at present the Executive Director of Prosper Group of Companies.
Any other directorships in public companies	None
Securities holdings in FEHB and subsidiaries	Direct - 2,124,000
Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries	He is the younger brother of Mr Tee Kim Tee @ Tee Ching Tee and is the father of Mr Tee Lip Teng.
List of conviction for offences within the past 10 years other than traffic offences, if any	Nil
Number of FEHB Board Meetings attended in the financial year	All eight meetings

DIRECTORS' PROFILE

Encik Khairul Azahar bin Ariffin

Age	52
Nationality	Malaysian
Qualification	<ul style="list-style-type: none"> • Bachelor of Accountancy (Hons), from University Kebangsaan Malaysia. • He is a member of Malaysian Institute of Accountants and a member of CPA Australia.
Position on the FEHB Board	Independent Non-Executive Director
Date first appointment to the FEHB Board	23 July 2007
Membership of FEHB Board Committees	<ul style="list-style-type: none"> • Member of Audit Committee • Member of Remuneration Committee
Working experience	<ul style="list-style-type: none"> • Started his career with Abu Bakar Rajudin & Co and Coopers & Lybrand. • Currently he is a Chartered Accountant at Afrizan Tarmili Khairul Azahar.
Any other directorships in public companies	Pascorp Paper Industries Berhad
Securities holdings in FEHB and subsidiaries	Direct - 10,000
Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries	Nil
List of conviction for offences within the past 10 years other than traffic offences, if any	Nil
Number of FEHB Board Meetings attended in the financial year	All eight meetings

DIRECTORS' PROFILE

Encik Hashim Naina Merican bin Yahaya Merican

Age	64
Nationality	Malaysian
Qualification	<ul style="list-style-type: none"> • He graduated from Mara Institute of Technology after successfully completing the professional examinations of the Association of Certified Accountants (UK) in 1974. • He is also a member of the Malaysian Institute of Accountants.
Position on the FEHB Board	Independent Non-Executive Director
Date first appointment to the FEHB Board	13 August 2009
Membership of FEHB Board Committees	<ul style="list-style-type: none"> • Chairman of Audit Committee • Member of Nomination Committee
Working experience	<ul style="list-style-type: none"> • He started his career as an auditor at Coopers & Lybrand, and now known as Price WaterhouseCoopers (PWC) in 1974. • He joined Malaysian Oxygen Berhad in 1977 as Internal Auditor. • He served as Administrative Manager at Hewlett Packard Sales Malaysia Sdn Bhd from 1979 to 1987. • He joined Rashid Hussein Securities Sdn Bhd as a Dealer Representative in 1987. • Currently he is a Dealer Representative with TA Securities Holdings.
Any other directorships in public companies	Nil
Securities holdings in FEHB and subsidiaries	Direct - 10,000
Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries	Nil
List of conviction for offences within the past 10 years other than traffic offences, if any	Nil
Number of FEHB Board Meetings attended in the financial year	All eight meetings

DIRECTORS' PROFILE

Mr Tee Lip Teng

Age	31
Nationality	Malaysian
Qualification	Master of Electronic and Electrical Engineering from University College London, United Kingdom.
Position on the FEHB Board	Non-Independent Non-Executive Director
Date first appointment to the FEHB Board	23 July 2012
Membership of FEHB Board Committees	None
Working experience	<ul style="list-style-type: none"> • Mechanical and Electrical Engineer with Hoare Lea, United Kingdom. • Marketing Executive at Future Prelude Sdn Bhd. • Director, Marketing & Business Development of Prosper Group since 2011. • Currently he is also the Marketing Director of Prosper Palm Oil Product Marketing Sdn Bhd.
Any other directorships in public companies	Nil
Securities holdings in FEHB and subsidiaries	Direct - 300,000
Any family relationship with Director and/or Major Shareholder of FEHB or its subsidiaries	He is the son of Mr Tee Cheng Hua and a nephew of Mr Tee Kim Tee @ Tee Ching Tee.
List of conviction for offences within the past 10 years other than traffic offences, if any	Nil
Number of FEHB Board Meetings attended in the financial year	All eight meetings

GROUP FINANCIAL SUMMARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER

	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000	2010 RM'000
Capital And Reserves					
Share Capital	141,390	141,390	141,390	139,779	136,509
Non-Distributable Reserves	351,685	354,684	357,684	351,357	329,484
Retained Earnings	612,984	552,612	514,288	470,656	413,196
Shareholders' Equity	1,106,059	1,048,686	1,013,362	961,792	879,189
Non-Controlling interests	70,297	70,157	67,909	66,636	67,202
	1,176,356	1,118,843	1,081,271	1,028,428	946,391
Non-Current Assets					
Property, Plant And Equipment	690,147	686,592	682,739	679,919	675,079
Land Held For Development	-	-	-	-	29,263
Land Held For Disposal	22,413	29,263	29,263	29,263	-
Associates	306,216	292,137	276,292	226,717	199,068
Others Financial Assets	-	-	-	41,481	54,454
	1,018,776	1,007,992	988,294	977,380	957,864
Current Assets	316,645	289,272	272,096	227,352	148,928
Current Liabilities	29,679	50,071	51,246	49,711	34,977
Net Current Assets	286,966	239,201	220,850	177,641	113,951
Non-Current Liabilities					
Deferred Tax Liabilities	129,386	128,350	127,873	126,593	125,424
	1,176,356	1,118,843	1,081,271	1,028,428	946,391

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000	2010 RM'000
Revenue	428,343	439,781	452,362	479,254	436,016
Profit Before Tax	129,241	108,706	121,702	156,162	113,510
Profit After Tax	104,254	85,371	93,307	129,740	92,637

GROUP FINANCIAL SUMMARY

HIGHLIGHTS AS AT 31 DECEMBER

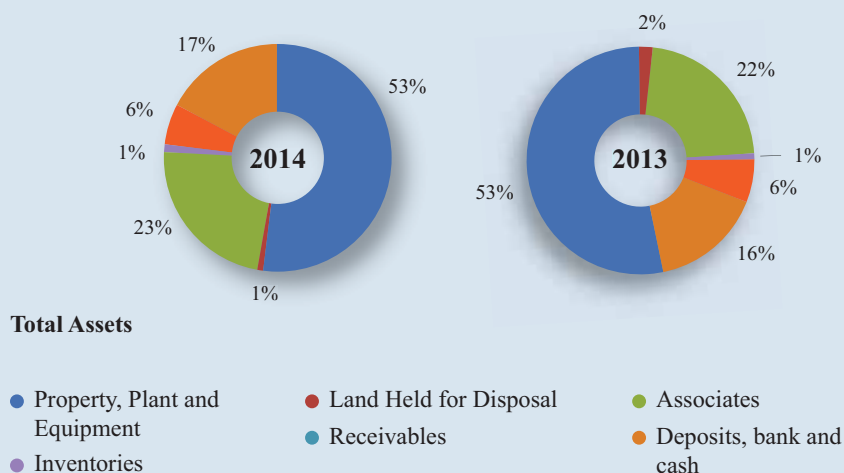
	2014	2013	2012	2011	2010
Earnings Per Share (Sen)	65.87	52.19	59.69	86.95	60.46
Net Tangible Asset Per Share (RM)	7.82	7.42	7.17	6.88	6.44
Current Ratio (Times)	10.67	5.78	5.31	4.57	4.26
Pre-Tax Profit As a Percentage of Sales (%)	30.17	24.72	26.90	32.58	26.03
Pre-Tax Profit As a Percentage of Shareholders' Equity (%)	11.69	10.37	12.01	16.24	12.91

DIVIDENDS DECLARED AND DIVIDEND PAYOUT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

	2014	2013	2012	2011	2010
Gross dividend (Sen)	30.00	25.00	25.00	40.00	30.00
Dividend payout	45%	48%	42%	46%	50%

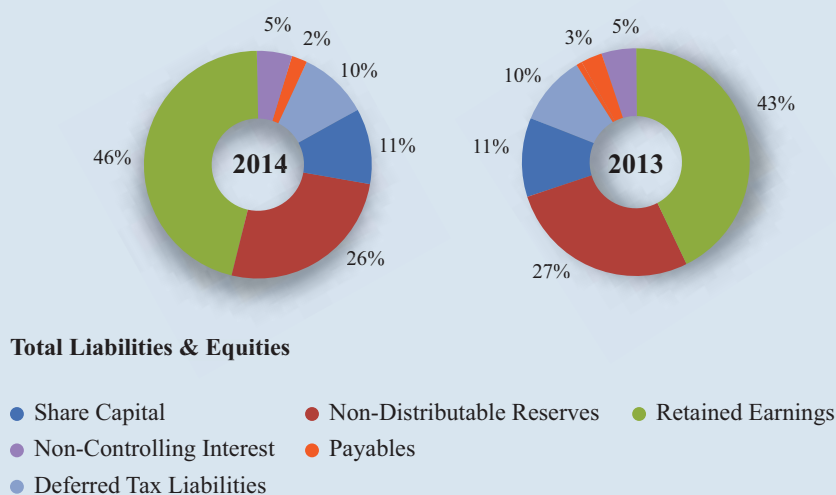
GROUP FINANCIAL SUMMARY

TOTAL ASSETS, LIABILITIES & EQUITIES



TOTAL ASSETS

2014 RM'000	2013 RM'000
690,147	686,592
22,413	29,263
306,216	292,137
5,431	8,046
78,693	75,575
232,520	205,651

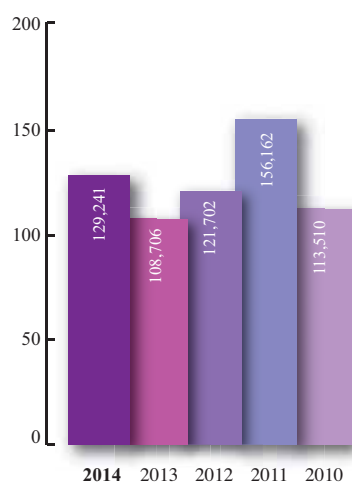
TOTAL LIABILITIES
& EQUITIES

2014 RM'000	2013 RM'000
141,390	141,390
351,685	354,684
612,984	552,612
70,297	70,157
29,679	35,932
129,386	128,350

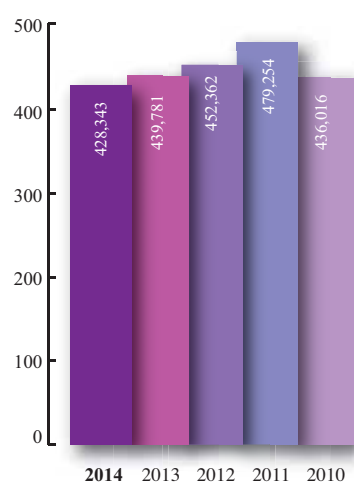
PLANTATION MATRIX

		2014	2013	2012	2011	2010
Mature Area	Hectare	18,106	16,927	16,218	15,049	15,219
Total Planted Area	Hectare	21,239	20,768	19,593	19,592	19,648
FFB Production	Mt	345,268	339,502	316,153	274,032	257,825
FFB Yield	Mt/ha	19.07	20.06	19.49	18.21	16.94
OER	%	19.11	18.72	18.89	18.78	18.89
CPO Yield	Mt/ha	3.64	3.75	3.68	3.42	3.20
CPO Price	RM/mt	2,413	2,375	3,017	3,118	2,538
Kernel Recovery Revenue	RM/mt	433	354	398	546	437
CPO Production Cost (Ex-estate)	RM/mt	929	963	1,077	950	847
CPO Production Cost (Exclude Replanting Cost)	RM/mt	1,306	1,347	1,487	1,410	1,215
Profit from CPO & Kernel/Mature Hectare	RM/mt	5,664	5,417	7,065	7,812	5,845

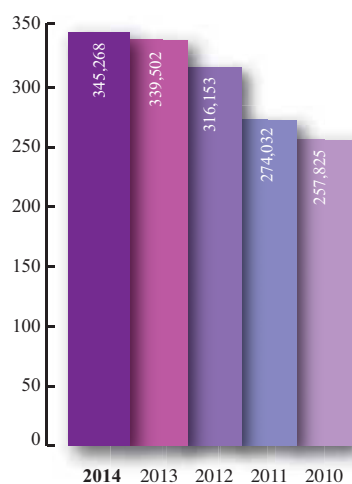
Profit Before Tax (RM'000)



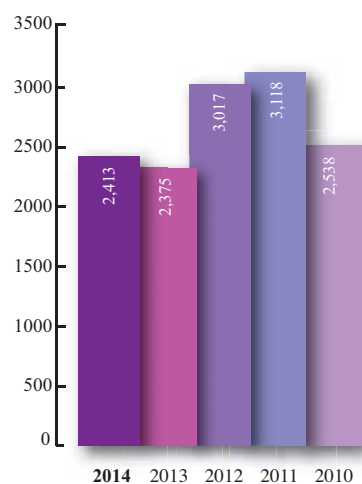
Revenue (RM'000)



FFB Production (000'mt)



Average CPO Price (RM/mt)



EXECUTIVE CHAIRMAN STATEMENT



Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to present the Annual Report and the Audited Financial Statements of Far East Holdings Berhad (“FEHB” or “Group”) for the financial year ended 31 December 2014.

Financial Performance

I would like to announce that the Group performed above expectation in the year under review despite the fluctuations in the crude palm oil (“CPO”) prices. The profit before tax of the Group for the year under review increased by 19% to RM129.24 million from RM108.71 million registered in the preceding financial year ended 31 December 2013 benefitting mainly from the earlier higher CPO prices and higher FFB (“Fresh Fruit Bunches”) productions. The prices of CPO and PK was recorded at an average RM2,413 per metric tonne and RM1,737 per metric tonne respectively in 2014 as compared to RM2,375 per metric tonne and RM1,345 per metric tonne achieved in 2013. The profit before tax for the year under review also includes RM9.34 million for the disposal of part-off Bandar Indera Mahkota Land. Share of profits from associates companies however fell by 5% to RM18.71 million from RM19.66 million recorded in 2013. The profit after tax increased by 22% from the previous year from RM85.37 million to RM104.25 million.

The Group’s earnings per share for the year under review increased by 26% to 65.87 sen from 52.19 sen registered in the previous year while the net tangible asset per share increased by 40 sen to RM7.82.

EXECUTIVE CHAIRMAN STATEMENT

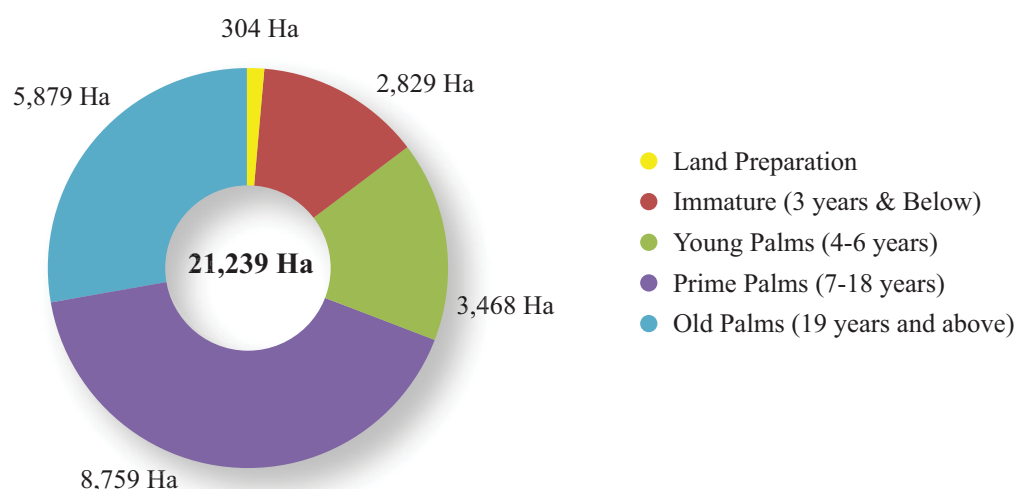
Group Operations Highlights

The Group recorded higher production of FFB at 345,268 metric tonnes, an increase of 2% when compared to 339,502 metric tonnes produced in 2013. The higher production of FFB recorded was due mainly to better palms productivity, improved labour management and increase in matured areas. The total area planted for the year under review was 21,239 hectares, whilst the matured area for the year under review was 18,106 hectares against the previous year of 16,927 hectares.

The Group achieved a lower FFB yield of 19.07 metric tonnes per hectare in 2014 compared to 20.06 metric tonnes per hectare in 2013 due to new areas coming into maturity that gives lower yield. The Group recorded an Oil Extraction Rate ("OER") of 19.11% and Palm Kernel Extraction Rate of 4.88% for 2014 compared to 18.72% and 4.87% respectively for 2013. The Company will continue to focus on improving the yield per hectare, oil extraction rates and labour productivity in view of rising wages and higher production cost envisage in the coming years.

On the milling business, Kilang Kosfarm Sdn Bhd and its subsidiary Wujud Wawasan Sdn Bhd managed to process 400,040 metric tonnes of FFB which is 18% lower compared to 485,880 metric tonnes FFB processed in the preceding year. The total CPO produced in 2014 decreased by 15% to 80,957 metric tonnes, while the production of PK recorded a decrease of 21% to 22,605 metric tonnes. On average, the mills achieved an OER and KER of 20.22% and 5.64% respectively (2013: OER of 19.53% and KER of 5.88%).

Hectarage Profile



Dividend

The Group is committed to honouring our dividend policy to enhance shareholders' value as well as to reward shareholders for their unwavering support, trust and confidence. This commitment is clearly evidenced by the good dividend payout practised by the Company.

EXECUTIVE CHAIRMAN STATEMENT

For the financial year ended 31 December 2014, an interim single tier dividend of 10.0 sen per share was paid on 19 December 2014. The Board of Directors is pleased to recommend for your approval, a final single tier dividend of 20 sen per share at the forthcoming Annual General Meeting. If approved, the total dividend paid for financial year 2014 would be 30 sen per share. This translates into a dividend yield of 3.75% at current share price to the shareholders. (2013: Dividend yield of 3.38%).

Corporate Social Responsibility (“CSR”)

While FEHB takes firm steps in ensuring sustainable growth in our oil palm plantations, we also strive to maintain our social responsibilities towards society at large especially those surrounding our estates as well as to our employees and will continue to remain committed in our efforts to institute programmes that will protect the environment.

As evidence of your Group’s commitment towards sustainable business practices, we have embarked on getting our operations certified under the Malaysian Palm Oil Board Code of Practices. Currently, the Group’s mill, Kilang Kosfarm Sdn Bhd and two of our estates namely Bukit Serok and Kampong Aur estates and our oil palm nursery had been awarded with Certificate of Compliance to the Malaysian Palm Oil Board Code of Practices.

In addition to the above, the Group’s sustainability pursuit also extends to its effort to have its oil palm milling operation namely Kilang Kosfarm Sdn Bhd to achieve lower emission of greenhouse gas through its methane capture project.

The Group estates namely Sg Seraya estate, Bukit Serok estate, Cempaka estate, Dawn estate, Kampong Aur estate, our subsidiary i.e. Kilang Kosfarm Sdn. Bhd. and our associate company, Future Prelude Sdn Bhd have been certified under the ISCC (“*International Sustainability and Carbon Certification*”). This demonstrates that biomass and bioenergy from our estates and refineries are produced in accordance to the European and German sustainability legislation.



EXECUTIVE CHAIRMAN STATEMENT



FEHB Group recognized that continuous training for the development of its employees are paramount to strengthen the foundation of its business. To enhance skills and knowledge, training programmes are conducted internally as well as by external parties and are scheduled regularly by management. We also took a proactive approach by providing opportunities for our employees to obtain professional and nationally recognized qualifications in order to enhance their knowledge and advancement in their career paths.

During the year the Group organised and participated in various programmes for the benefit of the community in the various estates and townships such as yearly Ramadhan events, festive celebrations and making contributions to the needy and also to the flood victims in Pahang.

As the Group continues to find opportunities to expand its operations, it will strive to further broaden and deepen its sustainability and CR endeavours.

Corporate Governance and Statement of Risk and Internal Control

The Statements on Corporate Governance and Statement of Risk and Internal Control are included in our Annual Report to affirm the Board's commitment to ensure that the best possible standards of Corporate Governance are practiced throughout the Group. The statements had been approved by the Board in the meeting dated 26 February 2015 for disclosure in the Annual Report.

Prospects

The plantation industry is facing continuous challenges in the forms of fluctuating prices, increasing costs, manpower shortages and unpredictable weather conditions. Nevertheless, with robust demand for food from the vegetable oils industry, the Group is expected to remain responsive to these challenges and continue to prosper in times to come.

EXECUTIVE CHAIRMAN STATEMENT

It is expected that CPO price will stay at the current level in the near term before trending higher towards the first and second quarter 2015. Overall, the Group's performance for financial year 2015 is expected to be satisfactory and we expect our FFB production to be higher in the financial year of 2015 in view of new areas coming into maturity.

The Group will endeavor to expand its plantation hectarage by acquiring land not only in Malaysia, but also beyond its shores.

Acknowledgements

On behalf of the Board, I would like to express my sincere and heartfelt thanks to our valued customers, associates and the relevant government authorities especially to the government of the State of Pahang for their assistance, support and guidance that are so essential for the growth of the Group.

I would also like to extend the Board's gratitude and heartfelt thanks to Tuan Haji Khairul Azahar bin Ariffin who retires in this forthcoming Annual General Meeting and does not offer himself for re-election. He has served the Board for nearly eight (8) years. He has participated and provided invaluable guidance from his years of corporate experience and we wish him well in his future undertakings.

My sincere appreciation is also directed to all our employees for their positive efforts in building strong team and to our shareholders for their continued faith and endorsement. Our two (2) major shareholders, i.e. LKPP Group and the Prosper Group have shown their unwavering commitment, support and confidence towards your Company.

Last but not least, my personal thanks to my fellow colleagues on the Board for their invaluable views, insights and resolute support. We hold the responsibility that all our esteemed shareholders have entrusted to us in high regards. We shall continue to deliver an even better results in FYE 2015. We shall steer the Group in pursuit of excellence and to scale greater heights.

DATO' KAMARUDDIN BIN MOHAMMED
Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Description of business

Far East Holdings Berhad (“FEHB” or “the Group”) was incorporated on 6th August 1973. 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 holdings. The principal activities of the subsidiaries of the Group consist of oil palm plantations and palm oil mill. The estates and mills of the Group are shown in page 10.

Group Financial Review

The Group managed to record an overall commendable performance in Financial Year 2014 despite it being a challenging year. The Group’s revenue for financial year 2014 has declined by 3% to RM428.34 million compared to RM439.78 million registered in 2013. The profit before tax of the Group for the year under review increased by 19% to RM129.24 million from RM108.71 million registered in the preceding financial year ended 31 December 2013 benefitting mainly from the earlier higher Crude Palm Oil prices and higher FFB (“Fresh Fruit Bunches”) productions.

Results of the Group

	Financial Year 2014 RM'000	Financial Year 2013 RM'000
Profit from plantation operation	82,216	65,990
Profit from milling operation	6,428	11,879
Share of profits from associated companies	18,712	19,662
Other income	15,582	6,591
Finance income	6,303	4,684
Loss on financial asset “at fair value through profit & loss”	-	(100)
Profit before tax	129,241	108,706

Plantation Operation

The plantation industry for the year 2014 has been characterized as challenging in view of fluctuations of average CPO price coupled with weather abnormalities.

FFB production for the year ended 31 December 2014 was 345,268 metric tonnes, which was higher by 5,766 metric tonnes (2%) when compared to the corresponding year of 2013, which was 339,502 metric tonnes. The average yield per hectare was 19.07 metric tonnes when compared to 20.06 metric tonnes achieved in 2013.

Increase in FFB production as compared to the year of 2013 was in line with the increase in matured areas by 1,179.51 hectares in Bukit Serok, Kampong Aur, Bukit Jin and Sungai Seraya estates. The Group achieved a lower FFB yield per hectare of 19.07 metric tonne per hectare in 2014 compared to 20.06 metric tonnes per hectare in 2013 due to new areas coming maturity that gives lower yield.

MANAGEMENT DISCUSSION AND ANALYSIS

Crude Palm Oil (“CPO”) and Palm Kernel (“PK”) were realized at an average price of RM2,413 per metric tonne and RM1,737 per metric tonne respectively in year 2014 (2013: Average CPO price of RM2,375 per metric tonne and average PK price of RM1,345 per metric tonne).

For the financial year, the average cost of FFB decreased by 2% to RM177 per metric tonne (ex-estate) whilst CPO cost was recorded at RM1,306 per metric tonne (ex-mill). Production cost was reduced in line with the cost control measures undertaken by the Group.

The Group recorded an Oil Extraction Rate (“OER”) of 19.11% and Palm Kernel Extraction Rate (“KER”) of 4.88% for 2014 compared to 18.72% and 4.87% respectively for 2013. While we have seen increased OER in the year under review, we will focus on improving the existing OER and increase our oil yields and labour productivity.

The profit from plantations operations for the financial year 2014 increased by 25% to RM82.22 million from RM65.99 million in the preceding financial year.

Mills

Profits from milling operations were from Kilang Kosfarm Sdn Bhd and Wujud Wawasan Sdn Bhd. In 2014, the total CPO produced by the mills reached 80,957 metric tonnes representing a decrease of 15% over 2013’s 95,076 metric tonnes. Similarly the total PK produced reduced by 21% at 22,605 metric tonnes (2013: 28,638 metric tonnes). This was in line with the lower FFB processed by the Group of 400,040 tonnes for the year under review (2013: 485,880 tonnes).

In terms of oil and kernel extraction rate, the Group’s OER increased to 20.22% in 2014 as compared to 19.53% in 2013, while KER also decreased slightly to 5.64% in 2014 from 5.88% previously.

In Malaysia, crude palm oil and palm kernel extraction rates were considerably affected by the weather. In the first half of the year due to the direct impact on field conditions and infrastructure, impeded the harvesting, collection and transportation of crop. In the second half of the year due to the impact of poorly pollinated fruit bunches, some six (6) months after the rains that resulted in lower and kernel contents.

Good milling practices are constantly being implemented with the aim to improve productivity and efficiency.

Share of Profits from Associated Companies

Share of profits from associated companies were mainly contributions from Prosper Palm Oil Mills Sdn Bhd and Future Prelude Sdn Bhd. Contribution from associates also declined by 5% from RM19.66 million in 2013 to RM18.71 million in 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Income

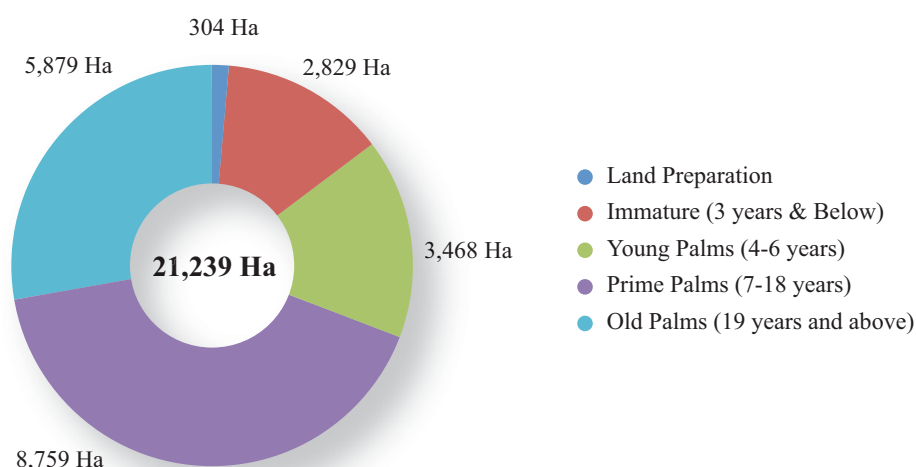
Included in the other income of RM15.58 million is the gain on disposal of part-off Bandar Indera Mahkota land amounting to RM9.34 million and the remaining balance of RM6.24 million consist of sales from scout harvesting and palm kernel shell.

Finance Income

Finance income consists of interest received from Fixed Deposit placement and Short-term Special Investment.

Operational Review

Hectarage profile as at 31 December 2014 is as below:-



The age profile of the developed areas is shown below:-

Particulars	Hectarage	%
> 19 years (old palms)	5,879	28
7 - 18 years (prime palms)	8,759	41
4 - 6 years (young palms)	3,468	16
1 - 3 years (immature palms)	2,829	13
Land preparation	304	2
Total	21,239	100

To sustain higher production, FEHB Group is committed to improving the average age profile of its palms. Replanting programmes would be undertaken for palms aged older than 25 years and new planting areas are closely monitored not only by the estates concerned but also by our Planting Advisor and Agronomist.

FEHB utilizes biological, mechanical and physical methods of managing pest over the use of chemicals such as the use of the beneficial plants such as *Turnera subulata* and *Antigonon leptopus* as well as barn owls to manage pests.

MANAGEMENT DISCUSSION AND ANALYSIS



To keep soil in good condition and minimize soil and nutrient loss, FEHB uses cover crops. Palm biomass, including palm tree fronds and empty fruit bunches are used to return nutrients to the soil whilst reducing waste.

In order to improve and sustain the FFB yield, a continuous effort has been made to ensure that Good Agricultural Practices are adopted in all stages of plantation operations from nursery preparation and field planting through to estate and mill processing.

Human Capital

The Group's employees have always been our greatest asset. We continue to place great emphasis on developing our human capital as our workforce plays a critical role in the future growth and sustainability of the business as well as the way it delivers that value.

The Group believes that an effective workforce is vital to the success of any organisation. Over the years, we have undertaken various initiatives to manage the training needs for all levels of employees in line with the Group's strategic direction and the preservation of the Group's core values of honesty, integrity and hard work. Several courses, seminars, and internal and external workshops were held during the year with modules ranging from corporate culture familiarisation, awareness and productivity to effective communication, sustainability as well as executive and leadership development.

Prospects

The plantation industry is facing continuous challenges in the forms of fluctuating prices, increasing costs, manpower shortages and unpredictable weather conditions. Nevertheless, with robust demand for food from the vegetable oils industry, the Group is expected to remain responsive to these challenges and continue to prosper in times to come.

Given the seasonal higher palm oil production in the second half of 2014, CPO prices are expected to trend higher or at least to remain at the prevailing level until the end of year 2015. The FFB production is expected to be higher in the financial year of 2015. Barring any unforeseen circumstances, the Group is expected to perform better in financial year 2015.

Moving forward, the Group is planning to replant the old trees, to control cost by instituting corporate governance as well as improve the financial management and to increase OER and KER by improving the plantation management.

AUDIT COMMITTEE REPORT

Composition Of The Audit Committee

The Audit Committee presently comprises the following Directors:

Encik Hashim Naina Merican Bin Yahaya Merican	Chairman, Independent Non-Executive Director
YH Dato' Tan Bing Hua	Member, Independent Non-Executive Director
Encik Khairul Azahar Bin Ariffin	Member, Independent Non-Executive Director

Terms of Reference

Duties and Responsibilities

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

- To undertake annual review as well as reassess the adequacy of the Terms of Reference annually.
- To review the quarterly results and year-end financial statements of the Company and the Group.
- To review all related party transactions and any conflict of interest situation that may arise.
- To review and verify annually the effectiveness of the Company's Risk Management Program.
- To ensure that the employees of the Group have given external and internal auditors appropriate assistance in discharging their duties.
- To ensure the adequacy of the scope, functions, competency and resources of the internal audit function.
- To review the internal audit plan, processes, results and implementation of recommendations.
- To appraise the performance of the Head of Internal Audit and to review his function as well as appraisals of senior staff members of the internal audit team.
- To approve appointment, resignation or termination of the Head of Internal Audit and senior staff members of the internal audit.
- To review the scope of external auditors' audit plan, their evaluation on internal control systems, their management letter and discuss any matter that the external auditors may wish to raise without the presence of management.

AUDIT COMMITTEE REPORT

- To obtain explanations from management for unusual variances in the Company's annual financial statements, review annually the independent auditors' letter of 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.
- To consider whether the independent auditors provision of non-audit services is compatible.
- To discuss and review with the external auditors any proposal from them to resign as auditors.
- To review and coordinate 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 others audit committees meetings within the Group to ensure all matters arising are being appropriately addressed.
- To consider and examine such other matters as the Board consider appropriate and beneficial.
- 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 upon by the Audit Committee and the Board.

Authority

The Committee has the following authority:

- To investigate any matter within its term of reference, to obtain the resources, and to have full and unrestricted access to information.
- Direct communication channels with the external and internal auditors.
- Obtain independent professional or other advice at the Company's expense.
- The Committee shall report to the Bursa if there is any 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.
- 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 when deemed necessary. The Committee may also invite the external auditors, the chief financial officer, any other directors or members of the management and employees of the Group.
- At least once a year, the Committee shall meet with the external auditors without the presence of any executive Board members. The Chairman of the Committee can hold 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 Institute 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.

AUDIT COMMITTEE REPORT

Overseeing the Internal Audit Function

- The Committee shall oversee all internal audit functions.
- 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.

Reporting Procedures

- The Committee shall provide a summary of their activities to the Board for inclusion in the Company's annual report.
- The Committee shall assist the Board in preparing the statement of corporate governance, statement on internal control and statement on the Board's responsibility for preparing the annual audited accounts for publication.
- The Committee may report any breaches of the Listing Requirements to the Bursa Malaysia Securities Berhad.

Attendance At Meetings

During the financial year ended 31 December 2014, the Audit Committee held a total of five (5) meetings.

No.	Date
1	20 February 2014
2	14 April 2014
3	5 May 2014
4	21 August 2014
5	18 November 2014

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
Encik Hashim Naina Merican Bin Yahaya Merican	5	5
YH Dato' Kamaruddin Bin Mohammed (Resigned from the Committee on 01.01.2015)	5	5
YH Dato' Tan Bing Hua	5	5
Encik Khairul Azahar Bin Ariffin	5	5

AUDIT COMMITTEE REPORT

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, evaluation of the system of internal controls, audit findings, management letter, management's response and the audit report.
- Reviewed the annual financial statements, semi annual returns and quarterly results of the Group for the Board approval.
- Reviewed the policy on recurrent related party transactions (RRPT) of a revenue or trading nature and recommended to the Board for approval, adoption and inclusion in the circular to shareholders in relation to the proposed renewal of shareholders' mandate for RRPT 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 to the Board for approval on the new clauses in the updated letters of engagement from the external auditors for the Group.
- 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 2015 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.

Internal Audit Function

The Audit Committee is assisted by the in-house Internal Audit Department in maintaining a sound system of internal controls. The Internal Audit Department 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 Department are presented to the Audit Committee and recommendations are duly acted upon by the management.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors is committed to ensure that the highest standards of corporate governance 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 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 2014.

The Board of Directors further confirms that the Group will continuously 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.

Set out below are descriptions of how the Group applied the Principles of the Code and how the Board has complied with the Best Practices set out in the code.

THE BOARD OF DIRECTORS

Principal Roles

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

The Board meets at least six (6) times a year, with additional meetings convened as and when necessary.

Board Balance

The current Board consists of six (6) Non-Executive Directors and two (2) Executive Directors i.e. Executive Chairman and Executive Director, Plantations, with three (3) of the eight (8) Directors being Independent Directors with a synergistic mixture of businessmen, planters, professionals and technical expertise. This mix of skills and experience is vital for the successful direction of the Group. A brief profile of each Director is presented on pages 13 to 20.

The role of the Executive Chairman and the Executive Director, Plantations are separated and clearly defined, so as to ensure that there is a balance of power and authority. The Executive Chairman is responsible for ensuring Board effectiveness and conduct, whilst the Executive Director, Plantations has 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 for the period under review. 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

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 estate's 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.

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. 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 pages 42 to 43.

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 three principal Board Committees are:-

- (i) Audit Committee
- (ii) Remuneration Committee
- (iii) Nomination Committee

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

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 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 completed their Continuing Education Programme (“CEP”) as prescribed by the Bursa Malaysia. For the financial year ended 31 December 2014, all Directors had participated and attended seminars as recommended and approved by the Board as follows:-

No	Name	Course Attended	Date Attended
1.	YH Dato’ Kamaruddin bin Mohammed	Advocacy Sessions On Corporate Disclosure Directors	02 July 2014
2.	YH Dato’ Wan Bakri bin Wan Ismail	The 16th Malaysian Strategic Outlook Conference 2014	23 January 2014
		Open Office Pengurusan Kanan LKPP One Day Seminar on Promoting WAQF	17 March 2014
		As A Mainstream Tool In The National Economic Policy	9 April 2014
		Pembangunan Individu Organisasi Berintegriti Dalam Perkhidmatan AWAM	19-20 May 2014
		Mandatory Accreditation Programme	04-05 June 2014
		11 th ISP 2014 - Plantation Industry: Sustaining The Competitive Edge	23-24 June 2014
		Symposium Kebangsaan Konservasi 2014 - Melestari Khazanah Warisan Negara	11-14 August 2014
		Bengkel Perancangan Strategik LKPP Negeri Pahang 2015-2022	4-7 September 2014
3.	YH Dato’ Tan Bing Hua	An Overview of GST	04-05 March 2014
4.	Mr Tee Kim Tee @ Tee Ching Tee	Advocacy Sessions On Corporate Disclosure Directors	02 July 2014
5.	Mr Tee Cheng Hua	An Overview of GST Disclosure Directors	04-05 March 2014
6.	En Khairul Azahar bin Ariffin	Advocacy Sessions On Corporate Disclosure Directors	02 July 2014
7.	En Hashim Naina Merican bin Yahaya Merican	Advocacy Sessions On Corporate Disclosure Directors	02 July 2014
8.	Mr Tee Lip Teng	Advocacy Sessions On Corporate Disclosure Directors	02 July 2014

CORPORATE GOVERNANCE STATEMENT

AUDIT COMMITTEE

Chairman Encik Hashim Naina Merican bin Yahaya Merican
Independent Non-Executive Director

Members YH Dato' Tan Bing Hua
Independent Non-Executive Director

Encik Khairul Azahar bin Ariffin
Independent Non-Executive Director

Terms of Reference 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 Audit Committee meets once a year with the external auditors without the presence of Executive Officers of the Company.

The Group's financial reporting and internal control system is overseen by the Audit Committee, which comprises three (3) Independent Non-Executive. 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 2014, 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 on pages 34 to 38.

CORPORATE GOVERNANCE STATEMENT

NOMINATION COMMITTEE

Chairman	YH Dato' Kamaruddin bin Mohammed (Chairman) <i>Non-Independent-Executive Director</i>
Members	Mr Tee Kim Tee @ Tee Ching Tee <i>Non-Independent Non-Executive Director</i>
	En Hashim Naina Merican bin Yahaya Merican <i>Independent Non-Executive Director</i>
Terms of Reference	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.

REMUNERATION COMMITTEE

Chairman	YH Dato' Kamaruddin bin Mohammed (Chairman) <i>Non-Independent-Executive Director</i>
Members	Mr Tee Kim Tee @ Tee Ching Tee <i>Non-Independent Non-Executive Director</i>
	Encik Khairul Azahar bin Ariffin <i>Independent Non-Executive Director</i>
Terms of Reference	The Remuneration Committee currently consists of two (2) Non-Independent 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 management.

CORPORATE GOVERNANCE STATEMENT

DIRECTORS' REMUNERATION

Directors' Remuneration

The aggregate Directors' remuneration paid or payable or otherwise made to all Directors of the Company who served during the financial year ended 31 December 2014 are as follows:-

Category	Other Fees (RM'000)	Salaries (RM'000)	Total (RM'000)
Executive	70	367	437
Non-Executive	556	772	1,328
Total	626	1,139	1,765

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

Range of Remuneration	Executive Director	Non-Executive Directors
RM50,000 - RM100,000	-	6
RM400,000 - RM450,000	1	-
RM800,000 - RM850,000	-	1

RELATIONS WITH SHAREHOLDERS AND INVESTORS

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 questions 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.

CORPORATE GOVERNANCE STATEMENT

ACCOUNTABILITY AND AUDIT

The Company's e-mail address fareast@fareh.po.my is one of the means to communicate with the Company. The Board has appointed En Hashim Naina Merican bin Yahaya Merican, an Independent Non-Executive Director as a Director responsible for Investor Relationship. Any queries with regard to the Group may be communicated to him. His email address is hashimmerican@fareh.po.my. Shareholders may also contact the Company Secretary or visit our website www.fehb.com.my for further information.

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 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 57.

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 pages 53 to 56 of the Annual Report provides an overview of the state of internal controls within the Group.

CORPORATE GOVERNANCE STATEMENT

Internal Audit

The Group has an established Internal Audit Department 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 Department reports directly to the Audit Committee and its findings and recommendations are communicated to the Board.

External Audit

The Group's 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.

RECURRENT RELATED PARTY TRANSACTIONS

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 approval from the shareholders for renewal of recurrent related party transactions of a revenue or trading nature, entered into between Far East Holdings Berhad (“FEHB”) or its subsidiary companies and related parties, at the forthcoming Annual General Meeting of FEHB scheduled to be held on 10 June 2015. 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 23.73%* equity interest in FEHB	09.09.1985 Malaysia	Operating of palm kernel mill
PPOM	FEHB directly holds 40%* 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 and cultivation of oil palm
LKPP Corp.	LKPP Corp. holds 5.96%* equity interest in FEHB. LKPP Corp. is a wholly owned subsidiary of LKPP. LKPP is a major shareholder of FEHB that holds 25.18%* equity interest in FEHB	21.06.1990 Malaysia	Operating of palm oil mill and cultivation of oil palm
Kilang Sawira Makmur	KKSB indirectly holds 31.50%* stake in Kilang Sawira Makmur via its associated company i.e. Jaspurna Holdings Sdn Bhd	18.11.1993 Malaysia	Operating of palm oil mill
FPSB	FEHB and PPOM directly hold 47.17% and 35.17% equity interest in FPSB respectively	24.10.2005 Malaysia	Manufacturing and exporting palm oil, fatty acids and chemicals compounds or derivatives

• As at 30 April 2015

RECURRENT RELATED PARTY TRANSACTIONS

<i>EPOM</i>	<i>Endau Palm Oil Mill Sdn Bhd</i>
<i>FPSB</i>	<i>Future Prelude Sdn Bhd</i>
<i>KKSB</i>	<i>Kilang Kosfarm Sdn Bhd</i>
<i>Kilang Sawira Makmur</i>	<i>Kilang Sawira Makmur Sdn Bhd</i>
<i>LKPP</i>	<i>Lembaga Kemajuan Perusahaan Pertanian Negeri Pahang</i>
<i>LKPP Corp.</i>	<i>LKPP Corporation Sdn Bhd</i>
<i>KOSMA</i>	<i>Koperasi Serbausaha Makmur Berhad</i>
<i>PTSB</i>	<i>Prosper Trading Sdn Bhd</i>
<i>PPOM</i>	<i>Prosper Palm Oil Mill Sdn Berhad</i>
<i>RPOM</i>	<i>Rompin Palm Oil Mill Sdn Bhd</i>
<i>PGC</i>	<i>PGC Management Services Sdn Bhd</i>
<i>PPOPM</i>	<i>Prosper Palm Oil Products Marketing Sdn Bhd</i>
<i>WWSB</i>	<i>Wujud Wawasan Sdn Bhd</i>

Pursuant to paragraph 10.02 of the Listing Requirements, the parties related to the FEHB Group, which have recurrent transactions of a revenue or trading nature with the Group are as follows:

Sales of fresh fruit bunches

Related Party	Nature of Transaction	Method of Pricing
KKSB	Sales of FFB by FEHB to KKSB and WWSB	Based on forward sales and MPOB pricing
WWSB	Sales of FFB between KKSB and WWSB	Based on forward sales and MPOB pricing
PPOM	Sales of FFB by KKSB to PPOM	Based on forward sales and MPOB pricing
RPOM	Sales of FFB by FEHB to RPOM	Based on forward sales and MPOB pricing
EPOM	Sales of FFB by FEHB to EPOM	Based on forward sales and MPOB pricing
Kilang Sawira Makmur	Sales of FFB by FEHB to Kilang Sawira Makmur	Based on forward sales and MPOB pricing
LKPP Corp.	Sales of FFB by FEHB to LKPP Corp.	Based on MPOB pricing

Purchases of fresh fruit bunches

Related Party	Nature of Transaction	Method of Pricing
FEHB	Purchases of FFB by KKSB from FEHB	Based on forward sales and MPOB pricing
KKSB	Purchases of FFB between KKSB and WWSB	Based on forward sales and MPOB pricing
PPOM	Purchases of FFB by KKSB from PPOM	Based on forward sales and MPOB pricing
RPOM	Purchases of FFB by KKSB from RPOM	Based on forward sales and MPOB pricing
KOSMA	Purchases of FFB by WWSB from KOSMA	Based on MPOB pricing

RECURRENT RELATED PARTY TRANSACTIONS

Sales of CPO

Related Party	Nature of Transaction	Method of Pricing
WWSB	Sales of CPO by KKSB to WWSB	Based on the contract price
KKSB	Sales of CPO by WWSB to KKSB	Based on the contract price
PPOM	Sales of CPO by KKSB and WWSB to PPOM	Based on the contract price
RPOM	Sales of CPO by KKSB and WWSB to RPOM	Based on the contract price
EPOM	Sales of CPO by KKSB and WWSB to EPOM	Based on the contract price
PGC	Sales of CPO by KKSB to PGC	Based on the forward sales and sales contract price
PPOPM	Sales of CPO by KKSB and WWSB to PPOPM	Based on the contract price
Kilang Sawira Makmur	Sales of CPO by KKSB to Kilang Sawira Makmur	Based on the contract price
FPSB	Sales of CPO by KKSB and WWSB to FPSB	Based on the contract price

Purchases of CPO

Related Party	Nature of Transaction	Method of Pricing
KKSB	Purchases of CPO by WWSB from KKSB	Based on the contract price
WWSB	Purchases of CPO by KKSB from WWSB	Based on the contract price
PPOM	Purchases of CPO by KKSB and WWSB from PPOM	Based on the contract price
RPOM	Purchases of CPO by KKSB and WWSB from RPOM	Based on the contract price
EPOM	Purchases of CPO by KKSB and WWSB from EPOM	Based on the contract price
PPOPM	Purchases of CPO by KKSB and WWSB from PPOPM	Based on the contract price
Kilang Sawira Makmur	Purchases of CPO by KKSB and WWSB from Kilang Sawira Makmur	Based on the contract price

RECURRENT RELATED PARTY TRANSACTIONS

Sales of Kernel

Related Party	Nature of Transaction	Method of Pricing
KKSB	Sales of kernel by KKSB to WWSB	Based on the contract price
WWSB	Sales of kernel by WWSB to KKSB	Based on the contract price
PTSB	Sales of kernel by KKSB and WWSB to PTSB	Based on the contract price
EPOM	Sales of kernel by WWSB to EPOM	Based on the contract price
RPOM	Sales of kernel by KKSB and WWSB to RPOM	Based on the contract price
Kilang Sawira Makmur	Sales of kernel by WWSB to Kilang Sawira Makmur	Based on the contract price

Purchases of Kernel

Related Party	Nature of Transaction	Method of Pricing
KKSB	Purchases of kernel by KKSB from WWSB	-
WWSB	Purchases of kernel by WWSB from KKSB	Based on the contract price
EPOM	Purchases of kernel by WWSB from EPOM	Based on the contract price
Kilang Sawira Makmur	Purchases of kernel by WWSB from Kilang Sawira Makmur price	Based on the contract price

Management fee

The management fee charged includes the management services for technical services, marketing services, administration and accounting services.

Related Party	Nature of Transaction	Method of Pricing
PGC	Management fee charged by PGC to KKSB, WWSB and Kilang Sawira Makmur	Based on agreed contract agreement for the management services.

RECURRENT RELATED PARTY TRANSACTIONS

Purchases of Fertilizers

Related Party	Nature of Transaction	Method of Pricing
PTSB	Purchases of fertilizers by FEHB from PTSB	Based on the agreed fertilizer prices negotiated

Aggregate Value During the Financial Year

The aggregate value of the Recurrent Related Party Transactions made during the financial year ended 31 December 2014 is shown below:-

Related Party	RM'000
FEHB	65,419
KKSB	74,049
WWSB	8,629
PPOM	28,988
RPOM	56,774
EPOM	94,769
Kilang Sawira Makmur	73,829
LKPP Corp.	1,427
KOSMA	118,453
PGC	2,000
PPOPM	-
PTSB	14,972
FPSB	36,349
Total	575,658

ADDITIONAL COMPLIANCE STATEMENTS

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.
Options	The Employees' Share Option Scheme ("ESOS") of FEHB came into effect on 18 March 2002 and had expired on 16 March 2012.
Warrant or Convertible Securities	The Company has not issued any warrant or convertible securities in the financial year ended 31 December 2014.
American Depositary Receipt ("ADR") or Global Depositary Receipt ("GDR")	The Company has not sponsored any ADR or GDR programme in the financial year ended 31 December 2014.
Approved Utilisation of Fund	There were no approved utilisation of fund obtained by the Company from the relevant bodies.
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 2014.
Non-Audit Fees	The amount of non-audit fees paid/payable to the external auditors by the Group for the financial year ended 31 December 2014 is RM43,000.
Internal Audit	The Company's In-House Internal Audit Department had incurred an expenses amounting to RM319,786 for the financial year ended 31 December 2014 (2013: RM282,709).
Material Contract	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 2014.
Profit Estimate, Forecast, Projection and Variation	There was no variation of 10% or more between the audited result for the financial year ended 31 December 2014 and the unaudited results for the quarter ended 31 December 2014 of the Company previously announced.
Profit Guarantee	The Company has not issued any profit guarantees in the financial year ended 31 December 2014.

STATEMENT ON RISK MANAGEMENT AND 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 review 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 meetings.

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.

The Internal Audit Function reviews the operational procedures and processes to ensure the effectiveness and integrity of the Group's 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 follows:

- **Board Meetings**

The Board meets at least quarterly and has a formal agenda on matters for discussion. The Chairman, together with the Executive Director, 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 RISK MANAGEMENT AND 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 objectives in enhancing shareholders' wealth. The monitoring and managing of the Group operations are delegated to its Executive Director and General Manager 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 operational 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 actions 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- **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 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.

- **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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- **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 co-operation and co-ordination to enhance productivity and quality, the Group has established plantations operations and management co-ordination meetings, which meet regularly.

- **Security**

Security for the group is enforced by in-house security unit. The documented policies and procedures for security had been laid out and form an integral part of the internal control system to safeguard the Group's assets against material loss.

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.

The board has received assurance from the Executive Director and the General Manager, Operation that the Group's risk management and internal control system is operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group.

This statement is made in accordance with a resolution of the Board of Directors dated 26 February 2015.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year then ended.

The Directors consider that, in preparing the financial statements for the financial year ended 31 December 2014, the Group has used appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent. The Directors also consider that all applicable approved accounting standards have been followed and confirm that the financial statements have been prepared on going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965 and Financial Reporting Standards in Malaysia.



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DIRECTORS' REPORT

For The Year Ended 31 December 2014

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 2014.

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 have been no significant changes in these principal activities during the financial year.

Financial results

	Group RM	Company RM
Profit for the year attributable to owners of the Company	<u>93,128,166</u>	<u>62,349,271</u>

Dividends

The dividends on ordinary shares paid or declared by the Company since 31 December 2013 were as follows:

	RM
In respect of the financial year ended 31 December 2013:	
Final single tier dividend of 15 sen per share on 141,390,000 ordinary shares paid on 18 July 2014	21,208,500
In respect of the financial year ended 31 December 2014:	
Interim single tier dividend of 10.0 sen per share on 141,390,000 ordinary shares paid on 19 December 2014	<u>14,139,000</u>
	<u>35,347,500</u>

The Directors now recommend the payment of a final single tier dividend of 20 sen per share on 141,390,000 ordinary shares amounting to RM28,278,000 for the financial year ended 31 December 2014. 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 2015.

DIRECTORS' REPORT

For The Year Ended 31 December 2014

Reserves and provisions

All material transfers to or from reserves and provisions during the financial year are shown in 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
 YH Dato' Tan Bing Hua
 YH Dato' Wan Bakri bin Wan Ismail
 Mr Tee Kim Tee @ Tee Ching Tee
 Mr Tee Cheng Hua
 Mr Tee Lip Teng
 Encik Khairul Azahar bin Ariffin
 Encik Hashim Naina Merican bin Yahaya Merican

In accordance with Article 97 of the Company's Articles of Association, Mr Tee Kim Tee @ Tee Ching Tee and Encik Khairul Azahar bin Ariffin retire by rotation at the forthcoming Annual General Meeting. Mr Tee Kim Tee @ Tee Ching Tee being eligible offer himself for re-election, however Encik Khairul Azahar bin Ariffin does not offer himself for re-election.

Pursuant to Section 129(6) of the Companies Act, 1965, the Directors over seventy years age are required to offer themselves for re-appointment annually. YH Dato' Tan Bing Hua who reached 70 years offer himself for re-election at the forthcoming Annual General Meeting and to hold office until the conclusion of the next Annual General Meeting of the Company.

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.

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 25 to the financial statements.

DIRECTORS' REPORT

For The Year Ended 31 December 2014

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 in the Company and its related corporations are as follows:

	Number of ordinary shares of RM1 each			
	1.1.2014	Bought	Sold	31.12.2014
Direct interest - in the Company				
YH Dato' Kamaruddin bin Mohammed	2,700,000	-	-	2,700,000
Mr Tee Kim Tee @ Tee Ching Tee	4,699,400	5,000	-	4,704,400
Mr Tee Cheng Hua	2,124,000	-	-	2,124,000
Encik Khairul Azahar bin Ariffin	10,000	-	-	10,000
Encik Hashim Naina Merican bin Yahaya Merican	10,000	-	-	10,000
Mr Tee Lip Teng	300,000	-	-	300,000
Indirect interest – in the Company				
	1.1.2014	Bought	Sold	31.12.2014
YH Dato' Kamaruddin bin Mohammed	600,000	-	-	600,000
YH Dato' Tan Bing Hua	44,000	-	-	44,000

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 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 statements of profit or loss and other comprehensive income and statements of financial position 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.

DIRECTORS' REPORT

For The Year Ended 31 December 2014

Statutory information on the financial statements (continued)

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
- 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 the material litigation as disclosed in Note 30 to the financial statements.

In the opinion of the Directors:

- the profits 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 profits of the operations of the Group or of the Company for the year in which this report is made.

DIRECTORS' REPORT

For The Year Ended 31 December 2014

Auditors

The auditors, McMillan Woods Thomas, have expressed their willingness to continue in office.

In accordance with a resolution of the Board of Directors dated 15 April 2015.



Dato' Kamaruddin bin Mohammed
Executive Chairman



Tee Cheng Hua
Executive Director

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Year Ended 31 December 2014

		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
Continuing operations					
Revenue	4	428,342,939	439,781,256	79,431,728	79,703,569
Other operating income		15,582,167	6,590,515	11,635,684	2,230,925
Loss on financial asset “at fair value through profit or loss”		-	(99,573)	-	(99,573)
Amortisation of amounts due from subsidiaries		-	-	1,844,014	1,671,363
Loss on initial recognition of amounts due from subsidiaries		-	-	(1,867,168)	(2,732,361)
Staff costs		(13,631,193)	(12,003,755)	(2,870,242)	(2,401,771)
Changes in inventories		(2,275,705)	(3,617,305)	-	-
Finished goods purchased		(93,104,948)	(85,311,752)	-	-
Raw material purchased		(133,965,477)	(157,838,665)	-	-
Production cess		(1,052,549)	(1,235,968)	-	-
Carriage outwards		(4,562,148)	(5,557,732)	-	-
Upkeep, repair and maintenance of assets		(4,442,483)	(3,853,349)	-	-
Utilities and fuel		(1,710,569)	(1,582,517)	-	-
Depreciation		(10,657,738)	(10,877,341)	(3,219,570)	(3,380,031)
Upkeep and cultivation		(28,114,905)	(30,650,934)	(8,581,932)	(8,810,287)
Harvesting		(19,819,792)	(18,853,034)	(5,285,148)	(5,319,703)
Estate general charges		(7,323,948)	(6,697,381)	(2,278,483)	(2,246,658)
Replanting expenses		(4,032,684)	(6,566,286)	-	(1,274,672)
Impairment loss on amount due from subsidiary		-	-	-	(443,577)
Other operating expenses		(15,004,993)	(17,266,456)	(3,239,510)	(3,764,230)
Finance income		6,303,297	4,684,348	4,275,155	3,059,441
Share of profit after tax of equity accounted associates		18,712,124	19,661,736	-	-
Profit before tax	5	129,241,395	108,705,807	69,844,528	56,192,435
Tax expenses	7	(24,987,390)	(23,334,615)	(7,495,257)	(7,233,141)
Profit for the year		104,254,005	85,371,192	62,349,271	48,959,294

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Year Ended 31 December 2014

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
Profit for the year attributable to:					
Owners of the Company		93,128,166	73,798,243	62,349,271	48,959,294
Non-controlling interests		11,125,839	11,572,949	-	-
		104,254,005	85,371,192	62,349,271	48,959,294
Profit for the year		104,254,005	85,371,192	62,349,271	48,959,294
Other comprehensive income					
<u>Items that will not be reclassified subsequently to profit or loss:</u>					
- Transfer from revaluation reserve		2,999,685	2,999,685	914,817	914,817
- Transfer to retained earnings		(2,999,685)	(2,999,685)	(914,817)	(914,817)
		-	-	-	-
<u>Item that may be reclassified subsequently to profit or loss:</u>					
- “Available for sale” - fair value gain		(408,214)	408,214	-	-
Other comprehensive income for the year		(408,214)	408,214	-	-
Total comprehensive income for the year		103,845,791	85,779,406	62,349,271	48,959,294
Total comprehensive income attributable to:					
Owners of the Company		92,719,952	74,206,457	62,349,271	48,959,294
Non-controlling interests		11,125,839	11,572,949	-	-
		103,845,791	85,779,406	62,349,271	48,959,294
Earnings per share attributable to equity holders of the Company (sen)					
- basic	8	65.87	52.19		

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

STATEMENTS OF FINANCIAL POSITION**As At 31 December 2014**

		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	Restated 2013 RM
Non-current assets					
Property, plant and equipment	10	690,147,136	686,592,185	226,900,654	228,055,188
Land held for disposal	11	22,412,539	29,262,969	22,412,539	29,262,969
Subsidiaries	12	-	-	42,499,349	42,499,349
Associates	13	306,215,834	292,136,924	89,675,168	89,675,168
		1,018,775,509	1,007,992,078	381,487,710	389,492,674
Current assets					
Other financial assets	14	3,119,698	3,031,887	-	-
Inventories	15	5,431,261	8,045,666	74,664	105,212
Receivables, deposits and prepayments	16	73,052,952	71,559,932	96,539,890	81,528,196
Tax recoverable		2,520,736	983,022	151,000	-
Deposits, cash and bank balances	17	232,520,441	205,651,524	134,893,421	130,230,446
		316,645,088	289,272,031	231,658,975	211,863,854
Less: Current liabilities					
Payables	18	29,527,796	34,602,026	2,425,731	3,062,345
Dividend payable		-	14,139,000	-	14,139,000
Current tax liabilities		150,975	1,330,152	-	587,000
		29,678,771	50,071,178	2,425,731	17,788,345
Net current assets		286,966,317	239,200,853	229,233,244	194,075,509
Less: Non-current liabilities					
Deferred tax liabilities	19	129,385,638	128,350,184	40,139,000	39,988,000
Total net assets		1,176,356,188	1,118,842,747	570,581,954	543,580,183

STATEMENTS OF FINANCIAL POSITION

As At 31 December 2014

		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
Capital and reserves attributable to owners of the Company					
Share capital	20	141,390,000	141,390,000	141,390,000	141,390,000
Share premium	21	47,997,970	47,997,970	44,947,244	44,947,244
Revaluation reserves	22	303,686,921	306,686,606	82,410,459	83,325,276
Retained earnings	23	612,983,847	552,611,710	301,834,251	273,917,663
Shareholders' equity		1,106,058,738	1,048,686,286	570,581,954	543,580,183
Non-controlling interests		70,297,450	70,156,461	-	-
Total equity		1,176,356,188	1,118,842,747	570,581,954	543,580,183

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

STATEMENTS OF CHANGES IN EQUITY

For The Year Ended 31 December 2014

Group	Note	Attributable to owners of the Company						Total equity RM
		Share capital (Note 20) RM	Share premium (Note 21) RM	Revaluation reserves (Note 22) RM	Retained earnings RM	Total RM	Non-controlling interests RM	
At 31 December 2012		141,390,000	47,997,970	309,686,291	514,287,818	1,013,362,079	67,908,721	1,081,270,800
Profit for the year		-	-	-	73,798,243	73,798,243	11,572,949	85,371,192
Other comprehensive income		-	-	(2,999,685)	3,407,899	408,214	-	408,214
Total comprehensive income		-	-	(2,999,685)	77,206,142	74,206,457	11,572,949	85,779,406
Dividends for the year ended								
- 31 December 2012	9	-	-	-	(24,743,250)	(24,743,250)	(5,292,000)	(30,035,250)
- 31 December 2013	9	-	-	-	(14,139,000)	(14,139,000)	(4,033,209)	(18,172,209)
At 31 December 2013		141,390,000	47,997,970	306,686,606	552,611,710	1,048,686,286	70,156,461	1,118,842,747

STATEMENTS OF CHANGES IN EQUITY

For The Year Ended 31 December 2014

Attributable to owners of the Company

Group	Note	Share capital (Note 20) RM	Share premium (Note 21) RM	Revaluation reserves (Note 22) RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
At 31 December 2013		141,390,000	47,997,970	306,686,606	552,611,710	1,048,686,286	70,156,461	1,118,842,747
Profit for the year		-	-	-	93,128,166	93,128,166	11,125,839	104,254,005
Other comprehensive income		-	-	(2,999,685)	2,591,471	(408,214)	-	(408,214)
Total comprehensive income		-	-	(2,999,685)	95,719,637	92,719,952	11,125,839	103,845,791
Dividends for the year ended								
- 31 December 2013	9	-	-	-	(21,208,500)	(21,208,500)	(7,758,283)	(28,966,783)
- 31 December 2014	9	-	-	-	(14,139,000)	(14,139,000)	(3,226,567)	(17,365,567)
At 31 December 2014		141,390,000	47,997,970	303,686,921	612,983,847	1,106,058,738	70,297,450	1,176,356,188

STATEMENTS OF CHANGES IN EQUITY

For The Year Ended 31 December 2014

Company	Note	Share capital (Note 20) RM	Share premium (Note 21) RM	Revaluation reserves (Note 22) RM	Retained earnings (Note 23) RM	Total RM
At 31 December 2012		141,390,000	44,947,244	84,240,093	262,925,802	533,503,139
Profit for the year		-	-	-	48,959,294	48,959,294
Other comprehensive income		-	-	(914,817)	914,817	-
Total comprehensive income		-	-	(914,817)	49,874,111	48,959,294
Dividends for the year ended						
- 31 December 2012	9	-	-	-	(24,743,250)	(24,743,250)
- 31 December 2013	9	-	-	-	(14,139,000)	(14,139,000)
At 31 December 2013		141,390,000	44,947,244	83,325,276	273,917,663	543,580,183

STATEMENTS OF CHANGES IN EQUITY

For The Year Ended 31 December 2014

Company	Note	Share capital (Note 20) RM	Share premium (Note 21) RM	Revaluation reserves (Note 22) RM	Retained earnings (Note 23) RM	Total RM
At 31 December 2013		141,390,000	44,947,244	83,325,276	273,917,663	543,580,183
Profit for the year		-	-	-	62,349,271	62,349,271
Other comprehensive income		-	-	(914,817)	914,817	-
Total comprehensive income		-	-	(914,817)	63,264,088	62,349,271
Dividends for the year ended						
- 31 December 2013	9	-	-	-	(21,208,500)	(21,208,500)
- 31 December 2014	9	-	-	-	(14,139,000)	(14,139,000)
At 31 December 2014		141,390,000	44,947,244	82,410,459	301,834,251	570,581,954

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

STATEMENTS OF CASH FLOWS

For The Year Ended 31 December 2014

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Operating activities				
Profit for the year attributable to owners of the Company	93,128,166	73,798,243	62,349,271	48,959,294
Adjustments for:				
Non-controlling interests	11,125,839	11,572,949	-	-
Property, plant and equipment				
- depreciation	10,657,738	10,877,341	3,219,570	3,380,031
- gain on disposal	(16,367)	(348,473)	-	(333,274)
- written off	1,355	16,331	313	3,173
Share of profit of associates	(18,712,124)	(19,661,736)	-	-
Gain on disposal of land held for disposal	(9,334,691)	-	(9,334,691)	-
Impairment loss on amount due from subsidiary	-	-	-	443,577
Loss on financial asset “at fair value through profit or loss”	-	99,573	-	99,573
Loss on initial recognition	-	-	1,867,168	2,732,361
Amortisation of receivable	-	-	(1,844,014)	(1,671,363)
Dividend income	-	-	(32,229,222)	(33,781,100)
Interest income	(6,303,794)	(4,684,348)	(4,275,155)	(3,059,441)
Tax expense	24,987,390	23,334,615	7,495,257	7,233,141
Operating profit before working capital	105,533,512	95,004,495	27,248,497	24,005,972
Changes in working capital:				
- inventories	2,614,405	3,760,610	30,548	92,041
- receivables, deposits and prepayments	13,523,013	10,542,077	2,723,628	(1,221,808)
- subsidiaries	-	-	(2,562,100)	(10,787,944)
- payables	(4,880,263)	(4,912,242)	(622,990)	95,035
Cash from operations	116,790,667	104,394,940	26,817,583	12,183,296
Interest received	6,215,983	4,654,375	4,275,155	3,059,441
Tax refunded	489,346	3,993,498	-	-
Tax paid	(27,158,173)	(23,776,519)	(8,082,257)	(6,673,141)
Net cash flow from operating activities	96,337,823	89,266,294	23,010,481	8,569,596

STATEMENTS OF CASH FLOWS

For The Year Ended 31 December 2014

		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
Investing activities					
Property, plant and equipment					
- purchase		(14,248,678)	(14,747,746)	(2,065,349)	(3,092,616)
- proceed from disposal		51,001	349,504	-	334,304
Purchase of investments		-	(2,000,000)	-	-
Proceed from disposal of investments		-	10,748,242	-	10,748,242
Proceed from disposal of land held for disposal, net of expenses		975,121	-	975,121	-
Dividend received		4,225,000	4,225,000	32,229,222	33,016,100
Net cash flow (used in)/from investing activities		(8,997,556)	(1,425,000)	31,138,994	41,006,030
Financing activities					
Dividend paid		(60,471,350)	(44,672,709)	(49,486,500)	(35,347,500)
Net increase in cash and cash equivalents		26,868,917	43,168,585	4,662,975	14,228,126
Cash and cash equivalents					
- at start of the year		205,651,524	162,482,939	130,230,446	116,002,320
- at end of the year	17	232,520,441	205,651,524	134,893,421	130,230,446

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

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

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, which is its functional currency.

2 Basis of preparation of financial statements

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

The preparation of financial statements are in conformity with the requirements 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.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 28 to the financial statements.

3 Summary of significant accounting policies

The principal accounting policies adopted are set out below.

(a) Property, plant and equipment

Property, plant and equipment are initially stated at cost. Land and oil palm 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 statement of profit or loss during the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

3 Summary of significant accounting policies (continued)

(a) Property, plant and equipment (continued)

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.

Long-term leasehold land is amortised in equal instalments over the period of the leases ranging from 73 to 96 years. Oil palm 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:

	%
Buildings	10
Plant and machinery	20
Motor vehicles, furniture, fixtures and equipment	20 – 33.33

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

At each year-end 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(g) on impairment of non-financial assets.

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

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

(b) Estate planting expenditure

New planting

Planting expenditure of new oil palm plantations will be capitalised as immature plantation cost and shown as property, plant and equipment. As and when the new oil palm plantations mature the capitalisation of planting expenditure will cease.

Replanting

Replanting of oil palm is charged to statement of profit or loss as replanting expenses as and when incurred.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

3 Summary of significant accounting policies (continued)

(c) Non-current assets held for sale

Non-current assets are classified as held for sale if there has been a change in management intentions in respect of the future use of the asset or disposal group, and hence the carrying amount will be recovered principally through a sale transaction rather than through continuing use.

On initial classification as held for sale, non-current assets are measured at the lower of their carrying amount and fair value less costs to sell. Immediately before the initial classification as held for sale, the carrying amount of non-current assets is measured in accordance with the applicable FRSS.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less costs to sell. Any subsequent increase in fair value less costs to sell is recognised as a gain in profit or loss, to the extent of the cumulative impairment loss that had previously been recognised.

(d) Subsidiaries and basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable return from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in profit or loss.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries made up to the end of the financial year. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same financial period as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisition of subsidiaries is accounted for by applying the purchase method. 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

3 Summary of significant accounting policies (continued)

(d) Subsidiaries and basis of consolidation (continued)

(ii) Basis of consolidation (continued)

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 non-controlling interests. 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 statement of profit or loss.

(iii) Non-controlling interests

Non-controlling interests represents the portion of profit or loss and net assets of a subsidiary attributable to equity interests that are not owned by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from owner shareholders' equity. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and the book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal of non-controlling interests is recognised directly in equity.

(e) Associates

In the Company's separate financial statements, investments in associates are stated at cost less accumulated impairment losses.

Associates are entities in which the Group is in the position to exercise 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 shares of its associates' post acquisition profits or losses is recognised in the income statement and its share of post-acquisition movements 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

3 Summary of significant accounting policies (continued)

(e) Associates (continued)

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.

(f) 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(g) on impairment of non-financial assets.

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

(g) 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflect market assessments of the time value of money and the risks specific to the asset. 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 impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

(h) 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.

(i) 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

3 Summary of significant accounting policies (continued)

(j) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss except to the extent that it relates to items recognised outside profit or loss, either in other comprehensive income or directly 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.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(k) Employee benefits

(i) Short term employee benefits

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

(ii) Defined contribution plans

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 statement of profit or loss as incurred.

(l) Financial instruments

(i) Financial assets

Financial assets are recognised in the statements of financial position when the Group and Company become a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised and derecognised using trade date accounting.

On initial recognition, financial assets are measured at fair value, plus transaction costs for financial assets not at 'fair value through profit or loss'.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

3 Summary of significant accounting policies (continued)

(l) Financial instruments (continued)

(i) Financial assets (continued)

Effective interest method is a method of calculating the amortised cost of financial assets and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash receipts through the expected life of the financial assets or a shorter period to the net carrying amount of the financial assets.

After initial recognition, financial assets are classified into one of four categories: financial assets at 'fair value through profit or loss', 'held-to-maturity' investments, loans and receivables and 'available-for-sale' financial assets.

Financial Assets at "Fair Value Through Profit or Loss"

Financial assets are classified as at "fair value through profit or loss" when the financial assets are either 'held for trading', or upon initial recognition, financial assets are designated as at "fair value through profit or loss".

A financial asset is classified as 'held for trading' if:

- it is acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective hedging instrument.

After initial recognition, financial assets at "fair value through profit or loss" are measured at fair value. Gains or losses on the financial assets at 'fair value through profit or loss' are recognised in profit or loss.

Loans and Receivables

Loans and receivables are non-derivative financial assets (such as trade receivables, loans assets, unquoted debt instruments and deposits held in banks) with fixed or determinable payments that are not quoted in an active market.

After initial recognition, loans and receivables are measured at amortised cost using the effective interest method less any accumulated impairment losses. Gains or losses are recognised in profit or loss when loans and receivables are derecognised or impaired.

Derecognition of Financial Assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the Group and Company transfer the financial assets and the transfers qualify for derecognition.

On derecognition of financial assets in their entirety, the differences between the carrying amounts and the sum of the consideration received and any cumulative gains or losses that have been recognised in other comprehensive income are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

3 Summary of significant accounting policies (continued)

(l) Financial instruments (continued)

(i) Financial assets (continued)

Impairment of Financial Assets

At the end of each reporting period, the Group and the Company assess whether there is any objective evidence that financial assets held, other than financial assets at 'fair value through profit or loss', are impaired. Financial assets are impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the financial assets which have an impact on the estimated future cash flows of the financial assets that can be reliably measured.

For other financial assets, objective evidence could include:

- significant financial difficulty of the issuer; or
- a breach of contract; or
- the lender granting to the borrower a concession that the lender would not otherwise consider; or
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from the financial assets since the initial recognition of those assets.

For certain categories of financial assets, such as trade receivables, if it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the assets are included in a group with similar credit risk characteristics and collectively assessed for impairment.

The carrying amounts of the financial assets are reduced directly, except for the carrying amounts of trade receivables which are reduced through the use of an allowance account. Any impairment loss is recognised in profit or loss immediately. If, in later periods, the amount of any impairment loss decreases, the previously recognised impairment losses are reversed directly, except for the amounts related to trade receivables which are reversed to write back the amount previously provided in the allowance account. The reversal is recognised in profit or loss immediately.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

3 Summary of significant accounting policies (continued)

(l) Financial instruments (continued)

(ii) Financial liabilities

Financial liabilities are recognised on the statement of financial position when the Group and Company become a party to the contractual provisions of the instrument.

On initial recognition, financial liabilities are measured at fair value, plus transaction costs for financial liabilities not at “fair value through profit or loss”.

After initial recognition, financial liabilities are either classified as at “fair value through profit or loss” or amortised cost using the effective interest method.

Derecognition of Financial Liabilities

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expire.

Any difference between the carrying amounts of financial liabilities derecognised and the consideration paid is recognised in profit or loss.

(m) Share capital

Ordinary shares are classified as equity. Dividends to shareholders are recognised in equity in the period in which they are paid or right to receive payment is established.

(n) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and Company and the revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable.

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.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

4 Revenue

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Sales of fresh fruit bunches	102,437,592	86,266,195	47,202,506	45,922,469
Sales of crude palm oil and palm kernel	325,905,347	353,515,061	-	-
Dividend income (gross)	-	-	32,229,222	33,781,100
	428,342,939	439,781,256	79,431,728	79,703,569

Dividend income of the Company is excluding RM17,292,428 (2013: RM14,410,356) declared by its subsidiary, Kampong Aur Oil Palm Company (Sdn.) Berhad, for the shares issued by the later to the Company which is disputed and under an on-going legal proceeding. The status of the litigation is as disclosed in Note 30 to the financial statements.

5 Profit before tax

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Auditors' remuneration	138,000	138,000	40,000	40,000
Property, plant and equipment				
- written off	1,355	16,331	313	3,173
- gain on disposal	(16,367)	(348,473)	-	(333,274)
Cost of contract workers	48,405	68,437	-	-
Gain on disposal of land held for disposal	(9,334,691)	-	(9,334,691)	-
Rental of land	487,912	490,000	-	-
Rental of lorry	2,082	9,951	-	-
Rental income	(125,406)	(82,630)	(85,376)	(33,850)

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

5 Profit before tax (continued)

(b) Employee benefits cost

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Salaries, bonus and other benefits	12,218,596	10,777,324	2,509,996	2,099,150
Defined contribution plans	1,412,597	1,226,431	360,246	302,621
	13,631,193	12,003,755	2,870,242	2,401,771

6 Key management personnel compensation

(a) Directors

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Directors of the Company				
Non-executive Directors				
- Fees	1,170,600	1,110,000	555,600	570,000
- Other emoluments	772,200	643,500	772,200	643,500
	1,942,800	1,753,500	1,327,800	1,213,500
Executive Directors				
- Fees	375,000	365,000	70,000	70,000
- Other emoluments	700,377	674,214	366,563	340,400
	1,075,377	1,039,214	436,563	410,400
Directors of subsidiaries				
Non-executive Directors				
- Fees	851,500	795,000	-	-
Total	3,869,677	3,587,714	1,764,363	1,623,900

(b) Other key management personnel

Salaries, bonus and other benefits	1,404,252	1,334,548	950,812	898,273
Defined contribution plans	193,320	181,534	140,917	133,182
Total	1,597,572	1,516,082	1,091,729	1,031,455

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

7 Tax expenses

(a) Tax charge for the year

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Malaysian income tax	23,951,936	22,857,615	7,344,257	7,009,141
Deferred tax (Note 19)	1,035,454	477,000	151,000	224,000
Tax expenses	24,987,390	23,334,615	7,495,257	7,233,141
Share of tax of equity accounted associates	6,779,858	8,619,755	-	-
Total tax expense	31,767,248	31,954,370	7,495,257	7,233,141
Malaysian income tax				
Current year	24,007,081	22,846,000	7,349,000	6,952,000
Over accrued in previous years	(55,145)	11,615	(4,743)	57,141
Deferred tax				
Temporary differences	1,035,454	477,000	151,000	224,000
Tax expenses	24,987,390	23,334,615	7,495,257	7,233,141

(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	
	2014 RM	2013 RM	2014 RM	2013 RM
Profit for the year	104,254,005	85,371,192	62,349,271	48,959,294
Total tax expenses	31,767,248	31,954,370	7,495,257	7,233,141
	136,021,253	117,325,562	69,844,528	56,192,435

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

7 Tax expenses (continued)

(b) Numerical reconciliation of income tax expense (continued)

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Tax calculated at the tax rate of 25% (2013: 25%)	34,005,313	29,331,391	17,461,132	14,048,109
Tax effect of:				
- expenses not deductible for tax purposes	1,444,652	2,647,205	429,841	891,485
- (over)/under accrued in previous years	(55,145)	474,993	(4,743)	57,141
- benefits from utilisation of reinvestment allowance	(259,294)	(168,452)	-	-
- deferred tax over accrued	(763,610)	-	-	-
- deferred tax asset not recognised	44,250	-	-	-
- income not taxable	(2,648,918)	(330,767)	(10,390,973)	(7,763,594)
Total tax expenses	31,767,248	31,954,370	7,495,257	7,233,141

8 Earnings per share

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.

	2014	2013
Profit attributable to equity holders of the Company (RM)	93,128,166	73,798,243
Weighted average number of ordinary shares in issue	141,390,000	141,390,000
Basic earnings per share (sen)	65.87	52.19

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

9 Dividends

Dividends declared or proposed for year ended 31 December 2014 are as follows:

	Group and Company		31.12.2013	
	31.12.2014		31.12.2013	
	Gross dividend per share Sen	Amount of single tier dividend RM	Gross dividend per share Sen	Amount of single tier dividend RM
Declared				
- interim single tier dividend	10.0	14,139,000	10.0	14,139,000
Proposed				
- final single tier dividend	20.0	28,278,000	15.0	21,208,500
	30.0	42,417,000	25.0	35,347,500

	Group and Company		31.12.2013	
	31.12.2014		31.12.2013	
	Single tier dividend per share Sen	Amount of single tier dividend RM	Single tier dividend per share Sen	Amount of single tier dividend RM
Dividend per share recognised as distribution to ordinary equity holders of the Company				
31 December 2013				
- paid during the year	15.0	21,208,500	-	-
31 December 2014				
- paid during the year	10.0	14,139,000	-	-
31 December 2012				
- paid during the year	-	-	17.5	24,743,250
31 December 2013				
- declared during the year	-	-	10.0	14,139,000
	25.0	35,347,500	27.5	38,882,250

Interim single tier dividend of 10 sen per share on 141,390,000 ordinary shares totalling RM14,139,000 for the financial year ended 31 December 2014 was paid on 19 December 2014.

At the forthcoming Annual General Meeting, a final single tier dividend of 20 sen per share on 141,390,000 ordinary shares amounting to RM28,278,000 will be proposed for shareholders' approval.

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 2015.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

10 Property, plant and equipment

Group	Long term leasehold land RM	Oil palm 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 2012	322,857,560	324,525,973	16,217,002	13,048,643	4,049,768	2,040,196	682,739,142
Additions	-	7,385,235	965,519	2,089,376	490,287	3,817,329	14,747,746
Reclassification	-	-	1,568,419	-	-	(1,568,419)	-
Written off	-	-	(1,530)	(1,145)	(13,656)	-	(16,331)
Disposal	-	-	(1)	-	(1,030)	-	(1,031)
Depreciation charge	(4,387,221)	(91,174)	(1,696,361)	(3,234,099)	(1,468,486)	-	(10,877,341)
Carrying amounts at 31 December 2013	318,470,339	331,820,034	17,053,048	11,902,775	3,056,883	4,289,106	686,592,185
Additions	-	8,210,414	738,789	3,208,017	704,745	1,386,713	14,248,678
Reclassification	-	-	434,591	-	1	(434,592)	-
Written off	-	-	-	(752)	(603)	-	(1,355)
Disposal	-	-	-	(34,633)	(1)	-	(34,634)
Depreciation charge	(4,387,221)	-	(1,851,524)	(3,145,543)	(1,273,450)	-	(10,657,738)
Carrying amounts at 31 December 2014	314,083,118	340,030,448	16,374,904	11,929,864	2,487,575	5,241,227	690,147,136
At 31 December 2013							
Cost	472,672	19,029,086	34,519,169	49,218,960	11,523,656	4,289,106	119,052,649
Valuation	331,159,330	313,572,453	-	-	-	-	644,731,783
Accumulated depreciation	(13,161,663)	(781,505)	(17,466,121)	(37,316,185)	(8,466,773)	-	(77,192,247)
Carrying amounts	318,470,339	331,820,034	17,053,048	11,902,775	3,056,883	4,289,106	686,592,185

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

10 Property, plant and equipment (continued)

Group	Long term leasehold land RM	Oil palm plantations RM	Buildings RM	Plant and machinery RM	Motor vehicles, furniture, fixtures and equipment RM	Assets under construction RM	Total RM
At 31 December 2014							
Cost	472,672	27,239,500	35,692,550	52,312,747	12,167,163	5,241,227	133,125,859
Valuation	331,159,330	313,572,453	-	-	-	-	644,731,783
Accumulated depreciation	(17,548,884)	(781,505)	(19,317,646)	(40,382,883)	(9,679,588)	-	(87,710,506)
Carrying amounts	314,083,118	340,030,448	16,374,904	11,929,864	2,487,575	5,241,227	690,147,136
Company							
Carrying amounts at 31 December 2012	119,011,586	101,942,456	4,364,914	711,159	2,168,483	148,209	228,346,807
Additions	-	1,785,536	425,300	286,508	173,041	422,231	3,092,616
Reclassification	-	-	570,440	-	-	(570,440)	-
Transfer	-	-	-	-	(1)	-	(1)
Written off	-	-	(1,529)	(1,142)	(502)	-	(3,173)
Disposal	-	-	(1)	-	(1,029)	-	(1,030)
Depreciation charge	(1,553,532)	(91,174)	(583,209)	(342,933)	(809,183)	-	(3,380,031)
Carrying amounts at 31 December 2013	117,458,054	103,636,818	4,775,915	653,592	1,530,809	-	228,055,188
Additions	-	1,642,812	161,000	6,990	163,247	91,300	2,065,349
Written off	-	-	-	-	(313)	-	(313)
Depreciation charge	(1,553,532)	-	(667,366)	(280,010)	(718,662)	-	(3,219,570)
Carrying amounts at 31 December 2014	115,904,522	105,279,630	4,269,549	380,572	975,081	91,300	226,900,654

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

10 Property, plant and equipment (continued)

Company	Long term leasehold land RM	Oil palm plantations RM	Buildings RM	Plant and machinery RM	Motor vehicles, furniture, fixtures and equipment RM	Assets under construction RM	Total RM
At 31 December 2013							
Cost	-	7,940,973	8,673,616	2,835,508	5,745,205	-	25,195,302
Valuation	122,118,650	96,477,350	-	-	-	-	218,596,000
Accumulated depreciation	(4,660,596)	(781,505)	(3,897,701)	(2,181,916)	(4,214,396)	-	(15,736,114)
Carrying amounts	117,458,054	103,636,818	4,775,915	653,592	1,530,809	-	228,055,188
At 31 December 2014							
Cost	-	9,583,785	8,834,616	2,842,498	5,908,139	91,300	27,260,338
Valuation	122,118,650	96,477,350	-	-	-	-	218,596,000
Accumulated depreciation	(6,214,128)	(781,505)	(4,565,067)	(2,461,926)	(4,933,058)	-	(18,955,684)
Carrying amounts	115,904,522	105,279,630	4,269,549	380,572	975,081	91,300	226,900,654

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

10 Property, plant and equipment (continued)

On 31 December 2010, independent qualified valuer had revalued the leasehold land and oil palm plantations to their open market value using the comparison method.

Details of independent professional valuation of leasehold land and oil palm plantations owned by the Group at 31 December 2014 are as follows:

Year of Valuation	Description of Property	Amount RM	Basis of valuation
2000	Leasehold land and oil palm plantations	230,177,024	Open market value
2005	Leasehold land and oil palm plantations	387,880,100	Open market value
2010	Leasehold land and oil palm plantations	649,234,672	Open market value

11 Land held for disposal

These land are presented as non-current assets even though their recovery are by way of sale since the Company has yet to enter into any formal sale and purchase agreement for their disposal.

12 Subsidiaries

	2014 RM	Company Restated 2013 RM
Unquoted shares, at cost:		
- at start and end of the year	42,499,349	42,499,349

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

12 Subsidiaries (continued)

Details of the subsidiaries, all of which are unquoted, are as follows:

Name of Company	Country of incorporation	Effective interest of the Group				Principal activities
		Company		Subsidiary		
		2014 %	2013 %	2014 %	2013 %	
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
Inai Prisma Sdn Bhd	Malaysia	100	100	-	-	Dormant company
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
F.E. Rangkaian Sdn Bhd	Malaysia	70	70	-	-	Oil palm plantations
Kilang Kosfarm Sdn Bhd	Malaysia	51	51	-	-	Palm oil mill

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

All subsidiaries are audited by McMillan Woods Thomas.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

13 Associates

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
At cost				
Unquoted shares	66,464,400	66,464,400	103,358,781	103,358,781
Accumulated impairment loss	-	-	(13,683,613)	(13,683,613)
	66,464,400	66,464,400	89,675,168	89,675,168
Share of post acquisition reserve	239,751,434	225,672,524	-	-
	306,215,834	292,136,924	89,675,168	89,675,168

Details of the associates, all of which are unquoted and incorporated in Malaysia, are as follows:

Name of company	Principal activities	Interest of the Equity held by			
		Company		Subsidiary	
		2014 %	2013 %	2014 %	2013 %
* Prosper Palm Oil Mill Sdn Berhad	Operating of palm oil mill and oil palm plantation	40.0	40.0	-	-
* Business & Budget Hotels (Kuantan) Sdn Bhd	Hotel and resort operator	36.2	36.2	-	-
# Future Prelude Sdn Bhd	Manufacturing and exporting of palm oil, fatty acids and chemicals compounds or derivatives	47.2	47.2	-	-
* Jaspurna Holdings Sdn Bhd	Investment holding	-	-	@45.0	@45.0
* PGC Management Services Sdn Bhd	Marketing of crude palm oil and management services	-	-	@30.0	@30.0

Audited by McMillan Woods Thomas

* Audited by other firms of auditors

@ Shares held by Kilang Kosfarm Sdn Bhd

All the associates are using equity accounting method.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

13 Associates (continued)

(a) Aggregate information of associates that are not individually material are as follows:

	Group
	2014
	RM
The Group share of (loss)/profit after tax	(320,905) 316,675
The Group share of total comprehensive income	(729,119) 724,889
Carrying value of Group's interest in associates	47,861,110 48,815,229

(b) Summarised financial information in respect of the Group's material associate is set out below. The summarised financial information represents the amounts of the financial statements of the associate and not the Group's share of those amounts.

(i) Summarised statements of financial position

	Prosper Palm Oil Mill Sdn Berhad
	2014
	RM
Non-current assets	596,340,282
Current assets	86,283,137
Total assets	682,623,419
Non-current liabilities	15,422,055
Current liabilities	21,314,554
Total liabilities	36,736,609
Net assets	645,886,810

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

13 Associates (continued)

- (b) Summarised financial information in respect of the Group's material associate is set out below. The summarised financial information represents the amounts of the financial statements of the associate and not the Group's share of those amounts. (continued)

(ii) Summarised statements of comprehensive income

	Prosper Palm Oil Mill Sdn Berhad	
	2014 RM	2013 RM
Revenue	244,237,730	270,788,220
Profit before tax	63,300,720	67,683,047
Total comprehensive income	47,582,572	48,362,653

- (iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associate:

	Prosper Palm Oil Mill Sdn Berhad	
	2014 RM	2013 RM
Net assets as at 1 January	608,304,238	569,941,585
Profit for the year	47,582,572	48,362,653
Dividend paid	(10,000,000)	(10,000,000)
Net assets as at 31 December	645,886,810	608,304,238
Interest in associate	40%	40%
Carrying value of Group's interest in associate	258,354,724	243,321,695

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

14 Other financial assets

	Group	
	2014 RM	2013 RM
Financial assets at “fair value through profit or loss”		
Investment in fund management	3,119,698	3,031,887

15 Inventories

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
At cost				
Finished goods	3,864,576	6,306,186	-	-
Raw material	308,396	142,491	-	-
Nurseries	518,025	810,632	-	-
Consumables	740,264	786,357	74,664	105,212
	5,431,261	8,045,666	74,664	105,212

16 Receivables, deposits and prepayments

	Group		Company	
	2014	2013	2014	Restated 2013
	RM	RM	RM	RM
Trade receivables	16,805,541	27,803,415	1,839,282	3,589,449
Other receivables	18,508,344	2,812,403	16,590,340	1,315,205
Deposits	25,540,682	26,558,842	25,495,012	26,525,652
Prepayments	11,553	26,508	4,992	12,948
Amounts due from subsidiaries	-	-	52,610,264	50,084,942
Amounts due from associates	12,186,832	14,358,764	-	-
	73,052,952	71,559,932	96,539,890	81,528,196

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

16 Receivables, deposits and prepayments (continued)

Credit term of trade receivables to the Group and to the Company is 30 days (2013: 30 days).

The amounts due from subsidiaries are advances, which are unsecured, free of interest and repayable within 30 days except for RM16,913,727 (2013: RM20,486,202) repayable in 2 to 4 years (2013: 2 to 4 years) period.

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

Included in deposits is RM25,343,897 (2013: RM26,419,327) paid to Pengarah Tanah dan Galian Pahang and Pentadbir Tanah Daerah Pekan for the alienation of 3,899.061 acres (2013: 6,423.296 acres) of land. The amount will be reflected as land and oil palm plantation once the Company obtained the land title deed from the relevant authority.

17 Cash and cash equivalents

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Deposits with licensed banks	202,006,402	166,970,715	134,843,344	129,932,331
Deposit with building society	-	3,000,000	-	-
Cash and bank balances	30,514,039	35,680,809	50,077	298,115
	232,520,441	205,651,524	134,893,421	130,230,446

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

	Group		Company	
	2014 RM %	2013 RM %	2014 RM %	2013 RM %
Deposits with licensed banks	3.12	3.07	3.22	3.08
Deposit with building society	-	3.16	-	-

As at 31 December 2014, the deposits of the Group and of the Company have maturity periods between 30 to 90 days (2013: 30 to 90 days). Bank balances are deposits held at call with banks.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

18 Payables

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Trade payables	20,014,366	24,856,442	402,804	913,710
Other payables	3,226,062	3,644,445	169,541	194,380
Deposits	5,000	67,500	5,000	67,500
Accruals	6,135,080	6,033,639	1,840,991	1,865,736
Amounts due to subsidiaries	-	-	7,395	21,019
Amount due to associate	147,288	-	-	-
	29,527,796	34,602,026	2,425,731	3,062,345

Credit terms of trade payables of the Group and of the Company ranges from 30 to 90 days (2013: 30 to 90 days).

The amounts due to subsidiaries and associates are unsecured, interest free and repayable within the normal terms.

19 Deferred tax liabilities

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	
	2014 RM	2013 RM	2014 RM	2013 RM
At start of the year	128,350,184	127,873,184	39,988,000	39,764,000
(Charged)/Credited to statement of profit or loss and other comprehensive income (Note 7)				
- property, plant and equipment	1,035,454	521,000	151,000	224,000
- others	-	(44,000)	-	-
	1,035,454	477,000	151,000	224,000
At end of the year	129,385,638	128,350,184	40,139,000	39,988,000

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

19 Deferred tax liabilities (continued)

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: (continued)

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Deferred tax assets before offsetting				
- unabsorbed business loss	(1,224,416)	(1,224,416)	-	-
Offsetting	1,224,416	1,224,416	-	-
Deferred tax assets after offsetting	-	-	-	-
Deferred tax liabilities before offsetting				
- property, plant and equipment	130,523,054	129,487,600	40,139,000	39,988,000
- others	87,000	87,000	-	-
Offsetting	(1,224,416)	(1,224,416)	-	-
Deferred tax liabilities after offsetting	129,385,638	128,350,184	40,139,000	39,988,000

20 Share capital

	Group and the Company Ordinary shares of RM1 each			
	2014 Unit	2013 Unit	2014 RM	2013 RM
Authorised				
At start and end of the year	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid				
At start and end of the year	141,390,000	141,390,000	141,390,000	141,390,000

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

21 Share premium

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
At start and end of the year	47,997,970	47,997,970	44,947,244	44,947,244

22 Revaluation reserves

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
At 1 January	306,686,606	309,686,291	83,325,276	84,240,093
Transfer to retained earnings	(2,999,685)	(2,999,685)	(914,817)	(914,817)
At 31 December	303,686,921	306,686,606	82,410,459	83,325,276

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

23 Retained earnings

The Company had moved to the single tier dividend system. Therefore all its retained earnings as at 31 December 2014 can be paid out as single tier exempt dividend.

24 Segmental information

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

25 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 12), associates (see Note 13), key management personnel and other related parties.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

25 Related parties (continued)

(a) Identity of related parties (continued)

Other related parties and their relationship are as follows:

<u>Related parties</u>	<u>Relationship</u>
- PGC Management Services Sdn Bhd	Associate of Kilang Kosfarm Sdn Bhd
- Kilang Sawira Makmur Sdn Bhd	Associate of Kilang Kosfarm Sdn Bhd
- 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 Products 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 6.

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

(c) Transactions with subsidiaries

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Dividend income				
- Kampong Aur Oil Palm Plantation (Sdn.) Berhad	-	-	6,067,722	5,056,435
- Dawn Oil Palm Plantations Sdn Bhd	-	-	9,000,750	15,481,290
- B.S. Oil Palm Plantations Sdn Bhd	-	-	9,000,750	4,500,375
- Far East Delima Plantations Sdn Bhd	-	-	80,000	-
- Kilang Kosfarm Sdn Bhd	-	-	4,080,000	4,743,000
Sales of fresh fruit bunches				
- Kilang Kosfarm Sdn Bhd	-	-	6,616,048	5,796,949

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

25 Related parties (continued)

(d) Transactions with associates

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Dividend income				
- Prosper Palm Oil Mill Sdn Berhad	-	-	4,000,000	4,000,000
Purchase of fresh fruit bunches				
- Prosper Palm Oil Mill Sdn Berhad	302,178	13,437,416	-	-
Sales of crude palm oil and palm kernel				
- Future Prelude Sdn Bhd	36,349,336	34,767,904	-	-
- Prosper Palm Oil Mill Sdn Berhad	21,591,414	34,324,919	-	-
- PGC Management Services Sdn Bhd	-	8,809,236	-	-
Purchase of crude palm oil and palm kernel				
- Prosper Palm Oil Mill Sdn Berhad	7,094,301	8,877,075	-	-
Management fee payable to PGC Management Services Sdn Bhd				
	2,000,200	2,429,400	-	-

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

25 Related parties (continued)

(e) Other related parties transactions

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Sales of fresh fruit bunches				
- Rompin Palm Oil Mill Sdn Bhd	16,532,960	3,497,259	-	-
- LKPP Corporation Sendirian Berhad	1,427,010	1,376,446	1,427,010	1,376,446
- Kilang Sawira Makmur Sdn Bhd	62,892,954	54,626,548	15,510,625	13,138,474
- Endau Palm Oil Mill Sdn Bhd	-	2,884,954	-	-
Purchase of fresh fruit bunches				
- Rompin Palm Oil Mill Sdn Bhd	-	1,288,576	-	-
- Koperasi Serbausaha Makmur Berhad	118,453,498	122,632,951	-	-
Sales of crude palm oil and palm kernel				
- Prosper Trading Sdn Bhd	14,971,627	26,809,234	-	-
- Prosper Palm Oil Products Marketing Sdn Bhd	1,487,373	1,265,823	-	-
- Endau Palm Oil Mill Sdn Bhd	45,470,167	44,732,489	-	-
- Rompin Palm Oil Mill Sdn Bhd	22,047,921	27,929,312	-	-
- Kilang Sawira Makmur Sdn Bhd	534,683	448,580	-	-
Purchase of crude palm oil and palm kernel				
- Endau Palm Oil Mill Sdn Bhd	49,299,091	38,022,274	-	-
- Rompin Palm Oil Mill Sdn Bhd	18,192,807	16,072,638	-	-
- Kilang Sawira Makmur Sdn Bhd	10,401,405	13,773,642	-	-
Purchase of fertiliser				
Prosper Trading Sdn Bhd	-	1,322,175	-	508,710

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

25 Related parties (continued)

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Related parties				
Receivables:				
- Rompin Palm Oil Mill Sdn Bhd	3,233,092	2,492,767	-	256,974
- Kilang Kosfarm Sdn Bhd	-	-	2,276,668	4,476,332
- Prosper Trading Sdn Bhd	785,640	3,016,947	-	-
- PGC Management Services Sdn Bhd	-	859,852	-	-
- LKPP Corporation Sendirian Berhad	101,440	135,764	101,440	135,764
- Prosper Palm Oil Mill Sdn Berhad	1,127,479	2,254,676	-	-
- Future Prelude Sdn Bhd	9,439,592	9,493,081	-	-
- Kilang Sawira Makmur Sdn Bhd	3,303,205	4,395,560	597,831	1,151,926
- Endau Palm Oil Mills Sdn Bhd	-	3,128,620	-	-
Payables:				
- PGC Management Services Sdn Bhd	147,288	139,365	-	-
- Endau Palm Oil Mills Sdn Bhd	10,078,150	12,867,924	-	-
- Kilang Sawira Makmur Sdn Bhd	-	589,118	-	-
- Koperasi Serbausaha Makmur Berhad	6,852,621	10,200,516	-	-

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

26 Capital commitments

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Authorised by the Directors and not contracted	61,818,170	63,824,570	43,732,765	43,082,955
Analysed as follows:				
- property, plant and equipment	10,082,300	7,079,550	2,270,800	821,550
- oil palm plantation development	11,735,870	16,745,020	1,461,965	2,261,405
- acquisition of land	40,000,000	40,000,000	40,000,000	40,000,000
	61,818,170	63,824,570	43,732,765	43,082,955

27 Financial instruments

(a) Classification of financial instruments

Group 31.12.2014	Financial assets "at fair value through profit or loss" RM	Loan and receivables RM	Financial liabilities, at amortised cost RM	Total RM
Financial assets				
Investment in fund management	3,119,698	-	-	3,119,698
Trade and other receivables	-	35,313,885	-	35,313,885
Amounts due from associates	-	12,186,832	-	12,186,832
Deposits, cash and bank balances	-	232,520,441	-	232,520,441
Total financial assets	3,119,698	280,021,158	-	283,140,856
Financial liabilities				
Trade and other payables	-	-	23,240,428	23,240,428
Amount due to associate	-	-	147,288	147,288
Accruals	-	-	6,135,080	6,135,080
Total financial liabilities	-	-	29,522,796	29,522,796

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

27 Financial instruments (continued)

(a) Classification of financial instruments (continued)

Group 31.12.2013	Financial assets “at fair value through profit or loss” RM	Loan and receivables RM	Financial liabilities, at amortised cost RM	Total RM
Financial assets				
Investment in fund management	3,031,887	-	-	3,031,887
Trade and other receivables	-	30,615,818	-	30,615,818
Amounts due from associates	-	14,358,764	-	14,358,764
Deposits, cash and bank balances	-	205,651,524	-	205,651,524
Total financial assets	3,031,887	250,626,106	-	253,657,993
Financial liabilities				
Trade and other payables	-	-	28,500,887	28,500,887
Accruals	-	-	6,033,639	6,033,639
Total financial liabilities	-	-	34,534,526	34,534,526

Company 31.12.2014	Loan and receivables RM	Financial liabilities, at amortised cost RM	Total RM
Trade and other receivables	18,429,622	-	18,429,622
Amounts due from subsidiaries	52,610,264	-	52,610,264
Deposits, cash and bank balances	134,893,421	-	134,893,421
Total financial assets	205,933,307	-	205,933,307
Financial liabilities			
Trade and other payables	-	572,345	572,345
Amounts due to subsidiaries	-	7,395	7,395
Accruals	-	1,840,991	1,840,991
Total financial liabilities	-	2,420,731	2,420,731

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

27 Financial instruments (continued)

(a) Classification of financial instruments (continued)

Company 31.12.2013	Loan and receivables RM	Financial liabilities, at amortised cost RM	Total RM
Trade and other receivables	4,904,654	-	4,904,654
Amounts due from subsidiaries	50,084,942	-	50,084,942
Deposits, cash and bank balances	130,230,446	-	130,230,446
	<hr/>		
Total financial assets	185,220,042	-	185,220,042
	<hr/>		
Financial liabilities			
Trade and other payables	-	1,108,090	1,108,090
Amounts due to subsidiaries	-	21,019	21,019
Accruals	-	1,865,736	1,865,736
	<hr/>		
Total financial liabilities	-	2,994,845	2,994,845
	<hr/>		

(b) Financial risk management objectives and policies

The Group's operations are subject to a variety of financial risks, including interest rate risk, credit risk, market risk, liquidity risk and cash flow risk.

The Group's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders. The Board regularly reviews these risks and approves treasury policies, which cover the management of these risks. It is not the Group's policy to engage in speculative transactions.

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 deposits is managed through the use of fixed and floating rates negotiated and agreed by the Group and the financial institutions.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

27 Financial instruments (continued)

(b) Financial risk management objectives and policies (continued)

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

Credit risk is the risk of loss that may arise from the outstanding financial instruments should a counterparty default on its obligations. The Group and Company are exposed to credit risk primarily from trade receivables, other receivables and deposits, cash and bank balances with financial institutions.

As at the current and previous financial year-end, the Group and Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position. Receivables are continuously being monitored to ensure that exposure to bad debts are minimised.

The ageing of trade receivables of the Group and Company are as follows:

Group	Impairment		Net
	Gross	loss	
2014	RM	RM	RM
Not past due	16,754,620	-	16,754,620
More than 120 days past due	50,921	-	50,921
	16,805,541	-	16,805,541
2013			
Not past due	27,752,494	-	27,752,494
More than 120 days past due	50,921	-	50,921
	27,803,415	-	27,803,415

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

27 Financial instruments (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

Company	Gross	Impairment loss	Net
2014	RM	RM	RM
Not past due	1,839,282	-	1,839,282
2013			
Not past due	3,589,449	-	3,589,449

Receivables that are neither past due nor impaired

Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and Company. None of the Group and Company's receivables that are neither past due nor impaired have been renegotiated during the current and previous year.

The Group and Company have no significant concentration of credit risk that may arise from exposures to a single debtor or counterparty.

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.

The following tables analysed the remaining maturity for non-derivatives financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on earliest date on which the Group can be required to pay.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

27 Financial instruments (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity and cash flow risk (continued)

Group 2014	Not later than 1 month RM	1 month to 3 months RM	3 months to 1 year RM	Total RM
Trade and other payables	21,447,776	1,424,762	367,890	23,240,428
Amount due to associate	147,288	-	-	147,288
Accruals	3,344,274	-	2,790,806	6,135,080
	24,939,338	1,424,762	3,158,696	29,522,796
2013	RM	RM	RM	RM
Trade and other payables	16,759,016	10,992,305	749,566	28,500,887
Accruals	3,383,269	-	2,650,370	6,033,639
	20,142,285	10,992,305	3,399,936	34,534,526
Company 2014		Not later than 1 month RM	3 months to 1 year RM	Total RM
Trade and other payables		572,345	-	572,345
Amounts due to subsidiaries		7,395	-	7,395
Accruals		980,391	860,600	1,840,991
		1,560,131	860,600	2,420,731
2013		RM	RM	RM
Trade and other payables		1,108,090	-	1,108,090
Amounts due to subsidiaries		21,019	-	21,019
Accruals		1,057,736	808,000	1,865,736
		2,186,845	808,000	2,994,845

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

27 Financial instruments (continued)

(c) Fair value of financial instruments carried at amortised cost and cost

The carrying amounts of the financial assets and financial liabilities are recognised at their fair values, except for the following financial assets and financial liabilities, which are recognised at cost and amortised cost after initial recognition. However, the Directors are of the opinion that the carrying amounts do not materially differ from their fair values:

Group	2014		2013	
	Carrying amounts RM	Fair values RM	Carrying amounts RM	Fair values RM
Financial assets				
<i>Financial assets “at fair value through profit or loss”</i>				
Investment in fund management	3,119,698	3,119,698	3,031,887	3,031,887
<i>Loan and receivables</i>				
Trade and other receivables	35,313,885	35,313,885	30,615,818	30,615,818
Amounts due from associates	12,186,832	12,186,832	14,358,764	14,358,764
Deposits, cash and bank balances	232,520,441	232,520,441	205,651,524	205,651,524
Total financial assets	283,140,856	283,140,856	253,657,993	253,657,993
Financial liabilities				
<i>Financial liabilities at amortised cost</i>				
Trade and other payables	23,240,428	23,240,428	28,500,887	28,500,887
Accruals	6,135,080	6,135,080	6,033,639	6,033,639
Amount due to associate	147,288	147,288	-	-
Total financial liabilities	29,522,796	29,522,796	34,534,526	34,534,526

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

27 Financial instruments (continued)

(c) Fair value of financial instruments carried at amortised cost and cost (continued)

	2014		2013	
	Carrying amounts RM	Fair values RM	Carrying amounts Restated RM	Fair values Restated RM
Company				
Financial assets				
<i>Loan and receivables</i>				
Trade and other receivables	18,429,622	18,429,622	4,904,654	4,904,654
Amounts due from subsidiaries	19,876,257	19,876,257	13,223,851	13,223,851
Amounts due from subsidiaries	32,734,007	32,734,007	36,861,091	36,861,091
Deposits, cash and bank balances	134,893,421	134,893,421	130,230,446	130,230,446
Total financial assets	205,933,307	205,933,307	185,220,042	185,220,042
Financial liabilities				
<i>Financial liabilities at amortised cost</i>				
Trade and other payables	572,345	572,345	1,108,090	1,108,090
Amounts due to subsidiaries	7,395	7,395	21,019	21,019
Accruals	1,840,991	1,840,991	1,865,736	1,865,736
Total financial liabilities	2,420,731	2,420,731	2,994,845	2,994,845

Valuation technique and significant assumptions used in determining fair value of financial assets and financial liabilities recognised at amortised cost or cost after initial recognition are as follows:

Financial assets without published price in active market

The fair values of financial assets not traded on active markets are determined by using generally accepted valuation technique.

Financial assets with published price in active market

The fair values of financial assets traded on active markets are determined with reference to their quoted market price.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

27 Financial instruments (continued)

(c) Fair value of financial instruments carried at amortised cost and cost (continued)

Trade and other receivables, amounts due from associates/subsidiaries, deposits, cash and bank balances, trade and other payables, amounts due to subsidiaries and accruals.

The carrying amounts approximate the fair value due to their short-term nature except for RM32,734,007 (2013: RM36,861,091) due from two of the subsidiaries. The fair value is estimated by discounting the future cash flow at the rate of 5.425%, based on estimated borrowing cost of the companies.

28 Critical accounting estimates and assumptions

Estimates and judgment are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Estimated impairment of property, plant and equipment

Determining whether the property, plant and equipment are impaired requires an estimation of value in use of the property, plant and equipment. The value in use calculation requires the management to estimate the future cash flows and an appropriate discount rate in order to calculate the present value of future cash flows. The management has evaluated such estimates and is confident that no allowance for impairment is necessary.

(b) Estimated useful life of property, plant and equipment

The residual value and the useful life of the property, plant and equipment are reviewed at each year-end. The review is based on factors such as business plans and strategies, expected level of usage and future regulatory changes. The estimation of the residual values and useful life involve significant judgment.

(c) Allowance for doubtful debts

The Group assesses at each balance sheet date whether there is objective evidence that trade receivables have been impaired. Impairment loss is calculated based on a review of the current assets of existing receivables and historical collections experience. Such provisions are adjusted periodically to reflect the actual and anticipated impairment.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

28 Critical accounting estimates and assumptions (continued)

(d) Income tax expense

The Group is subject to income tax in Malaysian jurisdiction. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax matters based on estimates of whether additional taxes will be due. If the final outcome of these tax matters result in a difference in the amounts initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made.

(e) Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts internal and external to the Group for matters in the ordinary course of business. Please refer to Note 30 of the financial statements for details.

29 Adoption of new and revised Financial Reporting Standards and Interpretations

During the financial year, the Group has adopted the following new and revised Financial Reporting Standards and Interpretations (collectively referred to as 'FRSs'), issued by the Malaysian Accounting Standards Board ('MASB') and effective for the financial periods beginning on or after 1 January 2014:

FRSs that do not have significant impacts on these financial statements

The following new and revised FRSs issued by the MASB, effective for financial periods beginning on or after 1 January 2014, have been adopted, but the adoptions do not have a significant impact on the financial statements:

FRS 10, FRS 12 and FRS 127	Investment Entities (Amendments to FRS 10, FRS 12 and FRS 127)
Amendment to FRS 132	Financial instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
Amendment to FRS 136	Impairment of Assets – Recoverable Amount Disclosure for Non-Financial Assets
Amendment to FRS 139	Financial Instruments: Recognised and Measurement – Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Leases

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

29 Adoption of new and revised Financial Reporting Standards and Interpretations (continued)

FRSs that have been issued but are not yet effective

The Group has not adopted the following FRSs that have been issued by the MASB but are not yet effective:

Effective for financial period beginning on or after 1 July 2014

Amendments to FRS 119	Defined Benefit Plans: Employee Contributions
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Annual Improvements to FRSs 2010 – 2012 Cycle:

Amendment to FRS 2	Share-based Payment
Amendment to FRS 3	Business Combinations
Amendment to FRS 8	Operating Segments
Amendment to FRS 13	Fair Value Measurement
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 124	Related Party Disclosures
Amendment to FRS 138	Intangible Assets

Annual Improvements to FRSs 2011 – 2013 Cycle:

Amendment to FRS 1	First-time Adoption of Financial Reporting Standards
Amendment to FRS 3	Business Combinations
Amendment to FRS 13	Fair Value Measurement
Amendment to FRS 140	Investment Property

Effective for financial period beginning on or after 1 January 2016

Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
FRS 14	Regulatory Deferral Accounts
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 127	Equity Method in Separate Financial Statements

Annual Improvements to FRSs 2012 – 2014 Cycle:

Amendments to FRS 5	Non-current Assets Held for sale and Discontinued Operations
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 119	Employee Benefits
Amendments to FRS 134	Interim Financial Reporting

Effective for financial period beginning on or after 1 January 2018

FRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)
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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

29 Adoption of new and revised Financial Reporting Standards and Interpretations (continued)

Malaysian Financial Reporting Standards ('MFRS Framework')

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the MFRS Framework. The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture ('MFRS 141') and IC Interpretation 15 Agreements for Construction of Real Estate ('IC 15'), including its parent, significant investor and venture (herein called 'Transitioning Entities'). On 2 September 2014, MASB announced that it will permit Transitioning Entities to defer the adoption of the new MFRS Framework until annual periods beginning on or after 1 January 2017.

The Company falls within the scope of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 31 December 2017. In presenting its first MFRS financial statements, the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group is reviewing its accounting policies to assess its financial effects of the differences between the current FRS and the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2014 could be different if they are prepared under the MFRS Framework.

30 Material litigation

- 1.1 The Judgment of Judicial Review by the Learned Judicial Commissioner Datin Azizah binti Nawawi was delivered on the 21 November 2013 in relation to the Final Award by the Arbitrator for the following High Court case.

IN THE HIGH COURT AT KUALA LUMPUR ORIGINATING SUMMONS NO.24NCC(ARB) - 46-11/2012

1. Far East Holdings Berhad ("FEHB")
 2. Kampong Aur Oil Palm Company (Sdn.) Berhad ("KAOP") - Plaintiffs
- And

Majlis Ugama Islam dan Adat Resam Melayu Pahang ("MUIP") - Defendant

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

30 Material litigation (continued)

IN THE HIGH COURT AT KUALA LUMPUR
ORIGINATING SUMMONS NO.24NCC(ARB)-54-11/2012
(formerly 47-11/2013)

Majlis Ugama Islam dan Adat Resam Melayu Pahang (“MUIP”) - Plaintiff
 And

1. Far East Holdings Berhad (“FEHB”) - 1st Defendant
2. Kampong Aur Oil Palm Company (Sdn.) Berhad (“KAOP”) - 2nd Defendant

1.2 The Arbitrator in its Final Award dated 19 September 2012 had awarded the followings:

- (a) a declaration that the additional allotment of 22,096,868 shares in the 2nd Respondent (“KAOP”) and the registration of 22,096,868 shares in the name of the 1st Respondent (“FEHB”) is unlawful and contrary to the terms and spirit of the Agreement dated 16th January 1992;
- (b) the share certificate/s and other documents relating to 22,096,868 shares in the 2nd Respondent which are registered under the name of the 1st Respondent is to be returned by the 1st Respondent to the Company Secretary of the 2nd Respondent for cancellation and the Company Secretary of the 2nd Respondent is to take the necessary steps to reinstate the status of the shareholding of the 2nd Respondent to:

<u>Party</u>	<u>Shares</u>	<u>Percentage</u>
1 st Respondent	16,836,715	67.61%
Claimant (“MUIP”)	8,066,417	32.39%

- (c) a declaration that the Claimant had exercised the 1st Option to purchase 16% of the shares amounting to 3,984,501 shares in the 2nd Respondent from the 1st Respondent in accordance with Clause 2.02(b), (c) and (d) of the Agreement dated 16th January 1992;
- (d) an award that the 1st Respondent transfers 16% of the shares (3,984,501 shares) in the 2nd Respondent which is registered under the name of the 1st Respondent to the Claimant within fourteen (14) days from the date of this Award and the stamp duty, if any, for the transfer is payable by the Claimant;
- (e) a declaration that the Claimant had exercised the 2nd Option to purchase 11% of the shares (2,739,344 shares) in the 2nd Respondent in accordance with Clause 2.02(e) and (f) of the Agreement dated 16th January 1992;

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

30 Material litigation (continued)

1.2 The Arbitrator in its Final Award dated 19 September 2012 had awarded the followings: (continued)

- (f) the Share price to be paid by the Claimant for the exercise of the 2nd Option in accordance with Clause 2.02(e) of the Agreement dated 16 January 1992 is fixed at RM5.3244 per share;
- (g) an award that the 1st Respondent transfers 11% of the shares (2,739,344 shares) in the 2nd Respondent which is registered under the name of the 1st Respondent to the Claimant within fourteen (14) days from the date of this Award and that the stamp duty, if any, for the transfer is payable by the Claimant;
- (h) an award that the 1st Respondent pays to the Claimant the damages and losses in respect of the dividends for the dilution of the Claimant's interest in the 2nd Respondent to 17.16% and for the failure on the part of the 1st Respondent to transfer 16% and 11% of the shares, respectively, in the 2nd Respondent to the Claimant amounting to RM97,692,957 for the period up to 2010;
- (i) that the consideration amount for the exercise of the 1st and 2nd Options (as determined in paragraph 30.11 of the Final Award) amounting to RM19,884,749.20 be deducted from the amount due and payable to the Claimant as per the Final Award;
- (ii) that the net amount of RM77,808,207.80 be paid by the 1st Respondent to the Claimant.

The Arbitrator had awarded the Claimant interest at 4% per annum to be paid by the 1st Respondent, on the amount of RM77,808,207.80, using the same basis of the calculation as stated by the Arbitrator, until payment.

- (i) that the 1st Respondent pays to the Claimant for the loss of dividends for the year 2011 and from 1st January 2012 to the date of the Final Award on the same basis as if the shares owned by the 1st Respondent and the Claimant in the 2nd Respondent is 10,112,870 shares and 14,790,262 shares, respectively.

The Arbitrator also awarded the Claimant interest at 4% per annum to be paid by the 1st Respondent, using the same basis of the calculation as stated by the Arbitrator; for the loss of dividends for the year 2011 and from 1st January 2012 to the date of the Final Award on the basis as if the shares owned by the 1st Respondent and the Claimant in the 2nd Respondent is 10,112,870 shares and 14,790,262 shares, respectively and thereafter at 4% per annum till payment.

- (j) to award costs RM150,000.00 to be paid by the Respondents to the Claimant for the cost of arbitration (*which includes all out of pocket expenses and the fees paid to the Arbitrator*).

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

30 Material litigation (continued)

1.3 The Judgment by the Learned Judicial Commissioner Datin Azizah binti Nawawi in reference to case number **24NCC(ARB)-46-11/2012** were as follows:

(i) That the Arbitrator was correct in law on the following issues and the Plaintiff's claim had been dismissed:

- ❖ As regard to the increase in the paid up capital of KAOP;
- ❖ As regard to the 1st Option;
- ❖ As regard to the 2nd Option; and
- ❖ As regard to award of damages to the breach.

(ii) That the Arbitrator had erred in law in awarding the pre-award interest and post-award interest as it was not specifically pleaded and as such the award of interest of the Arbitrator Final Award had been set aside.

1.4 The Judgment by the learned Judicial Commissioner Datin Azizah binti Nawawi in reference to case number **24NCC (ARB)-54-11/2012**, subject to her ruling on the issue of interest, the learned Judicial Commissioner allowed the Plaintiff's application for the Final Award of the Arbitrator as a judgment.

1.5 The Judicial Commissioner had also ordered FEHB is to pay to MUIP a total cost of RM70,000.00 for both originating summon cases.

1.6 A notice of application for stay of execution of the Judgment dated 21 November 2013 was filed in court by FEHB/KAOP on the 13 December 2013. The application was heard by the Learned Judicial Commissioner on 7 February 2014 and she adjourned it to 19 February 2014 for decision.

The Learned Judicial Commissioner had on the 19 February 2014 delivered her decision on the application for stay by FEHB/KAOP. The Learned Judicial Commissioner has granted stay pending the appeal with no order as to costs. The Learned Judicial Commissioner has also ordered that in the meantime, no changes are to be made to the shares concerned.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

30 Material litigation (continued)

- 1.7 FEHB/KAOP had also filed a notice of appeal on 3 December 2013 to the Court of Appeal against the said Judgment and Order.

Appeal by FEHB/KAOP

COURT OF APPEAL - CIVIL APPEAL NO. W-02(NCC)(A) - 2672-12/2013

1. Far East Holdings Berhad (“FEHB”)
2. Kampong Aur Oil Palm Company (Sdn.) Berhad (“KAOP”) - Appellants

And

Majlis Ugama Islam dan Adat Resam Melayu Pahang (“MUIP”) - Respondent

COURT OF APPEAL - CIVIL APPEAL NO. W-02(NCC)(A) - 2671-2/2013

1. Far East Holdings Berhad (“FEHB”)
2. Kampong Aur Oil Palm Company (Sdn.) Berhad (“KAOP”) - Appellants

And

Majlis Ugama Islam dan Adat Resam Melayu Pahang (“MUIP”) - Respondent

- 1.8 MUIP had also filed a notice of appeal dated 19.12.2013 to the Court of Appeal against part of the decision of the learned Judicial Commissioner Datin Azizah binti Nawawi which held that the pre-award interest and the post-award interest in the Final Award dated 19.9.2012 be set aside.

Appeal by MUIP

COURT OF APPEAL - CIVIL APPEAL NO. W-02(NCC)(A) - 2781-12/2013

Majlis Ugama Islam dan Adat Resam Melayu Pahang (“MUIP”) - Appellant

And

1. Far East Holdings Berhad (“FEHB”)
2. Kampong Aur Oil Palm Company (Sdn.) Berhad (“KAOP”) - Respondents

- 1.9 The above appeals were heard by the Court of Appeal on 12.1.2015. After hearing submissions from counsel of both parties the court adjourned the appeal for decision. Date for decision has yet to be fixed by the court of appeal registry.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2014

31 Comparative figures

Certain comparative figures in the statement of financial position as at 31 December 2013 have been reclassified to conform to current year presentation.

	As previously stated RM	Re- classifications RM	As restated RM
Company			
Subsidiaries	37,999,349	4,500,000	42,499,349
Receivables, deposits and prepayments			
Amounts due from subsidiaries	54,584,942	(4,500,000)	50,084,942

32 Supplementary information on the breakdown of realised and unrealised profits and losses

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2014, into realised and unrealised profits, pursuant to the directive, is as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Realised	627,490,587	569,153,708	310,267,323	283,780,729
Unrealised	(14,506,740)	(16,541,998)	(8,433,072)	(9,863,066)
	612,983,847	552,611,710	301,834,251	273,917,663

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20 December 2010.

33 Approval of financial statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 15 April 2015.

STATEMENT BY DIRECTORS**Pursuant To Section 169(15) of the Companies Act, 1965**

We, Dato' Kamaruddin bin Mohammed and Tee Cheng Hua, 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 64 to 121 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 2014 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with Financial Reporting Standards issued by the Malaysian Accounting Standards and the requirements of the Companies Act, 1965.

The supplementary information set out in Note 32 on page 121 have been prepared in accordance with the guidance as Special Matters No.1, refer matters of realised and unrealised profit or loss in the context Disclosure Pursuant to Bursa Malaysia Security Listing Requirements as owned by the Malaysian Institutes of Accountants.

Signed in accordance with a resolution of the Board of Directors dated 15 April 2015.



Dato' Kamaruddin bin Mohammed
Executive Chairman



Tee Cheng Hua
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 64 to 121 are, to the best of my knowledge and belief, 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: 15 April 2015

Before me:

Commissioner for Oaths



B-8, Tingkat 2,
Lorong Tun Ismail 1,
Sri Dagangan 2,
25000 Kuantan, Pahang.

INDEPENDENT AUDITORS' REPORT

To The Members of Far East Holdings Berhad

Report on the Financial Statements

We have audited the financial statements of Far East Holdings Berhad, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 64 to 121.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 of financial statements that give a true and fair view 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.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT

To The Members of Far East Holdings Berhad

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 financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other reporting responsibilities

The supplementary information set out in Note 32 on page 121 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad (Bursa Malaysia) and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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.



McMillan Woods Thomas
(AF 001879)
Chartered Accountants



Jay Julian A/L Jaya Thalagah
[2692/12/15(J)]
Partner of the firm

Kuantan : 15 April 2015

SHAREHOLDINGS STRUCTURE**As at 15 April 2015****TOP THIRTY (30) SECURITIES ACCOUNT HOLDERS**

(Without aggregating the securities from different securities account belonging to the same Depositor)

	NAMES	NRIC/ REGISTRATION NO.	NO. OF SHARES	%
1	AMSEC NOMINEES (TEMPATAN) SDN BHD <PLEDGED SECURITIES ACCOUNT FOR PROSPER TRADING SDN BERHAD>	102918T	23,054,400	16.31
2	LEMBAGA KEMAJUAN PERUSAHAAN PERTANIAN NEGERI PAHANG	LKPPNPECT71971	22,807,800	16.13
3	LEMBAGA KEMAJUAN PERUSAHAAN PERTANIAN NEGERI PAHANG	LKPPNPECT71971	12,793,000	9.05
4	HIKMAT ELIT SDN BHD	562277U	9,159,000	6.48
5	LKPP CORPORATION SDN BHD	199769V	8,300,280	5.87
6	PROSPER TRADING SDN BERHAD	144561U	7,894,920	5.58
7	FOKAS SEHATI SDN BHD	649034D	6,940,000	4.91
8	DELUXE ERA SDN BHD	845421X	3,252,300	2.30
9	HIKMAT ELIT SDN BHD	562277U	3,103,300	2.19
10	KAMARUDDIN BIN MOHAMMED	481124-06-5173	2,700,000	1.91
11	PROSPER TRADING SDN BERHAD	TEM144561	2,603,600	1.84
12	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD <PLEDGED SECURITIES ACCOUNT FOR TEE KIM TEE @ TEE CHING TEE (M09)	41117T	2,528,700	1.79
13	TEE CHENG HUA	540601-10-5949	2,124,000	1.50
14	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD <PLEDGED SECURITIES ACCOUNT FOR TEE KIM TEE @ TEE CHING TEE (TEE0063C)	41117T	2,056,300	1.45

SHAREHOLDINGS STRUCTURE

As at 15 April 2015

NAMES		NRIC/ REGISTRATION NO.	NO. OF SHARES	%
15	BUDI-JS PLANTATION MANAGEMENT SDN BERHAD	248375P	1,667,200	1.18
16	HAN KEE JUAN	510913-01-6067	979,700	0.69
17	TEE CHING CHAN	620113-10-5819	959,400	0.68
18	MERGEBOOM (M) SDN BHD	261276X	861,200	0.61
19	AMANAH SAHAM PAHANG BERHAD	017251P	779,100	0.55
20	MAN FOH @ CHAN MAN FOH	570306-06-5099	728,000	0.51
21	TEE CHENG HU	631115-10-5197	723,400	0.51
22	TEE LIP HIAN	730303-10-5171	686,600	0.49
23	ANG KIM SENG @ ANG ENG HOCK	511009-10-5437	682,600	0.48
24	NOWAWI BIN ABDUL RAHMAN	551126-06-5207	678,000	0.48
25	TEE CHAIN YEE	770810-10-5420	675,000	0.48
26	YEOH PHEK LENG	700527-08-5416	630,000	0.45
27	YEW PENG DU	730117-10-5477	555,000	0.39
28	TEE LIP SIN	710501-10-6089	550,900	0.39
29	TEE LIP JEN	830525-10-5407	519,900	0.37
30	TEE LIP CHUAN	841119-10-5827	507,700	0.36

SHAREHOLDINGS STRUCTURE

As at 15 April 2015

INFORMATION ON SUBSTANTIAL SHAREHOLDERS (COMBINED ACCOUNT)

Nos.	Names Of Substantial Shareholders	Direct Holdings	
		No.	%
1	LEMBAGA KEMAJUAN PERUSAHAAN PERTANIAN NEGERI PAHANG		
	<u>Share held through:-</u>		
	Own Account - CDS No. 076-002-000389122	22,807,800	16.13
	Own Account - CDS No. 064-005-041217969	12,793,000	9.05
		35,600,800	25.18
2	PROSPER TRADING SDN BERHAD		
	<u>Share held through:-</u>		
	Own Account - CDS No. 068-009-050705219	7,894,920	5.58
	Own Account - CDS No. 028-002-024047938	2,603,600	1.84
	AMSEC Nominees (Tempatan) Sdn Bhd		
	- CDS No. 086-001-035663806	23,054,400	16.31
		33,552,920	23.73
3	HIKMAT ELIT SDN BHD		
	<u>Share held through:-</u>		
	Own Account - CDS No. 068-009-050707900	9,159,000	6.48
	Own Account - CDS No. 028-002-036831386	3,103,300	2.19
		12,262,300	8.67
4	LKPP CORPORATION SDN BHD		
	<u>Share held through:-</u>		
	Own Account - CDS No. 058-003-002974525	8,300,280	5.87
	TA Nominees (Tempatan) Sdn Bhd - CDS No. 058-003-004774634	121,000	0.09
		8,421,280	5.96

SHAREHOLDINGS STRUCTURE

As at 15 April 2015

INFORMATION ON DIRECTORS SHAREHOLDING

Nos.	Names Of Directors	Direct Holdings		Indirect Holdings	
		No.	%	No.	%
1	YH DATO' KAMARUDDIN BIN MOHAMMED <i>Share held through:- Individual Account</i>	2,700,000	1.91	(a) 500,000	0.35
	<i>Notes: (a) By Virtue of Ybg Datin Kalsom bt Ahmad is his spouse</i>			(b) 100,000	0.07
	<i>(b) By Virtue of Khairatun Amirah bt Kamaruddin is his daughter</i>	2,700,000	1.91	600,000	0.42
2	YH DATO' WAN BAKRI BIN WAN ISMAIL	-	-	-	-
3	YH DATO' TAN BING HUA <i>Notes: (a) By Virtue of Datin Cho Kwai Lin is his spouse</i>			44,000	0.03
				44,000	0.03
4	MR TEE KIM TEE @ TEE CHING TEE <i>Share held through:- Individual Account</i>			-	-
	- CDS No. 068-009-050698323	119,400	0.08		
	HDM Nominees (Tempatan) Sdn Bhd	2,528,700	1.79		
	Affin Nominees (Tempatan) Sdn Bhd	2,056,300	1.45		
		4,704,400	3.33		
5	MR TEE CHENG HUA <i>Share held through:- Individual Account</i>	2,124,000	1.50	-	-
	- CDS No. 086-001-013021316	2,124,000	1.50		

SHAREHOLDINGS STRUCTURE

As at 15 April 2015

Nos.	Names Of Directors	Direct Holdings		Indirect Holdings	
		No.	%	No.	%
6	EN KHAIRUL AZAHAR BIN ARIFFIN <i>Share held through: Individual Account - CDS No. 068-009-53639399</i>	10,000	0.01	-	-
		10,000	0.01		
7	EN HASHIM NAINA MERICAN BIN YAHAYA MERICAN <i>Share held through:- Individual Account - CDS No. 058-003-49721913</i>	10,000	0.01	-	-
		10,000	0.01		
8	MR TEE LIP TENG <i>Share held through:- Individual Account - CDS No. 086-003-049003551 Individual Account - CDS No. 028-002-049136559</i>	100,000	0.07	-	-
		200,000	0.14		
		300,000	0.21		

SHAREHOLDINGS STRUCTURE

As at 15 April 2015

DISTRIBUTION TABLE A

CATEGORY	NO. OF HOLDERS	%	NO. OF SHARES	%
Less than 100	11	0.60	300	0.00
100 - 1,000	299	16.55	174,400	0.12
1,001 - 10,000	1,198	66.30	4,163,100	2.94
10,001 - 100,000	232	12.84	6,131,300	4.34
100,001 to less than 5% of issued shares	61	3.38	46,911,500	33.18
5% and above of issued shares	6	0.33	84,009,400	59.42
TOTAL	1,807	100.00	141,390,000	100.00

ANALYSIS OF EQUITY STRUCTURE

CATEGORY	NO. OF HOLDERS	%	NO. OF SHARES	%
1) GOVERNMENT AGENCY	3	0.17	36,093,100	25.53
2) BUMIPUTRA :				
a) Individuals	102	5.64	4,883,300	3.46
b) Companies	19	1.05	16,298,080	11.53
c) Nominees Company	63	3.49	23,385,200	17.81
3) NON-BUMIPUTRA :				
a) Individuals	1,490	82.46	25,443,634	18.00
b) Companies	32	1.77	29,107,420	20.59
c) Nominees Company	62	3.43	5,393,300	2.31
	1,771	98.01	140,604,034	99.23
4) FOREIGN :				
a) Individuals	23	1.27	195,266	0.14
b) Companies	1	0.06	8,800	0.01
c) Nominees Company	12	0.66	581,900	0.42
FOREIGN TOTAL	36	1.99	785,966	0.57
GRAND TOTAL	1,807	100.00	141,390,000	100.00

GROUP PROPERTIES

Location	Title	Tenure (Leasehold period till year)	Area (Hec)	Usage	Date of Revaluation	Net Book Value @ 31.12.2014
Far East Holdings Berhad						
Ladang Sg. Seraya Daerah Rompin Pahang Darul Makmur	H.S(D) 61	2079	161.87	Oil Palm Plantations	31.12.2010	
	H.S(D) 62	2079	259.00			
	H.S(D) 63	2079	230.67			
	H.S(D) 64	2079	190.20			
	N 16273	2103	60.57			
	PN 16839	2103	10.83			
Ladang Bukit Jin Daerah Bera Pahang Darul Makmur	H.S(D) 3171	2079	420.87	Oil Palm Plantations	31.12.2010	
	H.S(D) 3172	2079	420.87			
	H.S(D) 3173	2079	190.20			
	H.S(D) 3174	2079	230.67			
	H.S(D) 3175	2079	274.78			
	H.S(D) 3176	2079	8.50			
	H.S(D) 3177	2079	384.45			
	H.S(D) 3178	2079	36.42			
	H.S(D) 3179	2079	68.80			
	H.S(D) 3180	2079	68.80			
Ladang Sg Rasau Daerah Pekan Pahang Darul Makmur	H.S(D) 1971	2079	118.04	Agriculture	31.12.2010	
Ladang Sg Batu Daerah Kuantan Pahang Darul Makmur	H.S(D) 23609	2103	874.75	Oil Palm Plantations	31.12.2010	
	H.S(D) 42974	2112	33.26			
Ladang Chengal Daerah Rompin Pahang Darul Makmur	H.S(D) 4147	2106	1,103.01	Oil Palm Plantations	31.12.2010	
	H.S(D) 4148	2106	1,096.99			
Bandar Indera Mahkota	PN 7721	2096	8.82	Building		
6,252.37						243,598
Dawn Oil Palm Plantations Sdn Bhd						
Ladang Dawn Daerah Rompin Pahang Darul Makmur	H.S(D) 11	2075	297.85	Oil Palm Plantations	31.12.2010	
	H.S(D) 18	2076	133.14			
	H.S(D) 57	2079	242.81			
	H.S(D) 57	2079	242.81			
	H.S(D) 58	2079	178.06			
	H.S(D) 3719	2071	11.33			
	H.S(D) 3772	2072	236.34			
	H.S(D) 3773	2072	14.57			
	H.S(D) 4115	2103	114.18			
	PN 7815	2103	218.90			
	H.S(D) 3718	2071	139.00			
	H.S(D) 4852	2103	220.00*			
	PN17098	2103	23.77			
Ladang Cempaka Daerah Bera Pahang Darul Makmur	H.S(D) 988	2096	452.60	Oil Palm Plantations	31.12.2010	
2,282.55						70,625

GROUP PROPERTIES

Location	Title	Tenure (Leasehold period till year)	Area (Hec)	Usage	Date of Revaluation	Net Book Value @ 31.12.2014
B.S. Oil Palm Plantations Sdn Bhd						
Ladang Bukit Serok Daerah Rompin Pahang Darul Makmur	H.S(D) 8	2075	350.46	Oil Palm Plantations	31.12.2010	
	H.S(D) 16	2075	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			
	PN 17048	2103	27.79			
	H.S(D) 4850	2113	44.65			
H.S(D) 4851	2113	145.89				
2,258.01						64,236
Kampong Aur Oil Palm Company (Sdn.) Berhad						
Ladang Kampong Aur Daerah Rompin Pahang Darul Makmur	H.S(D) 3896	2070	123.83	Oil Palm Plantations	31.12.2010	
	H.S(D) 3708	2070	118.98			
	H.S(D) 3709	2070	242.41			
	H.S(D) 3781	2073	64.75			
	H.S(D) 3780	2073	260.62			
	H.S(D) 3886	2074	419.26			
	H.S(D) 38	2077	407.12			
	H.S(D) 74	2079	283.28			
	H.S(D) 75	2079	137.60			
	PN 16917	2103	35.57			
2,093.43						65,281
Madah Perkasa Sdn Bhd						
Ladang Sg Marung Daerah Rompin Pahang Darul Makmur	PN 16812	2095	878.70	Oil Palm Plantations	31.12.2010	
	PN 17988	2095	665.40			
Ladang Sg Gayung Daerah Rompin Pahang Darul Makmur	PN 17986	2095	1,039.80	Oil Palm Plantations	31.12.2010	
	PN 17987	2095	1,898.80			
4,482.70						166,486
Far East Delima Plantations Sdn. Bhd.						
Ladang Delima Daerah Rompin Pahang Darul Makmur	H.S(D) 4568*	2103	2,830.85	Oil Palm Plantations	31.12.2010	
2,830.85						49,929

GROUP PROPERTIES

Location	Title	Tenure (Leasehold period till year)	Area (Hec)	Usage	Date of Revaluation	Net Book Value @ 31.12.2014
Ladang Rangkaian Daerah Rompin Pahang Darul Makmur	H.S(D) 4805*	2112	728.45	Oil Palm Plantations	31.12.2010	
	H.S(D) 4806*	2112	687.98			
	1,416.43					15,930
Kilang Kosfarm Sdn Bhd	H.S(D) 3896**	2070	123.83	Building and Oil Palm Plantations		
			123.83			441
			21,740.17			676,526

Notes:

* The land is subleased from Rangkaian Delima Sdn. Bhd.

** Sublease from Kampong Aur Oil Palm Company (Sdn.) Berhad up to 2050

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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 41st Annual General Meeting of Far East Holdings Berhad to be held at The Zenith Hotel, Jalan Putra Square 6, 25200 Kuantan, Pahang Darul Makmur on Wednesday, 10 June 2015 at 10.00 a.m. and at any adjournment thereof.

My/Our proxy to vote on the resolution as indicate with (X) in the space provided to be cast, my/our proxy will note or abstain as he/she thinks fit.

Resolution Number	1	2	3	4	5	6
For						
Against						

Signed this _____ day of _____ 2015.

Total Shares Held	
--------------------------	--

Signature(s)/Company Seal _____

Witness* _____

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

STAMP

Company Secretaries
FAR EAST HOLDINGS BERHAD
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Jalan Mahkota, 25000 Kuantan
Pahang Darul Makmur

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