

Far East Holdings Berhad
(14809-W)



ANNUAL REPORT **2009**





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Kandungan

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Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 36th Annual General Meeting of FAR EAST HOLDINGS BERHAD ("the Company") will be held at Hyatt Regency Kuantan Resort, Telok Chempedak, 25050 Kuantan, Pahang Darul Makmur on 11 June 2010 at 9.30 a.m on Friday to transact the following businesses:-

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2009 together with the Directors and Auditors' Reports thereon. *(Ordinary Resolution 1)*
2. To approve the payment of single tier final dividend of 15 sen per share in respect of the financial year ended 31 December 2009 as recommended by Directors. *(Ordinary Resolution 2)*
3. To re-elect the following Directors retiring under Article 97 of the Company's Articles of Association:-
 - i. Mr Tee Kim Tee @ Tee Ching Tee *(Ordinary Resolution 3)*
 - ii. Encik Khairul Azahar bin Ariffin *(Ordinary Resolution 4)*
4. To re-elect the following Director retiring under Article 102 of the Company's Articles of Association:-
 - i. Encik Hashim Naina Merican bin Yahaya Merican *(Ordinary Resolution 5)*
5. To approve the payment of Directors' fees and other remunerations for the financial year ended 31 December 2009. *(Ordinary Resolution 6)*
6. To re-appoint Messrs Parker Randall Thomas as auditors for the coming year and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 7)*

As Special Business

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

7. Authority For The Directors To Allot And Issue Shares Pursuant To The Employees' Share Option Scheme

"THAT pursuant to the Far East Holdings Berhad Employees' Share Option Scheme ("Scheme") as approved at the Extraordinary General Meeting ("EGM") of the Company held on 29 December 2001 and subsequent EGM on 2 April 2007, approval be and is hereby given to the Directors to allot and issue such number of new ordinary shares of RM1.00 each in the Company ("Shares"), from time to time during the duration of the Scheme, pursuant to the exercise of the options granted under the Scheme provided that the aggregate number of new Shares to be allotted and issued under the Scheme shall not exceed fifteen percent (15%) of the issued and paid-up share capital (excluding treasury shares) of the Company at any one time during the existence of the Scheme and such new Shares shall, upon allotment and issuance, rank pari passu in all respects with the existing Shares of the Company except that the new Shares then issued, shall not be entitled to any dividends, rights, allotments and/or other distributions declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the said new Shares and will be subject to all the provisions of the Articles of Association of the Company relating to the transfer, transmission and otherwise." *(Ordinary Resolution 8)*
8. Proposed Renewal of Shareholders' Mandate In Respect of Recurrent Related Party Transactions of a Revenue or Trading Nature

"That the mandate granted by the shareholders of the Company on 27 May 2009 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 20 May 2010 ("Circular") with the related parties mentioned therein which are necessary for the Company's day to day operations, be and is hereby renewed.

That the Company is hereby authorised to enter into the recurrent transactions with the related parties mentioned therein provided that the transactions are in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company and the Board will seek shareholders' approval for the renewal of the proposed Shareholders' Mandate annually subject to satisfactory review by the Audit Committee of its continued application to the interested parties transaction. In this respect, if approved at the forthcoming Annual General Meeting 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." (*Ordinary Resolution 9*)

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

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT a final single tier dividend of 15 sen per share for the financial year ended 31 December 2009 if approved by the shareholders at the Annual General Meeting will be paid on 30 June 2010 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 16 June 2010.

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 14 June 2010 (in respect of share which are exempted from mandatory deposit);
- b) Shares transferred into Depositor's Securities Account before 4.00 p.m on 16 June 2010 (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: 20 May 2010

Notice Of Annual General Meeting

Notes :-

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

Explanatory Notes on Special Businesses:-

1 Ordinary Resolution 8 – Authority For The Directors to Issue Shares pursuant to ESOS

The proposed resolution 8 if passed, will empower the Directors to issue shares in the Company pursuant to the terms and conditions of the Employees' Share Option Scheme which was approved at the Extraordinary General Meetings of the Company held on 29 December 2001 and 2 April 2007.

2 Ordinary Resolution 9 – Proposed Renewal of Shareholders Mandate For Recurrent Related Party Transactions of A Revenue Nature

This proposed resolution 9, 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 20 May 2010 accompanying the Company's Annual Report for the financial year ended 31 December 2009.

DENGAN INI DIBERITAHU BAHAWA Mesyuarat Agung Tahunan pemegang-pemegang saham yang ke 36 FAR EAST HOLDINGS BERHAD (“Syarikat”) akan diadakan di Hyatt Regency Kuantan Resort, Telok Chempedak, 25050 Kuantan, Pahang Darul Makmur pada 11 Jun 2010, hari Jumaat Jam 9.30 pagi untuk menimbangkan transaksi-transaksi yang berikut:

AGENDA

Sebagai Urusan Biasa

1. Menerima dan menimbang Akaun bagi tahun kewangan berakhir 31 Disember 2009 berserta Laporan Pengarah dan Juruaudit mengenainya. *(Resolusi Biasa 1)*
2. Meluluskan pembayaran dividen akhir (single tier) sebanyak 15 sen sesaham bagi tahun kewangan berakhir 31 Disember 2009, seperti yang disyorkan oleh Lembaga Pengarah. *(Resolusi Biasa 2)*
3. Untuk memilih semula Pengarah-Pengarah berikut yang bersara menurut Artikel 97 Tataurusan Syarikat:-
 - i. Encik Tee Kim Tee @ Tee Ching Tee *(Resolusi Biasa 3)*
 - ii. Encik Khairul Azahar bin Ariffin *(Resolusi Biasa 4)*
4. Untuk memilih semula Pengarah berikut yang bersara menurut Artikel 102 Tataurusan Syarikat:-
 - i. Encik Hashim Naina Merican bin Yahaya Merican *(Resolusi Biasa 5)*
5. Meluluskan pembayaran yuran dan lain-lain ganjaran Pengarah-Pengarah bagi tahun kewangan berakhir 31 Disember 2009. *(Resolusi Biasa 6)*
6. Melantik semula Tetuan Parker Randall Thomas sebagai Juruaudit Syarikat dan memberi kuasa kepada Lembaga Pengarah untuk menetapkan bayaran mereka. *(Resolusi Biasa 7)*

Sebagai Urusan Khas

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

7. Kuasa diberi kepada Lembaga Pengarah untuk menerbitkan Saham Berkaitan Skim Opsyen Saham Kakitangan
“Dengan ini sejajar kepada Skim Opsyen Saham Kakitangan (“Skim”) yang diluluskan pada Mesyuarat Agung Luarbiasa (“EGM”) Syarikat yang diadakan pada 29 Disember 2001 dan EGM seterusnya pada 2 April 2007, kelulusan dengan ini diberi kepada Lembaga Pengarah untuk mengumpulkan saham dan menerbitkan saham biasa Syarikat bernilai RM1.00 setiap satu (“saham”), dari semasa ke semasa sepanjang tempoh Skim, lanjutan kepada pelaksanaan opsyen yang diberi di bawah Skim tertakluk kepada jumlah keseluruhan bilangan saham yang akan diumpukkan dan diterbitkan di bawah Skim tidak akan melebihi lima belas peratus (15%) daripada saham yang diterbitkan dan saham membayar Syarikat (tidak termasuk saham perbendaharaan) pada sesuatu masa dan pada bila-bila masa semasa adanya Skim dan saham baru tersebut apabila diumpukkan dan diterbitkan, bernilai tara di dalam segala aspek dengan saham yang ada di dalam Syarikat melainkan saham yang baru diterbitkan tidak layak kepada dividen, hak, umpukkan dan/atau lain-lain pengagihan yang diumumkan, dibuat atau dibayar, yang tarikh kelayakan adalah sebelum tarikh umpukkan dan penerbitan saham yang baru tersebut dan tertakluk kepada Artikel Tatacara Syarikat berkaitan dengan pemindahan dan sebaliknya.” *(Resolusi Biasa 8)*
8. Cadangan Pembaharuan Mandat Pemegang-Pemegang Saham berkenaan Transaksi Berulang dengan Pihak Berkaitan yang bersifat Pendapatan
“Bahawa mandat yang diberikan oleh pemegang-pemegang saham Syarikat pada 27 Mei 2009 tertakluk kepada perenggan 10.09 Syarat-Syarat Penyenaraian Bursa Malaysia Securities Berhad, memberikuasa kepada Syarikat untuk menyertai transaksi berulang yang bersifat pendapatan seperti yang dinyatakan di perenggan 2.1 Pekeliling kepada pemegang saham yang bertarikh 20 Mei 2010 (Pekeliling) dengan pihak yang berkaitan yang menyatakan di mana perlu untuk operasi seharian Syarikat, dengan ini diperbaharui.

Dengan ini Syarikat diberikuasa untuk menyertai transaksi berulang dengan pihak berkaitan yang disebutkan tertakluk transaksi tersebut dibuat dalam urusan biasa perniagaan dan terma biasa yang tidak memberi

keutamaan kepada pihak berkaitan melainkan apa yang ada pada pihak tidak berkaitan dan tidak menyentuh hak pemegang saham minoriti Syarikat; dan

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

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

Dengan ini Lembaga Pengarah Syarikat diberikuasa untuk menyiapkan dan mengambil tindakan sewajarnya di atas Cadangan Memperbaharui Mandat Transaksi Berulang dengan Pihak Berkaitan." (*Resolusi Biasa 9*)

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

KELAYAKAN DAN PEMBAYARAN DIVIDEN

DENGAN INI DIBERITAHU BAHAWA dividen akhir (single tier) sebanyak 15 sen sesaham bagi tahun kewangan berakhir 31 Disember 2009, jika diluluskan oleh pemegang saham di Mesyuarat Agung Tahunan, akan dibayar pada 30 Jun 2010 kepada para pemegang saham yang nama-nama mereka terdapat di dalam Rekod Pendeposit Syarikat semasa tutup perniagaan pada 16 Jun 2010.

Seorang pendeposit adalah layak untuk menerima dividen hanya berhubung dengan;

- a) Saham-saham yang dideposit kepada Akaun Sekuriti Pendeposit sebelum jam 12.30 tengahari pada 14 Jun 2010 (berkaitan saham yang dikecualikan dari deposit wajib);
- b) Saham-saham yang dipindahmilik kepada Akaun Sekuriti Pendeposit sebelum jam 4.00 petang pada 16 Jun 2010 berkenaan pemindahan saham biasa; dan
- c) Saham-saham yang dibeli di Bursa Malaysia Securities Berhad selaras dengan kelayakan asas tertakluk kepada syarat-syarat Bursa Malaysia Securities Berhad.

Dengan Perintah Lembaga Pengarah

ASMIN BINTI YAHYA (MIA 10161)

NOOR ANISAH BINTI SABARUDIN (LS 0008153)

Setiausaha-Setiausaha Syarikat

Kuantan, Pahang

Bertarikh: 20 Mei 2010

Nota:-

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

Nota Penjelasan Untuk Urusan Khas:-**1. Resolusi Biasa 8 – Kuasa Kepada Pengarah Untuk menerbitkan Saham berkaitan ESOS**

Resolusi Biasa 8 yang dicadangkan, jika diluluskan, memberi kuasa kepada Lembaga Pengarah untuk menerbitkan Saham Syarikat tertakluk kepada syarat dan terma Skim Opsyen Saham Kakitangan yang telah diluluskan pada Mesyuarat Agung Luarbiasa bertarikh 29 Disember 2001 dan 2 April 2007.

2. Resolusi Biasa 9 – Cadangan Mandat untuk Transaksi Berulang dengan pihak berkaitan

Resolusi Biasa 9 yang dicadangkan, jika diluluskan, membolehkan Syarikat membuat transaksi berulang dengan pihak berkaitan untuk operasi seharian Syarikat tertakluk transaksi secara biasa dibuat dan tidak menyentuh hak pemegang saham minoriti Syarikat. Untuk maklumat lanjut, sila rujuk Pekeliling kepada Pemegang Saham bertarikh 20 Mei 2010 yang diedarkan bersama Laporan Tahunan Syarikat untuk tahun kewangan berakhir 31 Disember 2009.

Statement Accompanying Notice of Annual General Meeting

Penyata Mengiringi Notis Mesyuarat Agung Tahunan

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

- i) Mr Tee Kim Tee @ Tee Ching Tee
- ii) En Khairul Azahar bin Ariffin
- iii) En Hashim Naina Merican bin Yahaya Merican

The details of the abovenamed Directors who are standing for re-election/re-appointment are set out in the Directors' Profiles (pages 11 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 51 of the Annual Report).

Maklumat lanjut Lembaga Pengarah yang bersara dan menawarkan diri untuk dilantik semula dibentangkan pada Profil Lembaga Pengarah mukasurat 11 hingga 20 Lapuran Tahunan; manakala jadual pegangan saham mereka dinyatakan pada mukasurat 51 Lapuran Tahunan.

2. Place, date and time of the 36th Annual General Meeting Tempat, tarikh dan masa Mesyuarat Agung Tahunan ke 36

The 36th Annual General Meeting of the Company will be held at Hyatt Regency Kuantan Resort, Telok Chempedak, 25050 Kuantan, Pahang Darul Makmur on Friday, 11 June 2010 at 9.30 a.m.

Mesyuarat Agung Tahunan yang ke 36 Syarikat akan diadakan di Hyatt Regency Kuantan Resort, Telok Chempedak, 25050 Kuantan, Pahang Darul Makmur, pada hari Jumaat, 11 Jun 2010 jam 9.30 pagi.

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

A total of six (6) Board Meetings were held during the financial year ended 31 December 2009. Details of attendance of Directors holding office at the end of financial year are as follows:-

Mesyuarat Lembaga Pengarah telah diadakan sebanyak enam (6) kali bagi tahun kewangan berakhir 31 Disember 2009. Bilangan kehadiran adalah seperti berikut:-

Name	Attendance	Appointment	Retirement/ Resignation
YH Dato' Kamaruddin Bin Mohammed	6/6	16/08/2002	-
YH Dato' Md. Adnan bin Sulaiman	5/6	16/01/2008	-
Mr Tee Kim Tee @ Tee Ching Tee	6/6	16/08/2002	-
En Nowawi Bin Abdul Rahman	6/6	16/08/2002	01/03/2010
Mr Tee Cheng Hua	6/6	16/08/2002	-
Mr Tee Lip Hian	6/6	09/09/2004	-
En Khairul Azahar bin Ariffin	6/6	23/07/2007	-
Ms Ng Yee Kim	6/6	23/07/2007	-
En Hashim Naina Merican bin Yahaya Merican	3/6	13/08/2009	-

4. Compliance with Paragraph 6.03 (3) of the Main Market Listing Requirements.

Pursuant to the Companies Act 1965 under the general authority which was approved at 35th Annual General Meeting held on 27 May 2009 and which will lapse at the conclusion of the 36th Annual General Meeting to be held 11 June 2010, the Company has issued 580,000 new ordinary shares of RM1 each for cash by virtue of the exercise of options pursuant to the Company's Employees' Share Option Scheme.

Details of the unit and exercise price of the ESOS are as per Note 24(b) on page 83 to the financial statements. A renewal of this authority is being sought at the 36th Annual General Meeting under proposed Resolution 8.

BOARD OF DIRECTORS LEMBAGA PENGARAH

- YH Dato' Kamaruddin bin Mohammed**
Chairman
Pengerusi
Non-Independent Non-Executive Director
Pengarah Tidak Bebas Bukan Eksekutif
- YH Dato' Md. Adnan bin Sulaiman**
Non-Independent Non-Executive Director
Pengarah Tidak Bebas Bukan Eksekutif
- Mr Tee Kim Tee @ Tee Ching Tee**
Non-Independent Non-Executive Director
Pengarah Tidak Bebas Bukan Eksekutif
- Mr Tee Cheng Hua**
Non-Independent Executive Director
Pengarah Tidak Bebas Eksekutif
- Mr Tee Lip Hian**
Non-Independent Non-Executive Director
Pengarah Tidak Bebas Bukan Eksekutif
- En Khairul Azahar bin Ariffin**
Independent Non-Executive Director
Pengarah Bebas Bukan Eksekutif
- Ms Ng Yee Kim**
Independent Non-Executive Director
Pengarah Bebas Bukan Eksekutif
- En Hashim Naina Merican bin Yahaya Merican**
Independent Non-Executive Director
Pengarah Bebas Bukan Eksekutif

BOARD'S COMMITTEE JAWATANKUASA LEMBAGA PENGARAH

- Audit Committee**
Chairman
En Khairul Azahar bin Ariffin
Members
YH Dato' Kamaruddin bin Mohammed
Ms Ng Yee Kim
En Hashim Naina Merican bin Yahaya Merican
- Remuneration Committee**
Chairman
YH Dato' Kamaruddin bin Mohammed
Members
Mr Tee Kim Tee @ Tee Ching Tee
En Khairul Azahar bin Ariffin
- Nomination Committee**
Chairman
YH Dato' Kamaruddin bin Mohammed
Members
Mr Tee Kim Tee @ Tee Ching Tee
Ms Ng Yee Kim
En Hashim Naina Merican bin Yahaya Merican
- Employees Share Option Scheme Committee**
Chairman
YH Dato' Md. Adnan bin Sulaiman
Members
Mr Tee Cheng Hua
Mr Tee Lip Hian
En Hashim Naina Merican bin Yahaya Merican

SECRETARIES SETIAUSAHA-SETIAUSAHA

- Puan Asmin binti Yahya**
- MIA10161
Puan Noor Anisah binti Sabarudin
- LS0008153

STOCK EXCHANGE LISTING PENYENARAIAAN DI PASARAN SAHAM

Bursa Malaysia Securities Berhad, Main Market (31.01.1991)

REGISTERED ADDRESS ALAMAT BERDAFTAR

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

SHARE REGISTRAR PENDAFTAR SAHAM

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/45
47301 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-78418000
Faks: 03-78418151/ 52
URL: www.symphony.com.my

MAJOR BANKERS JURUBANK-JURUBANK UTAMA

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

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

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

SUBSIDIARIES SUBSIDIARI-SUBSIDIARI

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

ASSOCIATED COMPANIES SYARIKAT-SYARIKAT SEKUTU

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

FINANCIAL YEAR END

31 December 2009

ANNOUNCEMENT OF RESULTS

First Quarter	28 May 2009
Second Quarter	19 August 2009
Third Quarter	17 November 2009
Fourth Quarter	25 February 2010

PUBLISHED ANNUAL REPORT AND FINANCIAL STATEMENTS

Notice of Annual General Meeting	20 May 2010
ANNUAL GENERAL MEETING	11 June 2010

DIVIDENDS

Interim

Announcement	28 September 2009
Entitlement Date	15 October 2009
Payment Date	04 November 2009

Final

Announcement	29 April 2010
Entitlement Date	16 June 2010
Payment Date	30 June 2010



1. YH Dato' Kamaruddin bin Mohammed
2. YH Dato' Md. Adnan bin Sulaiman
3. Mr Tee Kim Tee @ Tee Ching Tee
4. Mr Tee Cheng Hua
5. Mr Tee Lip Hian
6. En Khairul Azahar bin Ariffin
7. Ms Ng Yee Kim
8. En Hashim Naina Merican bin Yahaya Merican
9. En Nowawi bin Abdul Rahman

Directors' Profile

Profil Pengarah-Pengarah

YH Dato' Kamaruddin bin Mohammed

A Malaysian, aged 62, is a Non-Independent Non-Executive Director. He is the Chairman of Far East Holdings Berhad's Board of Directors. He was appointed to the Board on 16 August 2002. YH Dato' Kamaruddin bin Mohammed is also the Chairman of the Board's Remuneration Committee as well as the Nomination Committee and a member of the Audit Committee.

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

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

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

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

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

YH Dato' Kamaruddin bin Mohammed attended all six Board Meetings of the Company held in the financial year ended 31 December 2009.

Warganegara Malaysia, umur 62 tahun, Pengarah Tidak Bebas Bukan Eksekutif. Beliau adalah Pengerusi Ahli Lembaga Pengarah Far East Holdings Berhad. Beliau telah dilantik sebagai ahli Lembaga Pengarah pada 16 Ogos 2002. Beliau juga Pengerusi kepada Jawatankuasa Imbuan serta Jawatankuasa Pencalonan dan ahli kepada Jawatankuasa Audit.

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

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

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

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

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

YH Dato' Kamaruddin bin Mohammed menghadiri kesemua enam Mesyuarat Lembaga Pengarah yang diadakan bagi tahun kewangan berakhir 31 Disember 2009.

YH Dato' Md. Adnan bin Sulaiman

A Malaysian, aged 61. He is a Non-Independent Non-Executive Director. He was appointed to the Board on 16 January 2008. The Chairman of Employees' Share Option Scheme Committee.

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

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

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

YH Dato' Md. Adnan bin Sulaiman attended five of all six Board Meetings of the Company held in the financial year ended 31 December 2009.

Warganegara Malaysia, umur 61 tahun, Beliau seorang Pengarah Tidak Bebas dan Bukan Eksekutif. Dilantik sebagai ahli Lembaga Pengarah pada 16 Januari 2008. Pengerusi kepada Jawatankuasa Skim Opsyen Saham Kakitangan.

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

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

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

YH Dato' Md. Adnan bin Sulaiman menghadiri lima daripada kesemua enam Mesyuarat Lembaga Pengarah yang diadakan bagi tahun kewangan berakhir 31 Disember 2009.

Directors' Profile

Profil Pengarah-Pengarah

Mr Tee Kim Tee @ Tee Ching Tee

A Malaysian, aged 62 is a Non-Independent Non-Executive Director. He was appointed to the Board on 16 August 2002. He is a member of Remuneration Committee and Nomination Committee.

A businessman possessing vast experience and expertise in the plantation industry. He started his career 39 years ago as an estate contractor and fresh fruit bunches dealer.

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

He is a father of Mr Tee Lip Hian and an elder brother of Mr Tee Cheng Hua. He has no conflict of interest with the Company. He has had no convictions for offences within the past ten years.

Mr Tee Kim Tee attended all six Board Meetings of the Company held in the financial year ended 31 December 2009.

Warganegara Malaysia, umur 62 tahun seorang Pengarah Tidak Bebas Bukan Eksekutif. Beliau dilantik sebagai ahli Lembaga Pengarah pada 16 Ogos 2002. Beliau ahli kepada Jawatankuasa Imbuhan dan Jawatankuasa Pencalonan.

Seorang ahli perniagaan yang mempunyai banyak pengalaman dan kemahiran dalam bidang perladangan. Beliau memulakan kerjaya 39 tahun lalu sebagai seorang kontraktor estet dan peniaga buah tandan segar.

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

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

Mr Tee Kim Tee adalah bapa kepada Mr Tee Lip Hian dan abang kepada Mr Tee Cheng Hua. Tidak mempunyai konflik kepentingan dengan Syarikat. Tidak pernah disabitkan dengan kesalahan undang-undang dalam sepuluh tahun yang lepas.

Mr Tee Kim Tee menghadiri kesemua enam Mesyuarat Lembaga Pengarah yang diadakan bagi tahun kewangan berakhir 31 Disember 2009.

Mr Tee Cheng Hua

A Malaysian, aged 56. He is an Executive Director, Plantations. He was appointed to the Board on 16 August 2002. He is a member of Employees' Share Option Scheme Committee.

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

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

He is a younger brother of Mr Tee Kim Tee @ Tee Ching Tee and an uncle to Mr Tee Lip Hian. He has no conflict of interest with the Company. He has had no convictions for offences within the past ten years.

Mr Tee Cheng Hua attended all six Board Meetings of the Company held in the financial year ended 31 December 2009.

Warganegara Malaysia, umur 56 tahun. Mr Tee Cheng Hua adalah Pengarah Eksekutif, Perladangan. Beliau dilantik sebagai ahli Lembaga Pengarah pada 16 Ogos 2002. Beliau juga ahli Jawatankuasa Skim Opsyen Saham Kakitangan.

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

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

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

Mr Tee Cheng Hua menghadiri kesemua enam Mesyuarat Lembaga Pengarah yang diadakan bagi tahun kewangan berakhir 31 Disember 2009.

Directors' Profile

Profil Pengarah-Pengarah

Mr Tee Lip Hian

A Malaysian, aged 37. He is a Non-Independent Non-Executive Director. He was appointed to the Board on 9 September 2004. He is a member of Employees' Share Option Scheme Committee.

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

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

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

Mr Tee Lip Hian attended all six Board Meetings of the Company held in the financial year ended 31 December 2009.

Warganegara Malaysia, umur 37 tahun. Pengarah Bukan Bebas dan Bukan Eksekutif. Dilantik sebagai ahli Lembaga Pengarah pada 9 September 2004. Ahli Jawatankuasa Skim Opsyen Saham Kakitangan.

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

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

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

Mr Tee Lip Hian menghadiri kesemua enam Mesyuarat Lembaga Pengarah yang diadakan bagi tahun kewangan berakhir 31 Disember 2009.

En Khairul Azahar bin Ariffin

A Malaysian. Aged 47, is an Independent Non-Executive Director. He was appointed to the Board on 23 July 2007. He is the Chairman of the Audit Committee and a member of Remuneration Committee.

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

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

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

En Khairul Azahar bin Ariffin attended all six Board Meetings of the Company held in the financial year ended 31 December 2009.

Warganegara Malaysia, umur 47 tahun Pengarah Bebas dan Bukan Eksekutif. Beliau dilantik menganggotai Lembaga Pengarah pada 23 Julai 2007. Beliau adalah Pengerusi kepada Jawatankuasa Audit dan ahli kepada Jawatankuasa Imbuan.

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

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

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

Beliau menghadiri kesemua enam Mesyuarat Lembaga Pengarah yang diadakan bagi tahun kewangan berakhir 31 Disember 2009.

Directors' Profile

Profil Pengarah-Pengarah

Ms Ng Yee Kim

A Malaysian, aged 41. She is an Independent Non-Executive Director. She was appointed to the Board on 23 July 2007. She is a member of Audit Committee and Nomination Committee.

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

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

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

Ms Ng Yee Kim attended all six Board Meetings of the Company held in the financial year ended 31 December 2009.

Warganegara Malaysia, umur 41 tahun. Pengarah Bebas Bukan Eksekutif. Dilantik menganggotai Lembaga Pengarah pada 23 Julai 2007. Ahli kepada Jawatankuasa Audit dan Jawatankuasa Pencalonan.

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

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

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

Beliau menghadiri kesemua enam Mesyuarat Lembaga Pengarah yang diadakan bagi tahun kewangan berakhir 31 Disember 2009.

En Hashim Naina Merican bin Yahaya Merican

A Malaysian, aged 59, is an Independent Non-Executive Director. He was appointed to the Board on 13 August 2009. He is a member of Audit Committee, Nomination Committee and Esos Committee.

A graduate of Institute Teknologi Mara, Shah Alam. in 1974. He completed the professional examinations of the Association of Certified Accountant (UK) and also a member of Malaysian Institute of Accountant.

Upon graduation in 1974, he joined Price WaterhouseCoopers as a Senior Audit Assistant. Later in 1977 he worked at Malaysian Oxygen as an Internal Auditor. Following to that in 1979 he served Hewlett Packard Sales Malaysia Sdn Berhad as an Administration Manager. From there in 1987, he joined Rashid Hussein Securities Sdn Berhad as Dealer Representative and later in 2005 he moved to TA Securities Holdings Berhad as Dealer Representative.

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

He attended three of six Board Meetings of the Company held in the financial year ended 31 December 2009.

Warganegara Malaysia, umur 59 tahun. Pengarah Bebas Bukan Eksekutif. Beliau dilantik menganggotai Lembaga Pengarah pada 13 Ogos 2009. Ahli kepada Jawatankuasa Audit, Jawatankuasa Pencalonan dan Jawatankuasa Esos.

Graduan dari Institut Teknologi MARA, Shah Alam pada tahun 1974. Beliau menamatkan Peperiksaan Professional Akauntan Bertauliah (UK) dan juga ahli kepada Institut Akauntan Malaysia.

Sebaik menamatkan pengajian pada tahun 1974, En Hashim menyertai Price WaterhouseCoopers sebagai Penolong Kanan Audit. Selepas itu pada tahun 1977, beliau berpindah ke Malaysian Oxygen sebagai Juruaudit Dalaman. Pada tahun 1979 beliau menyertai Hewlett Packard Sdn Berhad sebagai Pengurus Pentadbiran. Berikutnya pada tahun 1987 beliau menyertai Rashid Hussien Sdn Berhad sebagai Remisier dan pada tahun 2005 hingga sekarang sebagai Remisier di TA Securities Holdings Berhad.

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

Beliau menghadiri tiga daripada enam Mesyuarat Lembaga Pengarah yang diadakan bagi tahun kewangan berakhir 31 Disember 2009.

Directors' Profile

Profil Pengarah-Pengarah

En Nowawi bin Abdul Rahman

A Malaysian, aged 55. He joined Far East Holdings Berhad on 1 August 1995 and retired on 1 March 2010. He was appointed as Far East Holdings Berhad; Executive Director, Operations on 16 August 2002 and resigned on 1 March 2010. He was a member of Employees' Share Option Scheme Committee when he was with FEHB.

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

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

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

En Nowawi bin Abdul Rahman attended all six Board Meetings of the Company held in the financial year ended 31 December 2009.

Warganegara Malaysia, umur 55 tahun. Beliau mula berkhidmat di Far East Holding Berhad pada 1 Ogos 1995 dan bersara pada 1 Mac 2010. Pada 16 Ogos 2002 beliau dilantik sebagai Pengarah Eksekutif, Operasi dan berhenti pada 1 Mac 2010. Beliau juga pernah menganggotai ahli Jawatankuasa Skim Opsyen Saham Kakitangan.

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

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

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

En Nowawi menghadiri kesemua enam Mesyuarat Lembaga Pengarah yang diadakan bagi tahun kewangan berakhir 31 Disember 2009.

Group Financial Summary

Ringkasan Kewangan Kumpulan

	2009	2008	2007	2006	2005
CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER					
LEMBARAN IMBANGAN YANG DISATUKAN PADA 31 DISEMBER					
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Capital And Reserves / Modal Dan Rizab					
Share Capital / Modal Saham	136,229	135,649	135,089	134,861	133,038
Non-Distributable Reserves / Rizab Tidak Diagihkan	197,550	192,107	186,555	183,790	182,365
Retained Earnings / Keuntungan Terkumpul	351,975	316,574	230,422	178,704	157,687
Shareholders' Equity / Dana Pemegang Saham	685,754	644,330	552,066	497,355	473,090
Minority Interest / Kepentingan Minoriti	58,486	58,873	60,600	54,382	33,616
	744,240	703,203	612,666	551,737	506,706
Non Current Assets / Aset-Aset Bukan Semasa					
Property, Plant and Equipment and Prepaid lease rental / Hartanah, Loji dan Peralatan dan Sewa Pajak Tanah	482,247	470,150	450,450	408,050	391,013
Land held for development / Tanah untuk pembangunan	29,263	40,379	40,285	40,246	40,246
Deferred Tax Asset / Cukai Aset Tertunda	405	268	185	67	25
Associates / Syarikat Bersekutu	172,477	155,173	119,751	72,679	63,335
Investments / Pelaburan	45,329	39,129	30,709	18,299	15,299
Breeding Stocks / Stok Pembiak	-	-	-	92	449
	729,721	705,099	641,380	539,433	510,367
Current Assets / Aset-Aset Semasa	124,765	117,208	97,149	120,801	85,987
Current Liabilities / Liabiliti-Liabiliti Semasa	31,350	38,928	44,384	24,428	6,800
Net Current Assets / Aset Semasa Bersih	93,415	78,280	52,765	96,373	79,187
Non-Current Liabilities / Liabiliti Bukan Semasa					
Deferred Tax Liabilities / Cukai Liabiliti Tertunda	78,868	79,997	81,282	83,557	82,848
Hire Purchase Liability and Borrowing / Liabiliti Sewa Beli dan Pinjaman	28	179	197	512	-
	78,896	80,176	81,479	84,069	82,848
	744,240	703,203	612,666	551,737	506,706
CONSOLIDATED INCOME STATEMENT AS AT 31 DECEMBER					
PENYATA PENDAPATAN YANG DISATUKAN PADA 31 DISEMBER					
Sales / Jualan	351,973	526,625	372,066	169,811	71,315
Profit Before Taxation / Keuntungan Sebelum Cukai	93,788	181,200	115,947	59,179	46,859
Profit After Taxation / Keuntungan Selepas Cukai	75,144	148,071	90,595	43,712	35,249

Group Financial Summary

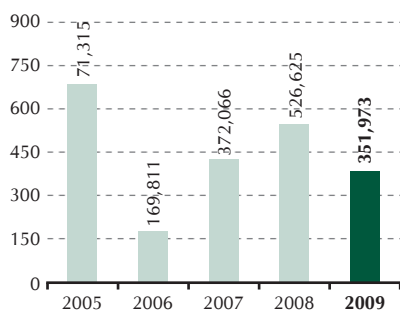
Ringkasan Kewangan Kumpulan

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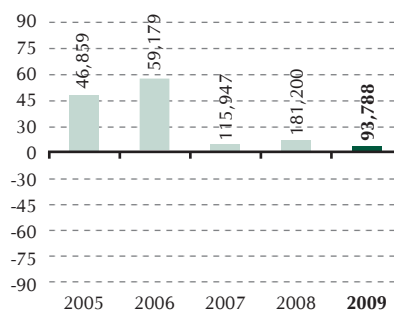
Annual Report 2009

	2009	2008	2007	2006	2005
HIGHLIGHTS AS AT 31 DECEMBER					
TUMPUAN PADA 31 DISEMBER					
Earning Per Share (sen) / Pendapatan Sesaham (sen)	48.57	97.94	57.46	29.02	24.90
Net Tangible Asset Per Share (RM) / Aset Ketara Bersih Sesaham (RM)	5.03	4.75	4.09	3.69	3.55
Current Ratio / Nisbah Semasa	3.98	3.01	2.19	4.94	12.64
Pre-Tax Profit As a Percentage of Sales (%) / Keuntungan Sebelum Cukai Sebagai Peratus Jualan (%)	26.65	34.41	31.16	34.85	70.39
Pre-Tax Profit As a Percentage of Shareholders' Equity (%) / Keuntungan Sebelum Cukai Sebagai Peratus Dana Pemegang Saham (%)	13.68	28.12	21.00	11.90	9.90

SALES (RM'000)



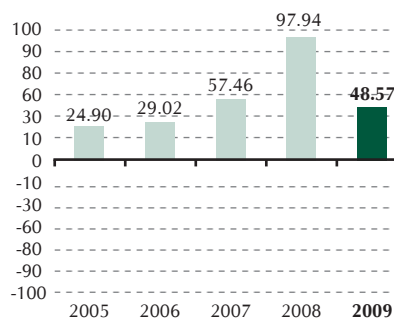
PROFIT BEFORE TAX (RM'000)



NET TANGIBLE ASSETS
(RM)



EARNINGS PER SHARE
(SEN)



		Actual 2009	Actual 2008	Actual 2007	Actual 2006	Actual 2005
Mature Area	Hectare	13,792	12,949	12,973	13,492	12,878
Total Planted Area	Hectare	19,660	19,648	18,497	16,090	14,825
FFB Production	Mt	302,454	336,635	307,056	284,510	270,872
FFB Yield	mt / ha	21.93	26.00	23.67	21.09	21.03
OER	%	18.77	18.54	18.15	18.28	18.45
CPO Yield	mt/ha	4.12	4.82	4.30	3.85	3.88
CPO Price	RM/mt	2,223	2,930	2,150	1,504	1,390
Kernel Recovery Revenue	RM/mt	265	388	370	224	254
CPO Production Cost (Ex-estate)	RM/mt	763	726	545	518	523
CPO Production Cost (Exclude Replanting Cost)	RM/mt	1,073	1,219	904	782	768
Profit from CPO & Kernel / Mature Ha	RM/Ha	5,899	10,175	7,240	3,747	3,478



On behalf of the Board of Directors, I am pleased to present our Annual Report incorporating the Audited Financial Statements of Far East Holdings Berhad and its subsidiaries ("the Group") for the year ended 31 December 2009.

Financial Performance

The Group recorded total revenue of RM351.97 million with a pretax profit of RM93.79 million for the financial year under review as compared to RM526.62 million and RM181.20 million respectively recorded in financial year 2008. Net profit for 2009 was RM75.14 million as compared to RM148.07 million in the previous year. As a result, the Group's earnings per share contracted to 48.57 sen from 97.94 sen recorded in the previous year while the NTA per share increased by 0.29 sen to RM5.04. The decrease in revenue and pretax profit were mainly due to two major factors, namely lower Crude Palm Oil and Palm Kernel prices as well as lower FFB production.

In line with the national average and seasonal trend, our plantations experienced a lower cropping pattern of 21.93 metric tonnes per hectare in 2009 compared with 26.00 metric tonnes per hectare in 2008. The Group produces 302,454 metric tonnes of fresh fruit bunches ("FFB"). This is a decreased of 34,181 metric tonnes or 10% when compared to 2008. However, the FFB yield in 2009 was well above the average FFB yield per hectare for the state of Pahang and West Malaysia. (Pahang: 19.48 metric tonne per hectare, West Malaysia: 19.63 metric tonne per hectare. Source: MPOB).



The Group expected that the impact on FFB production could be softened and compensated by the full maturity of 842 hectares of new-planted areas. The maturity profile of the estates are as follows :

Detail	Hectare
Mature Area	13,791.91
Immature Area	1,014.49
New Planting	3,597.11
Land Preparation	1,256.77
Total	19,660.28

The average price of crude palm oil ("CPO") decreased by 24% from RM2,930 per metric tonne in 2008 to RM2,223 for the year under review. The price of palm kernel decreased by 36% from RM1,681 per metric tonne in 2008 to RM1,071 per metric tonne in 2009.

The Group's overall cost of production of crude palm oil per metric tonne recorded a decrease from RM1,219 in the preceding year to RM1,073, which is attributable to better cost control in the estate management.

The share of profits from our associate companies had also reduced substantially from RM46 million in 2008 to RM21 million in 2009. Again this is due to lower CPO prices.

Dividend

The Group is committed in honouring our dividend policy to enhancing 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 practiced by the company.

As for the financial year ended 31 December 2009, an interim single tier dividend of 7.50 sen per share was paid on 4 November 2009. The Board of Directors is now recommending the payment of a final single tier dividend of 15.0 sen per share amounting to RM20.43 million for the financial year ended 31 December 2009. This final dividend if approved by the shareholders at the forthcoming Annual General Meeting, will be paid on 30 June 2010. The total dividend payout for financial year 2010 will be RM30.66 million or 22.50 sen per ordinary share.



Corporate Development

Sale and Purchase Agreement ("SPA") between Far East Holdings Berhad ("FEHB") and Kuantan Medical Centre ("KMC")

On 29 October 2009, FEHB had entered into a SPA with KMC for the sale of a piece of land known as PN 7723 Lot 54559, Mukim of Kuala Kuantan, District of Kuantan, Pahang Darul Makmur measuring 4.324 hectares ("the said Land"). The status of the said Land is leasehold for 99 years, expiring on 27th June 2096.

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The Purchase consideration is RM13,960,000.00 (Ringgit Malaysia: Thirteen Million Nine Hundred Sixty Thousand) only.

As to date, the SPA has not been completed.

Prospects

The world economy is expected to rebound on a soft recovery. Thus, the plantation industry is again expected to face new challenges in 2010 given that scenario. CPO prices in 2010 are expected to remain stable, the overall fundamentals of the plantation industry would remain strong arising from continuous strong demand of palm products. Based on this optimism, the prospect of the Group to achieve good results in 2010 would remain bright.

Corporate Social Responsibility ("CSR")

The Group realized that in order to progress to greater heights, both environment and manpower must be harmonized to equate a balance. The Group upholds the highest standards of operations and conduct. As a socially responsible corporation, we will continue to contribute positively to the sustainable development of the economy and the community.

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

The Group recognised the importance of employees with the right skills and competencies as it moves forward. Continuous training programme and refresher courses are given to staff in order to equip themselves with the latest development in the industry. The Group continues to adopt a "Zero-Burning" practices in its replanting programmes to demonstrate its emphasis on environmental conservation.



Corporate Governance

The statements on Corporate Governance and Internal Control are included in our Annual Report to affirm the Board's commitment to ensure that the utmost standards of Corporate Governance are practiced throughout the Group. The statements had been approved by the Board in the meeting dated 27 April 2010 for disclosure in the Annual Report.

Acknowledgement and Appreciation

On behalf of the Board, I would like to extend our utmost gratitude to our valued customers, associates and the relevant government authorities especially the State of Pahang for their undying support and guidance that are so essential for the future growth of the Group.

I would like to record our sincere thanks and appreciation from the Board to En Nowawi bin Abdul Rahman who retired from the Company recently for his invaluable contributions during his service with the Group.

I also wish to express our sincere appreciation to all our employees for their positive efforts and to our shareholders for their continued faith and endorsement. Last but not least, my personal thanks to my fellow colleagues on the Board for their astute guidance and wise counsel.



Dato' Kamaruddin Bin Mohammed

Chairman



1.0 COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee presently comprises the following Directors:

Encik Khairul Azahar bin Ariffin <i>Appointed as Chairman on 27 May 2009</i>	Chairman, Independent Non-Executive Director
Cik Sharina Bahrin <i>Retired on 27 May 2009</i>	Chairperson, Independent Non-Executive Director
YH Dato' Kamaruddin bin Mohammed	Member, Non-Independent Non-Executive Director
Miss Ng Yee Kim	Member, Independent Non-Executive Director
Encik Hashim Naina Merican bin Yahaya Merican <i>Appointed on 13 August 2009</i>	Member, Independent Non-Executive Director

2.0 TERMS OF REFERENCE

Duties and Responsibilities

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

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

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

Authority

- The Committee is authorised by the Board to investigate any matter within its term of reference, to obtain the resources, which it needs, and to have full and unrestricted access to information. It is also authorised to seek any information it requires from any employee of the Group and all employees are directed to co-operate with any request made by the Committee.
- The Committee shall have direct communication channels with the external and internal auditors.
- The Committee is authorised by the Board to obtain independent professional or other advice at the Company's expense and to invite outsiders with relevant experience and expertise to attend meetings if it considers this necessary.

- Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa"), the Committee shall promptly report such matter to the Bursa.
- Convene meetings with the external auditors, excluding the attendance of the Executive Members of the Committee, whenever deemed necessary.

Meetings

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

Membership

- The Committee shall be appointed by the Board from amongst the non-executive directors of the Company and shall consist of not less than three members, of whom the majority shall be independent.
- At least one member of the Committee:
 - Shall be a member of the Malaysian Institute of Accountants; or
 - If he is not a member of the Malaysian 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.

Overseeing The Internal Audit Function

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

Reporting Procedures

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

3.0 ATTENDANCE AT MEETINGS

During the financial year ended 31 December 2009, the Audit Committee held a total of five (5) meetings.

Dates:

26 February 2009 18 August 2009
 2 April 2009 16 November 2009
 27 May 2009

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 Khairul Azahar bin Ariffin <i>Appointed as Chairman on 27 May 2009</i>	5	5
Cik Sharina Bahrin <i>Retired on 27 May 2009</i>	3	3
YH Dato' Kamaruddin bin Mohammed	5	5
Miss Ng Yee Kim	5	5
Encik Hashim Naina Merican bin Yahya Merican <i>Appointed on 13 August 2009</i>	2	2

4.0 ACTIVITIES

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

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

5.0 INTERNAL AUDIT FUNCTION

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

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

6.0 EMPLOYEES' SHARE OPTION SCHEME

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

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

From 1 January 2009 until 27 April 2010, a total of 580,000 new ordinary shares of RM1 each were issued by the Company for cash by virtue of the exercise of options pursuant to the Company's ESOS at the exercise price of RM5.234. The exercise was made in one batch with closing paid up at RM136,229,000.

After taking into consideration of the offered and exercised ESOS, there were 11,384,350 ordinary shares still not allocated to employees as at 27 April 2010 from the total ESOS. As at 27 April 2010, a balance of 760,000 ordinary shares are still not exercised.

A breakdown of the options offered to and exercised by all directors pursuant to a share scheme for employees and directors as at 27 April 2010 is as follows:

Name	Balance @ 1.1.2009	Options Exercised	Balance @ 27.4.2010
YH Dato' Kamaruddin bin Mohammed	1,250,000	550,000	700,000
Mr Tee Lip Hian	90,000	30,000	60,000
Total	1,340,000	580,000	760,000

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 Best Practices of Good Governance as set out in Part 1 and Part 2 respectively of the Malaysian Code on Corporate Governance ("the Code") pursuant to Paragraph 15.26 of the Listing Requirements of the Bursa Malaysia Securities Berhad ("LR"). These principles and best practices have been applied throughout the year ended 31 December 2009.

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

SECTION A: THE BOARD OF DIRECTORS

1.0 Principal Roles

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

The Board meets at least six (6) times a year, with additional meetings convened as and when necessary. During the financial year ended 31 December 2009, six (6) Board meetings were held. Details on attendance of the Directors at Board meetings are as follow:

Name of Directors	Attendance
YH Dato' Kamaruddin bin Mohammed	6/6
YH Dato' Md. Adnan bin Sulaiman	5/6
Mr Tee Kim Tee @ Tee Ching Tee	6/6
En Nowawi bin Abdul Rahman	6/6
Mr Tee Cheng Hua	6/6
Mr Tee Lip Hian	6/6
En Khairul Azahar bin Ariffin	6/6
Ms Ng Yee Kim	6/6
En Hashim Naina Merican bin Yahaya Merican	3/6

2.0 Board balance

The current Board consists of seven (7) Non-Executive Directors (including the Chairman) and one (1) Executive Director, with three (3) of the eight (8) Directors being Independent Directors with a synergistic mixture of businessmen, planters, professionals and technical expertist. This mix of skills and experience is vital for the successful direction of the Group. A brief profile of each Director is presented on page 11 to 20.

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

3.0 Supply Of Information

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

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

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

4.0 Appointments To The Board

Pursuant to the best practices promulgated by the Code, the Board has established a Nomination Committee, consisting of four (4) Directors without executive functions. The duties and responsibilities of the Committee are to propose new nominees to the Board and to assess the contribution of each individual Director and overall effectiveness of the Board on an on-going basis. The membership and principal duties and responsibilities of the Committee are set out in the following paragraph 5.0 (ii).

5.0 Board Committees

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

i) Audit Committee

The Audit Committee reviews issues of accounting policies, presentation for external financial reporting, monitors the work of the Internal Audit function and ensures an objective, and professional relationship is maintained with the external auditors. The Audit Committee has full access to the auditors both internally and externally who, in turn, have access at all times to the Chairman of the Audit Committee. The report of the Audit Committee is stated on page 28 to 33. The Audit Committee meets once a year with the external auditors without the present of Executive Officers of the Company.

ii) Nomination Committee

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

- **Non-Independent Non-Executive Director**
YH Dato' Kamaruddin bin Mohammed (Chairman)
Mr Tee Kim Tee @ Tee Ching Tee
- **Independent Non-Executive Director**
Ms Ng Yee Kim
En Hashim Naina Merican bin Yahaya Merican

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

iii) Remuneration Committee

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

The members of Remuneration Committee are as follows:-

Non-Independent Non-Executive Director

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

Independent Non-Executive Director

- En Khairul Azahar bin Ariffin

iv) Employees' Share Option Scheme Committee

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

Non Independent Non-Executive Director

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

Non-Independent Executive Director

- Mr Tee Cheng Hua

Independent Non-Executive Director

- En Hashim Naina Merican bin Yahaya Merican

6.0 Re-Election Of Directors

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

In accordance with the Articles, one third of the remaining Directors, including the Executive Director, 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.

7.0 Directors Training

Every Director of the Company undergoes continuous training to equip himself/herself to effectively discharge his/her duties as a Director and for that purpose he/she ensures that he/she attends such training programmes as prescribed by the Bursa Malaysia from time to time. All Directors attended the Mandatory Accreditation Programme (“MAP”) prescribed by the Bursa Malaysia and have completed their Continuing Education Programme (“CEP”) as prescribed by the Bursa Malaysia. For the financial year ended 31 December 2009, all Directors had participated and attended seminars as recommended and approved by the Board as follows.

NO	NAME	COURSED ATTENDED	DATE
1.	YH Dato' Kamaruddin bin Mohammed	MVCA-MARSH Due Diligence Seminar: Managing Risk Before and After Acquisition Seminar on Financial Reporting Standards (FRS) – Convergence & Impact, Director's Perspective	29.10.2009 25.11.2009
2.	YH Dato' Md. Adnan bin Sulaiman	ESQ Leadership Training Board Effectiveness: Understanding The Roles & Functions of the Nominating & Remuneration Committees	06 – 08.11. 2009 09.12.2009
3.	Mr Tee Kim Tee @ Tee Ching Tee	Board Effectiveness: Understanding The Roles & Functions of the Nominating & Remuneration Committees	09.12.2009
4.	En Nowawi bin Abdul Rahman	International Planters Conference 2009	22 - 23.06.2009
5.	Mr Tee Cheng Hua	Replanting for Higher Yield Workshop Sales & Purchase Agreement for Property & Land Transactions	10 - 11.08. 2009 17 - 18.03.2010
6.	Mr Tee Lip Hian	International Conference on Future of the Palm Oil Business 2009	19 - 20.02.2009
7.	Ms Ng Yee Kim	Beyond the Numbers: Seeking Transparency in Financial Statements	22.04.2009
8.	En Khairul Azahar bin Ariffin	Conference “Corporate Insolvency & Winding Up” Creditors and Members' Voluntary Liquidation National Tax Conference 2009 The National Accountants Conference 2009 Toward Boardroom Excellence and Corporate Governance Best Practice	22.04.2009 18.06.2009 4 - 5.08.2009 13 - 14.10.2009 13 - 14.01.2010
9.	En Hashim Naina Merican bin Yahaya Merican	Mandatory Accreditation Programme (MAP)	17 - 18.11.2009

SECTION B : DIRECTORS' REMUNERATION

1.0 Directors Remuneration

The aggregate Directors' remuneration paid or payable or otherwise made to all Directors of the Company who served during the financial year 31 December 2009 are as follows:-

Category	Other Fees (RM'000)	Salaries (RM'000)	Emoluments (RM'000)	Total (RM'000)
Executive	100	360	247	707
Non-Executive	378	300	676	1,354
Total	478	660	923	2,061

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

Range of Remuneration	Executive Directors	Non-Executive Directors
RM50,001-RM200,000	-	6
RM200,001-RM1,500,000	2	1

SECTION C: RELATIONS WITH SHAREHOLDERS AND INVESTORS

1.0 Corporate Communication

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

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

SECTION D: ACCOUNTABILITY AND AUDIT

1.0 Financial Reporting

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

The quarterly results announcements to the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) reflect the Board’s commitment to give regular updated assessments on the Group’s performance and prospects. The statement by the Board pursuant to Section 169(15) of the Companies Act, 1965 is presented on page 53.

2.0 Internal Controls

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

3.0 Audit Committee

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

The Audit Committee meets quarterly. Additional meetings are held as and when required. During the financial year ended 31 December 2009, 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 page 28 to 33.

4.0 Internal Audit

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

5.0 External Audit

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

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

1.0 Recurrent Related Party Transactions of A Revenue or Trading Nature

Pursuant to paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad, the Company will be seeking the renewal from the shareholders for recurrent related party transactions of a revenue or trading nature, entered into between Far East Holdings Berhad ("FEHB") or its subsidiary companies and related parties, at the forthcoming Annual General Meeting of FEHB scheduled to be held on 11 June 2010. The related party transactions for the group are as follows:

Name	Nature of Relationship	Date and Place of Incorporation	Principal Activities
KKSB	FEHB directly holds 51%* equity interest in KKSB	13.11.1989 Malaysia	Operating of palm oil mill
WWSB	KKSB directly holds 51%* equity interest in WWSB	29.11.2005 Malaysia	Operating of palm oil mill
PTSB	PTSB is a major shareholder of FEHB that holds 24.59%* equity interest in FEHB	09.09.1985 Malaysia	Operating of palm kernel mill
PPOM	FEHB directly holds 40.00%* equity interest in PPOM	13.01.1978 Malaysia	Operating of palm oil mill and cultivation of oil palm
RPOM	PPOM directly holds 30%* equity interest in RPOM	28.01.1994 Malaysia	Operating of palm oil mill
EPOM	PTSB directly holds 32%* equity interest in EPOM	23.10.1997 Malaysia	Operating of palm oil mill
PGC	KKSB directly holds 30%* equity interest in PGC	10.04.2004 Malaysia	Management Services in palm oil plantations and marketing of sales and purchases of CPO
PPOPM	PPOM directly holds 30%* equity interest in PPOPM	18.08.1994 Malaysia	Trading and Marketing agent
KOSMA	KOSMA is a shareholder of WWSB that holds 49%* equity interest in WWSB	04.12.1967 (Incorporated under Cooperative Act 1993) Malaysia	Operating of palm oil mill
LKPP Corp	LKPP Corp. holds 6.18%* equity interest in FEHB. LKPP Corp is a wholly owned subsidiary of LKPP. LKPP is a major shareholder of FEHB that holds 26.13%* equity interest in FEHB	21.06.1990 Malaysia	Operating of palm oil mill
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

* As at 30 April 2010

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

i) 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

ii) 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

iii) Sales of CPO

Related Party	Nature of Transaction	Method of Pricing
KKSB	Sales of CPO by KKSB to WWSB	Based on the contract price
WWSB	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
Kilang Sawira Makmur	Sales of CPO by KKSB to Kilang Sawira Makmur	Based on the contract price

iv) 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

v) Sales of Kernel

Related Party	Nature of Transaction	Method of Pricing
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

vi) Purchases of Kernel

Related Party	Nature of Transaction	Method of Pricing
EPOM	Purchase of kernel by WWSB from EPOM	Based on the contract price

vii) 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 and WWSB	Based on agreed contract agreement for the management services.

viii) 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

The aggregate value of the Recurrent Related Party Transactions made during the financial year is shown below:

Related Party	RM'000
FEHB	112,433
KKSB	173,810
WWSB	168,870
PPOM	44,945
RPOM	44,629
EPOM	42,283
Kilang Sawira Makmur	53,474
LKPP Corp.	1,095
KOSMA	86,723
PGC	20,474
PPOPM	691
PTSB	26,407
Total	775,834

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 meeting.

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

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 follow:

- **Board Meetings**

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

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

- **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 enhancing shareholders' wealth. The monitoring and managing of the Group operations is delegated to its Executive Directors who are actively involved in day-to-day operations of the Group.

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

- **Performance Management Framework**

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

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

- **Audit Committee and Internal Audit**

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

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

- **Review of Recurrent Related Party Transactions**

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

- **Financial and Operating Manuals**

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

- **Financial Authority Limits**

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

- **Tender Committees**

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

- **Plantation Advisory Services**

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

- **Plantation Coordination Meeting**

As a pro-active measure to achieve greater cooperation and coordination to enhance productivity and quality, the Group has established plantations operations and management coordination meetings, which meet regularly.

WEAKNESS IN INTERNAL CONTROL

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

This statement is made in accordance with a resolution of the Board of Directors dated 27 April 2010.

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 2009, 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 ensure that the financial statements comply with the Companies Act 1965 and MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities.

FINANCIAL STATEMENTS

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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 2009.

Principal activities

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

Financial results

	Group RM	Company RM
Profit for the year attributable to equity holders of the Company	66,052,749	62,561,498

Dividends

The dividends on ordinary shares paid or declared by the Company since 31 December 2008 were as follows:

	RM
In respect of the financial year ended 31 December 2008, final single tier dividend of 15 sen per share on 136,229,000 ordinary shares, paid on 11 June 2009	20,434,350
In respect of the financial year ended 31 December 2009, interim single tier dividend of 7.5 sen per share on 136,229,000 ordinary shares, paid on 4 November 2009	10,217,175
	<u>30,651,525</u>

The Directors now recommend the payment of a final single tier dividend of 15 sen per share on 136,229,000 ordinary shares amounting to RM20,434,350 for the year ended 31 December 2009. 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 2010.

Reserves and provisions

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

Employees' Share Option Scheme

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

Director's Report

for the year ended 31 December 2009

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

During the year, 580,000 new ordinary shares of RM1 each were issued by the Company for cash by virtue of the exercise of options pursuant to the Company's Employees' Share Option Scheme. Details of the unit and exercise price of the ESOS are as per Note 24(b) to the financial statements.

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

Details of the ESOS are set out in Note 24(b) to the financial statements.

Directors

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

YH Dato' Kamaruddin bin Mohammed

Mr Tee Kim Tee @ Tee Ching Tee

Mr Tee Cheng Hua

Mr Tee Lip Hian

YH Dato' Haji Md Adnan bin Sulaiman

Encik Khairul Azahar bin Ariffin

Ms Ng Yee Kim

Encik Hashim Naina Merican bin Yahaya Merican

Cik Sharina Bahrin

Encik Nowawi bin Abdul Rahman

Appointed on: 13.8.2009

Retired on: 27.5.2009

Resigned on: 1.3.2010

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 and being eligible offer themselves for re-election.

In accordance with Article 102 of the Company's Articles of Association, Encik Hashim Naina Merican bin Yahaya Merican, retires at the forthcoming Annual General Meeting and being eligible offers himself for re-election.

Directors' benefits

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

Since the end of the previous year, no Director has received or become entitled to receive a benefit (other than Directors' remunerations disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in Note 7 and 30 to the financial statements.

Directors' interests in shares

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

	1.1.2009	Number of ordinary shares of RM1 each Bought/ESOS exercised	Sold	31.12.2009
Direct interest – in the Company				
YH Dato' Kamaruddin bin Mohammed	1,200,000	550,000	-	1,750,000
Mr Tee Kim Tee @ Tee Ching Tee	4,154,400	66,000	-	4,220,400
Encik Nowawi bin Abdul Rahman	678,000	-	-	678,000
Mr Tee Cheng Hua	2,124,000	-	(62,000)	2,062,000
Mr Tee Lip Hian	251,600	30,000	-	281,600
Ms Ng Yee Kim	40,000	10,000	-	50,000

Indirect interest – in the Company

YH Dato' Kamaruddin bin Mohammed	-	500,000	-	500,000
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	1.1.2009	Number of options over ordinary shares of RM1 each		31.12.2009
		Granted	Exercised	
YH Dato' Kamaruddin bin Mohammed	1,250,000	-	(550,000)	700,000
Mr Tee Lip Hian	90,000	-	(30,000)	60,000

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

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

Statutory information on the financial statements

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

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

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

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

Director's Report

for the year ended 31 December 2009

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

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

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

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

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements misleading other than material litigation as disclosed in Note 34 to the financial statements.

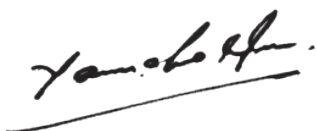
In the opinion of the Directors:

- 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.

Auditors

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

In accordance with a resolution of the Board of Directors dated 27 April 2010



Dato' Kamaruddin bin Mohammed
Chairman



Tee Cheng Hua
Executive Director

Statement by Directors


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

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Far East Holdings Berhad

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 56 to 92 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 2009 and of the results and cash flows of the Group and of the Company for the year ended on that date in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965.

In accordance with a resolution of the Board of Directors dated 27 April 2010



Dato' Kamaruddin bin Mohammed
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 56 to 92 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



Asmin binti Yahya

Subscribed and solemnly declared by the abovenamed Asmin binti Yahya

At: Kuantan

On: 27 April 2010

Before me:

Commissioner for Oaths



Independent Auditors' Report

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

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

We have audited the financial statements of Far East Holdings Berhad, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 56 to 92.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

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

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

Other Matters

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



Parker Randall Thomas
(AF 001879)
Chartered Accountants



Chong Loong Choy
[2589/08/10(J)]
Partner of the firm
Kuantan 27 April 2010

Income statements

for the year ended 31 December 2009

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	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Revenue	5	351,973,189	526,624,614	81,932,545	167,412,924
Other operating income		1,622,498	4,734,623	339,783	182,632
Staff costs		(8,277,806)	(7,453,361)	(1,279,757)	(1,064,031)
Changes in inventories		2,983,329	(6,728,995)	-	-
Finished goods purchased		(69,170,421)	(115,274,997)	-	-
Raw material purchased		(131,159,246)	(190,778,682)	-	-
Production cess		(1,156,505)	(1,606,247)	-	-
Carriage outwards		(4,401,950)	(5,461,561)	-	-
Upkeep, repair and maintenance of assets		(4,470,900)	(5,296,707)	-	-
Utilities and fuel		(1,483,982)	(2,317,623)	-	-
Depreciation		(3,785,957)	(3,236,744)	(802,731)	(689,356)
Prepaid land lease payments amortised		(2,970,400)	(2,674,450)	(1,035,805)	(714,374)
Upkeep and cultivation		(24,461,334)	(25,641,678)	(5,207,310)	(4,791,132)
Harvesting		(13,171,251)	(14,081,443)	(2,392,095)	(2,633,059)
Estate general charges		(2,858,549)	(3,403,861)	(798,078)	(834,178)
Replanting expenses		(6,154,851)	(3,284,096)	(3,400,016)	(2,060,237)
Other operating expenses		(11,315,986)	(14,708,953)	(2,978,107)	(3,793,831)
Finance income		1,309,273	2,255,311	348,820	873,241
Finance cost		(32,684)	(93,327)	-	(56,566)
Gain on disposal of associate		-	3,602,776	-	-
Share of profit after tax of equity accounted associates		20,771,924	46,025,837	-	-
Profit before tax	6	93,788,391	181,200,436	64,727,249	151,832,033
Tax expenses	8	(18,644,112)	(33,129,239)	(2,165,751)	(22,238,144)
Profit for the year		75,144,279	148,071,197	62,561,498	129,593,889
Attributable to :					
Equity holders of the Company		66,052,749	132,611,947	62,561,498	129,593,889
Minority interests		9,091,530	15,459,250	-	-
		75,144,279	148,071,197	62,561,498	129,593,889
Earnings per share attributable to equity holders of the Company (sen)					
- basic	9(a)	48.57	97.94		
- diluted	9(b)	48.57	97.91		

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

Balance sheets

as at 31 December 2009

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Non current assets					
Property, plant and equipment	11	252,772,435	237,705,595	56,417,034	48,728,198
Prepaid land lease payments	12	229,474,278	232,444,678	84,287,074	85,322,879
Land held for development	13	29,262,969	40,378,739	29,262,969	40,378,739
Deferred tax asset	23	404,954	267,954	-	-
Subsidiaries	14	-	-	36,199,351	36,199,351
Associates	15	172,476,846	155,173,229	63,463,281	63,463,281
Investments, at cost	16	45,329,075	39,129,075	42,200,000	35,000,000
		729,720,557	705,099,270	311,829,709	309,092,448
Current assets					
Non currents assets held for disposal	17	11,167,493	-	11,167,493	-
Inventories	18	11,359,465	7,166,122	311,438	645,312
Short term investment		10,137,350	-	-	-
Receivables, deposits and prepayments	19	28,182,252	34,798,060	48,988,471	34,009,300
Tax recoverable		6,217,259	2,578,504	1,696,704	464,309
Deposits, bank and cash balances	20	57,701,179	72,665,881	11,344,873	19,235,905
		124,764,998	117,208,567	73,508,979	54,354,826
Less: Current liabilities					
Payables	21	31,215,694	27,558,670	12,562,885	17,444,769
Dividend payable		-	10,173,675	-	10,173,675
Current tax liabilities		-	900,367	-	-
Hire purchase liabilities	22	134,037	295,509	-	-
		31,349,731	38,928,221	12,562,885	27,618,444
Net current assets		93,415,267	78,280,346	60,946,094	26,736,382
Less: Non current liabilities					
Hire purchase liabilities	22	27,665	178,828	-	-
Deferred tax liabilities	23	78,868,138	79,997,338	17,445,000	16,256,000
		78,895,803	80,176,166	17,445,000	16,256,000
Total net assets		744,240,021	703,203,450	355,330,803	319,572,830
Capital and reserves attributable to equity holders of the Company					
Share capital	24	136,229,000	135,649,000	136,229,000	135,649,000
Share premium	25	16,198,220	13,203,020	13,147,494	10,152,294
Share option reserve	26	-	153,200	-	153,200
Revaluation reserves	27	181,351,851	178,751,151	26,668,138	26,242,138
Retained earnings	28	351,975,412	316,574,188	179,286,171	147,376,198
Shareholders' equity		685,754,483	644,330,559	355,330,803	319,572,830
Minority interest		58,485,538	58,872,891	-	-
Total equity		744,240,021	703,203,450	355,330,803	319,572,830

Statements of Changes in Equity

for the year ended 31 December 2009

Attributable to equity holders of the Company

Group	Note	Share capital (Note 24) RM	Share premium (Note 25) RM	Share option reserves (Note 26) RM	Revaluation reserves (Note 27) RM	Retained earnings RM	Total RM	Minority interest RM	Total equity RM
At 31 December 2007		135,089,000	10,403,020	-	176,152,151	230,422,022	552,066,193	60,600,323	612,666,516
Employees shares option scheme									
- issue of shares		560,000	2,371,040	-	-	-	2,931,040	-	2,931,040
Share options granted		-	-	582,160	-	-	582,160	-	582,160
Share options exercised		-	428,960	(428,960)	-	-	-	-	-
Transfer from deferred tax		-	-	-	2,599,000	-	2,599,000	-	2,599,000
Profit for the year		-	-	-	-	132,611,947	132,611,947	15,459,250	148,071,197
Dividends for the year ended									
- 31 December 2007	10	-	-	-	-	(22,721,206)	(22,721,206)	(7,506,982)	(30,228,188)
- 31 December 2008	10	-	-	-	-	(23,738,575)	(23,738,575)	(9,679,700)	(33,418,275)
At 31 December 2008		135,649,000	13,203,020	153,200	178,751,151	316,574,188	644,330,559	58,872,891	703,203,450
Employees shares option scheme									
- issue of shares		580,000	2,455,720	-	-	-	3,035,720	-	3,035,720
Share options granted		-	-	386,280	-	-	386,280	-	386,280
Share options exercised		-	539,480	(539,480)	-	-	-	-	-
Transfer from deferred tax		-	-	-	2,600,700	-	2,600,700	-	2,600,700
Profit for the year		-	-	-	-	66,052,749	66,052,749	9,091,530	75,144,279
Dividends for the year ended									
- 31 December 2008	10	-	-	-	-	(20,434,350)	(20,434,350)	(7,865,600)	(28,299,950)
- 31 December 2009	10	-	-	-	-	(10,217,175)	(10,217,175)	(1,613,283)	(11,830,458)
At 31 December 2009		136,229,000	16,198,220	-	181,351,851	351,975,412	685,754,483	58,485,538	744,240,021

Statements of Changes in Equity

for the year ended 31 December 2009

Company	Note	Share capital (Note 24) RM	Share premium (Note 25) RM	Share option reserves (Note 26) RM	Revaluation reserve (Note 27) RM	Retained earnings (Note 28) RM	Total RM
At 31 December 2007		135,089,000	7,352,294	-	25,842,138	64,242,090	232,525,522
Employees share option scheme							
- issue of shares		560,000	2,371,040	-	-	-	2,931,040
Share options granted		-	-	582,160	-	-	582,160
Share options exercised		-	428,960	(428,960)	-	-	-
Transfer from deferred tax		-	-	-	400,000	-	400,000
Profit for the year		-	-	-	-	129,593,889	129,593,889
Dividends for the year ended							
- 31 December 2007	10	-	-	-	-	(22,721,206)	(22,721,206)
- 31 December 2008	10	-	-	-	-	(23,738,575)	(23,738,575)
At 31 December 2008		135,649,000	10,152,294	153,200	26,242,138	147,376,198	319,572,830
Employees share option scheme							
- issue of shares		580,000	2,455,720	-	-	-	3,035,720
Share options granted		-	-	386,280	-	-	386,280
Share options exercised		-	539,480	(539,480)	-	-	-
Transfer from deferred tax		-	-	-	426,000	-	426,000
Profit for the year		-	-	-	-	62,561,498	62,561,498
Dividends for the year ended							
- 31 December 2008	10	-	-	-	-	(20,434,350)	(20,434,350)
- 31 December 2009	10	-	-	-	-	(10,217,175)	(10,217,175)
At 31 December 2009		136,229,000	13,147,494	-	26,668,138	179,286,171	355,330,803

Cash flow statements

for the year ended 31 December 2009

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	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Operating activities					
Profit for the year attributable to equity holders of the Company		66,052,749	132,611,947	62,561,498	129,593,889
Adjustments for:					
Minority interest		9,091,530	15,459,250	-	-
Prepaid land lease payments amortised		2,970,400	2,674,450	1,035,805	714,374
Property, plant and equipment					
- depreciation		3,785,957	3,236,744	802,731	689,356
- written off		71,696	51,564	2,205	2,007
- gain on disposal		(44,523)	(114,052)	(20,523)	(14,052)
Gain on disposal of other investment		-	(2,373,519)	-	-
Gain on disposal of subsidiary		-	(475,695)	-	(5,999)
Gain on disposal of associate		-	(3,602,776)	-	-
Amount due from subsidiary disposed written off		-	434,889	-	-
Share of profit of associates		(20,771,924)	(46,025,837)	-	-
Share options granted		386,280	582,160	386,280	582,160
Dividend income		-	(280,560)	(58,661,524)	(129,872,632)
Interest expense		32,684	93,327	-	56,566
Interest income		(1,309,273)	(2,255,311)	(348,820)	(873,241)
Tax		18,644,112	33,129,239	2,165,751	22,238,144
Operating profit before working capital		78,909,688	133,145,820	7,923,403	23,110,572
Changes in working capital:					
- inventories		(4,193,343)	6,630,837	333,874	(260,675)
- receivables, deposits and prepayments		6,615,808	(13,454,765)	(1,819,028)	58,752
- subsidiaries		-	-	(19,254,740)	(31,966,951)
- payables		3,605,301	(1,348,468)	1,321,768	510,725
Cash from/(used in) operations		84,937,454	124,973,424	(11,494,723)	(8,547,577)
Lease land payments paid in advance		-	(1,138,776)	-	(1,046,694)
Interest received		1,309,273	2,255,311	348,820	873,241
Interest paid		(32,684)	(93,327)	-	(56,566)
Tax refunded		-	779,682	-	-
Tax paid		(21,848,734)	(37,690,787)	(1,464,396)	(4,396,800)
Net cash flow from/(used in) operating activities		64,365,309	89,085,527	(12,610,299)	(13,174,396)

Cash flow statements

for the year ended 31 December 2009

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Investing activities					
Property, plant and equipment					
- acquisition		(19,147,420)	(23,521,979)	(8,741,477)	(10,747,609)
- proceed from disposal		267,450	116,972	107,450	16,972
Purchase of investment		(20,337,350)	(27,000,000)	(10,200,000)	(27,000,000)
Investment in associates		(44,550)	(6,000,450)	-	(6,000,000)
Proceed from disposal of subsidiary		-	(35,896)	-	6,000
Proceed from disposal of other investment		4,000,000	20,953,837	3,000,000	6,000,000
Proceed from disposal of associate		-	19,110,000	-	-
Dividend received		3,512,857	1,318,121	58,342,774	113,665,394
Net cash (used in)/from investing activities		(31,749,013)	(15,059,395)	42,508,747	75,940,757
Financing activities					
Proceed from issue of shares under employees share option scheme		580,000	560,000	580,000	560,000
Share premium		2,455,720	2,371,040	2,455,720	2,371,040
Hire purchase paid		(312,635)	(424,950)	-	-
Dividend paid		(50,304,083)	(63,469,374)	(40,825,200)	(46,282,692)
Net cash used in financing activities		(47,580,998)	(60,963,284)	(37,789,480)	(43,351,652)
Net (decrease)/increase in cash and cash equivalent		(14,964,702)	13,062,848	(7,891,032)	19,414,709
Cash and cash equivalent					
- at start of year		72,665,881	59,603,033	19,235,905	(178,804)
- at end of year	20	57,701,179	72,665,881	11,344,873	19,235,905

Notes to the financial statements

for the year ended 31 December 2009

1 General information

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

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

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

The financial statements are presented in Ringgit Malaysia.

2 Basis of preparation of financial statements

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

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

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 32 to the financial statements.

3 Summary of significant accounting policies

(a) Property, plant and equipment

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

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

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

3 Summary of significant accounting policies (continued)**(a) Property, plant and equipment (continued)**

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

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

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each 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 balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3(h) on impairment of non-financial assets.

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

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

(b) Estate planting expenditure**New planting**

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

Replanting

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

(c) Prepaid land lease payments

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

(d) Land held for property development

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

3 Summary of significant accounting policies (continued)

(d) Land held for property development (continued)

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

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

(e) Subsidiaries and basis of consolidation

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

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

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

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

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

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

(f) Associates

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.

3 Summary of significant accounting policies (continued)

(f) Associates (continued)

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

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

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

(g) Investments

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

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

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

(h) Impairment of non-financial assets

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

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

3 Summary of significant accounting policies (continued)

(i) Inventories

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

(j) Trade and other receivables

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

(k) Cash and cash equivalents

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

(l) Taxation

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

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

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

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

(m) Employee benefits

(i) Short term employee benefits

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

(ii) Post-employment benefits

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

3 Summary of significant accounting policies (continued)**(m) Employee benefits (continued)****(iii) Share-based compensation**

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

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

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

(n) Financial instruments

Financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instruments of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability that is contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that is potentially unfavourable.

(i) Financial instruments recognised on the balance sheet

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

(ii) Fair value estimation for disclosure purposes

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

(o) Share capital

Ordinary shares are classified as equity. Dividends to shareholders are recognised in equity in the period in which they are declared.

(p) Revenue recognition

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

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

Income from rental and interest are recognised on accrual basis.

Notes to the financial statements

for the year ended 31 December 2009

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

Market risk

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

Credit risk

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

Liquidity and cash flow risk

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

5 Revenue

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Sales of fresh fruit bunches	65,771,766	53,186,674	23,271,021	37,540,292
Sales of crude palm oil and palm kernel	286,201,423	473,157,380	-	-
Dividend income (gross)	-	280,560	58,661,524	129,872,632
	351,973,189	526,624,614	81,932,545	167,412,924

6 Profit before tax

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Auditors' remuneration				
- statutory audit	93,000	93,000	20,000	20,000
Property, plant and equipment				
- written off	71,696	51,564	2,205	2,007
- gain on disposal	(44,523)	(114,052)	(20,523)	(14,052)
Gain on disposal of subsidiary	-	(475,695)	-	(5,999)
Amount due from subsidiary disposed written off	-	434,889	-	-
Cost of contract workers	103,389	62,140	-	-
Rental of lorry	42,065	34,085	-	-

(b) Employee benefits cost

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Salaries, bonus and other benefits	7,567,168	6,909,558	1,132,974	926,113
Defined contribution retirement plan	710,638	543,803	146,784	137,918
	8,277,806	7,453,361	1,279,758	1,064,031

7 Key management personnel compensation

(a) Directors

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Directors of the Company				
Non-executive Directors:				
- Fees	668,000	621,545	380,000	368,739
- Other emoluments	976,550	524,850	976,550	524,850
	1,644,550	1,146,395	1,356,550	893,589
Executive Directors:				
- Fees	359,000	339,000	100,000	100,000
- Other emoluments	898,800	899,950	607,200	608,350
	1,257,800	1,238,950	707,200	708,350
Directors of subsidiaries:				
Non-executive Directors:				
- Fees	354,000	320,273	-	-
Total	3,256,350	2,705,618	2,063,750	1,601,939

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7 Key management personnel compensation (continued)

(a) Directors (continued)

Directors of the Company have been granted options under the Employees' Share Option Scheme on the same terms and conditions as those offered to other employee of the Group (see Note 24(b)) as follows:

	2009		2008	
	Average exercised price RM/share	Options	Average exercised price RM/share	Options
At start of the year	5.234	1,340,000	-	-
Granted	-	-	5.234	1,900,000
Exercised	5.234	(580,000)	5.234	(560,000)
At end of year	5.234	760,000	5.234	1,340,000

Options exercised during the year resulted in 580,000 units shares being issued at RM1 each. The weighted average share price at the time of exercise was RM5.88 per share (2008: RM6.73).

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

Expiry date	Exercise price RM/share	2009	2008
16 March 2012	5.234	760,000	1,340,000

(b) Other key management personnel

	Group and Company	
	2009 RM	2008 RM
Salaries, bonus and other benefits	301,125	311,163
Defined contribution retirement plan	44,982	46,488
Total	346,107	357,651

8 Tax expenses

(a) Tax charge for the year

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Malaysian income tax	17,309,612	31,898,239	550,751	20,766,144
Deferred tax (Note 23)	1,334,500	1,231,000	1,615,000	1,472,000
Tax expenses	18,644,112	33,129,239	2,165,751	22,238,144
Share of tax of equity accounted associates	6,247,409	10,036,514	-	-
Total tax expense	24,891,521	43,165,753	2,165,751	22,238,144
Malaysian income tax				
Current year	16,909,893	32,644,567	405,012	20,700,038
Under accrual in prior years	399,719	(746,328)	145,739	66,106
	17,309,612	31,898,239	550,751	20,766,144
Deferred tax				
Temporary differences	1,334,500	1,231,000	1,615,000	1,472,000
Tax expenses	18,644,112	33,129,239	2,165,751	22,238,144

(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	
	2009 RM	2008 RM	2009 RM	2008 RM
Profit for the year	75,144,279	148,071,197	62,561,498	129,593,889
Total tax expense	24,891,521	43,165,753	2,165,751	22,238,144
	100,035,800	191,236,950	64,727,249	151,832,033
Tax calculated at the tax rate of 20%	-	299,622	-	-
Tax calculated at the tax rate of 25% (2008 : 26%)	25,043,038	49,332,098	16,181,812	39,476,329
Tax effect of :				
- effect of change in tax rate from 26% to 25% (2008: 27% to 26%)	(763,500)	(634,000)	(310,000)	(208,000)
- expenses not deductible for tax purposes	1,118,415	1,650,427	494,831	464,717
- under/(over) accrued for prior years	399,719	(746,328)	145,739	66,106
- benefits from utilisation of reinvestment allowance	(364,640)	(338,457)	-	-
- income not taxable	(541,511)	(6,397,609)	(14,346,631)	(17,561,008)
Total tax expenses	24,891,521	43,165,753	2,165,751	22,238,144

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9 Earnings per share

(a) Basic earnings per share

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

	2009	2008
Profit attributable to equity holders of the Company (RM)	66,052,749	132,611,947
Weighted average number of ordinary shares in issue	135,997,000	135,404,191
Basic earnings per share (sen)	48.57	97.94

(b) Diluted earnings per share

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

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

	2009	2008
Weighted average number of ordinary shares in issue	135,997,000	135,404,191
Adjustment for share options	-	32,711
Weighted average number of ordinary shares for diluted earnings per share	135,997,000	135,436,902
Diluted earnings per share (sen)	48.57	97.91

10 Dividends

Dividends declared or proposed for year ended 31 December 2009 are as follows:

	Group and Company			
	31.12.2009		31.12.2008	
	Gross dividend per share Sen	Amount of dividend, net of tax RM	Gross dividend per share Sen	Amount of dividend, net of tax RM
Interim single tier dividend	7.5	10,217,175	10.0	13,564,900
Special interim single tier dividend declared	-	-	7.5	10,173,675
Proposed	-	-	-	-
- Final single tier dividend	-	-	15.0	20,434,350
	-	-	32.50	44,172,925
Dividend per share recognised as distribution to ordinary equity holders of the Company				
31 December 2007	-	-	20.0	22,721,206
- paid during the year	-	-	-	-
31 December 2008	15.0	20,434,350	10.0	13,564,900
- paid during the year	-	-	7.5	10,173,675
- declared during the year	-	-	-	-
	15.0	20,434,350	17.5	23,738,575
31 December 2009	7.5	10,217,175	-	-
- paid during the year	-	-	-	-
	22.5	30,651,525	37.5	46,459,781

Interim single tier dividend of 7.5 sen per share on 136,229,000 ordinary shares totalling RM10,217,175 was paid on 4 November 2009.

At the forthcoming Annual General Meeting, a final single tier dividend of 15 sen per share on 136,229,000 ordinary shares amounting to RM20,434,350 will be proposed for shareholders' approval.

The proposed dividends are subject to the approval of the shareholders at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2010.

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11 Property, plant and equipment

Group	Immature and mature plantations RM	Buildings RM	Plant and machinery RM	Motor vehicles, furniture, fixtures and equipment RM	Assets under construction RM	Total RM
Carrying amounts at						
31 December 2007	196,936,119	8,439,336	9,266,388	1,827,602	-	216,469,445
Additions	18,958,707	704,123	1,895,918	2,576,746	398,185	24,533,679
Disposal of subsidiary	-	-	-	(6,301)	-	(6,301)
Written off	-	(20)	(2,689)	(48,855)	-	(51,564)
Disposal	-	-	-	(2,920)	-	(2,920)
Reclassification	106,160	(106,160)	-	-	-	-
Depreciation charge	(65,124)	(518,516)	(1,740,548)	(912,556)	-	(3,236,744)
Carrying amounts at						
31 December 2008	215,935,862	8,518,763	9,419,069	3,433,716	398,185	237,705,595
Additions	13,843,495	1,230,256	3,052,056	991,326	30,287	19,147,420
Written off	-	(6)	(8,422)	(63,268)	-	(71,696)
Disposal	-	-	-	(222,927)	-	(222,927)
Reclassification	-	603,472	-	(175,000)	(428,472)	-
Depreciation charge	(156,301)	(672,924)	(1,980,400)	(976,332)	-	(3,785,957)
Carrying amounts at						
31 December 2009	229,623,056	9,679,561	10,482,303	2,987,515	-	252,772,435
At 31 December 2008						
Cost	39,195,531	20,908,270	33,948,161	7,339,905	398,185	101,790,052
Valuation	176,805,455	-	-	-	-	176,805,455
Accumulated depreciation	(65,124)	(12,389,507)	(24,529,092)	(3,906,189)	-	(40,889,912)
Carrying amounts	215,935,862	8,518,763	9,419,069	3,433,716	398,185	237,705,595
At 31 December 2009						
Cost	53,039,026	22,731,211	36,904,649	7,492,868	-	120,167,754
Valuation	176,805,455	-	-	-	-	176,805,455
Accumulated depreciation	(221,425)	(13,051,650)	(26,422,346)	(4,505,353)	-	(44,200,774)
Carrying amounts	229,623,056	9,679,561	10,482,303	2,987,515	-	252,772,435

11 Property, plant and equipment (continued)

Company	Immature and mature plantations RM	Buildings RM	Plant and machinery RM	Motor vehicles, furniture, fixtures and equipment RM	Total RM
Carrying amounts at					
31 December 2007	37,038,915	401,704	428,225	806,028	38,674,872
Additions	9,181,517	24,400	146,132	1,395,560	10,747,609
Disposal	-	-	-	(2,920)	(2,920)
Written off	-	(7)	(12)	(1,988)	(2,007)
Depreciation charge	(65,124)	(64,814)	(123,464)	(435,954)	(689,356)
Carrying amounts at					
31 December 2008	46,155,308	361,283	450,881	1,760,726	48,728,198
Additions	7,708,414	487,000	281,051	265,012	8,741,477
Disposal	-	-	-	(86,927)	(86,927)
Written off	-	(1)	(989)	(1,215)	(2,205)
Reclassification	-	175,000	-	(335,778)	(160,778)
Depreciation charge	(156,301)	(106,127)	(101,291)	(439,012)	(802,731)
Carrying amounts at					
31 December 2009	53,707,421	917,155	629,652	1,162,806	56,417,034
At 31 December 2008					
Cost	14,185,327	2,688,628	1,450,795	3,805,677	22,130,427
Valuation	32,035,105	-	-	-	32,035,105
Accumulated depreciation	(65,124)	(2,327,345)	(999,914)	(2,044,951)	(5,437,334)
Carrying amounts	46,155,308	361,283	450,881	1,760,726	48,728,198
At 31 December 2009					
Cost	21,893,741	3,349,628	1,699,227	3,565,536	30,508,132
Valuation	32,035,105	-	-	-	32,035,105
Accumulated depreciation	(221,425)	(2,432,473)	(1,069,575)	(2,402,730)	(6,126,203)
Carrying amounts	53,707,421	917,155	629,652	1,162,806	56,417,034

Details of independent professional valuation of mature and immature plantations owned by the Group at 31 December 2009 are as follows :

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

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

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12 Prepaid land lease payments

	2009 RM	2008 RM
Group		
At cost/valuation		
At 1 January	240,596,605	239,457,829
Addition	-	1,138,776
At 31 December	240,596,605	240,596,605
Less: Amortisation		
At 1 January	(8,151,927)	(5,477,477)
Amortisation for the year	(2,970,400)	(2,674,450)
At 31 December	(11,122,327)	(8,151,927)
Carrying amounts as at the year-end	229,474,278	232,444,678
Company		
At cost/valuation		
At 1 January	87,546,994	86,500,300
Addition	-	1,046,694
At 31 December	87,546,994	87,546,994
Less: Amortisation		
At 1 January	(2,224,115)	(1,509,741)
Amortisation for the year	(1,035,805)	(714,374)
At 31 December	(3,259,920)	(2,224,115)
Carrying amounts as at the year-end	84,287,074	85,322,879

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

13 Land held for development

	Group and Company	
	2009 RM	2008 RM
Long term leasehold land		
At start of the year	40,378,739	40,285,186
Addition	51,723	93,553
Reclassified to non-current asset held for disposal (Note 17)	(11,167,493)	-
At end of the year	29,262,969	40,378,739

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14 Subsidiaries

	Company	
	2009 RM	2008 RM
Unquoted shares, at cost	36,199,351	36,199,351

Details of the subsidiaries are as follows:

Name of Company	Country of incorporation	Effective interest of the Group				Principal activities
		Company		Subsidiary		
		2009 %	2008 %	2009 %	2008 %	
Dawn Oil Palm Plantations Sdn Bhd	Malaysia	100	100	-	-	Oil palm plantations
B.S. Oil Palm Plantations Sdn Bhd	Malaysia	100	100	-	-	Oil palm plantations
Spectacular Potential Sdn Bhd	Malaysia	100	100	-	-	Investment holding
Radiant Apex Sdn Bhd	Malaysia	100	100	-	-	Dormant
Kampong Aur Oil Palm Company (Sdn.) Berhad	Malaysia	83	83	-	-	Oil palm plantations
Madah Perkasa Sdn Bhd *	Malaysia	-	-	83	83	Oil palm plantations
Far East Delima Plantations Sdn Bhd	Malaysia	80	80	-	-	Oil palm plantations
Kilang Kosfarm Sdn Bhd	Malaysia	51	51	-	-	Palm oil mill

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

All subsidiaries are audited by Parker Randall Thomas.

15 Associates

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
At cost				
Unquoted shares	44,110,728	47,429,035	63,463,281	63,463,281
Share of post acquisition reserve	128,366,118	107,744,194	-	-
	172,476,846	155,173,229	63,463,281	63,463,281

Summary of financial information on associates are as follows:

	Group	
	2009 RM	2008 RM
Revenue (100%)	361,849,709	482,500,585
Profit for the year (100%)	52,527,237	72,417,826
Total assets (100%)	584,405,155	501,954,995
Total liabilities (100%)	136,833,895	72,707,602

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15 Associates (continued)

The details of the associates are as follows:

Name of company	Country of incorporation	Effective interest of equity held by			
		Group		Subsidiary	
		2009 %	2008 %	2009 %	2008 %
* Prosper Palm Oil Mill Sdn Berhad (PPOM)	Malaysia	40.0	40.0	-	-
* Business & Budget Hotels (Kuantan) Sdn Bhd	Malaysia	36.2	36.2	-	-
# Future Prelude Sdn Bhd	Malaysia	30.0	30.0	-	-
* Jaspurna Holdings Sdn Bhd	Malaysia	-	-	22.9	22.9
# Audited by Parker Randall Thomas					
* Audited by other firms of auditors					

16 Investments, at cost

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Unquoted structured investments	2,000,000	5,000,000	-	3,000,000
Unit trust	8,000,000	9,000,000	8,000,000	8,000,000
Redeemable Cumulative Preference Shares	34,200,000	24,000,000	34,200,000	24,000,000
Unconsolidated subsidiary*	1,129,075	1,129,075	-	-
	45,329,075	39,129,075	42,200,000	35,000,000
Market value of :				
Unit trust	11,142,846	10,709,316	11,142,846	9,633,655

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

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

17 Non current assets held for disposal

	Group and Company 2009 RM	2008 RM
Long term leasehold land		
- reclassified from land held for development (Note 13)	11,167,493	-

The Company had entered into Sale and Purchase Agreement ("SPA") on 12 October 2009 to sell the land for RM13,960,000. As at the year-end the conditions precedents in the SPA have yet to be met.

The disposal of the land and the gain arising thereon from the SPA will be recognised once the disposal is completed.

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18 Inventories

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
At cost				
Finished goods	8,242,992	4,404,049	-	-
Raw material	4,990	1,958	-	-
Nursery	1,079,960	422,188	-	-
Consumables	2,031,523	1,479,280	311,438	645,312
	11,359,465	6,307,475	311,438	645,312
At net realisable value				
Finished goods	-	858,647	-	-
	11,359,465	7,166,122	311,438	645,312

19 Receivables, deposits and prepayments

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Trade receivables	20,445,432	26,712,456	1,986,732	199,894
Other receivables	3,726,538	3,410,313	840,737	800,920
Deposits	50,545	36,595	28,220	18,520
Prepayment	106,462	98,984	4,092	20,142
Amounts due from associates	3,853,275	4,539,712	2,680	3,957
Amounts due from subsidiaries	-	-	46,126,010	32,965,867
	28,182,252	34,798,060	48,988,471	34,009,300

Credit term of trade receivables to the Group and of the Company is 30 days (2008 : 30 days).

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

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

20 Cash and cash equivalents

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Deposits with licensed banks	35,309,500	55,900,000	10,500,000	19,000,000
Deposit with licensed finance companies	-	1,280,000	-	-
Deposit with building society	3,000,000	2,000,000	-	-
Bank and cash balances	19,391,679	13,485,881	844,873	235,905
	57,701,179	72,665,881	11,344,873	19,235,905

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20 Cash and cash equivalents (continued)

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

	Group and Company	
	2009	2008
	%	%
Deposits with licensed banks	2.0	3.0
Deposits with building society	2.2	3.2
Deposits with licensed finance companies	-	3.0

As at 31 December 2009, the deposits of the Group and of the Company have maturity period between 30 to 90 days (2008: 30 to 90 days). Bank balances are deposits held at call with banks.

21 Payables

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Trade payables	21,882,208	19,037,918	2,273,643	2,700,368
Other payables	3,286,424	3,804,856	1,155,594	417,954
Amount due to unconsolidated subsidiary	933,333	933,333	141,984	141,984
Deposits	1,399,600	-	1,399,600	-
Accruals	3,714,129	3,782,563	1,494,252	1,831,276
Amounts due to subsidiaries	-	-	6,097,812	12,353,187
	31,215,694	27,558,670	12,562,885	17,444,769

Credit terms of trade payables of the Group and of the Company ranges from 30 to 90 days (2008 : 30 to 90 days).

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

22 Hire purchase liabilities

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

	Group	
	2009	2008
	RM	RM
Current		
Hire purchase liabilities (secured)	134,037	295,509
Non Current		
Hire purchase liabilities (secured)	27,665	178,828

22 Hire purchase liabilities (continued)

	2009 RM	Group 2008 RM
Hire purchase		
Minimum hire purchase payments		
- not later than 1 year	144,912	326,881
- later than 1 year but not later than 5 years	32,931	195,615
	177,843	522,496
Future finance charges on hire purchase	(16,141)	(48,159)
Present value of hire purchase liabilities	161,702	474,337
	2009 RM	2008 RM
Representing hire purchase liabilities:		
- current	134,037	295,509
- non current	27,665	178,828
	161,702	474,337
Present value of hire purchase liabilities:		
- not later than 1 year	134,037	295,509
- later than 1 year and not later than 5 years	27,665	178,828
	161,702	474,337

The effective interest rate at year end was 3.29% (2008 : 3.30%) per annum.

23 Deferred tax

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Deferred tax assets	404,954	267,954	-	-
Deferred tax liabilities	(78,868,138)	(79,997,338)	(17,445,000)	(16,256,000)
	(78,463,184)	(79,729,384)	(17,445,000)	(16,256,000)

Notes to the financial statements

for the year ended 31 December 2009

23 Deferred tax (continued)

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
At start of year	(79,729,384)	(81,097,384)	(16,256,000)	(15,184,000)
(Charged)/Credited to income statement (Note 8)				
- property, plant and equipment	(1,494,500)	(1,462,000)	(1,615,000)	(1,472,000)
- business loss	137,000	216,000	-	-
- others	23,000	15,000	-	-
	(1,334,500)	(1,231,000)	(1,615,000)	(1,472,000)
Transfer to revaluation reserve (Note 27)	2,600,700	2,599,000	426,000	400,000
At end of year	(78,463,184)	(79,729,384)	(17,445,000)	(16,256,000)
Deferred tax assets before offsetting				
- unabsorbed business loss	1,010,416	873,416	-	-
Offsetting	(605,462)	(605,462)	-	-
Deferred tax assets after offsetting	404,954	267,954	-	-
Deferred tax liabilities before offsetting				
- property, plant and equipment	(79,263,600)	(80,369,800)	(17,445,000)	(16,256,000)
- others	(210,000)	(233,000)	-	-
Offsetting	605,462	605,462	-	-
Deferred tax liabilities after offsetting	(78,868,138)	(79,997,338)	(17,445,000)	(16,256,000)

24 Share capital

(a) Authorised and issued and fully paid ordinary shares

	Company	
	2009 RM	2008 RM
Authorised ordinary shares of RM1 each		
At start and end of the year	500,000,000	500,000,000
Issued and fully paid ordinary shares of RM1 each		
At start of the year	135,649,000	135,089,000
Issued during the year		
- exercise of share option	580,000	560,000
At end of the year	136,229,000	135,649,000

24 Share capital (continued)**(b) Employees' Share Option Scheme**

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

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

The main features of the ESOS are as follows:

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

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

Grant date Year ended	Expiry date	Exercise price after bonus issue RM/share	At start of year '000	Granted '000	Exercised '000	At end of year '000
31.12.2009						
2.1.2008	16.3.2012	5.234	1,250	-	(550)	700
8.1.2008	16.3.2012	5.234	90	-	(30)	60
			1,340	-	(580)	760
31.12.2008						
2.1.2008	16.3.2012	5.234	-	1,750	(500)	1,250
8.1.2008	16.3.2012	5.234	-	150	(60)	90
			-	1,900	(560)	1,340
Number of share options vested at the balance sheet date				31.12.2009	31.12.2008	
				-	200,000	

Notes to the financial statements

for the year ended 31 December 2009

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24 Share capital (continued)

(b) Employees' Share Option Scheme (continued)

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

Exercise date	Fair value of shares at share issue date RM/share	Exercise price RM/share	Number of shares issued	
			2009 Unit	2008 Unit
May 2009	5.88	5.234	580,000	-
June 2008	7.43	5.234	-	560,000
			580,000	560,000
			2009 RM	2008 RM
Ordinary share capital at par			580,000	560,000
Share premium			2,455,720	2,371,040
Proceeds received on exercise of share options			3,035,720	2,931,040
Fair value at exercise date of shares issued			3,410,400	4,160,800

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

25 Share premium

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
At 1 January	13,203,020	10,403,020	10,152,294	7,352,294
Exercise of share option	2,455,720	2,371,040	2,455,720	2,371,040
Transfer from share option reserve (Note 26)	539,480	428,960	539,480	428,960
At 31 December	16,198,220	13,203,020	13,147,494	10,152,294

26 Share option reserve

	Group and Company	
	2009	2008
	RM	RM
At start of the year	153,200	-
Share option granted	386,280	582,160
Transfer to share premium (Note 25)	(539,480)	(428,960)
At end of the year	-	153,200

27 Revaluation reserves

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
At 1 January	178,751,151	176,152,151	26,242,138	25,842,138
Transfer from deferred tax (Note 23)	2,600,700	2,599,000	426,000	400,000
At 31 December	181,351,851	178,751,151	26,668,138	26,242,138

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

28 Retained earnings

Prior to the year assessment 2008, Malaysian companies adopted the full imputation system. On 1 January 2008, the single-tier tax system came into effect in Malaysia. Under this system, companies are not required to have tax credits under Section 108 of the Income Tax Act 1967 for dividend payment purposes. Dividends paid under the single-tier tax system are tax-exempt in the hand of shareholders. Companies can make irrevocable election to disregard the Section 108 balance and opt to pay dividends under the single-tier tax system.

On 24 April 2008, the Company had applied to the Inland Revenue Board to move to the single tier dividend system. Therefore all its retained earnings as at 31 December 2009 can be paid out as single tier exempt dividend.

29 Segmental information

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

Notes to the financial statements

for the year ended 31 December 2009

30 Related parties

(a) Identity of related parties

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

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

Other related parties and their relationship are as follows:

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

(b) Transactions with key management personnel

Key management personnel compensation is disclosed in Note 7.

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

(c) Transactions with subsidiaries

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Dividend income				
- Kampong Aur Oil Palm Plantation (Sdn) Berhad	-	-	31,146,867	90,325,913
- Dawn Oil Palm Plantations Sdn Bhd	-	-	14,401,200	22,861,905
- B.S. Oil Palm Plantations Sdn Bhd	-	-	7,200,600	14,563,214
- Kilang Kosfarm Sdn Bhd	-	-	2,550,000	1,020,000
Sales of fresh fruit bunches				
- Kilang Kosfarm Sdn Bhd	-	-	4,625,439	37,894,441

30 Related parties (continued)

(d) Transactions with associates

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Dividend income:				
- Prosper Palm Oil Mill Sdn Berhad	-	-	3,000,000	1,000,000
- Business & Budget (Hotels) Sdn Bhd	-	-	362,857	101,600
Sales of fresh fruit bunches				
- Prosper Palm Oil Mill Sdn Berhad	143,054	912,243	-	-
Purchase of fresh fruit bunches				
- Prosper Palm Oil Mill Sdn Berhad	269,488	956,186	-	-
Sales of crude palm oil and palm kernel				
- Prosper Palm Oil Mill Sdn Berhad	31,249,421	39,634,272	-	-
Purchases of crude palm oil and palm kernel				
- Prosper Palm Oil Mill Sdn Berhad	13,283,860	29,746,239	-	-

(e) Other related parties transactions

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Sales of fresh fruit bunches:				
- Rompin Palm Oil Mill Sdn Bhd	4,733,836	58,233,370	-	-
- LKPP Corporation Sendirian Berhad	1,095,539	1,303,730	1,095,539	1,303,730
- Kilang Sawira Makmur Sdn Bhd	41,583,221	-	1,691,398	-
- Endau Palm Oil Mill Sdn Bhd	2,815,268	441,436	-	-
Purchase of fresh fruit bunches:				
- Rompin Palm Oil Mill Sdn Bhd	3,951,903	35,630,061	-	-
- Koperasi Serbausaha Makmur Berhad	86,722,580	127,011,466	-	-
Sales of crude palm oil and palm kernel				
- Prosper Trading Sdn Bhd	23,828,665	37,927,113	-	-
- PGC Management Services Sdn Bhd	18,226,538	111,602,628	-	-
- Endau Palm Oil Mill Sdn Bhd	21,315,760	46,462,194	-	-
- Rompin Palm Oil Mill Sdn Bhd	20,813,452	35,188,133	-	-
- Kilang Sawira Makmur Sdn Bhd	216,218	-	-	-
Purchases of crude palm oil and palm kernel				
- Endau Palm Oil Mill Sdn Bhd	18,151,450	33,298,814	-	-
- Rompin Palm Oil Mill Sdn Bhd	15,129,752	28,176,105	-	-
- Prosper Palm Oil Product Marketing Sdn Bhd	691,089	146,574	-	-
- Kilang Sawira Makmur Sdn Bhd	11,675,284	-	-	-
Management fee payable to:				
PGC Management Services Sdn Bhd	2,247,350	2,797,700	-	-
Purchase of fertiliser				
Prosper Trading Sdn Bhd	2,577,926	-	687,640	-

Notes to the financial statements

for the year ended 31 December 2009

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30 Related parties (continued)

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Related parties				
Receivables:				
- Prosper Palm Oil Mill Sdn Berhad	3,853,275	4,829,219	-	-
- Rompin Palm Oil Mill Sdn Bhd	3,161,177	4,066,677	-	3,855
- Kilang Kosfarm Sdn Bhd	-	-	2,933,261	7,514,677
- Prosper Trading Sdn Bhd	2,647,705	2,322,810	-	-
- PGC Management Services Sdn Bhd	509,832	7,491,896	-	-
- LKPP Corporation Sendirian Berhad	96,826	65,797	96,826	65,797
- Kilang Sawira Makmur Sdn Bhd	2,002,737	-	168,417	-
- Endau Palm Oil Mills Sdn Bhd	-	38,698	280,348	71,731
Related parties				
Payables:				
- PGC Management Services Sdn Bhd	-	141,476	-	-
- Rompin Palm Oil Mill Sdn Bhd	-	3,218,985	-	-
- Endau Palm Oil Mills Sdn Bhd	167,551	-	-	-
- Prosper Trading Sdn Bhd	-	-	127,600	-
- Koperasi Serbausaha Makmur Berhad	8,108,298	6,066,418	-	-

31 Capital commitments

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Authorised by the Directors and not contracted	52,701,000	48,815,000	39,695,000	26,652,000
Analysed as follows:				
- property, plant and equipment	13,027,000	15,885,000	3,951,000	5,808,000
- oil palm plantation development	9,674,000	22,730,000	5,744,000	10,644,000
- acquisition of land	30,000,000	-	30,000,000	-
- acquisition of shares	-	10,200,000	-	10,200,000
	52,701,000	48,815,000	39,695,000	26,652,000

32 Critical accounting estimates and assumptions

Estimates and judgement 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.

Critical accounting estimates and assumptions

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.

(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 34 of the financial statements for details.

Notes to the financial statements

for the year ended 31 December 2009

33 The new and revised financial reporting standards

At the date of authorisation of these financial statements, the following new or revised Financial Reporting Standards (FRS), amendments to FRS and IC Interpretations (IC Int) have been issued but not yet effective and have not been adopted by the Group and the Company:

		Effective for financial periods beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3	Business Combinations	1 July 2010
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 101	Presentation of Financial Statements (as revised in 2009)	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 127	Consolidated and Separate Financial Statements	1 July 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1 and FRS 127	First Time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2	Share-based Payment – Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
Amendments to FRS 8	Operating Segments	1 January 2010
Amendments to FRS 107	Statement of Cash Flows	1 January 2010
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
Amendments to FRS 110	Events After the Reporting Period	1 January 2010
Amendments to FRS 116	Property, plant and equipment	1 January 2010
Amendments to FRS 117	Leases	1 January 2010
Amendments to FRS 118	Revenue	1 January 2010
Amendments to FRS 119	Employee Benefits	1 January 2010
Amendments to FRS 120	Accounting for Government Grants and Disclosures of Government Assistance	1 January 2010
Amendments to FRS 123	Borrowings Costs	1 January 2010
Amendments to FRS 127	Consolidated and Separate Financial Statements	1 January 2010
Amendments to FRS 128	Investments in Associates	1 January 2010
Amendments to FRS 129	Financial Reporting in Hyperinflationary Economies	1 January 2010
Amendment to FRS 131	Interest in Joint Ventures	1 January 2010
Amendments to FRS 132	Financial Instruments: Presentation	1 January 2010
Amendments to FRS 134	Interim Financial Reporting	1 January 2010
Amendments to FRS 136	Impairment of Assets	1 January 2010
Amendments to FRS 138	Intangible Assets	1 January 2010
Amendments to FRS 139, FRS 7 and IC Int 9	Financial Instruments: Recognition and Measurement, Financial Instruments: Disclosures, Reassessment of Embedded Derivatives	1 January 2010
Amendments to FRS 140	Investment Property	1 January 2010

33 The new and revised financial reporting standards (continued)

		Effective for financial periods beginning on or after
IC Int 9	Reassessment of Embedded Derivatives	1 January 2010
IC Int 10	Interim Financial Reporting and Impairment	1 January 2010
IC Int 11	FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Int 12	Service Concession Agreements	1 July 2010
IC Int 13	Customer Loyalty Programmes	1 January 2010
IC Int 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Int 15	Agreements for the Construction of Real Estate	1 July 2010
IC Int 16	Hedges of a Net Investment in Foreign operation	1 July 2010
IC Int 17	Distributions of Non-cash Assets to Owners	1 July 2010

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

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon initial application of FRS 7 and FRS 139.

Save for these, the new FRS, Amendments to FRSs and IC Int above are not expected to have significant impact on the financial statements of the Group and Company upon their initial application.

34 Material litigation

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

The claims are as follows:

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

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

- (iii) A declaration that MUIP had exercised its option to acquire 3,984,501 unit of shares at RM1.33 each in accordance to Clause 2.02(b), (c) and (d) of the joint venture agreement;

Notes to the financial statements

for the year ended 31 December 2009

34 The new and revised financial reporting standards (continued)

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

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

MUIP had filed their appeal to the Court of Appeal and had also referred the matter to the Kuala Lumpur Regional Centre for Arbitration and is scheduled for Arbitration proceedings on the 22 to 24 June 2010.

35 Approval of financial statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 27 April 2010.

LIST OF TOP THIRTY (30) LARGEST SHAREHOLDERS AS AT 12 APRIL 2010

NOS	NAMES / ADDRESS	IC / REG.NO	SHAREHOLDINGS	%
1	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PROSPER TRADING SDN BHD	102918T	22,994,400	16.88
2	LEMBAGA KEMAJUAN PERUSAHAAN PERTANIAN NEGERI PAHANG	LKPPNPECT71971	22,807,800	16.74
3	LEMBAGA KEMAJUAN PERUSAHAAN PERTANIAN NEGERI PAHANG	LKPPNPECT71971	12,793,000	9.39
4	LKPP CORPORATION SDN BHD	199769V	8,300,280	6.09
5	PROSPER TRADING SDN BHD	TEM144561	7,894,920	5.80
6	HIKMAT ELIT SDN BHD	562277U	6,919,300	5.08
7	FOKAS SEHATI SDN BHD	649034D	6,676,100	4.90
8	PROSPER TRADING SDN BHD	TEM144561	2,603,600	1.91
9	HIKMAT ELIT SDN BHD	562277U	2,469,800	1.81
10	TEE CHENG HUA	540601-10-5949 / 4614917	2,062,000	1.51
11	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE KIM TEE @ TEE CHING TEE	16778M	1,794,700	1.32
12	KAMARUDDIN BIN MOHAMMED	481124-06-5173 / 0920595	1,750,000	1.28
13	AFFIN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE KIM TEE @ TEE CHING TEE	457450U	1,536,000	1.13
14	BUDI-JS PLANTATION MANAGEMENT SDN. BERHAD	248375P	1,461,000	1.07
15	AFFIN NOMINEES (TEMPATAN) SDN BHD AFFIN FUND MANAGEMENT SDN BHD FOR MAJLIS UGAMA ISLAM DAN ADAT RESAM MELAYU PAHANG	457450U	1,320,000	0.97
16	DELUXE ERA SDN BHD	845421X	1,139,600	0.84
17	MERGEBOOM (M) SDN BHD	261276X	898,700	0.66
18	HAN KEE JUAN	510913-01-6067 / 4115406	799,000	0.59

NOS	NAMES / ADDRESS	IC / REG.NO	SHAREHOLDINGS	%
19	AMANAH SAHAM PAHANG BERHAD	017251P	779,100	0.57
20	TEE KIM TEE @ TEE CHING TEE	480727-10-5379 / 1496570	770,300	0.57
21	YEOH KEAN HUA	381021-08-5229 / 1060741	754,500	0.55
22	MAN FOH @ CHAN MAN FOH	570306-06-5099 / 5220291	728,000	0.53
23	ANG KIM SENG @ ANG ENG HOCK	511009-10-5437 / 808857	682,600	0.50
24	NOWAWI BIN ABDUL RAHMAN	551126-06-5207 / 4889169	678,000	0.50
25	PHUA CHEE ENG	500504-10-5473 / 3917347	600,000	0.44
26	TEE CHAIN YEE	770810-10-5420 / A3689351	575,000	0.42
27	YEW PENG DU	730117-10-5477 / A2346433	555,000	0.41
28	KALSOM BINTI AHMAD	510629-10-5740 / 4183934	500,000	0.37
29	AMANAH SAHAM MARA BERHAD	7240P	495,400	0.36
30	PERBADANAN KEMAJUAN NEGERI SELANGOR	ENAKMEN 41964	492,300	0.36

**INFORMATION ON SUBSTANTIAL SHAREHOLDERS (EXCLUDING BARE TRUSTEES)
AS AT 12 APRIL 2010**

Nos.	Names of Substantial Shareholders	No of Shares	%
1	LEMBAGA KEMAJUAN PERUSAHAAN PERTANIAN NEGERI PAHANG <u>Share held through:-</u> Own Account - 22,807,800 Own Account - 12,793,000	35,600,800	26.13
2	PROSPER TRADING SDN BERHAD <u>Share held through:-</u> Own Account - 7,894,920 Own Account - 2,603,600 AMSEC Nominees (Tempatan) Sdn Bhd - 22,994,400	33,492,920	24.59
3	HIKMAT ELIT SDN BHD <u>Share held through:-</u> Own Account - 6,919,300 Own Account - 2,469,800	9,389,100	6.89
4	LKPP CORPORATION SDN BHD <u>Share held through:-</u> Own Account - 8,300,280 TA Nominees (Tempatan) Sdn Bhd - 121,000	8,421,280	6.18

**INFORMATION ON DIRECTORS SHAREHOLDING
AS AT 12 APRIL 2010**

Nos.	Names of Directors	Shareholdings	%
1	DATO' KAMARUDDIN BIN MOHAMMED	1,750,000	1.28
2	DATO' MD. ADNAN BIN SULAIMAN	-	-
3	MR TEE KIM TEE @ TEE CHING TEE <u>Share held through:-</u> Individual Account - 119,400 Individual Account - 770,300 Kenanga Nominees (Tempatan) Sdn Bhd = 1,794,700 Affin Nominees (Tempatan) Sdn Bhd = 1,536,000	4,220,400	3.10
4	TEE CHENG HUA <u>Share held through:-</u> Individual Account - 2,062,000	2,062,000	1.51
5	TEE LIP HIAN <u>Share held through:-</u> Individual Account - 281,600	281,600	0.21
6	NG YEE KIM <u>Share held through:-</u> Kenanga Nominees (Tempatan) Sdn Bhd - 50,000	50,000	0.04
7	EN KHAIRUL AZAHAR BIN ARIFFIN	-	-
8	EN HASHIM NAINA MERICAN BIN YAHAYA MERICAN	-	-

**DISTRIBUTION TABLE A
AS AT 12 APRIL 2010**

Category	No. of Holders	%	No. of Shares	%
Less than 100	8	0.37	240	0.00
100 - 1,000	302	14.14	164,860	0.12
1,001 - 10,000	1,474	69.01	5,161,200	3.79
10,001 - 100,000	277	12.97	7,162,400	5.26
100,001 to less than 5% of issued shares	69	3.23	42,030,600	30.85
5% and above of issued shares	6	0.28	81,709,700	59.98
TOTAL	2,136	100.00	136,229,000	100.00

**ANALYSIS OF EQUITY STRUCTURE
AS AT 12 APRIL 2010**

Type of Ownership	Shareholders	%	Shareholdings	%
1) GOVERNMENT AGENCY	4	0.19	36,095,500	26.50
2) BUMIPUTRA :				
a) Individuals	130	6.09	4,198,300	3.08
b) Companies	26	1.22	16,969,580	12.46
c) Nominees Company	75	3.51	28,646,000	21.03
3) NON-BUMIPUTRA :				
a) Individuals	1,744	81.65	24,722,000	18.15
b) Companies	37	1.73	23,885,220	17.53
c) Nominees Company	72	3.37	809,900	0.59
MALAYSIAN TOTAL	2,088	97.76	135,326,500	99.34
4) FOREIGN :				
a) Individuals	26	1.22	264,000	0.19
b) Companies	2	0.09	9,800	0.01
c) Nominees Company	20	0.93	628,700	0.46
FOREIGN TOTAL	48	2.24	902,500	0.66
GRAND TOTAL	2,136	100.00	136,229,000	100.00

Location	Title	Tenure	Area (Hec)	Usage	Net Book Value @ 31.12.09 (RM'000)
Far East Holdings Berhad					
i. Ladang Sg. Seraya Daerah Rompin Pahang Darul Makmur	H.S (D)61 H.S (D)62 H.S (D)63 H.S (D)64 H.S (D)4116 H.S (D)4121	Leasehold until 2079 2079 2079 2079 2103 2103	161.87 259.00 230.67 190.20 60.82 10.83	Oil Palm Plantation	
ii. Ladang Bukit Jin Daerah Bera Pahang Darul Makmur	H.S (D)3171 H.S (D)3172 H.S (D)3173 H.S (D)3174 H.S (D)3175 H.S (D)3176 H.S (D)3177 H.S (D)3178 H.S (D)3179 H.S (D)3180	Leasehold until 2079 2079 2080 2079 2079 2079 2079 2079 2079 2079	420.87 420.87 190.20 230.67 274.78 8.50 384.45 36.42 68.80 68.80	Oil Palm Plantation	
iii. Ladang Sg. Rasau Daerah Pekan Pahang Darul Makmur	H.S (D)1971	Leasehold until 2091	118.04	Agriculture	
iv. Ladang Sungai Batu Daerah Kuantan Pahang Darul Makmur	H.S.(D)23609	Leasehold until 2103	874.75	Oil Palm Plantation	
v. Ladang Chengal Daerah Rompin Pahang Darul Makmur	H.S.(D)4147 H.S.(D)4148	Leasehold until 2106	1,103.01 1,096.99	Oil Palm Plantation	
vi. Bandar Indera Mahkota Daerah Kuantan Pahang Darul Makmur	PN 7721 PN 7722 PN 7723*	Leasehold until 2096	8.67 2.65 4.33	Building	
			6,226.19		167,257
Kampong Aur Oil Palm Company (Sdn) Berhad					
i. Ladang Kg. Aur Daerah Rompin Pahang Darul Makmur	H.S(D)3708 H.S(D)3709 H.S(D)3781 H.S(D)3780 H.S(D)3886 H.S(D)38 H.S(D)74 H.S(D)75 H.S(D)4084	Leasehold until 2070 2070 2073 2073 2074 2077 2079 2079 2100	118.98 242.41 64.75 260.62 419.26 407.11 283.28 137.60 35.59	Oil Palm Plantation	
			1,969.60		53,703

Location	Title	Tenure	Area (Hec)	Usage	Net Book Value @ 31.12.09 (RM'000)
Madah Perkasa Sdn Bhd					
i. Ladang Sungai Marung	H.S(D)3514 H.S(D)3513	Leasehold until 2095	876.20 666.60	Oil Palm Plantation	
ii. Ladang Sungai Gayung Daerah Rompin Pahang Darul Makmur	H.S(D)3512 H.S(D)3511		1,039.70 1,898.80		
			4,481.30		132,070
Dawn Oil Palm Plantations Sdn Bhd					
i. Ladang Dawn Daerah Rompin Pahang Darul Makmur	H.S(D)3718 H.S(D)3719 H.S (D)3772 H.S(D)3773 H.S(D)11 H.S(D)18 H.S(D)57 H.S(D)58 H.S(D)4115 PN 7815 H.S(D)4120	Leasehold until 2071 2071 2072 2072 2075 2076 2079 2079 2103 2103 2103	235.12 11.33 236.34 14.57 297.85 133.14 242.81 178.06 114.18 218.53 23.69	Oil Palm Plantation	
ii. Ladang Cempaka Daerah Bera Pahang Darul Makmur	H.S(D)988	Leasehold until 2096	452.60	Oil Palm Plantation	
			2,158.22		55,634
B.S. Oil Palm Plantations Sdn. Bhd					
i. Ladang Bukit Serok Daerah Rompin Pahang Darul Makmur	H.S(D)8 H.S(D)16 H.S(D)50 H.S(D)59 H.S(D)60 H.S(D)3716 H.S(D)3717 H.S(D)3741 H.S(D)4117	Leasehold until 2075 2076 2085 2079 2079 2071 2071 2071 2071	350.46 346.82 357.80 171.99 248.88 136.38 137.19 290.16 27.89	Oil Palm Plantation	
			2,067.57		48,808

Location	Title	Tenure	Area (Hec)	Usage	Net Book Value @ 31.12.09 (RM'000)
Kilang Kosfarm Sdn Bhd	H.S(D)3896	(Sublease from Kampong Aur Oil Palm Company (Sdn) Berhad untill 2070)	123.83	Mill and Oil Palm Plantation	
			123.83		480
Far East Delima Plantations Sdn Bhd					
i. Ladang Delima Daerah Rompin Pahang Darul Makmur	H.S(D)4568**	Leasehold until 2103	2,830.35	Oil Plam Plantation	
			2,830.35		30,410
			19,857.06		488,362

Notes:

- * The land is in the process to be transferred to Kuantan Medical Centre Sdn. Bhd. and the value has been reclassified to non-current asset held for disposal.
- ** The land is subleased from Rangkaian Delima Sdn Bhd.

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FAR EAST HOLDINGS BERHAD
(14809 – W)

FORM OF PROXY

I / We _____

NRIC/Company No. _____

Of _____

being a member / members of FAR EAST HOLDINGS BERHAD,

hereby appoint _____

of _____

or failing him _____

of _____

or failing him the Chairman of the meeting as my/our proxy to vote for me/us and on behalf at the 36th Annual General Meeting of Far East Holdings Berhad to be held at Hyatt Regency Kuantan Resort, Telok Chempedak, 25050 Kuantan, Pahang Darul Makmur on Friday, 11 June 2010 at 9.30 a.m, and at any adjournment thereof.

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

Resolution Number	1	2	3	4	5	6	7	8	9
For									
Against									

Signed this _____ day of _____ 2010.

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

Signature(s)/Company Seal _____

Witness* _____

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

NOTES

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

STAMP

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



FAR EAST HOLDINGS BERHAD
(14809 – W)

BORANG PROKSI

Saya/Kami _____

No KP/Syarikat _____

yang beralamat di _____

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

dengan ini melantik _____

yang beralamat di _____

atau sebagai penggantinya _____

yang beralamat di _____

atau Pengerusi mesyuarat sebagai proksi saya/kami yang akan mengundi bagi pihak saya/kami di Mesyuarat Agung Tahunan Syarikat yang ke 36 yang akan diadakan di Hyatt Regency Kuantan Resort, Telok Chempedak, 25050 Kuantan, Pahang Darul Makmur pada hari Jumaat, 11 Jun 2010, Jam 9.30 pagi dan pada sebarang hari penangguhannya.

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

Nombor Resolusi	1	2	3	4	5	6	7	8	9
Bersetuju									
Menentang									

Ditandatangani pada _____ haribulan _____ 2010.

Jumlah Saham Dipegang

Tandatangan/Meterai _____

Dihadapan* _____

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

NOTA

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

SETEM

Setiausaha Syarikat

FAR EAST HOLDINGS BERHAD

Suite 5 & 6, Tingkat 8

Kompleks Teruntum

Jalan Mahkota, 25000 Kuantan

Pahang Darul Makmur

Far East Holdings Berhad
(14809-W)



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

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