



FAR EAST HOLDINGS BERHAD
ANNUAL REPORT 2003

Far East Holdings Berhad (14809-W)

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LAPORAN TAHUNAN 2003





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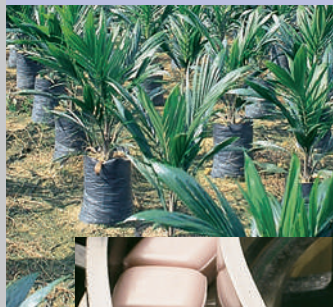
“FROM SEEDLING TO PRODUCTS”

Oil palm trees were first introduced and commercially planted in Malaysia at the turn of the last century. Palm fruits grow in bunches, termed Fresh Fruit Bunches (FFB), which, when extracted yield two types of oil: crude palm oil (CPO) and palm kernel oil (PKO). CPO is obtained from the flesh surrounding the seed after a process of cooking, mashing and pressing fruit, whereas extracting oil from the kernels derives PKO.

Seedling are grown in nurseries for approximately 12 months. The young palm trees are then transplanted into the fields with a density of around 130 - 140 trees per hectare and start to yield fruit after 3 - 4 years, and peak output occurs between years 8 to 14. Output then starts to decline. A single mature tree at its peak can generate up to 10 -15 bunches a year, weighing around 30 - 40 kg per bunch.

CPO is a versatile vegetable oil that can be used as a basic raw material for edible oil and in a variety of industrial applications, such as branded cooking oil, margarine and shortening, oleo chemicals, detergents and soaps. When processed further, CPO produces refined, bleached and deodorised palm oil (RBDPO), a major ingredient in margarine, shortening, and ice cream. RBDPO is further fractionated to produce refined, bleached and deodorized (RBD) olein and RBD used stearine, a by-product of the fractionation process. RBD olein is used mainly in the manufacture of cooking oil and margarine in industrial frying or processed foods like potato chips, french fries, instant noodles and other snack foods. RBD stearine is primarily used to produce soaps and detergents and in the manufacture of margarine and shortenings for food.

Palm kernel nuts yield PKO and palm kernel meal (PKM). CPO and PKO can be used to generate basic oleo chemicals that are primarily used in the production of cosmetics, grease or lubricants, and plasticisers.



RINGKASAN KEWANGAN KUMPULAN GROUP FINANCIAL SUMMARY

	2003	2002	2001	2000	1999
LEMBARAN IMBANGAN YANG DISATUKAN PADA 31 Disember <i>CONSOLIDATED BALANCE SHEET as at 31 December (RM '000)</i>					
Modal dan Rizab <i>Capital and Reserves</i>					
Modal Saham <i>Share Capital</i>	64,190	62,619	61,600	56,000	56,000
Rizab Tidak Diagihkan <i>Non-Distributable Reserves</i>	102,157	100,685	127,951	134,048	60,285
Keuntungan Terkumpul <i>Retained Earnings</i>	173,495	153,490	141,040	139,645	131,628
Dana Pemegang Saham <i>Shareholders' Equity</i>	339,842	316,794	330,591	329,693	247,913
Kepentingan Minoriti <i>Minority Interest</i>	26,265	24,457	25,201	17,106	17,347
	366,107	341,251	355,792	346,799	265,260
Aset Bukan Semasa <i>Non Current Asset</i>					
Hartanah, Loji dan Peralatan <i>Property, Plant & Equipment</i>	265,940	269,123	272,480	313,140	228,767
Syarikat Bersekutu <i>Associates</i>	46,491	39,502	34,343	31,908	30,162
Pelaburan Tak Tersiarharga <i>Unquoted Investments</i>	2,299	2,299	2,299	1,170	1,170
Stok Pembiakan <i>Breeding Stocks</i>	760	919	939	469	331
Muhibbah Daripada Penyatuan <i>Goodwill on Consolidation</i>	-	-	-	114	119
	315,490	311,843	310,061	346,801	260,549
Aset Semasa <i>Current Assets</i>	114,616	83,648	68,708	56,890	62,899
Liabiliti Semasa <i>Current Liabilities</i>	16,903	11,016	19,592	33,579	35,430
Aset Semasa Bersih <i>Net Current Assets</i>	97,713	72,632	49,116	23,311	27,469
Liabiliti Bukan Semasa <i>Non-Current Liabilities</i>					
Peruntukan Perbelanjaan Penanaman Semula <i>Provision For Replanting Reserve</i>	-	-	-	23,313	22,758
Cukai Tertentu <i>Deferred Taxation</i>	45,751	40,859	-	-	-
Pinjaman <i>Borrowings</i>	1,345	2,365	3,385	-	-
-	47,096	43,224	3,385	23,313	22,758
	366,107	341,251	355,792	346,799	265,260

PENYATA PENDAPATAN YANG DISATUKAN pada 31 Disember *CONSOLIDATED INCOME STATEMENT as at 31 December (RM '000)*

Jualan <i>Sales</i>	70,994	57,903	41,242	41,625	65,988
Keuntungan Sebelum Cukai <i>Profit Before Taxation</i>	49,244	32,633	12,625	13,617	36,214
Keuntungan Selepas Cukai <i>Profit After Taxation</i>	33,066	23,682	7,857	9,793	36,648
Kepentingan Minoriti <i>Minority Interest</i>	(1,807)	(1,883)	(999)	241	(1,506)
Keuntungan Bersih Bagi Tahun <i>Profit For The Year</i>	31,259	21,799	6,858	10,034	35,142

TUMPUAN pada 31 Disember *HIGHLIGHTS as at 31 December*

Pendapatan Sesaham (sen) <i>Earning Per Share (sen)</i>	49.16	35.24	11.13	17.92	62.75
Aset Ketara Bersih Sesaham (RM) <i>Net Tangible Assets Per Share (RM)</i>	5.29	5.06	5.37	5.89	4.43
Nisbah Semasa <i>Current Ratio</i>	6.78	7.59	3.51	1.69	1.77
Keuntungan Sebelum Cukai Sebagai Peratus Jualan (%) <i>Pre-Tax Profit As a Percentage of Sales (%)</i>	69.36	56.36	30.61	32.71	54.88
Keuntungan Sebelum Cukai Sebagai Peratus Dana Pemegang Saham(%) <i>Pre-Tax Profit As a Percentage of Shareholders' Equity (%)</i>	14.49	10.30	3.81	4.13	14.61

Angka-angka perbandingan untuk tahun 2001 sehingga 1999 tidak dipinda berdasarkan kepada peraturan baru Piawaian-Piawaian MASB.
The comparative figures for year 2001 and 1999 have not been adjusted in accordance to the new MASB standards.

NOTIS MESYUARAT AGUNG TAHUNAN

DENGAN INI DIBERITAHU BAHAWA Mesyuarat Agung Tahunan pemegang-pemegang saham yang ke 30 FAR EAST HOLDINGS BERHAD ("Syarikat") akan diadakan di Bilik Meranti, Hyatt Regency, Kuantan, Pahang Darul Makmur pada hari Isnin 21 Jun 2004 jam 3.00 petang.

AGENDA

A: Urusan Biasa

1. Menerima dan menimbang Akaun bagi tahun kewangan berakhir 31 Disember 2003 berserta Laporan Pengarah dan Juruaudit mengenainya. **(Resolusi 1)**
2. Meluluskan pembayaran dividen akhir sebanyak 10 sen kasar sesaham tolak 28% cukai pendapatan dan 2 sen dikecualikan cukai bagi tahun kewangan berakhir 31 Disember 2003, seperti yang disyorkan oleh Lembaga Pengarah. **(Resolusi 2)**
3. Untuk memilih semula Pengarah-Pengarah berikut yang bersara menurut Artikel 97 Tataurusan Syarikat. Oleh kerana layak telah menawarkan diri untuk dilantik semula :-
 - i. En Tee Kim Tee @ Tee Ching Tee **(Resolusi 3)**
 - ii. Tuan Dr Haji Amad @ Ahmad bin Aman **(Resolusi 4)**
4. Untuk memilih semula Pengarah berikut yang bersara menurut Artikel 102 Tataurusan Syarikat. Oleh kerana layak telah menawarkan diri untuk dilantik semula :-
 - i. Puan Sharina Bahrin **(Resolusi 5)**
5. Meluluskan pembayaran ganjaran Pengarah-Pengarah bagi tahun kewangan berakhir 31 Disember 2003. **(Resolusi 6)**
6. Melantik Tetuan Ash'ariCheong, yang telah bersetuju untuk dilantik sebagai Juruaudit Syarikat, menggantikan Tetuan PricewaterhouseCoopers yang bersara, sehingga Mesyuarat Agung Tahunan akan datang dan memberi kuasa kepada Lembaga Pengarah untuk menetapkan bayaran mereka. **(Resolusi 7)**

B: Sebagai Urusan Khas

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

7. 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 23 Jun 2003 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 28 Mei 2004 (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:

- a. 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
- b. pernyataan berkenaan mengikut nilai agregat yang dilakukan bagi sesuatu tahun kewangan termasuk jenis transaksi berulang dengan pihak berkaitan yang bersifat pendapatan, nama pihak berkaitan yang terlibat didalam setiap jenis transaksi berulang dengan pihak berkaitan yang bersifat pendapatan dan hubungan dengan syarikat yang dinyatakan di dalam Laporan Tahunan untuk tahun kewangan berikutnya.

NOTIS MESYUARAT AGUNG TAHUNAN

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 selepas Mesyuarat Agung yang ke 30 di mana Cadangan Memperbaharui Mandat diluluskan, dengan ini ia dibatalkan, melainkan resolusi diluluskan di Mesyuarat Agung Tahunan, kuasa ini diperbaharui;
- 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.

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

(Resolusi 8)

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

KELAYAKAN DAN PEMBAYARAN DIVIDEN

DENGAN INI DIBERITAHU BAHAWA dividen akhir sebanyak 10 sen kasar sesaham tolak 28% cukai pendapatan dan 2 sen dikecualikan cukai bagi tahun kewangan berakhir 31 Disember 2003, jika diluluskan oleh pemegang saham di Mesyuarat Agung Tahunan, akan dibayar pada 12 Julai 2004 kepada para pemegang saham yang nama-nama mereka terdapat di dalam Rekod Pendeposit Syarikat semasa tutup perniagaan pada 5 Julai 2004.

Seorang pendeposit adalah layak untuk menerima dividen hanya berhubung dengan;

- a) Saham-saham yang dipindahmilik kepada Akaun Sekuriti Pendeposit sebelum jam 4.00 petang pada 5 Julai 2004 berkenaan pemindahan; dan
- b) Saham-saham yang dibeli di Bursa selaras dengan kelayakan asas tertakluk kepada syarat-syarat Bursa.

Dengan Perintah Lembaga Pengarah

ASMIN BINTI YAHYA (MIA 10161)

NOOR ANISAH BINTI SABARUDIN (LS 0008153)

Setiausaha-Setiausaha Syarikat

Kuantan, Pahang

28 Mei 2004

NOTA

1. Seorang ahli yang berhak menghadiri dan mengundi dalam mesyuarat ini adalah berhak melantik proksi atau proksi-proksi untuk hadir dan mengundi bagi pihaknya. Proksi tidak semestinya seorang ahli syarikat.
2. Jika yang melantik sebuah perbadanan borang proksi mestilah dimeteri dengan cop mohor atau ditandatangani oleh peguam atau pegawai perbadanan tersebut.
3. Borang proksi ini mestilah diserahkan kepada Pendaftar Saham (Malaysian Share Registration Services Sdn Bhd, Level 26, Menara Multi Purpose, Capital Square, No 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur) tidak lewat daripada empat puluh lapan jam (48) sebelum masa yang ditetapkan untuk mengadakan mesyuarat .
4. Maklumat berkaitan Lembaga Pengarah yang bersara menawarkan diri untuk perantikan semula pada Mesyuarat Agung Tahunan ini dibentang dalam Laporan ini di mukasurat 6.
5. Catatan Penjelasan Bagi Urusan Khas **[Transaksi Berulang Dengan Pihak Berkaitan]**
Untuk maklumat lanjut, sila rujuk Pekeliling kepada Pemegang Saham bertarikh 28 Mei 2004 yang diedarkan bersama Laporan Tahunan Syarikat untuk tahun kewangan berakhir 31 Disember 2003.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 30th Annual General Meeting of FAR EAST HOLDINGS BERHAD ("the Company") will be held at Meranti Room, Hyatt Regency , Kuantan, Pahang Darul Makmur on Monday, 21 June 2004 at 3.00 p.m. to transact the following businesses:-

AGENDA

A: Ordinary Business

1. To receive and adopt the Audited Financial Statement for the financial year ended 31 December 2003 together with the Directors and Auditors' Reports thereon. **(Resolution 1)**
2. To approve the payment of a final dividend of ten(10) sen less 28% Malaysian Income Tax and a tax exempt dividend of two(2) sen per share for the financial year ended 31 December 2003 as recommended by Directors. **(Resolution 2)**
3. To re-elect the following Directors who retire pursuant to Article 97 of the Company's Articles of Association and being eligible offers themselves for re-election:-
 - i. Mr Tee Kim Tee @ Tee Ching Tee **(Resolution 3)**
 - ii. Tuan Dr Haji Amad @ Ahmad bin Aman **(Resolution 4)**
4. To re-elect the following Director who retires pursuant to Article 102 of the Company's Articles of Association and being eligible offer herself for re-election:
 - i. Puan Sharina Bahrin **(Resolution 5)**
5. To approve the payment of Directors' fees for the financial year ended 31 December 2003. **(Resolution 6)**
6. To appoint Messrs Ash'ariCheong, having consented to act, as auditors of the company in place of the retiring auditors, Messrs PricewaterhouseCoopers, to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorised to determine their remuneration. **(Resolution 7)**

B: As Special Business

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

7. Proposed Renewal of Shareholders' Mandate In Respect of Recurrent Related Party Transactions of a Revenue or Trading Nature.

"That the mandate granted by the shareholders of the Company on 23 June 2003 pursuant to paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad, authorising the Company to enter into recurrent transactions of a revenue nature as set in paragraph 2.1 of the Circular to Shareholders dated 28 May 2004 ("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:

 - a. 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
 - b. a disclosure of the aggregate value of the transactions conducted during a financial year including the type of the recurrent related party transactions of a revenue nature made, the names of the related parties involved in each type of the recurrent related party transactions of a revenue nature made and their relationship with the Company will be disclosed in the Annual Report for the said financial year.

NOTICE OF ANNUAL GENERAL MEETING

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' transactions. In this respect, if approved at the forthcoming AGM, such approval shall continue to be in force until:

- a. the conclusion of the next AGM of the Company following the forthcoming 30th AGM at which such Proposed Renewal of Shareholders' Mandate is passed, at which time it will lapse, unless by a resolution passed at an AGM, the authority is renewed;
- b. the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- c. revoked or varied by resolution passed by the shareholders in an AGM or EGM, whichever is earlier.

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 Proposed Renewal of the Recurrent Related Party Transactions Mandate."

(Resolution 8)

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

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT a final dividend of ten(10) sen less 28% Malaysian Income Tax and a tax exempt dividend of two(2) sen per share for the financial year ended 31 December 2003 if approved by the shareholders at the Annual General Meeting will be paid on 12 July 2004 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 5 July 2004.

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

- a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 5 July 2004 in respect of transfers; and
- b) Shares bought on the Exchange on a cum-entitlement basis according to the rules of the Exchange.

By Order of the Board

ASMIN BINTI YAHYA (MIA 10161)

NOOR ANISAH BINTI SABARUDIN (LS 0008153)

Company Secretaries

Kuantan, Pahang

28 May, 2004.

NOTES

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where the appointment is executed by a corporation it must be either under seal or under the hand of any attorney or officer duly authorised.
3. The instrument appointing the proxy must be deposited at the Share Registrars Office (Malaysian Share Registration Services Sdn Bhd, Level 26, Menara Multi Purpose, Capital Square, No 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur) at least forty eight (48) hours before the time appointed for holding the meeting.
4. Detail information of the Directors who seek re-election at this forthcoming Annual General Meeting is presented on page 6.
5. Explanatory Notes on Special Business **[Recurrent Related Party Transactions]**
For further information, please refer to the Circular to Shareholders⁹ dated 28 May 2004 accompanying the Company's Annual Report for the financial year ended 31 December 2003.

PENYATA MENGIRINGI NOTIS MESYUARAT AGUNG TAHUNAN

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

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

Nama-nama para pengarah yang menawarkan diri untuk perlantikan semula

Names of individuals who are standing for re-election

i. Mr Tee Kim Tee @ Tee Ching Tee

Non-Independent Non Executive

Age 56, Malaysian

ii. Tuan Dr Haji Amad @ Ahmad bin Aman

Independent Non-Executive

Age 59, Malaysian

iii. Puan Sharina Bahrin

Independent Non-Executive

Age 38, Malaysian

Menurut Tatacara dan Tataurusan Syarikat, mereka yang tersebut di atas bersara pada Mesyuarat Agung Tahunan ke 30 dan, kerana layak menawarkan diri untuk dilantik semula.

In accordance of the Company's Articles of Association, all the above retire at the forthcoming 30th Annual General Meeting and being eligible offer themselves for re-election.

Tempat, tarikh dan masa Mesyuarat Agung Tahunan ke 30

Place, date and time of the 30th Annual General Meeting

Mesyuarat Agung Tahunan yang ke 30 Syarikat akan diadakan di Bilik Meranti, Hyatt Regency, Kuantan, Pahang Darul Makmur pada hari Isnin, 21 Jun 2004 jam 3.00 petang.

The 30th Annual General Meeting of the Company will be held at Meranti Room, Hyatt Regency, Kuantan, Pahang Darul Makmur on Monday, 21 June 2004 at 3.00 p.m.

MAKLUMAT-MAKLUMAT TENTANG KEHADIRAN LEMBAGA PENGARAH DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

Sebanyak tujuh (7) kali Mesyuarat Lembaga Pengarah telah diadakan bagi tahun kewangan berakhir 31 Disember 2003. Maklumat kehadiran Lembaga Pengarah adalah seperti berikut :-

A total of seven (7) Board Meetings were held during the financial year ended 31 December 2003.

Details of attendance of Directors at the Board Meeting are as follows:-

Nama Name	Kehadiran Attendance	Lantikan Appointment	Berhenti Resignation
YH Dato' Kamaruddin bin Mohammed	7/7	16/08/2002	
YH Dato' Haji Lias bin Mohd Noor	5/7	14/01/2002	
Mr Tee Kim Tee @ Tee Ching Tee	7/7	16/08/2002	
En Nowawi bin Abdul Rahman	7/7	16/08/2002	
Mr Tee Cheng Hua	7/7	16/08/2002	
Tuan Dr. Haji Amad @ Ahmad bin Aman	7/7	16/08/2002	
Mr Ng Say Pin	7/7	23/08/2002	
En Kamarudin bin Abdull Rani	7/7	14/05/2002	26/12/2003
Puan Sharina Bahrin		15/01/2004	

Tarikh, Masa dan Tempat Mesyuarat
Date, Time and Place of the Board Meetings

Mesyuarat Type of Meetings	Tarikh Date	Waktu Time	Tempat Place
Board of Directors Meeting (1/2003)	30.1.2003	10.00 a.m.	Meeting Room, Prosper Group of Companies, 501 Block A, Glomac Business Centre, 10 Jalan SS 6/1, 47301 Petaling Jaya, Selangor.
Board of Directors Meeting (2/2003)	26.2.2003	11.00 a.m.	Meeting Room, Prosper Group of Companies, 501 Block A, Glomac Business Centre, 10 Jalan SS 6/1, 47301 Petaling Jaya, Selangor.
Board of Directors Meeting (3/2003)	14.4.2003	11.00 a.m.	Meeting Room, Prosper Group of Companies, 1101 Block C, Kelana Business Centre, No 97 Jalan SS 7/2, 47301 Petaling Jaya, Selangor.
Special Board of Directors Meeting (4/2003)	14.5.2003	9.30 a.m.	Chengal Room, Block 4, Hyatt Regency Hotel, Jalan Telok Cempedak, 25050 Kuantan.
Board of Directors Meeting (5/2003)	21.8.2003	10.30 a.m.	Meeting Room, Prosper Group of Companies, 1101 Block C, Kelana Business Centre, No 97 Jalan SS 7/2, 47301 Petaling Jaya, Selangor.
Special Board of Directors Meeting (6/2003)	20.10.2003	2.30 p.m.	Board Room, Far East Holdings Berhad. Tingkat 8, Kompleks Teruntum, Jalan Mahkota, 25000 Kuantan, Pahang Darul Makmur.
Special Board of Directors Meeting (7/2003)	14.11.2003	10.30 a.m.	Meeting Room, Prosper Group of Companies, 1101 Block C, Kelana Business Centre, No 97 Jalan SS 7/2, 47301 Petaling Jaya, Selangor.

MAKLUMAT KORPORAT CORPORATE INFORMATION

SETIAUSAHA-SETIAUSAHA SECRETARIES

Puan Asmin Binti Yahya,
MIA10161
Puan Noor Anisah Binti Sabarudin,
LS0008153

ALAMAT BERDAFTAR REGISTERED ADDRESS

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: fareh@po.jaring.my
SIRIM QAS ISO 9002 Certificate
Registration: AR1789

PENDAFTAR SAHAM SHARE REGISTRAR

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

JURUBANK UTAMA MAJOR BANKERS

Bank Bumiputra-Commerce Berhad
67-69 Jalan Telok Sisek,
25000 Kuantan,
Pahang Darul Makmur.

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

Bank Islam (Malaysia) Berhad
Lot 145, Jalan Telok Sisek
P.O. Box 396, 25740 Kuantan,
Pahang Darul Makmur

SUBSIDIARI-SUBSIDIARI SUBSIDIARIES

B.S. Oil Palm Plantations Sdn. Bhd.
Dawn Oil Palm Plantations Sdn. Bhd.
Kampung Aur Oil Palm Company (Sdn.) Berhad
Madah Perkasa Sdn. Bhd.
Gem-Asia Sdn. Bhd.

SYARIKAT SEKUTU ASSOCIATES

Kilang Kosfarm Sdn. Bhd.
Prosper Palm Oil Mill Sdn. Bhd.
Business & Budget Hotels (Kuantan) Sdn. Bhd.

PROFIL PENGARAH DIRECTOR'S PROFILE

YH DATO' KAMARUDDIN BIN MOHAMMED

Umur <i>Age</i>	: 56
Tarikh Perlantikan <i>Appointment Date</i>	: 16 Ogos 2002 : 16 August 2002
Jawatan <i>Position</i>	: Pengerusi (Pengarah Tidak Bebas Bukan Eksekutif) : Chairman (Non-Independent Non-Executive Director)
Kelayakan	: Berkelulusan dalam jurusan Kajian Perniagaan (Business Studies) dari Maktab MARA (UiTM) pada tahun 1969. Kemudian mengikuti kursus professional dalam bidang Analisa Pelaburan di Securities Institute of Australia, Sydney, Australia pada tahun 1972. Kini seorang Ahli Fellow, The Securities Institute of Australia sejak tahun 1983. Pada tahun 1981, mengikuti kursus Pengurusan di Asian Institute of Management, Manila, Filipina.
Qualification	: A graduate in the field of Business Studies from MARA College (UiTM) in 1969. Later, pursued a professional course in the field of Investment Analysis at the Securities Institute of Australia, Sydney, Australia in 1972. Now a Fellow Member of The Securities Institute of Australia since 1983. In 1981, pursued a Management course at the Asian Institute of Management, Manila, Philippines.
Pengalaman dan Jawatan	: Mula berkhidmat dengan Amanah Saham MARA Berhad pada bulan Julai 1969 sebagai Pegawai Pemasaran. Pada bulan Januari 1971 dilantik sebagai Pegawai Eksekutif, Pasaran Saham Bumiputra. Pada bulan Oktober 1973 dilantik sebagai Pengurus kepada syarikat subsidiari Amanah Saham MARA Berhad yang mengendalikan pelaburan dalam Pengurusan Portfolio. Pada tahun 1976 dilantik sebagai Ketua Perancangan dan Penyelidikan Amanah Saham MARA Berhad dan kemudian dilantik menjadi Pengurus dalam satu lagi subsidiari Amanah Saham MARA Berhad yang mengendalikan produk-produk saham amanah. Mulai Tahun 1979, mengetuai beberapa lagi Bahagian dalam Kumpulan Amanah Saham MARA Berhad termasuk Bahagian Kredit, Pemasaran dan Perkhidmatan Pendaftaran. Pada bulan Ogos 1981 dilantik sebagai Ketua Bahagian Pelaburan termasuk Pasaran Kewangan. Dilantik sebagai Ketua Pegawai Eksekutif Amanah Saham MARA Berhad pada bulan Januari 1990 dan seterusnya sebagai Pengarah Eksekutif pada bulan Januari 1992. Pada bulan Disember 1995 dilantik sebagai Pengarah Urusan Kumpulan, Amanah Saham MARA Berhad. Kini tumpuan bidang tugas termasuk Pengurusan Analisis Pelaburan dan Penasihat Korporat (Corporate Advisory).

PROFIL PENGARAH DIRECTOR'S PROFILE

Working Experience	: Started his career with Amanah Saham MARA Berhad in July 1969 as Marketing Officer. In January 1971, he was appointed as the Marketing Executive, Bumiputra Share Market. In October 1973, was appointed as Manager of Amanah Saham MARA Berhad's subsidiary company handling investments and Portfolio Management. In 1976 he was appointed as the Head of Planning and Research at Amanah Saham MARA Berhad and was later appointed as Manager of another subsidiary of Amanah Saham MARA Berhad dealing in unit trust products. Since 1979, has headed several Divisions in the Amanah Saham MARA Berhad Group including the Credit, Marketing and Registration Services Divisions. In August 1981 he was appointed as the Head of the Investment Division including the Financial Markets. He was appointed as the Chief Executive Officer of Amanah Saham MARA Berhad in 1990 and was later appointed as the Executive Director in January 1992. In the month of December 1995 he was promoted to the position of Group Managing Director, Amanah Saham MARA Berhad. He is currently focused in carrying out his duties in the areas of Investment Analysis Management and Corporate Advisory.
Lembaga pengarah syarikat awam Other directorship of public companies	: Amanah Saham MARA Berhad, ASM MARA Unit Trust Management Berhad, Amanah Saham Pahang Berhad, Pascorp Paper Industries Berhad, YTL Cement Berhad

PROFIL PENGARAH DIRECTOR'S PROFILE

YH DATO' HAJI LIAS BIN MOHD NOOR

Umur Age	: 53
Tarikh Perlantikan Appointment Date	: 14 Januari 2002 14 January 2002
Jawatan Position	: Pengarah (Pengarah Tidak Bebas Bukan Eksekutif) Director (Non-Independent Non-Executive Director)
Kelayakan	: Graduan Universiti Kebangsaan Malaysia (B.A. Hons/Econ). Pada 1993, beliau menghadiri Stanford Executive Programme di Stanford University, USA dan pada tahun 2000, mendapat MBA daripada Universiti Kebangsaan Malaysia.
Qualification	: He is a graduate of Universiti Kebangsaan Malaysia (B.A Hons/Econ). In 1993, he attended the Stanford Executive Programme at Stanford University, USA and later in year 2000 earned an MBA from Universiti Kebangsaan Malaysia.
Pengalaman dan Jawatan	: Beliau dilantik sebagai Ketua Pegawai Eksekutif Perbadanan Kemajuan Negeri Pahang pada 1 Januari 2003. Sebelum itu, beliau telah memegang beberapa jawatan didalam agensi negeri Pahang itu.
Working Experience	: He was appointed as the Chief Executive Officer of Pahang State Development Corporation on 1 January 2003. Prior to being promoted as the Chief Executive Officer of Pahang State Development Corporation Berhad, he held various post at the Pahang's state agency.
Lembaga pengarah syarikat awam Other directorship of public companies	: Astana Golf Resort Berhad, Pasdec Holdings Berhad, Pascorp Paper Industries Berhad

PROFIL PENGARAH DIRECTOR'S PROFILE

MR TEE KIM TEE @ TEE CHING TEE

Umur Age	: 56
Tarikh Perlantikan Appointment Date	: 16 Ogos 2002 16 August 2002
Jawatan Position	: Pengarah (Pengarah Tidak Bebas Bukan Eksekutif) Director (Non-Independent Non-Executive Director)
Pengalaman dan Jawatan	: Seorang ahli perniagaan yang mempunyai banyak pengalaman dan kemahiran dalam bidang perladangan. Beliau memulakan kerjaya 33 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.
Working Experience	: A businessman possessing vast experience and expertise in the plantation industry. He started his career 33 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.
Lembaga pengarah syarikat awam Other directorship of public companies	: Tiada Nil

PROFIL PENGARAH DIRECTOR'S PROFILE

EN NOWAWI BIN ABDUL RAHMAN

Umur <i>Age</i>	: 49
Tarikh Perlantikan <i>Appointment Date</i>	: 16 Ogos 2002 : 16 August 2002
Jawatan <i>Position</i>	: Pengarah Eksekutif, Operasi (Pengarah Tidak Bebas Eksekutif) : Executive Director, Operation (Non-Independent Executive Director)
Kelayakan	: Sarjana Sains dalam Sains Pengurusan dari Cranfield University, England. Sarjana Muda Sains Perniagaantani, Universiti Putra Malaysia.
Qualification	: Master of Science in Management Science, Cranfield University, England. Bachelor of Science in Agribusiness, University Putra Malaysia.
Pengalaman dan Jawatan	: Kerjaya lepas merangkumi sebagai Pegawai Pelaburan PKNP, 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.
Working Experience	: Previous post include PKNP Investment Officer, International Islamic University Lecturer in Operations Management, Managerial Science and Financial Management, and Investment Manager of Yayasan Pahang. Has attended several management courses, including at the Asian Institute of Management, Manila, Philippines.
Lembaga pengarah syarikat awam <i>Other directorship of public companies</i>	: Tiada Nil

PROFIL PENGARAH DIRECTOR'S PROFILE

MR TEE CHENG HUA

Umur Age	: 50
Tarikh Perlantikan Appointment Date	: 16 Ogos 2002 : 16 August 2002
Jawatan Position	: Pengarah Eksekutif, Estet Dan Perladangan (Pengarah Tidak Bebas Eksekutif) : Executive Director, Estates and Plantation (Non-Independent Executive Director)
Kelayakan Qualification	: Sarjana Kejuruteraan Mekanikal daripada Universiti Teknologi Malaysia. : Bachelor of Mechanical Engineering from University Technology Malaysia.
Pengalaman dan Jawatan	: 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.
Working Experience	: He 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 currently the Executive Director of Prosper Group of Companies.
Lembaga pengarah syarikat awam Other directorship of public companies	: Tiada Nil

PROFIL PENGARAH DIRECTOR'S PROFILE

TUAN DR HAJI AMAD @ AHMAD BIN AMAN

Umur <i>Age</i>	: 59
Tarikh Perlantikan <i>Appointment Date</i>	: 16 Ogos 2002 : 16 August 2002
Jawatan <i>Position</i>	: Pengarah (Pengarah Bebas Bukan Eksekutif) : Director (Independent Non-Executive Director)
Kelayakan	: Diploma Pertanian, Kolej Pertanian, Malaysia 1972. B.Sc. Sains Haiwan, Louisiana State University, USA 1974. M.Sc. Genetik dan Pembiakan Haiwan, University of Arkansas, USA 1976. PhD. Genetik dan Pembiakan Haiwan, University Of Arkansas, USA 1979.
Qualification	: Diploma of Agriculture, College Agriculture, Malaysia 1972. BSc Animal Science, Louisiana State University, 1974. MSc Animal Breeding and Genetics, University of Arkansas, USA 1976. PhD. Animal Breeding and Genetics, University of Arkansas, USA 1979.
Pengalaman dan Jawatan	: Pembantu Instruktur Getah, Institut Getah Malaysia daripada 1964 - 1968 Pembantu Pegawai Pertanian, Jabatan Pertanian Malaysia, 1972 Pegawai Penyelidik MARDI, Malaysia 1979 - 1980. Ketua Pusat Penyelidikan MARDI, Bukit Ridan, Malaysia, menguruskan 2,000 ekar tanah pertanian (kawasan ragut, buah-buahan tropika, ternakan dan pemprosesan makanan). Mengetuai MARDI Pahang, Malaysia dari Januari 1980 - Januari 1984. Mempromosikan teknologi MARDI ke arah pembangunan pertanian negeri (1989 - 1994). Fellow Pelawat (Fulbright Malaysian American Fellowship Program), Jabatan Sains Haiwan, Cornell University , New York, USA (1993 - 1994). Pegawai Penyelidik Kanan Institut Penyelidikan dan Pembangunan Pertanian Malaysia (MARDI) Pusat Kluang, Johor. Pengarah, Stesen Percubaan Pertanian, University Sultan Qaboos, Kesultanan Oman. Menguruskan aktiviti pertanian berbagai disiplin dalam persekitaran kontang di University Sultan Qaboos, Kesultanan Oman (1998 - 1999). Pakar runding RAH Corporation, Malaysia. Mengurus dan memberikan khidmat nasihat dalam ternakan (lembu, ayam, itik) dan tanaman (pisang, betik, sayuran-sayuran) bersepadu di atas kawasan tanah lombong dan berpasir. Pengarah, Green Lion Group Corporation, Malaysia, mengendalikan pembangunan dan pengurusan ternakan (lembu, kerbau, anak ayam) dan tanaman (kelapa) bersepadu (April 2001).

PROFIL PENGARAH DIRECTOR'S PROFILE

Working Experience	: Assistant Rubber Instructor, Rubber Institute of Malaysia from 1964 - 1968. Assistant Agriculture Officer, Agriculture Department of Malaysia 1972. MARDI Research Officer, Malaysia 1979-1980. Head of MARDI Research Centre, Bukit Ridan Malaysia, managed 2,000 acres of farmland (pasture, tropical fruit, crops livestock and food processing). Head of MARDI Pahang Malaysia from January 1980 - January 1984. Promotion of MARDI's technology towards the state agriculture development (1989 - 1994). Visiting Fellow (Fulbright Malaysian American Fellowship Program), Animal Science Department, Cornell University, New York, USA (1993 - 1994). Senior Research Officer at Malaysian Agriculture Research and Development Institute (MARDI) Centre Kluang, Johor. Director, Agriculture Experiment Station, Sultan Qaboos University, Sultanate of Oman. Managed multi-disciplinary agricultural activities in arid environment at Sultan Qaboos University, University Sultanate of Oman (1998-1999). Consultant of RAH Corporation, Malaysia. Managed and advise on integrated livestock (cattle, poultry, duck, fishery) and crops (bananas, papayas, vegetable) under used mining and on brisk soil (2000-2001). Director, Green Lion Group Corporation, Malaysia, dealing with development and management of integrated livestock (cattle, buffalo, broiler) - crop (coconut) plantation (April 2001).
Lembaga pengarah syarikat awam Other directorship of public companies	: Tiada Nil

PROFIL PENGARAH DIRECTOR'S PROFILE

MR NG SAY PIN

Umur <i>Age</i>	: 51
Tarikh Perlantikan <i>Appointment Date</i>	: 23 Ogos 2002 : 23 August 2002
Jawatan <i>Position</i>	: Pengarah (Pengarah Bebas Bukan Eksekutif) : Director (Independent Non-Executive Director)
Kelayakan	: Sarjana Muda Kejuruteraan Mekanikal daripada Universiti Teknologi Malaysia. Sarjana Kejuruteraan daripada Universiti of Florida, USA. Diploma Lepas Ijazah Pentadbiran Perniagaan daripada Swansea Institute of Higher Education, Wales, UK. Jurutera Profesional yang berdaftar dengan Lembaga Jurutera Malaysia.
Qualification	: Bachelor of Mechanical Engineering from University Technology Malaysia. Master of Engineering from University of Florida, USA. Postgraduate Diploma in Business Administration from Swansea Institute of Higher Education, Wales, UK. Professional Engineer registered with the Board of Engineers Malaysia.
Pengalaman dan Jawatan	: Pada 1977, beliau menyertai Jabatan Perikanan Malaysia sebagai Jurutera. Setelah berkhidmat selama lebih 19 tahun, beliau bersara awal pada 1996.
Working Experience	: In 1977, he joined Department of Fisheries, Malaysia as an Engineer. After serving the Department of Fisheries for more than 19 years, he took optional retirement in 1996.
Lembaga pengarah syarikat awam <i>Other directorship of public companies</i>	: Tiada Nil

PROFIL PENGARAH DIRECTOR'S PROFILE

PUAN SHARINA BAHRIN

Umur <i>Age</i>	: 38
Tarikh Perlantikan <i>Appointment Date</i>	: 15 Januari 2004 : 15 January 2004
Jawatan <i>Position</i>	: Pengarah (Pengarah Bebas Bukan Eksekutif) : Director (Independent Non-Executive Director)
Kelayakan	: Beliau adalah ahli kepada Institute of Chartered Accountants, Australia semenjak tahun 1991. Beliau adalah graduan Sarjana Perakaunan dan Sarjana Muda Perdagangan (Kewangan) daripada Universiti of Western Australia. Beliau juga ahli kepada Malaysian Institute of Certified Public Accountants.
Qualification	: She is a member of the Institute of Chartered Accountants in Australia since 1991. She graduated with Master of Accounting and Bachelor of Commerce with Honours in Finance from the University of Western Australia. She is also a member of the Malaysian Institute of Certified Public Accountants.
Pengalaman dan Jawatan	: Beliau memiliki pengalaman lebih 15 tahun di dalam Kewangan Korporat dan Penasihat Perniagaan di Malaysia dan Australia. Sebelum bertugas di Aftaas Consulting Sdn Bhd, beliau berkhidmat selama beberapa tahun di Pricewaterhouse Coopers di bahagian Kewangan Korporat dan Pemulihan sebagai Pengarah Sekutu. Beliau berkhidmat beberapa tahun di PETRONAS sebagai pengurus akaun, pengurus kewangan projek usahasama dan juga Eksekutif Kanan Kewangan Korporat Kumpulan. Beliau juga pernah menjadi ahli Pasukan Strategi Korporat PETRONAS memfokus kepada globalisasi. Semasa di Australia, Sharina memberi khidmat nasihat perniagaan serta penyediaan akaun dan percukaian untuk beberapa syarikat dalam pelbagai industri.
Working Experience	: She has over 15 years experience in corporate finance and business advisory in Malaysia and Australia. Prior to joining Aftaas Consulting Sdn Bhd, she spent several years in PricewaterhouseCoopers' Corporate Finance and Recovery as an Associate Director. She spent many years in PETRONAS as holdings company accounts manager, finance manager of a joint-venture project and as a group corporate finance senior executive. She was also a member of the PETRONAS corporate strategy team focusing on globalisation. In Australia, Sharina provided business advisory services as well as preparing accounts and tax returns of entities in the various industries.
Lembaga pengarah syarikat awam <i>Other directorship of public companies</i>	: Tiada Nil

PROFIL PENGARAH DIRECTOR'S PROFILE

EN KAMARUDIN BIN ABDULL RANI

Umur Age	: 50
Tarikh Perlantikan	14 Mei 2002
Tarikh Berhenti	26 Disember 2003
Appointment Date	: 14 May 2002
Resignation Date	26 December 2003
Jawatan	: Pengarah (Pengarah Bebas Bukan Eksekutif)
Position	: Director (Independent Non-Executive Director)
Kelayakan	: Beliau merupakan siswazah Southwest London College dan London School of Accountancy, di mana beliau mendapat kelulusan profesional perakaunan daripada Association of Chartered Certified Accountants (UK). Prior to that, he obtained a Diploma in Accountancy from University Teknologi MARA (UiTM). He is a member of the Malaysian Institute of Accountants.
Qualification	: He is a graduate of Southwest London College and London School of Accountancy, where he obtained his professional accounting qualification from Association of Chartered Certified Accountants (UK). Prior to that he obtained a Diploma in Accountancy from University Technology MARA (UiTM). He is a member of Malaysian Institute of Accountants.
Pengalaman dan Jawatan	: Beliau menyertai Sistem Penerbangan Malaysia pada 1980 sebagai Akauntan. Pada tahun 1981, beliau menyertai Perbadanan Kemajuan Negeri Pahang sebagai Akauntan. Jawatan terakhir beliau di Perbadanan Kemajuan Negeri Pahang ialah sebagai Pengurus Kewangan Kumpulan dan Timbalan Pengurus Besar di dalam salah sebuah anak syarikatnya. Pada tahun 1995, beliau menyertai beberapa syarikat sendirian berhad sebagai Pengarah Kewangan dan Ketua Eksekutif. Kini, beliau mengendalikan perniagaannya sendiri.
Working Experience	: He joined Malaysian Airline System as an Accountant in 1980. He left the company and joined Perbadanan Kemajuan Negeri Pahang in 1981 as an accountant. His last posting with PKNP and its group were as a Group Financial Controller in PKNP and Deputy General Manager in one of its main subsidiary companies. In 1995, he joined a few private limited companies as Finance Director and CEO. Currently, he is managing his own companies.
Lembaga pengarah syarikat awam Other directorship of public companies	: Tiada Nil

PROFIL PENGARAH DIRECTOR'S PROFILE

TIDAK SEORANG PENGARAH PUN YANG :-

- Mempunyai kaitan persaudaraan dengan mana-mana Pengarah dan/atau pemegang saham utama, melainkan En Tee Kim Tee @ Tee Ching Tee dan En Tee Cheng Hua yang bersaudara.
- Mempunyai percanggahan kepentingan dengan Far East Holdings Berhad (FEHB), melainkan En Tee Kim Tee @ Tee Ching Tee dan En Tee Cheng Hua yang merupakan wakil Prosper Trading Sdn. Bhd. YH Dato' Kamaruddin bin Mohammed dan YH Dato' Haji Lias bin Mohd Noor merupakan wakil Perbadanan Kemajuan Negeri Pahang. En Nowawi bin Abdul Rahman merupakan wakil Lembaga Kemajuan Perusahaan Pertanian Pahang.
- Memegang saham pada 31 Disember 2003 di dalam Far East Holdings Berhad (FEHB), melainkan En Tee Kim Tee @ Tee Ching Tee, En Tee Cheng Hua, YH Dato' Haji Lias bin Mohd Noor dan En Nowawi bin Abdul Rahman, seperti dinyatakan di mukasurat 42.
- Terbabit dengan mana-mana kesalahan undang-undang bagi tempoh 10 tahun yang lepas, melainkan jika ada, kesalahan ordinan trafik.

Kesemua Lembaga Pengarah adalah Warganegara Malaysia.

NONE OF THE DIRECTORS HAS :-

- Any family relationship with any Director and/or major shareholders of Far East Holdings Berhad(FEHB), save and except for Mr Tee Kim Tee @ Tee Ching Tee and Mr Tee Cheng Hua who are brothers.
- Any conflict of interest with Far East Holdings Berhad (FEHB), except by virtue of Mr Tee Kim Tee @ Tee Ching Tee and Mr Tee Cheng Hua being representatives of Prosper Trading Sdn. Bhd. YH Dato' Kamaruddin bin Mohammed and YH Dato' Haji Lias bin Mohd Noor being nominees of Pahang State Development Coporation. En Nowawi bin Abdul Rahman is a nominee of Lembaga Kemajuan Perusahaan Pertanian Pahang.
- Held any share in Far East Holdings Berhad (FEHB) as at 31 December 2003, save and except for Mr Tee Kim Tee @ Tee Ching Tee , Mr Tee Cheng Hua, YH Dato' Haji Lias bin Mohd Noor and En Nowawi bin Abdul Rahman, as stated on page 80.

All of the Directors are Malaysian.

MAKLUMAT KORPORAT CORPORATE INFORMATION



LEMBAGA PENGARAH BOARD OF DIRECTORS

1. **YH Dato' Kamaruddin Bin Mohammed**
Pengerusi Chairman

Pengarah Tidak Bebas Bukan Eksekutif
Non-Independent Non-Executive Director

2. **Mr Tee Kim Tee @ Tee Ching Tee**
Pengarah Tidak Bebas Bukan Eksekutif
Non-Independent Non-Executive Director

3. **En Nowawi Bin Abdul Rahman**
Pengarah Tidak Bebas Eksekutif
Non-Independent Executive Director

4. **Mr Tee Cheng Hua**
Pengarah Tidak Bebas Eksekutif
Non-Independent Executive Director



5. **Tuan Dr. Haji Amad @ Ahmad Bin Aman**
Pengarah Bebas Bukan Eksekutif
Independent Non-Executive Director

6. **Mr Ng Say Pin**
Pengarah Bebas Bukan Eksekutif
Independent Non-Executive Director

7. **Puan Sharina Bahrin**
Pengarah Bebas Bukan Eksekutif
Independent Non-Executive Director

8. **YH Dato' Haji Lias Bin Mohd Noor**
Pengarah Tidak Bebas Bukan Eksekutif
Non-Independent Non-Executive Director
(tiada dalam gambar not in photograph)

PENYATA PENERUS CHAIRMAN'S STATEMENT

Pemegang-Pemegang Saham Yang Dihormati,

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan bagi tahun kewangan berakhir 31 Disember 2003.

Prestasi Kumpulan

Tahun 2003 merupakan tahun yang membanggakan bagi industri perladangan. Kumpulan telah mengakhiri tahun ini dengan cemerlang apabila pendapatannya bertambah sebanyak 23% daripada RM57.90 juta pada tahun sebelumnya kepada RM70.99 juta. Keuntungan sebelum cukai Kumpulan juga meningkat sebanyak 51% kepada RM49.24 juta berbanding dengan RM32.63 juta pada tahun sebelumnya. Keuntungan yang dicapai membuktikan kekuatan perniagaan yang diceburi oleh Kumpulan.



Dear Shareholder,

On behalf of the Board of Directors, I am pleased to present the Annual Report and the Financial Statements for the financial year ended 31 December 2003.

Group Performance

The year 2003 was a good year for the plantation industry. The Group closed the year on a high note when its revenue increased significantly by 23% from the previous year RM57.90 million to record RM70.99 million. The Group pre-tax profit soared by 51% to RM49.24 million compared to previous year of RM32.63 million. The profit achieved in 2003 provides evidence of the underlying strength of the Group business.



PENYATA Pengerusi Chairman's Statement

Maklumat Kumpulan

Prestasi perniagaan Kumpulan banyak dibantu oleh kenaikan ketara harga minyak sawit dan peningkatan kadar perahan minyak (KPM). Harga purata minyak sawit mentah (MSM) meningkat sebanyak 17% berbanding tahun sebelumnya kepada RM1,567 bagi satu metrik tan. Purata harga minyak isirong (MISM) juga meningkat pada tahun dalam kajian apabila ditutup pada purata harga RM749 satu metrik tan, iaitu peningkatan sebanyak 11% daripada RM675 satu metrik tan yang dicatat pada tahun sebelumnya.

Pendapatan asas sesaham bertambah dengan amat ketara sebanyak 40% daripada 35.24 sen pada tahun sebelumnya kepada 49.16 sen setiap saham. Setelah mengambil kira penyelarasan opsi saham yang diberikan kepada semua anggota Kumpulan, pendapatan sesaham telah susut sedikit kepada 48.69 sen setiap saham.

Pengeluaran buah tandan segar (BTS) juga meningkat sebanyak 12,763 metrik tan dengan pengeluaran 253,146 metrik tan berbanding 240,383 metrik tan pada tahun sebelum. Aktiviti penanaman semula yang menggunakan klon penghasilan tinggi, teknik penanaman lebih moden dan amalan perladangan terbaik serta terkawal akan menjadi satu komitmen strategik untuk memaksimumkan pendapatan serta mempertahankan daya saing. Walau bagaimanapun, aktiviti penanaman semula telah sedikit sebanyak menyebabkan pengurangan hasil pengeluaran untuk beberapa ladang di dalam Kumpulan.



Group Highlights

These solid results were largely supported by the significant rise in oil palm prices. The average price of crude palm oil (CPO) rose sharply by 17% over the previous year to RM1,567 per metric tonne. The average prices of palm kernel (PK) too recorded an upward trend during the year in review when it closed at an average price of RM749 per metric tonne, an increase of 11% from last year's RM675 per metric tonne.

The Group's basic earnings per share improved significantly by 40% from previous year's 35.24 sen per share to 49.16 sen per share for the year in review. After taking into account adjustments for share options granted to the Group's employees, the earnings per share were diluted to 48.69 sen per share.

Production of fresh fruit bunches (FFB) increased by 12,763 metric tonne to 253,146 metric tonne compared to last year's 240,383 metric tonne. Replanting activities, which were carried out with the use of high yield clones coupled with improved planting techniques and best practices shall form a strategic trust for the Group to maximize earnings and sustain competitiveness. These activities however contribute partly to the decline in crop production in some estates.

PENYATA Pengerusi Chairman's Statement



Disebabkan industri perladangan kelapa sawit mengalami haluan kitaran meningkat dalam pengeluaran BTS diikuti dengan program tanaman semula, maka penghasilan sehektar telah meningkat daripada 20.44 metrik tan sehektar pada tahun 2002 kepada 21.77 metrik tan sehektar

Keseluruhannya, kadar perahan minyak dicatatkan pada tahap 18.28%, satu peningkatan berbanding 18.14% yang direkodkan pada tahun lepas. Kos operasi bagi setiap tan MSM kekal pada purata kos RM700 dan tidak banyak berubah berbanding tahun sebelumnya.

Komposisi seimbang pokok sawit dari segi umur telah meningkatkan lagi potensi prestasi Kumpulan. Aktiviti penanaman semula pokok tua yang kini merangkumi 15.52% daripada jumlah keluasan kawasan tanaman Kumpulan akan memperkukuhkan kedudukan bagi mempertahankan daya saing secara keseluruhan di masa hadapan.

Komposisi umur pokok yang telah ditanam adalah seperti berikut:-

Klasifikasi Umur	Hektar	%
Belum Matang & Muda	2,135.77	15.52
Pokok Prima	7,821.05	56.82
Pokok Tua	3,807.39	27.66
Jumlah	13,764.21	100.00



As a result of industry's upward cyclical trend of FFB production which coincide with the Group's replanting activities, yield per hectare increased from 20.44 metric tonne per hectare in 2002 to 21.77 metric tonne per hectare for year 2003.

Average oil extraction rate was recorded at 18.28%, which was higher from previous year's 18.14%. Operating cost per tonne CPO remain at average of RM700 which was similar to previous year.

The balanced composition of palms with respect to age enhances the Group's potential performance. With the replanting of old palms, which presently make up 15.52% of the Group's planted areas, will put the Group in a stronger position to sustain its overall competitive edge in the future.



The age composition of the Group's planted palms are as follow:-

Age Classification	Hectare	%
Immature	2,135.77	15.52
Prime	7,821.05	56.82
Old Palms	3,807.39	27.66
Total	13,764.21	100.00

PENYATA Pengerusi Chairman's Statement



Dividen

Dividen interim sebanyak 5 sen sesaham (tolak 28% cukai pendapatan) telah dibayar pada 28 Oktober 2003. Bersandarkan kepada kekukuhan pencapaian kewangan dan prestasi keseluruhan yang dapat dipertahankan, Lembaga anda mengesyorkan untuk kelulusan pemegang saham, dividen akhir kasar sebanyak 12 sen sesaham terdiri daripada 10 sen sesaham tolak 28% cukai pendapatan dan 2 sen sesaham dividen dikecualikan cukai, bagi tahun kewangan berakhir 31 Disember 2003. Ini menjadikan keseluruhan dividen yang dibayar sejumlah 17.0 sen sesaham, iaitu peningkatan 2.0 sen berbanding dividen yang dibayar pada tahun 2002.

Perbelanjaan Modal

Kumpulan telah berbelanja dengan sederhana sebanyak RM0.80 juta dalam perbelanjaan modal bagi tahun dalam kajian yang merangkumi perkara berikut:-

- RM0.70 juta bagi pembelian mesin dan peralatan
- RM0.10 juta untuk penanaman baru

Prospek Masa Hadapan dan Strategi Perniagaan

Kumpulan akan memberi fokus kepada industri dengan meneroka peluang baru untuk berkembang, sama ada dari segi aspek geografi atau pengukuhan aset yang sedia ada. Ini termasuk usaha mencari kawasan tanaman baru yang sesuai sama ada di dalam atau di luar negara. Program penanaman semula juga akan diberi tumpuan utama demi mengukuhkan aset Kumpulan. Kumpulan akan turut melibatkan diri dengan aktiviti lain ke arah intergrasi sejajar dengan produk hiliran industri demi mempertahankan pendapatan serta keuntungan masa hadapan.

Kumpulan telah melabur di dalam dua (2) buah syarikat bersekutu yang memiliki kepentingan di dalam kilang memproses buah tandan segar kelapa sawit iaitu;

- Prosper Palm Oil Mil Sdn Bhd
- Kilang Kosfarm Sdn Bhd

Dividends

An interim dividend of 5 sen per share (less 28% income tax) was paid on 28 October 2003. On the strength of the Group's financial achievement and sustained overall performance, your Board is recommending for shareholders' approval of a final gross dividend of 12 sen per share comprising 10 sen less 28% income tax and 2 sen per share of a tax exempt dividend for the financial year ended 31 December 2003. Including the interim dividend which was paid, total dividend declared for the year would amount to 17.0 sen per share, an increase of 2.0 sen compared to previous year.

Capital Expenditure

The Group spent a modest RM0.80 million in capital expenditure for the year in review, which comprised of the following items:-

- RM0.70 million for the purchase of machinery and equipments
- RM0.10 million on new planting.

Future Prospects and Business Strategy

The Group will be focusing on the current industry while venturing into new opportunities to expand, in terms of geographical or asset strengthening. These include looking for new suitable land areas inside and outside the country. Replanting programmes will also be given utmost importance towards strengthening the Group's asset. The Group will participate in other activities in order to vertically integrate itself with end products of the industry. This would position the Group to sustain its revenue and profits in future years. As a result, share of profits from associated companies increased to RM11.55 million for the year 2003 as compared to RM5.92 million for year 2002. This has contributed to the increase in the overall profits of the Group.

The Group invested in two (2) associated companies whose main activities are processing fresh fruit bunches. The palm mills are;

- Prosper Palm Oil Mil Sdn Bhd
- Kilang Kosfarm Sdn Bhd

This particular investment strengthened the marketing aspect of the Group based on its association with Prosper Group.

The Malaysian oil palm industry recorded a significant recovery in 2003 albeit in an uncertain global economic background. The performance of the Malaysian oil palm industry is expected to be sustainable, and improves further in the year 2004. The production of CPO is expected to increase. Due to higher world's demand for edible oil, the price of crude palm oil is expected to sustain at the current level.

PENYATA Pengerusi CHAIRMAN'S STATEMENT

Pelaburan ini juga telah dapat memperkukuhkan lagi pemasaran hasil Kumpulan berdasarkan jalinan hubungan dengan Kumpulan Prosper.

Sehubungan itu, keuntungan dari syarikat bersekutu telah meningkat kepada RM11.55 juta bagi tahun 2003 berbanding RM5.92 juta bagi tahun 2002. Ia telah turut menyumbang ke arah kenaikan keseluruhan keuntungan Kumpulan.

Pada tahun 2003 industri sawit Malaysia telah mencatatkan pemulihan ketara dalam suasana ekonomi global tidak menentu. Prestasi industri kelapa sawit Malaysia dijangka mampu bertahan malah bertambah baik pada tahun 2004. Permintaan eksport juga dilihat akan terus meningkat ekoran daripada peningkatan permintaan minyak masak dunia. Sehubungan itu, harga minyak sawit dijangka bertahan pada kadar sekarang.

Penghargaan dan Pengiktirafan

Bagi pihak Ahli Lembaga Pengarah, saya ingin mengambil kesempatan ini untuk mengucapkan terima kasih kepada En Kamarudin bin Abdull Rani yang telah meletak jawatan pada 26 Disember 2003, diatas pandangan dan pimpinan beliau. Pada masa yang sama, Lembaga Pengarah mengalu-alukan perantikan Pn Sharina Bahrin sebagai ahli Lembaga Pengarah Bebas bukan Eksekutif pada 15 Januari 2004. Kami yakin dengan pengalaman serta pengetahuan luas Pn Sharina dalam bidang kewangan dan perniagaan akan dapat memperkukuh serta meningkatkan keberkesanan Lembaga dan seterusnya menyumbang kepada kejayaan Kumpulan.

Saya juga ingin mengambil kesempatan ini untuk mengucapkan terima kasih kepada semua pihak berkuasa Kerajaan, kontraktor, pembekal, bank serta pelanggan kerana telah memberi bantuan dan sokongan berterusan. Ucapan terima kasih yang tulus turut ditujukan kepada pengurusan dan anggota kerja Kumpulan FEHB kerana memberi usaha berterusan dan sumbangan yang tidak berbelah-bahagi ke arah membina FEHB sebagai sebuah entiti perniagaan yang kukuh serta merealisasikan tahun 2003 sebagai satu lagi tahun yang berjaya.

Akhir sekali kepada rakan-rakan Lembaga Pengarah, saya merakamkan ucapan terima kasih atas komitmen dan sokongan, kebijaksanaan buah fikiran serta penilaian bernas yang banyak membantu tugas saya. Kami akan bergabung usaha dan sumber untuk terus membina Syarikat ini menuju tahap kecemerlangan serta menikmati pencapaian yang lebih tinggi. Kepada semua pemegang saham dan rakan kongsi perniagaan, saya merakamkan penghargaan iklas atas sokongan berterusan dan berkeyakinan kepada Kumpulan Far East Holdings Berhad.



Acknowledgement and Appreciation

On behalf of the Board of Directors, I would like to take this opportunity to convey my appreciation to En Kamarudin bin Abdull Rani who resigned on December 26, 2003, for his foresight and wisdom during his tenureship. At the same time, the Board wishes to welcome Pn Sharina Bahrin who was appointed to the Board on January 15, 2004 as Independent Non-Executive Director. We are confident that with her wealth of experience and knowledge in the finance and business field, she will further enhance the effectiveness of the Board's deliberations and hence contribute to the ongoing success of the Group.

I would also like to take this opportunity to express my sincere thanks to all Governmental authorities, our contractors, suppliers, bankers and clients for their assistance and support. My sincere thanks are also directed to the management and staff members of FEHB Group for their relentless efforts and tireless contribution in building FEHB into a strong business entity and realising the year 2003 as another successful year.

Last but not least, to my fellow directors, I thank you for the support, wise council and prudent judgement, which made my task seem lighter. We will combine our efforts and resources together to continue building the Company in pursuance of excellence and to scale greater heights of achievements. To our shareholders and business partners, I wish to extend my sincere appreciation for your continued support and confidence in Far East Holdings Berhad Group.

Dato' Kamaruddin bin Mohammed
Pengerusi Chairman

AUDIT COMMITTEE REPORT

1.0 COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee comprises the following Directors:

En Kamarudin bin Abdull Rani
(Resigned on 26 Dec 2003)

Chairman, Independent Non-Executive Director

Pn Sharina Bahrin
(Appointed on 15 Jan 2004)

Chairperson, Independent Non-Executive Director

Tuan Dr Haji Amad @ Ahmad bin Aman

Member, Independent Non-Executive Director

Mr Ng Say Pin
(Resigned on 15 Jan 2004)

Member, Independent Non-Executive Director

YH Dato' Kamaruddin bin Mohammed
(Appointed on 15 Jan 2004)

Member, Non-Independent Non-Executive Director

2.0 TERMS OF REFERENCE

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

- To review with the external auditors, the audit plan, scope of the audit and the areas of audits of the Company/Group;
- To review with the external auditors, their evaluation of the system of internal controls and audit findings;
- To discuss problems and reservations arising from the audit, and any other matters the auditors may wish to discuss;
- To review the external auditors' management letter and management's response;
- To review the audit report with the external auditors;
- To review the suitability of the external auditors for recommendation to the Board for re-appointment and the audit fee thereof;
- To make appropriate recommendation to the board on matters of resignation or dismissal of external auditors;
- To make appropriate recommendation to the board on matters of resignation or dismissal of external auditors.
- To review and report the adequacy of the scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its works;
- To review the results of the Group's internal audit procedures and the adequacy of actions taken by management based on the reports;
- To be consulted in the appointment, review of performance, remuneration and removal of the Head of Internal Audit and senior audit staff;
- To review the annual financial statements of the Group and quarterly results of the Group, and thereafter submit them 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 and other legal requirements;
- To review any related party transactions that may arise within the Group;
- To ensure prompt publication of annual accounts; and
- To perform any other functions as may be agreed by the Audit Committee and the Board.

3.0 AUTHORITY

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Audit Committee. It is also authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise where it considers necessary, at the Company's expense.

AUDIT COMMITTEE REPORT

(continued)

4.0 MEETINGS

- The Audit Committee will hold a minimum of four (4) meetings a year, although additional meetings may be called at any time at the Chairman's discretion or if requested by any Audit Committee member, the management, the internal or external auditors.
- The Head of Internal Audit will attend the meetings. Representatives of the external auditors are to be in attendance at meetings where matters relating to the audit of the statutory accounts and/or the external auditors are to be discussed.
- At least once a year, the Audit Committee members shall meet with the external auditors without any executive board members present.
- The Executive Directors and/or other appropriate officers may be invited to attend, except for those portions of the meetings where their presence may be considered inappropriate, as determined by the Chairman.
- The quorum for each meeting shall be at least two thirds of the members with non-executive directors forming the majority.
- The Company Secretary shall be the Secretary to the Audit Committee.
- Minutes of the Audit Committee's meeting shall be circulated and tabled to all members of the Board.

5.0 ATTENDANCE AT MEETINGS

During the financial year ended 31 December 2003, the Audit Committee held a total of six (6) meetings.

Dates :	29 Jan 2003	13 May 2003
	26 Feb 2003	21 Aug 2003
	14 Apr 2003	14 Nov 2003

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
En Kamarudin bin Abdull Rani	6	6
Tuan Dr Haji Amad @ Ahmad bin Aman	6	6
Mr Ng Say Pin	6	6

6.0 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 Company/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 Company/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 of a revenue or trading nature ("related party transactions") within the Company/Group and recommended to the Board for approval and adoption.
- Reviewed the recurrent transactions within the Group for inclusion in the circular to shareholders in relation to the proposed renewal of shareholders' mandate for recurrent transactions pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia LR").

AUDIT COMMITTEE REPORT

- Reviewed the suitability of the external auditors and recommended to the Board for reappointment and the audit fee thereof.
- Reviewed the 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 auditor for the Group and recommended to the Board for approval.
- Reviewed and adopted the new Guidelines on Internal Audit Function, issued by the Task Force established by Bursa Malaysia Securities Berhad.
- Reviewed and recommended to the Board for approval and adoption the Group Internal Audit Charter in line with the Guidelines on Internal Audit Function.
- Reviewed the results of the Group's internal audit reports and the adequacy of remedial actions taken by the management recommended in the reports.
- Reviewed and approved the annual Internal Audit Plan.

7.0 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. The audit plan covers review of adequacy of operational controls, risk management, compliance with laws and regulations, quality of assets and management efficiency amongst others.

The internal audit function is established to carry out audit of the Group's key operations and also to ensure consistency in the control environment and the application of policies and procedures. A systematic audit approach is adopted to add value and improve the Group's operations by providing independent, objective assurance and consulting activities. These are designed to evaluate and enhance risk management control and governance processes to assist Management achieve its corporate goals.

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

STATEMENT OF CORPORATE GOVERNANCE

The Board of Far East Holdings Berhad is pleased to report to shareholders on the manner 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 ("Bursa Malaysia LR"). These principles and best practices have been applied throughout the year ended 31 December 2003.

SECTION A : THE BOARD OF DIRECTORS

The Board of Directors

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 2003, seven (7) Board meetings were held. Details on attendance of the Directors at Board meetings are disclosed on page 7.

1.0 BOARD BALANCE

As at the date of this statement, the Board consist of six (6) Non-Executive Directors (including the Chairman) and two (2) Executive Directors, with three (3) of the eight (8) Directors being Independent Directors. Together, the Directors have a wide range of business, financial and technical experience. 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 10 to 21.

The role of the Chairman and the Executive Directors are separated and clearly defined, so as to ensure that there is a balance of power and authority. The Chairman is responsible for ensuring Board effectiveness and conduct, whilst the Executive Directors have overall responsibility for the operating units, organisational effectiveness and implementation of Board policies and decisions. The presence of three (3) Independent Non-Executive Directors fulfill 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 judgement.

2.0 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 index;
- 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.

3.0 APPOINTMENTS TO THE BOARD

Pursuant to the best practices promulgated by the Code, the Board has established a Nomination Committee, consisting of three (3) Directors without executive functions, two (2) of whom are independent. The duties and responsibilities of the Committee is 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 is set out in paragraph 4(ii).

STATEMENT OF CORPORATE GOVERNANCE

4.0 BOARD COMMITTEE

The Board delegates certain responsibilities to fulfill its duties and responsibilities. These Committees are as follows:-

- i) Audit Committee;
- ii) Nomination Committee;
- iii) Remuneration Committee;
- iv) Employees Share Option Scheme Committee.

i) Audit Committee

The Audit Committee reviews issues of accounting policies and 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 are stated on page 27 to 29.

ii) Nomination Committee

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

- **Independent Non-Executive**
Tuan Dr Haji Amad @ Ahmad bin Aman (Chairman)
Mr Ng Say Pin
- **Non-Independent Non-Executive Director**
Mr Tee Kim Tee @ Tee Ching Tee

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 membership and principal duties of the Remuneration Committee is set out in Section B of this statement.

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' Haji Lias bin Mohd Noor (Chairman)
- **Non-Independent Executive Director**
Mr Tee Cheng Hua
En Nowawi bin Abdul Rahman
- **Independent Non-Executive Director**
Mr Ng Say Pin

5.0 RE-ELECTION OF DIRECTORS

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

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

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

STATEMENT OF CORPORATE GOVERNANCE (continued)

6.0 DIRECTORS TRAINING

All members of the Board have attended the Mandatory Accreditation Programme (MAP) organised by Research Institute of Investment Analysis Malaysia (RIIAM) except for Puan Sharina Bahrin who will attend in due course. After completing the MAP, Directors are encouraged to attend Continuing Education Programme (CEP) and seminars to keep abreast with developments in the market place. Directors are required by Bursa Malaysia Securities Berhad to collect at least 72 CEP points for financial year 2003/2004.

SECTION B : DIRECTORS' REMUNERATION

The Remuneration Committee currently consists of three Non- Independent Non-Executive Directors. 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)
- YH Dato' Haji Lias bin Mohd Noor
- Mr Tee Kim Tee @ Tee Ching Tee

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

Category	Fees (RM'000)	Salaries (RM'000)	Other Emoluments (RM'000)	Total (RM'000)
Executive Directors	60	282	134	476
Non-Executive Directors	190	60	9	259

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

Range of Remuneration	Executive Directors	Non-Executive Directors
Below RM50,000	-	1
RM50,001-RM100,000	2	5

SECTION C : RELATIONS WITH SHAREHOLDERS AND INVESTORS

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 website www.fareh.com.my provides easy access to the latest corporate information of the Group. The Board has appointed Mr Ng Say Pin as Senior Independent Director to which any queries with regard to the Group may be conveyed. At all times shareholders may contact the Company Secretaries for information.

SECTION D : ACCOUNTABILITY AND AUDIT

i) 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.

STATEMENT OF CORPORATE GOVERNANCE

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 110.

ii) Internal Controls

The Group has established internal controls which 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 35 to 36 of the Annual Report provides an overview of the state of internal controls within the Group.

iii) Audit Committee

The Group's financial reporting and internal control system is overseen by the Audit Committee, which comprises of two (2) Independent Non-Executive and one (1) Non-Independent Non-Executive Directors. 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. The activities of the Audit Committee are governed by a charter that is approved by the Board.

The Audit Committee meets quarterly. Additional meetings are held as and when required. During the financial year ended 31 December 2003, a total six (6) Audit Committee meetings were held.

The Audit Committee meeting is always held before the Board's meeting. This is to ensure that all critical issues highlighted could be brought up to the attention of the Board on timely basis. 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 27 to 29.

iv) Internal Audit

The Group has an established Internal Audit Unit which 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.

v) 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 fraud.

SECTION E : ADDITIONAL COMPLIANCE STATEMENTS:

• Recurrent Related Party Transactions of A Revenue or Trading Nature

Pursuant to paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad, the company will be seeking the renewal from the shareholders for recurrent related party transactions of a revenue or trading nature, entered into between Far East Holdings Berhad or its subsidiary companies and related parties, at the forthcoming Annual General Meeting of Far East Holdings Berhad scheduled to be held on 21 June 2004. The related party transactions for the group are as follows:

STATEMENT OF CORPORATE GOVERNANCE

• Recurrent Related Party Transactions of A Revenue or Trading Nature (continued)

Related Party	Nature of Relationship	Principal Activity	Estimated Aggregate Value During Validity Period of Mandate RM'000	Nature of Transaction	Method of Pricing
PPOM	PPOM directly holds 41.21% interest in PTSB, which in turn directly holds 27.69% interest in FEHB.	Palm Oil Mill, Operating of Oil Palm Plantation and Investment Holding Company.	7,686	Selling of FFB	Based on MPOB pricing
RPOM	RPOM is an indirect subsidiary of PTSB [with direct and indirect holdings of 32.74%] and PPOM [with direct and indirect holdings of 43.49%], which PTSB in turns directly holds 27.69% interest in FEHB.	Palm Oil Mill, Operating of Oil Palm Plantation and Investment Holding Company.	27,560	Selling of FFB	Based on MPOB pricing
KK	KK is a 51% directly owned subsidiary of PPOM, which directly holds 41.21% in PTSB. PTSB in turn directly holds 27.69% interest in FEHB.	Palm Oil Mill, Operating of Oil Palm Plantation and Investment Holding Company.	34,636	Selling of FFB	Based on MPOB pricing

PPOM - Prosper Palm Oil Mill Sdn Bhd, RPOM - Rompin Palm Oil Mill Sdn Bhd, KK - Kilang Kosfarm Sdn Bhd, PTSB - Prosper Trading Sdn Bhd, MPOB - Malaysian Palm Oil Board, FFB - Fresh Fruit Bunches

• Share Buy Backs

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

• Options

The Employees Share Option Scheme ("ESOS") of FEHB came into effect on 18 March 2002. The details of the ESOS exercise is disclosed in page 78 - 79 of the Directors' Report.

• Warrant or Convertible Securities

The Company has not issued any warrant or convertible securities in the financial year ended 31 December 2003.

• American Depositary Receipt ("ADR") or Global Depositary Receipt ("GDR")

The Company has not sponsored any ADR or GDR programme in the financial year ended 31 December 2003.

• Approved Utilisation of Fund

There were no approved utilisation of fund obtained by the company from any relevant bodies.

• Penalties Imposed on FEHB and Its Subsidiaries

There were no sanctions and/or penalties imposed on the company by the relevant regulatory bodies during the financial year ended 31 December 2003.

• Non-Audit Fees

The amount of non-audit fees paid/payable to the external auditors by the Group for the financial year ended 31 December 2003 is RM6,300.

• Material Contracts

Except for transactions disclosed in Recurrent Related Party Transactions, none of the directors and major shareholders had any material contracts with the company during the financial year ended 31 December 2003.

• Revaluation Policy on Landed Properties

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

STATEMENT OF INTERNAL CONTROL

BOARD RESPONSIBILITY

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

It should be noted, however, that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. Thus, these systems can only provide reasonable but not absolute assurance against misstatement 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 to manage these risks. This was done through desktop reviews, interviews with the Management and thorough deliberation and discussion among the Directors in the Board meeting.

The Board has established a Risk Committee which is responsible for the ongoing process of identifying, assessing and managing key business, operational and financial risks faced by its Group.

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

OTHER KEY ELEMENTS OF INTERNAL CONTROL SYSTEM

The Group has a number of internal controls in place which have been established by the parent holding company. The controls include :

- **Board Meetings**

The Board meets at least every quarter 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 mission and established policies to enable the Group to meet its objective in enhancing shareholders' wealth. The monitoring and managing of the Group operations is delegated to its Executive Directors who are actively involved in day-to-day operations of the Group.

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

- **Performance Management Framework**

The management reports covering the estates and financial performance are presented to the Board at its regular meeting. The Group has a detailed budgeting process with an annual budget approved by the Board. Actual results are reported monthly against budget and major variances are reviewed and corrective action are taken, where necessary.

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

STATEMENT OF INTERNAL CONTROL (continued)

- **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, manuals and procedures that are continuously being revised and updated to meet operational needs.

- **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 independent 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 auditors report directly to the Audit Committee to meet its independence.

The internal Audit function has the primary objective to carry out a review of the internal control systems to determine if the accounting and internal control 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 purchase of goods and services exceeding a prescribed limit is approved by two sets of Committees, namely the Fertiliser Tender Committee and the Replanting Tender Committee 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 of the group 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 Co-ordination Meeting**

In order to achieve cooperation, discussion and pro-activeness which ultimately will lead to enhancement of oil extraction ratios (OER), the Group has established Mill/Estate Committee meetings which meet regularly. All problems regarding delivery, quality, diversion of fresh fruit bunches (FFB) and other plantation matters are discussed openly and solutions will be recommended by the Committees.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The directors are required by the Company Act, 1965 to ensure that financial statements prepared for each financial year give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the results and cash flow of the Group for the financial year. The Directors consider that in presenting the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates.

The Directors have a general responsibility for ensuring that the Company and Group keep proper accounting records and financial statements, which disclose with reasonable accuracy the financial position of the Company and Group. Efforts are made to ensure that such financial statements comply with the Companies Act, 1995, approved accounting standards in Malaysia and other regulatory provisions.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent fraud and other irregularities.

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LAPORAN PARA PENGARAH bagi tahun berakhir 31 Disember 2003

Para Pengarah dengan sukacitanya mengemukakan laporan tahunan mereka kepada ahli-ahli berserta penyata kewangan Kumpulan dan Syarikat yang telah diaudit bagi tahun berakhir 31 Disember 2003.

Kegiatan utama

Kegiatan utama Syarikat ialah pegangan pelaburan dan perladangan kelapa sawit. Kegiatan utama subsidiari adalah dinyatakan dalam Nota 13 kepada penyata kewangan. Tidak ada perubahan penting dalam kegiatan tersebut dalam tahun ini.

Keputusan kewangan

	Kumpulan RM	Syarikat RM
Keuntungan selepas cukai	33,066,457	9,222,006
Kepentingan minoriti	(1,807,346)	-
Keuntungan bersih bagi tahun	31,259,111	9,222,006

Dividen

Dividen yang dibayar atau diumumkan oleh Syarikat sejak 31 Disember 2002 adalah seperti berikut:

	RM
Bagi tahun berakhir 31 Disember 2002, seperti yang ditunjukkan di dalam laporan Para Pengarah pada tahun tersebut, dividen kasar interim sebanyak 5 sen sesaham atas 62,619,000 saham biasa, tolak cukai dibayar pada 24 Januari 2003.	2,254,284
Bagi tahun berakhir 31 Disember 2002, dividen kasar akhir sebanyak 5 sen sesaham tolak cukai dan dividen khas dikecualikan cukai sebanyak 5 sen sesaham atas 63,785,000 saham biasa, dibayar pada 11 Julai 2003.	5,485,510
Bagi tahun berakhir 31 Disember 2003, dividen kasar interim sebanyak 5 sen sesaham atas 64,000,000 saham biasa, tolak cukai dibayar pada 28 Oktober 2003.	2,304,000
	10,043,794

Para Pengarah mencadangkan dividen kasar akhir sebanyak sepuluh (10) sen sesaham tolak 28% Cukai Pendapatan Malaysia dan dividen dikecualikan cukai sebanyak dua (2) sen atas 64,190,000 saham biasa berjumlah RM5,905,480 bagi tahun berakhir 31 Disember 2003. Dividen dicadangkan ini tertakluk kepada kelulusan daripada pemegang saham pada Mesyuarat Agung Tahunan akan datang.

Rizab dan peruntukan

Semua pindahan yang nyata kepada atau dari rizab dan peruntukan dalam tahun telah dinyatakan dalam penyata kewangan.

LAPORAN PARA PENGARAH

bagi tahun berakhir 31 Disember 2003 (sambungan)

Perkara penting selepas tarikh lembaranimbangan

Cadangan penyelesaian

Pada 31 Mac 2004, pemegang saham, dalam Mesyuarat Agung Luarbiasa, telah meluluskan cadangan penyelesaian jumlah terhutang oleh Perbadanan Kemajuan Negeri Pahang (PKNP) dan Pascorp Holdings Sdn Bhd (Pascorp), syarikat milikan penuh PKNP kepada Syarikat berjumlah RM64,883,496 (Jumlah Terhutang). Jumlah Terhutang ialah jumlah tertunggak dan terhutang kepada Syarikat yang timbul daripada Perjanjian Opsyen Panggilan Pascorp, Perjanjian Opsyen Panggilan PKNP dan Perjanjian Novasi pada tarikh penggalan 30 Jun 2003.

Jumlah Terhutang akan diselesaikan secara berikut:

- (a) serentak dengan pelaksanaan Perjanjian Penyelesaian, PKNP akan dan telah menyertai BIM SPA untuk jualan BIM Lands oleh PKNP kepada Syarikat pada harga belian agregat sebanyak RM40,200,000, yang akan diselesaikan sepenuhnya oleh Syarikat dengan mengimbangi jumlah yang sama kepada Jumlah Terhutang.
- (b) PKNP akan membayar Syarikat sejumlah RM15,700,000 secara tunai daripada samada:
 - (i) harga jualan saham PTBS Sejati oleh PKNP, kepada mana-mana pihak, jika berkenaan. Syarikat akan memperuntukkan kuasa atau kuasa-kuasa guaman jika diperlukan oleh PKNP untuk memudahkan jualan saham PTBS Sejati oleh PKNP, dengan syarat harga belian untuk jualan saham PTBS Sejati tersebut oleh PKNP tidak kurang daripada Jumlah Baki. PKNP berjanji supaya pembeli atau pembeli-pembeli, jika berkenaan, saham PTBS Sejati untuk membayar Jumlah Baki tersebut kepada Syarikat secara langsung mengikut cara yang boleh diterima kepada Syarikat pada atau sebelum 30 Jun 2004. Menurut cara penyelesaian ini, instrumen berkaitan pindahan saham PTBS Sejati yang mungkin dilaksanakan oleh PKNP sebagai peguam Syarikat untuk tujuan pemindahan saham PTBS Sejati kepada pembeli atau pembeli-pembeli jika berkenaan, saham PTBS Sejati dan akan dipegang oleh Tetuan Abdul Raman Saad & Associates di Level 12, Menara Pelangi, Jalan Kuning, Taman Pelangi, 80400 Johor Bahru sebagai pemegang saham. Instrument yang berkaitan dengan pemindahan saham PTBS Sejati akan diberikan kepada pembeli atau pembeli-pembeli jika berkenaan, oleh pemegang saham untuk melaksanakan pemindahan saham PTBS Sejati sejourus penerimaan pengesahan bertulis daripada Syarikat yang Syarikat telah menerima Jumlah Baki; atau
 - (ii) sumber lain yang boleh diterima oleh Lembaga. Dalam perkara ini, sejourus penerimaan Jumlah Baki oleh Syarikat, Syarikat boleh mengeluarkan dan memindahkan saham PTBS Sejati kembali kepada PKNP, yang mana sebarang kuasa atau kuasa-kuasa guaman diperuntukkan oleh Syarikat kepada PKNP seperti dinyatakan dalam Perenggan (b)(i) di atas boleh secara automatiknya dibatalkan dan semua dokumen yang mungkin telah dilaksanakan oleh PKNP sebagai peguam untuk Syarikat untuk jualan saham PTBS Sejati akan ditamatkan.
- (c) Tertakluk kepada penyempurnaan penyelesaian seperti dinyatakan di (a) and (b) di atas pada atau sebelum 30 Jun 2004, Syarikat bersetuju yang baki Jumlah Terhutang berjumlah RM8,983,496, meliputi lebih kurang 42% daripada faedah diakrukan ke atas Jumlah Terhutang sehingga 30 Jun 2003 akan dilepaskan haknya oleh Syarikat.

Tambahan masa

Lanjutan daripada Perjanjian Jual Beli bertarikh 6 Februari 2004 yang dilaksanakan bersempena dengan Penyelesaian Dicaadangkan, Syarikat dan PKNP, melalui sepucuk surat bertarikh 31 Mac 2004, telah sama-sama bersetuju untuk menambah jangka masa bagi semua syarat-syarat sebelum Perjanjian Jual Beli tersebut disempurnakan dengan tambahan satu (1) bulan sehingga 30 April 2004.

Modal saham

Dalam tahun ini, 1,571,000 saham biasa baru pada RM1 sesaham dikeluarkan oleh Syarikat secara tunai dengan melaksanakan opsyen menurut Skim Opsyen Saham Pekerja pada harga pelaksanaan RM2.04 sesaham. Saham biasa baru yang dikeluarkan bertaraf "parri passu" dalam semua aspek dengan saham yang sedia ada.

LAPORAN PARA PENGARAH bagi tahun berakhir 31 Disember 2003

Skim Opsyen Saham Pekerja

Skim Opsyen Saham Pekerja (ESOS) Syarikat telah berkuatkuasa mulai 18 Mac 2002. ESOS dikawal oleh undang-undang kecil yang telah diluluskan oleh para pemegang saham pada 29 Disember 2001.

Butir-butir ESOS adalah dinyatakan dalam Nota 21(b) kepada penyata kewangan.

Syarikat telah diberikan pengecualian oleh Suruhanjaya Syarikat Malaysia daripada mengemukakan di dalam laporan ini nama penerima-penerima opsyen dalam tahun dan butir-butir pegangan mereka.

Para Pengarah

Para Pengarah yang memegang jawatan dalam tempoh sejak tarikh laporan terakhir adalah seperti berikut:

YH Dato' Kamaruddin bin Mohammed
YH Dato' Haji Lias bin Mohd Noor
En Nowawi bin Abdul Rahman
Mr Tee Kim Tee @ Tee Ching Tee
Mr Tee Cheng Hua
Tuan Dr Haji Amad @ Ahmad bin Aman
Mr Ng Say Pin
Puan Sharina Bahrin
En Kamarudin bin Abdull Rani

Dilantik pada: 15.01.2004
Letak Jawatan pada: 26.12.2003

Menurut Artikel 97 Tataurusan Syarikat, Mr Tee Kim Tee @ Tee Ching Tee dan Tuan Dr Haji Amad @ Ahmad bin Aman bersara pada Mesyuarat Agung Tahunan yang akan datang dan, kerana layak, menawarkan diri mereka untuk dilantik semula.

Menurut Artikel 102 Tataurusan Syarikat, Puan Sharina Bahrin, yang dilantik dalam tempoh, bersara pada Mesyuarat Agung Tahunan yang akan datang dan, kerana layak, menawarkan dirinya untuk dilantik semula.

Faedah Para Pengarah

Dalam dan pada akhir tahun, tiada sebarang perancangan yang dibuat di mana Syarikat menjadi pihak kepada sebarang perancangan yang matlamatnya untuk membolehkan Para Pengarah Syarikat memperolehi faedah melalui perolehan saham dalam, atau debentur dari, Syarikat atau badan korporat lain selain dari Skim Opsyen Saham Pekerja (lihat Nota 8 kepada penyata kewangan).

Sejak akhir tahun yang lepas, tidak ada Para Pengarah yang telah menerima atau berhak menerima faedah (selain dari ganjaran para pengarah yang dinyatakan dalam penyata kewangan) dari kontrak dibuat oleh Syarikat atau dengan perbadanan berkaitan dengan Para Pengarah atau dengan firma di mana dia adalah ahli, atau dengan syarikat di mana dia mempunyai kepentingan kewangan yang banyak selain dari yang dinyatakan di dalam Nota 28 kepada penyata kewangan.

LAPORAN PARA PENGARAH bagi tahun berakhir 31 Disember 2003 (sambungan)

Kepentingan Para Pengarah dalam saham

Menurut daftar pegangan saham Para Pengarah, butir-butir kepentingan Para Pengarah yang memegang jawatan pada akhir tahun dalam saham dalam Syarikat dan syarikat-syarikat berkaitan adalah seperti berikut:

Pegangan saham atas nama Pengarah:	Bilangan saham biasa bernilai RM1 sesaham			
	1.1.2003	Beli	Jual	31.12.2003
Mr Tee Kim Tee @ Tee Ching Tee	242,000	-	-	242,000
Mr Tee Cheng Hua	91,000	166,000	-	257,000
YH Dato' Haji Lias bin Mohd Noor	3,300	-	-	3,300
En Nowawi bin Abdul Rahman	-	20,000	-	20,000
Pegangan saham di mana Pengarah dianggap mempunyai kepentingan:				
Mr Tee Kim Tee @ Tee Ching Tee	865,000	206,000	-	1,071,000
	Bilangan saham opsyen atas saham biasa bernilai RM1 sesaham			
	1.1.2003	Dilaksanakan	Luput	31.12.2003
En Nowawi bin Abdul Rahman	250,000	(20,000)	-	230,000

Tiada Pengarah lain yang mempunyai sebarang kepentingan di dalam saham Syarikat dan syarikat-syarikat berkaitan dalam tahun.

Maklumat berkanun untuk penyata kewangan

Sebelum penyata pendapatan dan lembaran imbangan disediakan, Para Pengarah telah mengambil tindakan yang sepatutnya untuk:

- memastikan tindakan yang wajar telah diambil berhubung dengan penghapuskiraan hutang lapuk dan elaun hutang ragu dan mereka berpuas hati bahawa semua hutang lapuk yang diketahui telah dihapuskira dan elaun yang cukup telah diperuntukkan untuk hutang ragu; dan
- memastikan bahawa sebarang aset semasa, selain daripada hutang, yang tidak mungkin diperolehi nilai buku mereka seperti yang ditunjukkan dalam rekod perakaunan Kumpulan dan Syarikat dalam urusan perniagaan yang biasa telah diturunkan nilainya kepada jumlah yang ianya dijangka boleh diperolehi.

Pada tarikh laporan ini, Para Pengarah tidak mengetahui tentang sebarang keadaan:

- yang akan mengakibatkan jumlah yang dihapuskan untuk hutang lapuk atau jumlah yang dielaunkan untuk hutang ragu dalam penyata kewangan Kumpulan dan Syarikat tidak mencukupi dengan perbezaan besar; atau
- yang mengakibatkan nilai aset semasa Kumpulan dan Syarikat dalam penyata kewangan mengelirukan; atau
- yang telah berbangkit yang mengakibatkan cara penilaian aset atau liabiliti Kumpulan dan Syarikat yang wujud mengelirukan atau tidak wajar.

LAPORAN PARA PENGARAH bagi tahun berakhir 31 Disember 2003

Tidak ada liabiliti luar jangka atau liabiliti lain yang telah berkuatkuasa atau mungkin dikuatkuasakan dalam tempoh dua belas bulan selepas akhir tahun, yang pada pendapat Para Pengarah, akan atau mungkin menjejaskan kemampuan Kumpulan atau Syarikat memenuhi kewajipan mereka bila sampai masanya.

Pada tarikh laporan ini, tidak wujud:

- cagaran yang dikenakan ke atas aset Kumpulan atau Syarikat yang berbangkit sejak akhir tahun untuk menjamin liabiliti pihak lain; atau
- liabiliti luar jangka dalam Kumpulan atau Syarikat yang berbangkit sejak akhir tahun.

Pada tarikh laporan ini, Para Pengarah tidak mengetahui tentang sebarang keadaan yang tidak dinyatakan dalam laporan ini atau penyata kewangan yang boleh mengakibatkan jumlah dalam penyata kewangan mengelirukan.

Pada pendapat Para Pengarah:

- keputusan operasi Kumpulan dan Syarikat dalam tahun tidak terjejas oleh apa-apa perkara, urusanniaga atau kejadian yang nyata dan bersifat luar biasa;
- dalam tempoh dari akhir tahun ke tarikh laporan ini, tidak ada apa-apa perkara, urusanniaga atau peristiwa yang penting dan luar biasa yang telah berbangkit, yang akan menjejaskan keputusan operasi Kumpulan atau Syarikat bagi tahun pada tarikh laporan ini dibuat.

Juruaudit

Pihak juruaudit, PricewaterhouseCoopers, telah menyatakan kesediaan mereka untuk terus berkhidmat.

Menurut resolusi Lembaga Pengarah bertarikh 23 April 2004

Dato' Kamaruddin bin Mohammed
Pengerusi

Nowawi bin Abdul Rahman
Pengarah Eksekutif

PENYATA PENDAPATAN
bagi tahun berakhir 31 Disember 2003

	Nota	Kumpulan		Syarikat	
		2003 RM	2002 RM	2003 RM	2002 RM
Jualan	5	70,994,515	57,902,722	18,972,159	13,537,740
Pendapatan lain dari operasi		1,477,097	238,634	789,438	503,965
Kos pekerja		(3,218,447)	(3,016,946)	(1,077,507)	(782,492)
Susutnilai		(2,064,838)	(2,143,278)	(325,657)	(253,998)
Pelunasan tanah pajak		(1,837,304)	(1,837,283)	(420,080)	(420,080)
Perbelanjaan ladang		(7,985,678)	(7,173,770)	(1,273,401)	(1,141,300)
Perbelanjaan menuai		(8,233,041)	(7,761,717)	(1,741,663)	(1,463,847)
Perbelanjaan am ladang		(1,860,433)	(1,820,617)	(434,811)	(414,788)
Perbelanjaan penanaman semula		(4,412,123)	(2,139,354)	(1,314,312)	(880,567)
Lain-lain perbelanjaan kendalian		(5,145,823)	(4,732,696)	(2,088,229)	(1,794,780)
Keuntungan dari operasi	6	37,713,925	27,515,695	11,085,937	6,889,853
Kos kewangan	7	(15,067)	(799,782)	(212,090)	(232,939)
Bahagian hasil syarikat bersekutu		11,545,381	5,917,655	-	-
Keuntungan dari operasi sebelum cukai		49,244,239	32,633,568	10,873,847	6,656,914
Cukai :					
- Syarikat dan subsidiari		(11,161,907)	(8,192,644)	(1,651,841)	(2,149,374)
- Syarikat bersekutu		(5,015,875)	(758,644)	-	-
	9	(16,177,782)	(8,951,288)	(1,651,841)	(2,149,374)
Keuntungan selepas cukai		33,066,457	23,682,280	9,222,006	4,507,540
Kepentingan minoriti		(1,807,346)	(1,883,348)	-	-
Keuntungan bersih bagi tahun		31,259,111	21,798,932	9,222,006	4,507,540
Pendapatan sesaham (sen)					
- asas	10(a)	49.16	35.24		
- cair	10(b)	48.69	34.94		
Dividen sesaham (sen)	11	17	15	17	15

Nota-nota di mukasurat 50 hingga 73 membentuk sebahagian daripada penyata kewangan.

LEMBARAN IMBANGAN
pada 31 Disember 2003

	Nota	Kumpulan		Syarikat	
		2003 RM	2002 RM	2003 RM	2002 RM
Aset bukan semasa					
Hartanah, loji dan peralatan	12	265,939,649	269,122,807	52,437,161	52,831,213
Subsidiari	13	-	-	27,899,348	27,899,348
Syarikat bersekutu	14	46,491,449	39,501,943	9,250,000	8,500,000
Pelaburan lain, pada kos	15	2,299,075	2,299,075	1,170,000	1,170,000
Stok pembiak		760,439	918,811	168,462	170,633
		315,490,612	311,842,636	90,924,971	90,571,194
Aset semasa					
Inventori, pada kos		1,123,625	1,676,293	665,300	1,246,955
Penghutang, deposit dan perbelanjaan terdahulu	16	77,513,498	64,918,513	73,456,332	60,853,843
Cukai boleh dituntut		1,844,746	1,878,920	375,793	595,001
Simpanan, tunai dan baki di bank	17	34,134,074	15,173,960	10,276,372	6,747,363
		114,615,943	83,647,686	84,773,797	69,443,162
Tolak: Liabiliti semasa					
Pemiutang	18	5,846,383	6,082,325	59,398,711	51,151,519
Liabiliti cukai semasa		37,118			
Pinjaman (dikenakan faedah)	19	11,020,000	4,932,600	11,020,000	4,932,600
		16,903,501	11,014,925	70,418,711	56,084,119
Aset semasa bersih		97,712,442	72,632,761	14,355,086	13,359,043
Tolak: Liabiliti bukan semasa					
Liabiliti cukai tertunda	20	45,750,922	40,859,134	6,889,889	6,898,255
Pinjaman (dikenakan faedah)	19	1,345,000	2,365,000	1,345,000	2,365,000
		47,095,922	43,224,134	8,234,889	9,263,255
		366,107,132	341,251,263	97,045,168	94,666,982
Modal dan rizab					
Modal saham	21	64,190,000	62,619,000	64,190,000	62,619,000
Premium saham	22	5,823,730	4,189,890	2,773,004	1,139,164
Rizab modal	23	141,809	303,480	1,151	6,017
Rizab atas penggabungan		6,468	6,468	-	-
Rizab penilaian semula	24	96,185,062	96,185,062	6,369,749	6,369,749
Keuntungan terkumpul	25	173,495,263	153,489,909	23,711,264	24,533,052
Dana pemegang saham		339,842,332	316,793,809	97,045,168	94,666,982
Kepentingan minoriti		26,264,800	24,457,454	-	-
		366,107,132	341,251,263	97,045,168	94,666,982

Nota-nota di mukasurat 50 hingga 73 membentuk sebahagian daripada penyata kewangan.

PENYATA PERUBAHAN EKUITI
bagi tahun berakhir 31 Disember 2003

Kumpulan	Nota	Modal saham (Nota 21) RM	Rizab tidak boleh diagihkan			Rizab boleh agih	Jumlah
			Premium saham (Nota 22) RM	Rizab modal (Nota 23) RM	Rizab penilaian semula (Nota 24) RM		
Pada 1 Januari 2002 - dinyatakan terdahulu - perubahan dasar perakaunan - dinyatakan semula - Kerugian bersih yang tidak diiktiraf dalam penyata kewangan Terbitan saham – opsyen saham Keuntungan bersih bagi tahun Keuntungan bersih bagi tahun - 31 Disember 2001	26	61,600,000	3,130,130	329,641	124,485,419	141,040,215	330,585,405
		-	-	-	(28,300,357)	(6,550,856)	(34,851,213)
		61,600,000	3,130,130	329,641	96,185,062	134,489,359	295,734,192
		-	-	(26,161)	-	-	(26,161)
		1,019,000	1,059,760	-	-	-	2,078,760
Pada 31 Disember 2002		-	-	-	-	21,798,932	21,798,932
		-	-	-	-	(2,798,382)	(2,798,382)
		62,619,000	4,189,890	303,480	96,185,062	153,489,909	316,787,341
		-	-	-	-	-	-
		-	-	-	-	-	-
Pada 1 Januari 2003 - dinyatakan terdahulu - perubahan dasar perakaunan - dinyatakan semula - Kerugian bersih yang tidak diiktiraf dalam penyata kewangan Terbitan saham – opsyen saham Keuntungan bersih bagi tahun Dividen dibayar pada tahun berakhir - 31 Disember 2002 - 31 Disember 2003	26	62,619,000	4,189,890	303,480	124,485,419	162,828,468	354,426,257
		-	-	-	(28,300,357)	(9,338,559)	(37,638,916)
		62,619,000	4,189,890	303,480	96,185,062	153,489,909	316,787,341
		-	-	(161,671)	-	-	(161,671)
		1,571,000	1,633,840	-	-	-	3,204,840
Pada 31 Disember 2003		-	-	-	-	31,259,111	31,259,111
		-	-	-	-	(8,949,757)	(8,949,757)
		-	-	-	-	(2,304,000)	(2,304,000)
		64,190,000	5,823,730	141,809	96,185,062	173,495,263	339,835,864
		-	-	-	-	-	-

Nota-nota di mukasurat 50 hingga 73 membentuk sebahagian daripada penyata kewangan.

PENYATA PERUBAHAN EKUITI
bagi tahun berakhir 31 Disember 2003

Kumpulan	Nota	Rizab tidak boleh diagihkan				Rizab boleh agih	Jumlah
		Modal saham (Nota 21) RM	Premium saham (Nota 22) RM	Rizab modal (Nota 23) RM	Rizab penilaian semula (Nota 24) RM	Keuntungan terkumpul (Nota 25) RM	
Pada 1 Januari 2002 - dinyatakan terdahulu - perubahan dasar perakaunan - dinyatakan semula Keuntungan bersih yang tidak diiktiraf dalam penyata kewangan Terbitan saham – opsyen saham Keuntungan bersih bagi tahun Keuntungan bersih bagi tahun 31 Disember 2001	26	61,600,000	79,404	1,984	8,451,388	27,039,454	97,172,230
		-	-	-	(2,081,639)	(4,796,342)	(6,877,981)
		61,600,000	79,404	1,984	6,369,749	22,243,112	90,294,249
		-	-	4,033	-	-	4,033
		1,019,000	1,059,760	-	-	-	2,078,760
Pada 31 Disember 2002		-	-	-	-	4,507,540	4,507,540
		-	-	-	-	(2,217,600)	(2,217,600)
		62,619,000	1,139,164	6,017	6,369,749	24,533,052	94,666,982
Pada 1 Januari 2003 - dinyatakan terdahulu - perubahan dasar perakaunan - dinyatakan semula Kerugian bersih yang tidak diiktiraf dalam penyata kewangan Terbitan saham – opsyen saham Keuntungan bersih bagi tahun Dividen dibayar pada tahun berakhir: - 31 Disember 2002 - 31 Disember 2003	26	62,619,000	1,139,164	6,017	8,451,388	29,349,668	101,565,237
		-	-	-	(2,081,639)	(4,816,616)	(6,898,255)
		62,619,000	1,139,164	6,017	6,369,749	24,533,052	94,666,982
		-	-	(4,866)	-	-	(4,866)
		1,571,000	1,633,840	-	-	-	3,204,840
Pada 31 Disember 2003		-	-	-	-	9,222,006	9,222,006
		-	-	-	-	(7,739,794)	(7,739,794)
		64,190,000	2,773,004	1,151	6,369,749	23,711,264	97,045,168

Nota-nota di mukasurat 50 hingga 73 membentuk sebahagian daripada penyata kewangan.

PENYATA ALIRAN TUNAI

bagi tahun berakhir 31 Disember 2003

	Nota	Kumpulan		Syarikat	
		2003 RM	2002 RM	2003 RM	2002 RM
Aktiviti operasi					
Keuntungan bersih bagi tahun		31,259,111	21,206,601	9,222,006	4,507,540
Pelarasan item tidak berkaitan dengan pergerakan aliran tunai:		-	-	-	-
Kepentingan minoriti		1,807,346	2,475,679	-	
Elaun hutang ragu					434,889
Hartanah, loji dan peralatan					
- susutnilai dan pelunasan		3,902,142	3,980,561	745,737	674,078
- hapuskira		30,385	8,926	4,861	4
- (untung)/rugi atas pelupusan		(298,322)	1,391	(79,490)	-
Bahagian keuntungan syarikat bersekutu		(11,545,381)	(5,917,655)	-	-
Hapuskira hutang lapuk		-	-	38,115	-
Perbelanjaan faedah		294,394	868,876	294,394	286,250
Pendapatan dividen		-	-	(6,130,037)	(3,893,358)
Pendapatan faedah		(279,327)	(69,094)	(82,304)	(53,311)
Cukai		16,177,782	8,951,288	1,651,841	2,149,374
		41,348,130	31,506,573	5,665,123	4,105,466
Perubahan dalam modal kerja:					
- inventori		552,668	(512,398)	581,655	(347,001)
- penghutang, deposit dan perbelanjaan terdahulu		(12,594,985)	(2,813,060)	(12,528,381)	(491,925)
- subsidiari		-	-	14,432,022	11,873,267
- pemiutang		(239,241)	(1,335,383)	(114,073)	(909,298)
Tunai daripada operasi		29,066,572	26,845,732	8,036,346	14,230,509
Faedah dibayar		(294,394)	(868,876)	(294,394)	(868,876)
Faedah diterima		279,327	69,094	82,304	53,311
Cukai dibayar		(6,198,827)	(5,752,326)	(1,441,000)	(1,038,960)
Tunai bersih daripada aktiviti operasi		22,852,678	20,293,624	6,383,256	12,375,984

PENYATA ALIRAN TUNAI
bagi tahun berakhir 31 Disember 2003

	Nota	Kumpulan		Syarikat	
		2003 RM	2002 RM	2003 RM	2002 RM
Aktiviti pelaburan					
Hartanah, loji dan peralatan					
- perolehan daripada pelupusan		344,230	6,435	89,680	-
- pembelian		(795,277)	(645,129)	(422,373)	(374,871)
Pelaburan dalam syarikat bersekutu		(750,000)	-	(750,000)	-
Dividen diterima dari syarikat bersekutu		290,000	-	-	-
Tunai bersih digunakan dalam aktiviti pelaburan		(911,047)	(638,694)	(1,082,693)	(374,871)
Aktiviti pembiayaan					
Pelaksanaan saham opsyen					
- terbitan saham		1,571,000	1,019,000	1,571,000	1,019,000
- premium saham		1,633,840	1,059,760	1,633,840	1,059,760
Penerimaan pinjaman		10,000,000	762,600	10,000,000	762,600
Pembayaran pinjaman		(4,932,600)	(3,620,000)	(4,932,600)	(3,620,000)
Dividen dibayar		(11,253,757)	(2,798,382)	(10,043,794)	(2,217,600)
Tunai bersih digunakan dalam aktiviti pembiayaan		(2,981,517)	(3,577,022)	(1,771,554)	(2,996,240)
Peningkatan tunai dan bersamaan tunai		18,960,114	16,077,908	3,529,009	9,004,873
Tunai dan bersamaan tunai					
- pada awal tahun		15,173,960	(903,948)	6,747,363	(2,257,510)
- pada akhir tahun	17	34,134,074	15,173,960	10,276,372	6,747,363

Nota-nota di mukasurat 50 hingga 73 membentuk sebahagian daripada penyata kewangan.

NOTA-NOTA KEPADA PENYATA KEWANGAN

bagi tahun berakhir 31 Disember 2003

1. MAKLUMAT AM

Kegiatan utama Syarikat ialah pegangan pelaburan dan perladangan kelapa sawit. Kegiatan utama subsidiari adalah dinyatakan dalam Nota 13 kepada penyata kewangan.

Syarikat adalah sebuah syarikat awam berhad, ditubuhkan dan bermastautin di Malaysia dan disenaraikan di Papan Utama, Bursa Malaysia Securities Berhad (Bursa Malaysia).

Alamat pejabat berdaftar dan tempat perniagaan Syarikat adalah Suite 5 & 6, Tingkat 8, Kompleks Teruntum, Jalan Mahkota, 25000 Kuantan, Pahang Darul Makmur.

2. ASAS PENYEDIAAN PENYATA KEWANGAN

Penyata kewangan Kumpulan dan Syarikat telah disediakan menurut konvensyen kos sejarah, kecuali yang dinyatakan sebaliknya di dalam ringkasan dasar perakaunan.

Penyata kewangan ini mematuhi piawaian-piawaian perakaunan yang berkenaan yang diluluskan di Malaysia dan peruntukan-peruntukan Akta Syarikat, 1965. Piawaian perakaunan baru yang diterimapakai di dalam penyata kewangan ini adalah seperti berikut:

- MASB 25 - Cukai Pendapatan
- MASB 29 - Faedah Pekerja

Tidak ada perubahan dalam dasar perakaunan yang memberi kesan kepada keuntungan bersih atau dana pemegang saham Kumpulan dan Syarikat melainkan MASB 25 (Nota 26).

Penyediaan penyata kewangan adalah mematuhi dan menerimapakai piawaian-piawaian terkini perakaunan yang diluluskan di Malaysia serta peruntukan-peruntukan Akta Syarikat, 1965 yang memerlukan Para Pengarah membuat anggaran dan andaian yang memberi kesan terhadap jumlah aset dan liabiliti yang dilaporkan dan pendedahan aset dan liabiliti tidak ketara pada tarikh penyata kewangan dan melaporkan pendapatan dan perbelanjaan sepanjang tahun yang dilaporkan. Keputusan sebenar mungkin berbeza dari anggaran tersebut.

3. RINGKASAN DASAR PERAKAUNAN YANG PENTING

Dasar perakaunan berikut telah digunakan secara konsisten dalam perkara-perkara yang dianggap penting bagi penyata kewangan.

(a) Hartanah, loji dan peralatan

Kesemua hartanah, loji dan peralatan pada asalnya dinyatakan pada kos. Tanah dan ladang kelapa sawit kemudiannya ditunjukkan pada nilai pasaran, berdasarkan penilaian setiap lima tahun oleh jurunilai profesional bebas tolak pelunasan berikutnya. Hartanah, loji dan peralatan lain dinyatakan pada kos tolak susutnilai terkumpul dan kerugian penjejasan. Kos hartanah, loji dan peralatan terdiri daripada kos pembelian dan lain-lain kos berkaitan dengan pembelian.

Sebarang pertambahan dari penilaian dikreditkan ke rizab penilaian semula. Sebarang pengurangan akan diselaraskan dengan pertambahan dari penilaian awal bagi hartabenda yang sama dan selebihnya dikenakan kepada penyata pendapatan. Apabila aset-aset yang dinilai semula dilupuskan, jumlah dalam rizab penilaian semula yang berkaitan dengan aset-aset tersebut dipindahkan terus ke keuntungan terkumpul.

Tanah pajak jangka panjang dipelunaskan mengikut ansuran yang sama sepanjang tempoh pajakan masing-masing dalam lingkungan 85 hingga 99 tahun. Ladang matang dan belum matang tidak disusutnilaikan. Hartanah, loji dan peralatan yang lain disusutnilaikan mengikut kaedah garis lurus untuk menghapuskira kos aset atau jumlah penilaiannya kepada nilai sisa mereka berasaskan anggaran hayat aset tersebut pada kadar tahunan berikut :

NOTA-NOTA KEPADA PENYATA KEWANGAN bagi tahun berakhir 31 Disember 2003

Kategori	%
Bangunan	2 – 20
Loji dan jentera	10 – 20
Kenderaan, perabot dan kelengkapan	10 – 25

Susutnilai atas aset dalam proses pembangunan bermula bila aset tersebut siap untuk tujuan kegunaannya.

Keuntungan dan kerugian atas pelupusan adalah ditentukan dengan membandingkan harga jualan dengan jumlah dibawa aset dan diambilkira dalam untung/(rugi) dari operasi.

(b) **Perbelanjaan penanaman ladang Ladang baru**

Perbelanjaan penanaman bagi kelapa sawit belum matang dipermodalkan sebagai kos penanaman belum matang dan dinyatakan sebagai hartanah, loji dan peralatan. Semua perbelanjaan penanaman berkaitan dengan ladang kelapa sawit baru, yang matang dalam setengah tahun pertama, diambilkira sebagai perbelanjaan di penyata pendapatan. Perbelanjaan penanaman berkaitan dengan ladang kelapa sawit baru, yang matang dalam setengah tahun kedua, akan dipermodalkan.

Penanaman semula

Kos penanaman semula ladang kelapa sawit dikenakan kepada penyata pendapatan sebagai perbelanjaan penanaman semula apabila ianya dibelanjakan.

(c) **Subsidiari**

Subsidiari adalah syarikat-syarikat di mana Kumpulan mempunyai kuasa untuk mengawal polisi-polisi kewangan dan operasi untuk mendapat manfaat-manfaat daripada kegiatan mereka. Subsidiari disatukan daripada tarikh kawalan dipindahkan kepada Kumpulan dan tidak akan disatukan daripada tarikh kawalan tamat. Subsidiari disatukan menggunakan kaedah perakaunan perolehan.

Di bawah kaedah perakaunan perolehan, hasil subsidiari yang diambilalih atau dilupuskan diambilkira dari tarikh pengambilalihan sehingga tarikh pelupusan. Pada tarikh pengambilalihan, nilai-nilai saksama aset-aset bersih subsidiari ditentukan dan nilai-nilai ini ditunjukkan dalam penyata kewangan disatukan. Perbezaan antara kos pengambilalihan dan nilai-nilai saksama aset-aset bersih subsidiari pada tarikh pengambilalihan ditunjukkan sebagai muhibbah daripada penyatuan.

Semua urusaniaga, baki dan keuntungan belum realisasi atas transaksi-transaksi antara Kumpulan dan subsidiari kerugian belum realisasi juga dihapuskan kecuali kos tidak dapat dipulihkan. Di mana diperlukan, polisi-polisi perakaunan untuk subsidiari diubah untuk menentukan keselarian dengan polisi-polisi yang diterima oleh Kumpulan.

Kepentingan minoriti dinilai oleh pegangan saham pada nilai saksama aset dan liabiliti yang dapat dikenalpasti oleh pengambilalih selepas tarikh pengambilalihan. Kepentingan minoriti dinyatakan secara berasingan.

(d) **Syarikat bersekutu**

Syarikat bersekutu adalah syarikat di mana Kumpulan mempunyai pengaruh yang berkesan. Pengaruh yang berkesan adalah kuasa penyertaan dalam keputusan-keputusan polisi kewangan dan operasi syarikat bersekutu dan bukan kawalan atas polisi-polisi tersebut. Pelaburan dalam syarikat bersekutu diambilkira dalam penyata kewangan disatukan secara kaedah perakaunan ekuiti.

NOTA-NOTA KEPADA PENYATA KEWANGAN

bagi tahun berakhir 31 Disember 2003

(d) Syarikat bersekutu (sambungan)

Perakaunan ekuiti melibatkan pengambilkiraan hasil syarikat bersekutu dalam tahun dalam penyata pendapatan Kumpulan. Pelaburan Kumpulan dalam syarikat bersekutu diambilkira dalam lembaran imbangan pada jumlah yang menunjukkan bahagian Kumpulan dalam aset-aset bersih syarikat bersekutu dan termasuk muhibbah daripada perolehan. Perakaunan ekuiti dihentikan apabila jumlah dibawa dalam pelaburan dalam syarikat bersekutu adalah kosong, kecuali jika Kumpulan mempunyai tanggungjawab atau tanggungjawab yang dijamin ke atas syarikat bersekutu.

Keuntungan belum realisasi atas transaksi antara Kumpulan dan syarikat bersekutu dihapuskan sehingga tahap kepentingan Kumpulan dalam syarikat bersekutu; kerugian belum realisasi juga dihapuskan kecuali jika transaksi tersebut memberi bukti kemerosotan dalam aset yang dipindahkan. Di mana diperlukan, dalam penggunaan kaedah ekuiti, pelarasan dibuat ke atas penyata kewangan syarikat bersekutu untuk menentukan keselarian dengan polisi-polisi perakaunan Kumpulan.

(e) Pelaburan

Pelaburan dalam subsidiari dan syarikat bersekutu ditunjukkan pada kos. Apabila wujud petunjuk kemerosotan nilai, nilai dibawa oleh pelaburan akan dinilai dan dihapuskan serta merta kepada jumlah boleh bawanya.

Pelaburan lain di dalam pelaburan bukan semasa ditunjukkan pada kos dan elaun dibuat, apabila pada pendapat Pengarah ada kemerosotan nilai yang berkekalan. Kemerosotan nilai yang berkekalan dalam pelaburan diambilkira sebagai perbelanjaan dalam tahun kemerosotan dikenalpasti.

Perbezaan antara harga jualan bersih dan nilai buku dikredit/dicaikan ke atas penyata pendapatan pada masa jualan.

(f) Penjejasan aset

Hartanah, loji dan peralatan akan disemakkan untuk kerugian penjejasan apabila terdapat peristiwa atau perubahan dalam situasi yang menunjukkan nilai aset yang dihantar ke hadapan tidak boleh dipulihkan semula. Kerugian penjejasan diiktirafkan apabila nilai aset yang dihantar ke hadapan melebihi nilai pemulihan semula. Nilai pemulihan semula adalah harga jualan bersih atau nilai untuk digunakan, yang mana lebih tinggi. Untuk tujuan penafsiran penjejasan, aset adalah dikelaskan pada tahap yang terbawah di mana aliran tunai yang berasingan dapat dikenalpastikan. Kerugian penjejasan akan dicaikan ke dalam penyata pendapatan.

(g) Stok pembiak

Stok pembiak dinilai pada nilai jualan bersih semasa. Kenaikan semulajadi akibat daripada penilaian stok pembiak pada nilai jualan bersih semasa dipindah ke rizab modal.

(h) Inventori

Inventori dinyatakan pada kos dan nilai jualan bersih yang mana lebih rendah. Kos ditentukan mengikut kaedah masuk dahulu keluar dahulu. Dalam menganggar nilai jualan bersih, perhitungan dibuat ke atas semua barang-barang yang usang.

(i) Penghutang perniagaan

Penghutang perniagaan dibawa pada jumlah invois tolak anggaran untuk hutang ragu berdasarkan pemeriksaan ke atas jumlah terhutang pada akhir tahun. Hutang lapuk dihapuskan bila dikenalpasti.

(j) Tunai dan bersamaan tunai

Bagi tujuan penyata aliran tunai, tunai dan bersamaan tunai terdiri daripada tunai di tangan, simpanan di bank dan pelaburan jangka pendek dengan kecairan tinggi yang boleh diubah kepada jumlah tunai dengan mudah dan tertakluk kepada risiko rendah dalam perubahan nilai.

(k) Cukai

Perbelanjaan cukai semasa ditentukan berdasarkan undang-undang pencukaian di mana Kumpulan beroperasi dan termasuk semua cukai berdasarkan keuntungan bercukai.

NOTA-NOTA KEPADA PENYATA KEWANGAN **bagi tahun berakhir 31 Disember 2003**

Cukai tertunda diiktiraf sepenuhnya menggunakan kaedah liabiliti, ke atas perbezaan sementara diantara nilai berkaitan dengan aset dan liabiliti untuk tujuan percukaian dan nilai bawa di dalam penyata kewangan.

Aset cukai tertunda diiktiraf setakat kemungkinan terdapatnya pendapatan bercukai masa hadapan yang mana perbezaan sementara atau kerugian cukai belum serap dapat digunakan.

Kadar cukai yang diperundangkan atau akan diperundangkan pada tarikh lembaran imbalan akan digunakan untuk menentukan cukai tertunda.

(l) Faedah pekerja

(i) Faedah pekerja jangka pendek

Upah, gaji tahunan dan bonus diakrukan dalam tahun dimana perkhidmatan berkaitan diberikan oleh pekerja Kumpulan dan Syarikat.

(ii) Faedah selepas perkhidmatan

Kumpulan dan Syarikat mempunyai skim faedah sumbangan ditakrif menurut peraturan tempatan Malaysia.

Sumbangan Kumpulan dan Syarikat kepada skim sumbangan ditakrif dikenakan kepada penyata pendapatan dalam tahun yang berkenaan. Kumpulan dan Syarikat tidak mempunyai kewajipan pembayaran lagi setelah sumbangan dibayar.

(iii) Faedah ganti rugi ekuiti

Butir-butir Skim Opsyen Saham Pekerja Kumpulan adalah dinyatakan di Nota 21(b) kepada penyata kewangan. Kumpulan tidak mencaj kepada penyata pendapatan berkaitan dengan pelaksanaan opsyen saham. Apabila opsyen saham dilaksanakan, harga jualan diterima, tolak sebarang kos transaksi, adalah dikreditkan ke modal saham dan premium saham.

(m) Instrumen kewangan

(i) Instrumen kewangan yang diiktiraf di dalam lembaran imbalan

Butiran kaedah pengiktirafan yang digunakan untuk instrumen kewangan yang diiktiraf di dalam lembaran imbalan didedahkan di setiap kenyataan dasar yang berkaitan dengan setiap perkara.

(ii) Anggaran nilai saksama untuk tujuan pendedahan

Nilai boleh bawa tunai adalah menyamai nilai saksama kerana mempunyai tempoh matang yang pendek.

Dalam menganggar nilai pinjaman, Syarikat beranggapan bahawa kadar faedah atas pinjaman adalah menyamai kadar faedah pasaran semasa dan menganggar nilai boleh bawa pinjaman menyamai nilai saksama.

Nilai saksama untuk aset dan liabiliti kewangan dengan tempoh matang kurang dari setahun hampir menyamai nilai boleh bawanya.

(iii) Profil pendedahan matawang

Kesemua aset dan liabiliti kewangan adalah dalam Ringgit Malaysia.

(n) Pengiktirafan pendapatan

Hasil jualan diiktiraf berasaskan penerimaan barangan oleh pelanggan, jika ada, selepas diskaun dan selepas penghapusan jualan antara Kumpulan.

Pendapatan dividen dikenalpasti setelah hak penerimaan dividen Kumpulan disahkan.

Pendapatan sewa dan faedah diambilkira berdasarkan asas akrual.

NOTA-NOTA KEPADA PENYATA KEWANGAN bagi tahun berakhir 31 Disember 2003

4. OBJEKTIF DAN POLISI PENGURUSAN RISIKO KEWANGAN

Kumpulan terdedah kepada risiko-risiko kewangan berikut di dalam operasi harian:

Risiko kadar faedah

Perubahan dalam kadar faedah tidak banyak memberi kesan kepada aliran tunai pendapatan dan operasi kerana Kumpulan tidak mempunyai jumlah pinjaman yang ketara sepanjang tahun. Risiko kadar faedah untuk pinjaman dan deposit Kumpulan diuruskan melalui penggunaan kadar tetap dan terapung dirunding dan dipersetujui oleh Kumpulan dan institusi kewangan.

Risiko pasaran

Kumpulan terdedah kepada risiko pasaran terutamanya kepada perubahan di dalam harga minyak sawit dan bergantung kepada tenaga kerja asing. Untuk mengurangkan sebahagian daripada risiko ini, Kumpulan sentiasa mengikuti perkembangan terkini bekalan dan permintaan bagi pasaran minyak dan lemak dunia dan juga dengan memperbaiki kecekapan operasi melalui kaedah penjimatan kos dan program peningkatan produktiviti. Kumpulan juga telah melaksanakan sistem mekanisasi yang sesuai dan berusaha memperbaiki infrastruktur ladang secara berterusan untuk menggalakkan penglibatan tenaga kerja tempatan di ladang.

Risiko kredit

Kumpulan tidak terdedah kepada risiko kredit yang ketara kerana Kumpulan berurusan dengan pelanggan yang mempunyai reputasi dan rekod yang baik.

Risiko kecairan dan aliran tunai

Kumpulan mengurus risiko kecairan dengan memastikan tunai yang mencukupi dan menyediakan dana yang cukup dari kemudahan kredit bagi memenuhi anggaran komitmen daripada perbelanjaan operasi dan liabiliti kewangan. Kumpulan juga mempunyai kawalan sistematik pengurusan aliran tunai bagi memastikan Kumpulan dapat membayar dividen yang disasarkan kepada pemegang-pemegang saham pada masa yang sesuai.

5. JUALAN

	Kumpulan		Syarikat	
	2003 RM	2002 RM	2003 RM	2002 RM
Jualan buah tandan segar kelapa sawit	70,994,515	57,902,722	12,842,122	9,644,382
Dividen	–	–	6,130,037	3,893,358
	70,994,515	57,902,772	18,972,159	13,537,740

NOTA-NOTA KEPADA PENYATA KEWANGAN bagi tahun berakhir 31 Disember 2003

6. KEUNTUNGAN DARI OPERASI

Item-item berikut telah dicajkan/ (dikreditkan) untuk mendapat keuntungan dari operasi:

	Kumpulan		Syarikat	
	2003 RM	2002 RM	2003 RM	2002 RM
Ganjaran juruaudit				
– tahun semasa	66,500	66,500	20,000	20,000
Hapuskira hutang lapuk	38,115	–	38,115	–
Hartanah, loji dan peralatan				
– hapuskira	30,385	6,907	4,861	4
– (untung)/rugi atas pelupusan	(298,322)	1,391	(79,490)	–
Hapuskira – Subsidiari	–	–	4,708	–
Elaun hutang ragu - subsidiari	–	–	–	434,889
Dividen dari subsidiari (kasar)	–	–	(5,840,037)	(3,893,358)
Dividen dari syarikat bersekutu (kasar)	–	–	(290,000)	–
Pendapatan sewa	(16,430)	(26,109)	–	–
Pendapatan faedah	(279,327)	(69,094)	(82,304)	(53,311)
Keuntungan dari pelupusan stok pembiak	(149,585)	(73,447)	–	–
Jumlah pekerja pada akhir tahun	107	113	55	54

7. KOS KEWANGAN

	Kumpulan		Syarikat	
	2003 RM	2002 RM	2003 RM	2002 RM
Perbelanjaan faedah	294,394	868,876	294,394	286,250
Pendapatan faedah	(279,327)	(69,094)	(82,304)	(53,311)
	15,067	799,782	212,090	232,939

8. GANJARAN PARA PENGARAH

	Kumpulan		Syarikat	
	2003 RM	2002 RM	2003 RM	2002 RM
Pengarah Syarikat				
Bukan Eksekutif:				
– Yuran	190,000	165,750	190,000	165,750
– Lain-lain emolumen	69,000	24,328	69,000	24,328
	259,000	190,078	259,000	190,078
Eksekutif:				
– Yuran	60,000	36,750	60,000	36,750
– Lain-lain emolumen	416,253	363,423	416,253	363,423
	476,253	400,173	476,253	400,173
Pengarah Subsidiari				
Bukan Eksekutif:				
– Yuran	127,300	184,000	–	–
Total	862,553	774,251	735,253	590,251

NOTA-NOTA KEPADA PENYATA KEWANGAN bagi tahun berakhir 31 Disember 2003 (sambungan)

9. CUKAI

(a) Cukai pendapatan semasa

	Kumpulan		Syarikat	
	2003 RM	2002 RM	2003 RM	2002 RM
Cukai pendapatan Malaysia	11,285,994	5,571,254	1,660,207	2,129,100
Cukai tertunda (Nota 20)	4,891,788	3,380,034	(8,366)	20,274
	16,177,782	8,951,288	1,651,841	2,149,374
Cukai pendapatan Malaysia				
Tahun semasa	11,536,399	5,588,520	1,660,207	2,129,100
Lebihan peruntukan tahun lepas	(250,405)	(17,266)	-	-
	11,285,994	5,571,254	1,660,207	2,129,100
Cukai tertunda				
Pembalikan perbezaan sementara	4,891,788	3,380,034	(8,366)	20,274
	16,177,782	8,951,288	1,651,841	2,149,374

(b) Penyelarasan berangka dalam perbelanjaan pendapatan cukai

Penyelarasan berangka di antara perbelanjaan pendapatan cukai Kumpulan dan Syarikat dengan cukai yang dikenakan ke atas keuntungan Kumpulan dan Syarikat berdasarkan kadar cukai di Malaysia adalah seperti berikut:

	Kumpulan		Syarikat	
	2003 RM	2002 RM	2003 RM	2002 RM
Keuntungan sebelum cukai	49,244,239	32,633,568	10,873,847	6,656,914
Cukai dikirakan seperti berikut:				
- pada kadar cukai 20%	40,000	-	-	-
- pada kadar cukai 28% (2002: 28%)	13,732,517	9,137,399	3,044,677	1,863,936
Kesan cukai ke atas:				
- perbelanjaan tidak dibenarkan untuk tujuan percukaian	706,726	709,823	323,574	285,438
- kurangan/(lebih) peruntukan tahun lepas	1,698,539	-	-	-
- kurangan peruntukan cukai dalam syarikat bersekutu	-	(895,934)	-	-
- pendapatan dikecualikan cukai	-	-	(1,716,410)	-
Perbelanjaan cukai	16,177,782	8,951,288	1,651,841	2,149,374

NOTA-NOTA KEPADA PENYATA KEWANGAN bagi tahun berakhir 31 Disember 2003

10. PENDAPATAN SESAHAM

(a) Pendapatan asas sesaham

Pendapatan asas sesaham Kumpulan dikira dengan membahagi keuntungan bersih bagi tahun dengan bilangan purata berwajaran saham biasa dikeluarkan yang ada sepanjang tahun.

	2003	2002
Keuntungan bersih bagi tahun (RM)	31,259,111	21,798,932
Bilangan purata berwajaran saham biasa yang dikeluarkan	63,583,644	61,862,200
Pendapatan asas sesaham (sen)	49.16	35.24

(b) Pendapatan cair sesaham

Bagi pengiraan pendapatan cair sesaham, bilangan purata berwajaran saham biasa dikeluarkan diselaraskan bagi mengandaikan pertukaran semua saham biasa berpotensi cair. Syarikat mempunyai satu kategori saham berpotensi cair : opsyen saham diperuntukkan kepada pekerja.

Berkaitan dengan opsyen saham yang diperuntukkan kepada pekerja, pengiraan dilakukan bagi menentukan jumlah saham yang boleh dimiliki pada harga pasaran (ditentukan sebagai purata harga tahunan saham Syarikat) berdasarkan kepada nilai kewangan hak langganan kepada baki opsyen saham. Pengiraan ini dibuat bagi menentukan elemen "bonus" terhadap baki saham biasa bagi tujuan pengiraan kecairan. Tiada pelarasan dibuat kepada keuntungan bersih bagi tahun bagi tujuan pengiraan opsyen saham.

	2003	2002
Bilangan purata berwajaran saham biasa yang dikeluarkan	63,583,644	61,862,200
Pelarasan bagi opsyen saham	620,053	529,284
Bilangan purata berwajaran saham biasa yang dikeluarkan bagi pendapatan cair sesaham	64,203,697	62,391,484
Pendapatan cair sesaham (sen)	48.69	34.94

NOTA-NOTA KEPADA PENYATA KEWANGAN bagi tahun berakhir 31 Disember 2003 (sambungan)

11. DIVIDEN

Dividen dibayar, diumumkan dan dicadangkan bagi tahun berakhir 31 Disember 2003 adalah seperti berikut :

	Kumpulan dan Syarikat			
	31.12.2003		31.12.2002	
	Dividen kasar sesaham Sen	Jumlah dividen tolak cukai RM	Dividen kasar sesaham Sen	Jumlah dividen tolak cukai RM
Dividen interim diumumkan	5	2,304,000	5	2,254,284
Dicadangkan				
– Dividen akhir	10	4,621,680	5	2,296,260
– Dikecualikan cukai/Dividen khas	2	1,283,800	5	3,189,250
	17	8,209,480	15	7,739,794

Dividen interim diumumkan oleh Syarikat dalam tahun adalah bagi tahun berakhir 31 Disember 2003, telah dibayar pada 28 Oktober 2003.

Para Pengarah mencadangkan pembayaran dividen kasar akhir sebanyak sepuluh (10) sen sesaham tolak 28% Cukai Pendapatan Malaysia dan dividen dikecualikan cukai sebanyak dua (2) sen atas 64,190,000 saham biasa berjumlah RM5,905,480 bagi tahun berakhir 31 Disember 2003. Dividen yang diumumkan adalah tertakluk kepada kelulusan pemegang saham di Mesyuarat Agung Tahunan Syarikat yang akan datang. Penyata kewangan ini tidak menyatakan dividen akhir tersebut yang hanya akan diakrukan sebagai liabiliti di dalam tahun berakhir 31 Disember 2004 apabila ia diluluskan oleh para pemegang saham.

NOTA-NOTA KEPADA PENYATA KEWANGAN bagi tahun berakhir 31 Disember 2003

12. HARTANAH, LOJI DAN PERALATAN

	Tanah pajak jangka panjang	Ladang kelapa sawit matang dan belum matang	Bangunan	Loji dan jentera	Kenderaan, perabot dan kelengkapan	Aset dalam pembinaan	Jumlah
Kumpulan	RM	RM	RM	RM	RM	RM	RM
Nilai buku bersih pada 1 Januari 2002	149,799,682	114,697,496	3,728,647	741,463	3,512,385	–	272,479,673
Tambahan	–	270,482	19,987	108,384	246,276	–	645,129
Pelupusan	–	–	(2,474)	(441)	(11,818)	–	(14,733)
Hapuskira	–	–	–	–	(2,019)	–	(2,019)
Pengklasan	–	16,505	(102,816)	425,775	(344,146)	–	(4,682)
Susutnilai	(1,837,283)	–	(756,620)	(256,125)	(1,130,533)	–	(3,980,561)
Nilai buku bersih pada 31 December 2002	147,962,399	114,984,483	2,886,724	1,019,056	2,270,145	–	269,122,807
Tambahan	–	100,103	20,221	169,045	345,613	160,295	795,277
Pelupusan	–	–	(760)	(9,713)	(35,435)	–	(45,908)
Hapuskira	–	–	(3,829)	(5,238)	(21,318)	–	(30,385)
Pindahan	–	–	–	55,087	(55,087)	–	–
Susutnilai	(1,837,304)	–	(755,778)	(348,007)	(961,053)	–	(3,902,142)
Nilai buku bersih pada 31 December 2003	146,125,095	115,084,586	2,146,578	880,230	1,542,865	160,295	265,939,649
Pada 31 Disember 2002							
Kos	–	3,620,622	10,456,530	3,504,260	10,682,460	–	28,263,872
Nilaian	172,357,000	111,363,861	–	–	–	–	283,720,861
Susutnilai terkumpul	(24,394,601)	–	(7,569,806)	(2,485,204)	(8,412,315)	–	(42,861,926)
Nilai buku bersih	147,962,399	114,984,483	2,886,724	1,019,056	2,270,145	–	269,122,807
Pada 31 Disember 2003							
Kos	–	3,720,725	10,382,480	3,278,821	8,646,471	160,295	26,188,792
Nilaian	172,357,000	111,363,861	–	–	–	–	283,720,861
Susutnilai terkumpul	(26,231,905)	–	(8,235,902)	(2,398,591)	(7,103,606)	–	(43,970,004)
Nilai buku bersih	146,125,095	115,084,586	2,146,578	880,230	1,542,865	160,295	265,939,649

NOTA-NOTA KEPADA PENYATA KEWANGAN bagi tahun berakhir 31 Disember 2003

12. HARTANAH, LOJI DAN PERALATAN (sambungan)

	Tanah pajak jangka panjang	Ladang kelapa sawit matang dan belum matang	Bangunan	Loji dan jentera	Kenderaan, perabot dan kelengkapan	Jumlah
Syarikat	RM	RM	RM	RM	RM	RM
Nilai buku bersih pada 1 Januari 2002	32,806,020	18,897,976	591,508	17,414	932,065	53,244,983
Tambahan	–	121,391	9,347	55,689	188,444	374,871
Pelupusan	–	–	–	–	(4)	(4)
Pengklasan	–	16,673	2,076	342,881	(361,630)	–
Susutnilai	(420,080)	–	(130,700)	(37,865)	(199,992)	(788,637)
Nilai buku bersih pada 31 December 2002	32,385,940	19,036,040	472,231	378,119	558,883	52,831,213
Tambahan	–	96,988	–	10,150	315,235	422,373
Pelupusan	–	–	(760)	(5,783)	(3,647)	(10,190)
Hapuskira	–	–	–	(2,748)	(2,113)	(4,861)
Pindahan	–	–	–	–	(55,637)	(55,637)
Susutnilai	(420,080)	–	(114,508)	(70,668)	(140,481)	(745,737)
Nilai buku bersih pada 31 December 2003	31,965,860	19,133,028	356,963	309,070	672,240	52,437,161
Pada 31 Disember 2002						
Kos	–	4,741,203	2,737,317	1,373,468	3,306,581	12,158,569
Nilaian	39,249,000	14,294,837	–	–	–	53,543,837
Susutnilai terkumpul	(6,863,060)	–	(2,265,086)	(995,349)	(2,747,698)	(12,871,193)
Nilai buku bersih	32,385,940	19,036,040	472,231	378,119	558,883	52,831,213
Pada 31 Disember 2003						
Kos	–	4,838,191	2,726,288	1,066,884	2,703,160	11,334,523
Nilaian	39,249,000	14,294,837	–	–	–	53,543,837
Susutnilai terkumpul	(7,283,140)	–	(2,369,325)	(757,814)	(2,030,920)	(12,441,199)
Nilai buku bersih	31,965,860	19,133,028	356,963	309,070	672,240	52,437,161

NOTA-NOTA KEPADA PENYATA KEWANGAN bagi tahun berakhir 31 Disember 2003

Butiran lanjut mengenai penilaian profesional bebas bagi tanah pegangan pajak jangka panjang, ladang kelapa sawit matang dan belum matang kepunyaan Kumpulan pada 31 Disember 2003 adalah seperti berikut:

Tahun penilaian	Keterangan hartanah	Jumlah RM	Asas penilaian
1990	Tanah pegangan pajak jangka panjang, ladang matang dan belum matang	74,995,601	Nilai pasaran terbuka
1995	Tanah pegangan pajak jangka panjang, ladang matang dan belum matang	102,402,923	Nilai pasaran terbuka
2000	Tanah pegangan pajak jangka panjang, ladang matang dan belum matang	230,177,024	Nilai pasaran terbuka

Nilai buku bersih bagi tanah pegangan pajak jangka panjang, ladang matang dan belum matang yang telah dinilai semula, sekiranya aset tersebut ditunjukkan pada kos tolak susutnilai terkumpul tidak dinyatakan kerana ketiadaan rekod-rekod lama.

13. SUBSIDIARI

	Syarikat	
	2003 RM	2002 RM
Pelaburan tak tersiarharga, pada kos	28,199,347	28,199,347
Elaun kemerosotan nilai	(299,999)	(299,999)
	27,899,348	27,899,348

Syarikat memegang pelaburan dalam semua subsidiari yang dipegang secara langsung atau tidak langsung. Butir-butir subsidiari adalah seperti berikut:

Nama Syarikat	Tempat ditubuhkan	Kepentingan ekuiti dipegang oleh				Kegiatan utama
		Syarikat 2003 %	2002 %	Subsidiari 2003 %	2002 %	
Dawn Oil Palm Plantations Sdn Bhd	Malaysia	100	100	–	–	Ladang Kelapa Sawit
B.S. Oil Palm Plantations Sdn Bhd	Malaysia	100	100	–	–	Ladang Kelapa Sawit
Kampung Aur Oil Palm Company (Sdn.) Berhad	Malaysia	83	83	–	–	Ladang Kelapa Sawit
*Madah Perkasa Sdn Bhd	Malaysia	–	–	83	83	Ladang Kelapa Sawit
Gem Asia Sdn Bhd	Malaysia	100	100	–	–	Operasi Dihentikan

* Subsidiari kepada Kampung Aur Oil Palm Company (Sdn.) Berhad.

NOTA-NOTA KEPADA PENYATA KEWANGAN bagi tahun berakhir 31 Disember 2003 (sambungan)

14. SYARIKAT BERSEKUTU

	Kumpulan		Syarikat	
	2003 RM	2002 RM	2003 RM	2002 RM
Pelaburan tak tersiarharga, pada kos	16,330,624	16,330,624	9,250,000	8,500,000
Bahagian Kumpulan dalam rizab selepas pengambilalihan	30,160,825	23,171,319	-	-
	46,491,449	39,501,943	9,250,000	8,500,000
Diwakili oleh:				
Bahagian aset bersih	45,220,138	38,126,280		
Muhibbah atas pengambilalihan	1,271,311	1,375,663		
	46,491,449	39,501,943		

Butir-butir syarikat bersekutu adalah seperti berikut:

Nama Syarikat	Tempat ditubuhkan	Kepentingan ekuiti dipegang oleh				Kegiatan Utama
		Syarikat		Subsidiari		
		2003 %	2002 %	2003 %	2002 %	
* Prosper Palm Oil Mill Sdn Bhd	Malaysia	-	-	#25.5	25.5#	Kilang Sawit
Kilang Kosfarm Sdn Bhd	Malaysia	29.0	29.0	-	-	Kilang Sawit
* Business & Budget Hotels (Kuantan) Sdn. Bhd.	Malaysia	36.2	35.0	-	-	Perhotelan

Ekuiti dipegang melalui subsidiari

* Diaudit oleh firma audit yang lain

15. PELABURAN TAK TERSIARHARGA, PADA KOS

	Kumpulan		Syarikat	
	2003 RM	2002 RM	2003 RM	2002 RM
Pelaburan tak tersiarharga, pada kos	1,170,000	1,170,000	1,170,000	1,170,000
Subsidiari tidak disatukan	1,129,075	1,129,075	-	-
	2,299,075	2,299,075	1,170,000	1,170,000

Sejak tahun berakhir 31 Disember 2001, keputusan operasi dan aset bersih subsidiari, Inai Prisma Sdn. Bhd. (IPSB) tidak disatukan dengan Syarikat kerana IPSB telah diletakkan di bawah perintah penggulungan oleh Mahkamah Tinggi Malaya, Kuantan, Pahang Darul Makmur.

Syarikat secara langsungnya kehilangan kawalan pengurusan ke atas urusan IPSB, yang dahulunya terlibat sebagai perunding perladangan. Sejak berhenti beroperasi pada tahun 2001, kos pelaburan IPSB telah dinyatakan pada nilai boleh bawanya.

NOTA-NOTA KEPADA PENYATA KEWANGAN bagi tahun berakhir 31 Disember 2003 (sambungan)

16. PENGHUTANG, DEPOSIT DAN PERBELANJAAN TERDAHULU

	Kumpulan		Syarikat	
	2003 RM	2002 RM	2003 RM	2002 RM
Penghutang perniagaan	5,022,271	4,541,698	39,240	26,723
Penghutang lain	68,154,385	57,143,129	67,669,859	55,967,150
Elaun hutang ragu	(239,829)	(239,829)	(89,543)	(89,543)
	67,914,556	56,903,300	67,580,316	55,877,607
Jumlah terhutang oleh syarikat bersekutu	3,159,006	2,055,850	3,159,006	2,055,850
Jumlah terhutang oleh subsidiari	1,417,665	1,417,665	3,112,659	3,328,552
Elaun hutang ragu	-	-	(434,889)	(434,889)
	1,417,665	1,417,665	2,677,770	2,893,663
	77,513,498	64,918,513	73,456,332	60,853,843

Termasuk dalam penghutang lain Kumpulan dan Syarikat adalah:

- (a) Jumlah terhutang oleh pemegang saham korporat, Perbadanan Kemajuan Negeri Pahang (PKNP) dan Pascorp Holdings Sdn Bhd, sebuah subsidiari milik penuh PKNP, berjumlah RM39,796,559 (2002 : RM39,796,559), terdiri daripada deposit dan faedah yang terakru (dari tahun 1998 hingga 2000) menurut syarat-syarat perjanjian opsyen panggilan (call option) berkaitan dengan pembelian tanah dan pegangan saham, dan hasil daripada pelupusan pelaburan dalam PT Berkat Sawit Sejati, disebabkan oleh pembatalan Perjanjian Novasi dan Perjanjian Novasi Tambahan dengan PKNP dan PT Berkat Sawit Sentosa.
- (b) Jumlah terhutang oleh PT Berkat Sawit Sejati, iaitu pendahuluan bagi tujuan modal kerja berjumlah RM11,652,772 (2002 : RM11,652,772).
- (c) Deposit dibayar kepada pemegang saham korporat berjumlah RM6,182,755 (2002 : RM4,000,000) berkaitan dengan pembelian tanah pertanian.

Syarikat telah memeterai satu perjanjian penyelesaian dengan pihak-pihak berkaitan untuk penyelesaian item (a) and (b) di atas (lihat Nota 30).

Jumlah terhutang oleh subsidiari adalah pendahuluan yang tidak dijamin, tidak dikenakan faedah dan tidak mempunyai tempoh bayaran balik yang tertentu.

Jumlah terhutang oleh syarikat berkaitan adalah berbentuk perniagaan dan mempunyai tempoh bayaran balik sama seperti penghutang perniagaan.

Terma kredit penghutang perniagaan Kumpulan dan Syarikat ialah 30 hari (2002 : 30 hari).

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17. TUNAI DAN BERSAMAAN TUNAI

	Kumpulan		Syarikat	
	2003 RM	2002 RM	2003 RM	2002 RM
Simpanan dengan bank berlesen	20,619,488	1,219,068	5,102,022	1,204,068
Simpanan dengan syarikat kewangan berlesen	2,045,000	845,000	1,800,000	600,000
Tunai di bank dan di tangan	11,469,586	13,109,892	3,374,350	4,943,295
Simpanan, tunai dan baki di bank	34,134,074	15,173,960	10,276,372	6,747,363

Kadar purata faedah atas simpanan, tunai dan baki di bank pada akhir tahun adalah seperti berikut:

	Kumpulan dan Syarikat	
	2003 %	2002 %
Simpanan dengan bank berlesen	2.6 – 3.0	3.2
Simpanan dengan syarikat kewangan berlesen	3.0	3.2

Pada 31 Disember 2003, tempoh matang simpanan Kumpulan dan Syarikat ialah 30 ke 90 hari (2002 : 30 ke 90 hari). Baki di bank merupakan simpanan semasa dengan bank.

18. PEMIUTANG

	Kumpulan		Syarikat	
	2003 RM	2002 RM	2003 RM	2002 RM
Pemiutang perniagaan	1,554,105	1,529,821	483,099	588,514
Pemiutang lain	550,207	599,602	404,778	185,564
Liabiliti terakru	1,475,587	1,722,568	811,378	1,036,555
Jumlah terhutang kepada subsidiari yang tidak disatukan	2,266,484	2,230,334	–	–
Jumlah terhutang kepada subsidiari	–	–	57,699,456	49,340,886
	5,846,383	6,082,325	59,398,711	51,151,519

Jumlah terhutang kepada subsidiari dan subsidiari yang tidak disatukan adalah tidak dijamin, tidak dikenakan faedah dan tidak mempunyai tempoh bayaran balik yang tertentu.

Terma kredit pemiutang perniagaan Kumpulan dan Syarikat adalah daripada 30 ke 90 hari (2002 : 30 ke 90 hari).

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19. PINJAMAN (DIKENAKAN FAEDAH)

	Kumpulan dan Syarikat	
	2003 RM	2002 RM
Semasa		
Pinjaman jangka pendek (tidak bercagar)	10,000,000	3,912,600
Pinjaman jangka panjang (tidak bercagar)	1,020,000	1,020,000
	11,020,000	4,932,600
Bukan semasa		
Pinjaman jangka panjang (tidak bercagar)	1,345,000	2,365,000
	12,365,000	7,297,600
Jumlah		
Pinjaman jangka pendek (tidak bercagar)	10,000,000	3,912,600
Pinjaman jangka panjang (tidak bercagar)	2,365,000	3,385,000
	12,365,000	7,297,600

Pinjaman jangka panjang adalah dibayar balik dengan 60 ansuran bulanan berjumlah RM85,000 setiap ansuran bermula dari bulan Jun 2001.

Purata berwajaran kadar faedah pada akhir tahun adalah seperti berikut:

	Kumpulan dan Syarikat	
	2003 %	2002 %
Pinjaman jangka pendek	4.65	5.25
Pinjaman jangka panjang	7.75	7.65

Nilai saksama

Nilai boleh bawa pinjaman jangka panjang menyamai nilai saksamanya kerana pinjaman itu tertakluk kepada kadar faedah terapung.

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20. LIABILITI CUKAI TERTUNDA

Aset dan liabiliti cukai tertunda diimbangi apabila terdapat hak penguatkuasaan untuk mengimbangi aset cukai semasa terhadap liabiliti cukai semasa dan apabila cukai tertunda berkaitan dengan pihak berkuasa cukai yang sama. Amaun di lembaran imbalan, selepas pengimbangan yang berpatutan, adalah seperti berikut:

	Kumpulan		Syarikat	
	2003 RM	2002 RM	2003 RM	2002 RM
Aset cukai tertunda	2,210,445	2,210,445	-	-
Liabiliti cukai tertunda	(47,961,367)	(43,069,579)	(6,951,905)	(6,898,255)
	(45,750,922)	(40,859,134)	(6,951,905)	(6,898,255)
Pada awal tahun	(40,859,134)	(37,479,100)	(6,898,255)	(6,877,981)
Caj ke penyata pendapatan (Nota 9) – hartanah, loji dan peralatan	(4,891,788)	(3,380,034)	8,366	(20,274)
Pada akhir tahun	(45,750,922)	(40,859,134)	(6,889,889)	(6,898,255)

21. MODAL SAHAM

	Kumpulan dan Syarikat	
	2003 RM	2002 RM
(a) Saham biasa dibenarkan bernilai RM1 seunit Pada awal dan akhir tahun	500,000,000	500,000,000
Saham biasa dikeluarkan dan dibayar penuh bernilai RM1 seunit Pada 1 Januari	62,619,000	61,600,000
Dikeluarkan dalam tahun - pelaksanaan opsyen saham	1,571,000	1,019,000
Pada 31 Disember	64,190,000	62,619,000

(b) Skim Opsyen Saham Pekerja

Skim Opsyen Saham Pekerja (ESOS) Syarikat telah berkuatkuasa mulai 18 Mac 2002. ESOS dikawal oleh undang-undang kecil yang telah diluluskan oleh para pemegang saham pada Mesyuarat Agung Luarbiasa pada 29 Disember 2001.

Ciri-ciri utama ESOS adalah seperti berikut:

- Mereka yang layak adalah kakitangan Kumpulan yang telah disahkan jawatan pekerjaan oleh Kumpulan dan telah berkhidmat sekurang-kurangnya satu tahun sebelum tarikh penawaran. Kelayakan untuk mengambil bahagian dalam ESOS adalah tertakluk kepada pertimbangan Jawatankuasa ESOS yang dilantik oleh Lembaga Pengarah.
- Jumlah saham yang akan ditawarkan dalam agregat tidak melebihi 10% daripada modal saham yang diterbitkan oleh Syarikat pada bila-bila masa sepanjang tempoh ESOS yang berkuatkuasa bagi tempoh lima tahun daripada tarikh penerimaan kelulusan terakhir.

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- Harga opsiyen adalah pada harga purata pasaran setiap saham (dikira sebagai purata harga tertinggi dan terendah atas urusanniaga saham) seperti yang ditunjukkan oleh senarai rasmi harian (Daily Official list) diterbitkan oleh Bursa Malaysia Securities Berhad bagi lima (5) hari urusanniaga sebelum tarikh penawaran dibuat di mana tertakluk kepada diskaun tidak melebihi 10% yang akan diputuskan oleh Syarikat, atau pada nilai nominal saham Syarikat pada RM1, yang mana lebih tinggi.
- Tiada opsiyen akan diperuntukkan bagi jumlah kurang dari 1,000 unit saham atau melebihi agihan saham maksimum yang dibenarkan kepada kakitangan yang layak, dengan syarat bilangan adalah dalam gandaan 1,000 unit saham.
- Opsiyen yang diperuntukkan di bawah skim ESOS haruslah berkeupayaan untuk dilaksanakan oleh penerima peruntukkan dengan memberi notis bertulis kepada Syarikat sebelum tarikh luput lima (5) tahun dari tarikh penawaran atau tempoh yang lebih singkat seperti yang dinyatakan dalam penawaran.
- Mereka yang telah diperuntukkan opsiyen tidak berhak untuk menyertai sebarang opsiyen terbitan saham dalam syarikat yang lain.

Berikut adalah opsiyen ke atas saham biasa Syarikat diperuntukkan di bawah ESOS:

Tarikh peruntukkan	Tarikh tamat	Harga pelaksanaan RM/saham	Pada awal tahun RM'000	Diperuntukkan RM'000	Dilaksanakan RM'000	Luput RM'000	Berhenti RM'000	Pada akhir tahun RM'000
Tahun Berakhir 31.12.2003								
18.3.2002	17.3.2007	2.04	3,547	–	(1,565)	–	–	1,982
7.3.2003	16.12.2003	2.04	–	6	(6)	–	–	–
			3,547	6	(1,571)	–	–	1,982
31.12.2002								
18.3.2002	17.3.2007	2.04	–	4,626	(1,019)	(45)	(15)	3,547
							31.12.2003	31.12.2002
Jumlah kepentingan opsiyen saham pada tarikh lembaranimbangan							446,000	1,150,000

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(b) Skim Opsyen Saham Pekerja (sambungan)

Butir-butir berkaitan opsyen yang telah dilaksanakan dalam tahun adalah seperti berikut:

Tarikh pelaksanaan	Nilai Saksama saham pada tarikh dikeluarkan RM/saham	Harga pelaksanaan RM/saham	Jumlah saham yang dikeluarkan	
			2003 Unit	2002 Unit
Julai 2002	2.53	2.04	–	40,000
Ogos 2002	2.84	2.04	–	219,000
September 2002	2.72	2.04	–	399,000
Oktober 2002	2.60	2.04	–	124,000
November 2002	2.63	2.04	–	128,000
Disember 2002	2.66	2.04	–	109,000
Januari 2003	2.78	2.04	301,000	–
Februari 2003	2.80	2.04	230,000	–
Mac 2003	2.80	2.04	161,000	–
April 2003	2.81	2.04	70,000	–
Mei 2003	2.89	2.04	5,000	–
Julai 2003	3.01	2.04	404,000	–
Ogos 2003	3.02	2.04	34,000	–
September 2003	3.06	2.04	148,000	–
Oktober 2003	3.31	2.04	57,000	–
November 2003	3.16	2.04	70,000	–
Disember 2003	3.16	2.04	91,000	–
			1,571,000	1,019,000

	2003 RM	2002 RM
Modal saham biasa pada par	1,571,000	1,019,000
Premium saham	1,633,840	1,059,760
Jumlah diterima pada pelaksanaan opsyen saham	3,204,840	2,078,760
Nilai saksama pada tarikh pelaksanaan saham dikeluarkan	4,611,760	2,757,420

Nilai saksama saham yang dikeluarkan pada pelaksanaan opsyen adalah harga pasaran yang mana saham Syarikat didagangkan pada Bursa Malaysia Securities Berhad pada hari sebelum pelaksanaan opsyen tersebut.

22. PREMIUM SAHAM

	Kumpulan		Syarikat	
	2003 RM	2002 RM	2003 RM	2002 RM
Pada 1 Januari	4,189,890	3,130,130	1,139,164	79,404
Pelaksanaan opsyen saham	1,633,840	1,059,760	1,633,840	1,059,760
Pada 31 Disember	5,823,730	4,189,890	2,773,004	1,139,164

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23. RIZAB MODAL

Rizab modal mewakili pergerakan dalam penilaian stok pembiak terhasil dari penambahan dan pengurangan kuantiti ternakan pada nilai pasaran.

	Kumpulan		Syarikat	
	2003 RM	2002 RM	2003 RM	2002 RM
Pada 1 Januari	303,480	329,641	6,017	1,984
Pindahan (kepada)/dari stok pembiak	(161,671)	(26,161)	(4,866)	4,033
Pada 31 Disember	141,809	303,480	1,151	6,017

24. RIZAB PENILAIAN SEMULA

	Kumpulan		Syarikat	
	2003 RM	2002 RM	2003 RM	2002 RM
Tidak boleh agih				
- tanah pegangan pajak dan ladang kelapa sawit	96,185,062	96,185,062	6,369,749	6,369,749
Pergerakan dalam rizab adalah seperti berikut:				
Pada awal dan akhir tahun				
- dinyatakan terdahulu	124,485,419	124,485,419	8,451,388	8,451,388
- perubahan dasar perakaunan (Nota 26)	(28,300,357)	(28,300,357)	(2,081,639)	(2,081,639)
- dinyatakan semula	96,185,062	96,185,062	6,369,749	6,369,749

25. KEUNTUNGAN TERKUMPUL

Tertakluk kepada persetujuan daripada Lembaga Hasil Dalam Negeri, pada 31 Disember 2003, Syarikat mempunyai akaun pengecualian cukai sebanyak RM7,443,000 (2002 : RM10,632,000) bagi pembayaran dividen bersih.

Syarikat juga mempunyai kredit cukai yang mencukupi di bawah Seksyen 108 Akta Cukai Pendapatan, 1967 untuk membayar dividen bersih daripada keuntungan terkumpul.

26. PERUBAHAN DASAR PERAKAUNAN

Dalam tahun ini Kumpulan dan Syarikat mengubah dasar perakaunan cukai tertunda untuk mematuhi piawaian MASB 25 – Cukai Pendapatan.

Dalam tahun sebelumnya, cukai tertunda diambilkira untuk perbezaan masa kecuali bila ada bukti munasabah bahawa perbezaan masa tersebut tidak akan berbalik di masa hadapan. Kesan cukai dari perbezaan masa yang menghasilkan baki debit atau debit kepada baki cukai tertunda tidak akan dibawa ke hadapan kecuali terdapat andaian ianya direalisasikan.

Manfaat penjimatan cukai berkaitan kerugian cukai dibawa ke hadapan hanya diambilkira sekiranya terdapat kepastian yang munasabah bahawa pendapatan dimasa hadapan mencukupi untuk manfaat kerugian direalisasikan.

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26. PERUBAHAN DASAR PERAKAUNAN (sambungan)

Apabila ada pelupusan ke atas aset yang dinilai semula, cukai tertunda berkaitan aset tersebut akan diambilkira melalui pindahan daripada lebihan penilaian semula yang berkaitan. Tiada peruntukan atau pembentangan dibuat ke atas kesan ini yang mana Kumpulan bercadang memegang aset ini untuk masa hadapan.

Kumpulan dan Syarikat sekarang telah menukar dasar perakaunannya untuk cukai tertunda diiktiraf sepenuhnya menggunakan kaedah liabiliti, ke atas perbezaan sementara diantara nilai berkaitan dengan aset dan liabiliti untuk tujuan percukaian dan nilai bawa di dalam penyata kewangan. Aset cukai tertunda diiktiraf setakat kemungkinan terdapatnya pendapatan bercukai masa hadapan yang mana perbezaan sementara atau kerugian cukai belum serap dapat digunakan.

Perubahan dasar perakaunan ini telah diambilkira secara retrospektif.

Dasar perakaunan baru ini telah menyebabkan keuntungan bersih bagi tahun berakhir 31 Disember 2003 Kumpulan dan Syarikat berkurang sebanyak RM4,820,157 and RM53,650 masing-masing. Kesan lain berkaitan dengan perubahan ke atas penyata kewangan Kumpulan dan Syarikat adalah seperti berikut:

	Dinyatakan terdahulu RM DR/(CR)	Kesan penukaran dalam polisi RM DR/(CR)	Dinyatakan semula RM DR/(CR)
Kumpulan			
Pada 31 Disember 2001			
Liabiliti cukai tertunda	-	(37,479,100)	(37,479,100)
Kepentingan minoriti	(25,201,993)	2,627,887	(22,574,106)
Rizab penilaian semula	(124,485,419)	28,300,357	(96,185,062)
Keuntungan terkumpul	(141,040,215)	6,550,856	(134,489,359)
Tahun berakhir 31 Disember 2002			
Kepentingan minoriti	2,475,679	(592,331)	1,883,348
Perbelanjaan cukai	5,571,254	3,380,034	8,951,288
Pada 31 Disember 2002			
Liabiliti cukai tertunda	-	(40,859,134)	(40,859,134)
Kepentingan minoriti	(27,677,672)	3,220,218	(24,457,454)
Rizab penilaian semula	(124,485,419)	28,300,357	(96,185,062)
Keuntungan terkumpul	(162,828,468)	9,338,559	(153,489,909)
Syarikat			
Pada 31 Disember 2001			
Liabiliti cukai tertunda	-	(6,877,981)	(6,877,981)
Rizab penilaian semula	(8,451,388)	2,081,639	(6,369,749)
Keuntungan terkumpul	(27,039,454)	4,796,342	(22,243,112)
Tahun berakhir 31 Disember 2002			
Perbelanjaan cukai	2,129,100	20,274	2,149,374
Pada 31 Disember 2002			
Liabiliti cukai tertunda	-	(6,898,255)	(6,898,255)
Rizab penilaian semula	(8,451,388)	2,081,639	(6,369,749)
Keuntungan terkumpul	(29,349,668)	4,816,616	(24,533,052)

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27. MAKLUMAT MENGIKUT SEGMENT

Tiada laporan mengikut segmen disediakan kerana sebahagian besar aktiviti Kumpulan adalah dalam aktiviti perladangan terutamanya dijalankan di Malaysia.

28. URUSAN PENTING DENGAN PIHAK BERKAITAN

Tambahan kepada pembentangan pihak berkaitan yang dinyatakan di tempat lain dalam penyata kewangan, di bawah ini dinyatakan senarai pihak berkaitan dan lain-lain urusniaga ketara dan baki dengan pihak berkaitan. Urusniaga ketara dengan pihak berkaitan yang dinyatakan di bawah adalah pada terma dan syarat yang boleh didapati dengan pihak yang tidak berkaitan.

Pihak Berkaitan	Hubungan
- Dawn Oil Palm Plantations Sdn Bhd	Subsidiari
- B.S. Oil Palm Plantations Sdn Bhd	Subsidiari
- Kampong Aur Oil Palm Company (Sdn.) Berhad	Subsidiari
- Madah Perkasa Sdn Bhd	Subsidiari
- Gem Asia Sdn Bhd	Subsidiari
- Kilang Kosfarm Sdn Bhd	Syarikat bersekutu
- Prosper Palm Oil Mill Sdn Bhd	Syarikat bersekutu
- Rompin Palm Oil Mill Sdn Bhd	Pihak berkaitan
- LKPP Corporation Sendiran Berhad	Pihak berkaitan

Butir-butir urusniaga ketara adalah seperti berikut:

	Kumpulan		Syarikat	
	2003 RM	2002 RM	2003 RM	2002 RM
Subsidiari				
- Pendapatan dividen daripada Kampong Aur Oil Palm Company (Sdn.) Berhad	-	-	5,840,037	3,893,358
Pihak berkaitan				
- Pendapatan dividen daripada Kilang Kosfarm Sdn Bhd	-	-	290,000	-
Jualan buah tandan segar kepada:				
- Prosper Palm Oil Mill Sdn Bhd	7,686,253	5,532,228	7,686,253	5,532,228
- Rompin Palm Oil Mill Sdn Bhd	27,560,448	19,540,411	-	-
- Kilang Kosfarm Sdn Bhd	34,683,259	28,358,208	4,515,170	2,722,067
- LKPP Corporation Sendiran Berhad	362,550	257,263	362,550	257,263

Urusniaga dengan syarikat-syarikat di atas dijalankan menurut perjalanan biasa perniagaan.

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28. URUSAN PENTING DENGAN PIHAK BERKAITAN (sambungan)

Baki yang belum diterima daripada urusaniaga dengan pihak berkaitan yang dijalankan dalam tahun adalah seperti berikut:

Pihak Berkaitan	Kumpulan		Syarikat	
	2003 RM	2002 RM	2003 RM	2002 RM
Penghutang:				
- Prosper Palm Oil Mill Sdn Bhd	662,005	489,222	662,005	489,222
- Rompin Palm Oil Mill Sdn Bhd	3,913,049	3,850,954	-	-
- Kilang Kosfarm Sdn Bhd	3,566,984	2,230,649	2,497,002	1,566,628
- LKPP Corporation Sendirian Berhad	39,240	26,723	39,240	26,723

29. PENGLIBATAN PERBELANJAAN MODAL

Perbelanjaan modal yang tidak diperuntukkan dalam penyata kewangan adalah seperti berikut:

	Kumpulan		Syarikat	
	2003 RM	2002 RM	2003 RM	2002 RM
Hartanah, Loji dan Peralatan:				
- diluluskan dan dikontrakkan	297,000	2,480,000	297,000	2,480,000
- diluluskan dan belum dikontrakkan	7,135,902	6,878,957	6,051,545	4,476,958
	7,432,902	9,358,957	6,348,545	6,956,958

30. PERKARA SELEPAS TARIKH LEMBARAN IMBANGAN YANG PENTING

Cadangan penyelesaian

Pada 31 Mac 2004, pemegang saham, dalam Mesyuarat Agung Luarbiasa, telah meluluskan cadangan penyelesaian jumlah terhutang oleh Perbadanan Kemajuan Negeri Pahang (PKNP) dan Pascorp Holdings Sdn Bhd (Pascorp), syarikat milikan penuh PKNP kepada Syarikat berjumlah RM64,883,496 (Jumlah Terhutang). Jumlah Terhutang ialah jumlah tertunggak dan terhutang kepada Syarikat yang timbul daripada Perjanjian Opsyen Panggilan Pascorp, Perjanjian Opsyen Panggilan PKNP dan Perjanjian Novasi pada tarikh penggalan 30 Jun 2003.

Jumlah Cagaran akan diselesaikan secara berikut:

- serentak dengan perlaksanaan Perjanjian Penyelesaian, PKNP akan dan telah menyertai BIM SPA untuk jualan BIM Lands oleh PKNP kepada Syarikat pada harga belian agregat sebanyak RM40,200,000 yang akan diselesaikan sepenuhnya oleh Syarikat dengan mengimbangi jumlah yang sama kepada Jumlah Cagaran.

NOTA-NOTA KEPADA PENYATA KEWANGAN bagi tahun berakhir 31 Disember 2003

(b) PKNP akan membayar Syarikat sejumlah RM15,700,000 secara tunai daripada samada:

- (i) harga jualan saham PTBS Sejati oleh PKNP, kepada mana-mana pihak, jika berkenaan. Syarikat akan memperuntukkan kuasa atau kuasa-kuasa guaman jika diperlukan oleh PKNP untuk memudahkan jualan saham PTBS Sejati oleh PKNP, dengan syarat harga belian untuk jualan saham PTBS Sejati tersebut oleh PKNP tidak kurang daripada Jumlah Baki. PKNP berjanji supaya pembeli atau pembeli-pembeli, jika berkenaan, saham PTBS Sejati untuk membayar Jumlah Baki tersebut kepada Syarikat secara langsung mengikut cara yang boleh diterima kepada Syarikat pada atau sebelum 30 Jun 2004. Menurut cara penyelesaian ini, instrumen berkaitan pindahan saham PTBS Sejati yang mungkin dilaksanakan oleh PKNP sebagai peguam Syarikat untuk tujuan pemindahan saham PTBS Sejati kepada pembeli atau pembeli-pembeli jika berkenaan, saham PTBS Sejati dan akan dipegang oleh Tetuan Abdul Raman Saad & Associates di Level 12, Menara Pelangi, Jalan Kuning, Taman Pelangi, 80400 Johor Bahru sebagai pemegang saham. Instrument yang berkaitan dengan pemindahan saham PTBS Sejati akan diberikan kepada pembeli atau pembeli-pembeli jika berkenaan, oleh pemegang saham untuk melaksanakan pemindahan saham PTBS Sejati sejurus penerimaan pengesahan bertulis daripada Syarikat yang Syarikat telah menerima Jumlah Baki; atau
- (ii) sumber lain yang boleh diterima oleh Lembaga. Dalam perkara ini, sejurus penerimaan Jumlah Baki oleh Syarikat, Syarikat boleh mengeluarkan dan memindahkan saham PTBS Sejati kembali kepada PKNP, yang mana sebarang kuasa atau kuasa-kuasa guaman diperuntukkan oleh Syarikat kepada PKNP seperti dinyatakan dalam Perenggan (b)(i) di atas boleh secara automatiknya dibatalkan dan semua dokumen yang mungkin telah dilaksanakan oleh PKNP sebagai peguam untuk Syarikat untuk jualan saham PTBS Sejati akan ditamatkan.

(c) Tertakluk kepada penyempurnaan penyelesaian seperti dinyatakan di (a) dan (b) di atas pada atau sebelum 30 Jun 2004, Syarikat bersetuju yang baki Jumlah Cagaran berjumlah RM8,983,496 meliputi lebih kurang 42% daripada faedah diakrukan ke atas Jumlah Terhutang sehingga 30 Jun 2003 akan dilepaskan haknya oleh Syarikat.

Tambahan masa

Lanjutan daripada Perjanjian Jual Beli bertarikh 6 Februari 2004 yang dilaksanakan bersempena dengan Penyelesaian Dicadangkan, Syarikat dan PKNP, melalui sepucuk surat bertarikh 31 Mac 2004, telah bersama-sama bersetuju untuk menambah jangka masa bagi semua syarat-syarat sebelum Perjanjian Jual Beli tersebut disempurnakan dengan tambahan satu (1) bulan sehingga 30 April 2004.

31. KELULUSAN LAPORAN KEWANGAN

Laporan kewangan telah diluluskan untuk penerbitan menurut resolusi Lembaga Pengarah bertarikh 23 April 2004

PENYATA OLEH PARA PENGARAH

MENURUT SEKSYEN 169(15) AKTA SYARIKAT, 1965

Kami, Dato' Kamaruddin bin Mohammed dan Nowawi bin Abdul Rahman, dua daripada Pengarah Far East Holdings Berhad menyatakan bahawa, pada pendapat Para Pengarah, penyata kewangan yang dibentangkan di mukasurat 44 hingga 73 telah disusun supaya menunjukkan gambaran yang benar dan saksama tentang kedudukan Kumpulan dan Syarikat pada 31 Disember 2003 dan keputusan serta aliran tunai Kumpulan dan Syarikat bagi tahun berakhir pada tarikh tersebut menurut piawaian-piawaian perakaunan berkenaan yang diluluskan di Malaysia dan peruntukan-peruntukan Akta Syarikat, 1965.

Menurut resolusi Lembaga Pengarah bertarikh 23 April 2004.

Dato' Kamaruddin bin Mohammed
Pengerusi

Nowawi bin Abdul Rahman
Pengarah Eksekutif

AKUAN BERKANUN

MENURUT SEKSYEN 169(16) AKTA SYARIKAT, 1965

Saya, Asmin binti Yahya, Pegawai terutamanya bertanggungjawab ke atas pengurusan kewangan Far East Holdings Berhad, dengan sungguh dan sebenarnya mengaku bahawa penyata kewangan yang dibentangkan di mukasurat 44 hingga 73 adalah, pada pendapat saya, betul dan saya membuat pengakuan ini dengan kepercayaan ianya benar dan menurut kuasa yang diperuntukkan oleh Akta Akuan Berkanun, 1960.

Asmin binti Yahya

Ditandatangani dan diikrarkan oleh penama di atas Asmin binti Yahya

Di: Kuantan

Pada: 23 April 2004

Dihadapan saya:

Pesuruhjaya Sumpah

LAPORAN JURUAUDIT KEPADA AHLI-AHLI
FAR EAST HOLDINGS BERHAD (14809 - W) (DITUBUHKAN DI MALAYSIA)

PricewaterhouseCoopers
(AF 1146)
Chartered Accountants
3rd Floor HSBC Bank Building
No.1, Jalan Mahkota
P.O.Box 236
25720 Kuantan
Pahang Darul Makmur, Malaysia
Telephone +60(9) 516 5896
Facsimile +60(9) 513 1246

1. Kami telah mengaudit penyata kewangan yang dibentangkan di mukasurat 44 hingga 73. Penyata kewangan tersebut adalah tanggungjawab Para Pengarah Syarikat. Tanggungjawab kami adalah untuk menyatakan pendapat ke atas penyata kewangan tersebut berdasarkan audit kami.
2. Kami telah menjalankan audit kami mengikut piawaian-piawaian audit yang diluluskan di Malaysia. Piawaian-piawaian tersebut mengkehendaki kami merancang dan melaksanakan kerja audit untuk memperolehi keyakinan yang munasabah ke atas samada penyata kewangan adalah bebas dari kenyataan-kenyataan penting yang salahnyata. Sesuatu audit merangkumi pemeriksaan, secara ujian, bukti yang menyokong jumlah-jumlah dan pernyataan-pernyataan di dalam penyata kewangan. Audit juga merangkumi penaksiran terhadap penggunaan prinsip-prinsip perakaunan dan anggaran-anggaran penting yang dibuat oleh Para Pengarah dan juga penilaian ke atas pembentangan penyata kewangan keseluruhannya. Kami percaya audit kami mengadakan asas yang munasabah untuk kami memberikan pendapat.
3. Pada pendapat kami :
 - (a) penyata kewangan tersebut telah disediakan menurut peruntukan-peruntukan Akta Syarikat, 1965 dan piawaian-piawaian perakaunan berkenaan yang diluluskan di Malaysia supaya memberikan gambaran yang benar dan saksama tentang:
 - (i) perkara-perkara yang perlu diuruskan didalam penyata kewangan mengikut Seksyen 169 Akta Syarikat, 1965; dan
 - (ii) kedudukan Kumpulan dan Syarikat pada 31 Disember 2003 dan keputusan dan aliran tunai Kumpulan dan Syarikat bagi tahun yang berakhir pada tarikh tersebut; dan
 - (b) rekod-rekod perakaunan dan rekod-rekod lain dan daftar-daftar yang dikehendaki oleh Akta disimpan oleh Syarikat dan syarikat-syarikat milikannya telah disimpan dengan sempurna menurut peruntukan-peruntukan Akta tersebut.
4. Kami berpuas hati bahawa penyata kewangan syarikat-syarikat milikan yang telah disatukan dengan penyata kewangan Syarikat adalah dalam bentuk dan kandungan yang sesuai dan wajar untuk tujuan penyediaan penyata kewangan yang disatukan, dan kami telah menerima maklumat yang memuaskan dan keterangan yang diperlukan untuk tujuan tersebut.
5. Laporan-laporan juruaudit ke atas penyata kewangan syarikat-syarikat milikan tidak dikenakan sebarang teguran mengikut seksyen kecil (3) seksyen 174 di bawah Akta tersebut.

PricewaterhouseCoopers
[AF:1146]
Akauntan Bertauliah

Shirley Goh
[1778/08/04 (J)]
Rakan dalam firma

Kuantan
23 April 2004

DIRECTORS' REPORT for the year ended 31 December 2003

The Directors are pleased to submit their annual report to the members together with the audited financial statements of the Group and Company for the year ended 31 December 2003.

Principal activities

The principal activities of the Company are investment holding and oil palm plantations. The principal activities of the subsidiaries are set out in Note 13 to the financial statements. There was no significant change in the nature of these activities during the financial year.

Financial results

	Group RM	Company RM
Profit after tax	33,066,457	9,222,006
Minority interest	(1,807,346)	-
Net profit for the year	31,259,111	9,222,006

Dividends

The dividends paid or declared by the Company since 31 December 2002 were as follows:

	RM
In respect of the financial year ended 31 December 2002, as shown in the Directors' report of that year, interim gross dividend of 5 sen per share on 62,619,000 ordinary shares, less income tax, paid on 24 January 2003.	2,254,284
In respect of the financial year ended 31 December 2002, final dividend of 5 sen per share less income tax and a special tax exempt dividend of 5 sen per share on 63,785,000 ordinary shares, paid on 11 July 2003.	5,485,510
In respect of the financial year ended 31 December 2003, interim gross dividend of 5 sen per share on 64,000,000 ordinary shares, less income tax, paid on 28 October 2003.	2,304,000
	10,043,794

The Board of Directors has proposed a final dividend of ten (10) sen per share less 28% Malaysian Income Tax and tax exempt dividend of two (2) sen on 64,190,000 ordinary shares amounting to RM5,905,480 for the year ended 31 December 2003. The proposed dividend is subject to the approval from the shareholders in the Annual General Meeting to be held at a later date.

Reserves and provisions

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

DIRECTORS' REPORT

for the year ended 31 December 2003 (continued)

Significant post balance sheet events

Proposed settlement

On 31 March 2004, the shareholders, in the Extraordinary General Meeting, had approved the proposed settlement of amounts owing by Perbadanan Kemajuan Negeri Pahang (PKNP) and Pascorp Holdings Sdn Bhd (Pascorp), a wholly-owned subsidiary of PKNP to the Company totalling RM64,883,496 (Total Indebtedness). Total Indebtedness is the amounts due and payable to the Company arising from the Pascorp Call Option Agreement, the PKNP Call Option Agreement and the Novation Agreements as at the cut-off date of 30 June 2003.

The Total Indebtedness shall be settled in the followings manners:

- (a) simultaneous with the execution of the Settlement Agreement, PKNP shall and had entered into the BIM SPA with the Company for the sale of the BIM Lands by PKNP to the Company for an aggregate purchase consideration of RM40,200,000, which shall be settled in full by the Company setting off the same amount against the Total Indebtedness.
- (b) PKNP shall pay to the Company the sum of RM15,700,000 in cash from either:
 - (i) the proceeds of the sale by PKNP of the shares in PTBS Sejati, to any party or parties, as the case may be. The Company shall grant such power or powers of attorney as may be reasonably required by PKNP to facilitate the sale by PKNP of the PTBS Sejati Shares, provided that the purchase consideration for such sale by PKNP of the PTBS Sejati Shares shall be no less than the Balance Sum. PKNP undertakes to cause the purchaser or purchasers, as the case may be, of the PTBS Sejati Shares to pay the Balance Sum directly to the Company in such manner acceptable to the Company on or before 30 June 2004. Pursuant to this mode of settlement, the relevant instrument of transfer for the PTBS Sejati Shares which may have been executed by PKNP as the Company's attorney for the purpose of transferring the PTBS Sejati Shares to the purchaser or purchasers as the case may be, of the PTBS Sejati Shares and are to be held by Messrs. Abdul Raman Saad & Associates of Level 12, Menara Pelangi, Jalan Kuning, Taman Pelangi, 80400 Johor Bahru as stakeholders. The relevant instrument of transfer of the PTBS Sejati Shares shall be released to the purchaser or purchasers as the case may be, by the stakeholders to effect the transfer of the PTBS Sejati Shares upon receipt of a written confirmation from the Company that the Company has received the Balance Sum; or
 - (ii) such other sources as shall be acceptable to the Board. In this event, upon receipt by the Company of the Balance Sum, the Company shall release and transfer the PTBS Sejati Shares back to PKNP, whereby any power or powers of attorney granted by the Company to PKNP as stated in Paragraph (b)(i) above shall be automatically revoked and all documents which may have been executed by PKNP as attorney for the Company for the sale of the PTBS Sejati Shares shall be terminated.
- (c) Subject always to the completion of the settlements set out in (a) and (b) above on or before 30 June 2004, the Company agrees that the balance of the Total Indebtedness amounting to RM8,983,496, representing approximately 42% of the interest accruing on the Total Indebtedness up to 30 June 2003 shall be waived by the Company.

Extension of time

Further to the Sale and Purchase Agreement dated 6 February 2004 executed in conjunction with the Proposed Settlement, the Company and PKNP, via a letter dated 31 March 2004, have mutually agreed to extend the period in which all conditions precedent to the said Sale and Purchase Agreement are to be satisfied for an additional one (1) month up to 30 April 2004.

Issue of shares

During the year, 1,571,000 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 Employee Share Option Scheme at an exercise price of RM2.04 per share. The new ordinary shares issued during the year ranked pari passu in all respects with the existing ordinary shares of the Company.

DIRECTORS' REPORT

for the year ended 31 December 2003

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.

Details of the ESOS are set out in Note 21(b) to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose in this report the name of the person to whom options have been granted during the year and details of their holdings.

Directors

The Directors who have held office during the period since the date of the last report are as follows:

YH Dato' Kamaruddin bin Mohammed
YH Dato' Haji Lias bin Mohd Noor
En Nowawi bin Abdul Rahman
Mr Tee Kim Tee @ Tee Ching Tee
Mr Tee Cheng Hua
Tuan Dr Haji Amad @ Ahmad bin Aman
Mr Ng Say Pin
Puan Sharina Bahrin
En Kamarudin bin Abdull Rani

Appointed on: 15.01.2004
Resigned on: 26.12.2003

In accordance with Article 97 of the Company's Article of Association, Mr Tee Kim Tee @ Tee Ching Tee and Tuan Dr Haji Amad @ Ahmad bin Aman 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 Article of Association, Puan Sharina Bahrin, who was appointed during the period, retire at the forthcoming Annual General Meeting and, being eligible, offer herself for re-election.

Directors' benefits

During and at the end of the year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate other than the Company's Employees Share Option Scheme (see Note 8 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 28 to the financial statements.

DIRECTORS' REPORT

for the year ended 31 December 2003 (continued)

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 in the Company and its related corporations are as follows:

Shareholdings in the name of the Director:	Number of ordinary shares of RM1 each			
	1.1.2003	Bought	Sold	31.12.2003
Mr Tee Kim Tee @ Tee Ching Tee	242,000	-	-	242,000
Mr Tee Cheng Hua	91,000	166,000	-	257,000
YH Dato' Haji Lias bin Mohd Noor	3,300	-	-	3,300
En Nowawi bin Abdul Rahman	-	20,000	-	20,000
Shareholding in which the Directors are deemed to have an interest:				
Mr Tee Kim Tee @ Tee Ching Tee	865,000	206,000	-	1,071,000
	Number of options over ordinary shares of RM1 each			
	1.1.2003	Exercised	Lapsed	31.12.2003
En Nowawi bin Abdul Rahman	250,000	(20,000)	-	230,000

None of the other Directors held any interest in shares in the Company and its related corporations during the year.

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 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 Company inadequate to any substantial extent; or
- which would render the values attributed to current assets in the financial statements of the Group and Company misleading; or
- which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and Company misleading or inappropriate.

DIRECTORS' REPORT

for the year ended 31 December 2003

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 year which, in the opinion of the Directors, will or may affect the ability of the Group or 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 Company which has arisen since the end of the year which secures the liability of any other person; or
- any contingent liability of the Group or 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.

In the opinion of the Directors:

- the results of the Group's and 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 year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or Company for the year in which this report is made.

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

In accordance with a resolution of the Board of Directors dated 23 April 2003.

Dato' Kamaruddin bin Mohammed
Chairman

Nowawi bin Abdul Rahman
Executive Director

INCOME STATEMENTS

for the year ended 31 December 2003

	Notes	Group		Company	
		2003 RM	2002 RM	2003 RM	2002 RM
Sales	5	70,994,515	57,902,722	18,972,159	13,537,740
Other operating income		1,477,097	238,634	789,438	503,965
Staff costs		(3,218,447)	(3,016,946)	(1,077,507)	(782,492)
Depreciation		(2,064,838)	(2,143,278)	(325,657)	(253,998)
Amortisation on leasehold land		(1,837,304)	(1,837,283)	(420,080)	(420,080)
Upkeep and cultivation		(7,985,678)	(7,173,770)	(1,273,401)	(1,141,300)
Harvesting		(8,233,041)	(7,761,717)	(1,741,663)	(1,463,847)
Estate general charges		(1,860,433)	(1,820,617)	(434,811)	(414,788)
Replanting expenses		(4,412,123)	(2,139,354)	(1,314,312)	(880,567)
Other operating expenses		(5,145,823)	(4,732,696)	(2,088,229)	(1,794,780)
Profit from operations	6	37,713,925	27,515,695	11,085,937	6,889,853
Finance cost	7	(15,067)	(799,782)	(212,090)	(232,939)
Share of results of associates		11,545,381	5,917,655	-	-
Profit from operating activities before tax		49,244,239	32,633,568	10,873,847	6,656,914
Tax :					
- Company and subsidiaries		(11,161,907)	(8,192,644)	(1,651,841)	(2,149,374)
- Associates		(5,015,875)	(758,644)	-	-
	9	(16,177,782)	(8,951,288)	(1,651,841)	(2,149,374)
Profit after tax		33,066,457	23,682,280	9,222,006	4,507,540
Minority interests		(1,807,346)	(1,883,348)	-	-
Net profit for the year		31,259,111	21,798,932	9,222,006	4,507,540
Earnings per share (sen)					
- basic	10(a)	49.16	35.24		
- diluted	10(b)	48.69	34.94		
Dividend per share (sen)	11	17	15	17	15

The notes on pages 88 to 109 form an integral part of these financial statements.

BALANCE SHEETS as at 31 December 2003

	Notes	Group		Company	
		2003 RM	2002 RM	2003 RM	2002 RM
Non current assets					
Property, plant and equipment	12	265,939,649	269,122,807	52,437,161	52,831,213
Subsidiaries	13	-	-	27,899,348	27,899,348
Associates	14	46,491,449	39,501,943	9,250,000	8,500,000
Unquoted investments, at cost	15	2,299,075	2,299,075	1,170,000	1,170,000
Breeding stocks		760,439	918,811	168,462	170,633
		315,490,612	311,842,636	90,924,971	90,571,194
Current assets					
Inventories		1,123,625	1,676,293	665,300	1,246,955
Receivables, deposits and prepayments	16	77,513,498	64,918,513	73,456,332	60,853,843
Tax recoverable		1,844,746	1,878,920	375,793	595,001
Deposits, bank and cash balances	17	34,134,074	15,173,960	10,276,372	6,747,363
		114,615,943	83,647,686	84,773,797	69,443,162
Less: Current liabilities					
Payables	18	5,846,383	6,082,325	59,398,711	51,151,519
Current tax liabilities		37,118			
Borrowings (interest bearing)	19	11,020,000	4,932,600	11,020,000	4,932,600
		16,903,501	11,014,925	70,418,711	56,084,119
Net current assets		97,712,442	72,632,761	14,355,086	13,359,043
Less: Non current liabilities					
Deferred tax liabilities	20	45,750,922	40,859,134	6,889,889	6,898,255
Borrowings (interest bearing)	19	1,345,000	2,365,000	1,345,000	2,365,000
		47,095,922	43,224,134	8,234,889	9,263,255
		366,107,132	341,251,263	97,045,168	94,666,982
Capital and reserves					
Share capital	21	64,190,000	62,619,000	64,190,000	62,619,000
Share premium	22	5,823,730	4,189,890	2,773,004	1,139,164
Capital reserve	23	141,809	303,480	1,151	6,017
Reserve on consolidation		6,468	6,468	-	-
Revaluation reserve	24	96,185,062	96,185,062	6,369,749	6,369,749
Retained earnings	25	173,495,263	153,489,909	23,711,264	24,533,052
Shareholders' equity		339,842,332	316,793,809	97,045,168	94,666,982
Minority interest		26,264,800	24,457,454	-	-
		366,107,132	341,251,263	97,045,168	94,666,982

The notes on pages 88 to 109 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY for the year ended 31 December 2003

Group	Notes	Share capital (Note 21) RM	Non-distributable			Distributable	Total
			Share premium (Note 22) RM	Capital reserve (Note 23) RM	Revaluation reserve (Note 24) RM		
At 1 January 2002							
- as previously reported		61,600,000	3,130,130	329,641	124,485,419	141,040,215	303,585,405
- change in accounting policy	26	-	-	-	(28,300,357)	(6,550,856)	(34,851,213)
- as restated		61,600,000	3,130,130	329,641	96,185,062	134,489,359	295,734,192
- Net loss not recognised in the income statement		-	-	(26,161)	-	-	(26,161)
Issue of shares - share options		1,019,000	1,059,760	-	-	-	2,078,760
Net profit for the year		-	-	-	-	21,798,932	21,798,932
Dividend for the year ended: - 31 December 2001		-	-	-	-	(2,798,382)	(2,798,382)
At 31 December 2002		62,619,000	4,189,890	303,480	96,185,062	153,489,909	316,787,341
At 1 January 2003							
- as previously reported		62,619,000	4,189,890	303,480	124,485,419	162,828,468	354,426,257
- change in accounting policy	26	-	-	-	(28,300,357)	(9,388,559)	(37,638,916)
- as restated		62,619,000	4,189,890	303,480	96,185,062	153,489,909	316,787,341
- Net loss not recognised in the income statement		-	-	(161,671)	-	-	(161,671)
Issue of shares - share options		1,571,000	1,633,840	-	-	-	3,204,840
Net profit for the year		-	-	-	-	31,259,111	31,259,111
Dividend paid for the year ended: - 31 December 2002		-	-	-	-	(8,949,757)	(8,949,757)
- 31 December 2003		-	-	-	-	(2,304,000)	(2,304,000)
At 31 December 2003		64,190,000	5,823,730	141,809	96,185,062	173,495,263	339,835,864

The notes on pages 88 to 109 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2003

Company	Notes	Share capital (Note 21) RM	Non-distributable			Distributable	Total
			Share premium (Note 22) RM	Capital reserve (Note 23) RM	Revaluation reserve (Note 24) RM		
At 1 January 2002		61,600,000	79,404	1,984	8,451,388	27,039,454	97,172,230
- as previously reported	26	-	-	-	(2,081,639)	(4,769,342)	(6,877,981)
- change in accounting policy		61,600,000	79,404	1,984	6,369,749	22,243,112	90,294,049
- as restated		-	-	4,033	-	-	4,033
- Net loss not recognised in the income statement		1,019,000	1,059,760	-	-	-	2,078,760
Issue of shares - share options		-	-	-	-	4,507,540	4,507,540
Net profit for the year		-	-	-	-	-	-
Dividend for the year ended:		-	-	-	-	(2,217,600)	(2,217,600)
- 31 December 2001		62,619,000	1,139,164	6,017	6,369,749	24,533,052	94,666,982
At 31 December 2002							
At 1 January 2003		62,619,000	1,139,164	6,017	8,451,388	26,349,668	101,565,237
- as previously reported	26	-	-	-	(2,081,639)	(4,816,616)	(6,898,255)
- change in accounting policy		62,619,000	1,139,164	6,017	6,369,749	24,533,052	94,666,982
- as restated		-	-	(4,866)	-	-	(4,866)
- Net loss not recognised in the income statement		1,571,000	1,633,840	-	-	-	3,204,840
Issue of shares – share options		-	-	-	-	9,222,066	9,222,066
Net profit for the year		-	-	-	-	-	-
Dividend paid for the year ended		-	-	-	-	(7,739,794)	(7,739,794)
- 31 December 2002	11	-	-	-	-	(2,304,000)	(2,304,000)
- 31 December 2003	11	-	-	-	-	-	-
At 31 December 2003		64,190,000	2,773,004	1,151	6,369,749	23,711,264	97,045,168

The notes on pages 88 to 109 form an integral part of these financial statements.

CASH FLOW STATEMENTS

for the year ended 31 December 2003

	Notes	Group		Company	
		2003 RM	2002 RM	2003 RM	2002 RM
Operating activities					
Net profit for the year		31,259,111	21,206,601	9,222,006	4,507,540
Adjustments to reconcile net profit/(loss) for the year to cash from operations:		-	-	-	-
Minority interest		1,807,346	2,475,679	-	-
Allowance for doubtful debts					434,889
Property, plant and equipment					
- depreciation and amortisation		3,902,142	3,980,561	745,737	674,078
- written off		30,385	8,926	4,861	4
- (gain)/loss on disposal		(298,322)	1,391	(79,490)	-
Share of profit of associates		(11,545,381)	(5,917,655)	-	-
Bad debts written off		-	-	38,115	-
Interest expenses		294,394	868,876	294,394	286,250
Dividend income		-	-	(6,130,037)	(3,893,358)
Interest income		(279,327)	(69,094)	(82,304)	(53,311)
Tax		16,177,782	8,951,288	1,651,841	2,149,374
		41,348,130	31,506,573	5,665,123	4,105,466
Changes in working capital:					
- inventories		552,668	(512,398)	581,655	(347,001)
- receivables, deposits and prepayments		(12,594,985)	(2,813,060)	(12,528,381)	(491,925)
- subsidiaries		-	-	14,432,022	11,873,267
- payables		(239,241)	(1,335,383)	(114,073)	(909,298)
Cash from operations		29,066,572	26,845,732	8,036,346	14,230,509
Interest paid		(294,394)	(868,876)	(294,394)	(868,876)
Interest received		279,327	69,094	82,304	53,311
Tax paid		(6,198,827)	(5,752,326)	(1,441,000)	(1,038,960)
Net cash flow from operating activities		22,852,678	20,293,624	6,383,256	12,375,984

CASH FLOW STATEMENTS

for the year ended 31 December 2003

	Notes	Group		Company	
		2003 RM	2002 RM	2003 RM	2002 RM
Investing activities					
Property, plant and equipment					
- proceed from disposal		344,230	6,435	89,680	-
- purchase		(795,277)	(645,129)	(422,373)	(374,871)
Investment in associate		(750,000)	-	(750,000)	-
Dividend received from associate		290,000	-	-	-
Net cash used in investing activities		(911,047)	(638,694)	(1,082,693)	(374,871)
Financing activities					
Exercise of share options					
- issue of shares		1,571,000	1,019,000	1,571,000	1,019,000
- share premium		1,633,840	1,059,760	1,633,840	1,059,760
Drawn down of borrowings		10,000,000	762,600	10,000,000	762,600
Repayment of borrowings		(4,932,600)	(3,620,000)	(4,932,600)	(3,620,000)
Dividend paid		(11,253,757)	(2,798,382)	(10,043,794)	(2,217,600)
Net cash used in financing activities		(2,981,517)	(3,577,022)	(1,771,554)	(2,996,240)
Increase in cash and cash equivalents		18,960,114	16,077,908	3,529,009	9,004,873
Cash and cash equivalents					
- at start of year		15,173,960	(903,948)	6,747,363	(2,257,510)
- at end of year	17	34,134,074	15,173,960	10,276,372	6,747,363

The notes on pages 88 to 109 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2003

1. GENERAL INFORMATION

The principal activities of the Group and Company are investment holding and oil palm plantations. The principal activities of the subsidiaries are set out in Note 13 to the financial statements.

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and Company have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies.

The financial statements comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965. The new accounting standards adopted in these financial statements are as follows:

- MASB 25 "Income Taxes"
- MASB 29 "Employee Benefits"

There are no changes in accounting policy that effect net profit or shareholders equity with the exception of MASB 25 (Note 26).

The preparation of financial statements in conformity with the current applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 requires the Directors to make 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 revenues and expenses during the reported year. Actual results could differ from those estimates.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Property, plant and equipment

Property, plant and equipment are initially stated at cost. Long term leasehold land, 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. The cost of property, plant and equipment comprises their purchase cost and any incidental cost of acquisition.

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

Long term leasehold land is amortised in equal instalments over the period of the respective leases that range from 85 to 99 years. Mature and immature plantations are not depreciated. Other property, plant and equipment are depreciated on the straight line basis to write off the cost of the assets, or their revalued

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

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

amounts, to their residual values over their estimated useful lives at the following annual rates:

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

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

(b) Estate planting expenditure

New planting

Planting expenditure of oil palm in immature areas have been capitalised as immature plantation cost and shown as property, plant and equipment. All planting expenditure incurred during the year on the new oil palm plantations which have achieved maturity during the first half of the year will be taken to the income statement as revenue expenditure. Planting expenditure incurred on new oil palm plantations, which have achieved maturity in the second half of the year would be capitalised.

Replanting

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

(c) Subsidiaries

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. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. Subsidiaries are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of are included from the date of acquisition up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The excess of the cost of acquisition over the fair value of the Group's share of the subsidiaries identifiable net assets at the date of acquisition is reflected as goodwill on consolidation.

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interest is measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree. Separate disclosure is made of the minority interest.

(d) Associates

Associates are enterprises in which the Group exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not control over those policies. Investments in associates are accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the associates.

Equity accounting involves recognising the Group's share of the post acquisition results of associates in the income statement and its share of post acquisition movements within reserves in reserves. The cumulative post acquisition movements are adjusted against the cost of the investment and includes goodwill on acquisition (net of accumulated

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

(d) Associates (continued)

amortisation). Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred obligations or made payments on behalf of the associate. 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.

(e) 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.

Investments 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.

(f) Impairment of assets

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flow. The impairment loss is charged to the income statement.

(g) Breeding stocks

Breeding stocks are the lower of cost or net selling value. The natural increase resulting from the valuation of breeding stocks at current net selling value is transferred to capital reserve.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first in, first out method. In arriving at net realisable value, due allowance is made for all obsolete and slow moving items.

(i) Trade receivables

Trade receivables are carried at invoiced amount less an estimate made for doubtful debts based on a review of outstanding amounts at the year end. Bad debts are written off when identified.

(j) Cash and cash equivalents

For the purposes of the cash flow statement, 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.

(k) Income taxes

Current tax expense is determined according to the tax law in which the Group operates and includes all taxes based on the taxable profits.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred tax.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

(l) 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

The Group has defined contribution benefits scheme in accordance with local conditions in Malaysia.

The Group's contributions to defined contribution plans are charged to the income statement in the year to which they relate. Once the contributions have been paid, the Company has no further payment obligations.

(iii) Equity compensation benefits

Details of the Group's Employees Share Option Scheme are set out in Note 21(b) to the financial statements. The Group does not make any charge to the income statement in connection with share options granted. When the share options are exercised, the proceeds received, net of any transactions costs, are credited to share capital and share premium.

(m) Financial instruments

(i) Financial instruments recognised on the balance sheet

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

(ii) Fair value estimation for disclosure purposes

The carrying amounts of cash approximate fair values because of the short maturity periods of those instruments.

In assessing the value of borrowings, the Company assumes that the interest rates on borrowings approximate the current market interest rates and accordingly the carrying values approximate the fair values.

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

(iii) Currency exposure profile

The currency exposure profile of financial assets and liabilities are in Ringgit Malaysia.

(n) Revenue recognition

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

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

Income from rental and interest are recognised on accrual basis.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Interest rate risk

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk

The Group's exposure to market risk comprises primarily the fluctuations in the palm oil prices and over dependence on foreign workers. 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 as well as improving its operations efficiency via cost saving measures and productivity improvement programs. The Group also has implemented an appropriate mechanisation system and is continuously improving the estate infrastructure to encourage locals to work in the estates.

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. SALES

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Sales of fresh fruit bunches	70,994,515	57,902,722	12,842,122	9,644,382
Dividend	–	–	6,130,037	3,893,358
	70,994,515	57,902,722	18,972,159	13,537,740

6. PROFIT FROM OPERATIONS

The following items have been charged/(credited) in arriving at profit from operations:

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Auditors' remuneration – statutory audit	66,500	66,500	20,000	20,000
Bad debts written off	38,115	–	38,115	–
Property, plant and equipment – written off	30,385	6,907	4,861	4
– (gain)/ loss on disposal	(298,322)	1,391	(79,490)	–
Amount written off – subsidiary	–	–	4,708	–
Allowance for doubtful debts – subsidiary	–	–	–	434,889
Dividend from a subsidiary (gross)	–	–	(5,840,037)	(3,893,358)
Dividend from an associate (gross)	–	–	(290,000)	–
Rental income	(16,430)	(26,109)	–	–
Interest income	(279,327)	(69,094)	(82,304)	(53,311)
Profit on disposal of breeding stocks	(149,585)	(73,447)	–	–
The number of employees at end of the year	107	113	55	54

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

7. FINANCE COST

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Interest expense	294,394	868,876	294,394	286,250
Interest income	(279,327)	(69,094)	(82,304)	(53,311)
	15,067	799,782	212,090	232,939

8. DIRECTORS' REMUNERATION

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Directors of the Company				
Non-executive Directors				
– Fees	190,000	165,750	190,000	165,750
– Other emoluments	69,000	24,328	69,000	24,328
	259,000	190,078	259,000	190,078
Executive Directors:				
– Fees	60,000	36,750	60,000	36,750
– Other emoluments	416,253	363,423	416,253	363,423
	476,253	400,173	476,253	400,173
Directors of subsidiaries:				
Non-executive Directors:				
– Fees	127,300	184,000	–	–
Total	862,553	774,251	735,253	590,251

9. TAX

(a) Tax charge for the year

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Malaysian income tax	11,285,994	5,571,254	1,660,207	2,129,100
Deferred tax (Note 20)	4,891,788	3,380,034	(8,366)	20,274
	16,177,782	8,951,288	1,651,841	2,149,374
Malaysian income tax				
Current year	11,536,399	5,588,520	1,660,207	2,129,100
Over accrual in prior year	(250,405)	(17,266)	–	–
	11,285,994	5,571,254	1,660,207	2,129,100
Deferred tax				
Reversal of temporary differences	4,891,788	3,380,034	(8,366)	20,274
	16,177,782	8,951,288	1,651,841	2,149,374

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2003 (continued)

9. TAX (continued)

(b) Numerical reconciliation of income tax expense

The tax on the Group's and Company's profit before tax differs from the theoretical amount that would arise using the statutory income tax rate of Malaysia as follows:

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Profit before tax	49,244,239	32,633,568	10,873,847	6,656,914
Tax calculated as follow:				
– at a tax rate of 20%	40,000	–	–	–
– at a tax rate of 28% (2002: 28%)	13,732,517	9,137,399	3,044,677	1,863,936
Tax effect of:				
– expenses not deductible for tax purposes	706,726	709,823	323,574	285,438
– under/(over) provision for prior year	1,698,539	–	–	–
– under provision of tax in associates	–	(895,934)	–	–
– income not taxable	–	–	(1,716,410)	–
Tax expense	16,177,782	8,951,288	1,651,841	2,149,374

10. EARNINGS PER SHARE

(a) Basic earnings per share

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

	2003	2002
Net profit for the year (RM)	31,259,111	21,798,932
Weighted average number of ordinary shares in issue	63,583,644	61,862,200
Basic earnings per share (sen)	49.16	35.24

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

(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: share options granted to employees.

In respect of share options granted to employees, 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 year for the share options calculation.

	2003	2002
Weighted average number of ordinary shares in issue	63,583,644	61,862,200
Adjustment for share options	620,053	529,284
Weighted average number of ordinary shares for diluted earnings per share	64,203,697	62,391,484
Diluted earnings per share (sen)	48.69	34.94

11. DIVIDENDS

Dividends paid, declared or proposed for year ended 31 December 2003 are as follows :

	Group and Company			
	31.12.2003		31.12.2002	
	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 dividend declared	5	2,304,000	5	2,254,284
Proposed				
– Final dividend	10	4,621,680	5	2,296,260
– Tax exempt/Special dividend	2	1,283,800	5	3,189,250
	17	8,209,480	15	7,739,794

Interim dividend declared by the Company was in respect of the year ended 31 December 2003, which was paid on 28 October 2003.

The Board of Directors has proposed a final dividend of ten (10) sen per share less 28% Malaysian Income Tax and tax exempt dividend of two (2) sen on 64,190,000 ordinary shares amounting to RM5,905,480 for the year ended 31 December 2003. The proposed dividend is subject to the approval from the shareholders in the Annual General Meeting to be held at a later date. These financial statements do not reflect this final dividend, which will be accrued as a liability in the year ending 31 December 2004 upon approval by the shareholders.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2003 (continued)

12. PROPERTY, PLANT AND EQUIPMENT

	Long term leasehold land	Immature and mature plantations	Buildings	Plant and machinery	Motor vehicles, furniture, fixtures and equipment	Assets under construction	Total
Group	RM	RM	RM	RM	RM	RM	RM
Net book value at 1 January 2002	149,799,682	114,697,496	3,728,647	741,463	3,512,385	–	272,479,673
Additions	–	270,482	19,987	108,384	246,276	–	645,129
Disposals	–	–	(2,474)	(441)	(11,818)	–	(14,733)
Written off	–	–	–	–	(2,019)	–	(2,019)
Reclassifications	–	16,505	(102,816)	425,775	(344,146)	–	(4,682)
Depreciation charge	(1,837,283)	–	(756,620)	(256,125)	(1,130,533)	–	(3,980,561)
Net book value at 31 December 2002	147,962,399	114,984,483	2,886,724	1,019,056	2,270,145	–	269,122,807
Additions	–	100,103	20,221	169,045	345,613	160,295	795,277
Disposals	–	–	(760)	(9,713)	(35,435)	–	(45,908)
Written off	–	–	(3,829)	(5,238)	(21,318)	–	(30,385)
Transfer	–	–	–	55,087	(55,087)	–	–
Depreciation charge	(1,837,304)	–	(755,778)	(348,007)	(961,053)	–	(3,902,142)
Net book value at 31 December 2003	146,125,095	115,084,586	2,146,578	880,230	1,542,865	160,295	265,939,649
At 31 December 2002							
Cost	–	3,620,622	10,456,530	3,504,260	10,682,460	–	28,263,872
Valuation	172,357,000	111,363,861	–	–	–	–	283,720,861
Accumulated depreciation	(24,394,601)	–	(7,569,806)	(2,485,204)	(8,412,315)	–	(42,861,926)
Net book value	147,962,399	114,984,483	2,886,724	1,019,056	2,270,145	–	269,122,807
At 31 December 2003							
Cost	–	3,720,725	10,382,480	3,278,821	8,646,471	160,295	26,188,792
Valuation	172,357,000	111,363,861	–	–	–	–	283,720,861
Accumulated depreciation	(26,231,905)	–	(8,235,902)	(2,398,591)	(7,103,606)	–	(43,970,004)
Net book value	146,125,095	115,084,586	2,146,578	880,230	1,542,865	160,295	265,939,649

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

	Long term leasehold land	Immature and mature plantations	Buildings	Plant and machinery	Motor vehicles, furniture, fixtures and equipment	Total
Company	RM	RM	RM	RM	RM	RM
Net book value at 1 January 2002	32,806,020	18,897,976	591,508	17,414	932,065	53,244,983
Additions	–	121,391	9,347	55,689	188,444	374,871
Written off	–	–	–	–	(4)	(4)
Reclassifications	–	16,673	2,076	342,881	(361,630)	–
Depreciation charge	(420,080)	–	(130,700)	(37,865)	(199,992)	(788,637)
Net book value at 31 December 2002	32,385,940	19,036,040	472,231	378,119	558,883	52,831,213
Additions	–	96,988	–	10,150	315,235	422,373
Disposals	–	–	(760)	(5,783)	(3,647)	(10,190)
Written off	–	–	–	(2,748)	(2,113)	(4,861)
Transfer	–	–	–	–	(55,637)	(55,637)
Depreciation charge	(420,080)	–	(114,508)	(70,668)	(140,481)	(745,737)
Net book value at 31 December 2003	31,965,860	19,133,028	356,963	309,070	672,240	52,437,161
At 31 December 2002						
Cost	–	4,741,203	2,737,317	1,373,468	3,306,581	12,158,569
Valuation	39,249,000	14,294,837	–	–	–	53,543,837
Accumulated depreciation	(6,863,060)	–	(2,265,086)	(995,349)	(2,747,698)	(12,871,193)
Net book value	32,385,940	19,036,040	472,231	378,119	558,883	52,831,213
At 31 December 2003						
Cost	–	4,838,191	2,726,288	1,066,884	2,703,160	11,334,523
Valuation	39,249,000	14,294,837	–	–	–	53,543,837
Accumulated depreciation	(7,283,140)	–	(2,369,325)	(757,814)	(2,030,920)	(12,441,199)
Net book value	31,965,860	19,133,028	356,963	309,070	672,240	52,437,161

Details of independent professional valuation of long term leasehold, mature and immature plantations owned by the Group at 31 December 2003 are as follows :

Year of Valuation	Description of Property	Amount RM	Basis of Valuation
1990	Long term leasehold land, mature and immature plantations	74,995,601	Open market value
1995	Long term leasehold land, mature and immature plantations	102,402,923	Open market value
2000	Long term leasehold land, mature and immature plantations	230,177,024	Open market value

Net book value of revalued long term leasehold land, mature and immature plantations, had these assets been carried at cost less accumulated depreciation is not disclosed due to absence of historical records.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2003 (continued)

13. SUBSIDIARIES

Details of independent professional valuation of long term leasehold, mature and immature plantations owned by the Group at 31 December 2003 are as follows :

	Company	
	2003 RM	2002 RM
Unquoted shares, at cost	28,199,347	28,199,347
Allowance for diminution in value	(299,999)	(299,999)
	27,899,348	27,899,348

The Company holds the shares of all subsidiaries directly and indirectly. Details of the subsidiaries are as follows:

Effective interest of equity held by						
Name of Company	Country of incorporation	Company		Subsidiary		Principal Activities
		2003 %	2002 %	2003 %	2002 %	
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
Kampung Aur Oil Palm Company (Sdn.) Berhad	Malaysia	83	83	–	–	Oil palm plantations
*Madah Perkasa Sdn Bhd	Malaysia	–	–	83	83	Oil palm plantations
Gem Asia Sdn Bhd	Malaysia	100	100	–	–	Ceased operation

* Subsidiary of Kampung Aur Oil Palm Company (Sdn.) Berhad.

14. ASSOCIATES

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Unquoted shares, at cost	16,330,624	16,330,624	9,250,000	8,500,000
Group's share of post acquisition reserves	30,160,825	23,171,319	–	–
	46,491,449	39,501,943	9,250,000	8,500,000
Represented by :				
Share of net assets	45,220,138	38,126,280		
Goodwill on acquisition	1,271,311	1,375,663		
	46,491,449	39,501,943		

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

The details of the associates are as follows:

Effective interest of equity held by						
Name of Company	Country of incorporation	Company		Subsidiary		Principal Activities
		2003	2002	2003	2002	
		%	%	%	%	
* Prosper Palm Oil Mill Sdn Bhd	Malaysia	–	–	#25.5	25.5#	Palm oil mill
Kilang Kosfarm Sdn Bhd	Malaysia	29.0	29.0	–	–	Palm oil mill
* Business & Budget Hotels (Kuantan) Sdn. Bhd.	Malaysia	36.2	35.0	–	–	Hotelier

Equity is held indirectly through the subsidiaries

* Audited by other firms of auditors

15. UNQUOTED INVESTMENTS, AT COST

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Unquoted investment, at cost	1,170,000	1,170,000	1,170,000	1,170,000
Unconsolidated subsidiary	1,129,075	1,129,075	–	–
	2,299,075	2,299,075	1,170,000	1,170,000

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

The Company accordingly lost management 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 thereafter after it ceased operations in 2001.

16. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Trade receivables	5,022,271	4,541,698	39,240	26,723
Other receivables	68,154,385	57,143,129	67,669,859	55,967,150
Allowance for doubtful debts	(239,829)	(239,829)	(89,543)	(89,543)
	67,914,556	56,903,300	67,580,316	55,877,607
Amounts due from associates	3,159,006	2,055,850	3,159,006	2,055,850
Amounts due from subsidiaries	1,417,665	1,417,665	3,112,659	3,328,552
Allowance for doubtful debts	–	–	(434,889)	(434,889)
	1,417,665	1,417,665	2,677,770	2,893,663
	77,513,498	64,918,513	73,456,332	60,853,843

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

16. RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

Included in other receivables of the Group and Company are the followings :

- (a) Amounts due from its corporate shareholder, Perbadanan Kemajuan Negeri Pahang (PKNP) and Pascorp Holdings Sdn Bhd, a wholly owned subsidiary of PKNP, amounting to RM39,796,559 (2002: RM39,796,559), being deposits plus interest accrued (from year 1998 to 2000) pursuant to the call option agreements relating to the purchases of land and equity interest, and proceeds from disposal of investment in PT Berkas Sawit Sejati resulting from the rescission of Novation Agreement and Supplemental Novation Agreement with PKNP and PT Berkas Sawit Sentosa.
- (b) Amount due from PT Berkas Sawit Sejati being advance given for working capital amounting to RM11,652,772 (2002 : RM11,652,772)
- (c) Deposit paid to its corporate shareholder amounting to RM6,182,755 (2002 : RM4,000,000) in relation to the acquisition of an agriculture land.

The Company had entered into a settlement agreement with the relevant parties for settlement of item (a) and (b) above (see Note 30).

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.

Credit term of trade receivables to the Group and Company is 30 days (2002 : 30 days).

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Deposits with licensed banks	20,619,488	1,219,068	5,102,022	1,204,068
Deposit with licensed finance companies	2,045,000	845,000	1,800,000	600,000
Bank and cash balances	11,469,586	13,109,892	3,374,350	4,943,295
Deposits, bank and cash balances	34,134,074	15,173,960	10,276,372	6,747,363

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

	Group and Company	
	2003 %	2002 %
Deposits with licensed banks	2.6 – 3.0	3.2
Deposits with licensed finance companies	3.0	3.2

As at 31 December 2003, deposits of the Group and Company have maturity period of 30 to 90 days (2002 : 30 to 90 days). Bank balances are deposits held at call with banks.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

18. PAYABLES

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Trade payables	1,554,105	1,529,821	483,099	588,514
Other payables	550,207	599,602	404,778	185,564
Accruals	1,475,587	1,722,568	811,378	1,036,555
Amount due to related unconsolidated subsidiary	2,266,484	2,230,334	–	–
Amounts due to subsidiaries	–	–	57,699,456	49,340,886
	5,846,383	6,082,325	59,398,711	51,151,519

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

Credit terms of trade payables to the Group and Company ranges from 30 to 90 days (2002 : 30 to 90 days).

19. BORROWINGS (INTEREST BEARING)

	Group and Company	
	2003 RM	2002 RM
Current		
Short term borrowings (unsecured)	10,000,000	3,912,600
Term loan (unsecured)	1,020,000	1,020,000
	11,020,000	4,932,600
Non current		
Term loan (unsecured)	1,345,000	2,365,000
	12,365,000	7,297,600
Total		
Short term borrowings (unsecured)	10,000,000	3,912,600
Term loan (unsecured)	2,365,000	3,385,000
	12,365,000	7,297,600

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

19. BORROWINGS (INTEREST BEARING) (continued)

The weighted average interest rate at year end is as follows:

	Group and Company	
	2003 %	2002 %
Short term borrowings	4.65	5.25
Term loan	7.75	7.65

Fair value

The carrying value of non-current term loan approximates its fair value because the loan is subjected to floating interest rates.

20. DEFERRED TAX LIABILITIES

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

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Deferred tax assets	2,210,445	2,210,445	-	-
Deferred tax liabilities	(47,961,367)	(43,069,579)	(6,951,905)	(6,898,255)
	(45,750,922)	(40,859,134)	(6,951,905)	(6,898,255)
At start of year	(40,859,134)	(37,479,100)	(6,898,255)	(6,877,981)
Charged to income statement (Note 9) – property, plant and equipment	(4,891,788)	(3,380,034)	8,366	(20,274)
At end of year	(45,750,922)	(40,859,134)	(6,889,889)	(6,898,255)

21. SHARE CAPITAL

	Group and Company	
	2003 RM	2002 RM
(a) Authorised ordinary shares of RM1 each		
At start and end of year	500,000,000	500,000,000
Issued and fully paid ordinary shares of RM1 each		
At 1 January	62,619,000	61,600,000
Issued during the year – exercise of share option	1,571,000	1,019,000
At 31 December	64,190,000	62,619,000

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

(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.

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 eligibility for participation in the ESOS shall be at the discretion of the ESOS Committee appointed by the Board of Directors.
- The total number of shares to be offered shall not exceed in aggregate 10% of the issued share capital of the Company at any point of time during the tenure of the ESOS, which shall be in force for a period of five years from the date of the receipt of the last requisite approvals.
- 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 MSEC 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.
- An option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company before the expiry of five years from the date of the offer or such shorter period as may be specified in such offer.
- The persons to whom the Options have been granted have no right to participate by virtue of the Options in any share issue of any other company.

Set out below are details of options over the ordinary shares of the Company granted under the ESOS:

Grant date	Expiry date	Exercise price RM/share	At start of year RM'000	Granted RM'000	Exercised RM'000	Lapsed RM'000	Resigned RM'000	At end of year RM'000
Year ended 31.12.2003								
18.3.2002	17.3.2007	2.04	3,547	–	(1,565)	–	–	1,982
7.3.2003	16.12.2003	2.04	–	6	(6)	–	–	–
			3,547	6	(1,571)	–	–	1,982
31.12.2002								
18.3.2002	17.3.2007	2.04	–	4,626	(1,019)	(45)	(15)	3,547
Number of share options vested at the balance sheet date							31.12.2003	31.12.2002
							446,000	1,150,000

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

(b) Employees Share Option Scheme (continued)

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

Exercise date	Fair value of shares at share issue date RM/share	Exercise price RM/share	Number of shares issued	
			2003 Unit	2002 Unit
July 2002	2.53	2.04	–	40,000
August 2002	2.84	2.04	–	219,000
September 2002	2.72	2.04	–	399,000
October 2002	2.60	2.04	–	124,000
November 2002	2.63	2.04	–	128,000
December 2002	2.66	2.04	–	109,000
January 2003	2.78	2.04	301,000	–
February 2003	2.80	2.04	230,000	–
March 2003	2.80	2.04	161,000	–
April 2003	2.81	2.04	70,000	–
May 2003	2.89	2.04	5,000	–
July 2003	3.01	2.04	404,000	–
August 2003	3.02	2.04	34,000	–
September 2003	3.06	2.04	148,000	–
October 2003	3.31	2.04	57,000	–
November 2003	3.16	2.04	70,000	–
December 2003	3.16	2.04	91,000	–
			1,571,000	1,019,000

	2003 RM	2002 RM
Ordinary share capital at par	1,571,000	1,019,000
Share premium	1,633,840	1,059,760
Proceeds received on exercise of share options	3,204,840	2,078,760
Fair value at exercise date of shares issued	4,611,760	2,757,420

The fair value of shares issued on the exercise of options is the mean market price at which the Company's share were traded on the Malaysia Securities Exchange Berhad on the day prior to the exercise of the options.

22. SHARE PREMIUM

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
At 1 January	4,189,890	3,130,130	1,139,164	79,404
Exercise of share option	1,633,840	1,059,760	1,633,840	1,059,760
At 31 December	5,823,730	4,189,890	2,773,004	1,139,164

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

23. CAPITAL RESERVE

Capital reserve represents the fluctuation in the valuations of its breeding stocks due to the increase and decrease in the quantity of the livestock at its market value.

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
At 1 January	303,480	329,641	6,017	1,984
Transfer from/(to) breeding stock	(161,671)	(26,161)	(4,866)	4,033
At 31 December	141,809	303,480	1,151	6,017

24. REVALUATION RESERVE

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Undistributable				
– leasehold land and oil palm plantations	96,185,062	96,185,062	6,369,749	6,369,749
The movement of reserve was as follows:				
At start and end of year				
– as previously reported	124,485,419	124,485,419	8,451,388	8,451,388
– change in accounting policy (Note 26)	(28,300,357)	(28,300,357)	(2,081,639)	(2,081,639)
– as restated	96,185,062	96,185,062	6,369,749	6,369,749

25. RETAINED EARNINGS

Subject to confirmation by the Inland Revenue Board, as at 31 December 2003, the Company has tax exempt account of approximately RM7,443,000 (2002 : RM10,632,000) for the payment of tax exempt dividends.

The Company also has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of net dividend for the balance of its retained earnings.

26. CHANGE IN ACCOUNTING POLICY

During the year, the Group changed its accounting policy in deferred tax to comply with MASB 25 - Income Taxes.

In previous year, deferred tax was recognised for timing differences except when there was reasonable evidence that such timing differences would not reverse in the foreseeable future. The tax effect of timing differences that resulted in a debit balance or a debit to the deferred tax balance was not carried forward unless there was a reasonable expectation of its realisation.

The potential tax saving relating to tax loss carry forward was only recognised if there was assurance beyond any reasonable doubt that future taxable income would be sufficient for the benefit of the loss to be realised.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

26. CHANGE IN ACCOUNTING POLICY (continued)

Where there was intention to dispose of revalued assets, the deferred tax relating to such assets was recognized through a transfer from the related revaluation surplus. No provision or disclosure was made of this effect where the Group intended to hold to such assets for the foreseeable future.

The Group has now changed its accounting policy to recognise deferred tax on temporary differences arising between the amounts attributable to assets and liabilities for tax purposes and their carrying values in financial statements. Deferred tax assets are recognised to the extent that is probable that taxable profit will be available against which deductible temporary differences or unused tax losses can be utilised.

This change in accounting policy has been accounted for retrospectively.

The new accounting policy has the effect of reducing the Group and Company's net profit for the year ended 31 December 2003 by RM4,820,157 and RM53,650 respectively. The other effects of the change on the Group's and Company's financial statements are as follows:

	As previously reported	Effect of change in policy	As restated
	DR/(CR) RM	DR/(CR) RM	DR/(CR) RM
Group			
At 31 December 2001			
Deferred tax liabilities	-	(37,479,100)	(37,479,100)
Minority interest	(25,201,993)	2,627,887	(22,574,106)
Revaluation reserve	(124,485,419)	28,300,357	(96,185,062)
Retained earnings	(141,040,215)	6,550,856	(134,489,359)
Year ended 31 December 2002			
Minority interest	2,475,679	(592,331)	1,883,348
Tax expense	5,571,254	3,380,034	8,951,288
At 31 December 2002			
Deferred tax liabilities	-	(40,859,134)	(40,859,134)
Minority interest	(27,677,672)	3,220,218	(24,457,454)
Revaluation reserve	(124,485,419)	28,300,357	(96,185,062)
Retained earnings	(162,828,468)	9,338,559	(153,489,909)
Company			
At 31 December 2001			
Deferred tax liabilities	-	(6,877,981)	(6,877,981)
Revaluation reserve	(8,451,388)	2,081,639	(6,369,749)
Retained earnings	(27,039,454)	4,796,342	(22,243,112)
Year ended 31 December 2002			
Tax expense	2,129,100	20,274	2,149,374
At 31 December 2002			
Deferred tax liabilities	-	(6,898,255)	(6,898,255)
Revaluation reserve	(8,451,388)	2,081,639	(6,369,749)
Retained earnings	(29,349,668)	4,816,616	(24,533,052)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

27. SEGMENTAL INFORMATION

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

28. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

In addition to related party disclosure mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on terms and conditions attainable in transactions with unrelated parties.

Related parties	Relationship
- Dawn Oil Palm Plantations Sdn Bhd	Subsidiary
- B.S. Oil Palm Plantations Sdn Bhd	Subsidiary
- Kampong Aur Oil Palm Company (Sdn.) Berhad	Subsidiary
- Madah Perkasa Sdn Bhd	Subsidiary
- Gem Asia Sdn Bhd	Subsidiary
- Kilang Kosfarm Sdn Bhd	Associate
- Prosper Palm Oil Mill Sdn Bhd	Associate
- Rompin Palm Oil Mill Sdn Bhd	Related party
- LKPP Corporation Sendirian Berhad	Related party

The significant related party transactions are as follows:

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Subsidiaries				
- Dividend income from Kampong Aur Oil Palm Company (Sdn) Berhad	-	-	5,840,037	3,893,358
Related Parties				
- Dividend income from Kilang Kosfarm Sdn Bhd	-	-	290,000	-
Sales of fresh fruit bunch to:				
- Prosper Palm Oil Mill Sdn Bhd	7,686,253	5,532,228	7,686,253	5,532,228
- Rompin Palm Oil Mill Sdn Bhd	27,560,448	19,540,411	-	-
- Kilang Kosfarm Sdn Bhd	34,683,259	28,358,208	4,515,170	2,722,067
- LKPP Corporation Sendiran Berhad	362,550	257,263	362,550	257,263

The above transactions are carried out in the ordinary course of business of the respective companies.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

28. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (continued)

The outstanding balances for related party transactions carried out during the year are as follows:

Related parties	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Receivables:				
– Prosper Palm Oil Mill Sdn Bhd	662,005	489,222	662,005	489,222
– Rompin Palm Oil Mill Sdn Bhd	3,913,049	3,850,954	-	-
– Kilang Kosfarm Sdn Bhd	3,566,984	2,230,649	2,497,002	1,566,628
– LKPP Corporation Sendirian Berhad	39,24	26,723	39,240	26,723

29. CAPITAL COMMITMENTS

Capital expenditure not provided for in the financial statements is as follows:

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Property, plant and equipment:	297,000	2,480,000	297,000	2,480,000
– approved and contracted for	7,135,902	6,878,957	6,051,545	4,476,958
– approved but not contracted for	7,432,902	9,358,957	6,348,545	6,956,958

30. SIGNIFICANT POST BALANCE SHEET EVENTS

Proposed settlement

On 31 March 2004, the shareholders, in the Extraordinary General Meeting, had approved the proposed settlement of amounts owing by Perbadanan Kemajuan Negeri Pahang (PKNP) and Pascorp Holdings Sdn Bhd (Pascorp), a wholly-owned subsidiary of PKNP to the Company totalling RM64,883,496 (Total Indebtedness). Total Indebtedness is the amounts due and payable to the Company arising from the Pascorp Call Option Agreement, the PKNP Call Option Agreement and the Novation Agreements as at the cut-off date of 30 June 2003.

The Total Indebtedness shall be settled in the followings manners:

- simultaneous with the execution of the Settlement Agreement, PKNP shall and had entered into the BIM SPA with the Company for the sale of the BIM Lands by PKNP to the Company for an aggregate purchase consideration of RM40,200,000, which shall be settled in full by the Company setting off the same amount against the Total Indebtedness.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

- (b) PKNP shall pay to the Company the sum of RM15,700,000 in cash from either:
- (i) the proceeds of the sale by PKNP of the shares in PTBS Sejati, to any party or parties, as the case may be. The Company shall grant such power or powers of attorney as may be reasonably required by PKNP to facilitate the sale by PKNP of the PTBS Sejati Shares, provided that the purchase consideration for such sale by PKNP of the PTBS Sejati Shares shall be no less than the Balance Sum. PKNP undertakes to cause the purchaser or purchasers, as the case may be, of the PTBS Sejati Shares to pay the Balance Sum directly to the Company in such manner acceptable to the Company on or before 30 June 2004. Pursuant to this mode of settlement, the relevant instrument of transfer for the PTBS Sejati Shares which may have been executed by PKNP as the Company's attorney for the purpose of transferring the PTBS Sejati Shares to the purchaser or purchasers as the case may be, of the PTBS Sejati Shares and are to be held by Messrs. Abdul Raman Saad & Associates of Level 12, Menara Pelangi, Jalan Kuning, Taman Pelangi, 80400 Johor Bahru as stakeholders. The relevant instrument of transfer of the PTBS Sejati Shares shall be released to the purchaser or purchasers as the case may be, by the stakeholders to effect the transfer of the PTBS Sejati Shares upon receipt of a written confirmation from the Company that the Company has received the Balance Sum; or
 - (ii) such other sources as shall be acceptable to the Board. In this event, upon receipt by the Company of the Balance Sum, the Company shall release and transfer the PTBS Sejati Shares back to PKNP, whereby any power or powers of attorney granted by the Company to PKNP as stated in Note 3D (b)(i) above shall be automatically revoked and all documents which may have been executed by PKNP as attorney for the Company for the sale of the PTBS Sejati Shares shall be terminated.
- (c) Subject always to the completion of the settlements set out in (a) and (b) above on or before 30 June 2004, the Company agrees that the balance of the Total Indebtedness amounting to RM8,983,496, representing approximately 42% of the interest accruing on the Total Indebtedness up to 30 June 2003 shall be waived by the Company.

Extension of time

Further to the Sale and Purchase Agreement dated 6 February 2004 executed in conjunction with the Proposed Settlement, the Company and PKNP, via a letter dated 31 March 2004, have mutually agreed to extend the period in which all conditions precedent to the said Sale and Purchase Agreement are to be satisfied for an additional one (1) month up to 30 April 2004.

31. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 23 April 2004.

STATEMENT BY DIRECTORS

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

We, Dato' Kamaruddin bin Mohammed and Nowawi bin Abdul Rahman, two of the Directors of Far East Holdings Berhad, state that, in the opinion of the Directors, the financial statements set out on page 82 to 109 are drawn up so as to give a true and fair view of the state of affairs of the Group and Company as at 31 December 2003 and of the results and cash flows of the Group and Company for the year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

In accordance with a resolution of the Board of Directors dated 23 April 2003.

Dato' Kamaruddin bin Mohammed
Chairman

Nowawi bin Abdul Rahman
Executive Director

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Asmin binti Yahya, 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 page 82 to 109 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: 23 April 2003

Before me:

Commissioner for Oaths

REPORT OF THE AUDITORS TO THE MEMBERS OF Far East Holdings Berhad (14809 - W)-Incorporated in Malaysia

PricewaterhouseCoopers
(AF 1146)
Chartered Accountants
3rd Floor HSBC Bank Building
No.1, Jalan Mahkota
P.O.Box 236
25720 Kuantan
Pahang Darul Makmur, Malaysia
Telephone +60(9) 516 5896
Facsimile +60(9) 513 1246

1. We have audited the financial statements set out on page 82 to 109. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion:
 - (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Group and Company as at 31 December 2003 and of the results and cash flows of the Group and Company for the year ended on that date; and
 - (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries have been properly kept in accordance with the provisions of the Act.
4. We are satisfied that the financial statements 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 consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
5. The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection 3 of section 174 of the Act.

PricewaterhouseCoopers
[AF:1146]
Chartered Accountants

Shirley Goh
[1778/08/04 (J)]
Partner of the firm

Kuantan

23 April 2003.

HARTA - HARTA KUMPULAN GROUP PROPERTIES

Lokasi Location	Tempoh Tenure	Keluasan (hektar) Area (hectare)	Kegunaan Usage	Nilai Buku Bersih @ 31.12.2003 (RM'000) Net Book Value @ 31.12.2003 (RM'000)
Far East Holdings Berhad i) Ladang Sg. Seraya • Daerah Rompin Pahang Darul Makmur ii) Ladang Bukit Jin • Daerah Bera Pahang Darul Makmur iii) Ladang Sg. Rasau • Daerah Pekan Pahang Darul Makmur	Pajakan untuk tempoh sehingga 2079 Pajakan untuk tempoh sehingga 2079 Pajakan untuk tempoh sehingga 2091	841.74 2,104.35 118.04 <u>3,064.13</u>	Perladangan Kelapa Sawit Perladangan Kelapa Sawit Tanaman buah-buahan	 51,099
Kampung Aur Oil Palm Company (Sdn) Berhad i) Ladang Kampung Aur • Daerah Rompin Pahang Darul Makmur Madah Perkasa Sdn Bhd i) Ladang Sg. Gayung ii) Ladang Sg. Marung • Daerah Rompin Pahang Darul Makmur	Pajakan untuk tempoh sehingga 2070 2073 2074 2077 2079 2100 Pajakan untuk tempoh sehingga 2095	485.22 325.37 419.26 407.12 420.87 35.59 <u>2,093.43</u> <u>4,481.30</u>	Perladangan Kelapa Sawit 	 34,267 104,633
Dawn Oil Palm Plantations Sdn Bhd i) Ladang Dawn • Daerah Rompin Pahang Darul Makmur ii) Ladang Cempaka • Daerah Bera Pahang Darul Makmur	Pajakan untuk tempoh sehingga 2071 2072 2075 2076 2079 2096	246.45 250.90 297.85 133.14 420.87 452.60 <u>1,801.81</u>	Perladangan Kelapa Sawit 	 41,556
B.S Oil Palm Plantations Sdn Bhd i) Ladang Bukit Serok • Daerah Rompin Pahang Darul Makmur	Pajakan untuk tempoh sehingga 2071 2075 2076 2079 2085	563.73 350.46 346.82 420.87 357.74 <u>2,039.62</u>	Perladangan Kelapa Sawit	 29,655
Jumlah / Total		13,480.29		261,210

STRUKTUR PEGANGAN SAHAM PADA 28 APRIL 2004 SHAREHOLDINGS STRUCTURE AS AT 28 APRIL 2004

Authorised Share Capital of RM1 each: 500,000,000

Issued and Fully Paid Ordinary Shares of RM1 each: 64,336,000

No.	Nama Names	Pegangan Saham Shareholdings	%
1.	Perbadanan Kemajuan Negeri Pahang	11,398,400	17.72
2.	AMMB Nominees (Tempatan) Sdn. Bhd. A/C Prosper Trading Sdn. Berhad	11,396,000	17.71
3.	Prosper Trading Sdn. Bhd.	6,420,700	9.98
4.	Lembaga Kemajuan Perusahaan Pertanian Negeri Pahang	6,402,000	9.95
5.	Hikmat Elit Sdn. Bhd.	2,586,900	4.02
6.	Yeoh Kean Hua	1,535,000	2.39
7.	Affin Nominees (Tempatan) Sdn. Bhd. A/C Tee Kim Tee @ Tee Ching Tee	763,000	1.19
8.	Affin Nominees (Tempatan) Sdn. Bhd. A/C Majlis Ugama Islam Dan Adat Resam Melayu Pahang	660,000	1.03
9.	Mergeboom (M) Sdn. Bhd.	537,100	0.83
10.	Amanah Raya Berhad A/C Kumpulan Modal Bumiputra Pahang	532,200	0.83
11.	Bumiputra-Commerce Nominees (Tempatan) Sdn. Bhd. A/C Amanah Saham Pahang Berhad	374,000	0.58
12.	Man Foh @ Chan Man Foh	364,000	0.57
13.	Perbadanan Kemajuan Negeri Selangor	352,000	0.55
14.	Ang Kim Seng @ Ang Eng Hock	341,300	0.53
15.	Amanah Saham Mara Berhad	331,700	0.52
16.	Cimsec Nominees (Tempatan) Sdn. Bhd. A/C Tee Kim Tee @ Tee Ching Tee	308,000	0.48
17.	Phua Chee Eng	300,000	0.47
18.	Poo Ah Hai	288,000	0.45
19.	Yew Peng Du	272,000	0.42
20.	Foh Chong & Sons Sdn. Bhd.	262,900	0.41
21.	Soh Kock Huat	262,600	0.41
22.	Tee Cheng Hua	257,000	0.40
23.	Tee Chain Yee	250,000	0.39
24.	Soh Sin Leong	248,000	0.39
25.	Tan Kuang Hwa	243,800	0.38
26.	Tee Kim Tee @ Tee Ching Tee	242,000	0.38
27.	Liow Boon Seng	239,000	0.37
28.	Tan Keh Feng	228,000	0.35
29.	Ang Leng Leng	221,000	0.34
30.	Yap Chong Boo	210,000	0.33

STRUKTUR PEGANGAN SAHAM PADA 28 APRIL 2004 SHAREHOLDINGS STRUCTURE AS AT 28 APRIL 2004

SENARAI PEMEGANG SAHAM UTAMA LIST OF SUBSTANTIAL SHAREHOLDERS (5% ABOVE)

No.	Nama Names	Pegangan Saham Shareholdings	%
1.	Perbadanan Kemajuan Negeri Pahang	11,398,400	17.72
2.	AMMB Nominees (Tempatan) Sdn Bhd A/C Prosper Trading Sdn Bhd	11,396,000	17.71
3.	Prosper Trading Sdn Bhd	6,420,700	9.98
4.	Lembaga Kemajuan Perusahaan Pertanian Pahang	6,402,000	9.95

SENARAI PEGANGAN SAHAM PENGARAH LIST OF DIRECTORS' SHAREHOLDINGS

No.	Nama Names	Pegangan Saham Shareholdings	%
1.	YH Dato' Kamaruddin Bin Mohammed	–	–
2.	YH Dato' Haji Lias Mohd Noor	3,300	0.01
3.	Mr Tee Kim Tee @ TeeChing Tee	1,313,000	2.04
4.	Tuan Dr Haji Amad @ Ahmad Bin Aman	–	–
5.	Pn Sharina Bahrin	–	–
6.	En Nowawi Bin Abdul Rahman	20,000	0.03
7.	Mr Tee Cheng Hua	257,000	0.40
8.	Mr Ng Say Pin	–	–

ANALISA MENGIKUT SAIZ PEGANGAN SAHAM ANALYSIS BY SIZE OF SHAREHOLDINGS

Saiz Pemegang Saham Size of Shareholdings	Bil Pemegang Saham No. of Shareholders	% Pemegang Saham % of Shareholders	Bil Pemegang Saham No. of Shares Held	% Pegangan Saham % of Shareholdings
Less than 100	6	0.15	300	0.00
100 -1,000	363	8.92	171,384	0.27
1,001-10,000	3,344	82.20	8,214,166	12.77
10,001-100,000	310	7.62	6,639,700	10.32
100,001 to less than 5%	41	1.01	13,693,350	21.28
5% and above	4	0.10	35,617,100	55.36
TOTAL	4,068	100.00	64,336,000	100.00

STRUKTUR PEGANGAN SAHAM PADA 28 APRIL 2004 SHAREHOLDINGS STRUCTURE AS AT 28 APRIL 2004

PEGANGAN SAHAM BUMIPUTERA BUMIPUTRA SHAREHOLDINGS BREAKDOWN

Jenis Pemegang Type of Shareholders	Bil Pemegang No. of Shareholders	%	Bil Pegangan No. of Shareholdings	%
Government Agency	6	0.15	18,177,900	28.26
Bumiputra:				
a) Individuals	172	4.23	573,650	0.89
b) Companies	40	0.98	1,398,100	2.17
c) Nominees Company	170	4.18	14,978,900	23.28
Non-Bumiputra				
a) Individuals	3,401	83.60	17,080,983	26.55
b) Companies	54	1.33	10,445,300	16.24
c) Nominees Company	132	3.24	736,367	1.14
Malaysian Total	3,975	97.71	63,391,200	98.53
Foreign				
a) Individuals	46	1.13	423,100	0.66
b) Companies	2	0.05	6,500	0.01
c) Nominees Company	45	1.11	515,200	0.80
Foreign Total	93	2.29	944,800	1.47
Grand Total	4,068	100.00	64,336,000	100.00

MIKA SURAT INI SENGAJA DIKOSONGKAN
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BORANG PROKSI



FAR EAST HOLDINGS BERHAD
(14809 – W)

Saya / Kami _____

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 30 yang akan diadakan pada hari Isnin, 21 Jun 2004, Jam 3.00 petang di Bilik Meranti, Hyatt Regency, Kuantan Pahang Darul Makmur dan pada sebarang hari penangguhannya.

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

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

Ditandatangani pada _____ 2004 _____

Jumlah Saham Dipegang	
-----------------------	--

Tandatangan _____

Di hadapan* _____

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

NOTA

- Seorang ahli yang berhak dan mengundi dalam mesyuarat ini adalah berhak melantik proksi untuk hadir dan mengundi bagi pihaknya. Proksi tidak semestinya seorang ahli syarikat.
- Jika yang melantik sebuah perbadanan borang proksi mestilah dimeteri dengan cop mohor atau ditandatangani oleh peguam atau pegawai perbadanan tersebut.
- Borang proksi ini mestilah diserahkan kepada Pendaftar Saham (Malaysian Share Registration Services Sdn Bhd, Level 26, Menara Multi Purpose, Capital Square, No 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur) tidak lewat daripada empat puluh lapan (48) jam sebelum masa yang ditetapkan untuk mengadakan mesyuarat.

Setiausaha Syarikat
FAR EAST HOLDINGS BERHAD (14809 W)
Suite 5 & 6, Tingkat 8
Kompleks Teruntum,
Jalan Mahkota, 25000 Kuantan,
Pahang Darul Makmur

SETEM

PROXY FORM



FAR EAST HOLDINGS BERHAD
(14809 – W)

I / We _____

Of _____

being a member / members of FAR EAST HOLDINGS BERHAD, hereby appoint _____

of _____

or failing him the chairman of the meeting as my/our proxy to vote for me/us and on behalf at the 30 Annual General Meeting of Far East Holdings Berhad to be held on Monday, 21 June 2004 at 3.00 p.m, Meranti Room, Hyatt Regency, Kuantan Pahang Darul Makmur and at any adjournment thereof.

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

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

Signed this _____ day of _____ 2004.

Total shares held	
-------------------	--

Signature _____

Witness* _____

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

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not to be a member of the company.
2. Where the appointment is executed by a corporation, it must be either under seal or under the hand of any attorney or officer duly authorised.
3. The instrument appointing the proxy must be deposited at the Share Registrars Office (Malaysian Share Registration Services Sdn Bhd , Level 26, Menara Multi Purpose, Capital Square, No 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur) at least forty eight (48) hours before the time appointed for holding the meeting.

The Company Secretary
FAR EAST HOLDINGS BERHAD (14809 W)
Suite 5 & 6, Tingkat 8
Kompleks Teruntum,
Jalan Mahkota, 25000 Kuantan,
Pahang Darul Makmur

STAMP