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If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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Far East Holdings Berhad

[197301001753 (14809-W)]
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF
SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE ("RRPT")**

The above proposal will be tabled as Special Business at the Company's 50th Annual General Meeting ("**AGM**") which will be held at The Zenith Hotel, Jalan Putra Square 6, 25200 Kuantan, Pahang Darul Makmur on Wednesday, 12 June 2024 at 10.00 a.m. Notice of the 50th AGM of Far East Holdings Berhad together with the Form of Proxy are set out in the Annual Report of the Company for the financial year ended 31 December 2023.

A Proxy Form is enclosed which you are urged to complete and return in accordance with the instructions thereon as soon as possible so as to arrive at our registered office at Level 23, Menara Zenith, Jalan Putra Square 6, 25200 Kuantan, Pahang Darul Makmur not less than twenty four (24) hours before the time set for holding the meeting. The lodging of the Proxy Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy	:	11 June 2024 at 10.00 a.m.
Date and time of the 50 th Annual General Meeting	:	12 June 2024 at 10.00 a.m.

This Circular is dated 26 April 2024

DEFINITIONS

In this Circular and the accompanying appendices, the following abbreviations shall have the following meanings unless otherwise stated:-

“Act”	: The Malaysian Companies Act, 2016
“AGM”	: Annual General Meeting
“Board”	: The Board of Directors of FEHB
“BSOP”	: B.S. Oil Palm Plantations Sdn. Bhd. [Company No.: 197101000815 (11201-W)], a wholly-owned subsidiary of FEHB
“Bursa Securities”	: Bursa Malaysia Securities Berhad [Company No.: 200301033577 (635998-W)]
“Circular”	: This Circular is dated 26 April 2024 in relation to the Proposed Shareholders’ Mandate for RRPT
“CPO”	: Crude Palm Oil
“Constitution”	: The Constitution of the Company
“DOPP”	: Dawn Oil Palm Plantations Sdn. Bhd. [Company No.: 197101000854 (11200-X)], a wholly-owned subsidiary of FEHB
“Directors”	: Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a Director of Company or any other Company which is its subsidiary or holding company or a chief executive officer of the Company, its subsidiary or holding Company
“EGM”	: Extraordinary General Meeting
“EPOM”	: Endau Palm Oil Mill Sdn. Bhd. [Company No.: 199701035358 (450858-P)]
“FEHB” or “the Company”	: Far East Holdings Berhad [Company No.: 197301001753 (14809-W)]
“FEHB Group” or “the Group”	: FEHB and its subsidiary Companies
“FFB”	: Fresh Fruit Bunches
“FPSB”	: Future Prelude Sdn. Bhd. [Company No.: 200501031461 (713598-K)], a 46.24% associate of FEHB
“KAOP”	: Kampong Aur Oil Palm Company (Sdn.) Berhad [Company No.: 196701000033 (7017-X)], a 40.61% associate of FEHB
“KSMB”	: Kilang Sawira Makmur Sdn. Bhd. [Company No.: 199301027188 (281926-P)]
“KKSBB”	: Kilang Kosfarm Sdn. Bhd. [Company No.: 198901012012 (189319-K)], a 51% owned subsidiary of FEHB
“KOSMA”	: Koperasi Serbausaha Makmur Berhad, a Co-operative Society registered under the Co-operative Societies Act 1993
“PKPP”	: Perbadanan Kemajuan Pertanian Negeri Pahang
“LKPP Corp.”	: LKPP Corporation Sdn. Bhd. [Company No.: 199001008199 (199769-V)]
“LPD”	: Latest Practicable Date which is 31 March 2024 (being a date which is not more than 30 days prior to the date of the Circular)
“Major Shareholder”	: A person who has an interest or interests in one or more voting shares in a Company and the number or the aggregate number of those shares, is:- (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company. For the purpose of this definition, “interest in shares” shall have the same meaning given in Section 8 of the Act Includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a major shareholder of FEHB or any other Company which is its subsidiary or holding Company
“MPOB”	: Malaysian Palm Oil Board
“MPOM”	: Merchong Palm Oil Mill Sdn. Bhd. [Company No.: 201401012241 (1088321-T)]
“PGC”	: PGC Management Services Sdn. Bhd. [Company No.: 200401010079 (648582-P)]
“PCHSB”	: Prosper Capital Holdings Sdn. Bhd. [Company No.: 197801000199 (37206-D)]
“PTSB”	: Prosper Trading Sdn. Bhd. [Company No.: 198501012107 (144561-U)]
“PPOPM”	: Prosper Palm Oil Products Marketing Sdn. Bhd. [Company No.: 199401026380 (312061-M)]
“Person Connected”	: This shall have the same meaning as in Chapter 1 of the Listing Requirements

DEFINITIONS (Cont'd)

“Related party(ies)”	: A Director, Major Shareholder or a Person Connected with such Director or Major Shareholder who is interested in a RRPTs. For the purpose of this definition, “Director” and “Major Shareholders” shall have the same meanings as above
“Recurrent Related Party Transactions or RRPTs”	: Recurrent Related Party Transactions of a revenue or trading nature which is necessary for the day to day operations and is entered into by the Company or its subsidiaries in the ordinary course of business which involves the interest, direct or indirect, of a Related Party(ies)
“Related Party Transaction(s)”	: Transaction(s) entered into by FEHB or its subsidiaries which involve(s) the interest, direct or indirect, of Related Party(ies)
“RM” and “sen”	: Ringgit Malaysia and sen respectively
“RPOM”	: Rompin Palm Oil Mill Sdn. Bhd. [Company No.: 199401002833 (288511-T)]
“SC”	: Securities Commission
“WWSB”	: Wujud Wawasan Sdn. Bhd. [Company No.: 200501034093 (716234-P)]
“2023 Mandate”	: The Shareholders’ Mandate obtained on 14 June 2023 for the FEHB Group to enter into Recurrent Related Party Transactions
“2024 Mandate”	: The Proposed Shareholders’ Mandate to be obtained at the Company’s forthcoming AGM for the FEHB Group to enter into Recurrent Related Party Transactions and the Shareholders’ Mandate for the RRPT is from the forthcoming AGM until the next AGM

References to “our” in this Circular are to our Company. References to the “Group” are to our Company and our subsidiaries. All references to “you” in this Circular are to our shareholders.

Unless specifically referred to, words denoting the singular shall, if applicable, include the plural and vice versa and words denoting the masculine gender shall, if applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any references in this Circular to the provisions of any enactment, statute, rules, regulation, rules of stock exchange or guideline shall (when the context admits) be construed as a reference to the provisions of such enactment, statute, rules, regulation, rules of stock exchange or guideline (as the case may be) as modified by any written law or (if applicable) amendments to the enactment, statute, rules, regulation, rules of stock exchange or guideline for the time being in force.

Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof, are due to rounding.

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**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE
FOR EXISTING RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**



Far East Holdings Berhad

[197301001753 (14809-W)]
(Incorporated in Malaysia)

Registered Office

Far East Holdings Berhad
Level 23, Menara Zenith
Jalan Putra Square 6
25200 Kuantan
Pahang Darul Makmur

26 April 2024

Board of Directors

YH Dato' Sri Kamaruddin bin Mohammed	(Non-Independent, Group Chairman)
YH Dato' Suhaimi bin Mohd Yunus	(Non-Independent, Non-Executive Director)
YH Datuk Mohd Afrizan bin Husain	(Independent, Non-Executive Director)
YH Dato' Asmin binti Yahya	(Non-Independent, Executive Director/Chief Operating Officer)
Mr Tee Kim Tee @ Tee Ching Tee	(Non-Independent, Non-Executive Director)
Mr Tee Cheng Hua	(Non-Independent, Senior Executive Director, Plantations & Milling)
Encik Nik Mohamed Zaki bin Nik Yusoff	(Independent, Non-Executive Director)
Mr Tee Lip Teng	(Non-Independent, Non-Executive Director)
Ms Ng Yee Kim	(Independent, Non-Executive Director)

To the Shareholders of Far East Holdings Berhad

Dear Sir/Madam,

FAR EAST HOLDINGS BERHAD

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("Proposed RRPT Mandate")

1. INTRODUCTION

- 1.1 On 14 June 2023, the Company had at the Annual General Meeting ("AGM"), obtained a Shareholders' Mandate from its shareholders for the Company and/or its subsidiaries to enter into RRPT of a revenue or trading nature, which are necessary for FEHB Group's day-to-day operations and are in the ordinary course of business and on terms that are no more favourable to the Related Party than those generally available to the public.
- 1.2 FEHB had on 26 March 2024 announced that it proposed to seek the shareholders' approval at the forthcoming AGM to be convened in relation to the proposed renewal of the Shareholders' Mandate to allow FEHB Group to enter into RRPT provided that such transactions are made at arm's length, in the ordinary course of business and on normal commercial terms which are not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION RELATING TO THE RENEWAL OF SHAREHOLDERS' MANDATE TO BE OBTAINED AND TO SET OUT THE VIEW OF YOUR BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION WHICH WILL BE TABLED AT THE FORTHCOMING AGM TO BE CONVENED. A NOTICE OF THE 50TH AGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED HERewith IN THE ANNUAL REPORT OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023.

Shareholders are advised to read the contents of this Circular carefully before voting on the relevant resolution to approve the renewal of existing Shareholders' Mandate.

2. DETAILS OF THE PROPOSED RRPT MANDATE

2.1 Introduction

At the last AGM held on 14 June 2023, the shareholders of the Company had approved the Shareholders' Mandate for the existing RRPT to allow the Company and/or its subsidiary Companies, in their normal course of business, to enter into Recurrent Related Party Transactions of a revenue or trading nature with related parties which are necessary for its day-to-day operations on terms not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Pursuant to Paragraph 10.09(2), Part E of Chapter 10 of the Listing Requirements, the Company may seek a Shareholders' Mandate in respect of RRPT of a revenue nature, which are necessary for its day-to-day operations, subject to the following:-

- (i) The transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (ii) The Shareholders' Mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1), Part E of Chapter 10 of the Listing Requirements;
- (iii) The Company's circular to shareholders for the Shareholders' Mandate includes the information as may be prescribed by the Exchange, together with a checklist showing compliance with such information when submitting the Circular to the Exchange;
- (iv) In a meeting to obtain the Shareholders' Mandate, the relevant related party must comply with the requirements set out in Paragraph 10.08(7), Part E of Chapter 10 of the Listing Requirements; and
- (v) The Company immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

In complying with this requirement, the Board is now seeking a renewal of Shareholders' Mandate to authorise such transactions which are necessary for its day-to-day operation and are in the ordinary course of business.

Details of these RRPTs, which are in accordance with subparagraph 10.09(1) of the Listing Requirements, are set out in the ensuing sections.

2.2 Class of Related Parties

2.2.1 The principal activities of the Group are cultivation of oil palms, productions and sales of fresh fruit bunches, crude palm oil and palm kernel and investment holdings. The principal activities of the Company's subsidiaries and its related Companies are disclosed below:-

Name	Nature of Relationship	Date and Place of Incorporation	Principal Activities
KKSB	FEHB directly holds 51%* equity interest in KKSB	13.11.1989 Malaysia	Operating of palm oil mill
WWSB	KKSB directly holds 51%* equity interest in WWSB	29.11.2005 Malaysia	Operating of palm oil mill
PTSB	PTSB is a major shareholder of FEHB that holds 23.73%* equity interest in FEHB	09.09.1985 Malaysia	Trading of palm oil and palm kernel
PCHSB	FEHB directly holds 40%* equity interest in PCHSB	13.01.1978 Malaysia	Operating of palm oil mill and cultivation of oil palm
RPOM	PCHSB directly holds 30%* equity interest in RPOM	28.01.1994 Malaysia	Operating of palm oil mill
EPOM	PTSB directly holds 32%* equity interest in EPOM	23.10.1997 Malaysia	Operating of palm oil mill
PGC	KKSB directly holds 30%* equity interest in PGC	10.04.2004 Malaysia	Management Services in oil palm plantations and marketing of sales and purchases of CPO
PPOPM	PCHSB directly holds 30%* equity interest in PPOPM	18.08.1994 Malaysia	Trading and Marketing agent

2. DETAILS OF THE PROPOSED RRPT MANDATE (Cont'd)**2.2 Class of Related Parties (Cont'd)**

Name	Nature of Relationship	Date and Place of Incorporation	Principal Activities
KOSMA	KOSMA is a shareholder of WWSB that holds 49%* equity interest in WWSB	04.12.1967 (Incorporated under Cooperative Societies Act 1993) Malaysia	Operating of palm oil mill and cultivation of oil palm
LKPP Corp.	LKPP Corp. holds 5.96%* equity interest in FEHB. LKPP Corp. is a wholly owned subsidiary of PKPP. PKPP is a major shareholder of FEHB that holds 25.18%* equity interest in FEHB	21.06.1990 Malaysia	Operating of palm oil mill and cultivation of oil palm
KSMB	KSMB indirectly holds 31.50%* stake in KSMB via its associate i.e. Jaspurna Holdings Sdn. Bhd.	18.11.1993 Malaysia	Operating of palm oil mill
FPSB	FEHB and PCHSB directly hold 46.24% and 42.89% equity interest in FPSB respectively.	24.10.2005 Malaysia	Manufacturing and exporting palm oil, fatty acids and chemicals compounds or derivatives
MPOM	EPOM and Insan Sejagat Sdn. Bhd. directly holds 60% and 15% equity interest in MPOM respectively.	09.04.2014 Malaysia	Operating of palm oil mill

* As at 31 March 2024

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

(i) Sales of Fresh Fruit Bunches

Related Party	Nature of Transaction	Method of Pricing
KKSB	Sales of FFB by FEHB to KKSB and WWSB	Based on MPOB pricing and forward sales
WWSB	Sales of FFB between KKSB and WWSB	Based on MPOB pricing and forward sales
PCHSB	Sales of FFB by FEHB and KKSB to PCHSB	Based on MPOB pricing and forward sales
RPOM	Sales of FFB by FEHB to RPOM	Based on MPOB pricing and forward sales
EPOM	Sales of FFB by FEHB to EPOM	Based on MPOB pricing and forward sales
KSMB	Sales of FFB by FEHB to KSMB	Based on MPOB pricing and forward sales
LKPP Corp.	Sales of FFB by FEHB to LKPP Corp.	Based on MPOB pricing
MPOM	Sales of FFB by FEHB to MPOM	Based on MPOB pricing and forward sales

(ii) Purchases of Fresh Fruit Bunches

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

2. DETAILS OF THE PROPOSED RRPT MANDATE (Cont'd)

2.2 Class of Related Parties (Cont'd)

(iii) Sales of CPO

Related Party	Nature of Transaction	Method of Pricing
WWSB	Sales of CPO by KKSB to WWSB	Based on the MPOB/contract price
KKSB	Sales of CPO by WWSB to KKSB	Based on the MPOB/contract price
PCHSB	Sales of CPO by KKSB and WWSB to PCHSB	Based on the MPOB/contract price
RPOM	Sales of CPO by KKSB and WWSB to RPOM	Based on the MPOB/contract price
EPOM	Sales of CPO by KKSB and WWSB to EPOM	Based on the MPOB/contract price
PGC	Sales of CPO by KKSB and WWSB to PGC	Based on the MPOB/contract price
PPOPM	Sales of CPO by KKSB and WWSB to PPOPM	Based on the MPOB/contract price
KSMB	Sales of CPO by KKSB and WWSB to KSMB	Based on the MPOB/contract price
FPSB	Sales of CPO by KKSB and WWSB to FPSB	Based on the MPOB/contract price
MPOM	Sales of CPO by KKSB and WWSB to MPOM	Based on the MPOB/contract price

(iv) Purchases of CPO

Related Party	Nature of Transaction	Method of Pricing
KKSB	Purchases of CPO by WWSB from KKSB	Based on the MPOB/contract price
WWSB	Purchases of CPO by KKSB from WWSB	Based on the MPOB/contract price
PCHSB	Purchases of CPO by KKSB and WWSB from PCHSB	Based on the MPOB/contract price
RPOM	Purchases of CPO by KKSB and WWSB from RPOM	Based on the MPOB/contract price
EPOM	Purchases of CPO by KKSB and WWSB from EPOM	Based on the MPOB/contract price
PPOPM	Purchases of CPO by KKSB and WWSB from PPOPM	Based on the MPOB/contract price
KSMB	Purchases of CPO by KKSB and WWSB from KSMB	Based on the MPOB/contract price
FPSB	Purchases of CPO by KKSB and WWSB from FPSB	Based on the MPOB/contract price
MPOM	Purchases of CPO by KKSB and WWSB from MPOM	Based on the MPOB/contract price

(v) Sales of Kernel

Related Party	Nature of Transaction	Method of Pricing
KKSB	Sales of kernel by WWSB to KKSB	Based on the MPOB/contract price
WWSB	Sales of kernel by KKSB to WWSB	Based on the MPOB/contract price
PTSB	Sales of kernel by KKSB and WWSB to PTSB	Based on the MPOB/contract price
EPOM	Sales of kernel by WWSB to EPOM	Based on the MPOB/contract price
RPOM	Sales of kernel by KKSB and WWSB to RPOM	Based on the MPOB/contract price
KSMB	Sales of kernel by WWSB to KSMB	Based on the MPOB/contract price

2. DETAILS OF THE PROPOSED RRPT MANDATE (Cont'd)

2.2 Class of Related Parties (Cont'd)

(vi) Purchases of Kernel

Related Party	Nature of Transaction	Method of Pricing
KKSB	Purchases of kernel by WWSB from KKSB	Based on the MPOB/contract price
WWSB	Purchases of kernel by KKSB from WWSB	Based on the MPOB/contract price
EPOM	Purchases of kernel by WWSB from EPOM	Based on the MPOB/contract price
KSMB	Purchases of kernel by WWSB from KSMB	Based on the MPOB/contract price
RPOM	Purchases of kernel by KKSB and WWSB from RPOM	Based on the MPOB/contract price

(vii) Management Fee

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

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

2.2.3 The RRPTs for which approval is now being sought for the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM are as follows:-

Related Party	2024 Mandate	2023 Mandate		
	(A) Estimated value of transaction pursuant to 2024 Mandate** RM'000	(B) Estimated value of transaction disclosed in 2023 Mandate RM'000	(C) Actual value of transaction conducted pursuant to 2023 Mandate (as at LPD) RM'000	(D) Deviation between values in (C) and (B) %
FEHB	252,649	340,120	76,981	(77)
KKSB	182,912	262,727	56,887	(78)
WWSB	6,524	30,099	1,443	(95)
PCHSB	118,146	143,119	42,500	(70)
RPOM	18,686	64,605	5,273	(92)
EPOM	18,763	81,538	3,238	(96)
KSMB	68,727	88,324	20,949	(76)
LKPP Corp.	4,090	6,343	1,162	(82)
KOSMA	390,597	443,961	134,166	(70)
PGC	5,473	4,536	1,833	(60)
PPOPM	20,758	20,758	-	(100)
PTSB	105,810	128,528	36,601	(72)
FPSB	524,296	535,725	162,655	(70)
MPOM	107,567	131,313	34,677	(74)
Total	1,824,998	2,281,696	578,365	(75)

** The estimated value of transaction pursuant to 2024 is based on the estimated value as per 2023 which were based on accounting records and other estimated amount. The estimated figures will vary with the fluctuation of oil palm prices and production during the year.

The validity period of the Proposed Shareholders' Mandate is disclosed in Section 3 of this Circular.

2.2.4 The actual value of the above transactions that were transacted from the date on which the existing mandate was obtained at the last AGM for the Company on 14 June 2023 up to the LPD did not exceed the estimated value by 10% or more.

2. DETAILS OF THE PROPOSED RRPT MANDATE (Cont'd)

2.2 Class of Related Parties (Cont'd)

2.2.5 There is no threshold for the approval of Recurrent Related Party Transactions within the listed issuer's Group of Companies.

2.3 Amount Due and Owing Under Recurrent Related Party Transactions

The breakdown of the principal sum (without interest) for the total outstanding amount due and owing to the Group under the existing RRPT as per Section 2.2.1 of this Circular which exceeded the credit terms as at 31 December 2023 are as follows:-

(a) Receivables

Company	Outstanding Amount 1 year or less (RM'000)
PTSB	10,503
MPOM	9,989
Total	20,492

(b) Payables

Company	Outstanding Amount 1 year or less (RM'000)
PCHSB	1,161
PGC	224
RPOM	1,309
PTSB	75
MPOM	1,113
Total	3,882

There were no late payment charges imposed by the Group on the above outstanding amounts as they were trade in nature. The management from time to time will discuss with the debtors for early settlement of the outstanding amounts. The Board of Directors is of the opinion that there will be no recoverability issues as the debtors are related parties with a long-standing business relationship with the Group and has proven to be creditworthy debtors with good payment records.

2.4 Directors' and Major Shareholders' Interests and Person Connected

The interested major shareholders and interested Directors for all the transactions above are as follows:-

Interested Major Shareholders:-

- PTSB^{a1}
- PKPP^{a2}

Interested Directors:-

- YH Dato' Sri Kamaruddin bin Mohammed^{a3}
- YH Dato' Suhaimi bin Mohd Yunus^{a4}
- YH Dato' Asmin binti Yahya^{a4}
- Mr Tee Kim Tee @ Tee Ching Tee^{a5}
- Mr Tee Cheng Hua^{a6}
- Mr Tee Lip Teng^{a7}

Note:

^{a1} PTSB is a major shareholder of FEHB with equity interest of 23.73%^b and is deemed interested party in the Proposed RRPT Mandate. PTSB holds 32% equity stake in EPOM. PCHSB directly holds 49%^b equity stake in KKSBB, 40%^b equity stake in PGC, 30% equity stake in RPOM, 30% equity stake in PPOP and 44.67%^b equity stake in PTSB.

^{a2} PKPP is a major shareholder of FEHB with equity interest of 25.18%^b and is deemed interested party in the Proposed RRPT Mandate. PKPP holds 100%^b equity stake in LKPP Corp.

^{a3} YH Dato' Sri Kamaruddin bin Mohammed is deemed interested party in the Proposed Renewal of Shareholders' Mandate, by virtue of his directorship and indirect shareholding in FEHB, indirect interest in PGC and directorship in PKPP, KKSBB, WWSB, KSMB and MPOM.

^{a4} YH Dato' Suhaimi bin Mohd Yunus and YH Dato' Asmin binti Yahya are deemed interested party in the Proposed RRPT Mandate by virtue of their positions as Directors representing PKPP in FEHB's Board. YH Dato' Asmin binti Yahya is also a Director in KKSBB, LKPP Corp. and FPSB.

^{a5} Mr Tee Kim Tee @ Tee Ching Tee is deemed interested party in the Proposed RRPT Mandate, by virtue of his directorship and shareholding in FEHB and his directorship in KKSBB, PTSB, PCHSB, WWSB, RPOM, KSMB, EPOM and MPOM.

2. DETAILS OF THE PROPOSED RRPT MANDATE (Cont'd)

2.4 Directors' and Major Shareholders' Interests and Person Connected (Cont'd)

^{a6} Mr Tee Cheng Hua is deemed interested party in the Proposed RRPT Mandate, by virtue of his directorship and shareholding in FEHB and his directorship in KKSB, PTSB, PCHSB, WWSB, PGC, RPOM, KSMB, EPOM, FPSB and MPOM.

^{a7} Mr Tee Lip Teng is deemed interested party in the Proposed RRPT Mandate, by virtue of his directorship and shareholding in FEHB and his directorship in FPSB and PPOPM. He is also an alternate Director to Mr Tee Cheng Hua in KKSB, PTSB, PCHSB, WWSB, PGC, RPOM, KSMB, EPOM and MPOM.

^b As at 31 March 2024

2.5 Terms and Nature of the Recurrent Related Party Transactions

The Recurrent Related Party Transactions that will be covered by the Shareholders' Mandate relate to the sales of FFB, processing and sale of crude palm oil and palm kernel and management services by FEHB Group from the Mandated Related Parties.

The Recurrent Related Party Transactions will be made at arm's length on normal commercial terms which are no prejudicial to the interests of the shareholders of the Company, on terms no more favourable to the related party than those generally available to the public and on terms not to the detriment of the minority shareholders.

2.6 Disclosure and Review Procedures for the RRPTs

The review procedures for the RRPTs are as follows:-

- (i) A list of Mandated Related Parties will be prepared and the relevant companies will be notified that all RRPTs are required to be undertaken on an arm's length basis, on normal commercial terms which are not more prejudicial to the interests of the shareholders of the Company, on terms no more favourable to the related party than those generally available to the public and on terms not to the detriment of the minority shareholders;
- (ii) All RRPTs will be reviewed by the internal auditor and the management;
- (iii) A register will be maintained by the Company to record all RRPTs which are entered into pursuant to the Proposed RRPT Mandate;
- (iv) The annual internal audit plan shall incorporate a review of all RRPTs entered into pursuant to the Proposed RRPT Mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to;
- (v) At least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar types of products/services and/or quantities. In the event the quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors/customers of similar products or services, or if the product/service is a proprietary item), the transaction price will be determined by those offered by/to other unrelated parties for substantially similar type of transactions and approved by the Board to ensure that the Recurrent Related Party Transactions are not detrimental to the Group;
- (vi) The Group has in place adequate procedures and processes to monitor, to track and to identify the RRPT in a timely and orderly manner;
- (vii) The Board and the Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor RRPTs have been complied with and the review shall be done on yearly basis at the end of the year;
- (viii) The Board and the Audit Committee have reviewed the procedures and shall continue to review the procedures as and when required. If a member of the Board or Audit Committee has an interest in the transaction to be reviewed by the Board or the Audit Committee as the case may be, he will abstain from any decision making by the Board or the Audit Committee in respect of that transaction;
- (ix) The transaction prices will be based on the arm's length transaction which are agreeable to all parties; and
- (x) A disclosure of the aggregate value of Recurrent Transactions conducted pursuant to the Shareholders' Mandate is made in the Annual Report of the Company; showing a breakdown of the aggregate value of the Recurrent Transactions made during the financial year, amongst others, based on the following information:-
 - (a) the type of the Recurrent Transactions made; and
 - (b) the names of the related parties involved in each type of the Recurrent Transactions made and their relationship with the Company.

2. DETAILS OF THE PROPOSED RRPT MANDATE (Cont'd)

2.7 Rationale for the Proposed RRPT Mandate

The RRPTs are necessary for the FEHB Group's day-to-day operation. The RRPTs are with Related Parties, are mainly involved in activities related to sales of FFB, processing and sale of crude palm oil and palm kernel and management services. It is envisaged that in the normal course of business of the FEHB Group, transactions in respect of goods or services with the Related Parties will occur with some degree of frequency from time to time and may arise at any time.

The Proposed RRPT Mandate will also accord the FEHB Group with the following benefits:-

- (i) flexibility and choice of parties to enter into such transactions, whether with Related Parties or non-Related Parties;
- (ii) facilitate transactions with Related Parties which are in the ordinary course of business of the FEHB Group undertaken at arm's length, based on normal commercial terms and on terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interests of minority shareholders;
- (iii) facilitate transactions with Related Parties where in an expeditious manner to meet business needs which are necessary for its day-to-day operations particularly business needs which are time sensitive in nature; and
- (iv) eliminate the need to announce and convene separate general meetings to seek Shareholders' Mandate for each transaction and as such, substantially reduce expenses, time and other resources associated with the making of announcements and convening of general meetings on an ad-hoc basis, improve administrative efficiency considerably and allow financial and manpower resources to be channelled to attain more productive objectives.

In addition to the above benefits, the Related Parties had also proven to be reliable in its delivery of services and products as well as fulfilling the quality expectations of the FEHB Group. Due to previous business dealings with the Related Parties, the Related Parties are familiar with Group's operations and are able to meet the Group's business requirements even when short notice is given. This has allowed the Group to benefit from sudden business opportunities that had arisen.

2.8 Statement by the Audit Committee

The Audit Committee comprises the following Members:-

	Name of Members	Designation
1	YH Datuk Mohd Afrizan bin Husain	Chairman
2	Encik Nik Mohamed Zaki bin Nik Yusoff	Member
3	Ms Ng Yee Kim	Member

The Audit Committee has seen and reviewed the procedures set out in the Section 2.6 above and is of the view that the existing guidelines and review procedures for related parties transactions are sufficient to ensure that such transactions will be carried out at arm's length, on normal commercial terms which are not prejudicial to the interests of the shareholders of the Company, on terms no more favourable to the related party than those generally available to the public and on terms not to the detriment of minority shareholders.

3. VALIDITY PERIOD OF THE PROPOSED RRPT MANDATE

The Proposed RRPT Mandate, if approved at the forthcoming AGM, will continue to be in force until:-

- (i) the conclusion of the next AGM of the Company, at which time it will lapse, unless renewed by a resolution passed at the AGM, the authority is again renewed;
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in an AGM or EGM,

whichever is earlier.

Thereafter, approval from the shareholders for renewal of the mandate will be sought at each subsequent AGM of the Company.

4. FINANCIAL EFFECTS OF THE PROPOSED RRPT MANDATE

The Proposed RRPT Mandate will not have any financial effect on the issued share capital, earnings, substantial shareholding, Directors' shareholding, dividends and net assets of the Group.

5. APPROVAL REQUIRED

The Proposed RRPT Mandate is subject to the approval being obtained from the shareholders of FEHB at the forthcoming AGM.

6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS AND PERSON CONNECTED

6.1 Major Shareholders of FEHB and persons connected to them

Save as disclosed below, as at 31 March 2024 none of the other major shareholders of FEHB and/or persons connected with them, has any direct or indirect interest in the Proposed RRPT Mandate.

PKPP and PTSB are major shareholders by virtue of their 25.18% and 23.73% shareholdings in FEHB respectively.

PKPP and PTSB being major shareholders have undertaken that they shall ensure that the persons connected with PKPP and PTSB will abstain from voting at the forthcoming AGM on the Proposed RRPT Mandate.

Accordingly, PKPP and PTSB will abstain from voting at the forthcoming AGM in respect of their direct and indirect shareholdings on the Proposed RRPT Mandate.

The shareholding of PKPP and PTSB in FEHB as at 31 March 2024 is as follow:-

Major Shareholder	Total No. of Ordinary Shares			
	Direct	%	Indirect	%
PKPP	149,523,360	25.18	-	-
PTSB	140,922,264	23.73	-	-

6.2 Directors of FEHB and persons connected to them

Save as disclosed below, none of the other Directors of FEHB or persons connected to them have any interest, direct or indirect in the Proposed RRPT Mandate.

YH Dato' Sri Kamaruddin bin Mohammed is the Group Chairman of FEHB, YH Dato' Suhaimi bin Mohd Yunus, Mr Tee Kim Tee @ Tee Ching Tee and Mr Tee Lip Teng are Directors of FEHB. Mr Tee Cheng Hua is the Senior Executive Director, Plantations & Milling of FEHB and YH Dato' Asmin binti Yahya is an Executive Director/Chief Operating Officer of FEHB.

YH Dato' Sri Kamaruddin bin Mohammed is a Director in PKPP, KKSB, WWSB, Cheekah-Kemayan Plantations Sdn. Bhd., KSMB, MPOM and also has an indirect interest in PGC whereas YH Dato' Suhaimi bin Mohd Yunus and YH Dato' Asmin binti Yahya are Directors representing PKPP in FEHB's Board. YH Dato' Asmin binti Yahya is also a Director in KKSB, FPSB and LKPP Corp.

Mr Tee Kim Tee @ Tee Ching Tee is a Director in KKSB, PTSB, PCHSB, WWSB, RPOM, KSMB, EPOM and MPOM.

Mr Tee Cheng Hua is a Director in KKSB, PTSB, PCHSB, WWSB, PGC, RPOM, KSMB, EPOM, FPSB and MPOM.

Mr Tee Lip Teng is a Director in FPSB and PPOPM. He is also an alternate Director to Mr Tee Cheng Hua in KKSB, PTSB, PCHSB, WWSB, PGC, RPOM, KSMB, EPOM and MPOM.

Hence, YH Dato' Sri Kamaruddin bin Mohammed, YH Dato' Suhaimi bin Mohd Yunus, YH Dato' Asmin binti Yahya, Mr Tee Kim Tee @ Tee Ching Tee, Mr Tee Cheng Hua and Mr Tee Lip Teng being interested Directors will abstain from voting in respect of their direct and/or indirect shareholdings at the forthcoming AGM on the Proposed RRPT Mandate.

Accordingly, YH Dato' Sri Kamaruddin bin Mohammed, YH Dato' Suhaimi bin Mohd Yunus, YH Dato' Asmin binti Yahya, Mr Tee Kim Tee @ Tee Ching Tee, Mr Tee Cheng Hua and Mr Tee Lip Teng being interested directors have abstained and will continue to abstain from board deliberation and voting in respect of the Proposed RRPT Mandate.

The Directors of FEHB who are interested in the Proposed RRPT Mandate and their respective shareholdings in FEHB as at 31 March 2024 are as follows:-

Directors	Total No. of Ordinary Shares Held			
	Direct	%	Indirect	%
YH Dato' Sri Kamaruddin bin Mohammed	-	-	15,760,000	2.65
YH Dato' Suhaimi bin Mohd Yunus	100,000	0.02	-	-
YH Dato' Asmin binti Yahya	339,600	0.06	-	-
Mr Tee Kim Tee @ Tee Ching Tee	19,149,920	3.22	-	-
Mr Tee Cheng Hua	8,762,200	1.48	-	-
Mr Tee Lip Teng	1,260,000	0.21	-	-

7. STATUTORY AND OTHER GENERAL INFORMATION

Shareholders are requested to refer to the Appendix I of this Circular for further information.

8. DIRECTORS' RECOMMENDATION

The Board save and except for YH Dato' Sri Kamaruddin bin Mohammed, YH Dato' Suhaimi bin Mohd Yunus, YH Dato' Asmin binti Yahya, Mr Tee Kim Tee @ Tee Ching Tee, Mr Tee Cheng Hua and Mr Tee Lip Teng having considered all aspects of the Proposed RRPT Mandate, is of the opinion that the Proposed RRPT Mandate is in the best interest of the Company and its shareholders.

Accordingly, they (save and except for YH Dato' Sri Kamaruddin bin Mohammed, YH Dato' Suhaimi bin Mohd Yunus, YH Dato' Asmin binti Yahya, Mr Tee Kim Tee @ Tee Ching Tee, Mr Tee Cheng Hua and Mr Tee Lip Teng, who have abstained from deliberation and voting at the Board meetings of FEHB and are deemed interested in the Proposed RRPT Mandate) recommend that you vote in favour of the ordinary resolution to be tabled at the forthcoming AGM pertaining to the Proposed RRPT Mandate under the agenda of Special Business as set out in the Notice of AGM in the Annual Report of Far East Holdings Berhad for the financial year ended 31 December 2023.

9. ANNUAL GENERAL MEETING

The AGM of the Company will be held at The Zenith Hotel, Jalan Putra Square 6, 25200 Kuantan, Pahang Darul Makmur on Wednesday, 12 June 2024 at 10.00 a.m., for the purpose of considering and, if thought fit, passing the ordinary resolution pertaining to the Proposed RRPT Mandate under the agenda of Special Business as set out in the Annual Report.

If you are unable to attend and vote at the forthcoming AGM in person, you will find enclosed with this Circular a Form of Proxy which you are requested to complete, sign and return in accordance with the instructions contained therein as soon as possible and, in any event, so as to arrive at our registered office, Level 23, Menara Zenith, Jalan Putra Square 6, 25200 Kuantan, Pahang Darul Makmur not less than twenty four (24) hours before the time fixed for convening the AGM.

The completion and return of the Form of Proxy will not preclude you from attending and voting at the forthcoming AGM if you subsequently wish to do so.

10. FURTHER INFORMATION

Shareholders are required to refer to the attached Appendix I for further information.

Yours faithfully,
For and on behalf of the Board
FAR EAST HOLDINGS BERHAD



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DATUK MOHD AFRIZAN BIN HUSAIN
Chairman, Audit Committee
Independent, Non-Executive Director

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ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors and they individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all reasonable enquiries, to the best of their knowledge and belief, there are no facts and omission of which would make any statement herein misleading.

2. MATERIAL CONTRACT

Save as disclosed below, neither FEHB nor its subsidiary companies have entered into any contract which are and may be material within the two (2) years preceding the date of this Circular, other than contracts entered into in the ordinary course of business.

2.1 PROPOSED ACQUISITION OF 100% EQUITY INTEREST IN MERCHONG PALM OIL MILL SDN. BHD. ("PROPOSED ACQUISITION")

FEHB had on 28 February 2024 entered into a Share Sale and Purchase Agreement with Endau Palm Oil Mill Sdn. Bhd., Rangkaian Delima Plantation Sdn. Bhd. and Insan Sejahtera Sdn. Bhd. to acquire 10,000,000 ordinary shares in Merchong Palm Oil Mill Sdn. Bhd., representing 100% equity interest in MPOM for a purchase consideration of RM10.00 million satisfied entirely by cash and liabilities to be assumed by FEHB totalling RM52.86 million.

3. MATERIAL LITIGATION

As at the date of this Circular, neither FEHB nor FEHB's subsidiaries are engaged in any material litigation, either as plaintiff or defendant, claims or arbitration and the Directors are not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the FEHB Group.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at our registered office at Level 23, Menara Zenith, Jalan Putra Square 6, 25200 Kuantan, Pahang Darul Makmur during normal business hours from Mondays to Fridays (except for public holidays) from the date of this Circular to the date of the forthcoming AGM:-

- (a) Constitution of the Company;
- (b) The audited financial statements of the FEHB Group for the past two (2) financial years ended 31 December 2022 and 31 December 2023;
- (c) The unaudited quarterly report on consolidated results for the financial period ended 31 March 2024; and
- (d) The material contract referred to in Section 2 above.

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