



contents

NOTICE OF ANNUAL GENERAL MEETING	02 - 06
STATEMENT ACOMPANYING NOTICE OF ANNUAL GENERAL MEETING	07
KEY STATISTICS	08
CORPORATE INFORMATION	09
PROFILE OF DIRECTORS	10 - 12
CHAIRMAN'S STATEMENT	13 - 15
STATEMENT OF CORPORATE GOVERNANCE	16 - 19
REPORT OF THE AUDIT COMMITTEE	20 - 22
STATEMENT OF INTERNAL CONTROL	23
ADDITIONAL COMPLIANCE INFORMATION	24
FINANCIAL STATEMENTS 2008	25 - 76
LIST OF PROPERTIES OF THE GROUP	77
ANALYSIS OF SHAREHOLDINGS	78 - 80
FORM OF PROXY	81





NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninth (9th) Annual General Meeting of Harn Len Corporation Bhd ("Harn Len" or "the Company") (502606-H) will be held at Meranti Hall, 4th Floor, Johor Tower, 15 Jalan Gereja, 80100 Johor Bahru on Friday, the 26th day of June, 2009 at 11.30 a.m. for the following purposes:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2008 together with the Reports of the Directors and Auditors thereon
2. To approve the payment of Directors' fees for the financial year ended 31 December 2008 **(Resolution 1)**
3. To re-elect Mr Low Quek Kiong, a Director retiring in accordance with Article 84 of the Company's Articles of Association **(Resolution 2)**
4. To re-elect Mr Lee Chon Sing, a Director retiring in accordance with Article 84 of the Company's Articles of Association **(Resolution 3)**
5. To re-elect Mr Loh Wann Yuan, a Director retiring in accordance with Article 84 of the Company's Articles of Association **(Resolution 4)**
6. To consider and if thought fit, pass the following resolution: **(Resolution 5)**

"That pursuant to Section 129(6) of the Companies Act, 1965, Tan Sri Dato' Low Nam Hui who is over 70 years of age be re-appointed as Director of the Company to hold office until the next Annual General Meeting."
7. To re-appoint the retiring Auditors, Messrs KPMG as Auditors of the Company for the financial year ending 31 December 2009 and to authorise the Directors to fix their remuneration. **(Resolution 6)**

Special Business :

To consider and, if thought fit, pass with or without modification, the following **Ordinary Resolutions**:

8. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 **(Resolution 7)**
("Authority to allot and issue shares")

"That pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares so issued pursuant to this resolution in any one financial year does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."
9. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH SERI CEMERLANG PLANTATION (PAHANG) SDN BHD **(Resolution 8)**
("Proposed Shareholders' Mandate I")

"That, subject always to the Bursa Malaysia Listing Requirements, the Company and/or its subsidiary shall be mandated to enter into the category of recurrent transactions of a revenue or trading nature as specified in Section 2.2 of the Circular dated 03 June 2009 with Seri Cemerlang Plantation (Pahang) Sdn Bhd subject further to the following:-

i) the recurrent related party transactions are in the ordinary course of business which are necessary for the day to day operations and are on terms not more favourable than those generally available to the public and are made on an arm's length basis and on normal commercial terms and are not detrimental to the shareholders; and

ii) disclosure is made in the annual report of the recurrent related party transactions conducted pursuant to the shareholders' mandate during the financial year in the manner required under the Bursa Malaysia Listing Requirements and as set out in Section 2.2 of the Circular dated 03 June 2009;

iii) that the shareholders' mandate shall continue in force until:-

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

- a) the date of the next Annual General Meeting of the Company at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- b) the expiration of the period within which the next annual general meeting after that date is required to be held pursuant to section 143(1) of the Companies Act 1965 (but shall not extend to such extension as may be allowed pursuant to section 143(2) of the Companies Act 1965; or
- c) revoked or varied by resolution passed by the shareholders on general meeting;

whichever is the earlier; and

- iv) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.”

10. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH PENGANGKUTAN LOW NAM HUI SDN BHD (“Proposed Shareholders' Mandate II”) **(Resolution 9)**

“That, subject always to the Bursa Malaysia Listing Requirements, the Company and/or its subsidiary shall be mandated to enter into the category of recurrent transactions of a revenue or trading nature as specified in Section 2.2 of the Circular dated 03 June 2009 with Pengangkutan Low Nam Hui Sdn Bhd subject further to the following:-

- i) the recurrent related party transactions are in the ordinary course of business which are necessary for the day to day operations and are on terms not more favourable than those generally available to the public and are made on an arm's length basis and on normal commercial terms and are not detrimental to the shareholders; and
- ii) disclosure is made in the annual report of the recurrent related party transactions conducted pursuant to the shareholders' mandate during the financial year in the manner required under the Bursa Malaysia Listing Requirements and as set out in Section 2.2 of the Circular dated 03 June 2009;

iii) that the shareholders' mandate shall continue in force until:-

- a) the date of the next Annual General Meeting of the Company at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- b) the expiration of the period within which the next annual general meeting after that date is required to be held pursuant to section 143(1) of the Companies Act, 1965 (but shall not extend to such extensions as may be allowed pursuant to section 143(2) of the Companies Act, 1965; or
- c) revoked or varied by resolution passed by the shareholders on general meeting;

whichever is the earlier; and

- v) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.”

11. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH LOW NAM HUI & SONS SDN BHD (“Proposed Shareholders' Mandate III”) **(Resolution 10)**

“That, subject always to the Bursa Malaysia Listing Requirements, the company and/or its subsidiary shall be mandated to enter into the category of recurrent transactions of a revenue or trading nature as specified in Section 2.2 of the Circular dated 03 June 2009 with Low Nam Hui & Sons Sdn Bhd subject further to the following:-



NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

- i) the recurrent related party transactions are in the ordinary course of business which are necessary for the day to day operations and are on terms not more favourable than those generally available to the public and are made on an arm's length basis and on normal commercial terms and are not detrimental to the shareholders; and
- ii) disclosure is made in the annual report of the recurrent related party transactions conducted pursuant to the shareholders' mandate during the financial year in the manner required under the Bursa Malaysia Listing Requirements and as set out in Section 2.2 of the Circular dated 03 June 2009;
- iii) that the shareholders' mandate shall continue in force until:-
 - a) the date of the next Annual General Meeting of the Company at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
 - b) the expiration of the period within which the next annual general meeting after that date is required to be held pursuant to section 143(1) of the Companies Act, 1965 (but shall not extend to such extensions as may be allowed pursuant to section 143(2) of the Companies Act, 1965; or
 - c) revoked or varied by resolution passed by the shareholders on general meeting;

whichever is the earlier; and
- iv) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

12. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH COMET TRAVELS SDN BHD ("Proposed Mandate IV") **(Resolution 11)**

"That, subject always to the Bursa Malaysia Listing Requirements, the company and/or its subsidiary shall be mandated to enter into the category of recurrent transactions of a revenue or trading nature as specified in Section 2.2 of the Circular dated 03 June 2009 with Comet Travels Sdn Bhd subject further to the following:-

- i) the recurrent related party transactions are in the ordinary course of business which are necessary for the day to day operations and are on terms not more favourable than those generally available to the public and are made on an arm's length basis and on normal commercial terms and are not detrimental to the shareholders; and
- ii) disclosure is made in the annual report of the recurrent related party transactions conducted pursuant to the shareholders' mandate during the financial year in the manner required under the Bursa Malaysia Listing Requirements and as set out in Section 2.2 of the Circular dated 03 June 2009;
- iii) that the shareholders' mandate shall continue in force until:-
 - a) the date of the next Annual General Meeting of the Company at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
 - b) the expiration of the period within which the next annual general meeting after that date is required to be held pursuant to section 143(1) of the Companies Act, 1965 (but shall not extend to such extensions as may be allowed pursuant to section 143(2) of the Companies Act, 1965; or
 - c) revoked or varied by resolution passed by the shareholders on general meeting;

whichever is the earlier; and
- iv) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."



NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

13. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH GREEN RECYCLE BIOTECH ENTERPRISE ("Proposed Mandate V") **(Resolution 12)**

"That, subject always to the Bursa Malaysia Listing Requirements, the company and/or its subsidiary shall be mandated to enter into the category of recurrent transactions of a revenue or trading nature as specified in Section 2.2 of the Circular dated 03 June 2009 with Green Recycle Biotech Enterprise subject further to the following:-

- i) the recurrent related party transactions are in the ordinary course of business which are necessary for the day to day operations and are on terms not more favourable than those generally available to the public and are made on an arm's length basis and on normal commercial terms and are not detrimental to the shareholders; and
- ii) disclosure is made in the annual report of the recurrent related party transactions conducted pursuant to the shareholders' mandate during the financial year in the manner required under the Bursa Malaysia Listing Requirements and as set out in Section 2.2 of the Circular dated 03 June 2009;
- iii) that the shareholders' mandate shall continue in force until:-
 - a) the date of the next Annual General Meeting of the Company at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
 - b) the expiration of the period within which the next annual general meeting after that date is required to be held pursuant to section 143(1) of the Companies Act, 1965 (but shall not extend to such extensions as may be allowed pursuant to section 143(2) of the Companies Act, 1965; or
 - c) revoked or varied by resolution passed by the shareholders on general meeting;
 whichever is the earlier; and
- iv) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

14. To transact any other matter for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

By Order of the Board

Woo Min Fong (MAICSA No : 0532413)
Fong Siew Kim (MAICSA No : 7022188)
Company Secretaries

Johor Bahru
03 June 2009



NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

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 may but need not be a member of the Company.
2. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same Meeting.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
4. Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where the Proxy Form is executed by a corporation, it must be either under its Common Seal or under the hand of its attorney duly authorised.
6. The Proxy Form must be deposited with the Company Secretary at the Registered Office, 6th Floor, Johor Tower, 15, Jalan Gereja, 80100 Johor Bahru, Johor, not less than 48 hours before the time set for the Meeting.

7. Explanatory Notes on Special Business:

Resolution 7 - Authority to allot and issue shares

The Ordinary Resolution proposed in Agenda 8 above, if passed, will empower the Directors of the Company from the date of the above meeting until the next Annual General Meeting, unless previously revoked or varied at a general meeting, to issue shares in the Company up to an aggregate number not exceeding ten per centum of the issued share capital of the Company for the time being for such purposes as they consider would be in the interest of the Company.

Resolutions 8, 9, 10, 11 & 12 – Proposed Shareholders Mandate I, II, III, IV & V

The Ordinary Resolutions 8, 9, 10, 11 & 12 proposed in Agenda 9, 10, 11, 12 & 13 above, if passed, will renew the mandates for the Company and/or its subsidiaries to enter into the categories of recurrent transactions of a revenue or trading nature with Seri Cemerlang Plantation (Pahang) Sdn Bhd, Pengangkutan Low Nam Hui Sdn Bhd, Low Nam Hui & Sons Sdn Bhd, Comet Travels Sdn Bhd and Green Recycle Biotech Enterprise respectively as specified in Section 2.2 of the Circular to Shareholders dated 03 June 2009, which is sent out together with the Company's Annual Report 2008. The mandates shall continue in force until the date of the next Annual General Meeting of the Company unless earlier revoked or varied by ordinary resolution of the Company in a general meeting and is subject to renewal.



STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Name of Directors who are standing for re-election and re-appointment

1. Mr Low Quek Kiong
2. Mr Lee Chon Sing
3. Mr Loh Wann Yuan
4. Tan Sri Dato' Low Nam Hui

Detail of attendance of Directors at Board Meetings

* Please refer to Statement of Corporate Governance on page 16 of the Annual Report

Ninth (9th) Annual General Meeting of Harn Len Corporation Bhd

Place : Meranti Hall, 4th Floor, Johor Tower, 15 Jalan Gereja, 80100 Johor Bahru

Date and Time : Friday, 26 June 2009 at 11.30 a.m.

Securities holdings in the Company by the directors standing for re-election and re-appointment

The Directors' shareholdings as at 06 May 2009:

No.	Name Of Directors	Direct		Deemed interest in shares	
		No. of shares	%	No. of shares	%
1.	Low Quek Kiong	20,000	0.01	128,447,108 ⁽¹⁾	69.25
2.	Lee Chon Sing	50,001	0.03	-	-
3.	Loh Wann Yuan	1	-	-	-
4.	Tan Sri Dato' Low Nam Hui	-	-	128,467,108 ⁽²⁾	69.26

Note:-

- *1. Deemed interested in the shares held by Low Nam Hui United Holdings Sdn Bhd, Low Nam Hui & Sons Sdn Bhd, Yong Yaow Properties Sdn Bhd, LNH Enterprise Sdn Bhd and Seri Cemerlang Plantation (Pahang) Sdn Bhd and the shares held directly by his immediate family members Puan Sri Datin Chan Pui Leorn, Low Kok Yong, Low Siew Eng and Low Kok Yaow pursuant to Section 6A of the Companies Act, 1965.
- *2. Deemed interested in the shares held by Low Nam Hui United Holdings Sdn Bhd, Low Nam Hui & Sons Sdn Bhd, Yong Yaow Properties Sdn Bhd, LNH Enterprise Sdn Bhd and Seri Cemerlang Plantation (Pahang) Sdn Bhd and the shares held by his immediate family members Puan Sri Datin Chan Pui Leorn, Low Quek Kiong, Low Kok Yong, Low Siew Eng and Low Kok Yaow pursuant to Section 6A of the Companies Act, 1965.

Profile of Directors standing for re-election and re-appointment

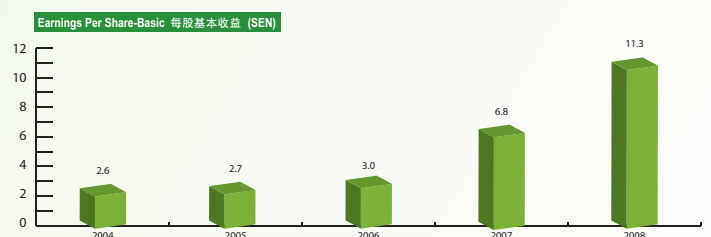
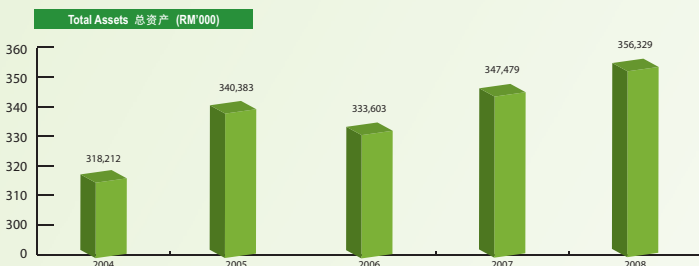
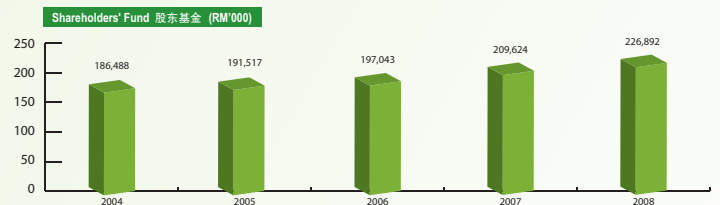
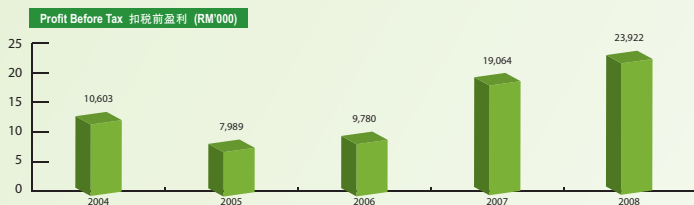
* Please refer to the section on profile of Directors on page 10 to 12 of the Annual Report 2008





5 YEARS KEY STATISTICS

	Units	2008	2007	2006	2005	2004
FINANCIAL PERFORMANCE						
Revenue	(RM'000)	137,528	101,067	70,903	64,046	72,487
Profit From Operations	(RM'000)	29,804	24,766	14,997	13,323	16,745
Profit Before Tax	(RM'000)	23,922	19,064	9,780	7,989	10,603
Taxation	(RM'000)	3,557	6,434	4,320	2,961	5,817
Net Profit	(RM'000)	20,365	12,630	5,460	5,028	4,786
Shareholders' Fund	(RM'000)	226,892	209,624	197,043	191,554	186,488
Total Assets	(RM'000)	356,329	347,479	333,603	340,383	318,212
Earnings Per Share-Basic	Sen	11.3	6.8	3.0	2.7	2.6
Net Tangible Assets Per Share	RM	1.18	1.09	1.02	0.97	0.93
ESTATES						
<u>Planted area</u>						
Mature	(ha)	11,957	9,367	8,342	7,599	7,599
Immature	(ha)	1,859	4,131	5,506	5,364	2,441
Total Planted Area	(ha)	13,816	13,498	13,848	12,963	10,040
<u>FFB Production</u>						
Yield Per Mature Hectare	(mt)	161,933	132,843	149,893	155,058	143,929
	(mt/ha)	13.543	14.182	17.968	20.405	18.941
MILLS						
<u>FFB Processed</u>						
Own FFB	(mt)	80,390	68,791	87,082	62,728	64,508
Outside FFB	(mt)	55,340	47,468	49,833	37,121	48,284
Total	(mt)	135,730	116,259	136,915	99,849	112,792
<u>Production</u>						
Crude Palm Oil	(mt)	27,191	23,588	27,485	18,757	21,323
Palm Kernel	(mt)	7,822	6,447	7,772	5,366	6,024
<u>Extraction Rate</u>						
Crude Palm Oil	(%)	20.04	20.28	19.83	18.76	18.89
Extraction Rate						
<u>Palm Kernel</u>						
Extraction Rate	(%)	5.78	5.58	5.78	5.38	5.34
<u>Average Selling Prices (Nett)</u>						
Crude Palm Oil	(RM/mt)	2,808	2,319	1,488	1,398	1,710
Palm Kernel	(RM/mt)	1,651	1,420	888	1,034	1,080



CORPORATE INFORMATION



From left to right:

Standing : Law Piang Woon, Low Kuek Kong, Low Kwek Lee, Lee Chon Sing

Sitting : Brig. Jen. (B) Dato' Ali Bin Hj. Musa, Low Quek Kiong, Tan Sri Dato' Low Nam Hui, Low Kueck Shin, Loh Wann Yuan

DIRECTORS

Tan Sri Dato' Low Nam Hui (Executive Chairman)
Mr Low Quek Kiong
Mr Low Kueck Shin
Mr Low Kwek Lee
Mr Low Kuek Kong
Mr Lee Chon Sing
Mr Loh Wann Yuan
Brig. Jen (B) Dato' Ali Bin Hj. Musa
Mr Law Piang Woon

REGISTERED OFFICE / BUSINESS ADDRESS

6th Floor, Johor Tower
15 Jalan Gereja
80100 Johor Bahru
Telephone : 07-2221777
Facsimile : 07-2249213

SECRETARIES

Ms Fong Siew Kim (MAICSA No. 7022188)
Ms Woo Min Fong (MAICSA No. 0532413)

SHARE REGISTRAR

Messrs Chua Woo & Company Sdn Bhd
Suite 1301, 13th Floor
City Plaza, Jalan Tebrau
80300 Johor Bahru
Telephone : 07-3322088
Facsimile : 07-3328096

AUDITORS

Messrs KPMG
Chartered Accountants
Level 14, Menara Ansar
80000 Johor Bahru
Johor, Malaysia

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
The Bank of Nova Scotia Berhad
Public Bank Berhad

STOCK EXCHANGE

Second Board of Bursa Malaysia Securities Berhad
("Bursa Malaysia")

PROFILE OF DIRECTOR



TAN SRI DATO' LOW NAM HUI
EXECUTIVE CHAIRMAN, NON-INDEPENDENT

Tan Sri Dato' Low Nam Hui, aged 91, a Malaysian, was appointed to the Board of Harn Len on 25 February, 2003 and was subsequently appointed the Executive Chairman on 1 August 2003. Currently, he is also the Chairman and Managing Director of Low Nam Hui & Sons Group of Companies ("LNHS Group"). An entrepreneur, immediately after the Second World War, he started off as a timber trader and then ventured into transportation, sawmilling, plywood manufacturing, oil palm plantations and palm oil mill operations, property development and hotel operations.

Apart from his directorship in the Company, he does not hold any directorship in other listed companies in Malaysia. He holds directorship in several private limited companies.

Tan Sri Dato' Low is the Honorary Adviser to the Johor Bahru Chinese Chamber of Commerce and Industry, Johore Associated Chinese Chamber of Commerce and Industry and The Associated Chinese Chambers of Commerce and Industry of Malaysia.

Tan Sri Dato' Low is the father of Mr Low Quek Kiong, Mr Low Kueck Shin, Mr Low Kwek Lee and Mr Low Kuek Kong who are all directors of the Company. He is a substantial shareholder of the Company by virtue of his indirect interest in shares held by his immediate family members and his family-owned companies. He is deemed interested in related party transactions carried out in the ordinary course of business between the Company and his family-owned companies which details are found in Note 30 of the Financial Statements.

LOW QUEK KIONG

NON-INDEPENDENT, EXECUTIVE

Low Quek Kiong ("Low QK"), aged 57, a Malaysian, was appointed to the Board of Harn Len on 25 February, 2003 and was subsequently appointed the Executive Director on 1 August 2003. He joined his family-owned business which have major interest in logging, transportation, sawmilling, plywood manufacturing, oil palm plantations and palm oil mill operations, property development and hotel operations after completing his education in the early 1970s and has gained invaluable business experience.

Apart from his directorship in the Company, he does not hold any directorship in other listed companies in Malaysia. He holds directorship in several private limited companies.

Mr Low QK is the son of Tan Sri Dato' Low and the brother of Mr Low Kueck Shin, Mr Low Kwek Lee and Mr Low Kuek Kong who are all directors of the Company. Mr Low QK is a substantial shareholder of the Company by virtue of his direct and indirect interest in shares held by his immediate family members and his family-owned companies. He is deemed interested in related party transactions carried out in the ordinary course of business between the Company and his family-owned companies which details are found in Note 30 of the Financial Statements.



LOW KUECK SHIN
NON-INDEPENDENT, EXECUTIVE

Low Kueck Shin ("Low KS"), aged 52, a Malaysian, was appointed to the Board of Harn Len on 25 February, 2003 and was subsequently appointed the Executive Director on 1 August 2003. Mr Low KS obtained his Higher National Diploma in Business Studies from Croydon Technical College, London, England. He has more than 25 years experience in the oil palm plantation business.

Apart from his directorship in the Company, he is also an independent non-executive director of OCI Berhad, a company listed on the Second Board of Bursa Malaysia Securities Berhad. He holds directorship in several private limited companies.

Besides his involvement in Harn Len, Mr Low KS is the Vice-President of Johor Bahru Chinese Chamber of Commerce and Industry.

Mr Low KS is the son of Tan Sri Dato' Low and the brother of Mr Low Quek Kiong, Mr Low Kwek Lee and Mr Low Kuek Kong who are all directors of the Company. Mr Low KS is a substantial shareholder of the Company by virtue of his indirect interest in shares held by his immediate family members and his family-owned companies. He is deemed interested in related party transactions carried out in the ordinary course of business between the Company and his family-owned companies which details are found in Note 30 of the Financial Statements.

PROFILE OF DIRECTOR (Cont'd)



LOW KWEK LEE
NON-INDEPENDENT, EXECUTIVE

Low Kwek Lee ("KL Low"), aged 50, a Malaysian, was appointed to the Board of Harn Len on 25 February, 2003 and was subsequently appointed the Executive Director on 1 August 2003. Mr KL Low obtained his Higher National Diploma in Business Studies from Brighton Technical College, London, England in 1980. He joined his family-owned diversified business with major interests in logging, transportation, sawmilling, plywood manufacturing, oil palm plantations and palm oil mill operations and hotel operations after completing his education.

Apart from his directorship in the Company, he does not hold any directorship in other listed companies in Malaysia. He holds directorship in several private limited companies.

Mr KL Low is the son of Tan Sri Dato' Low and the brother of Mr Low Quek Kiong, Mr Low Kueck Shin and Mr Low Kuek Kong who are all directors of the Company. Mr KL Low is a substantial shareholder of the Company by virtue of his indirect interest in shares held by his immediate family members and his family-owned companies. He is deemed interested in related party transactions carried out in the ordinary course of business between the Company and his family-owned companies which details are found in Note 30 of the Financial Statements.

LOW KUEK KONG
NON-INDEPENDENT, EXECUTIVE

Low Kuek Kong ("Low KK"), aged 42, a Malaysian, was appointed to the Board of Harn Len on 25 February, 2003 and was subsequently appointed the Executive Director on 1 August 2003. Mr Low KK graduated with a Degree in Economics in 1993. Prior to joining his family-owned transportation business in 1996, he was a Production Manager in an electronics firm.

Apart from his directorship in the Company, he does not hold any directorship in other listed companies in Malaysia. He holds directorship in several private limited companies.

Mr Low KK is the son of Tan Sri Dato' Low and the brother of Mr Low Quek Kiong, Mr Low Kueck Shin and Mr Low Kwek Lee who are all directors of the Company. Mr Low KK is a substantial shareholder of the Company by virtue of his indirect interest in shares held by his immediate family members and his family-owned companies. He is deemed interested in related party transactions carried out in the ordinary course of business between the Company and his family-owned companies which details are found in Note 30 of the Financial Statements.



LEE CHON SING
NON-INDEPENDENT, EXECUTIVE

Lee Chon Sing, aged 67, a Malaysian, was appointed to the Board of Harn Len on 15 April 2002 and was subsequently appointed the Group General Manager of Harn Len on 1 August, 2003. He is a member of the Remuneration Committee. He graduated from Nanyang University, Singapore with a Degree in Economics in 1965. He joined the LNHS Group in 1966 and was the General Manager of LNHS Group until July 2003.

Mr Lee is not related to any director or substantial shareholder of Harn Len. Apart from his directorship in the Company, he does not hold any directorship in other listed companies in Malaysia.

Mr Lee does not have any conflict of interest in any business arrangement involving the Company.

PROFILE OF DIRECTOR (Cont'd)



LOH WANN YUAN

INDEPENDENT, NON- EXECUTIVE

Loh Wann Yuan, aged 40, a Malaysian, was appointed to the Board of Harn Len on 15 April 2002. He is the Chairman of Audit Committee and Nomination Committee and also sits on the Remuneration Committee.

Apart from his directorship in the Company, he is also an independent non-executive director of OCI Berhad, a company listed on the Second Board of Bursa Malaysia Securities Berhad.

Mr Loh graduated from University of London with a Bachelor of Law Degree and Masters in Law. He was admitted and enrolled as an advocate and solicitor of the High Court of Malaya in 1994. He has been in active practice for the past 14 years with experience in conveyancing, commercial and corporate laws.

Mr Loh is not related to any director or substantial shareholder of Harn Len.

Mr Loh does not have any conflict of interest in any business arrangement involving the Company.

BRIG. JEN (B) DATO'ALI BIN HJ. MUSA

INDEPENDENT, NON-EXECUTIVE

Brig. Jen. (B) Dato' Ali Bin Hj Musa ("Dato' Ali"), aged 66, a Malaysian, was appointed to the Board of Harn Len on 25 February, 2003. Dato' Ali is the Chairman of the Remuneration Committee and also sits on the Audit and Nomination Committee .

Dato' Ali was an officer in the Malaysian Armed Forces until his retirement in July 1997. During his service as Brigadier General he commanded an infantry Brigade in Kelantan with up to 6,000 men and handled materials worth millions of ringgit.

Dato' Ali is not related to any director or substantial shareholder of Harn Len. Apart from his directorship in the Company, he does not hold any directorship in other listed companies in Malaysia. He is a director of several private limited companies.

Dato' Ali does not have any conflict of interest in any business arrangement involving the Company.



LAW PIANG WOON

INDEPENDENT, NON-EXECUTIVE

Law Piang Woon, aged 67, a Malaysian, was appointed to the Board of Harn Len on 5 August 2003. He is currently a member of the Audit Committee and Nomination Committee. He holds a Bachelor of Commerce (Accountancy) Degree and is currently practicing as a Public Accountant. Apart from his qualification as a Chartered Accountant of Malaysia, he holds various qualifications including Certified Public Accountant (Australia), Certified Public Accountant (Singapore), Fellow of Taxation Institute, Inc [FTII(M)] and Fellow of the Association of Chartered Certified Accountants (FCCA).

Mr Law is also an Independent Non-Executive Director of White Horse Berhad.

He is not related to any director or substantial shareholder of Harn Len.

Mr Law does not have any conflict of interest in any business arrangement involving the Company.

CONVICTION OF OFFENCE

None of the Directors have been convicted of any offence within the past 10 years other than traffic offences.



CHAIRMAN'S STATEMENT



TAN SRI DATO' LOW NAM HUI
EXECUTIVE CHAIRMAN

Introduction

On behalf of the Board of Directors, I am pleased to present to the shareholders the sixth annual report for Harn Len Corporation Bhd ("Harn Len") and an overview of the performance and results of the Company for the financial year ended 31 December 2008 and an assessment of the prospects for the forthcoming year.



Financial Performance

For the financial year ended 31 December 2008, Harn Len Group recorded a turnover of RM137,528,025 as compared to a turnover of RM101,066,920 for financial year 2007. This represents an increase of approximately 36.0% year on year. As a result, profit before tax increased to RM23,921,685 from RM19,064,232 for financial year 2007. The main reason for the huge improvement in financial performance is due to higher average prices of crude palm oil ("CPO"), fresh fruit bunches ("FFB") and palm kernel ("PK") in 2008. In 2008, average selling CPO prices for the Company increased to RM2,808 per metric tonne as against RM2,319 in the previous financial year.

The Company paid out its first dividend payment in the form of a single tier interim dividend of 2.0% per share for this financial year and represents the first dividend payment since its listing in 2003.

Prospects

The financial performance of the Group for the forthcoming year will again largely depend on the outlook for the oil palm industry as palm oil operations account for more than 90.0% of the Group's turnover.

The Malaysian oil palm industry recorded a satisfactory performance in 2008, characterized by high volatility including record prices in the first half of 2008 and a sudden plunge in prices in tandem with other global commodity prices in the second half of the year. The tendency is still for CPO price to move in correlation to crude oil prices. Average CPO price increased by 9.8% or RM247 to RM2,777.50 per metric tonne in 2008 against RM2,530.50 in the previous year.

Production of CPO in the country reached a record 17.73 million tonnes in 2008, an increase of 1.91 million tonnes from the previous year mainly due to the recovery in FFB yield from the biological stress of the last year. Expansion in matured areas and improvement in the national average oil extraction rate also contributed to higher CPO production.

Total export volume of oil palm products, constituting CPO, palm kernel oil, palm kernel cake, oleochemicals and finished products increased by 11.1% and total export revenue of oil palm products increased by 44.3% mainly due to the increase in the price of CPO. China remains the main export market for Malaysian palm oil accounting for 24.6% of total palm oil exports, followed respectively by the European Union, Pakistan, the United States, India, Japan and Ukraine. Exports to India increased significantly by 89.9% due to reduced import duties and government efforts to distribute vegetable oils to low-income households.

The highest and lowest monthly CPO prices for the year were recorded in March and November at RM3,695 per metric tonne and RM1,520.50 per metric tonne respectively. CPO prices traded above RM3,500 per metric tonne in the first half of the year but during the second half, the effects of the global financial crisis, sharp decline in crude oil prices, fears of global recession and high palm oil stocks resulted in the monthly average CPO price falling below the RM2,000/tonne level from October 2008.



CHAIRMAN'S STATEMENT (Cont'd)

For the year ahead, the outlook for CPO prices remains relatively bearish as the global economy faces a period of uncertainty and the possibility of a prolonged recession. The sub-prime crisis in the United States has expanded to a crisis in the world's real economies which has left an adverse impact in every economic sector in every country. This would likely lead to a softening of demand for commodities all across the board in the short and possibly medium term.

The Board is cautious about the prospects of Company in the forthcoming financial year due to the low CPO prices at the close of the year and is mindful of the negative external factors impacting the Company and will strive to keep costs manageable and implement austerity measures to face the difficult times ahead. The Management will continue to focus on managing costs and improving yields and extraction rates from its existing plantations. This include implementation of key performance indicators for management to benchmark as a means to improve efficiency within the Company' operations.

Other Developments

The Warrants 2003/2008 expired on 17 July 2008 in accordance with the Deed Poll dated 28 February 2003. A Notice to Warrant holders dated 13 June 2008 was issued as required by the Bursa Malaysia Listing Requirements to inform Warrant holders of the last time and date for the exercise of the said Warrants.

As at to date, the Company's joint-venture company Harn Len Pelita Benganan Sdn Bhd has planted approximately 3,000 hectares of the land allocated in Sarawak of which 50.0% will be maturing this year. The Company plans to consolidate and focus on the planted area for the time being before expanding its plantable areas.

An application for the provisional lease has been submitted to the Land and Custody Development Authority for alienation of the said land.

The replanting program for Lian Hup Estate and Senang Estate commenced in 2008 and 4,000 acres is scheduled to be replanted by end 2009. The Company has also confirmed the construction of an oil palm mill at the Masranti Estate to service both the Masranti and Harn Len Pelita Benganan Estates which have a total acreage of 18,000 acres in Sarawak. This is to accommodate the anticipated increased yields from both estates.

Approval for extension of time to September 2009 to develop the property adjacent to Tropical Inn in Johor Bahru and held by the Company's wholly-owned subsidiary Nusantara Daya Sdn Bhd has been obtained from Majlis Bandaraya Johor Bahru. The management is presently evaluating the feasibility of proceeding with its development considering the uncertain economic situation.

With the Iskandar Development Region set to go into full swing with the commencement of the Legoland theme park and an infrastructure spending of RM2 billion set aside by the federal government for Johor Bahru city in 2009, we are hopeful the increased spending will help to boost the hotel's revenue and rental income.

Appreciation

On behalf of the Board of Directors, I would like to extend our gratitude to the management and staff for their continued dedication and commitment to the Company and also our sincere appreciation to our customers, business associates, suppliers, shareholders and the authorities for their continued support. Finally, my thanks and gratitude to my fellow Board members for their invaluable advice and contribution to the Company.

TAN SRI DATO' LOW NAM HUI
Executive Chairman

28 April 2009





主席献词



Annual Report 2008 年度报告

汉联机构有限公司
HARN LEN
CORPORATION BHD
(502606-H)

简介

本人谨此以愉快的心情，代表汉联企业公众有限公司（“汉联”）董事局向全体股东提呈第六届常年报告书，公司在过去一年截至二零零八年十二月三十一日财政年度表现及业绩的回顾以及对未来展望的评估。

财务表现

在截至二零零八年十二月三十一日的财政年度里，汉联集团的营业额达致马币一亿三千七百五十二万八千零二十五令吉，相较于二零零七年财政年度的马币一亿一百零六万六千九百二十令吉。这代表了年对年近百分之三十六的增长。因此，课税前盈利从马币一千九百零六万四千两百三十二令吉增加至二零零八年财政年度的马币两千三百九十二万一千六百八十五令吉。促成这令人鼓舞的业绩主要因素为新鲜棕油果，原棕油及棕仁油的平均价格在二零零八年都有所涨高。在二零零八年里，原棕油平均价格从上一财政年度的每公吨马币两千三百一十九令吉增加至马币两千八百零八令吉。

在这二零零八年的财政年度里，董事部也宣布派发自从公司在二零零三年挂牌以来的第一次股息，为单层面的每股二巴仙年中股息。

展望

集团在来年的财务表现仍将在很大程度上依赖油棕业的前景，那是因为油棕业占了集团营业额的九十巴仙以上。

马来西亚油棕业在二零零八年的表现还算令人满意。原棕油价格在二零零八年里有很大的波动，上半年有突破性的高交易价格而下半年交易价格又突然跟着其他原产品价格下滑。基本上，原棕油价格还是跟随着原油价格而波动。在二零零八年里，原棕油平均价格增长了百分之九点八或马币两百四十七令吉至每公吨马币两千七百七十七令吉五十仙，相较于二零零七年的每公吨马币两千五百三十令吉五十仙。

本国的原棕油产量在二零零八年达到一千七百七十三万吨，相较于二零零七年增长了一百九十一万吨。很多园丘在二零零七年遭受了一些生态压力因素而产量减少，但在二零零八年都恢复了之前的产量效益。成熟种植面积的增长及全国平均原棕油榨油率的提高，也是造成原棕油产量提高的原因。

油棕产品的总出口量（包括原棕油、棕仁油、棕仁糕、化学油脂及制品）共增加了百分之十一。与此同时，油棕产品的总出口数量增加了百分之四十四点三，主因是原棕油价的增长。中国仍然是马来西亚的主要出口国，占了百分之二十四点六的总出口数量，接着是欧洲共同体，巴基斯坦，美国，印度和日本。出口到印度的数量显著的增长了百分之八十九点九，主要的原因是其政府实行较低的入口税收及实行分发食用油于低收入家庭的措施。

年度里原棕油价格最高及最低成交价分别是在三月份的每公吨马币三千六百九十五令吉以及在十一月份的每公吨马币一千五百二十令吉五十仙。二零零八年的上半年，原棕油的交易价格都在每公吨马币三千五百令吉以上。二零零八年的下半年，全球的金融危机造成了原油价格迅速大幅度下滑。人们对全球经济放缓的恐惧，以及高原棕油库存量导致从十月份开始，每月的平均原棕油价格下滑到每公吨马币两千令吉以下。

在来临的一年，原棕油价格的展望并不是很乐观。原因是全球经济的不稳定及经济放缓有可能继续延长的可能性。美国的房屋贷款危机已经扩散到每一个国家的每一个经济体，原产品的需求也一般上会在短期到中期内缓慢下来。

基于低原棕油价格及不利的外来因素，董事局对接下来的财政年度二零零九年的展望保持着谨慎态度。面临严峻考验，公司会严格采取应对措施来减低生产成本，增加新鲜棕油果的生产量及提升棕油的榨油率。公司也将通过制定主要业绩指标与政策，让公司管理层提高内部运作效率和业绩。

其他发展

根据签于二零零三年二月二十八日的协议书，二零零三年/二零零八年凭单已在二零零八年七月十七日宣布失效。公司也根据马来西亚股票交易所的准则，在二零零八年六月十三日发通告于凭单持有者，告知其凭单的最后有效期。

到目前为止，汉联机构与在沙劳越州政府合资的公司 - 汉联宝利达私人有限公司 (Harn Len Pelita Bengunan Sdn Bhd) 已经种植了将近三千公顷地，其中成熟种植面积占有百分之五十。目前，公司将把重心着重于已经种植的面积。公司已经向有关单位 - 沙劳越州的土地及托管发展局 (Land and Custody Development Authority) 申请其土地的临时租约。

在二零零八年，公司已经在联合园丘 (Lian Hup Estate) 及新兰园丘 (Senang Estate) 展开翻种油棕计划，预计四千英亩将在二零零九年年年底完成。公司也将在沙劳越金山地园丘 (Masranti Estate) 建造一间榨油厂，以应付金山地园丘及汉联宝利达园地 (Harn Len Pelita Bengunan Estate) 共一万八千英亩所生产的棕果，自己进行加工榨油，不但可以节省很多的棕果运输费，而且也可以增加公司的盈利。

本机构的子公司 - 努山达拉达雅私人有限公司 (Nusantara Daya Sdn Bhd) 位于汉联集团统一大酒店旁边的一片发展地，公司已经得到新山市政府 (Majlis Bandaraya Johor Bahru) 的批准延长其发展期至二零零九年九月。在经济放缓及不稳定的考虑因素下，公司管理层正在检讨和评估发展这片地的可行性。

在市政府大力推广伊施甘达发展区 (Iskandar Development Region)，耗资马币二十亿令吉的有利因素下，董事局相信这将有助于提高旅店的业绩和公司的租金收入。

致意

本人谨代表全体董事局成员，对管理层及员工们持续为公司努力不懈付出致以万分感谢；同时也衷心感激我们的客户、商业伙伴、供应商、股东及有关当局的持续支持。最后，我向本机构的全体董事及职工们的努力，提出很多建设性的忠告，同时对公司做出很大的贡献，谨此致谢。

丹斯里拿督刘南辉局绅
执行主席

日期：二零零九年四月二十八日

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of Harn Len is committed to ensuring that the highest standards of corporate governance are practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and the financial performance of Harn Len. To this end, the Board fully supports the recommendations of the Malaysian Code of Corporate Governance ("the Code") including the recent amendments to the Code by the Securities Commission in 2007 and will strive to implement the changes as recommended within the stipulated timeframe.

Set out below is a statement of how the Group has applied the principles of the Code. The Board confirms that the Group has complied with the best practices in the Code.

BOARD OF DIRECTORS

Responsibilities

The Board takes full responsibility for the overall performance of the Company including setting out the objectives, strategic direction and evaluation of performance of the Company. Other responsibilities include ensuring good corporate governance, succession planning, public relations and shareholder communication, ensuring sound internal control systems and evaluation of various performance indicators. Where deemed necessary, the Board may set up committees to examine certain key areas. Where a committee is set up, the authority and terms of reference of the committee is clearly spelt out.

Composition and Balance

The Board has a wide range of experience in various fields such as plantations, property, manufacturing, legal and accounting. Representation on the Board is with the view of ensuring the right mix of business experience and technical knowledge.

The Board currently has nine (9) members, comprising six (6) Executive Directors and three (3) Independent Non-Executive Directors. Independent Non-Executive Directors make up one third of the Board. There is a clear division of responsibility between the Chairman and Executive Directors to ensure a balance of power and authority. The Chairman's responsibility is to ensure the effectiveness of the Board and conduct Board meetings, including organising all necessary information on a timely basis for Board deliberations while the Executive Directors are responsible for overall operations and effective implementation of Board decisions and policies. Non-Executive Directors contribute in providing their knowledge and experience towards formulation of the Company's policies and strategies. Representation on the Board is reflective of the extent of shareholdings of various parties in the Company and fairly reflects the investment in the Company.

Board Procedures

The Board is provided with an agenda and set of Board papers prior to Board meetings. This is to ensure that the Board has sufficient opportunity to have queries answered, obtain further explanations if necessary and to be properly briefed before Board meetings. Matters discussed include periodical financial information and operational, corporate and financial issues. Where necessary, qualitative information is made available to the Board in its decision making and evaluations. Directors may obtain independent professional advice where deemed necessary at the Company's expense.

The Board also has full and unrestricted access to the Company Secretary for advice and services in carrying out their duties. Every effort is taken to ensure that the Board is provided with information on significant events in a timely manner, even in the event that there is no Board meeting pending. The Board has full and unrestricted access to any information pertaining to the Group.

The Company Secretary ensures that all appointments are properly made, that all necessary information is obtained from the Directors for the purposes of meeting statutory obligations, requirements of the Listing Requirements or other regulatory requirements. Board deliberations are properly recorded, including issues raised and discussed, and conclusions in discharging its duties and responsibilities. The Board has a formal schedule of matters specifically reserved for its decision.

Attendance

For financial year ended 31 December 2008, the number of board meetings held was four (4) and the attendance of the Directors at the Board meetings is as follows:-

	No. of meetings attended
Tan Sri Dato' Low Nam Hui	4
Low Quek Kiong	4
Low Kueck Shin	4
Low Kwek Lee	4
Low Kuek Kong	4
Lee Chon Sing	4
Loh Wann Yuan	4
Brig. Jen. (B) Dato' Ali bin Hj. Musa	4
Law Piang Woon	3

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

Statement on Corporate Governance (cont'd)

Directors' Training

As part of the process of appointment, new Directors are provided with an orientation and familiarisation programme which include briefings by senior management and attendance of the Mandatory Accreditation Programme (MAP) conducted by the Bursa Malaysia Securities Berhad. As at 31 December 2007, all directors have completed the MAP. The Directors are encouraged to attend relevant Continuing Education Programmes (CEP) and seminars to further enhance their skills and knowledge and keep abreast with new regulatory requirements.

For the financial year ended 31 December 2008, all Directors with the exception of Tan Sri Dato' Low Nam Hui and Loh Wann Yuan who were unavailable, attended a seminar titled "Managing Your Changing Business Environment" on 24 October 2008 which deals with identifying changes and new issues which may arise from changes in the business environment and utilizing and identifying relevant tools and techniques to deal with these issues and changes where necessary. Loh Wann Yuan attended a course on "Directors Duties: have they gone too far" organised by the Law Society of Western Australia. Law Piang Woon also attended two continuing professional development programs namely "Global Financial Crisis & its Opportunity" organised by the Asian Academy for Corporate Administration Sdn Bhd and "Recent Developments in Malaysian Financial Reporting Standards" organised by the Malaysian Institute of Accountants. Tan Sri Dato' Low Nam Hui did not attend any seminar during the financial year due to his extremely busy schedule.

Nomination Committee

The Nomination Committee was set up on 23 May 2003. It presently comprises the following members:-

Loh Wann Yuan	(Independent Non-Executive Director)
Brig. Jen (B) Dato' Ali bin Hj. Musa	(Independent Non-Executive Director)
Law Piang Woon	(Independent Non-Executive Director)

The Nomination Committee is composed exclusively of Non-Executive Directors, with the majority being independent. It is responsible for making recommendations for any new candidates to the Board; to assess candidates for directorship proposed by the Managing Director/CEO or any senior executive, director or shareholder; to recommend directors to fill the seats on Board committees and to assess directors on an ongoing basis. Ultimate responsibility on appointment of new Directors still lie with the Board notwithstanding recommendations that may be made by the Nomination Committee.

The Nomination Committee will review the required mix of skills, knowledge, expertise and experience of a candidate for directorship and other qualities such as the candidate's professionalism and integrity. New appointments to the Board are made to ensure the right mix of experience and expertise to enhance the core competencies of the Board. In the case of candidates for Independent Non-Executive Directors, the Nomination Committee will also evaluate the candidate's ability to discharge such functions/responsibilities as expected from the role. The Committee shall also on an annual basis, review the mix of skills, experience and expertise of the Board and in particular, the core competencies contributed by the Independent Directors to the Board. It will also assess the effectiveness of the Board as a whole (including its size), Board committees and the individual contributions of each Director.

Under the Company's Articles of Association, all Directors (including the Managing Director) are required to submit for re-election at least once every three years.

The Nomination Committee having taken into account the amendments to the Code on Corporate Governance as recommended by the Securities Commission in 2007 accepted the resignation of Lee Chon Sing as an Audit Committee member effective January 2008 and accepted the appointment of Brig. Jen.(B) Dato' Ali bin Hj. Musa as a member of the Audit Committee effective January 2008. The Nomination Committee held one meeting in the financial year and also proposed to recommend the re-elections of Tan Sri Dato' Low Nam Hui as a Director retiring under section 129 of the Companies Act 1965 and the re-election of Messrs Low Kwek Lee, Low Kuek Kong and Brig. Jen.(B) Dato' Ali bin Haji Musa pursuant to Article 84 of the Company's Articles of Association.

Remuneration Committee

A Remuneration Committee was set up by the Board on 23 May 2003. It presently comprises the following members:-

Brig. Jen (B) Dato' Ali bin Hj. Musa	(Independent Non-Executive Director)
Loh Wann Yuan	(Independent Non-Executive Director)
Lee Chon Sing	(Executive Director)

The Remuneration Committee composes mainly of Non-Executive Directors. It is responsible for setting up the policy framework and recommending to the Board the remuneration packages and benefits to be extended to Executive Directors.



STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

Statement on Corporate Governance (cont'd)

Directors' Remuneration

The aggregate remuneration of the Directors who had served during the financial year ended 31 December 2008 categorized into appropriate components is as follows:-

	Executive Directors	Non-Executive Directors
Salaries and allowances	RM4,227,334	RM 70,000
Fees	RM nil	RM135,000
Attendance fees	RM nil	RM 44,000

Breakdown of aggregate remuneration for the year of Directors and senior management who had served during the financial year ended 31 December 2008 in bands of RM50,000 are as follows:-

Remuneration	No. of Directors	
	Executive	Non-Executive
RM1 to RM50,000	-	-
RM50,001 to RM100,000	-	3
RM300,001 to RM350,000	1	-
RM350,001 to RM400,000	2	-
RM700,001 to RM750,000	2	-
RM1,600,001 to RM1,650,000	1	-

CORPORATE RESPONSIBILITY STATEMENT

As a responsible corporate citizen, the Group actively adopts environmentally and socially responsible practices in its businesses in particular in relation to its palm oil cultivation and processing activities. In the financial year ended 31 December 2008, the Group made a contribution to a Chinese school in Serian, Sarawak for the purpose of building a multi-purpose hall. The Group has also upgraded roads leading to the villages within the vicinity of the Sarawak estates and refurbished the community hall for the villagers. The Company also continued its annual practice of giving yearly educational awards in the form of cash to deserving children of the Group's employees.

ACCOUNTABILITY AND AUDIT

Financial Reporting

It is the responsibility of the Board, with the assistance of the Audit Committee, to ensure that the presentation of the Company's financial statements are in accordance with the Companies Act 1965 (true and fair view) and the Bursa Malaysia Listing Requirements (i.e. periodic disclosures). The Board ensures that the application of accounting policies and standards are consistent with accepted standards. The Statement by the Board pursuant to Paragraph 15.27(a) of the Bursa Malaysia Listing Requirements on its responsibilities in preparing the financial statements is set out on page 19.

Relationship with Auditors

Harn Len's external auditors are KPMG. Regular dialogues are held between the management and Audit Committee with the external auditors to ensure compliance and accuracy in the preparation of the financial statements. Issues and technical matters raised by the auditors are discussed initially with the Audit Committee before being highlighted to the Board at Board meetings.

Audit Committee

The Audit Committee was set up by the Board on 23 May 2003 and presently comprises the following:-

Loh Wann Yuan	(Independent Non-Executive Director)
Law Piang Woon	(Independent Non-Executive Director)
Brig. Jen. (B) Dato' Ali bin Hj. Musa	(Independent Non-Executive Director)

The Audit Committee Report is attached as required under Chapter 15 of the Bursa Malaysia Listing Requirements.

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

Statement on Corporate Governance (cont'd)

Internal Control

A Statement on Internal Control is attached as required under Chapter 15 of the Bursa Malaysia Listing Requirements.

SHAREHOLDERS

Dialogue with Investors

Where required and practical, dialogues are held with research analysts and institutional investors. Information on latest corporate developments affecting the Company are disseminated promptly via the Bursa Malaysia including quarterly financial results and where appropriate, announcement, Circulars and press releases. Any concerns may be addressed by mail to the following Director:-

Mr Loh Wann Yuan (Independent Non-Executive Director)
c/o Harn Len Corporation Bhd
6th Floor, Johor Tower
15 Jalan Gereja
80100 Johor Bahru

Annual General Meeting

All shareholders are given notice of the AGM through Annual Reports which are sent out at least twenty-one (21) days before the date of the AGM. The Notice of the AGM is also published in major newspapers and released through the Bursa Malaysia for public dissemination.

Briefings and shareholders queries are dealt with at the AGM and EGMs. Ample opportunities and time are provided for questions to be asked and issues to be raised. It is also the practice for the Board to hold press conferences with journalists after the AGM.

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE ON CORPORATE GOVERNANCE

The Company is committed to achieving high standards of corporate governance throughout the Company and to the highest level of integrity and ethical standards in all its business dealings. The Board considers that it has complied throughout the financial year with the Best Practices as set out in the Code.

Statement made in accordance with the resolution of the Board of Directors dated 25 February 2009.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are legally required to prepare financial statements for each financial period/ year which give a true and fair view of the state of affairs of the Company at the end of the financial period/year and of the results of the Company for the financial period/year then ended.

The Directors consider that in preparing the financial statements:-

- i) the Company has used appropriate accounting policies and applied them consistently;
- ii) reasonable and prudent judgements and estimates were made; and
- iii) applicable approved accounting standards in Malaysia have been followed.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1965 and applicable approved accounting standards.

The Directors are also responsible for the assets of the Company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement made in accordance with the resolution of the Board of Directors dated 25 February 2009.

REPORT OF THE AUDIT COMMITTEE

Composition

An independent Audit Committee (AC) shall exist to implement and support the functions of the Board. Members of the AC shall elect the Chairman, and all members of the AC including the Chairman shall hold office as long as they serve as Directors of the Company.

The AC shall be appointed from amongst the Director and no alternate Director shall be a member of the AC. The AC shall comprise of at least three members but not more than five members, all of whom shall be Non-Executive Directors with a majority being Independent Directors. At least one (1) member of the AC shall be:-

- i) a member of the Malaysian Institute of Accountants (MIA); or
- ii) if not a member of MIA, must have had at least three (3) years working experience, and:-
 - (aa) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - (bb) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- iii) fulfils such other requirements as prescribed or approved by the Exchange.*

* Pursuant to Practice Note No.13/2002, the following qualifications have been prescribed to be acceptable:-

- a) a degree/masters/doctorate in accounting or finance and at least three years' post-qualification experience in accounting or finance; or
- b) at least seven years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.

The Chairman of the AC shall be an Independent Non-Executive Director.

Members of the AC may relinquish their membership with prior written notice to the Secretary of the AC and may continue to serve as Director of the Company. In the event of any vacancy in the AC, the vacancy shall be filled within three (3) months, and the Nomination Committee shall review and recommend for the Board's approval another appropriate Director to fill the vacancy.

Members

The AC was set up on 23 May 2003 and the current members of the AC and their respective designations are:-

- | | |
|---|----------------|
| - Loh Wann Yuan
(Independent Non-Executive Director) | Chairman of AC |
| - Law Piang Woon
(Independent Non-Executive Director) | Member of AC |
| - Brig. Jen. (B) Dato' Ali bin Hj. Musa
(Independent Non-Executive Director) | Member of AC |