Clarification on Media Report

In relation to several media reports making reference to the investigation by PwC, we wish to clarify that on 18 February 2016 through PwC's statutory financial audit for the financial year ended 31 December 2015, it had reported on the long outstanding debts of Safitex Trading LLC (Safitex) amounting to USD8.3 million to Delima Oil Products Sdn Bhd (DOP) that has resulted in an impairment exposure.

This matter has been continuously reported in PwC's subsequent quarterly review reports. Since then, Management had continuously represented that the balance would be fully recoverable. Instead, the balance subsequently increased to USD11.7 million and exceeded the allocated credit limit per PwC's statutory financial audit for the financial year ended 31 December 2016 which was reported to the Audit Committee on 17 February 2017.

The transactions with Safitex involved the sale of edible oil and fats to Dubai-based Safitex meant for delivery to the Afghanistan market. On 20 April 2017, the Board instructed Group Internal Audit to carry out an investigation of this matter and detected potential contraventions of Group policies out of which a decision was made by the Board to request four senior officers to go on leave of absence.

The internal due process will take its course and we will update any key developments from time to time. In the interim, the Board has established a Board Executive Committee to ensure the continuity and smooth running of the Group's day to day management.

Rest assured, the Board remains committed to execute its fiduciary duties in the best interests of all shareholders and stakeholders.

FGV BOARD OF DIRECTORS