FGV Holdings Welcomes Government's Plan to Assist Felda Settlers

FGV Holdings Berhad welcomes the government's plans to revive FELDA and its new commitment to alleviate the financial situation of Felda settlers.

The plans to diversify the income streams of settlers is a positive move and FGV would be happy to participate in strategic discussions to seek viable solutions and explore potential synergies that will benefit all stakeholders.

FGV also agrees that there is an urgent need to discuss the terms of the Land Lease Agreement (LLA) with FELDA as this matter has been raised repeatedly over the last three years, causing much uncertainty and concern for our shareholders.

Under the current terms of the LLA, FGV is required to pay a fixed lease payment of about RM250 million per year for 99 years, commencing from 2012. The RM250 million is paid irrespective of prevailing crude palm oil prices. In 2012 when the LLA was negotiated, average CPO price was RM2,843 per MT. CPO price on 10 April 2019 was RM2,047 per MT.

Additionally, FGV has committed to pay FELDA a 15% share of estate operating profits. For the total sum FGV has paid FELDA after its listing, see table below.

FGV has met all its obligations under the LLA.

As a listed company, FGV would also be required to seek the approval of its shareholders for any proposed amendments to the LLA.

FGV, under its new management, is focused on its groupwide transformation plan which has started to show results. FGV will be announcing its 1Q2019 financial results in May 2019 and is positive that all the measures implemented since October 2018, will set the company on a path for sustainable growth.

(RM)	2012	2013	2014	2015	2016	2017	2018*	Cum. Total
PBT (RM mil)	1,126	1,536	971	453	261	403	-1,023	3,727.0
Taxation (RM mil)	205	367	227	136	176	200	101	1,412.0
Zakat	16.6	32.6	13.2	23.9	17.8	5.0	18.6	127.6
Dividend: Total (mil)	510.7	583.7	364.8	145.9	36.4	182.5	0	1,823.5
LLA payment								
- Fixed	250.0	250.0	250.0	250.0	250.0	250.0	250.0	1,750.0
- Profit Sharing	138.1	78.9	86.4	28.5	37.9	57.1	48.7	475.6
Total (mil)	388.1	328.9	336.4	278.5	287.9	307.1	298.7	2,225.6
Replanting: Cost (mil)	276.0	325.3	326.0	316.0	311.7	275.0	322.9	2,152.9

**Unaudited*

END