Media Statement: New levy for foreign workers

GROUP PRESIDENT / CHIEF EXECUTIVE OFFICER

Date: 3 February 2016

Subject: New levy for foreign workers

Felda Global Ventures Holdings Berhad (FGV) appeals for the Government to reconsider its decision to increase the levy for foreign workers in the plantation sector effective 1 February 2016. The new levy imposed for workers in the plantation sector is a significant jump of 154% from RM590 to RM1, 500, an increase of RM910.

Previously on Budget 2016, the Government had announced minimum wages increase from RM900 to RM1, 000 for peninsular and RM800 to RM920 per month for East Malaysia starting 1st July 2016.

FGV will comply on the Government requirement on Budget 2016 and currently, FGV is already paying minimum wage across Malaysia at RM900 per month even including Sabah & Sarawak the minimum wage requirement is only RM800.

This sudden move would push the company's costs drastically. We would like to highlight that the palm oil industry as a whole has been affected by the slump in CPO price and the strengthening of the US dollar. CPO price has slumped to a six-year low in August 2015 and the US dollar strengthened against the ringgit by 18% with the US Dollar and Ringgit exchange rate closing at a high of 4.45 in December.

Best Regards,

Dato' Mohd Emir Mavani Abdullah