

ANNEXURE

FELDA GLOBAL VENTURES HOLDINGS BERHAD

Company No: 800165-P
(Incorporated in Malaysia)

Question and Answer Session with the Shareholders and Proxies during the 10th Annual General Meeting of Felda Global Ventures Holdings Berhad (“FGV” or “Company”) held at Banquet Hall 1, Level B2, Menara Felda, Platinum Park, No. 11, Persiaran KLCC, 50088 Kuala Lumpur on 28 June 2018 at 11.00 a.m.

NO.	RAISED BY / ANSWERED BY	QUESTION (“Q”) AND ANSWER (“A”)	
1.	<p>Raised by : Pn. Lya Rahman, proxy for Minority Shareholder’s Watchdog Group (“MSWG”)</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p> <p>Raised by : Pn. Lya Rahman, proxy for MSWG</p>	Q1	<p>Pn. Lya Rahman enquired on the justification on the appointment of politicians and political appointees as Directors as they are not able to give commitments in attending meetings. She further highlighted Dato’ Sri Abu Bakar Harun’s poor meeting attendance as he had only attended 6 out of 10 Board Meetings and was absent in all the Nomination and Remuneration Committee Meetings. She also highlighted that as the representative of MSWG, she will not vote in favour of Resolution 6 which is in relation to the re-election of Dato’ Sri Abu Bakar Harun as Director of the Company.</p>
		A1	<p>The Chairman noted Pn. Lya Rahman’s comments. He explained the role of Dato’ Sri Abu Bakar Harun as a Nominee Director of Lembaga Kemajuan Tanah Persekutuan or Federal Land Development Authority (“FELDA”) and informed that Dato’ Sri Abu Bakar Harun’s poor attendance has been notified to FELDA.</p>
		Q2	<p>Pn. Lya Rahman enquired on the reason for the resignation of Dato’ Mohamed Suffian Awang as the Audit Committee Member as he became a member of the Audit Committee for less than one (1) month.</p>

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	<p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p> <p>Raised by : Pn. Lya Rahman, proxy for MSWG</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p> <p>Raised by : Pn. Lya Rahman, proxy for MSWG</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p>	<p>A2</p> <p>Q3</p> <p>A3</p> <p>Q4</p> <p>A4</p>	<p>The Chairman explained that the resignation of Dato' Mohamed Suffian Awang was due to the re-distribution of responsibilities of existing and new Board members in Board Committees. He stated that Dato' Mohamed Suffian Awang still serves as a member in other Board Committees.</p> <p>Pn. Lya Rahman enquired on the time commitment provided by Dato' Zakaria Arshad for FGV as he is also the Managing Director of Felda Holdings Bhd.</p> <p>The Chairman stated that Felda Holdings Bhd is an investment holding company and is 100% owned subsidiary of FGV. As such, Dato' Zakaria Arshad's position as the Managing Director of Felda Holdings Bhd does not affect his time commitment as the Group President/Chief Executive Officer of FGV.</p> <p>Pn. Lya Rahman enquired on the outcome of the findings, legal action and amount recovered from Safitex Trading LLC and the acquisition of Troika apartments.</p> <p>The Chairman stated that the Company has taken legal actions to recover the amount owing by Safitex Trading LLC and the process is still on-going, however, he informed that todate nothing has been recovered and the Company is looking for other avenues to recover the debt from Safitex Trading LLC.</p> <p>The Chairman also stated that the Company has completed its investigation on the acquisition of Troika apartments, however, the findings have yet to be finalized and could not be disclosed at the moment.</p>

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	<p>Raised by : Pn. Lya Rahman, proxy for MSWG</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p>	<p>Q5</p> <p>A5</p>	<p>Pn. Lya Rahman enquired on the adoption of the 9 years tenure limit for Independent Directors.</p> <p>The Chairman stated that todate none of the Board members have exceeded the 9 years tenure limit.</p>
2.	<p>Raised by : Mr. Mun Kah Fai, shareholder</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p>	<p>Q1</p> <p>A1</p>	<p>Mr. Mun Kah Fai enquired about the assets held by Felda Investment Corporation Sdn Bhd’s (“FIC”).</p> <p>The Chairman clarified that FIC is a subsidiary of FELDA, not FGV. As such, he is unable to comment on the same. He stated that the stakeholders are often confused between these two (2) entities, which is why FGV is proposing to change its name and rebrand to develop its own distinct brand and identity.</p> <p>He further stated that FELDA is the single largest shareholder of FGV with two (2) representative sitting on the Board of the Company. Apart from this, FELDA and FGV have entered into a long-term Land Lease Agreement, FGV also buys fresh fruit bunches from Felda settlers and this sums up the relationship as far as FGV and FELDA are concerned.</p>
3.	<p>Raised by : Mr. Ng Soo Har, shareholder</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p>	<p>Q1</p> <p>A1</p>	<p>Mr. Ng Soo Har made reference to Page 122 of FGV’s 2017 Annual Integrated Report and stated that the Gross Profit for the financial year ended 31 December 2017 increased by RM460 million compared to the previous year. He enquired the future prospects of the Company for the next five (5) years.</p> <p>The Chairman stated that FGV has three (3) core businesses which are plantation, sugar and logistics & support businesses. He stated that for plantation, the Company will be looking into ways to improve productivity as the cost of production and crude palm oil price are not</p>

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			<p>fully controlled by the Company. He further stated that productivity can be improved by ensuring that the condition of the estates are at their best and harvesting is maximized. He said the Company is also looking into business models whereby sugar can be exported profitably to other countries. Dato' Zakaria Arshad, the Group President/Chief Executive Officer of FGV concurred with the Chairman's explanation.</p>
4.	<p>Raised by : En. Baharuddin Nordin, shareholder and smallholder</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p> <p>Raised by : En. Baharuddin Nordin, shareholder and smallholder</p>	<p>Q1</p> <p>A1</p> <p>Q2</p>	<p>En. Baharuddin Nordin said he sells fresh fruit bunches to the mill and he was required to pay RM15 per lorry regardless of the quality of the fresh fruit bunches.</p> <p>He added that there are hundreds of lorries that go to the mills per day and if this payment is being practiced by all 69 mills of the Company, the amount collected by the lorry will come to a few million ringgit per month. He enquired whether the Company is aware of this collection.</p> <p>The Chairman informed that the Company is aware of the grading process and the unethical collection being made. He assured that the Company will identify the culprits and action will be taken against them. In addition to that, Dato' Zakaria Arshad, the Group President/Chief Executive Officer of FGV advised that the smallholders can always directly contact management at the numbers provided at the mills.</p> <p>En. Baharuddin Nordin stated that despite FGV having best practices in agronomics, he is surprised to know that there is a problem with tree caterpillars faced by the Company. He enquired whether the Company is aware of it.</p>

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	<p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p>	A2	<p>The Chairman clarified that the tree caterpillars problem is an industry problem and not just affecting the estates in the Company. He stated that the Company has always been trying its best to minimize the tree caterpillars problem and will continue to do the same.</p>
5.	<p>Raised by : En. Mohamad Annuar Kamarudin, proxy</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p> <p>Raised by : En. Mohamad Annuar Kamarudin, proxy</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p>	<p>Q1</p> <p>A1</p> <p>Q2</p> <p>A2</p>	<p>En. Mohamad Annuar Kamarudin suggested that the Company provide better door gifts.</p> <p>The Chairman informed that the Company took note of the suggestion and will provide better door gifts in future Annual General Meetings.</p> <p>En. Mohamad Annuar Kamarudin commented on the decreasing value of FGV's share price. He enquired the Company's projection on FGV's share price one (1) and five (5) years from now.</p> <p>The Chairman explained that FGV's share price is not totally controlled by the Board and management but is influenced by the public's perception of the Company. He stated that at this moment, the perception and confidence towards the Company is not as high as the Company wanted. The Board and management are well aware of this matter and by having new Board members who are subject matter experts in plantation, the new Board aims to change the public's perception towards the Company by making sure management do the right things. He highlighted that the Company has been making headlines in the media for the wrong reasons because the public is confused between FGV and FIC which is not a subsidiary of FGV. In view of that, the Company is taking steps to undertake the rebranding of FGV and seeking approval to change its name to "FGV Holdings Berhad" which requires shareholders' approval in the Extraordinary General Meeting that will be held later on.</p>

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6.	<p>Raised by : En. Mohamad Faiz Ab Rahman, shareholder</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p>	<p>Q1</p> <p>A1</p>	<p>En. Mohamad Faiz Ab Rahman sought further clarification on the long-term Land Lease Agreement ("LLA") between FGV and FELDA and its LLA liability. He commented that FELDA is a major shareholder of FGV and at the same time FGV is paying lease rental to FELDA.</p> <p>The Chairman informed that the LLA is a key and important element for the existence of the Company. He stated that the Company will continue the said LLA and ensure that the LLA will give the expected returns to FGV and FELDA. He further stated that without the LLA, the Company will not be able to obtain the amount of land to kick start its business operations.</p>
7.	<p>Raised by : Pn. Hayati Sidek, shareholder</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p>	<p>Q1</p> <p>A1</p>	<p>Pn. Hayati Sidek stated that shareholders should support the consumer products of the Company, such as Saji cooking oil, so that the Company will generate higher revenue from the consumer products business.</p> <p>The Chairman concurred with the statement made by Pn. Hayati Sidek and he added that in order for the people to support the products of the Company, the Company will need to perform better than others in the industry. He further stated that the Company will put all its efforts, such as visits to retail markets, to ensure that FGV's products are sustainable, remain competitive and will catch the consumers' eyes.</p>
8.	<p>Raised by : En. Mohamed 'Afif Aid, proxy</p>	<p>Q1</p>	<p>En. Mohamed 'Afif Aid informed that he ran a simple analysis on the financial position of the Company using the current ratio (1.12) and quick ratio (1.6) and found that the Company is relying heavily on borrowings to generate profit which is good. He stated however, this practice is not sustainable. He stated that he hoped the Company will not depend too much on borrowings to generate profit in the future.</p>

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	<p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p>	A1	<p>The Chairman noted on the analysis made by En. Mohamed 'Afif Aid and requested Tn. Haji Ahmad Tifli Dato' Haji Mohd Talha, the Group Chief Financial Officer of FGV to clarify on the financial position of the Company.</p> <p>Tn. Haji Ahmad Tifli Dato' Haji Mohd Talha clarified that the current ratio and quick ratio are high because of the LLA liability and as such, there are two (2) gearing ratios to be aware of, one with the LLA liability and another one is without the LLA liability.</p> <p>He stated that the gearing ratio with LLA liability is 1.2, which is high when compared to other companies in the same industry as this is due to the LLA which is unique to the Company, which other companies do not have.</p> <p>He stated that the gearing ratio without the LLA liability is 0.7 (after being normalized) which is at par with other companies in the same industry as the industry gearing ratio is between 0.5 to 0.7.</p> <p>He further stated that unlike bank loans or other liabilities, the LLA liability is calculated using fair value methodology based on a 99 year lease and is disclosed in the balance sheet of the Company.</p>
9.	<p>Raised by : En. Rien Hashim, proxy</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p>	Q1 A1	<p>En. Rien Hashim enquired about the profit targets, revenue targets and the Board of Directors of FGV's performance targets.</p> <p>The Chairman explained that each Board member understand their fiduciary duties and the Board are very committed to ensure whatever that are planned and strategized will materialize and add value to the shareholders. He also stated that the profit targets could not be disclosed due to price sensitivity.</p>

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	<p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p> <p>Raised by : En. Rien Hashim, proxy</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p> <p>Raised by : En. Rien Hashim, proxy</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p>	<p>A4</p> <p>Q5</p> <p>A5</p> <p>Q6</p> <p>A6</p>	<p>The Chairman clarified that his remuneration is much lower than the previous Chairman because the previous Chairman was also a Director of several subsidiaries of the Company while he is only the Chairman for FGV and MSM Malaysia Holdings Berhad. He highlighted that the remuneration of the Board of Directors of FGV are comparable with other public listed companies.</p> <p>En. Rien Hashim enquired what are the actions that will be taken by the Board of Directors of FGV rather than only "Take Note" replies to shareholders' queries.</p> <p>The Chairman explained that the Board has discussed on answering shareholders' enquiries before the Annual General Meeting is convened. He stated that "Take Note" replies is considered as an acceptable answer to be used. He highlighted that actions will definitely be taken on matters that are being taken note of in this Annual General Meeting.</p> <p>En. Rien Hashim enquired on the transparency of FGV's Annual Integrated Report especially on the Directors' fees. He suggested that the Annual Integrated Report should also contain the comparison amount of Directors' fees for past few years and not just the year before.</p> <p>The Chairman informed that the Board will take note on En. Rien Hashim's suggestion.</p>