

**ANNEXURE**

**FGV HOLDINGS BERHAD**  
Registration No.: 200701042133 (800165-P)  
(Incorporated in Malaysia)

**Question and Answer Session with the Shareholders and Proxies during the Extraordinary General Meeting of FGV Holdings Berhad (“FGV” or “Company”) held at Banquet Hall 1, Level B2, Menara Felda, Platinum Park, No. 11, Persiaran KLCC, 50088 Kuala Lumpur on Wednesday, 27 November 2019 at 10.00 a.m.**

<b>NO.</b>	<b>RAISED BY / ANSWERED BY</b>	<b>QUESTION (“Q”) AND ANSWER (“A”)</b>	
1.	Raised by : Mr. Lim Jit Thin, Shareholder  Answered by : Datuk Wira Azhar Abdul Hamid, Chairman	Q1	Mr. Lim Jit Thin, a Shareholder of the Company expressed his frustration as there was no printed EGM Notice delivered to the Shareholders. He stated that even though notification letter on the EGM had been printed and delivered to the Shareholders and FGV had stated that the EGM Notice is available on the Company’s website, he expressed that it was difficult for the elderly to browse through the Company’s website and download the EGM Notice. He further expressed his frustration that there were no refreshments served to the Shareholders who had taken their time to attend the EGM.
		A1	The Chairman informed that the EGM Notice had been circulated in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as well as the Company’s Constitution and has also been published in the newspaper. The Chairman informed that the EGM Notice was circulated in such a way so as to reduce cost in organizing the EGM and to avoid incurring unnecessary expenses on printing and postage. Nevertheless, the Chairman took note on the remarks by Mr. Lim Jit Thin.

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2.	<p>Raised by : En. A. Rahim Bidin, Shareholder</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p>	<p>Q1</p> <p>A1</p>	<p>En. A. Rahim Bidin, a Shareholder of the Company seconded Mr. Lim Jit Thin’s remarks on the EGM Notice and stated that not many Shareholders read the newspaper nowadays.</p> <p>The Chairman took note the remarks by En. A. Rahim Bidin.</p>
3.	<p>Raised by : Mr. Stan Lee, Shareholder</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p>	<p>Q1</p> <p>A1</p>	<p>Mr. Stan Lee, a Shareholder of the Company suggested that the Company allow Proxy Forms to be deposited electronically.</p> <p>The Chairman took note the suggestion by Mr. Stan Lee and informed that the Company will consider allowing Proxy Forms to be deposited through electronic means for future general meetings.</p>
4.	<p>Raised by : Pn. Lya Rahman, Proxy for Institutional Investors Council Malaysia</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p>	<p>Q1</p> <p>A1</p>	<p>Pn. Lya Rahman, a Proxy of the Institutional Investors Council Malaysia, commended the Board of Directors and the Nomination and Remuneration Committee for the new remuneration framework that has removed the excessive benefits which had been abused by the previous Board of Directors and had also been a concern of the Shareholders. She concurred with the Chairman that this EGM was unnecessary and a waste of the Company’s resources, which could have been better utilised to turnaround the Company.</p> <p>Pn. Lya Rahman highlighted that this EGM would not have convened if the Nominee Director of the Major Shareholder had carried out his duties more efficiently and had more engagements with the Major Shareholder. She further expressed her confidence in the Chairman to ensure proper engagements between the Nominee Directors and the Major Shareholder to avoid a repeat of similar events.</p> <p>The Chairman took note and thanked Pn. Lya Rahman for her comments. He stated that the Board will continue to work hard for all the stakeholders.</p>

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5.	<p>Raised by : En. A. Rahim Bidin, Shareholder</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p> <p>Raised by : En. A. Rahim Bidin, Shareholder</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. A. Rahim Bidin, a Shareholder of the Company expressed his frustration that with the Company’s limited budget to keep the cost of EGM at its minimal, no refreshments were provided and no reimbursements of parking fees were given to those who have attended the EGM.</p> <p>The Chairman took note the comments by En. A. Rahim Bidin.</p> <p>En. A. Rahim Bidin enquired since the Company is not performing, why the need for so many Directors sitting on the Board. He questioned the contributions of the Directors to FGV except for attending meetings, having discussions and drinking coffee. He stated that the Directors’ fees paid should commensurate with the performance of the Company and it should depend on the state of profitability of the Company.</p> <p>The Chairman expressed that whilst he normally respected the views and opinions received from the Shareholders, but the comments received herein was deemed as an insult to him and the Board, especially since the current Board of Directors are of respectable reputation.</p> <p>The Chairman defended the current Board of Directors and stated that their appointments were not merely to receive Directors’ fees and benefits payable but they are on the Board to transform and serve the Shareholders and the Company effectively and to remedy all of the wrongdoings committed from 2012 to 2017 to which the Shareholders did not object. He further stated that it is unfair to accuse the current Board of Directors of drinking coffee and doing nothing when the current Board of Directors are striving hard to rescue the Company.</p> <p>The Chairman stated that if the Shareholders are dissatisfied with the current Board of Directors, the Shareholders should exercise their right appropriately and bring forth their intention to not re-appoint the current Board of Directors or approach the Special Shareholder, the Minister of Finance (Incorporated) to remove the current</p>

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			Chairman from his position as the Non-Executive Chairman of the Company for non-performance.
6.	<p>Raised by : Mr. Mike Lee, Shareholder</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p>	<p>Q1</p> <p>A1</p>	<p>Mr. Mike Lee, a Shareholder of the Company seconded En. A. Rahim Bidin’s remarks.</p> <p>The Chairman took note on the comments by Mr. Mike Lee and stated that every Shareholder is entitled to their own opinion. He stated that if the Shareholders do not agree with the proposed resolutions, the Shareholders have the right to not approve the proposed resolutions but the Board should not be insulted.</p>
7.	<p>Raised by : En. Kasmuri Sukardi, Shareholder</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p>	<p>Q1</p> <p>A1</p>	<p>En. Kasmuri Sukardi, a Shareholder of the Company and a FELDA settler expressed his dissatisfaction on the comments made by the preceding Shareholders at the EGM on Board performance. He stated that the comments made were very unfair. He stressed that the focus of this EGM should be on the agendas at hand.</p> <p>En. Kasmuri Sukardi stated that Shareholders have to take risks when making investments and if Shareholders are dissatisfied with the direction of the Company, they could always opt to sell off their shares in the Company. He stated that he had been following FGV’s progress from the previous Board of Directors to the current Board of Directors and he strongly agreed that a lot of efforts had indeed been put into turning around the Company. En. Kasmuri Sukardi stated that to boost Shareholders’ confidence to the Company, he suggested that the Chairman provide more assurance and supporting proofs that the challenging period is nearing its end.</p> <p>The Chairman thanked En. Kasmuri Sukardi for his comments and suggestions. He requested the Shareholders to give the current Board of Directors time to turnaround the Company. He further stated that the current Board of Directors are professionals who have better options in life but they have opted to serve FGV to turnaround the Company for the benefit of all stakeholders.</p>

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8.	<p>Raised by : En. A. Rahim Bidin, Shareholder</p> <p>Answered by: Datuk Wira Azhar Abdul Hamid, Chairman</p>	<p>Q1</p> <p>A1</p>	<p>En. A. Rahim Bidin, a Shareholder of the Company elaborated his right to express himself in a general meeting. He stated that it is his right to voice out his opinion and vent his frustrations.</p> <p>The Chairman took note the remarks made by En. A. Rahim Bidin.</p>
9.	<p>Raised by : Mr. Mike Lee, Shareholder</p> <p>Answered by: Datuk Wira Azhar Abdul Hamid, Chairman</p>	<p>Q1</p> <p>A1</p>	<p>Mr. Mike Lee, a Shareholder of the Company informed that some of the Shareholders of the Company had previously voiced out their objections to the previous Board of Directors’ remuneration but the majority of the Shareholders had approved their remuneration.</p> <p>The Chairman took note the remarks made by Mr. Mike Lee and stated that every Shareholder is entitled to their own opinion and exercise their rights through voting in general meetings.</p>
10.	<p>Raised by : Mr. Leung Shing Fook, Shareholder</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p>	<p>Q1</p> <p>A1</p>	<p>Mr. Leung Shing Fook, a Shareholder of the Company suggested that allowance be given to Shareholders who have attended the EGM.</p> <p>The Chairman noted Mr. Leung Shing Fook’s suggestion and stated that he values the Shareholders support to FGV but he highlighted that no other public listed companies had practised this. Nevertheless, the Chairman assured that the Company would provide returns to the Shareholders’ investments in terms of capital appreciation and dividends declaration in the near future.</p>
11.	<p>Raised by : Mr. Devanesan Evanson, Proxy for Minority Shareholders Watch Group (“MSWG”)</p>	<p>Q1</p>	<p>Mr. Devanesan Evanson, a Proxy for the MSWG made reference to the continual losses of eight (8) quarters and the Company’s corrective measures of declaring impairments. He stated that continuing declaring impairments has led to the frustration of the Shareholders as they have been left to wonder how long it will continue. He then enquired the Board on the estimated duration for the impairments to be completed and requested the Board to provide a target timeline.</p>

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	<p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p> <p>Raised by : Mr. Devanesan JA Evanson, Proxy for MSWG</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p>	<p>A1</p> <p>Q2</p> <p>A2</p>	<p>He also suggested that alternatively the Board to adopt a kitchen-sinking exercise and expressed that pinning uncertainty on the deadline for past misdeeds of the previous Board will not allay the Shareholders’ concerns.</p> <p>The Chairman stated that FGV Group is a big entity, thus some of the issues cannot be detected until a detailed investigation is carried out. He stated that the Board does not wish to be the bearer of constant bad news, but this is the reality in FGV. The continual eight (8) quarters of losses were the frequent discussion amongst the Board and even at the subsidiary level. He further stated that with the turn of events in the reduction of the cost of production, improvements in business operations and positive change of work culture within the Group, the Board is confident that the positive results will bear fruit in the near term. He expressed his personal aim to ensure that results can be produced before the expiry of his chairmanship term in September, 2020 and hopes that this too can provide a form of assurance and comfort to the stakeholders.</p> <p>Mr. Devanesan JA Evanson commented that the Board’s interpretation of paragraph 7.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and quoting it in the response to MSWG question is slightly out of context. He then quoted paragraph 7.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. He stated that the remuneration of Directors shall also be dependent on the performance of the Company to a certain extent.</p> <p>The Chairman agreed with Mr. Devanesan JA Evanson’s comment that remuneration paid to Directors should commensurate with the Board’s performance and value created to the Company, however, the Chairman stated that the current Board is seeking from the Shareholders to give some degree of latitude to the current Board to correct the wrongdoings committed in the past and he assured that the current Board’s commitment on this has not wavered and remained intact.</p>

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12.	<p>Raised by : Mr. Stan Lee, Shareholder</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p>	<p>Q1</p> <p>A1</p>	<p>Mr. Stan Lee, a Shareholder of the Company enquired on FGV’s current cost of production against the average cost of production in the market. He also enquired whether the current cost of production of RM1,500.00 per tonne against the current crude palm oil price of RM2,500.00 per tonne translates into profit of RM1,000.00 per tonne.</p> <p>The Chairman replied that at RM1,500.00 per tonne, FGV is currently one of the best performers in the industry and the Company will continue to strive for better improvements not just in terms of cost of production, but also in terms of productivity, yield and the Company’s processes so that whatever savings that can be generated will be reflected in the Company’s bottom-line.</p> <p>He further stated that FGV also faces challenges in the oil palm industry market, both locally and globally, due to previous incidences. He stated that FGV has been taken to task by the Roundtable on Sustainable Palm Oil and several non-governmental organisations. He stated that to ensure previous incidences do not re-occur, actions have been taken to ensure that the plantations are running with the highest standard possible to minimise leakages and the Company is also carrying out the best practises and collecting credits when they are due to ensure that working capital can be generated and deployed within the Group where it can give the best returns and dividends to the Shareholders where possible.</p> <p>The Chairman further stated that the savings generated above does not wholly translate into revenue of FGV as there are other expenses that the Company needs to take into consideration such as the payment under the Land Lease Agreement (“LLA”) with FELDA. He also stated that in most of FGV’s subsidiaries, Koperasi Permodalan FELDA Malaysia Berhad holds a significant percentage of stake, thus there are significant minority interest that have to be provided for. He further stated that the future structure to be adopted is to be able to achieve the objective of retaining 100% of the value created within FGV without having to commit to any fixed charges and to ensure that it can be captured at its bottom-line and ultimately translated into dividends.</p>

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			<p>The Chairman informed that there are many competitors in the market, and such information is publicly available for comparison, however, he cautioned if one were to make comparison, a like-for-like comparison should be made. He stated that there are no plantation companies which are similar to FGV as most of FGV’s plantation assets are leased from FELDA, thus whatever actions to be taken, FGV has to ensure that FELDA also benefits through the LLA arrangement.</p>
13.	<p>Raised by : En. Sidek Miko, Shareholder</p> <p>Answered by : Datuk Wira Azhar Abdul Hamid, Chairman</p>	<p>Q1</p> <p>A1</p>	<p>En. Sidek Miko, a Shareholder of the Company enquired on the decline in palm oil prices, does FGV have any plan to diversify its business into durian planting or production of durian products as proposed by the Government.</p> <p>The Chairman informed that FGV has no plans to venture into durian plantation. He stated that FGV was previously mismanaged by the previous Board of Directors to invest in a 60,000 hectares of non-plantable land, which it does not generate any revenue and in light of this, the Company has reached out to third parties offering them opportunity to lease these idle lands to generate returns for the Company.</p>