FGV HOLDINGS BERHAD
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ANNUAL INTEGRATED REPORT 2021

HARNESSING SYNERGIES.
DELIVERING VALUE.

HARNESSING SYNERGIES. DELIVERING VALUE.

A paradigm shift is in the works at FGV. Our business transformation from an oil palm heritage towards a dynamic agribusiness player is gaining strong traction. We have been taking incremental steps towards this evolution and now is the right time to accelerate growth and optimise our potential.

We are harnessing synergies across the plantation business value chain right through the parallel food marketplace, as well as relevant service sectors. Going forward, we will harness further synergies through collaboration with key stakeholders including the smallholders in ensuring the fruits of our labour reach all facets of our society.

Although the bold steps we are taking are redefining our future, our goal remains the same; To maximise value delivery to a diverse base of stakeholders as a flagbearer of Malaysian agribusiness.

Image: An aerial view of FGV's estate in Maokil, Johor.

Clean and meaningful, this minimalist design approach captures the sense of dynamic advancement within FGV. The synergising lines form escalating wave charts to illustrate heightened performance levels. The lines making up the wave represent the synergies within the FGV Group of Companies and shows the shared goals towards higher value and higher target impacts.

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14TH ANNUAL GENERAL MEETING

Thursday, 23 June 2022

11 a.m.

https://meeting.boardroomlimited.my
(virtual meeting platform)

About this Report

FGV's 7th Annual Integrated Report covers performance for the year ended 31 December 2021. This Report adheres to the principles of integrated reporting as established by the International Integrated Reporting Council. Going forward, we will stay guided by the evolving reporting requirements to achieve a more coherent corporate reporting system in tandem with global reporting standards.

By continuously enhancing our reporting disclosures, we target to help businesses and investors develop a shared understanding of how the value of FGV Holdings Berhad (FGV) is created, preserved and shared among our stakeholders.

This approach clearly articulates the current market infrastructure needed to develop, manage and communicate a strategy that creates long-term value and drives higher performance.

To produce this Annual Integrated Report (AIR), we adhered to Malaysia's reporting requirements, including the Malaysian Code on Corporate Governance 2021 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. In addition, we continue to strive towards Global Reporting Initiative Standards benchmarks on sustainability reporting.

2021 REPORTING SUITE

Annual Integrated Report 2021

Audited Financial Statements 2021

Sustainability Report 2020/2021

For a more complete understanding, this Report should be read together with the Reporting Suite above, as well as other information made available on our website at www.fgvholdings.com.

REPORTING SCOPE AND BOUNDARIES

This Report contains information on the value-creating activities that are material to the Group. Hence, the Report has been confined to the developments throughout 2021 from 1 January 2021 to 31 December 2021 (FY2021). Unless otherwise stated, it covers all of FGV's businesses in Malaysia and the other countries we operate in. This includes operations in which we have full control of subsidiaries and joint ventures. We also report on other developments or information that may transcend our reporting boundaries but are considered highly material to the Group's performance.

As in previous years, the Report provides information in a comparative format for easy referencing and review. Throughout this Report, we have also embedded our sustainability disclosures to demonstrate how we support value creation and how important sustainability is to the Group. Furthermore, this Report includes all risks and opportunities material to our sustainability but does not estimate or forecast future impacts of our sustainability-related material matters.

DETERMINING OUR MATERIAL MATTERS

We prepared this Report based on the determination of our FY2021 material matters to ensure we provide a fair, accurate and comprehensive account of our strategy, performance and prospects. It also takes into account our response to the material matters in the economic, environmental, social and governance aspects of our business.

During the year in review, we conducted a Materiality Assessment with the support of an independent consultant, engaging internal and external stakeholders to gain their views on our Group's material matters. This process involved a review of our Materiality Matrix to determine the factors impacting our delivery of value in FY2021.

Following this, we developed the content of the AIR by taking into account qualitative and quantitative considerations as well as factors that may affect our ability to achieve our strategic objectives and maintain the sustainability of our business. We also considered the issues discussed in reports presented to the Board, reported risks and our stakeholders' interests. Additionally, we factored in the material impacts of the countries and regions where we operate.

REPORTING INTEGRITY

In upholding the quality of this Report, stringent efforts have been taken to ensure the information presented is reliable, consistent and complete. The Reporting Committee has reviewed this Report to assure its compliance with the International Integrated Reporting Council Framework and its fair representation of the Group's performance against targeted value creation outcomes.

As part of our governance practices, this Report has further been reviewed by the Audit Committee and together with the Audited Financial Statements 2021, submitted to the Board for its final approval.

The external auditors have further supported our assurance by providing external assurance on our Audited Financial Statements.

They have read all other information and made certain that the material is consistent with the Audited Financial Statements or their knowledge obtained in the audit. The external auditors have also provided a limited assurance review on our Statement on Risk Management and Internal Control.

FORWARD-LOOKING STATEMENTS

Where necessary, we have used forward-looking statements related to our Group's plans, objectives, strategies, future operations and performance. Such statements should not be taken as guarantees of the Group's future results as we remain subject to various possible scenarios of risks, uncertainties and assumptions. Actual results and outcomes may significantly differ from forward-looking statements. We make no expression or implied representation or warranty that the results targeted by these forward-looking statements will be achieved.

OPPORTUNITIES FOR FEEDBACK

We invite stakeholders and the public to offer their feedback on our reporting in order to uplift our reporting practices and standards. You may submit your feedback by phone calls or email to our Investor Relations Department via the following channels:

03-2789 0000

fgv.investors@fgvholdings.com

NAVIGATING THROUGH THIS REPORT

All icons featured here are Navigation Icons that will be consistently featured within our Report as a guide towards better integration and presentation of information.

OUR SIX CAPITALS

Financial
Natural
Manufactured
Intellectual
Human
Social & Relationship

OUR STRATEGIC THRUSTS

Operational Improvement
Product & Market Penetration
New Growth Area
Financial & Capability Building

2021 KEY MATERIAL MATTERS

Upholding Human Rights & Labour Standards
Operational Excellence
Sustainability Certification
Governance, Ethics & Integrity
Occupational Health & Safety
Climate Action
Traceability, Responsible Sourcing & Supply Chain Management

OUR TOP RISKS

Trading & Market Risk
Labour Risk
Sustainability Risk
Pandemic Risk
Cyber Security Risk

FGV's Chairman Address 2021

Making Dynamic and Responsible Strides

On behalf of the Board, I would like to thank you for the privilege to present to you FGV's performance report for the financial year ended 31 December 2021.

Dear Valued Stakeholders,

Despite various challenges faced in 2021, we have recorded the best result since going public in 2012. We maintained operational parameters in line with the national average. We have products that are listed as topmost chosen FMCG brands in Malaysia, and our Logistics strength has been enhanced with new assets. We are also advancing our sustainability journey as the first food and agribusiness company in Malaysia to formalise a Climate Action Plan target with the United Nations.

It has been a dynamic year of change and growth. Notwithstanding the marked improvement in our performance this year, the Board remains committed to invest and expand towards a broader range of sustainable and synergised agribusinesses as we strive to achieve strong business performance.

The Board also advocates the fortification of sustainability strategies in every aspect of our business. To us, the new normal is not just limited to safety protocols. Business today has to be aligned with global sustainability actions and climate goals, meet expectations of greater engagement and deliver sustainable value. This calls for agile response and a responsible outlook with an eye on long-term growth prospects.

NAVIGATING TOWARDS A BROADER FOCUS

While strategies to optimise every aspect of the Plantation business continue to be prioritised and executed, the way forward for FGV Holdings Berhad (FGV) is to move into higher value-added business activities to achieve more stable returns. On this strategic journey, FGV aspires to become one of the world's leading sustainable agribusiness players with reputed product brands, and strong distribution capabilities.

Embarking in this direction, we have made good strides during the year by Harnessing Synergies and Delivering Value.

FINANCIAL HIGHLIGHTS

Financially, great strides were made in 2021 as FGV delivered the highest financial performance since its listing. The Group's revenue rose 39% year-on-year (y-o-y) to RM19.57 billion, Profit Before Zakat and Tax (PBZT) increased significantly to RM1.71 billion, while Profit After Tax and Minority Interest (PATAMI) increased to RM1.17 billion in 2021. These were attributed to increase in palm products' margins due to higher average CPO price realised, turnaround of Sugar business and increased volume of high-value products and lower variable operating cost in our Logistics business.

On the back of profits made during the year, the Board is pleased to announce a dividend of 8.0 sen per ordinary share, translating to a total dividend payout of RM291.85 million.

Further details on FGV's financial performance can be found in the Group Financial Review on page 48.

OPERATIONAL HIGHLIGHTS

The surge in the CPO price, averaging RM3,671/Metric Tonne (MT) in 2021, led to Plantation Sector's profit rising to RM1.60 billion from the higher palm products' margins gained.

Operational improvements are ongoing through extensive replanting to replace old trees and improve our plantation age profile. We continue to record excellence in operational improvements across our estates and mills as attested by the awards and achievements of the year including gold and silver awards under ISO MSOSH certifications for eight estates, winning gold at the Annual Quality Environment Challenge (AQEC), and receiving National Energy Awards (NEA) 2020, under the Renewable Energy (Cogeneration) Category.

Labour shortage issues are also being positively addressed. The Government-announced measure to bring in 32,000 migrant workers into the country should help turnaround productivity in late 2022 by boosting the manpower coverage level which currently stand at 68% of the full requirement.

The year's high CPO prices pressured our Downstream margins. However, due to surge in demand for pandemic-related products such as detergents and sanitisers, the Division was buoyed by the good sales volume achieved for oleochemical by-products. Plans are in place for Downstream growth to be sustained by development of new and premium products for a wider export market in the near future.

In line with the broadening of FGV's focus, our Research & Development (R&D) efforts are being extended to support product development across the value chain and provide solutions for operational improvements and increase productivity. Our R&D Division received recognition for high-level quality of laboratory services during the *Institut Kimia Malaysia (IKM)* Chemistry Night 2020 & 2021. These awards provide higher trust and confidence to industry customers in using our services. Research scope is also being expanded to cover more sustainable innovations such as renewable energy, drought tolerance planting materials, irrigation and slow release fertiliser.

FGV's Sugar Sector recorded a turnaround performance through initiatives to streamline resources, hedge costs, strengthen customer engagement and escalate sustainability commitments. The business made a significant stride in boosting sugar refining margins through negotiations with customers for a higher ASP of refined sugar amidst an environment of rising production costs.

FGV's Logistics & Others (LO) Sector grew their capacity and capability by further expanding transportation and storage assets and services. These investments lay the groundwork to attract business opportunities from other industries in growing our business potential. With the year recording the highest oleochemicals throughput handled at 0.95 million MT, the Sector is showing readiness to attract diversification opportunities.

Over the course of the year, FGV's Integrated Farming venture has fortified the business with three animal feed plants, a dairy processing plant, and three new product brands to carve a distinctive and competitive niche for these businesses. In addition, we have 16 sales distributorships across the country selling 12 types of animal feed, and eight minerals and additives. Together, these allow us to improve our value chain offerings in agribusiness, tap into consumer demands and help the nation close gaps in domestic food supply.

Focusing on heightening the brand equity of current star brands in 2021, two videos for Saji cooking oil were launched during the year and this investment has strengthened the position of Saji at 42% refined cooking oil market share and increased sales revenue by 33% from 2020. FGV will be tapping this segment more aggressively to further grow market share and product branding.

FGV was also honoured to receive a Gold Excellence Award for Companies with RM2 billion to RM10 Billion in Market Capitalisation, and Silver Special Award for Best Annual Report in Bahasa Malaysia from National Annual Corporate Reports Award (NACRA) 2021. These achievements testify to the good work of our team in delivering a high-quality integrated report that draws attention to FGV's unique value creation in many parts of our businesses to support investors in decision-making.

Further details on FGV's business operations can be found in the Group Business Review on page 55.

GROWING WITH PRIDE

While we competitively benchmark our companies against industry leaders, we realise that building organisational capability requires nurturing a more competitive and enterprising workforce that lives up to our corporate values of Partnership, Respect, Integrity, Dynamism and Enthusiasm (PRIDE).

To catalyse internal transformation, we are synergising value-creating goals with our employees. One of the key focus was on initiatives and activities to further nurture and cascade the PRIDE corporate culture.

Results of an Integrity Assessment Tool (IAT) survey by *Institut Integriti Malaysia (IIM)* showed that we are making good progress as FGV recorded an improved integrity assessment score of 81% in 2021 from 68% previously. This showed that we have effectively created good awareness on the importance of integrity and inculcated it into the FGV work culture.

FGV's Chairman Address 2021
Making Dynamic and Responsible Strides

As PRIDE also encapsulates prioritising the safety and wellbeing of our employees, a host of new measures were introduced during the ongoing pandemic to escalate safety protocols at the workplace and ensure all employees received the vaccination shots during the year. I am proud to report that as at 21 March 2022, 98% of FGV's employees are fully vaccinated.

ESCALATING SUSTAINABILITY COMMITMENTS

FGV intends to change the narrative for Malaysian palm oil by taking a holistic view and approach towards sustainability, and ensure that Environmental, Social and Governance (ESG) considerations continue to take the centre stage in all our undertakings. This is key to advocating the sustainable benefits of palm oil at a global level, and helping the industry gain international acceptance and support as the way forward to meet the needs of a growing world population.

It must also be mentioned that our dedicated efforts to inculcate a more proactive and responsible culture within the Group have led to improvements in our SPOTT rankings. FGV has risen to 19th position from 23rd, which shows improved transparency in disclosures related to ESG issues.

The main priority for FGV's sustainability drive in 2021 was the lifting of the Roundtable on Sustainable Palm Oil (RSPO) certification suspension and the United States (US) Customs and Border Protection (CBP) Withhold Release Order (WRO). An independent assessor has been appointed to assess our operations against forced labour and provide feedback and guidance to FGV in managing the issue.

Strengthening oversight on the Group's Sustainability Policy, a Board Sustainability Committee (BSC) was established in September 2021, chaired by myself, and comprises four other members of the Board. A key highlight for the BSC during the year was the emphasis on FGV's commitment in reducing climate emission to 1.5°C towards becoming a net-zero business by 2050, as part of FGV's formal pledge to the Business Ambition for 1.5°C campaign, led by Science-Based Target initiative (SBTi) in partnership with the United Nations (UN) Global Compact.

In living up to this commitment, we launched an inaugural climate awareness and education campaign called SMART4Climate. It kicked off on 8 October 2021 with a national essay writing competition titled 'Write4Climate', organised in collaboration with the Ministry of Environment and Water. The competition was open to secondary school students aged 13 to 17 and members of the public aged 18 and above, aiming to advocate climate change awareness among young Malaysians. Participants were free to choose a topic relevant to the theme 'Malaysia's Role in Keeping the World Below 1.5°C' and submit essays in English or Bahasa Malaysia. The event attracted over 170 participants and we trust that the act of writing about such a critical issue will empower them to become catalysts of change in contributing to the national climate agenda.

I believe that concerted action through participation helps change mindsets, thus recommended our Group Strategic Communications Division to organise a *Pertandingan Inovasi & Rekacipta* for all FGV employees late last year. The competition calls for video entries on how to implement innovation at the workplace environment towards enjoying time and cost saving, while improving productivity. 21 videos have been received and the winners have been announced in our internal bulletin, CASSIA.

Towards the end of the year, as devastating floods swept across Malaysia, FGV also reached out to ease the burdens of hundreds of flood victims through contributions in cash and kind. We are grateful that our business zakat contributions through the FGV Welfare Fund allowed us to provide meaningful assistance to communities in their time of need. In total, we contributed around RM15 million for Corporate Social Responsibility (CSR) related activities that benefitted underprivileged individuals, 200 *asnaf*, 300 flood victims, and for flood relief efforts and upliftment of FELDA regions.

Please refer to Sustainability Report for more details.

EMBEDDING GOVERNANCE

During the year, we ensured that our governance and risk management were constantly reviewed and kept updated to ensure prudent oversight.

Focus was directed towards maintaining and enhancing the Group's Anti-Bribery Management System (ABMS) in compliance to Section 17A of the MACC Act.

As we had new members during the year, the Board underwent a mandatory awareness programme for on-boarding on governance and integrity, with specific emphasis on Corporate Liability. An assurance of our commitment was made through an Integrity Pledge. Following suit, 100% of FGV employees had also renewed their Integrity Pledge online in 2021.

For employees, a continuous series of awareness sessions were carried out in 2021 across multiple sites of all Sectors, including FGV's international subsidiaries. In addition, sessions on corruption risks awareness was carried out for FGV's local and international companies and corporate centres.

Further details on FGV's Governance and Risk Management Initiatives can be found in the Corporate Governance Overview Statement on page 103 and Statement on Risk Management and Internal Controls on page 140.

ECONOMIC OUTLOOK AND PROSPECTS FOR 2022

After a challenging year hampered by labour shortages, prolonged pandemic-related operational disruption, and RSPO certification suspensions, 2022 brings optimism for resolutions as well as steadfast growth on Malaysia's Gross Domestic Product, forecasted to grow to 6% from 3.5% in 2021[1].

[1] *Source: IMF World Economic Outlook (October 2021)*

In FY2022, we look forward to the renewal of our RSPO certification schedule and the lifting of restrictions on our exports by the US CBP, having initiated all the necessary steps to address the matter.

Demand for palm oil is expected to increase by 6.50% in 2022[2], with CPO price remaining high based on current supply forecasts. Going forward, palm oil remains as the mainstay of our business while we strategically deploy appropriate resources into high value and synergistic businesses to mitigate the volatility of CPO price.

We are optimistic that this strategic direction will benefit from the 12th Malaysia Plan (12MP) which targets further development and modernisation of Malaysia's farming and agribusiness industry. With the financial gains of 2021, we are now empowered to invest in further value creation integral to our Strategic Business Plan.

Malaysia's National Digital Transformation Roadmap is also a guiding light towards further advancing our digitalisation journey. Across industries, the pandemic has been an enabler in hastening the adoption of digital solutions, and it had also demonstrated the importance of upgrading and strengthening the technology and infrastructure to ease the process of doing business.

In FGV's operations, there has been a rapid adoption of a digital inclusion agenda, to enable our employees to work, learn and connect digitally. We have also made inroads in establishing e-commerce platforms to expand our marketing channel and reach, while capitalising on the growing popularity of shopping online.

In our estates and mills, digitalisation and mechanisation initiatives are being implemented and explored to increase productivity. During the year, our R&D team has introduced the positioning device, Geotagger, for replanting and semi-autonomous guiding of machinery using Global Positioning System (GPS). Digitalisation of our estate operations is ongoing in helping improve operations by digital tracking of harvesting, manuring and Fresh Fruit Bunch (FFB) transportation. We are also focusing in research to utilise drones to manage weeds via aerial spraying. Moving forward, our Industrial Revolution 4 (IR4.0) journey will include further advancements in analytic capabilities, cyber security and automation to improve productivity and data driven decision making.

The Board will ensure our Strategic Business Plan provides benefits to the smallholders, especially Federal Land Development Authority (FELDA) settlers, whom we regard as our partners, even more so today as FELDA has emerged as FGV's largest shareholders as at end-2021 with 79.80% shareholding.

We expect to harness mutually beneficial synergies from this closer relationship between FELDA and FGV, driven by clearer communication of shared goals and more responsive strategic alignment.

[2] *Source: Palm Oil Supply and Demand Outlook Report 2022 by Council of Palm Oil Producing Countries*

GRATITUDE & APPRECIATION

The Board and I take this opportunity to express our appreciation to my predecessor, the Chairman, Datuk Wira Azhar Abdul Hamid and Group Chief Executive Officer (GCEO), Dato' Haris Fadzilah Hassan who resigned on 1 April 2021 and 15 May 2021, respectively.

Four independent directors, namely, Datuk Mohd Anwar Yahya, Dr Mohamed Nazeeb P.Alithambi, Datin Hoi Lai Ping and Dr Nesadurai Kalanithi also left during the year and we thank them for their services. In their place, we have been joined by four new independent directors, namely Dato' Nonee Ashirin Dato' Mohd Radzi, Dato' Mohd Rafik Shah Mohamad, Encik Kasmuri Sukardi and Puan Nik Fazila Nik Mohamed Shihabuddin. They bring fresh perspectives and a continued passion to evolve FGV as one of the leaders in agribusiness.

We also welcomed FGV's new GCEO, Encik Mohd Nazrul Izam Mansor, who was appointed on 23 August 2021, and look forward to achieve many milestones with him.

Several parties have played a part in the Group's commendable performance and I am truly appreciative of their contributions. My sincere appreciation extends to our shareholders, especially FELDA, customers and diverse stakeholders for their continued trust and steadfast support in us. I also wish to record our appreciation to the Federal and State Governments, the Ministries, regulatory authorities and Government agencies for their ongoing guidance and assistance.

To the settlers and independent smallholders, I reiterate that working together as one with FGV will lead to a shared success. The journey ahead is transformative, and we require your continued partnership, commitment and trust.

My deep gratitude extends to our employees who have performed with passion, professionalism and dedication, particularly our frontliners who continued to serve our customers throughout these extraordinary times. Our people are our future. With the guidance of a strong leadership team aligned to our culture of PRIDE, I believe we are in a good position to drive our strategies forward and deliver value to our stakeholders.

My appreciation goes out to the members of the Boards within the Group for their invaluable support and counsel. On 10 March 2022, we lost our dear colleague, the late Dato' Yusli Mohamed Yusoff. The Board wishes to offer our deepest condolences to his family, and acknowledges his valuable contributions as Deputy Chairman and Independent Non-Executive Director of the Group since 2018.

Last but not least, I would like to convey my condolences to employees and their families who were victims of the devastating pandemic and floods over the last year. We stand by you in your time of loss, and together we would like to express our special thanks to the nation's frontliners and volunteers who have been anchors of support through these tumultuous events.

Dato' Dzulkifli Abd Wahab
Chairman

SECTION 1

About FGV

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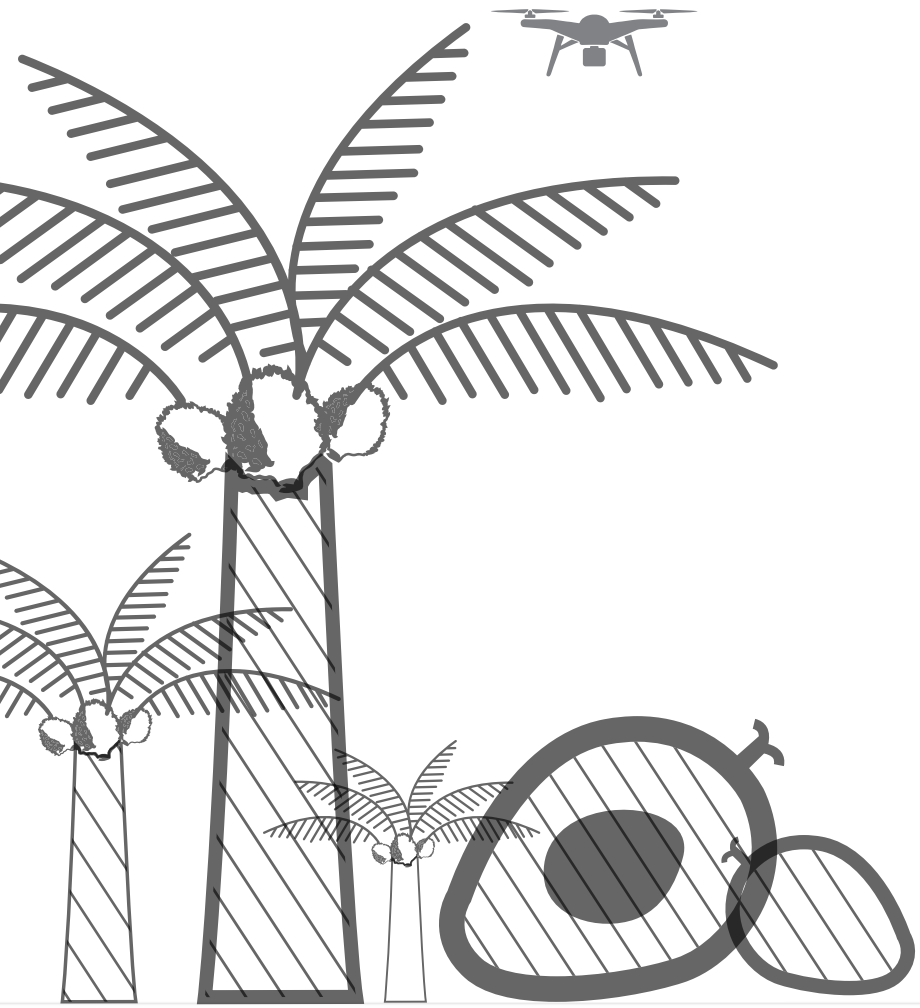
FGV is passionate about changing the narrative for Malaysian palm oil by taking a holistic view and harnessing synergies towards optimum value. In our efforts to future-proof Malaysian palm oil, we strive to embed operational excellence and sustainability throughout FGV's entire business chain while creating value for our stakeholders.



FGV's 2021

CORPORATE

- **FELDA emerged as the largest shareholder** of FGV with total shareholding of 79.80% as of 31 December 2021.
- **Launched RM500 million *Sukuk Murabahah* programme**, which indicates confidence in FGV's balance sheet.
- **Paid windfall tax of RM184 million** based on high CPO price recorded during the year.
- **Contributed around RM15 million** for CSR related activities.

PLANTATION

- **Completed felling of 13,127 Ha** and **replanted 2,815 Ha** landbank.
- Expansion of mechanisation areas to **30,391 Ha**, making a **total of 115,000 Ha fully mechanised** using the Mechanical Assisted Infield Collection method.
- Applied **297,178 MT of fertilisers**, equivalent to 100% coverage.
- **Saji ranked #7 topmost chosen FMCG brands** in Malaysia, based on Kantar's Asia Brand Footprint 2021.

SUGAR

- **Gula Prai ranked #3 topmost chosen FMCG brands** in Malaysia, based on Kantar's Asia Brand Footprint 2021.
- **Secured refined sugar supply contract** with **The Coca-Cola Company worth an estimated RM290 million** for domestic and international production.
- **Signed agreement with Wilmar** to collaborate in the establishment of a sustainable sugar supply chain.

LOGISTICS & OTHERS

- Recorded **highest oleochemical storage throughput handled of 0.95 million MT**.
- Introduced **cold chain transportation services** and acquired **10 refrigerated trucks**.
- Expanded FGV transport's fleet capacity to **549 units** to strengthen operations.
- **Penetrate into Oil and Gas Industry** - awarded Telecommunication Infra & System Maintenance (TISM) contract for Petronas Refinery & Petrochemical Corporation (PRPC)

Highlights

INTEGRATED FARMING

- Harvested **600 Ha of FGV's Fortified Field Fragrant Rice (3FR)** contract farming programme, **yielding 3,751 MT** of fragrant paddy to produce "Saji Aroma" rice.
- **Launched FGV Chuping Agro Valley** to develop an integrated high-value cash crop and large-scale dairy farming.

GOVERNANCE

- **Integrity Assessment Tool (IAT)** survey conducted by *Institut Integriti Malaysia (IIM)* on 1,500 employees demonstrated an increase in level of integrity in FGV to **81% in 2021**, **from 68% in 2018**.
- **Maintenance and enhancement of ABMS** in compliance to Section 17A of the MACC Act.
- **Commitment from the Board members** toward governance and integrity through the Integrity Pledge.
- **100% of FGV employees** have renewed their integrity pledge online in 2021.

SUSTAINABILITY

- **Established the Board Sustainability Committee.**
- **Established Gender Equality and Women Empowerment Committee** which reflects FGV's commitment to provide women with equal access to all opportunities throughout our operations.
- Improved in the SPOTT rankings, **climbing to 19th position** from 23rd, with an overall SPOTT assessment **score of 74%**.
- Pledged to adopt Science-Based Targets and become a net-zero emission entity by 2050, making **FGV Malaysia's first food and agriculture** company to sign the UN-backed SBTi's Business Ambition for 1.5°C pledge.
- **Expansion of wildlife conservation and human-wildlife conflict management** to include pygmy elephants, pangolins and gibbons besides the existing programme for sun bear.
- Embarked on a **new three-year initiative to protect and enhance High Conservation Value and High Carbon Stock** areas within our plantations.
- Ensure compliance to responsible sourcing, sustainability standards and regulations through traceability and supply chain management. To date, **our palm oil is 100% traceable to mill and 98% to plantation. For rubber, 97% is traceable to plantation (local suppliers)**.

Our Story

FGV Holdings Berhad (FGV) is harnessing synergies to heighten value creation and optimising the potential of every business to make headway in delivering sustainable value to our stakeholder.

We are staying steadfastly on track of our strategic gameplan and goals, and ensuring clear communication with our stakeholders. In every action we take, we remain anchored on responsibility and accountability, guided by strong effective governance and prudent financial practices.

Today, FGV is among the world's largest producers of Crude Palm Oil (CPO), accounting for 4% of total CPO production with focus on three core businesses; Plantation, Sugar, and Logistics & Others (LO), while nurturing two new businesses, namely Consumer Products and Integrated Farming. Through harnessing the strengths and expertise of every business segment within the Group, FGV is now well positioned to advance as one of Malaysia's agribusiness champion.

OUR **VISION**

To be among the **World's Leading Integrated** and **Sustainable Agribusinesses** and **Delivering Value** to customers and stakeholders

OUR **MISSION**

To be a global leader by:

- Creating Value through our Human Capital
- Building an Integrated Value Chain Advantage
- The Embodiment of Governance and Compliance
- Cultivating Diversification in Commodities and Geography

OUR ORGANISATIONAL VALUES

P R I D E

Partnership
Best solutions and ideas come from working with both internal (colleagues) and external parties (business partners).

Respect
Our sustained success and achievements can only come from respect for people (colleagues and business partners), as well as the environment, which is the main source of our business.

Integrity
Integrity is about trust, honesty and sincerity. For FGV, it means being responsible and accountable for one's own actions and behaviours. Each employee is responsible for the Group's success and business reputation.

Dynamism
Strive to discover, create ideas and identify growth potential from uncharted opportunities and beyond traditional boundaries, all done in the best interest our stakeholders.

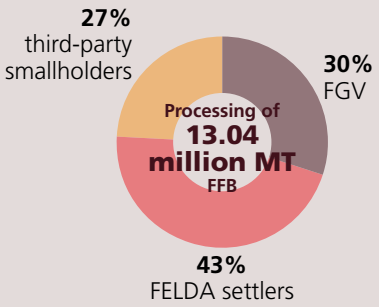
Enthusiasm
We are enthusiastic about what we do, committed to the growth and future of our agribusinesses, while at the same time, propagating sustainable development around the world.

Plantation

FGV's plantation business is dominated by the integrated segments of Upstream, Downstream, R&D, Marketing & Trading, and Renewable Energy value chain.

67 Mills Complexes

(97% MSPO & 45% RSPO-certified)



Managing

219 estates

Total landbank:
(including Malaysia and Indonesia)

438,885 Ha

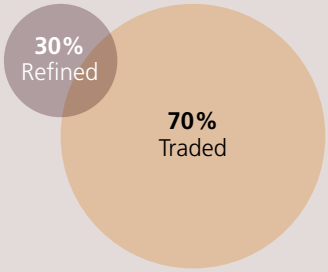
Oil palm
336,315 Ha

Rubber
7,668 Ha

Other crops
3,352 Ha

Planted area

Unplanted area
91,550 Ha



CPO production of

2.68 mil MT

Vegetable oil refining capacity

5,553,600 MT

Rubber processing capacity

233,400 MT

Kernel crushing plant capacity

1,007,600 MT

Biodiesel plant capacity

110,000 MT

Oleochemical plant capacity

476,000 MT

Note: All productions and operational figures are based on yearly average

R&D

>12,000 Ha oil palm plantations for R&D purposes

58 highly qualified researchers & 17 agronomists

#1 oil palm germinated seed producer in Malaysia with **43% market share**

Malaysia's leading fertiliser manufacturer with **700,000 MT** annual production capacity

Consumer Products

#1 refined cooking oil brand in Malaysia with **42% market share**

#1 margarine brand in Malaysia with **41% market share**

Other brands

Integrated Farming

Integrated Farming leverages on synergies within FGV to diversify into other forms of commercial agriculture. It is part of FGV's circular economy that involves cultivating cash crops on marginal plantation land and producing animal feed from palm by-products.

- Animal feed & nutritional products, for livestock and poultry
- Paddy & rice
- Food & cash crops
- GOGOPASAR e-commerce platform

Sugar

Sugar business operates mainly through FGV's 51% owned subsidiary, MSM Malaysia Holdings Berhad.

2.05 mil MT

Annual sugar production capacity

Among the
largest
sugar refiner in the world

Dominance market share
in domestic refined sugar market

Other Services

FGV services ensure consistent supply of our products in the market through leading storage, efficient logistics, retail and e-commerce distribution solutions.

Logistics & Others

LO Sector facilitates the vertical integration of the Group's core businesses by connecting the flow of assets to drive Group-wide efficiencies.

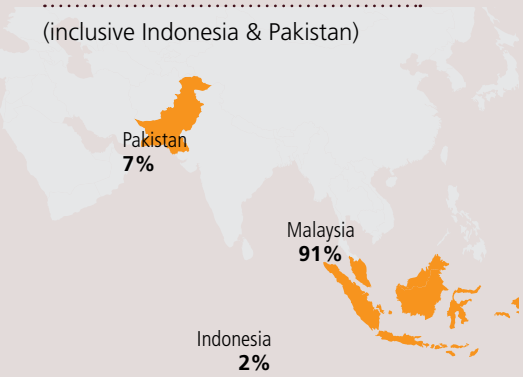
Storage capacity of
1.08 million MT

Liquid
0.97 million MT

Dry Cargo
0.11 million MT

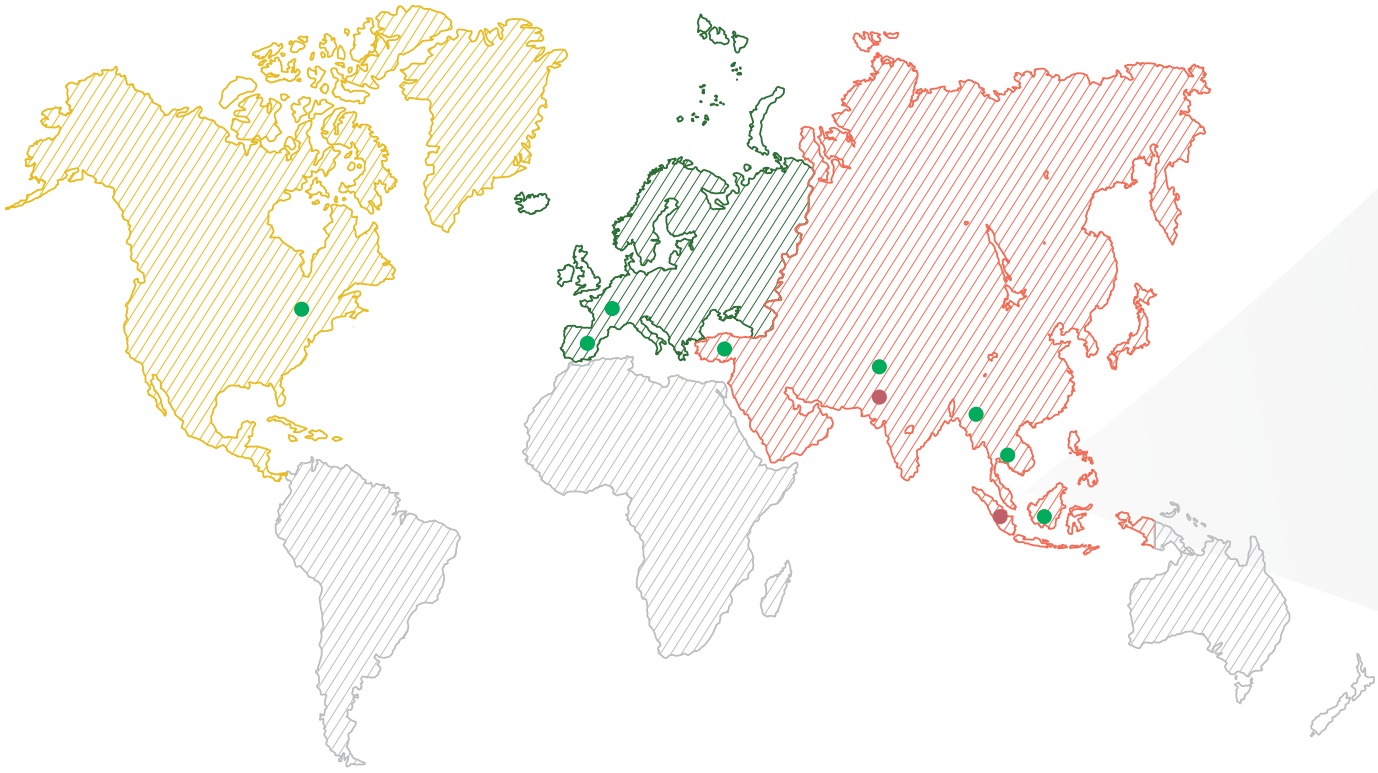
(inclusive Indonesia & Pakistan)

Transport's fleets
549
units



Global Presence

FGV operates in **9** countries across Asia, North America and Europe.



FGV's Assets

Plantation

219 Estates
67 Mills
8 Vegetable oil refineries
6 Rubber processing facilities
4 Kernel crushing plants
3 R&D centres
3 Seed production centres
3 Fertiliser manufacturing plants
3 Trading offices
2 Oleochemical plants
1 Biodiesel plant
1 Green rubber processing facility

Sugar

2 Sugar refineries
1 Refined sugar warehouse

Logistics & Others

13 Bulking terminals
10 Transportation hub & spoke
5 Warehouses
4 Transportation depots
2 Jetty operations
1 Hotel

Integrated Farming

2 Fresh food packaging centres
1 Fresh milk processing facility
1 Agro food valley
1 Animal feed plant
1 Paddy farming
1 Integrated cattle dairy farm

Asia

INDONESIA
- 5 Estates
- 1 Bulking terminal

CAMBODIA
- 1 Rubber processing facility

THAILAND
- 1 Rubber processing facility

PAKISTAN
- 1 Vegetable oil refinery
- 1 Trading office*
- 2 Bulking terminals**
- 1 Warehouse
- 1 Jetty operation

North America

USA
- 1 Oleochemical plant

Europe

FRANCE
- 1 Trading office*

SPAIN
- 1 Trading office*

TURKEY
- 1 Vegetable oil refinery*

* *Joint Ventures (JV)*
** *One of the two refineries/bulking terminals is a JV*

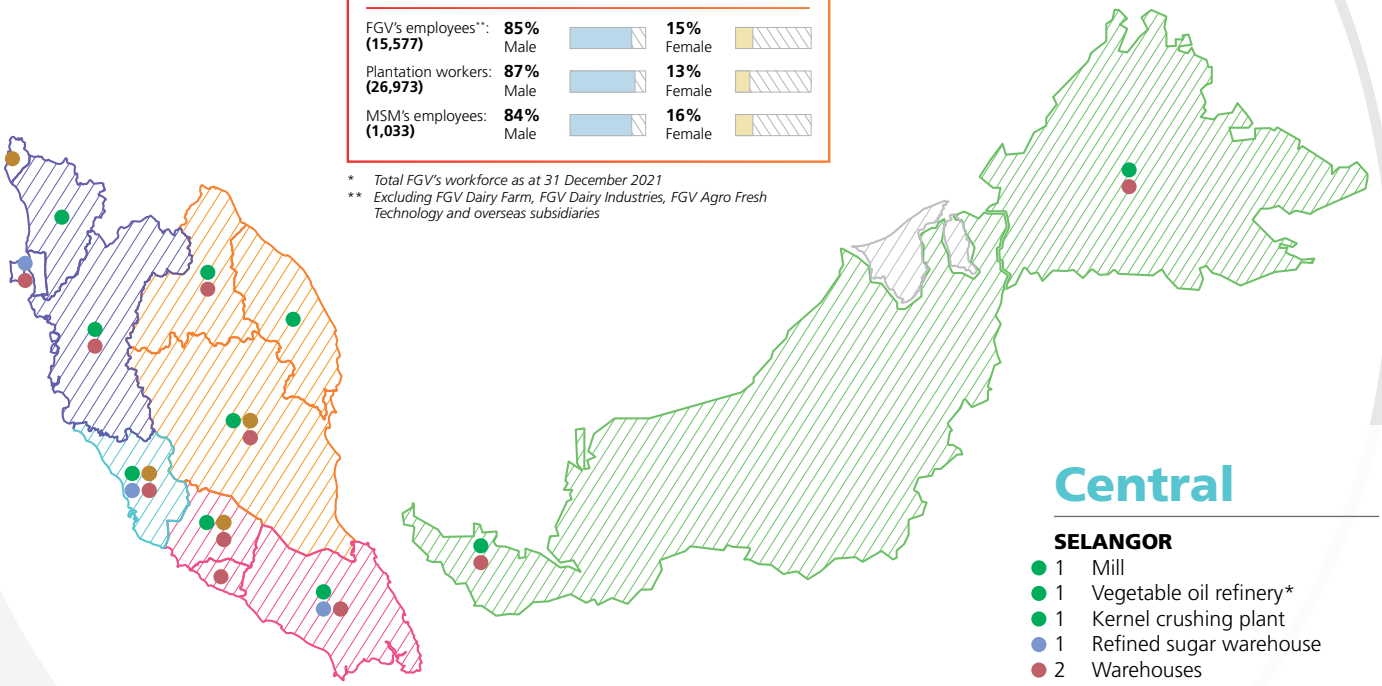
Total FGV's workforce*
(including plantation workers and MSM's employees)

43,583

86% Male | **14%** Female

FGV's employees**: **(15,577)**	**85%** Male	**15%** Female
Plantation workers: **(26,973)**	**87%** Male	**13%** Female
MSM's employees: **(1,033)**	**84%** Male	**16%** Female

* *Total FGV's workforce as at 31 December 2021*
** *Excluding FGV Dairy Farm, FGV Dairy Industries, FGV Agro Fresh Technology and overseas subsidiaries*



Central

SELANGOR
- 1 Mill
- 1 Vegetable oil refinery*
- 1 Kernel crushing plant
- 1 Refined sugar warehouse
- 2 Warehouses
- 1 Transportation depot
- 1 Transportation hub & spoke
- 1 Bulking terminal
- 2 Fresh food packaging centres
- 1 Fresh milk processing facility
- 1 Paddy farming

North

PERLIS
- 1 Agro food valley

KEDAH
- 1 Estate
- 1 Rubber processing facility

PENANG
- 1 Sugar refinery
- 1 Transportation hub & spoke

PERAK
- 7 Estates
- 2 Mills
- 1 Transportation hub & spoke

South

NEGERI SEMBILAN
- 9 Estates
- 4 Mills
- 2 Rubber processing facilities
- 1 R&D centre
- 1 Green rubber processing facility
- 1 Transportation hub & spoke
- 1 Integrated cattle dairy farm

MELAKA
- 1 Hotel

JOHOR
- 19 Estates
- 15 Mills
- 2 Vegetable oil refineries**
- 1 Kernel crushing plant
- 1 Seed production centre
- 1 Fertiliser manufacturing plant
- 1 Sugar refinery
- 5 Bulking terminals
- 2 Transportation hub & spoke
- 1 Transportation depot
- 1 Warehouse

East Coast

KELANTAN
- 12 Estates
- 3 Mills
- 1 Transportation hub & spoke

TERENGGANU
- 8 Estates
- 3 Mills

PAHANG
- 70 Estates
- 26 Mills
- 1 Vegetable oil refinery
- 1 Kernel crushing plant
- 1 Biodiesel plant
- 1 Oleochemical plant*
- 1 R&D centre
- 1 Seed production centre
- 1 Fertiliser manufacturing plant
- 1 Rubber processing facility
- 2 Bulking terminals
- 1 Transportation depot
- 1 Transportation hub & spoke
- 1 Warehouse
- 1 Animal feed plant

East Malaysia

SABAH
- 78 Estates
- 11 Mills
- 2 Vegetable oil refineries
- 1 Kernel crushing plant
- 1 R&D centre
- 1 Seed production centre
- 1 Fertiliser manufacturing plant
- 2 Bulking terminals
- 1 Transportation depot
- 1 Transportation hub & spoke
- 1 Jetty operation

SARAWAK
- 10 Estates
- 2 Mills
- 1 Transportation hub & spoke

Corporate Details

BOARD OF DIRECTORS

Dato' Dzulkifli Abd Wahab
Chairman
Non-Independent Non-Executive Director
(Appointed on 1 April 2021)

Dato' Amiruddin Abdul Satar
Non-Independent Non-Executive Director

Dato' Shahrol Anuwar Sarman
Non-Independent Non-Executive Director

Datuk Yatimah Sarjiman
Non-Independent Non-Executive Director
(Appointed on 8 April 2022)

Dato' Mohd Rafik Shah Mohamad
Senior Independent Non-Executive Director
(Appointed on 1 July 2021)
(Redesignated as Senior Independent Non-Executive Director on 30 March 2022)

Dato' Nonee Ashirin Dato' Mohd Radzi
Independent Non-Executive Director
(Appointed on 30 June 2021)

Kasmuri Sukardi
Independent Non-Executive Director
(Appointed on 1 July 2021)

Nik Fazila Nik Mohamed Shihabuddin
Independent Non-Executive Director
(Appointed on 1 July 2021)

Datuk Wira Azhar Abdul Hamid
Chairman
Non-Independent Non-Executive Director
(Resigned as Chairman, Non-Independent Non-Executive Director on 1 April 2021)

Datuk Mohd Anwar Yahya
Independent Non-Executive Director
(Resigned as Independent Non-Executive Director on 1 April 2021)

Dr Mohamed Nazeeb P.Alithambi
Independent Non-Executive Director
(Resigned as Independent Non-Executive Director on 1 April 2021)

Datin Hoi Lai Ping
Independent Non-Executive Director
(Retired as Independent Non-Executive Director on 23 June 2021)

Dr Nesadurai Kalanithi
Independent Non-Executive Director
(Resigned as Independent Non-Executive Director on 24 June 2021)

Dato' Yusli Mohamed Yusoff
Deputy Chairman
Independent Non-Executive Director
(Demised on 10 March 2022)

Datuk Dr Zunika Mohamed
Non-Independent Non-Executive Director
(Resigned as Non-Independent Non-Executive Director on 11 March 2022)

GROUP CHIEF EXECUTIVE OFFICER

Mohd Nazrul Izam Mansor
(Appointed on 23 August 2021)

Dato' Haris Fadzilah Hassan
(Resigned on 15 May 2021)

COMPANY SECRETARY

Koo Shuang Yen
(MIA 7556)

REGISTERED OFFICE

Level 21, Wisma FGV
Jalan Raja Laut
50350 Kuala Lumpur
Malaysia

Tel : +603 2789 0000
Fax : +603 2789 0001
Website : www.fgvholdings.com

INVESTOR RELATIONS AND ENQUIRIES

Nurul Syazatul Aiman Taifor
Head of Investor Relations
Level 20, Wisma FGV
Jalan Raja Laut
50350 Kuala Lumpur
Malaysia

Tel : +603 2789 0000
E-mail : fgv.investors@fgvholdings.com

PLATFORM FOR SHAREHOLDERS/ STAKEHOLDERS TO CONVEY CONCERNS

Dato' Mohd Rafik Shah Mohamad
(Senior Independent Non-Executive Director)

E-mail : sid@fgvholdings.com

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
Registration No: 199601006647 (378993-D)
11th Floor, Menara Symphony
No 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Tel (Help Desk) : +603 7890 4700
Fax : +603 7890 4670
Website : www.boardroomlimited.com
E-mail : bsr.helpdesk@boardroomlimited.com

AUDITORS

PricewaterhouseCoopers PLT
(LLP0014401-LCA & AF 1146)
Chartered Accountants
Level 10, 1 Sentral, Jalan Rakyat
Kuala Lumpur Sentral
P.O. Box 10192
50706 Kuala Lumpur
Malaysia

Tel : +603 2173 1188
Fax : +603 2173 1288
Website : www.pwc.com/my

STOCK EXCHANGE LISTING

Listed on Main Market of Bursa Malaysia Securities Berhad

Listing Date : 28 June 2012
Stock Name : FGV
Stock Code : 5222
Stock Sector : Plantation

@fgvholdings

@fgvholdings

FGV Holdings Berhad

FGV Holdings Berhad

FGV's Key Businesses

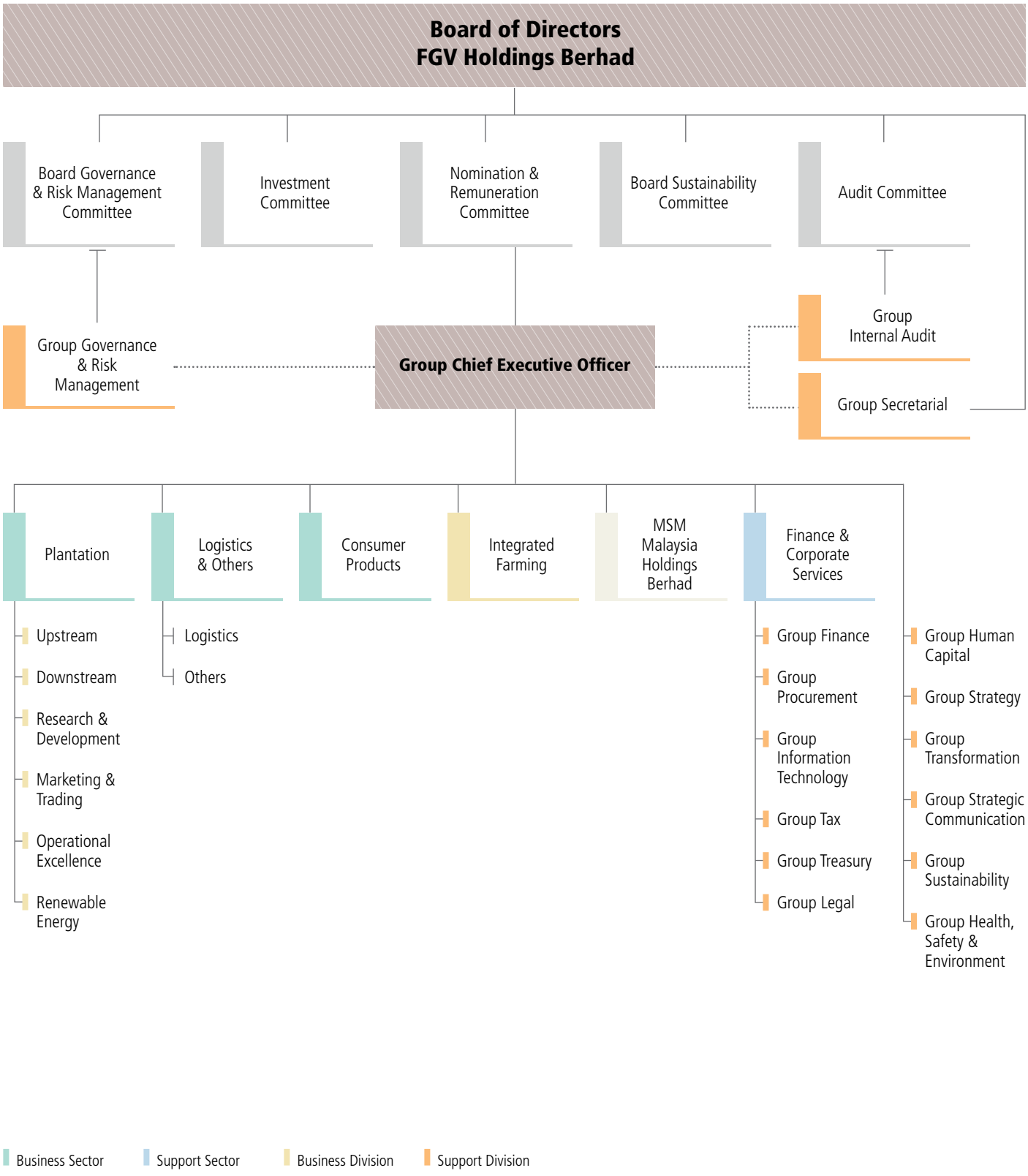
- **Plantation**
  - Upstream
    - FGV Plantations (Malaysia) Sdn Bhd
    - Pontian United Plantations Berhad
    - Asian Plantations Limited
    - FGV Security Services Sdn Bhd
    - FGV Palm Industries Sdn Bhd
    - PT Citra Niaga Perkasa
    - PT Temila Agro Abadi
  - Downstream
    - Delima Oil Products Sdn Bhd
    - FGV Kernel Products Sdn Bhd
    - FGV Refineries Sdn Bhd
    - FGV Biotechnologies Sdn Bhd
    - Twin Rivers Technologies Holdings, Inc
    - FGV IFFCO Sdn Bhd
    - FPG Oleochemicals Sdn Bhd
  - Research & Development
    - FGV Agri Services Sdn Bhd
    - FGV Applied Technologies Sdn Bhd
    - FGV R&D Sdn Bhd
    - FGV Fertiliser Sdn Bhd
  - Marketing & Trading
    - FGV Trading Sdn Bhd
    - FGV Marketing Services Sdn Bhd
  - Rubber
    - FGV Rubber Industries Sdn Bhd
    - Feltex Co Ltd
    - FGV-CVC (Cambodia) Co Ltd
- **Logistics & Others**
  - Logistics
    - FGV Johor Bulkers Sdn Bhd
    - FGV Bulkers Sdn Bhd
    - FGV Grains Terminal Sdn Bhd
    - Langsat Bulkers Sdn Bhd
    - PT Patisindo Sawit
    - FGV Transport Services Sdn Bhd
    - F.W.Q. Enterprises (Pvt) Ltd
  - Others
    - FGV Prodata Systems Sdn Bhd
    - Felda Travel Sdn Bhd
    - Mapak Edible Oils (Pvt) Ltd
- **Sugar**
  - MSM Malaysia Holdings Berhad
  - MSM Prai Berhad
  - MSM Sugar Refinery (Johor) Sdn Bhd
  - MSM Logistics Sdn Bhd
  - MSM Trading & Distribution Sdn Bhd
- **Integrated Farming**
  - FGV Integrated Farming Holdings Sdn Bhd
  - FGV Dairy Farm Sdn Bhd
  - FGV Dairy Industries Sdn Bhd
  - FGV Agro Fresh Technology Sdn Bhd
  - MSM Perlis Sdn Bhd

Subsidiaries *Joint Ventures*

Please refer to Audited Financial Statements 2021 for more details.

Scan here to view our Audited Financial Statements

Organisational Structure



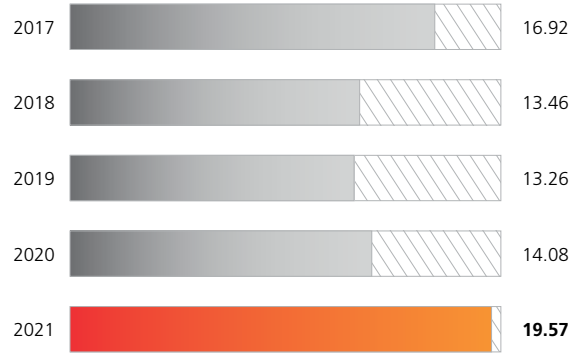
Located in Kuala Lumpur, Wisma FGV is the headquarters for FGV Holdings Berhad.

5-Year Financial Highlights

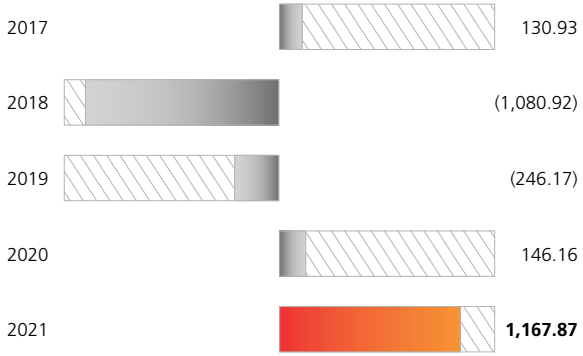
	2021	2020	2019	2018	2017
Operating Results (RM Million)					
Revenue	**19,566**	14,076	13,259	13,464	16,922
Operating profit/(loss)	**1,779**	445	(194)	(815)	485
Profit/(loss) before taxation and zakat	**1,714**	346	(339)	(1,025)	403
Profit/(loss) attributable to owners of the Company	**1,168**	146	(246)	(1,081)	131
Key Balance Sheet Data (RM Million)					
Property, plant and equipment	**7,674**	7,810	8,190	8,501	8,392
Total assets	**17,956**	17,180	17,702	18,992	20,833
Total borrowings	**3,998**	4,293	4,907	5,403	5,498
Total liabilities	**10,770**	11,079	11,601	12,388	13,002
Shareholders equity	**5,421**	4,262	4,173	4,465	5,577
Share Information					
Earnings per share (sen)	**32.0**	4.0	(6.7)	(29.6)	3.6
Dividend per share (sen)	**8.0**	3.0	2.0	Nil	5.0
Net asset per share (RM)	**1.49**	1.17	1.14	1.22	1.53
Share price as at 31 December (RM)	**1.48**	1.28	1.52	0.71	1.69

Note:
Financial highlights in previous years are based on latest restated amount in accordance to changes in accounting policy and application of new MFRS.

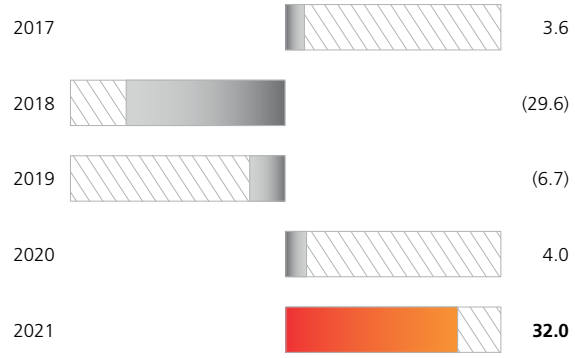
REVENUE
(RM Billion)



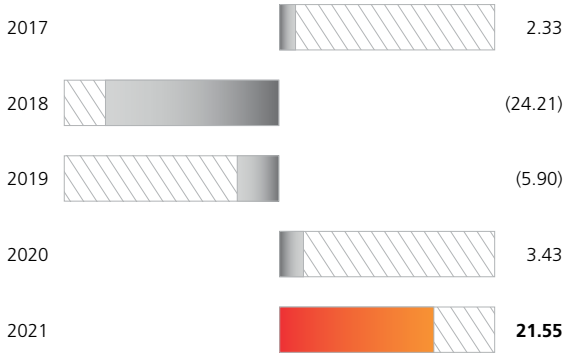
PROFIT/(LOSS) AFTER TAX AND MINORITY INTEREST
(RM Million)



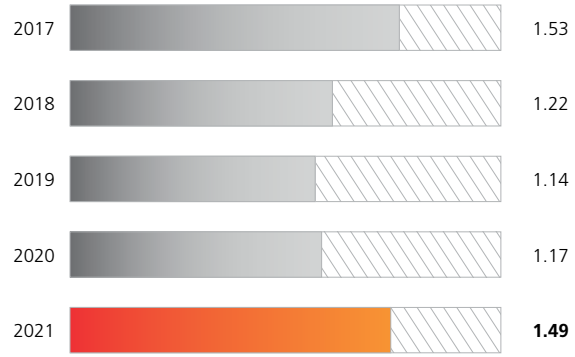
EARNINGS PER SHARE
(Sen)



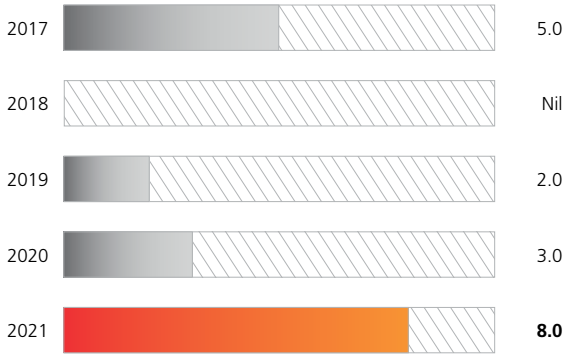
RETURN ON SHAREHOLDERS' FUND
(%)



NET ASSET PER SHARE
(RM)



DIVIDEND PER SHARE
(Sen)



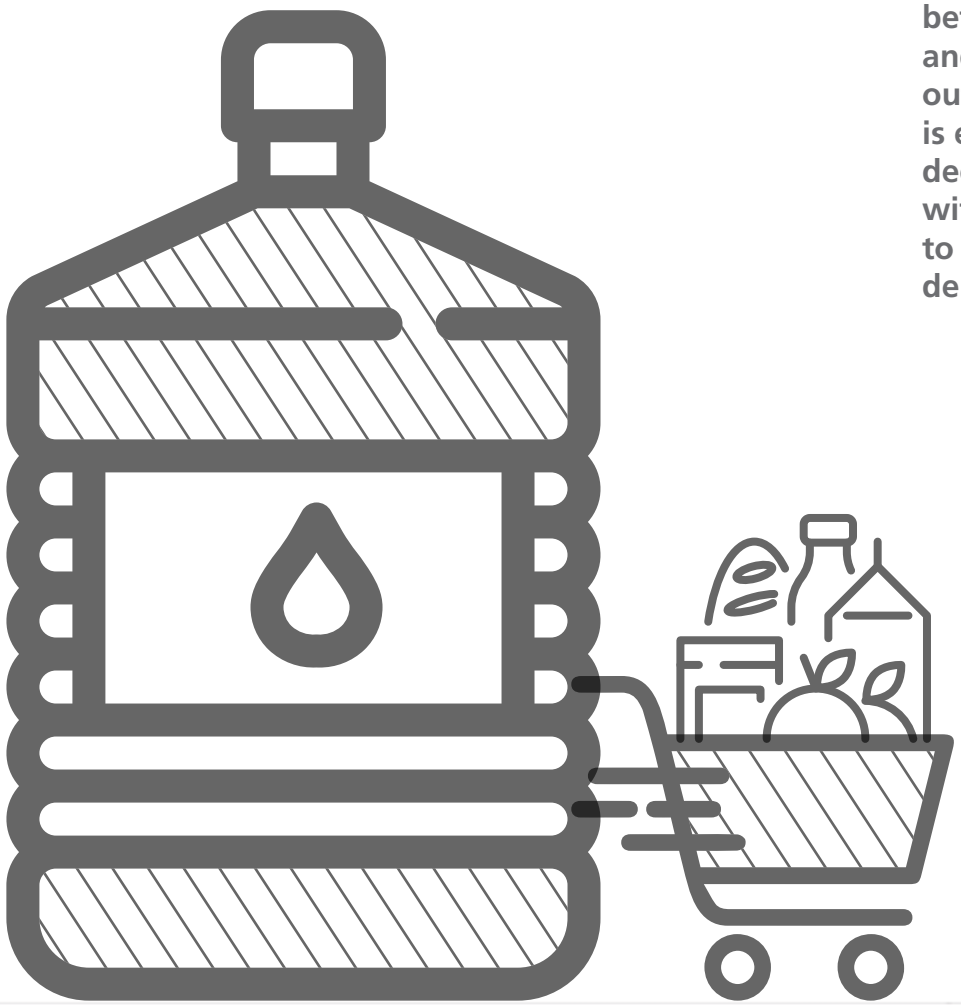
Note:
Financial highlights in previous years are based on latest restated amount in accordance to change in accounting policy and application of new MFRS.

SECTION 2

Value Creation

24 Material Matters
26 Stakeholders Engagement
30 Linking Material Matters to Risks and Strategy
32 **Our** Value Creation Model
34 Operating Landscape
36 Business Strategy

FGV endeavours to comprehensively disclose our growth strategies and measures, and address the risks and opportunities affecting our operating environment. Continuous integration between strategies, governance and risk management is carried out to ensure a sound approach is embedded into business decision-making and aligned with our aspirations. This is to ensure that we continue to deliver value in the long term.



Material Matters

APPROACH AND PROCESSES

As we strive to compete in a dynamic business environment, FGV continuously assesses the risk and opportunities in the operating landscape to achieve our business strategies. FGV is consistent in conducting a Materiality Assessment annually to understand the scale of its impacts to our varying business. Stakeholders' feedback is a key consideration factor in the process to gain a more realistic perspective of the prevailing business landscape and challenges.

Engaging in frequent assessments is vital to ensure the material matters for FGV Holdings Berhad (FGV) are relevant and updated, whilst making sure that matters of significance to stakeholders and the business are addressed. During the year, we updated our material matters following the current business landscape. The assessment is guided by Bursa Malaysia's Sustainability Reporting Guide (2nd Edition) and Toolkit on Stakeholder Engagement and Materiality Assessment.

In the conduct of the assessment, the following factors were taken into consideration:

- Past material matters considered in the preceding year
- Issues highlighted by our key stakeholders in previous engagements
- Significant issues discussed in Board meetings
- Issues relating to global trends and Sustainable Development Goals (SDGs)

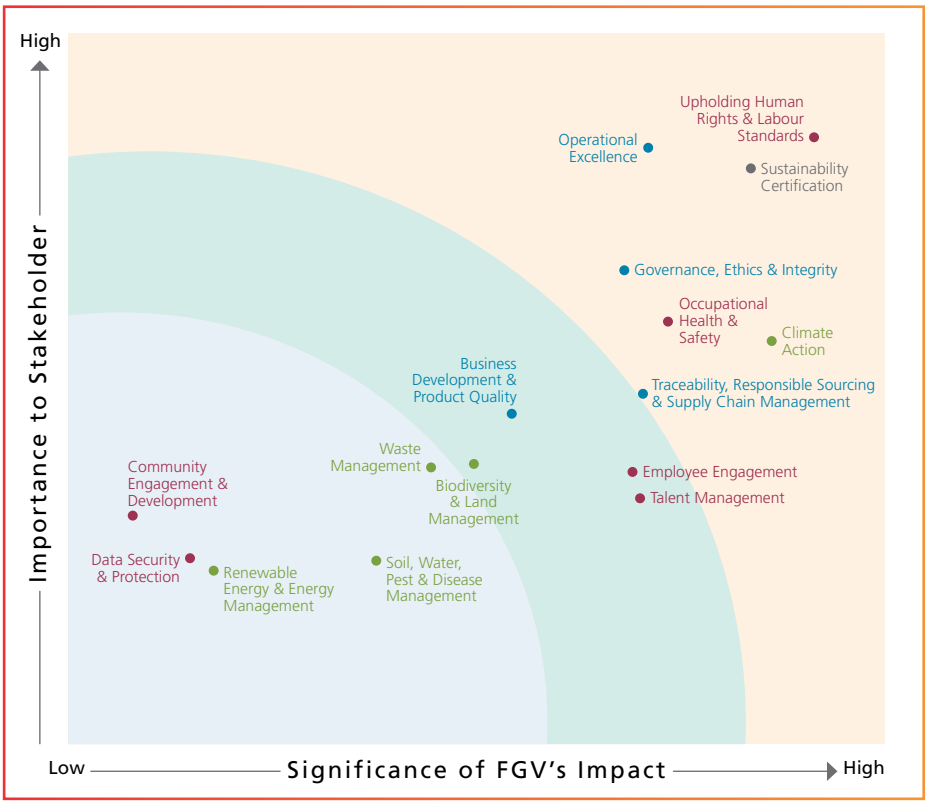
The above formed the first step in this three-part assessment process.

* *Proxies were used to represent external stakeholders during the workshop.*

MATERIALITY MATRIX

Our Materiality Matrix shows the 16 material matters identified through the three-part assessment process. In line with our holistic approach, we have grouped the material matters according to the EES pillars with Sustainability Certification overarching the three pillars.

The significant issues that could impact our ability to create value are presented in the Materiality Matrix. The matters in the top-right quadrant are considered as the High Priority group to our stakeholders and business, and as such will be focused on throughout this Report.



Material Matters identified in FY2021

High Priority

1 Upholding Human Rights & Labour Standards
2 Operational Excellence
3 Sustainability Certification
4 Governance, Ethics & Integrity
5 Occupational Health & Safety
6 Climate Action
7 Traceability, Responsible Sourcing & Supply Chain Management

Medium Priority

1 Business Development & Product Quality
2 Employee Engagement
3 Biodiversity & Land Management
4 Talent Management

Low Priority

1 Waste Management
2 Soil, Water, Pest & Disease Management
3 Community Engagement & Development
4 Data Security & Protection
5 Renewable Energy & Energy Management

● Economic ● Environmental ● Social ● Overarching

KEY OBSERVATIONS

For FY2021, the 16 material matters identified were somewhat similar to the previous year's list. However, slight changes were made to the title of material matters to provide a clearer scope that covers each matter. The top-right quadrant of the Materiality Matrix illustrated the seven High Priority matters for FGV during the year under review.

Among the key changes between FY2021 and FY2020 was the addition of Climate Action in the High Priority group as it has become one of the pressing issues debated around the world. In addressing this concern and emphasising our commitment to reduce climate emission, FGV became the first food and agribusiness organisation in Malaysia to formalise the commitment by signing the United Nations (UN)-backed Science-Based Target initiative (SBTi) Business Ambition for 1.5°C pledge. This is also in line with the Government's goal of becoming a carbon-neutral nation by 2050.

Please refer to our Sustainability Report for more details.

Scan here to view our Sustainability Report

Stakeholders Engagement

FGV is committed to maintaining good relationship with our stakeholders. Following the identification and prioritisation of our material matters, we then conducted active and open engagements with our stakeholders to address the issues identified as important to them. This ensures we effectively address any opportunities and risks which may affect our ability to deliver value.

The importance of stakeholder groups, the means through which we engaged them, the material matters identified as significant to them, and our responses to the matters are disclosed as follows:

Why are They Important	Engagement Initiatives	Key Material Matters for the Stakeholder	Our Response
Customers			
• Receive/Buy our products and services • Drive revenue for FGV	• Company website and social media updates • Internal/External meetings • Conferences/Forums/Seminars • Company events/activities • General meetings • External surveys and feedback	Business Development & Product Quality Operational Excellence Sustainability Certification	• Created a Traceability of Product (FGV-ToP), for customer to obtain details such as certification, geolocation and production • Collaborate and work closely with customers to maximise resources and productivity
Suppliers			
• Source of feedstock/materials • Play an important role within the value chain of the business • FELDA settlers is one of our suppliers as they provide 43% of our FFB supply	• Company website and social media updates • Internal/External meetings • Conferences/Forums/Seminars • Company events/activities • Site visits/audits • General meetings • Internal/External surveys and feedback	Business Development & Product Quality Governance, Ethics & Integrity Upholding Human Rights & Labour Standards	• Improve procurement process to ensure responsible/ sustainable practices in conducting business • Ensure good management and sufficient support during pre and post engagement with suppliers
Regulators & Government			
• Enforce industry rules and regulations	• Company website updates • Internal/External meetings • Site visits/audits • External surveys and feedback	Upholding Human Rights & Labour Standards Operational Excellence Sustainability Certification	• Ensure compliance and transparency of reporting • Improve compliance of human rights and labour standards by engaging external consultant to ensure compliance of both local and international laws and regulations

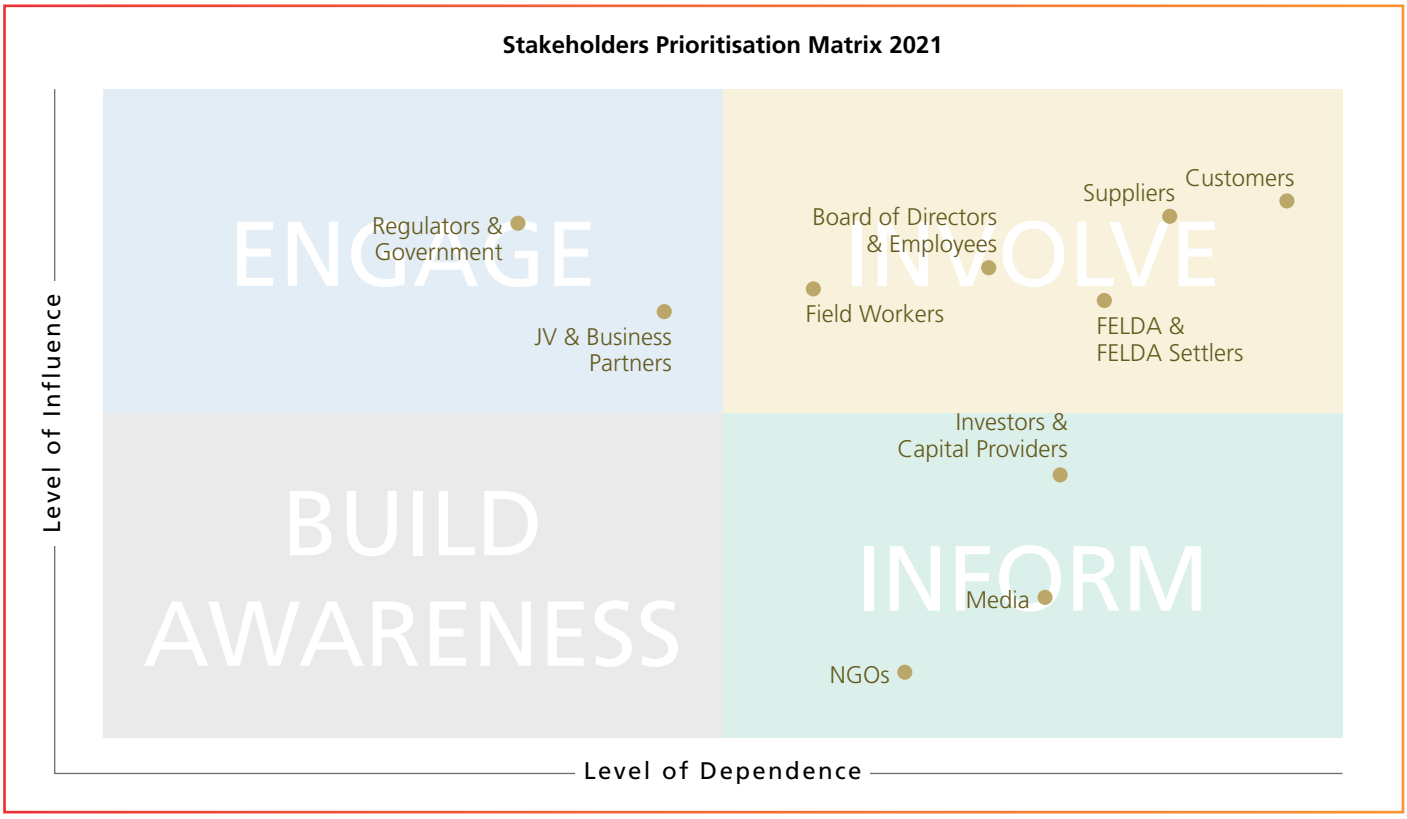
Why are They Important	Engagement Initiatives	Key Material Matters for the Stakeholder	Our Response
Board of Directors and Employees			
Board of Directors • Manage the organisation at strategic level • Oversee the conduct of the Group's business, managing risks and ensuring implementation of the appropriate internal control framework and mitigation measures **Employees** • Possess knowledge and insight of business operation • Represent organisation to communicate with our customers and suppliers • Handle and manage daily operations of the organisation	• Company website and social media updates • Internal/External meetings • Company events/activities, such as townhall, mentoring, roundtable and gatherings • Company intranet/newsletter • Internal surveys and feedback • General meetings	Upholding Human Rights & Labour Standards Operational Excellence Occupational Health & Safety	• Ensure FGV's grievance mechanism is accessible to all employees and workers • Introduce new/improved framework to establish high-performance culture • Review policies to include new provision to ensure fair employee engagement and welfare
Field Workers			
• Perform field work and harvesting crops • Collection, transportation and processing of crops • Able to impact FGV's crops and yield production	• Company website and social media updates • Company intranet/newsletter • Internal/External meetings • Conferences/Forums/Seminars • Company events/activities • General meetings • Site visits/audits • Internal surveys and feedback	Occupational Health & Safety Upholding Human Rights & Labour Standards Employee Engagement	• Conduct onboarding and awareness session to ensure field workers understand their rights • Revise contracts with recruitment agencies • Ensure welfare of field workers and comply to laws and regulations in relation to human rights and labour standards
FELDA & FELDA Settlers			
• FELDA as the key stakeholder of the Company • FELDA settlers comprise of around 112,638 settlers surrounding FGV estate and mills that benefit from plantation income through FELDA. Our profitability benefits FELDA and consequently, the settlers	• Monthly management meeting with FELDA scheme managers • Conferences/Forums/Seminars • Analyst briefings • Technical advice on agronomy and industry awareness trainings	Upholding Human Rights & Labour Standards Sustainability Certification Climate Action	• Conduct sessions between FELDA & its settlers on land and palm oil industry's development, challenges and regulatory requirements • Improve the livelihood of the local community around the areas we operate in through corporate social responsibility

Stakeholders
Engagement

Why are They Important	Engagement Initiatives	Key Material Matters for the Stakeholder	Our Response
Investors & Capital Providers			
• Source of capital through investment • Able to analyse opportunities from different angles, and to minimise risk while maximising returns	• Company website and social media updates • General meetings • Analyst briefings • Roadshows • Site visits • External surveys and feedback	Sustainability Certification Traceability, Responsible Sourcing & Supply Chain Management Upholding Human Rights & Labour Standards	• Ensure business continuity and sustainable approach embedded across the value chain • Implement internal controls and monitor for any incompliance cases • Ensure productivity and efficiencies within business operation
JV & Business Partners			
• Collaborative partners with the industry experts	• Company website and social media updates • Internal/External meetings • Conferences/Forums/Seminars • Company intranet/newsletter • Site visits/audits • External surveys and feedback	Traceability, Responsible Sourcing & Supply Chain Management Sustainability Certification Upholding Human Rights & Labour Standards	• Collaborate with Joint Ventures (JV)/business partners and rolled out various campaigns including media promotional activities • Develop a model with FGV's JV/business partners to identify sustainability risks associated with specific geographical areas in order to ensure better traceability of our products
Media			
• Able to provide insights from the public • Responsible for the reporting of news and updates within the business industry	• Company website and social media updates • Media briefings • Internal/External meetings • Conferences/Forums/Seminars • Company events/activities • General meetings • External surveys and feedback • Press releases	Upholding Human Rights & Labour Standards Climate Action Governance, Ethics & Integrity	• Participate in environmental awareness and conservation programme • Contribute to local communities through both financial and non-financial assistance
Non-Governmental Organisations			
• Promote social values and civic and local initiative • Keep us abreast of socioeconomic developments that can impact FGV's business	• Company website and social media updates • External meetings • Conferences/Forums/Seminars • Company events/activities • General meetings • Site visits/audits	Upholding Human Rights & Labour Standards Sustainability Certification Climate Action	• Provide a good and safe working environment by continuously communicating with employees and workers • Develop programmes within human capital to further improve employee welfare and working culture

OUTCOME

The Stakeholders Prioritisation Matrix indicated our approach in managing FGV's stakeholder groups.



Based on the above, the stakeholder groups are managed based on the quadrants they are in.

Linking Material Matters to Risks and Strategy

Material Matters	What It Means to FGV	Link to Key Risks	How We Responded in 2021
Upholding Human Rights & Labour Standards	Respecting and protecting human rights of our workforce by ensuring fair treatment and upholding established international labour standards	Labour Risk Pandemic Risk Sustainability Risk	• Enhance stakeholder engagement by developing an effective and efficient Communication Plan • Strengthen responsible recruitment and management of migrant workers by revising contracts with recruitment agencies
Operational Excellence	Improvement of production yield and enhancement of operational, leveraging on innovation, Research & Development (R&D) as well as the sustainable environmental and climate conscious policies and practices without compromising human rights & labour standards	Trading & Market Risk Labour Risk Sustainability Risk Cyber Security Risk	• Collaborate with other R&D institutions/ agriculture companies to hasten R&D outcomes for more resistant planting material • Strengthen implementation of Good Agriculture Practice (GAP) and Moisture Conservation Practices during replanting activities
Sustainability Certification	Compliance with recognised sustainability standards such as the Roundtable on Sustainable Palm Oil (RSPO) Principles and Criteria and Malaysian Sustainable Palm Oil (MSPO) Certification Scheme for purposes of certification and alignment of practices with the most widely accepted sustainability standards for the palm oil industry	Sustainability Risk Trading & Market Risk International Trade Risk	• Strengthen traceability information, aiming for 100% traceability to plantations
Governance, Ethics & Integrity	Compliance with regulatory requirements and good corporate governance principles	Corruption Risk	• Enhance the Group's governance by instituting comprehensive and more stringent policies and procedures across the Group • Promote high integrity work culture
Occupational Health & Safety	Initiatives to ensure a safe and healthy working environment to our workforce and external stakeholders such as suppliers, vendors and service providers	Regulatory Risk Health & Safety Risk	• Reduce rate of occupational accidents and diseases by adopting Government's Occupational Safety and Health Master Plan 2020 • Provide effective communication on health and safety procedures • Conduct Health and Safety Audits such as Work Performance Information and Management System Audits
Climate Action	Initiatives to mitigate and adapt to the adverse impacts of climate change to business operations, and implementing best climate governance measures to ensure business continuity	Weather & Climate Risk	• Pledge to reduce Greenhouse Gas (GHG) emissions by 45% by 2030 through GHG Inventory • Conduct Energy Audits through analysing energy patterns and utilisation rate
Traceability, Responsible Sourcing & Supply Chain Management	Establishment of traceability system and procurement process to ensure responsible and sustainable practices in palm oil value chain	Trading & Market Risk Sustainability Risk Cyber Security Risk	• Improve efficient supply chain management, aiming at reducing operating costs • Strategic sourcing with better negotiated transactions and improved internal processes

Further details of the Group's key risks (indicated with red icon), can be found in the Statement on Risk Management and Internal Control on pages 141 and 142.

	Link to Strategic Thrusts	Capitals Impacted
• Provide migrant worker inititation center for proper quarantine and induction • Undertake Labour Supply Chain and Migrant Workers Vulnerability Assessment project • Adhere to pandemic regulations and restrictive policies enforced by the Government, as well as Crisis Management Committee's directives and Standard Operating Procedures (SOPs) • Expand Mechanical Assisted Infield Collection and Mechanical Assisted Collection Transport under the mechanisation process	Financial & Capability Building Operational Improvements	Human Social & Relationship
• Intensive marketing activities to promote launching of new brands and expand capabilities in other strategic crops • Increase focus on initiatives to alleviate leakage and wastage while managing cost effectively • Improve collection process and ensure plants and mills are micro-managed efficiently • Hedges on forward sales and purchases of raw material to mitigate price risk exposures • Enable encryption of sensitive web services, selective security penetration test, and continuous cyber security education for users	Operational Improvements Products & Markets Penetration New Growth Area	Natural Manufactured Intellectual
• Develop and monitor RSPO certification action plan to be in line with standard requirements • Engagements and collaboration with key stakeholders to address issues related to sustainability • Enforce and monitor compliance by suppliers with FGV Sustainability Policy requirements	Operational Improvements Products & Markets Penetration	Social & Relationship Manufactured Human
• Conduct training and raise awareness on governance, integrity and ethics to heigthen governance standard – Governance and Integrity Training and Awareness – Anti-Bribery Internal Audit – Enhancement of Integrity Awareness Modules – Enhancement of Corporate Governance and Business Integrity to FGV Anti-Corruption Plan	Financial & Capability Building	Financial Social & Relationship Human
• Upgrade firefighting system and improve operational equipment and working environment • Assess the adequacy of medical protection coverage for staff and track its utilisation • Monitoring of pandemic management and guidance by COVID-19 Management Task Force, and subsequently Crisis Management Committee • Collaborate with *Kementerian Kesihatan Malaysia* for health programmes such as vaccination or mass screening testing • Enhance compliance via Periodical Environmental Regulatory Compliance Audit Programme across the FGV Group	Financial & Capability Building Operational Improvements	Human Social & Relationship
• Collaborate with Malaysian Green Technology & Climate Change Centre to explore sustainable energy management systems • Conduct daily flood monitoring and enhance irrigation system • Conduct feasibility studies regarding the use of the ARUS system (Autonomous Solar Powered Single-Point Water Plant Using Ultrafiltration Technology) • Introduce flexible harvesting arrangement for flood-prone area	Financial & Capability Building Operational Improvements	Natural Social & Relationship
• Conduct familiarisation session with suppliers to align to FGV's sustainability requirements and practices • Ensure all raw materials are procured from sustainable sources aligned to our Group Sustainability Policy commitments • Harness efficiencies of digitalisation technologies such as Big Data, Internet of Things (IoT), Cloud Computing, System Integration and Autonomous System	Financial & Capability Building	Natural Manufactured Intellectual

Our Value Creation Model

OUR STRATEGIC VALUE PROPOSITIONS

OPERATIONAL IMPROVEMENT

KEY CAPITALS

Financial Capital

- Shareholder Equity **RM5.42 billion**
- Total Assets **RM17.96 billion**
- Deposits, Cash and Bank Balances **RM2.03 billion**

Natural Capital

Landbank
438,885 Ha

Mechanised Area
115,000 Ha

Total Replanted Area:
Felling **13,127 Ha**
Replanted **2,815 Ha**

Planted Area:

Oil Palm
336,315 Ha

Rubber
7,668 Ha

Other Crops
3,352 Ha

Manufactured Capital

- **67** Mills
- **13** Bulking terminals
- **8** Vegetable oil refineries
- **1.08 million MT** storage capacity
- **549** Liquid tankers, cargo trucks and others
- **2** Sugar refineries
- **6** Warehouses (including refined sugar warehouse)

Intellectual Capital

- **58** highly qualified researchers
- **17** agronomist
- **3** seed production centres
- **3** R&D centres
- Development of premium planting materials through genomics and breeding programmes
- Integrated pest and disease management
- Development of best mechanisation practices and digitalisation for estates and mill operations
- Food and Non-Food Technology

Human Capital

FGV's Workforce

Total: **43,583**

86%

14%

Plantation Workers

Total: **26,973**

Local
4,766

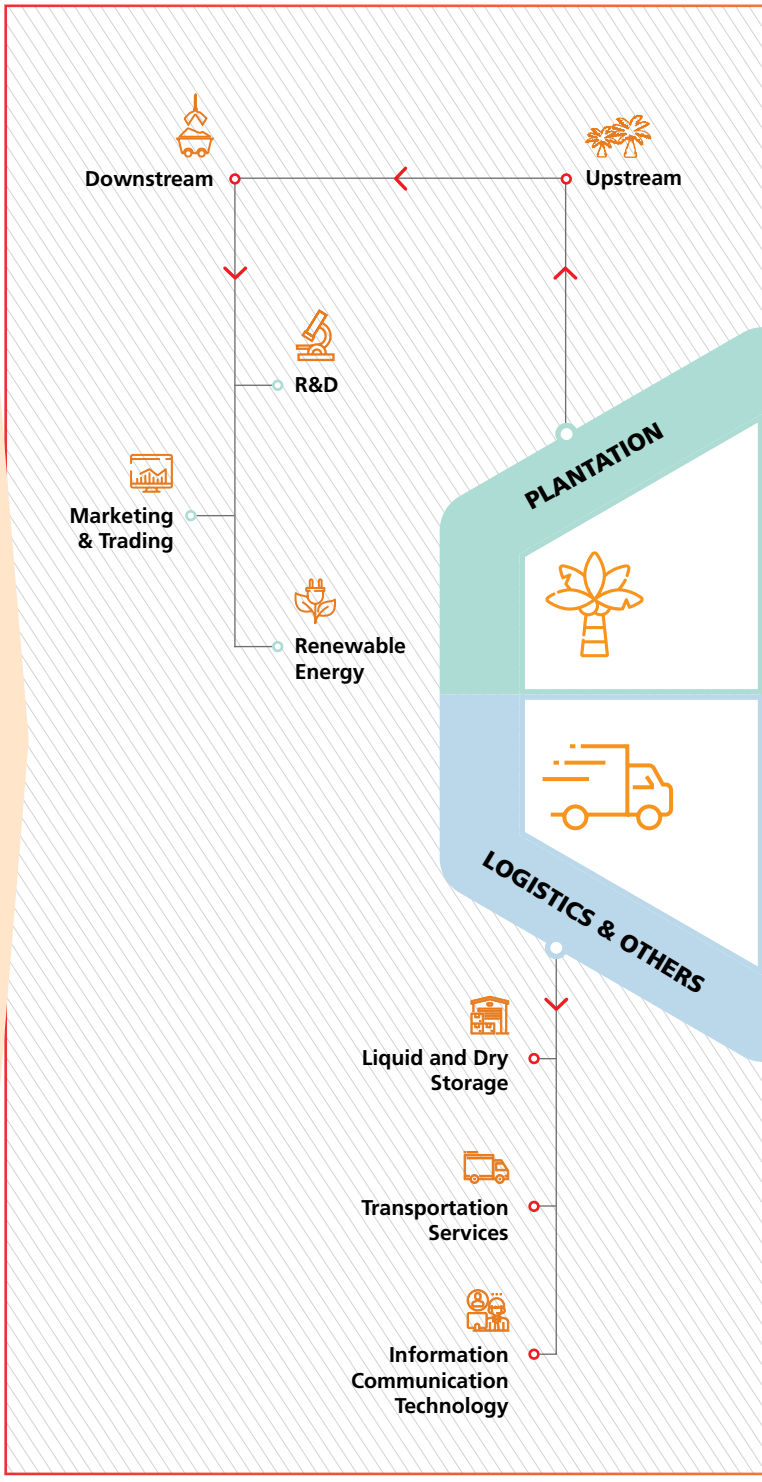
Migrant
22,207

Indonesia	Bangladesh	India	Philippines	Others
10,038	6,962	2,967	2,218	22

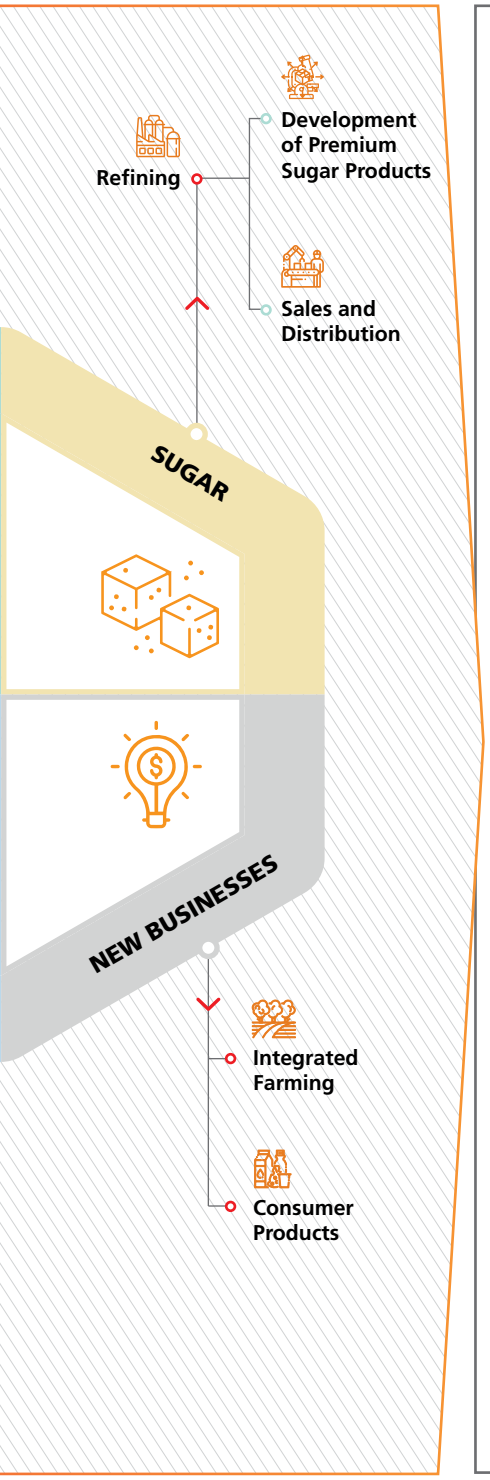
Social & Relationship Capital

- Partnering and supporting **112,638** FELDA settlers
- 97% MSPO-certified mill complexes
- 45% RSPO-certified mill complexes

OUR BUSINESS



PRODUCT & MARKET PENETRATION | **NEW GROWTH AREA** | **FINANCIAL & CAPABILITY BUILDING**



KEY OUTPUTS	OUTCOMES	TRADE-OFFS
FINANCIAL CAPITAL		
• Revenue **RM19.57 billion** • Dividend paid to shareholders for FY2020 **RM109 million** • Dividend of **8 sen per share** was declared for FY2021	Better financial results and dividends for our shareholders	Investments of Financial Capital are needed for our long-term strategic plan and to ensure all other Capitals are used effectively for the smooth running and growth of our business activities
NATURAL CAPITAL		
• FFB production **3.98 million MT** • FFB yield **15.69 MT/Ha** • Oil palm trees' average age **14.25 years**	Further operational excellence and sustainability efforts to benefit our stakeholders with business continuity and productivity	Investments towards the long-term sustainability of the palm oil business through the normalisation of our oil palm trees' age distribution and responsible use of our land
MANUFACTURED CAPITAL		
• FFB processed **13.04 million MT** • Oil Extraction Rate **20.54%** • CPO production **2.68 million MT** • Oil & Fats sales volume **0.40 million MT** • Biodiesel sales volume **0.60 million MT** • Refined sugar production **0.89 million MT**	Diversify CPO productions into various products to optimise returns	Investments in Manufactured Capital to improve the performance of our mills and refineries, while enabling the development of new products and business lines. This trade-off with our Intellectual Capital and Financial Capital is to ensure the Group will be able to offset the cyclical nature of the business
INTELLECTUAL CAPITAL		
• Seed production of **21 million units** • FGV Geotagger positioning device for replanting modernisation • Developed **five new food products** for Downstream • High-value **multi crop cloning** for integrated farming	Establishing our leadership in agribusiness through a productive, sustainable and innovative ecosystem	Investments in Intellectual Capital improve efficiencies and sustainability of our Natural Capital and Manufactured Capital. This trade-off is necessary to maintain our competitive edge and deliver long-term value
HUMAN CAPITAL		
• **95,701** training hours • Continued manpower and cost optimisation	Cultivate a skilled and healthy workforce and innovative work culture	Investments in our Human Capital and associated costs drive Financial Capital gains in the long run. There are no compromises to this trade-off as it secures the long-term future of our business
SOCIAL & RELATIONSHIP CAPITAL		
• Our palm oil is **100%** traceable to mill • Adopted the guidelines and procedures for responsible recruitment of migrant workers • Contributed around **RM15 million** for CSR related activities • Establishment of Gender Equality and Women Empowerment Committee • Expansion of wildlife conservation and human-wildlife conflict management	Committed in ensuring socioeconomic development of FELDA settlers and other stakeholders	Good relationships with stakeholders provides a beneficial ecosystem for sustainable growth and impacts our Financial Capital and Human Capital. We invest in building relationships with stakeholders through engagement with our workforce, suppliers, trainers, business partners, regulatory bodies and surrounding communities

Operating Landscape

WORLD OUTLOOK

2021 has been a year of unprecedented challenges globally. The world is still on pandemic mode with uncertainties in economic and social fronts. Extreme weather conditions have hit a number of regions with clear adverse effects on crop production. Generally, demand for agricultural commodities has been trending high but challenged by supply chain disruptions, strict decarbonisation policies and trade protectionism. Price inflation is significant across the agribusiness value chain and in the general economy.

The global economy is gradually recovering from the effects of the COVID-19 pandemic. The World Gross Domestic Product (GDP) growth rebounded to 5.9% in 2021 from a contraction of 3.1% in 2020. The growth is expected to steady out at 4.9% in 2022[3] reflecting COVID-19 flare-ups and uncertainties on emergence of new variants, challenges in policy making, rising inflations and concerns on climate change.

> Malaysia's GDP is expected to keep growing in 2022, boosted by an effective vaccination programme and recovery-oriented budget that addresses measures to drive economic recovery, enhance national resilience, catalyse nationwide reforms and improve public service delivery.

Supply chain disruptions due to the pandemic have resulted in rising food, oil and coal prices globally. While prices are expected to stabilise as pandemic restrictions ease, there are expectations for a prolonged market inflation in 2022 and rising social discontent.

Protectionism policies and world political events complicate global trade with expectations of volatility. Currently, these include the trade war between United States and China, the establishment of the three-way security pact between Australia, United States and United Kingdom in the Indo-Pacific region, and Russia's invasion of Ukraine.

MARKET TRENDS

1 Strong Brands in Consumer-Led Industries Continue to Grow

Pricing power by branded consumer goods in consumer products, communication services and information technology industries had increased during the period of global slowdown. More than 75% of S&P 500 companies[4] with brand power have beaten the years' projections despite higher input costs.

2 Increasing Investments and Returns from ESG Businesses

A clamour for sustainable solutions is sweeping the world. Industries are increasingly impacted by the Government regulations and environmental policies toward good Environmental, Social and Governance (ESG) practices. As one of the biggest palm oil producer in the world, Malaysia has committed to achieve a carbon-neutral economy target by 2050. Heightening our sustainability commitments assure business continuity and opens up opportunities in green technology and high value sectors.

3 Technology and Innovation are Changing the Playing Field

Digital and technology strengths as well as innovation are game changers in this new era of business. Businesses need to adopt technology advancements to move up the value chain and achieve higher income per capita targets as identified by the 12th Malaysia Plan (12MP).

4 Surging Demand for Renewables

The global demand for clean energy has been increasing as Government and organisations support more green energy projects. In the renewables market, Indonesia has pushed the implementation of B40 biodiesel to 2022, while in Malaysia, implementation of the B20 biofuel plan is targeted by the end of 2022 for the transport sector[5]. Malaysia's energy policy is also specifically encouraging the palm oil industry to achieve zero waste and convert palm oil residue to biomass.

5 Lasting Impact of COVID-19 Norms

The new normal has catalysed the acceptance of e-commerce and rising demand for sanitisers, detergents and soaps due to better hygiene awareness and Government-mandated protocols. These are key lifestyle trends for businesses to leverage upon.

[3] *Source: IMF World Economic Outlook (October 2021)*
[4] *Source: FactSet*
[5] *Source: Malaysia Palm Oil Board (MPOB)*

2022 OUTLOOK

PALM OIL

World vegetable oil production and consumption is expected to increase driven by population growth. The global palm oil market is poised to generate USD33 billion in revenue by 2022 as demand is forecasted to increase by 6.50% in 2022[6]. Leading palm oil importers would still be China and India, the two most populous nations in the world.

Supply

- In 2022, the average CPO price is expected to stay high, ranging around RM4,000/Metric Tonne (MT) to RM4,500/MT due to current low supply and subdued production outlook for soybean on the back of drought in South America.
- The prevailing low supply is also due to the impact of a prolonged La Nina weather forecast that could lower Indonesia's and Malaysia's palm oil production growth in 2022.

Demand

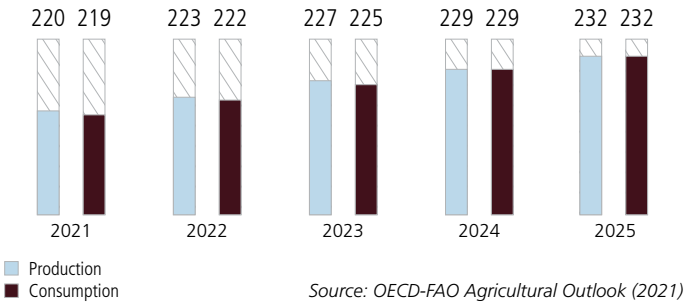
- The demand outlook is expected to grow on the back of better economic activities locally and globally.
- Global awareness on climate change impact has elevated the need for a decarbonisation policy. This can be a driver for biodiesel demand. The upcoming biodiesel mandates from United States and Indonesia is much anticipated as palm oil would be the best alternative vegetable oil to fill up any gaps in biodiesel demand.
- However, the demand for palm oil could reduce once India increase its import duty rates and China receives more supply of soybean oils and lard. Another looming impact on demand is the aggressive anti-palm oil campaign in Europe where palm oil's use as biodiesel feedstock is to be fully phased out by 2030.

Latest Developments

In the first quarter of 2022, Crude Palm Oil (CPO) price has increased further to an unexpected high of RM8,000/MT due to several factors:

- Indonesia's initial measure to restrict export with the Domestic Market Obligation (DMO) policy. This policy has since been abolished and replaced with the imposition of a higher export levy.
- Geopolitical tensions caused by the Russia and Ukraine hostilities are impacting edible oil prices on the back of supply disruption concerns. Palm Oil Conference 2022 highlights this uncertainty with experts providing an average price forecast of RM4,000/MT to RM9,000/MT depending on how the situation escalates.

World Vegetable Oil (Million MT)



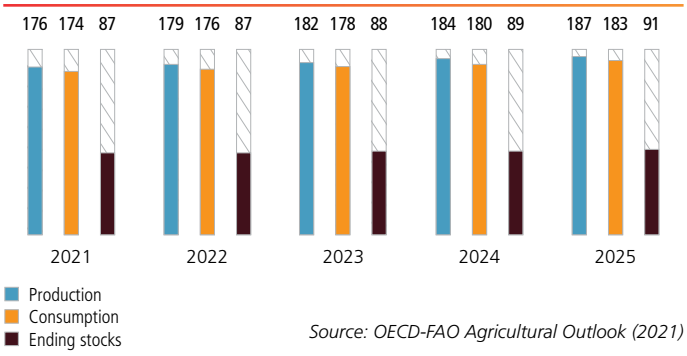
Source: OECD-FAO Agricultural Outlook (2021)

SUGAR

There is an expected softening in the NY11 price of raw sugar following improved outlooks for sugar crops in Brazil, India and Thailand. Growing global and domestic consumption is also trending as vaccinations gain momentum and the world moves past lockdowns.

- **Wholesale Segment**: Demand is expected to improve as in-store dining and retail operations are allowed to open up again and the travel and hospitality sector picks up.
- **Industry Segment**: Industry offtake is on the rise as full operations resume.
- **Export**: Demand is growing with Asia Pacific recording 4 million MT per year for refined sugar[7].
- Freight and container costs are abating as demand recovers.

World Sugar Balance (Million MT)



Source: OECD-FAO Agricultural Outlook (2021)

LOGISTICS & OTHERS

- The global logistics industry continues to grow driven by the increase in e-commerce and trade activities. Malaysia sees the growth in global trade as an opportunity to set up the country as a regional logistic hub.

  As economic and social activities are allowed to operate once the pandemic is declared as endemic, Malaysia's service sector is expected to grow partly driven by increased demand in retail and wholesale trade, transportation & storage, and food & beverages.

  The continuation and acceleration of major infrastructure projects such as Light Rail Transit Line 3 (LRT3), Mass Rail Transit 3 (MRT3) and Johor-Singapore Rapid Transit System will also further support the industry's growth.

  Resumption of travel and tourism activities is speeding up recovery in the hospitality and restaurant industry which will push up demand for logistics and transport services.

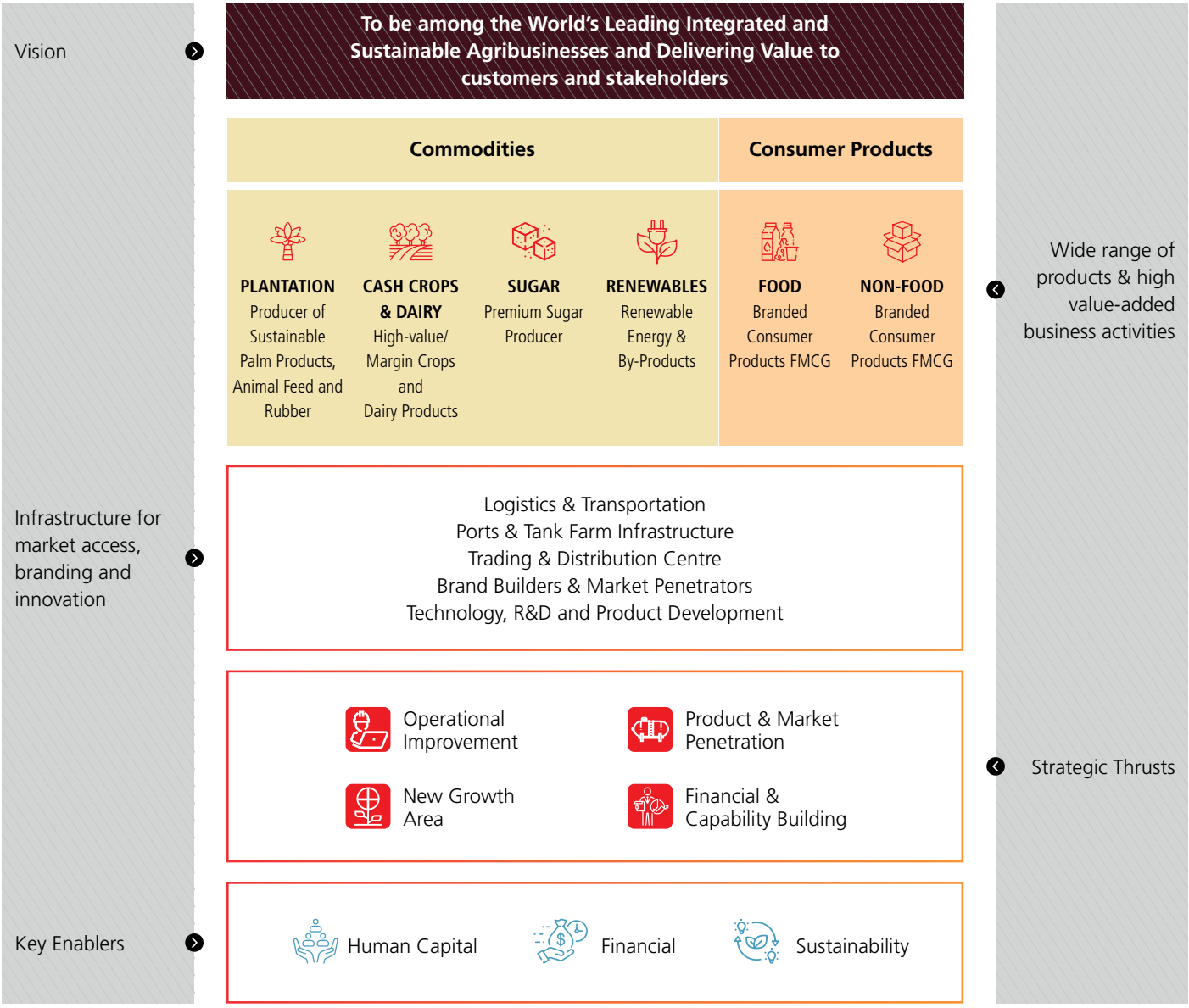
- The information and communication industry is expected to expand driven by broader internet usage in line with the continued surge in e-commerce, e-learning, online entertainment activities and digital transformation towards Big Data Analytics, Artificial Intelligence (AI), Internet of Things (IoT) and Cloud Computing. The implementation of infrastructure projects under the National Digital Network (JENDELA) will also facilitate the transition to the fifth-generation cellular network (5G) spectrum, hence enhancing network speed and internet coverage.

[6] *Source: Palm Oil Supply and Demand Outlook Report 2022 by Council of Palm Oil Producing Countries*
[7] *Wilmar*

Business Strategy

FGV is progressing on a clearly defined strategic road map to drive future growth and sustainable value creation towards becoming one of the world's leading sustainable agribusiness player. We aspire to become a market penetrator, brand owner, and innovative product developer in the future. Harnessing synergies of our businesses, we currently streamline them as Commodities and Consumer Products, leveraging on shared infrastructure for market access, branding and innovation.

FGV'S PRESENCE ACROSS THE VALUE CHAIN



Moving forward, this will see FGV further optimising synergies and rationalising our businesses to be organised based on functions so we can move forward as one to gain leadership beyond upstream palm oil products.

To realise this, the Group is intensifying the execution of four strategic thrusts that will see the strengthening of the Group's infrastructure, market and branding capabilities while building up its human, financial and sustainability resources.

OPERATIONAL IMPROVEMENT

Focus on improvement across all operations, maximise productivity, enhance quality and lower costs. Key initiatives under this thrust include intensifying crop recovery, further implementation of GAP in our estates, quality replanting and mills rationalisation.

PRODUCT & MARKET PENETRATION

These initiatives emphasised on maximising value along palm, sugar and logistics value chain through initiatives such as venturing into higher margin Downstream products, specialised sugar and logistics diversification. We are also expanding our regional and international presence in various markets.

NEW GROWTH AREA

The year saw us emphasising on identification of new and synergistic growth areas to generate our long-term performance. These include strategic investments, integrated farming and dairy, and creating values for palm by-products commercialisation.

FINANCIAL & CAPABILITY BUILDING

These pertain to improving financial position and human capital potential to drive our businesses forward, such as better financial management as well as turnaround of non-performing businesses. We are to rightsize the workforce, improve the rewards system and build the right capabilities.

2022 STRATEGIC GOALS

Clear forward direction and goals have been set for every business division within the FGV Group, in line with the identified strategic thrusts.

PLANTATION SECTOR

Upstream Division — **STRENGTHEN AND IMPROVE**

1. Intensify crop evacuation and accelerate replanting.
2. Modernisation and increase mechanisation.
3. Uphold human rights and fair labour practice.
4. Cost optimisation through operational efficiency.

Downstream Division — **GROWTH**

1. Develop new and premium products.
2. Expand market and product presence.
3. Cost optimisation and compliance to safety standards.

R&D Division — **VALUE CREATION**

1. Increase oil yield per hectare.
2. Reduce inorganic fertiliser.
3. Labour reduction through field mechanisation and digitalisation.
4. Product development for new income portfolio.

Marketing & Trading Division — **IMPROVE**

1. Aggressive strategy to capture higher trading margin.
2. Expand our presence at destination market.

Rubber Operation — **DIFFERENTIATION**

1. Develop new and high margin products.
2. Stringent cost control.

Renewable Energy Division — **CIRCULAR ECONOMY**

1. Operational optimisation and product focus.
2. Rationalisation of non-performing asset.

SUGAR SECTOR — RESILIENT

1. Sustainable manufacturing.
2. Improve sales performance.
3. Digital transformation.

LOGISTICS & OTHERS SECTOR — EXPANSION

1. Increase bulking and transport capacity.
2. Expand existing business and enter new market.

CONSUMER PRODUCTS SECTOR — BRAND BUILDING

1. Grow brand presence in local and international markets.
2. Grow market share in the cooking ingredients product category.

INTEGRATED FARMING DIVISION — NEW MARKET

1. Increase production of cash crops, dairy, paddy and animal feed.
2. Product development.

Business
Strategy

STRATEGIC BLUEPRINT - HIGHER VALUE COMMODITIES AND PRODUCTS

Delivering our goals in 2022 while maintaining palm oil as the mainstay of our business, we are strategically deploying appropriate resources into high value synergistic businesses with steadier profit margins, higher returns, and bigger market size.

Our decision to establish a strong and dynamic presence in Consumer Products and Integrated Farming is based on a prudent long-term growth strategy that is able to deliver sustainable returns for all stakeholders. These new growth avenues in higher value-added economic activities can mitigate some of the key trends that the Malaysian plantation industry has been facing for the past few years, such as:

- Cost escalation due to Malaysia's continued growth in national income per capita which leads to higher cost structures
- Declining margins from commodities as costs continue to escalate while CPO prices are subject to market forces
- Long-term possibility of Malaysia's palm oil upstream and midstream businesses to be undertaken by lower income palm oil producing nations due to their lower cost structures

Malaysia's huge food import bill of approximately RM60 billion per annum represents a huge import substitution opportunity for local players that are able to produce and sell similar high quality products but at better prices. FGV's Strategic Business Plan guides us towards meeting this existing gap through Consumer Products and Integrated Farming.

CONSUMER PRODUCTS

The value of Malaysia's packaged food market was forecasted at RM33.21 billion in 2021 and this segment is expected to grow by 2.30% in year 2022[7]. In the past decade, FGV has launched and established several consumer brands of food products, and gained market leadership in the refined cooking oil and margarine segments. FGV sees potential in this business segment and is committed to invest in brand development and innovative marketing strategies to groom these brands into higher value branded consumer products both locally, and in the future internationally. With this aspiration in mind, we have recently established Consumer Products Sector as the commercial arm for FGV to build and grow the Group's Fast-Moving Consumer Goods (FMCG) products. The Consumer Products Sector will provide strategy for the Group's route-to-market by focusing on the marketing and distribution of FGV's FMCG products to consumers and industrial customers.

Currently, FGV's Consumer Products aspirations are to further strengthen our leadership position in refined cooking oil and margarine segment, towards achieving strong product recognition as top leading FMCG brands in the domestic market.

In 2021, several strides were made on this front, leading to the following achievements:

1. Achieved **higher refined cooking oil sales revenue** in 2021 by **33%**
2. Saji Raya festive video ***"Mangkuk Tingkat Mak Teh"*** which was inspired by a real life story, was named **Top 3 Raya Video** by Marketing Magazine and The Star
3. Saji Merdeka's festive video ***"Gelora"*** which depicted the current circumstances of people affected by the pandemic, was **awarded Top 10 video** by Marketing Magazine

[7] *Source: Euromonitor*

2022 PROSPECTS FOR CONSUMER PRODUCTS

With the lifting of pandemic restrictions, there will be a heightened focus on the consumer products market. Higher costs in the current market scenario will make the oil and fats segments challenging but the Group is optimistic that our Consumer Products business will continue to expand and grow within the domestic market, while we streamline operations and processes to protect margins.

We have set clear goals and priorities to achieve volume growth of 12% sales in 2022. This will be driven by strengthening both Saji & Seri Pelangi market share leadership in their respective categories.

Leveraging on the success of the Saji brand, we seek to expand and grow Saji's range of products in the cooking essentials portfolio. This will include new product development catering for meal preparation in line with the emerging lifestyle trend of more households choosing to cook simple and healthy meals at home.

Further in the future, we will continue to conduct research to develop and launch household kitchen products which are in high demand by end-consumers. On the marketing front, we are specifically focused on growing our distribution in sub-urban and rural areas. We target to aggressively expand market distribution, increase visibility and stock weight on-trade wherever the brand is available.

We will continuously engage in competitive brand building for FGV's Saji, Adela and Seri Pelangi signature brands to grow customer loyalty while gaining new customers via aggressive brand building, in-store promotions and visibility drive activities.

INTEGRATED FARMING

FGV's Integrated Farming Division epitomises the Group's strategic venture towards optimising the value from land assets in our overall business operations, and leveraging on new growth areas in agribusiness. It is anchored on principles of circular economy and directed to meet sustainable goals of contributing to the National Food Security Strategy, provide opportunities for local farmers to participate in the food supply chain led by FGV as the anchor company, and tap into a premium agri-food market with a focus on nurturing healthy living.

The business encompasses five identified agro-food sectors, prudently chosen for their easy assimilation into current land terrain, and to capitalise on the Group's competitive edge by leveraging on synergies across the Group's businesses to bring in additional revenue.

1. Cash crops (MD2 pineapple, cavendish banana, *harumanis* mangoes and sweetcorn) through Large Scale Oil Palm Intercropping Farming and Contract Farming
2. Large scale fragrant rice paddy & rice contract farming for fully-integrated, high-tech rice production from seeds-to-plate and processing of Malaysian Fragrant Rice (MRQ76) for the production of Saji rice
3. PKE-based animal feed, minerals and additives for livestock and poultry industry
4. Fully integrated dairy production capabilities for fresh dairy products
5. GOGOPASAR e-commerce platform for fresh produce marketing and distribution

The value cycle created by these five businesses ensures future business sustainability for FGV and expands our impact across the agribusiness value chain. It also embraces renewables to maximise potential returns from a circular economy.

Promising strides on investments were made in the year. The acquisition of 4,499 Hectare (Ha) of land in Chuping Agro Valley from MSM Malaysia Holdings Berhad (MSM) was completed on 29 September 2021 which kickstarts our plans to develop a large scale farming area for major agriculture activities. We are making good progress on building a milk processing factory in Linggi, Negeri Sembilan targeted for completion in 2022. This will expand our fresh milk processing capacity to 10 million litres annually. Our performance in 2021 puts us on track to become a key player catering to the domestic demand for animal feed and dairy products.

Business
Strategy

ANIMAL FEED

Milestones
- Launch of high-quality animal feed brand ALMA with 12 feed types, eight minerals & additives
- Established 16 distributorships across Malaysia
- 10 product formulations for beef and dairy cattle, goats, poultry and rabbits

We produce livestock feed and additives for cattle, goats, poultry and rabbits under the ALMA brand. We leverage on the Group's R&D capabilities to formulate products with a competitive edge. These include new pellet formulations, Finisher Plus for goats and sheep, and the Lactation Plus+ additive to boost daily milk production when added to dairy livestock feed.

CASH CROPS

Milestones
- Acquisition of land for the development of FGV Chuping Agro Valley
- Launched Ladang'57 brand
- Produce sold at selected AEON Big and Village Grocer outlets

Our capabilities in cash crop farming within our plantation operations are strengthened through internal development and partnerships. This optimises the use of up to 15,000 Ha of land that lies fallow ever year. Earnest testing on business viability has streamlined our 2021 crop offerings to MD2 pineapple, cavendish banana, *harumanis* mangoes and sweetcorn.

DAIRY FARM

Milestones
- 250 Australian dairy cows
- Development of new flavoured fresh milk and single serve yoghurt offerings

Our venture into dairy farming places us in growing market sector of milk and dairy products. It also supports national goals to gain self sufficiency levels in key food products.

In 2021, FGV has employed contract farming arrangement with local farmers and assist them towards becoming FGV agropreneurs. We also work closely in partnership with smallholders and commercial dairy farmers to source the raw milk supply for our fresh dairy products, marketed under the Bright Cow brand. This covers a good selection of fresh dairy products, including fresh milk, yoghurt, kefir, and fresh cheese. We target to expand our market penetration to all retail chain stores nationwide and simultaneously raise the milk processing utilisation factor to 88% by 2026. This will be facilitated by the completion of the 10 million litres capacity milk processing plant in 2022.

PADDY & RICE

Milestones
- Production of MRQ76 fragrant rice seeds garden
- Obtained wholesale license from the Ministry of Agriculture and Food Industries

We have secured 600 Ha area for MRQ76 fragrant paddy farming located at Barat Laut Selangor and Seberang Perak. The farming hectarage will increase annually and will extend through Perak and Selangor to Kedah, Pahang and Kelantan in order to achieve the 10,000 Ha target by 2026.

For large-scale paddy farming, we have implemented a contract farming business model in order to reduce risk on operational activities. However all contract farmers are mandated to follow SOPs deployed via the Fortified Field Programme concurred by both parties and with the participation of Governmental agencies like Malaysian Agricultural Research and Development Institute, Department of Agriculture (DOA) and Integrated Agricultural Development Area (IADA). The venture not only brings FGV commercial benefits but also provides a chance for B40 communities to grow as agropreneurs in the paddy business.

GOGOPASAR E-COMMERCE PLATFORM

Milestones
- Launched GOGOPASAR portal and mobile application as an online grocery marketplace for fresh produce
- Completed development of GOGOPASAR's warehouse and distribution centre for fresh farm produce

GOGOPASAR enables FGV to enhance its end-to-end agribusiness supply chain by offering our integrated farm produce directly to consumers. It is a quantum leap for FGV to embark into a disruptive and innovative integrated end-to-end food supply chain solution and virtual retail business for fresh produce. This strategic investment will also facilitate FGV's long term goal of becoming a market leader in the fully integrated food and FMCG industry.

The warehouse comes equipped with facilities including a multiple temperature cold room, dry storage area, and a large designated area for high volume processing and packaging activities.

Our products are now available online via
GOGOPASAR and **ladang57.com.my**
Also retailing at 12 AEON Big and 4 Village Grocer outlets.

FGV continuously focuses on productivity improvement across all operations, and strives to deliver enhanced quality and lower costs.

SECTION 3

Manageme
Discussion & Analysis

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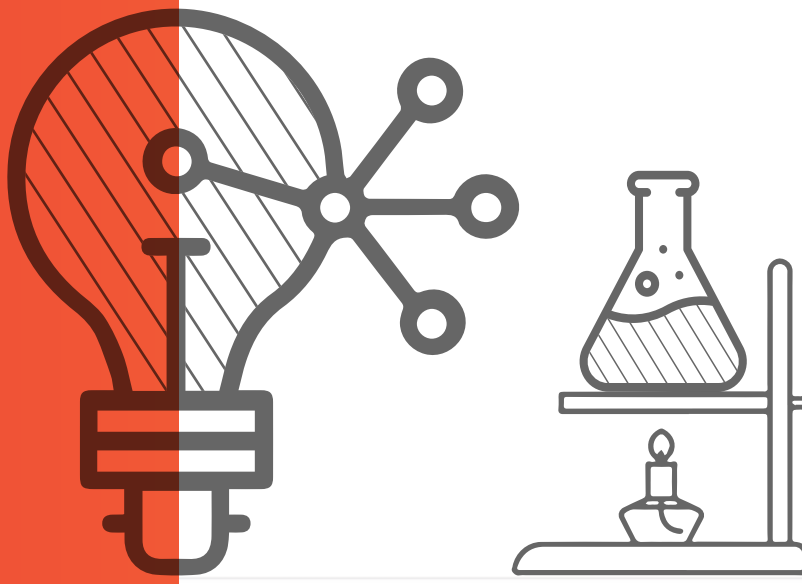

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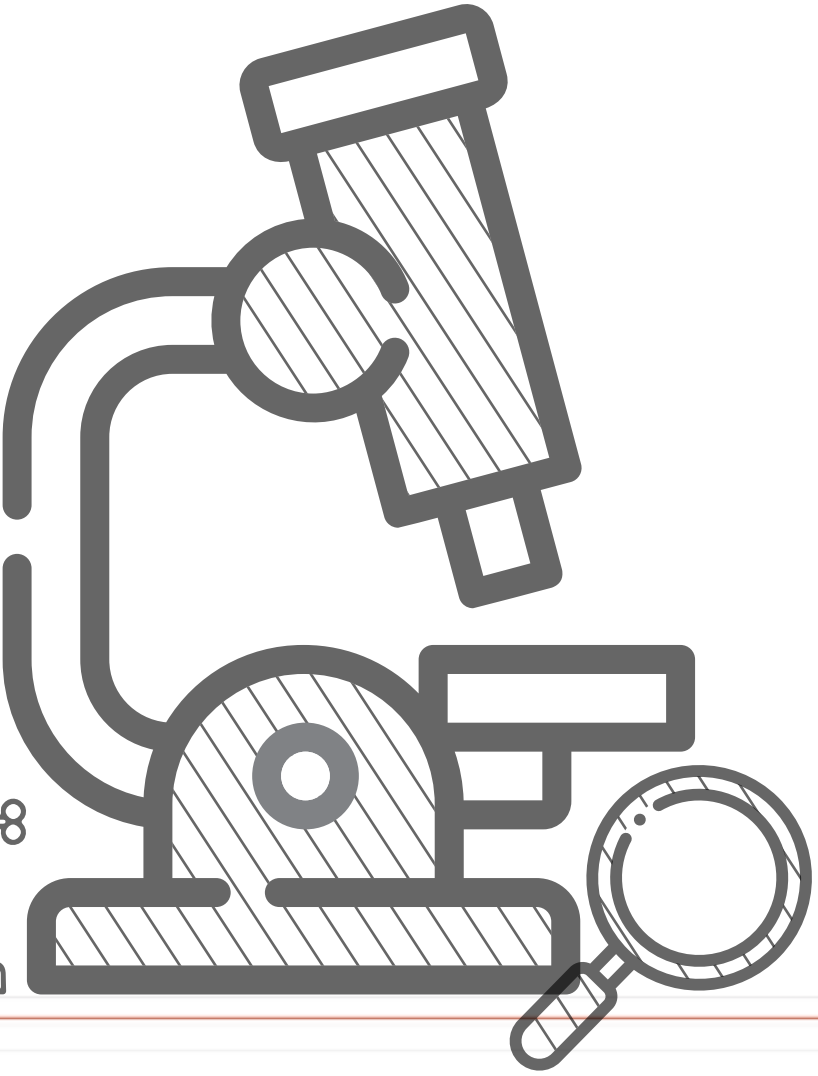


FGV aims to present a holistic and accurate view of our strategic thinking and responses to the issues in our operating landscape. In our journey ahead, we will continue to make significant progress to accelerate our transformation and improve our performance as a globally integrated agribusiness that delivers value to our stakeholders.

Group Chief Executive Officer's Strategic Review

"FGV continued to make good strategic progress, and achieved record profits buoyed by bullish prices. I take pleasure in presenting to you the year's strategic review.

Within a marketplace of increased global regulations and impacts on commodities, a new FGV is set to emerge. One that can ride volatility in commodity prices, supported by stable returns from our reputed brands and other value-added products. An FGV that embraces the circular economy and takes the lead in sustainable agribusinesses. Last but not least, an FGV that is able to sustainably deliver its mandate to key stakeholders over the long term.

Our vision is clear and our direction is set. Adhering to our strategic roadmap, 2021 was the year for FGV to "Strengthen and Grow", enabled by the execution of Key Strategic Initiatives across FGV's businesses. We came together as a Group to identify ways to optimise and harness synergies in our performance. This led to good progress on several fronts and financial improvements as global CPO price continued to soar. Capitalising on our gains, we are now in a strong position to meet the set goals of our Strategic Business Plan.

A YEAR OF STRATEGIC PROGRESS

FGV Holdings Berhad (FGV) stayed responsive and driven to deliver strategic achievements on significant fronts, though beset by several operational challenges, such as:

2021 Challenges

Increase in production cost due to escalating material costs, overhead costs and tax
Unstable currency/forex due to market uncertainties and geopolitical tensions
Shortage of migrant workers and abscondment impacting FGV's productivity
RSPO certification suspension for FGV mill complexes
COVID-19 pandemic challenges that led to increased costs and supply chain inefficiencies
Uncertainties surrounding the CBP's WRO on the Group's palm oil and palm oil products
Adverse weather with the onset of climate change irregularities

Staying resilient, we continued to gain traction in overcoming these challenges and ended the year recording an eight fold increase in Profit After Tax and Minority Interest (PATAMI) of RM1.17 billion. The results achieved put us in good standing for our journey ahead.

Further details on FGV's Business Strategy can be found on page 36.

OPERATIONAL IMPROVEMENT

Labour shortages and adverse weather conditions impacted the plantation industry in 2021. Like every other plantation player, FGV had a challenging year. Our replanting efforts were ongoing except that due to the year's challenges, we only managed to complete felling 13,127 Hectare (Ha) and replanted 2,815 Ha of our landbank. Going forward, we commit to get back on track with targeted replanting of 15,000 Ha yearly.

We made good progress on our mechanisation plans, adding on about 30,391 Ha to our mechanised areas. We now have 115,000 Ha landbank fully mechanised using the Mechanised Assisted Infield Collection (MAIC) method. From a manuring perspective, during the year, we applied 297,178 Metric Tonne (MT) of fertilisers to our plantation area, achieving 100% target coverage. This shall improve our estates' performance in the long term.

Our Sugar Sector under MSM Malaysia Holdings Berhad (MSM) was awarded an estimated RM290 million contract with The Coca-Cola Company for domestic and international production. This is a key achievement, solidifying its place as Malaysia's leading and preferred refined sugar producer.

Our Logistics & Others (LO) Sector also grew in capabilities and strength to maximise unrealised business potential for external markets. Our fleet size expanded to 549 units through new asset acquisitions, and total liquid storage capacity surpassed 1 million MT as 10 new tanks were installed, in addition to a new warehouse in Kuantan for 20,000 MT of storage space. During the year, the segment had recorded oleochemical storage throughput of 0.95 million MT, the highest achieved by the Group.

PRODUCT AND MARKET PENETRATION

As part of the Product & Market Penetration strategy, we successfully completed the development of seven new products in 2021, for both food and non-food categories. Under non-food, three new pellet formulations, a high IV olein, and Palm Mid Fraction (PMF) were formulated. In the food category, a healthier improved recipe for Adela margarine was developed along with a new pastry margarine.

Strategies to enhance brand value in Downstream and Sugar businesses paid off. During the year, we embarked on branding campaigns for our flagship brands; Saji and Seri Pelangi, as well as Gula Prai, which were created to build distinct brand leadership. We were thus delighted when Gula Prai was ranked 3rd and Saji 7th as the topmost chosen FMCG brands in Malaysia[8].

During the year, the Research & Development (R&D) Division developed a prototype called the FGV Geotagger. This is a high accuracy device that is able to improve the precision of oil palm replanting, and deliver potential cost savings of RM2 million a year, as well as additional revenue of RM6 million for 15,000 Ha replanting area per year.

In addition, our Sugar Sector also signed an agreement with Singapore-based Wilmar Sugar Pte Ltd (Wilmar) to establish a sustainable sugar supply chain. As Singapore is a potential export market for our Sugar business, this will open a path to the Group and eventually improve our sales volume in the long term.

The LO Sector expanded its service solutions beyond traditional transportation activities towards more specialised areas among others, transporting military equipment from overseas, forwarding activities involving customs clearance, ocean freights and haulage, as well as inward clearance and land transportation.

NEW GROWTH AREA

By expanding capabilities, LO is strengthening and supporting the Group in meeting rising demand and efficient logistics management for external market segments. The Sector introduced cold chain transportation services for Fast-Moving Consumer Goods (FMCG), having acquired 10 refrigerated trucks during the year.

In our new Integrated Farming venture, the completion of land acquisition for FGV Chuping Agro Valley project also means we are ready to kick-start the transformation of the area into a large scale farm for major agriculture activities. The aim is to develop an integrated high-value cash crop plantation with the potential development of a fully integrated large-scale dairy farming.

In 2021, we harvested 600 Ha of FGV's Fortified Field Fragrant Rice, yielding 3,751 MT of fragrant paddy to produce "Saji Aroma" rice. This will support our aspirations to grow as one of the agribusiness market leaders to produce varieties of services and products from farm to fork.

[8] *Based on Kantar's Asia Brand Footprint 2021*

Group Chief Executive Officer's
Strategic Review

FINANCIAL & CAPABILITY BUILDING

Advancing on Financial & Capability Building, FGV has embarked on a thorough benchmarking exercise with comparable companies in order to gauge our strengths and understand current weaknesses.

Through that exercise, we have identified ways to maximise margins based on existing assets, increase market penetration globally, and champion the National Food Security agenda. It has also highlighted the need to further enhance our Financial, Human Capital and Sustainability in order to achieve our goals.

FINANCIAL

The year's high Crude Palm Oil (CPO) prices have brought in profits at a timely phase of our evolution. In addition, we have successfully launched a RM500 million *Sukuk Murabahah* programme in December 2021 to provide an alternative avenue for capital raising with all proceeds utilised for Shariah-compliant purposes. The capital boost is a good indication of our financial position strength and acts as the catalyst to further refine FGV's distinct business model, as charted by our Strategic Business Plan.

Further details on FGV's financial performance can be found under Group Financial Review on page 48.

HUMAN CAPITAL

A key enabler to our future focus is a strong and loyal talent pool. In recent years, growing diversity of talents have been welcomed into the FGV family. The task now is to align a Group-wide mindset change in driving performance as an evolving high level entity. Some of the key highlights in strengthening Human Capital include:

- Ensuring safe working protocols within a new normal and establishing a Group-wide COVID-19 vaccination policy to ensure a safe work environment.
- Launched a graduate trainee programme to attract and groom university graduates as fresh talent for the Group.
- Implementation of DACUM (Developing A Curriculum) Phase 1 - which is to identify current work process, skill sets and performance standards targeted for FGV's critical positions to enable people's capability improvements in ensuring future-ready workforce.
- Embarked on the Individual Development Plan (IDP) initiative as a tool to identify and retain talent within the Group by providing them career development plans towards future leadership roles.

SUSTAINABILITY

Our sustainability agenda remains at the forefront of our effort towards creating value for stakeholders. We are anticipating the lifting of the Withhold Release Orders (WRO) ban and Roundtable on Sustainable Palm Oil (RSPO) certification suspension as we build the blocks towards a zero-impact business operation. This is guided across our operations following the Group Sustainability Framework that incorporates the main Environmental, Social and Governance (ESG) components, together with innovation and transformation as the main drivers of our sustainability agenda.

Key highlights for the year included:

- Establishing the Gender Equality and Women Empowerment Committee to provide women equal access to all opportunities throughout our operations.
- Leading the way as the first food and agriculture company in Malaysia to formalise commitment by signing the United Nations (UN)-backed Science-Based Target initiative (SBTi) Business Ambition for 1.5°C pledge. This requires FGV to reduce its greenhouse gas emission by 45% by 2030 and hit net-zero emission by 2050.
- Improving our SPOTT rankings to 19th position from 23rd, which shows improved transparency in disclosures related to ESG issues.

Please refer to Sustainability Report for more details.

Scan here to view our Sustainability Report

FUTURE OUTLOOK

Moving forward, we foresee a dynamic year of growth, bolstered by the alignment with national interests as we continue to transform and restructure our business model.

Our future plan is for FGV's businesses to be organised based on functions that will enable FGV to transform our business model to that of a market penetrator, brand owner, and innovative product developer.

We intend to increase competitiveness in every business sector by being:

- Responsive to market needs
- Reliable in delivering a consistent supply of quality products
- Innovative in maximising value and efficiencies
- Capable to meet demands in a timely and responsible manner

Across our Plantation operations, further sweating of assets will be required to improve key operational metrics. We will optimise our value chain to expand our reach, market offerings and product presence. This will be supported with human capital development and enhancement, prudent cost management, and enhanced production efficiencies.

In our Sugar business, we will maximise asset utilisation and optimise our local presence through an aggressive sales strategy, regional export penetration and value-added business activities. Business efficiencies will be built on further digitalisation and operational improvements.

We intend to further grow our LO capabilities and potential through market expansion and diversification while enhancing operational effectiveness.

As for Integrated Farming, we will concentrate on realising value of investments through improvements in cash crops, paddy, dairy and animal nutrition businesses.

Once our businesses grow in value, growth through market penetration will be the next target as we expand our brand equity and international presence.

Internal restructuring is ongoing as we target to realise effective and value-accretive Corporate Services to accelerate the way forward.

The core priority encapsulating all our forward-moving plans is to champion sustainability through clear ESG targets and goals. We are mindful that through the lens of the global market, in this new future of FGV, sustainability is our primary business driver and I am certain we will be rewarded accordingly. The palm oil industry is subject to increasingly stringent standards in labour, environment and climate change. Given FGV's unique position in the industry, as we serve the interests of smallholders too, we have bigger hurdles to overcome than normal plantation companies.

DELIVERING VALUE TOGETHER

Working in synergy with FELDA, I believe the challenges that lie ahead of us, though great, are not insurmountable. The current market environment presents a ripe time to grow new strengths. With the commitment and support of our shareholders, we can leverage on our assets and accelerate this momentum of growth.

The support and guidance of our diverse Board is another source of strength in our journey ahead. It is gratifying to be led by the current diverse and well-experienced Board. On this note, I would like to acknowledge the unexpected loss of our Deputy Chairman, the late Dato' Yusli Mohamed Yusoff, and extend my deepest condolences to his bereaved family. His work with FGV lives on and we will build on his valuable contributions.

Through the support and partnership of our stakeholders, and clear strategic path ahead, I am confident FGV will deliver on our vision. I am proud to have been given the chance to steer FGV towards this new future in agribusiness and look forward to the journey ahead with the remarkable team of dedicated managers, loyal workforce and supportive shareholders.

Mohd Nazrul Izam Mansor
Group Chief Executive Officer

Group Financial Review

Revenue

39%

2021

RM19,566 MILLION

2020: RM14,076 million

Operating Profit Before LLA and Impairments

>100%

2021

RM1,842 MILLION

2020: RM837 million

Profit Before Zakat and Tax

>100%

2021

RM1,714 MILLION

2020: RM346 million

PERFORMANCE SUMMARY

FGV continued to record an exceptional performance in FY2021 boosted by a 37% surge in average CPO price. The Group recorded revenue growth of 39% and PATAMI of RM1.17 billion, an eight-fold increase from RM146 million recorded last year, the highest profit earned since the Group's listing in 2012. This was achieved amidst continued operational disruptions caused by the COVID-19 pandemic which had led to severe labour shortages, lower palm oil production, weaker ringgit and increased production costs.

The average CPO selling price achieved by the Group of RM3,671/MT compared with RM2,675/MT in the previous year, had led to a record high revenue of RM19.57 billion, from RM14.08 billion in FY2020. Correspondingly, the Group's Profit Before Zakat and Taxation (PBZT) rose to RM1.71 billion in FY2021 compared to RM346 million from the previous year. The higher PBZT was mainly attributable to the increase in palm products' margins, turnaround of Sugar business and increase in volume of high-value products and lower variable operating cost in our Logistics business.

- Our Plantation Sector recorded significant improvements in profit of RM1.60 billion from RM401.99 million in FY2020. The outstanding positive performance of the Sector was due to increased margin which was in line with the higher CPO price realised and lower fair value charge on Land Lease Agreement (LLA) of RM3.98 million against RM158.49 million registered in FY2020. Impairment loss reduced to RM82.75 million compared to RM215.83 million recognised in the previous year, coupled with better operating margins in the fertiliser and rubber divisions, had further improved the Sector's performance.
- Our Sugar Sector recorded a profit growth in spite of a challenging business environment and increased freight cost which had pressured the overall operating profit margin. The Sector recorded a profit of RM85.68 million, a turnaround from RM34.55 million loss recorded in FY2020. This improvement was primarily driven by the increased margin attributed to higher Average Selling Price (ASP). In the previous year, the results of the Sugar business was also affected by write-off and impairment of bearer plants amounting to RM63 million.
- Our LO Sector's profit improved to RM90.35 million from RM50.49 million recorded last year, due to market expansion that led to an increased volume of high-value products and lower variable operating cost.

Profit/(Loss) Before Zakat and Tax by Sector

Plantation

>100%

2021

RM1,602 million

2020: RM402 million

Sugar

>100%

2021

RM86 million

2020: (RM35 million)

Logistics & Others

79%

2021

RM90 million

2020: RM50 million

GROUP FINANCIAL POSITION

The Group's total assets in FY2021 increased by 5% to RM17.96 billion from RM17.18 billion registered in FY2020. This was attributed to the rise in inventories by 61% due to higher price and volume, and improvement in cash by 18%.

Total liabilities reduced by 3% due to decrease in LLA liabilities and borrowings by 10% and 7% respectively, but was partially offset by the increase in payables by 35%.

Total equity for the Group in 2021 stood at RM7.19 billion, an increase by 18% from RM6.10 billion registered in the previous year.

CASH FLOW

The Group's total cash balance as at 31 December 2021 grew by 18% to RM2.03 billion from RM1.73 billion recorded in FY2020 following the improvement in net cash from operation.

OTHER KEY INDICATORS

In FY2021, the gearing ratio improved to 0.56 times from 0.70 times in FY2020 due to lower borrowings and improved total equity, as a result of higher profit. Meanwhile, the liquidity ratio improved to 1.22 in FY2021 from 1.07, recorded in FY2020.

The Group recorded a better net asset per share of RM1.49 compared to RM1.17 in FY2020. Earnings per share also increased significantly to 32 sen from 4 sen in the previous year, in tandem with the improvement in the Group's results.

DIVIDENDS DECLARED

In light of the good results in FY2021, the Board has agreed to declare a final dividend of 8 sen per ordinary share that amounted to RM291.85 million and was paid on 31 March 2022.

Key Financial Highlights

	FY2021	FY2020	Changes (%)
Cash and Cash Equivalents (RM million)	**2,032**	1,729	+18%
Total Borrowings (RM million)	**3,998**	4,293	-7%
Liquidity Ratio (times)	**1.22**	1.07	+14%
Gearing Ratio (times)	**0.56**	0.70	-20%
Earnings Per Share (sen)	**32.0**	4.0	>100%
Dividend (sen)	**8.0**	3.0	>100%

Group Financial
Review

From left • Mohd Izam Pariz – Group Accountant, Logistics & Others Sector • Haslinda Abdul Rahim – Group Accountant, Finance Policy & Governance and Company Account • Sri Anita Mashat – General Manager, FGV Shared Service Centre Sdn Bhd • Aznur Kama Azmir – Group Financial Controller • Hisham Bakar – General Manager, FGV Capital Sdn Bhd • Dato' Mohd Hairul Abdul Hamid – Group Chief Financial Officer • Sumarni Zubir – General Manager, Group Financial Reporting & Consolidation • Shahril Ibrahim – Group Accountant, Plantation Sector • Pang Poh Ling – Group Accountant, Financial Reporting & Budgeting • Noor Azimah Abdul Aziz – Group Accountant, Downstream and R&D Division • Rahayu Alias – Group Accountant, Upstream Division

FINANCIAL OPERATIONAL HIGHLIGHTS

During the year, FGV's Group Finance implemented several initiatives to improve the Group's financial operational performance.

- The Group's Finance Policies and Procedures were updated to ensure the consistency of finance practices throughout FGV Group and to be in line with the latest approved FGV Group's Limit of Authority (LOA) and changes in Accounting Standards.
- The Group has initiated the implementation of a Group Financial Consolidation System to increase the effectiveness and shorten the time cycle to consolidate and validate financial data from all subsidiaries. This is to support financial management and statutory consolidation report preparation and is expected to be completed in 2022.
- Implementation of Robotic Automation Process in FGV Shared Services Centre Sdn Bhd to increase business operation capabilities and create a more efficient workflow. It processes tasks that are repetitive, and those that require long manual processing and standardised data for the Shared Services Centre Helpdesk, Account Receivables and Bank Reconciliation.
- In December 2021, FGV made the first issuance of *Sukuk Murabahah* of RM500 million in nominal value pursuant to the *Sukuk Murabahah* Programme. The proceeds from the *Sukuk Murabahah* Programme is utilised to refinance our existing financing and borrowings.

FINANCIAL RISKS & MITIGATION

The Group is exposed to various market risks, including foreign currencies risk, commodity price risk, and credit risk arising from its business activities. Relevant derivative financial instruments are used to hedge the risk of such financial exposures. As for credit risk, the Group deals with customers with appropriate credit history, obtaining sufficient security where appropriate including payment in advance. Receivables are closely monitored by Group Credit Committee. These are governed by the Group's LOA and Finance Policies and Procedures, under the purview of the Board Governance & Risk Management Committee.

OUTLOOK

Moving forward, we are maintaining steadfast commitment to deliver better results, operationally and financially to create more value for our shareholders. These include initiatives toward environmental protection, net-zero emission and good labour practices. We also anticipate the conclusion of our RSPO certification suspension and WRO issues in due course, having initiated all the necessary steps to address the matter.

Adhering to strategy, all Sectors are advancing towards greater competitiveness and diversifications. Continued focus on profit maximisation and stricter financial discipline should improve operational performance. Supported by a recovering economy, improved performance is likely in the coming year. We also anticipate revenue contributions from new businesses to start streaming in the next few years.

CPO price is forecasted to reign high in 2022 as the production volume remains hampered, we are optimistic that despite the prolonged labour shortage and COVID-19 pandemic related operational disruptions, we will be able to sustain profitability in the coming year.

GROUP PROCUREMENT

FGV has become more vigilant on procurement spending and introduced measures to minimise leakages. As a result, we realised 16.6% in savings from procurement activities in FY2020 that translated to RM176 million. This result was the outcome of improved processes and negotiation strategies. The biggest savings were achieved in fertiliser procurement and estate and mills expenditure.

The Group continued with this effort in FY2021 and achieved RM134 million or, 134% in savings against the Group's internal target of RM100 million, despite the COVID-19 pandemic that reduced procurement activities. We will continue to rigorously monitor our procurement expenditure as part of our approach to lower our operating costs.

Achieved
17%
Cost Saving from Procurement Activities in FY2021

STRATEGIC SOURCING

- **Smarter spend** with "buy what we need when we need" approach to eliminate wastage.
- **Lowest sourcing cost model** to buy from lowest global/regional/local sources without compromising quality and service.
- **Mega sourcing projects** that consolidate volume, requirements of common items and services across the Group, resulting in a procurement plan that is more efficient and eliminates duplication.
- **Technology focus** to manage Group's demand such as paperless workplace via automation and digitalisation to increase speed to market.
- **Collaborate and leverage with key strategic partners for win-win benefits** to drive supply cost efficiency and enhance customer experience.
- **Integrity as a procurement fundamental**, with zero tolerance for non-compliance and consequence management.

COST SAVINGS

- Against the Group's internal target of RM100 million, we delivered RM134 million or 34% above the target, in cost savings in 2021.

OPERATIONAL EXCELLENCE

- **Internal Programmes to Upskill Procurement Personnel**
  Conducted multiple Procurement knowledge sharing within Group Procurement, Corporate Centre, intercompany as well as other professional organisations. The objective is to promote perspectives at the same time entrench a deep understanding of procurement processes and manage compliance issues. This initiative has proven to be one of the best method of upscale that helps to connect, improve performance and increase competency as procurement professionals.

- **Procurement Process Digitalisation**
  Implemented several eProcurement system improvements, process governance/control and database integration within the existing Enterprise Resource Planning (ERP) system. This digitalisation initiative is to enable automation, improve turnaround time, enhance data quality and process transparency, which helps to streamline procurement paperless end-to-end cycle.

Group Financial Review

EXTRACT OF STATEMENT OF PROFIT OR LOSS

	2021 RM'000	2020 RM'000	+/-%
Revenue	**19,565,891**	**14,075,712**	+39%
Operating profit	**1,778,776**	**444,517**	>100%
Profit before zakat and taxation	**1,713,980**	**346,064**	>100%
Profit for the financial year	**1,175,578**	**134,193**	>100%
Profit attributable to:			
Owners of the Company	**1,167,874**	**146,156**	>100%
Non-controlling interests	7,704	(11,963)	>100%
	1,175,578	**134,193**	>100%

EXTRACT OF STATEMENT OF FINANCIAL POSITION

	2021 RM'000	2020 RM'000	+/-%
Property, plant and equipment	7,674,392	7,810,463	-2%
Interests in joint ventures and associates	519,788	479,604	+8%
Other non-current assets	3,885,779	4,171,113	-7%
Non-current assets	**12,079,959**	**12,461,180**	-3%
Current assets excluding cash	3,844,769	2,989,127	+29%
Deposits, cash and bank balances	2,031,666	1,729,194	+18%
Current assets	**5,876,435**	**4,718,321**	+25%
Total assets	**17,956,394**	**17,179,501**	+5%
Capital and reserves			
Equity attributable to Owners of the Company	5,420,601	4,261,703	+27%
Non-controlling interests	1,765,917	1,838,504	-4%
Total equity	**7,186,518**	**6,100,207**	+18%
Borrowings	3,998,162	4,292,952	-7%
LLA liability	3,804,790	4,213,824	-10%
Other non-current liabilities	976,566	1,118,746	-13%
Other current liabilities	1,990,358	1,453,772	+37%
Total liabilities	**10,769,876**	**11,079,294**	-3%
Total equity and liabilities	**17,956,394**	**17,179,501**	+5%

Please refer to Audited Financial Statements 2021 for more details.

Scan here to view our Audited Financial Statements

EXTRACT OF STATEMENT OF CASH FLOWS

	2021 RM'000	2020 RM'000
Operating profit before working capital changes	2,554,567	1,580,302
Changes in working capital	(401,901)	267,968
Cash generated from operation	**2,152,666**	**1,848,270**
Finance income	22,728	39,612
Taxation and zakat paid	(229,419)	(129,840)
Retirement benefit paid	(4,089)	(2,363)
Net cash generated from operating activities	**1,941,886**	**1,755,679**
Net cash used in investing activities	**(569,263)**	**(361,856)**
Net cash used in financing activities	**(1,087,941)**	**(1,289,600)**
Net increase in cash and cash equivalents	**284,682**	**104,223**
Effect of foreign exchange rate changes	17,052	(7,100)
Cash and cash equivalents at beginning of financial year	**1,665,457**	**1,568,447**
Increase in assets held for sale	–	(113)
Cash and cash equivalents at end of financial year	**1,967,191**	**1,665,457**
Deposits, cash and bank balances	**2,031,666**	**1,729,194**
Less: Restricted cash	(64,475)	(63,737)
Cash and cash equivalents at end of financial year	**1,967,191**	**1,665,457**

Please refer to Audited Financial Statements 2021 for more details.

Scan here to view our Audited Financial Statements

Group Financial Review

STATEMENT OF VALUE ADDED

	2021 RM'000	2020 RM'000
Revenue	19,565,891	14,075,712
Direct & Indirect cost	(10,140,761)	(8,084,149)
Purchase of FFB from settlers	(5,333,216)	(3,345,816)
Value Added from Operations	**4,091,914**	**2,645,747**
Other Operating Income	95,113	132,499
Other Gains	87,959	42,456
Share of Results of Joint ventures & Associates	39,409	23,807
Finance Income	22,728	39,612
Total Value Added	**4,337,123**	**2,884,121**

STATEMENT OF VALUE DISTRIBUTED

	2021 RM'000	2020 RM'000
Employees	1,720,201	1,586,655
Government and Society	549,141	218,642
Providers of Capital		
Dividends to Owners of the Company	109,445	72,693
Finance cost	126,933	161,872
Non-controlling interest	7,704	(11,963)
Reinvestment	1,823,699	856,222
Total Value Distributed	**4,337,123**	**2,884,121**

Group Business Review

Plantation

The Plantation Sector is the largest revenue generator and forms FGV Group's core. Backed by over 50 years of expertise in the Upstream business, we are an integrated palm oil producer with a business that extends across the value chain, encompassing Upstream, Downstream, Research & Development, Marketing & Trading and Renewable Energy.

The Plantation Sector's main focus is in advancing the potential of palm oil across the palm oil value chain, even going beyond in harnessing Renewable Energy through palm oil by-products.

In our Upstream Division, we manage a total landbank of 438,885 Ha with a planted area of 347,335 Ha (oil palm, rubber and other crops) across Malaysia and Indonesia. We produce 2.68 million MT of CPO from our 67 mills, all located in Malaysia. Our Downstream Division safeguards the Upstream operations by providing a guaranteed uptake of CPO which is refined into a variety of palm oil-based products such as cooking oil, frying fats, industrial and specialty fats, and oleo derivatives. FGV is also reputed as one of the top rubber producers with six rubber processing facilities throughout ASEAN.

Actively focused on extending operational strengths and creating new opportunities for the Sector, we are committed towards developing and improving technologies and innovative approaches to be applied in our operations through the R&D Division. Our Marketing & Trading business consistently nurtures our long-standing existing markets and ventures into new markets to accelerate our growth. Our Renewable Energy business steadfastly enhances the Group's Waste-to-Wealth initiative while promoting a circular economy. We utilise biomass at our palm oil mills to produce biogas fuel for bio-compressed natural gas (bio-CNG) and the usage of national and rural grid connections.

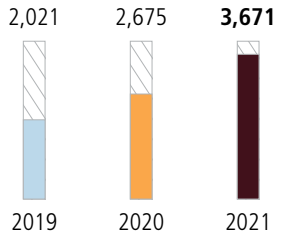
Group Business Review
Plantation

FY2021 OVERVIEW

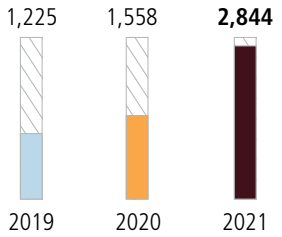
The year under review continued to be challenged by the impacts of pandemic disruptions that gave rise to a shortage of manpower, lowered demand and consumption, and heightened production costs. The intermittent lockdowns also led to interruptions in logistic and harvesting, which caused deterioration in yield and lesser production.

Though challenges abound, FGV's Plantation Sector registered a higher profit of RM1.60 billion in FY2021 compared to RM401.99 million recorded last year.

Average CPO Price
(RM/MT)



Average PK Price
(RM/MT)



The increase in profit was mainly attributable to the higher average CPO price realised of RM3,671/MT against RM2,675/MT registered in FY2020.

The performance of the Sector was also boosted by the lower fair value charge in LLA of RM3.98 million against RM158.49 million registered in previous year. Lower impairment loss of RM82.75 million compared to RM215.83 million recognised in previous year and better operating margin in its fertiliser and rubber segments in FY2021 have further improved the Sector's result.

The focus during the year was for Upstream operations to record higher productivity and lower costs by improving yields through replanting and mechanisation initiatives. A total of 13,127 Ha of landbank was felled and 2,815 Ha had been replanted to improve our oil palm age profile. However, like other plantation companies, FGV was also impacted by industry challenges that hampered the planned implementation of these improvement initiatives.

The Group believes it is vital to grow higher value-added business, focusing on the expansion of the Downstream Division. Hence, during the year, we successfully completed the development of new products in our feedstock, premium oil, and palm-based food products.

Plantation Sector

Revenue
RM16,920 million
2020 : RM11,573 million

PBZT
RM1,602 million
2020 : RM402 million

Standing: (from left) • Mohd Aris Omar – Head, Plantation Engineering • Zulkifli Othman – Head, Downstream Division and Business Development & Strategy and Chief Executive Officer, Delima Oil Products Sdn Bhd & FGV Refineries Sdn Bhd • Norli Manaf – Chief Executive Officer, FGV Rubber Industries Sdn Bhd • Abdul Latib Derassit – Head, Renewable Energy Division • Suhaidi Hamzah – Head, Research & Development Division • Zarif Zainul – Head, Field Workforce & Settlers Engagement • Abdul Malik Sekak – Head, Mill & Chief Executive Officer, FGV Palm Industries Sdn Bhd • Rahimi Hissan Wahid – Head, Estate & Chief Executive Officer, FGV Plantations (Malaysia) Sdn Bhd • Johari Ismail – Chief Executive Officer, FGV Security Services Sdn Bhd

Sitting: (from left) • Zur'ain Madon – Head, Operational Excellence Division • Jasni Muhamad – Head, Marketing & Trading Division • Mohd Sarian Md. Sahid – Group Divisional Director, Plantation Sector & Head, Upstream Division • Mohamad Fauzi Hassan – Officer-In-Charge, Chief Human Resources Officer & Head, HR Plantation Sector • Mazatul Aishah Aziz – Head, Corporate Affairs

FINANCIAL PERFORMANCE

UPSTREAM

Revenue from Upstream Division rose 45% to RM11.49 billion (FY2020: RM7.92 billion) and PBZT rose to RM1.44 billion (FY2020: RM279 million). The growth in profit was contributed by improvements in palm products' margins in tandem with strong CPO price.

However, the financial performance was partly negated by the 8% increase in CPO cost ex-mill resulting from the lower Fresh Fruit Bunch (FFB) and CPO production by 7% respectively, and the windfall tax paid based on high CPO price recorded during the year.

Revenue
RM11,486 million
2020 : RM7,917 million

PBZT
RM1,440 million
2020 : RM279 million

DOWNSTREAM

Downstream revenue increased 48% to RM4.98 billion (FY2020: RM3.38 billion). However, our Downstream Division recorded a lower PBZT of RM105 million due to the lower Crude Palm Kernel Oil (CPKO) and Refined, Bleached, Deodorised Palm Kernel Oil (RBDPKO) profit margins caused by surging CPO cost. The marked profit reduction was also due to the absence of gains from disposals of investments amounting to RM31 million recognised in the previous year.

Revenue
RM4,983 million
2020 : RM3,375 million

PBZT
RM105 million
2020 : RM157 million

R&D

Revenue from the R&D Division was at RM451 million (FY2020: RM281 million) to record an improved PBZT of RM57 million (FY2020: LBZT RM34 million). This result was mainly due to higher margins from fertiliser and seeds business coupled with higher volume sold.

The rise in domestic and overseas seed demand and fertiliser sales were attributed to high CPO prices recorded in FY2021.

Revenue
RM451 million
2020 : RM281 million

PBZT
RM57 million
2020 : (RM34 million)

PERFORMANCE SUMMARY BY DIVISION

UPSTREAM

Current Strengths

- **Among the world's leading global CPO producer,** accounting for 4% of world production
- **Availability of good planting material** DXP Yangambi (high yield potential)

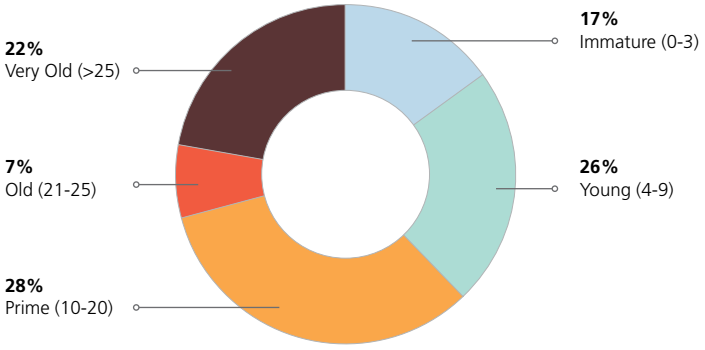
Landbank

Landbank (Ha)	2021	2020	2019
Malaysia			
• Peninsular	252,451	252,543	252,509
• Sabah & Sarawak	163,856	164,154	164,144
Indonesia			
• Subsidiary	22,578	22,578	22,578
• Joint Venture (JV)	–	42,824	42,824
Total landbank (excluding JVs)	**438,885**	**439,275**	**439,230**
Planted areas (oil palm)			
• Immature	56,660	59,842	74,953
• Mature	279,655	275,562	263,484
Total planted areas (oil palm)	**336,315**	**335,404**	**338,437**

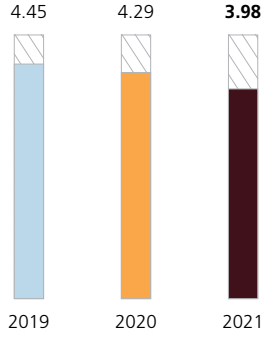
Group Business Review
Plantation

Oil Palm Age Profile

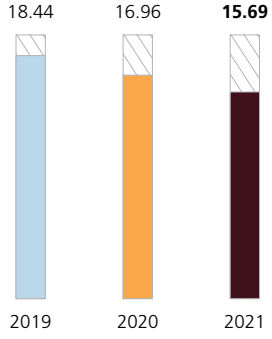
2021: 14.25 years



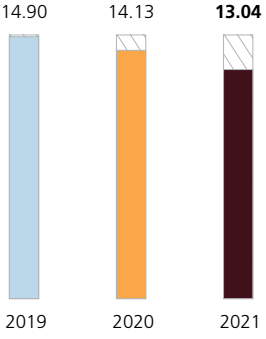
FFB Production
(Million MT)



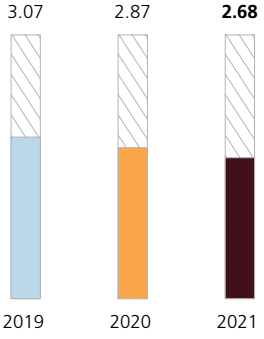
FFB Yield
(MT/Ha)



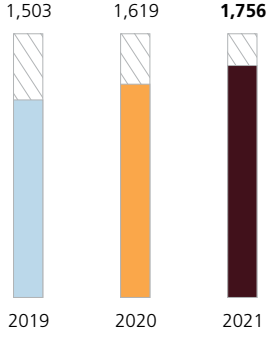
FFB Processed
(Million MT)



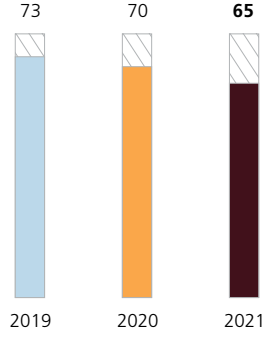
CPO Production
(Million MT)



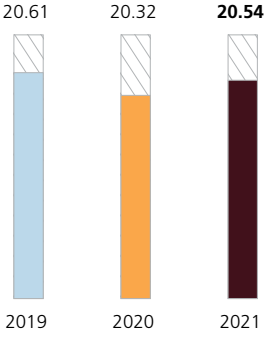
CPO Cost Ex-Mill
(RM/MT)



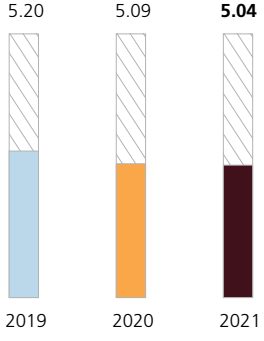
Utilisation Factor
(%)



OER
(%)



KER
(%)



The effect of unfavourable weather, pandemic disruptions and a shortage of skilled harvesters hindered our Upstream productivity in 2021.

Prolonged dry weather in the previous couple of years and the first quarter of 2021 caused higher incidence of male inflorescence and inflorescences abortion among young mature and prime age palms, which resulted to low bunch production for the year. Apart from that, the yield of older palms also declined towards the end of the year.

We also faced a labour shortage during the year due to increased field workers' medical leave during the intensive nationwide vaccination process, and border closures that resulted in unavailability of migrant worker. By end-2021, FGV's plantation workforce stood at 68% of total requirement, which meant a shortage of skilled harvesters for our plantation. This led to overall yield loss in 2021. Impact due to COVID-19 pandemic was estimated at 70,197 MT or 0.28 MT/Ha.

Furthermore, incomplete and delayed completion of fertiliser application and manuring rounds in previous years amplified the effect on low FFB yield in 2021. However, as we took proactive measures to improve productivity, we managed to apply 297,178 MT of fertilisers to our plantation areas, covering 100% of our 2021 target. This should boost our FFB yield in the coming year.

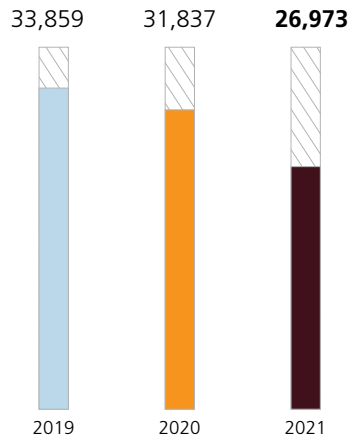
As a result of all these factors, FFB production decreased to 3.98 million MT, a 7% decline from 4.29 million MT in FY2020. Furthermore, the harvested FFB were not of optimal ripeness due to weather and the oil palm age profile.

Fortunately, there was no significant adversity from the heavy floods that impacted the nation in the last month of 2021. Only 2% of our planted areas were affected and we promptly diverted our harvesters to unaffected areas during the event to ensure their safety and FGV's business continuity. The lower FFB received at mills impacted our CPO production. During the year, FGV produced 2.68 million MT of CPO. We processed a total of 13.04 million MT of FFB, an 8% reduction from 14.13 million MT, in line with the 5% decrease in utilisation factor to 65% from 70% the previous year. The utilisation factors of mills were hampered by the lockdowns and restrictions imposed during the year in certain affected areas.

However, Oil Extraction Rate (OER) and Kernel Extraction Rate (KER) showed slight increases due to better mills performance as we continued to focus on stringent process control.

Difficulties in recruiting migrant workers were aggravated by the pandemic lockdowns and are expected to continue till the third quarter of 2022. While we engage in periodic follow ups with the Government for updates on the opening up of foreign recruitment, we are making efforts to achieve 100% plantation workforce requirements by extending existing migrant workers' employment voluntarily, and intensifying our Recruit, Retain and Repatriate (3R) programme to increase labour supply. To expedite the recruitment of incoming migrant workers once restrictions are lifted, we have put in FGV's Recruitment Procedures in-line with the current Government's requirement and guideline.

Plantation Workforce

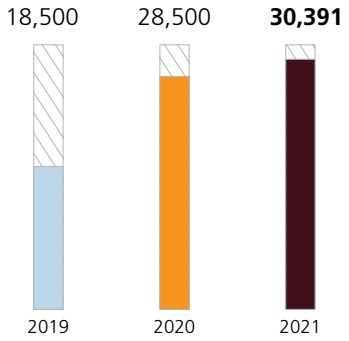


To retain our workforce, we are improving the workers' accommodations, increasing recreational activities and welfare for better living conditions, providing wage security through FGV e-wallet and e-productivity apps, and granting full accessibility to their passports.

In addition, FGV has conducted engagements with the local communities surrounding our estates and mills to campaign on the benefits of being part of FGV's workforce as an attractive career path. The initiative has been expanded toward providing entrepreneurial and relevant skills training to increase knowledge transfer, efforts to enhance community welfare, and improving work standards with the implementation of mechanisation at estates and mills.

Group Business Review
Plantation

Mechanisation
(Ha)



Increased mechanisation in our estates was introduced to improve harvesting productivity and provide an alternative solution to labour shortage. A good start was made during the year whereby we achieved MAIC across 30,391 Ha of our estates, surpassing our initial target of 25,500 Ha.

To improve cost efficiencies and utilisation factor of our mills, a rationalisation plan was initiated in 2021 targeting two mills that were performing below capacity. The proposal was for the selected mills to fully process third-party crops by attracting suppliers through a dynamic pricing mechanism. This would enable better utilisation and boost by-products sales to improve profit margin. This is a radical change within our work process and proved to be challenging to implement due to the need for settlers' buy-in. However, we managed to kickstart the initiative through management engagement and briefings with FELDA Management and the settlers. One rationalisation plan was implemented in July 2021, and another one is set to commence in 2022.

In our continued drive to harness synergies, FGV regularly engage with the smallholder community to collaborate and address their concerns. We are committed to strengthening ties with all relevant parties as we strive for best in class agribusiness performance to deliver better value to our stakeholders.

Operational Excellence Division Initiatives

- **Best practices & work methods** - mill process control & material balance, OER enhancement, electronic reporting system, harvesting & crop evacuation, e-Harvesting Interval Record (e-HIR), Division of Labour, Division of Earnings
- **Process improvement** - Sort, Set in order, Sustain, Shine, Standardise (5S), Kaizen, Innovative Creative Circle (ICC), Lean six sigma, autonomous maintenance, Total Productive Maintenance (TPM)
- **OE practices & methodologies** - 5S, Lean six sigma, autonomous maintenance, TPM
- **Behaviour Based Quality** - Control Point & Critical Control Point (CP&CCP), Health, Safety and Environment programme, Sustainability & Welfare programme

DOWNSTREAM

Current Strengths

- **Market leader** for cooking oil segment through flagship brand, **Saji with 42% refined cooking oil market share making it the 7th most chosen FMCG brands in Malaysia** based on Kantar's Asia Brand Footprint 2021
- **41% market share in Malaysia's margarine market** through **Seri Pelangi** brand
- Offering a myriad of product range categories for Household Kitchen essentials such as cooking oil, rice, coconut milk, creamer, margarine
- **Direct access to palm oil supply** from Upstream
- Operations strategically located across Malaysia and the United States (US)

FGV's Downstream Division is primarily involved in the refining and manufacturing of palm-based food products and oleochemical operations. The Division plays a critical role in providing leverage to the Group's value chain to mitigate volatile commodity prices and capture higher margin for refined products.

Pandemic disruptions across the supply chain spectrum were the key challenges faced by the Downstream Division during the year. Due to stricter Standard Operating Procedures (SOPs) and regulations, we experienced port closures, longer shipment period and other logistical delays. The increase in freight costs as a result of these challenges led to a drop in export demand. In addition, the impending recertification of RSPO status has restricted the sales of our lauric and biodiesel products.

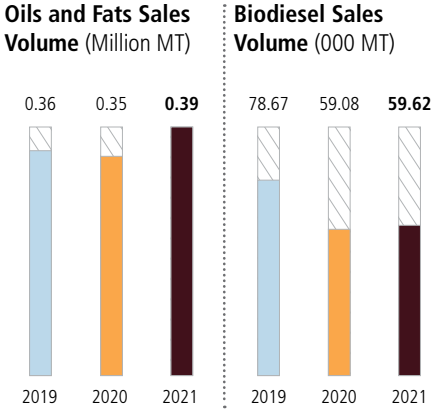
Downstream margins for 2021 were also pressured by the increase in CPO prices. However, the heightened demand in oleochemical by-products such as glycerine and esthers, to meet growing demand for detergents, cleaning products and sanitisers, steered us towards commendable performance. This was accompanied by higher than forecasted cost savings of RM15.66 million from the segment's successful Loss Elimination programme in 2021. Furthermore, as our food products are considered essential staple items, they benefited from the surge in consumer demand catalysed by the rising trend of cooking at home during the year's lockdown and restricted movement phases. This helped make up for the loss in business from the HORECA (Hotel/Restaurant/Café) market segment where businesses were impacted by prolonged closures.

As a result, even hampered by soaring costs, Downstream delivered a commendable PBZT of RM105 million for the year.

Another key achievement was the successful development of seven new product lines in 2021. These encompass three new animal feed pellet formulation, high IV olein, PMF, the improved healthier recipe of Adela margarine spread and pastry margarine.

We were also proud to receive several awards during the year which reflects a growing culture of integrity and accountability among our workforce, attributed to inculcation of FGV's PRIDE core values.

Moving forward, we are mindful that responding to customer needs will be critical to success. A greater focus on product expansion is in the pipeline as we continue to explore affordable health-focused benefits for our food products in line with new lifestyle demands for healthier food options. Most crucial however, we will be escalating responsibility in meeting sustainability expectations and engaging with industry decision makers to positively respond to recent global market posturings such as the intentions to phase out palm oil imports from Indonesia and Malaysia by 2030. The two key initiatives being undertaken at this juncture are the FGV net-zero value chain GHG emission and the Waste Mapping.



RESEARCH & DEVELOPMENT

Current Strengths

- Owns one of the **largest oil palm research facility** in the region
- Produces FGV Yangambi ML161, an **award winning oil palm germinated seeds** with 43% market share
- **Leading fertiliser manufacturer** in the country with **700,000 MT** annual production capacity

Where challenges abound, FGV's R&D Division is a resource centre that helps propose innovative solutions for continued growth and expansion.

The commercialisation of premium oil palm planting materials and fertilisers have become important revenue streams. The FGV Innovation Centre in Bandar Enstek, Negeri Sembilan, focuses on the development of oil palm planting materials and other high value planting materials through tissue culture.

Our fertiliser business, incorporated in 1975, has evolved into a distinctive and competitive compound fertiliser producer in the region, able to deliver various product range to suit customers' requirements. Customers are offered flagship fertiliser brands as well as customised formulations.

R&D is driving the FFB Yield and OER Improvement Project for FGV and FELDA Group through mechanisation and digitalisation technologies in achieving OER of 23% and FFB yield of 25 tonnes/Ha. The achievement in the Model Mill in Maokil is on track and will be replicated in all mills. R&D works to modernise FGV's plantation and mills through technology.

R&D efforts are being expanded on sustainability research such as renewable energy; and research on ways to minimise climate change impacts through planting material with increased drought tolerance, innovative irrigation and slow release fertiliser. Beyond this, the segment spearheads FGV's readiness for Industrial Revolution 4 (IR4.0) capabilities by establishing estate productivity tracking and monitoring using IoT, implementing Big Data analytics for yield forecasting and weed management via drone aerial spraying.

In 2021, we have developed five food formulation for FGV Delima Oil Products. For non-food, R&D has conducted research in the development of Palm Kernel Expeller (PKE) based product for animal feed and new formulation to enhance dairy production.

Group Business Review
Plantation

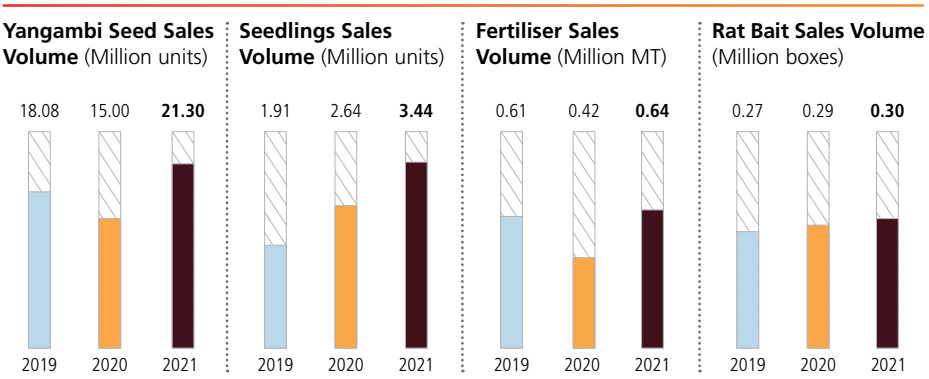
As CPO prices increased, demand for planting materials, fertilisers and rat baits increased. In 2021, the R&D segment reported an increase in overall sales volume for seed and seedlings by 42% and 30%, respectively. The same trend was spotted in our fertilisers and rat baits products as sales volumes increased by 52% and 3% respectively.

We are currently taking extra measures to curb the continuous rise in fertiliser raw material prices that will impact our bottom line in the coming year. One of which is to start procuring a sufficient quantity of raw material for 2022's requirement to avoid operation disruptions, especially for nitrogen sources and potash.

The achievements of the Division included the FGV Geotagger prototype, a solution to assist oil palm replanting activity in improving productivity through precise planting. This machine will provide a pre-lining marking device before felling of old palms and lining marking for new palm planting that could give cost saving of RM2 million and additional revenue of RM6 million for 15,000 Ha replanting area per year.

The R&D Division also released a pest management handbook for oil palm industry titled *Musuh & Perosak Tanaman Kelapa Sawit*. The book provides detailed information with pictures of pests such as rats, bagworms and moths in its step by step guide for sustainable pest management.

Ongoing projects include the acceleration of clonal production of high market value and fast growing plants to diversify current FGV's cloning business. We are currently exploring other crops such as the different variety of vanilla orchid, pineapple, bamboo, jackfruit and tuberous plant species. In addition, we are conducting soil amelioration for inorganic fertiliser reduction for oil palm using bio-fertiliser products.



MARKETING & TRADING

Current Strengths

- A **one-stop centre** for the sales of bulk products, providing end-to-end supply chain services
- Sells and trades **over two million MT** of CPO annually
- Experienced in managing shipment to an **extensive list of ports globally**
- Ground transport capabilities for local buyers

In the Marketing & Trading Division, FGV's sales and trading of bulk oils business is one of the lead revenue contributors to the Plantation Sector. On this front, we focus on constantly nurturing our long-standing existing markets and venture into new markets to accelerate our growth.

Our team comprises experienced Traders in handling edible and non-edible products. We have longstanding relationships with various stakeholders in the industry to provide excellent service to buyers, and have access to specialised services within the Group's supply chain functions. These specialities include FFB purchasing, logistics and operations for land transport and shipment, storage and bulking installation, market intelligence and also compliance. We harness these synergies in supply chain and operations to maximise trade margins in our sales and trading of bulk palm and laurics products.

In 2021, the Division managed the sale of 2.8 million MT of bulk CPO and Processed Palm Oil (PPO) which accounted for 15% of national production. A higher trading margin was achieved during the year as result of cohesive sales and trading strategy, and supply chain management

A key priority moving ahead into 2022 is to further support the Downstream Division by supplying feedstock at destination markets. This is in addition to increasing our profitability in the premium oil segment for CPO and CPKO for RSPO from Mass Balance, CPO International Sustainability and Carbon Certification (CPO ISCC), and high IV olein and PMF as we aim to achieve higher margins for all product segments.

RUBBER

Current Strengths

- **50 years of experience** in the rubber business
- One of the top **Technical Standard Rubber (TSR) producers** with **five rubber processing facilities** and **one Latex Concentrate plant** across ASEAN
- The **sole producer** of Green Rubber products in Malaysia

The Plantation Sector's market and product penetration strategies for the palm oil business is also applicable to FGV's rubber business. With a combined production capacity of 238,000 MT, it fits into the Group's long-term plan to become one of the world's leading integrated and sustainable agribusinesses with a diversity of consumer products.

Our rubber business is currently diversifying into the production of Green Rubber materials. Green Rubber is a modified Natural Rubber which has properties that can replace Synthetic Rubber for all types of tyre and engineering applications. This is in line with FGV ambition to advance into sustainable businesses and help to reduce the usage of synthetic rubber that is petroleum based materials. To boost this business, we are currently researching and developing product quality improvements.

RENEWABLE ENERGY

Current Strengths

- The **world's only palm plantation company** with 28 biogas plants
- **Developed the world's first commercial-scale palm-based bio-CNG** via collaboration with MPOB at Sg Tengi Palm Oil Mill

FGV is an early adopter of the circular economy system and has embarked on renewable energy initiatives since early 2000. The Renewable Energy Division is the backbone of the Group's Waste-to-Wealth project whereby biomass (gas, solid, liquid) from our palm oil mills are used to produce biomass and biogas fuel for Feed-in-Tariff (FiT), local and rural grid connections, and bio-CNG.

We supply and trade 14 types of biomass by-products such as Palm Kernel Shell (PKS), sludge palm oil and shredded Empty Fruit Bunch (EFB) fibre, contributing additional revenue to the Group. Our Renewable Energy business drives the Group's initiative in carbon emission reduction through the operation of 28 biogas plants, reducing up to 117,246 MT of carbon emission in 2021, besides utilising biogas to power FiT and Rural Electrification Projects in eight sites located in Peninsular Malaysia and Sabah.

The Group has reduced more than 100,000 tonnes of carbon dioxide (CO_2) equivalent through our initiatives such as methane capturing and destruction using our biogas and bio-CNG plants, as well as fossil fuel (diesel) replacement.

In 2022, we will enhance our support for the Group's agenda to reduce carbon footprints. As such, we are currently building another 2 Megawatt (MW) FiT plant in Keratong 9, Pahang scheduled to be running in second quarter of 2022. Once completed, the project shall add another milestone to FGV with a total of 11.30 MW installed power capacity for FiT and Rural Electrification Projects.

Group Business Review
Plantation

MITIGATING THE YEAR'S CHALLENGES

Challenges	Action plans	Outcomes
COVID-19 disruptions resulting in supply chain inefficiencies and production disruptions	• Established a COVID-19 task force to ensure stringent SOPs and multichannel communication with customers • Kept abreast on all developments related to shutdown, new regulations, new SOPs and consistent review of primary facilities to assure readiness across the supply chain	As at 31 December 2021, all issues related to COVID-19 are handled in accordance to *Kementerian Kesihatan Malaysia's (KKM)* and other relevant authorities' instructions and SOPs, and these have increased the effectiveness in managing further spread of infection and possible prolonged production downtimes and business disruptions. In total, 73 projects under the Upstream Division were shutdown (mandatory & voluntary) due to Enhanced Movement Control Order (EMCO) and *KKM* orders
Adverse weather conditions impacting harvest	• Implemented innovative practices and planting techniques	Our estates took these immediate approaches to mitigate adverse weather conditions: • Dry Weather: – Strengthen implementation of Good Agriculture Practice (GAP) especially during replanting – Moisture Conservation practices • Wet Weather: – Flexible harvesting arrangement for flood area – The estates practice diverting the harvesters to unaffected high ground areas and return to the affected area after the flood has receded – Bund construction for selected estates for flood mitigation
Shortage of migrant and skilled labour	• Implemented 3R (Recruit, Retain, Repatriate) and local workers recruitment drive • Increased mechanisation efforts, intensified crop recovery and followed GAP	• Since December 2020, FGV has actively conducted a nationwide recruitment drive for local workers. As of December 2021, FGV has received more than 900 inquiries from locals and interview sessions are currently underway with close to 600 locals hired to-date • Mobilisation of general workers to prioritise on harvesting • Training of harvesters to increase the number of skilled harvesters • More effective estate micro management, tasking system implementation & ensure complete monthly harvesting (= 2.5 rounds per month) • Implementation of C1R2 (1 Cutter, 2 Carrier) harvesting system

Challenges	Action plans	Outcomes
Increase in raw materials price and costs	• Adopted good positioning strategy in procurement of raw materials • Close monitoring of raw material price and inventory management to mitigate price risk exposure • Implemented cost savings initiatives to improve margins • Focused on high demand products that provided higher returns	• Strategic hedging and trading for CPO to improve profit margin, ensure smooth operations, and deliver sustainable supply • Tightened control of processing costs with maximum utilisation factor of mills/plants, and efficient inventory control management to mitigate the surge in raw materials price • Continuous engagements with external crop suppliers have improved the raw material supply to the mills and plants for sustainable operations • Responded to consumer behaviour changes and price increases during the pandemic by offering a variety of packaging sizes to increase affordability in the market, and by venturing into other consumer packaged products like sauces and spices
US CBP ban and on-going RSPO suspension causing sale restrictions to key customers and at destination market	• Regularly followed up on the RSPO suspension • Explored new markets and continuously engaged with industry decision makers • Kept buyers well informed of FGV's action plan in addressing the suspension and bans to keep their buying interest • Strictly adhered to fair labour practices and upheld human rights	• The RSPO Complaints Panel (CP) has yet to deliver its decision. The CP is currently seeking endorsement from Assurance Service International (ASI) on the verification audit report on the implementation of the CP's directive, conducted by an independent auditor appointed by the RSPO secretariat • The exploration for new markets by venturing into Middle East and North Africa (MENA) and South East Asia (SEA) regions have already commenced and currently, the suitability of future potential partners and distributors are being identified • FGV kept our stakeholders informed through periodic press releases, quarterly media and analyst briefings, and through direct communications detailing latest updates on the RSPO certification suspension and the United States (US) CBP • Together with the Fair Labor Association (FLA), FGV has developed a long-term and comprehensive programme to implement a range of initiatives to realign our labour practices to international standards and uphold the rights of our workers. Our progress under the FLA is subject to their validation and is made available to the public through our website

Group Business Review
Plantation

SUSTAINABILITY HIGHLIGHTS

97%

of mill complexes are Malaysian Sustainable Palm Oil (MSPO)-certified
45% of mill complexes are RSPO-certified

Conforming
FFB suppliers
to the **FGV Group Sustainability Policy**

Diversifying into
Green Rubber
products

Our largest FFB supplier groups,
FELDA and **FGV Plantations (Malaysia) Sdn Bhd (FGVPM)**
are also **MSPO-certified**

Launched
FFB Supplier Registration Update
initiative in compliance to RSPO and FLA requirements

Reducing physical paper
with **more usage of e-brochures** instead of conventional product catalogues

New cooking oil PET* bottle
which is more **ergonomically designed** with sustainability in mind with benefits such as **reduction of paper, plastic and lower carbon emission during transportation**

** Polyethylene terephthalate*

Streamlining industrial products
(Adela, Mariana, Marina, Nadim etc) under the Adela brand as part of the effort to **reduce wastage and printing of multiple brand items** (less printing and wastage)

Ikhlas daripada Saji
distribution of goody bags to the needy and providing Saji items to selected food bank locations (Yayasan Food Bank Malaysia, Infak Corner, Insaf Malaysia)

Kongsi Rezeki Sesama Kita (Social Media Food)
call outs through Saji and Seri Pelangi Facebook channels for those in the food service business who were badly affected by the MCO. **Successfully helped 11 food service providers to promote and create exposure** for their business via Saji and Seri Pelangi social media platforms

OUTLOOK

Moving further into 2022, average CPO price is expected to range between RM4,000/MT to RM4,500/MT.

It is important to note however that the price has remained high in the first quarter of 2022. This is partly due to near-term tight supplies caused by labour shortage, and concerns over delayed palm oil export shipments from Indonesia's new export policy.

Higher palm price leads to a wider spread between palm oil and gas oil due to weaker crude oil prices. The palm oil premium over gas oil not only wipes out discretionary blending, but threatens biodiesel mandates as well.

Based on the market situation at time of reporting, CPO price is expected to ease in the later quarters of 2022 with the anticipation of improved production and the resumption of recruitment of migrant workers. In the meanwhile, FGV's Plantation Sector will keep focusing on improvement in harvesting, crop recovery and replanting efforts to stay fruitful in the long run.

Demand for palm oil and palm oil products is expected to improve at better capacity than 2021, as successful vaccination roll-outs provide greater confidence in opening up borders and business sectors. However, we are mindful that importers may cap their purchasing, and that any restructuring of palm oil import and export tax will have an additional impact to inventory levels at producing countries.

2022 STRATEGIES

UPSTREAM

Estates

- 3R (Recruit, Retain, Repatriate)
- Intensify crop recovery and implement GAP
- Accelerate replanting
- Gradual retake of contracted Mechanical Assisted Collection Transport
- Maximise land utilisation through inter-cropping during replanting phase
- Strictly adhere to fair labour practices and uphold human rights
- Mechanical fertiliser application plan

Mills

- Target improved OER
- Conversion to outside crop processing mills (100% third-party crop)
- Mill cost optimisation
- Strengthen and modernise mill process control

MARKETING & TRADING

- Expand and enhance our presence at destination market via collaboration and strategic partnership
- Aggressive sales and trading strategy for both local and export to capture higher trading margin
- Increased efficiency across FGV's supply chain i.e. estate, mills, refineries, logistics and operations
- Enhance working relationships and engagements with FFB suppliers such as smallholders, Government-Linked Companies (GLCs) and dealers to ensure steady supply of good quality FFB

DOWNSTREAM

- Expansion to export markets such as South East Asia, Asia and Middle East and North Africa
- Production of Cocoa Butter Substitutes
- New Product Development
- Premium Refined Glycerin [Hazard Analysis Critical Control Point (HACCP) & Good Manufacturing Practice (GMP) certified]
- Explore full vegetable based product platform
- Cost Optimisation through loss elimination programme
- Upgrade biodiesel plant capacity by 20%

RESEARCH & DEVELOPMENT

- R&D to support increasing oil yield per hectare across the Group
- Reduction of inorganic fertiliser usage and cost via bio-fertiliser and soil enhancement
- Reduction of overall labour in the field through mechanisation and digitalisation
- Mill modernisation to increase efficiency
- Support new income portfolio
- Produce new products for alternative high value crops such as bamboo, pineapple, saccha inchi and artichoke
- Increase revenue through agriproducts for food and non-food & fertiliser business

RUBBER

- Secure good premium and high profit margin
- Reduce processing costs and increase overall utilisation factor
- Reduce diesel consumption
- Improve and stabilise operation of Green Rubber (Production and Quality)
- Collaborate with FGV Group of Companies to utilise Green Rubber and promote rubber usage
- Appoint marketing agents in several countries and regions

Group Business Review

Sugar

Sugar continues to reign as a core commodity with its importance in a growing range of diverse food applications. This forms a vital base for FGV's leadership in the agribusiness industry. Our stake in MSM and its Gula Prai brand bolsters our strength and standing through steadfast financial gains and increasing global repute.

One of the largest sugar refiner by capacity. MSM produces, markets and sells refined sugar products under its flagship brand, Gula Prai.

Our Sugar business has ensured Malaysia's sugar self-sufficiency as the nation's top sugar producer with major market share dominance in the domestic refined sugar market. In world rankings, we are one of the largest sugar refiner by capacity. Navigating through changes in sugar consumption patterns, we are currently expanding our offerings by venturing into value-added sugar-related products.

FINANCIAL PERFORMANCE

The Sugar business reported a profit of RM86 million, a turnaround from the RM35 million loss in FY2020. The results of sugar business in the previous year were also affected by write-off and impairment of bearer plants amounting to RM63 million.

Revenue

RM2,260 million

2020 : RM2,185 million

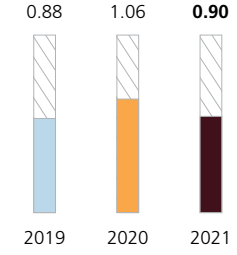
P/(L)BZT*

RM86 million

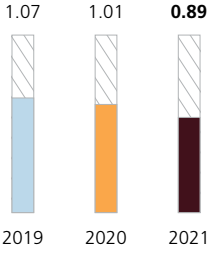
2020 : (RM35 million)

* *P/(L)BZT is different from reported at MSM Group as this include some adjustments at FGV Group level*

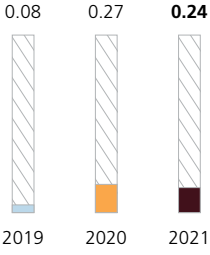
Raw Sugar Import Volume (Million MT)



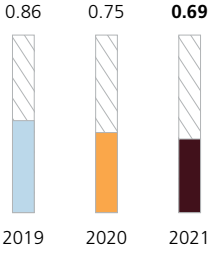
Refined Sugar Production Volume (Million MT)



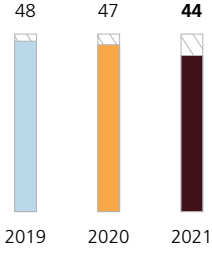
Export Sales Volume (Million MT)



Domestic Sales Volume (Million MT)



Utilisation Factor (%)



PERFORMANCE SUMMARY

Current Strengths

- **One of the largest sugar refiners in the global sugar industry** with a production capacity of 2.05 million tonnes
- **Over 57 years' experience in sugar refining**
- Serving more than **260 customers locally and internationally**
- MSM holds **8% of the export market share** in the Asia Pacific region
- The **Gula Prai brand ranked 3rd as the topmost chosen FMCG brands**[9]

FGV's Sugar business under MSM recorded a turnaround performance in FY2021 upon execution of strategies to streamline resources, hedge costs proactively, strengthen customer engagement and heightened ESG commitments. In the face of a challenging year of prolonged pandemic impacts, proactive and responsive actions led the way forward.

A significant increase in profit for the year was obtained through stronger margin gains bolstered by the achievement of higher Average Selling Price (ASP) of refined sugar and lower hedged pricing on raw sugar amidst an environment of continued weak demand.

Quick response to unexpected operational disruptions and delays ensured steadfast progress was achieved on several fronts including improving the capacity utilisation of our Johor refinery and reducing impairment losses on imported sugar.

The year also saw several environmental compliances concerns raised by the Department of Environment (DOE) on the sugar refineries' waste discharge. These were addressed through positive engagement with the authorities and affected communities, which led to affirmative collaboration with Penang's DOE on green initiatives to preserve and conserve the environment.

Key highlights for the year include securing a contract worth an estimated RM290 million to supply refined sugar to The Coca-Cola Company for both domestic and international production, driving the business's expansion to wider market across the region. The achievement is a testament to our reliability, quality and commitment to sustainability across the sugar refining value chain. MSM had also signed an agreement with Wilmar to collaborate in the establishment of a sustainable sugar supply chain.

[9] *Based on Kantar's Asia Brand Footprint 2021*

From left • Sanuri Saari – Head of operations, Sungai Buloh Warehouse • Cheah Poh Lye – Head of operations, MSM Prai Berhad • Wan Anniza S.M. Jamaluddin – Head, Legal Affairs • Mohd Bakhtiar Mohd Pahroraji – Head, Group Human Resource • Hasni Ahmad – Group Chief Operating Officer • Syed Feizal Syed Mohammad – Group Chief Executive Officer • Ab Aziz Ismail – Chief Financial Officer • Ahmad Fer-Rouse Ahmad Khairuddin – Head, Corporate Governance & Risk Management • Abdul Hadi Karim – Head, Corporate Strategy & Investor Relations • Muhammad Irfan Gobinath Abdullah – Head of operations, MSM Sugar Refinery (Johor) Sdn Bhd

Group Business Review
Sugar

MITIGATING THE YEAR'S CHALLENGES

Challenges	Action plans	Outcomes
Rising raw sugar NY11 and freight costs	Prudent hedging was practiced to secure NY11 price towards budget. By securing lower hedged pricing and offsetting increased costs on these vital resources, our sugar business achieved better refining margins for the year	MSM managed to hedge a significant portion of its Wholesale requirement in FY2022 at below market price
Rising natural gas cost	Natural gas cost is a key component of FGV Sugar Sector's refining cost. The domestic natural gas price is linked to the volatility of Brent Crude Oil futures. MSM is hedging this risk with Brent-linked derivatives like options and futures contracts	The risk on rising energy prices is reduced with prudent hedging on Brent-linked derivatives contracts
Margins impacted by higher costs	Margins were also strengthened through the achievement of higher ASP in the domestic market to compensate for higher cost of production. This was made possible through win-win industry negotiations and addressing price matrix issues with the customer offering lower prices with higher level of offtakes	Sustainable revenue and profitability achieved, ensuring adequate operational requirements satisfied and sufficient dividend payout to shareholders
Low UF and yield in MSM Johor Refinery operations	There was intensified focused towards improving MSM Johor Refinery Sdn Bhd's (MSM Johor) capacity utilisation to lower refining and production cost. Strategic targets have been set to improve MSM Johor's financial performance in 2022 with plans to ramp up MSM Johor production after debottlenecking of processes	MSM Johor has set strategic targets to improve its overall performance in FY2022
COVID-19 causing operational disruptions	There was a temporary plant shutdown at MSM Prai Berhad (MSM Prai) caused by rising of COVID-19 cases. To ensure sustainability of sugar supply and food security, MSM strove for rapid vaccination of its employees at the refineries and increased the level of refined sugar reserves via importation	Sustainable domestic supply of sugar is ensured with sufficient level of refined sugar inventory
Warehouse space constraints	Full warehouses led to slowdown in production and increased operating cost per unit. MSM is building an additional warehouse of 10,000 MT capacity in Johor and currently exploring to establish a Northern Distribution Centre	Ample space for refined sugar storage optimising distribution cost and savings on rental expenses
Environmental license to operate	MSM has taken proactive engagement efforts with the following outcomes: • A trial programme between MSM Johor and FGV Fertiliser Sdn Bhd to turn mudcake into fertilisers was initiated in October 2021, and potential collaborations with third-party and research community to supply and study mudcake are being explored • MSM Prai signed a Certificate of Collaboration with Penang DOE enabling green initiatives and conserving the environment on 13 October 2021	Successful outcomes for the efforts taken: • In FY2021, the DOE agreed and approved that mudcake generated as by-products by the refineries are no longer termed as Scheduled Waste, and thus can be explored to be used as fertiliser • The collaboration with Penang DOE kicked off with a successful mangrove replanting programme alongside the riverbank of Sungai Perai

SUSTAINABILITY HIGHLIGHTS

100%
signing of **Integrity Pledge** within the Company

3rd
Place Winner in E-Waste Competition

Mangrove Tree
replanting programme

Certificate of Collaboration with Penang DOE
enabling green initiatives in preserving and conserving the environment

"Janji...Gula Peket Hijau"
campaign to promote societal unity

Launch of Prodigy Programme
as part of contribution to alleviate unemployment

OUTLOOK

Though Malaysia's sugar consumption is recovering post pandemic, the way forward for FGV's Sugar business is to reduce dependence on domestic market demand and look towards increased diversification and export. Export market is forecasted to expand by 150,000 MT providing a good opportunity to ramp up capabilities and production to execute strategic plans for more aggressive growth in the Value-Added Products (VAP) segment.

A forthcoming challenge is the expected increase in production costs with bullish outlook on the price of raw sugar, natural gas and rising freight costs. Taking pre-emptive action, we have already secured most of Wholesale requirement of raw sugar for 2022 at acceptable price points. Other mitigation measures include strategic hedging and negotiating on win-win agreements with third-party suppliers of resources.

In early 2022, the Russian invasion in Ukraine has caused a shock to the global energy supply. Brent Crude Oil prices have surged to new historical highs and the shortage could prevail in the mid term. As a mitigation strategy, the business has embarked on hedging of Brent-linked derivatives.

Group Business Review
Sugar

The nation's domestic regulations for the industry are one of the factors to be considered in the coming year. As the raw material and cost are bullish, we continue to engage with the Ministry of Domestic Trade and Consumer Affairs on reviewing ceiling price to ensure our margins are preserved as costs escalate. We aim to enhance engagement and understanding with our customers and competitors on this issue to lend their voice in our negotiations. The introduction of the Sugar Tax in 2019 and *Cukai Makmur* (Prosperity Tax) on profitable companies are other regulations that we are monitoring vigilantly to ensure our bottomline is not significantly impacted.

Threats of new COVID-19 variants and further lockdowns which could lead to operational disruptions is also looming, and could potentially impact production performance. On this front, we are actively making good progress in ensuring high vaccination rates among MSM's employees, stringent compliance to SOPs at our workplaces, and effective containment measures of new potential breakouts in order to ensure business continuity.

2022 STRATEGIES

SUSTAINABLE MANUFACTURING PERFORMANCE
- Target to optimise production reducing refining cost per MT
- Operational improvements with external advisory
- Improve process reliability and production availability

GROWING A SUSTAINABLE OPERATION WITH BETTER ENERGY PLANNING AND GREEN ENERGY
- Improve energy management and reduce carbon emissions via solar and biomass exploration
- Energy auditing, planning and optimisation to reduce carbon footprint and energy cost
- Explore selling by-products such as mudcake and calcium carbonate as fertilisers

IMPROVING SALES PERFORMANCE
- Focus on growing the VAP segment with higher selling price and premium
- Grow merchandising unit, with smaller packing to expand retail presence
- Continuous brand reinforcement programme

SALES & DISTRIBUTION COST SAVINGS
- Optimisation of internal assets of MSM Logistics Sdn Bhd (MSM Logistics) within Klang Valley
- Utilising third-party logistics capabilities within the Group for outside regions
- Strategic warehouse locations to optimise demand and supply planning
- Smart Fleet Management to improve route planning and productivity

EXPAND EXPORT VIA STRATEGIC PARTNERSHIP
- Explore strategic partnership to strengthen export segment and further unlock synergistic value

STRATEGIC CAPITAL MANAGEMENT
- Strategic financing with optimum mix of short-term and long-term borrowings
- Increase USD borrowings for natural hedge in line with growing USD receivables from export

DIGITAL TRANSFORMATION TOWARDS INDUSTRY 4.0
- Digital system is to enhance productivity and accelerate business processes
- Improve data visualisation and analytics for better decision making
- Implement IR4.0 smart systems on manufacturing, sales and logistics, among others

Group Business Review

Logistics & Others

FGV's distinct strength in agribusiness rests on our well-established storage, logistics, information and communication technology, as well as travel services that help optimise efficiency, security and reliability in delivering products down the supply chain. These services by various subsidiaries are categorised under the LO Sector.

During the year under review, LO Sector has strategically repositioned business focus towards improving strengths and evolving as a more competitive and integrated player to serve a wider market. Business and operational improvements were heightened as the Sector focused on maximising agribusiness opportunities in sugar, fertiliser and dairy products as well as opening up to external market opportunities. This led to higher volume of value-added products that contributed significantly to the year's revenue growth. There was intensified emphasis on capacity and capability building as we invested in increased storage capacity and ventured into specialised logistics segments. New businesses were created to cater for growing demand in renewable energy, cold chain, Information Technology (IT) outsourcing for Oil & Gas (O&G), and retail e-commerce.

Under the LO Sector, our transportation business is instrumental to the Group's aim to be a total logistics solutions provider in Malaysia, being the biggest palm products transporter in the nation.

Group Business Review
Logistics & Others

FINANCIAL PERFORMANCE

LO Sector recorded an increase in profit by 79% to RM90.35 million from RM50.49 million profit in previous financial year. Profit from Logistic Division increased by 18% attributed to the higher average handling rate and other incomes while Information & Communication Technology (ICT) and Others Division registered an improvement underpinned by lower expenses incurred in IT business and reduced marketing expenses in travel business due to interstate travel restrictions and closure of national border under the MCO.

Bulking

Revenue
RM210* million
2020 : RM201 million

PBZT
RM80 million
2020 : RM73 million

Transport

Revenue
RM245* million
2020 : RM229 million

PBZT
RM11 million
2020 : RM4 million

** The revenue in bulking and transport includes both external and internal revenues*

Standing: (from left) • Abdul Halim Ab Wahid – Senior General Manager (Special Projects) • Omar Affan – Head, Strategy & Business Development • Kamaradin Selamat – Chief Executive Officer, FGVJB Group of Companies • Rahmat Mohamed – Head, Human Resource • Amirul Hadi – Chief Executive Officer, Felda Travel Sdn Bhd

Sitting: (from left) • Jainal Ismail – Chief Executive Officer, FGV Transport Services Sdn Bhd • Azman Ahmad – Group Divisional Director, LO Sector • Ali Mustafa – Chief Executive Officer, FGV Prodata

PERFORMANCE SUMMARY BY DIVISION

BULKING & STORAGE

Current Market Strengths

- **One of the world's largest** and **most modern storage facilities** for edible oils and dry cargoes with a total capacity of over 1 million MT
- **13 terminals** across Malaysia, Indonesia and Pakistan
- Over **45 years of expertise** in storage operations
- **Strategic locations** at main ports in Malaysia
- **BURSA approved Port Tank Installation in Pasir Gudang and Port Klang for CPO & CPKO** and extended CPO future trading in Lahad Datu, Sabah in October 2021

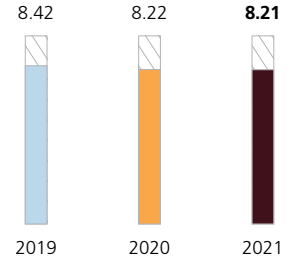
In 2021, FGV fortified our strength in bulking and storage by further expanding storage assets within FGV Johor Bulkers Group (FGVJB Group). The installation of 10 new tanks at Langsat Bulkers, Johor now contribute an additional 16,200 MT to our liquid storage capacity. In addition, we have added a warehouse in Kuantan which offers 20,000 MT storage capacity. The year also recorded the achievement of highest oleochemicals throughput handled at 0.95 million MT. This signals a greater readiness to attract diversification opportunities from other industries in growing the potential of our business.

Plans are afoot for further local and international business expansion. These would cover established ports across Malaysia such as Pasir Gudang and Tanjung Langsat in Johor, Port Klang in Selangor and Lahad Datu in Sabah. Next year, we target to further expand our international presence.

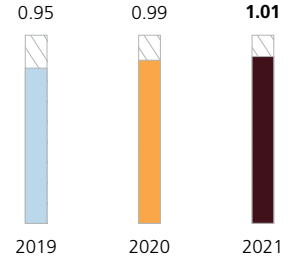
The establishment of Renewable Energy Division focusing on PKS, Palm Oil Mill Effluent (POME) and Used Cooking Oil (UCO) further optimises current resources and business potential.

Throughput volume in 2021 decreased slightly by 0.1% to 8.21 million MT compared to FY2020 due to lower demand from customers. The storage tank utilisation rate remained flat following the throughput volume.

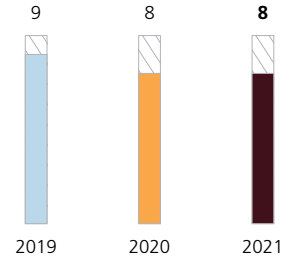
Storage Volume (Million MT)



Bulking/Storage Capacity (Million MT)



Storage Tank Utilisation Rate (Times)



* *The volume, capacity and rate in the charts above comprise of FGVJB Group only*

FGV is one of the world's largest and state-of-the-art storage facilities for edible oils.

Group Business Review
Logistics & Others

TRANSPORT

Current Market Strengths

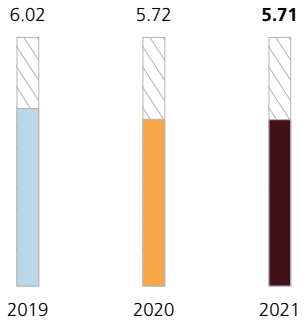
- **Over 47 years of operations**, and equipped with **549 units** of mix fleet vehicles
- Invested in enhancement of hardware and software with **value added technology**
- **Specialised in Project Cargo logistics** with Multimodal Transport Operator (MTO) license, forwarding license, and special license by Tabung Haji to handle *Hajj* baggage for pilgrims

Our transportation business via FGV Transport Services Sdn Bhd is instrumental to the Group's aim to be a total logistics solutions provider in Malaysia, being the biggest palm products transporter in the nation with a growing fleet of liquid tankers, cargo trucks, and side curtains. In 2021, headway was made in venturing beyond established competencies that serve internal businesses to new integrated business solutions for a wider customer base. These included penetrating into the O&G industry and venturing into cold chain transportation services.

The start-up of cold chain transportation services involving 10 refrigerated trucks deployed was rolled out in September 2021 to serve the FMCG market.

Other achievements in further expanding the commercial viability of our business included being appointed as one of the logistics service provider in providing inward clearance and land transportation for Padiberas Nasional Berhad (BERNAS), handling freight forwarding for East Malaysia's shipments of MSM Johor and securing a three-year contract as the logistics provider for delivery of Standard Malaysian Rubber (SMR)/Shrinkwrap for MARDEC Procession Sdn Bhd (MARDEC).

Transport Volume
(Million MT)



Transport volume in FY2021 decreased slightly by 0.1% to 5.71 million MT compared to FY2020 due to lower CPO and Palm Kernel (PK) productions.

INFORMATION & COMMUNICATION TECHNOLOGY

Current Market Strengths

- **Good track record in handling end-to-end IT** managed services or total IT outsourcing
- **SAP Gold Partner** and **Value Added Reseller**
- **Local knowledge business process expert leader** for big scale plantation sector
- **Own over 100 Intellectual Property (IP) rights, and seven patented IPs**

Through our ICT arm in FGV Prodata Systems, we have successfully established our branding as a prominent systems integrator and solutions provider in Malaysia, as well as strengthened our footprint in various ministries, Government agencies, GLCs, financial sector, education sector, O&G, defence and other sectors since 1995. We specialise in providing end-to-end ICT solutions into an efficient and cohesive system to suit our customers' needs.

Gaining our momentum to keep up with fast moving ICT advancement, several key strides were made in 2021, harnessing the growing demand for digital solutions. Our Warehouse Management System (WMS) went live on June 2021, and a Smart Plantation Management Solution (SPMS) 2.0 was deployed to utilise drone technology in enhancing FELDA's plantation data collection and monitoring processes.

As part of FGV's direction towards growing our external customer base, we penetrated the O&G Sector through securing the Telecommunication Infra & System Maintenance (TISM) contract awarded by Petronas Refinery & Petrochemical Corporation (PRPC); as well as Tenaga Nasional Berhad's (TNB) Installation of Advanced Meter Infrastructure (AMI) contract.

Harnessing ICT as a catalyst for growth, we are also developing new business solution such as Software-as-a-Service (SaaS) to internal and external customers. Expansion plans are in the pipeline with the proposed formation of specialised ICT subsidiaries focused on the telecommunication and defence industries.

TRAVEL

Current Market Strengths

- Travel agency backed by **one of the largest plantation companies** in Malaysia
- **Experienced travel consultant team**
- **Full-fledged International Air Transport Association (IATA) agent**

It was a challenging year for the travel industry due to the continued impact of COVID-19 to the tourism sector in Malaysia. The same uncertainties however catalysed a surge in e-commerce which benefited the growth of our *KedaiFGV* platform, uplifting it as a one-stop centre for FGV products.

As there are opportunities for local and international tours as well as potential relaxation on COVID-19 related SOPs for Meeting, Incentive, Conference and Exhibition (MICE), we would like to leverage on our proposition as one of the leading Bumiputera travel agencies as well as one of the preferred *Umrah* and *Hajj* service provider in the country. We also established ourselves as the travel solutions provider for workers under the plantation industry.

MITIGATING THE YEAR'S CHALLENGES

Challenges	Action plans	Outcomes
Transport • Slow market penetration in oil & gas due to limitation in capabilities and dependency on partners • High dependency on internal business and inland transportation business	• Created inroads in new services such as cold chain transportation, third-party Logistics (3PL), contract logistics, haulier, e-commerce and record management. By increasing capacity and capability, we can now expand and diversify our market reach, product range, services and client base • Expanded services to carry FMCG products and consumer goods for the O&G Sector, MSM, Delima Oil Products, F&N Coca-Cola, BERNAS and Petronas Chemical Malaysia • Explored new markets at southern region on POME businesses such as Pasir Gudang Edible Oil (PGEO), Vance Bioenergy Sdn Bhd, and Kuala Lumpur Kepong Berhad (KLK)	• Awarded contracts from MARDEC, Sinergi, BERNAS, Narsco, MSM and Felcra • Haulier - Plans to purchase 15 prime movers, three side loaders and skeleton trailers, and in the midst of obtaining permits from *Agensi Pengangkutan Awam Darat (APAD)* • Cold chain transportation services - Started operations with 10 units of trucks on lease basis • 3PL - Awarded contract to deliver MAN's spare parts • Expanded oil & gas market via inland transportation • Appointed as an ad-hoc transporter for Coca-cola Bottlers Malaysia Sdn Bhd
Bulking • Lack of presence in international ports/ hub • Market shift to bulk containerisation • Competition from other terminals/ ports reduced market shares (i.e. better vessel berthing facilities or deep draft) • Refineries given direct access to jetty and reduced dependency on independent terminal • Natural gas tariff hike	• Ongoing local and overseas business expansion plans to increase our presence • Collaboration with strong partners to expand market share • Continuous efforts for collaboration with port operators i.e. Tanjung Langsat Port and Johor Port Berhad to obtain priority and facilitate FGVJB Group • Improved facilities and services to build customer confidence in our storage solutions • Provided tailored packages, enabled take-up sizeable consignments and provided competitive rates to strengthen customer base (retain existing customers and attract new customers) • Implemented an effective cost control programme for variable costs (fuel, repair & upkeep, electricity, water, overtime)	• Initiated renewable energy business portfolio at Langsat Bulkers on handling of POME and Waste Oils handling, including UCO • Exploration of business collaboration with a palm oil key player for both local and overseas projects on storage terminals and warehouses • Warehouse expansion of 15,000 MT capacity, to accommodate additional demand from customers in FGV Grains Terminal • Extended Bursa's Port Tank Installations at Lahad Datu Bulking Installation (LDBI) in October 2021. Upgrading bulking facilities at LDBI to ensure operational activities are uninterrupted and efficient • FGVJB Group added four new export stainless lines to Wharf No 2 to handle premium products efficiently

Group Business Review
Logistics & Others

Challenges	Action plans	Outcomes
		• Pipelines replacement at Kuantan Bulking Installations (KBI) • Increase in external customer contribution • Handled six new customers with total throughput of 237,000 MT • Surpassed more than 80% mark for customer satisfaction survey for the past consecutive seven years • Successfully reduced variable costs
ICT • Fast-changing technological trends • Challenges by local competitors and global players • Limited R&D capabilities	• Strategic and smart collaborations with selected principles or higher institutions • Transformed own IPs and commercialised these as SaaS on cloud, hence transforming the company from Software Integrator (SI) into Technology Player • Established an Innovation Lab Centre for R&D on Technologies as well as scouted for research funds/grants on new technologies	• Prodata Business Collaboration & Partnership unit has been set up to galvanise potential strategic and smart collaborations. The team is finalising major partnerships which involve: – Sales & Marketing Partnership – Universities collaboration for the R&D and Resource Planning • Focusing on Prodata's IP that can be commercialised such as: – WMS – Integrated Logistics Management System • By 2022, Prodata is targeting to market its SaaS products that can be marketed to any parties. Among the pioneer products are: – Project Management Performance Tools – Professional Service Desk Systems • Prodata has established its Innovation Lab Centre under the Strategy & Technology Management unit. This unit is actively commercialising our IPs, developing our own SaaS products, and strategic collaboration for new research funds/grants
Travel • Weak demand for travel due to movement control order • High dependency on internal business • Competitive market for *Umrah* business	• Focused on growing *KedaiFGV* and e-commerce platforms, our non-travel businesses • Participated in tenders and pitched for new corporate clients for ticketing • Offered attractive *Umrah* packages • Developed an agent system to strengthen our sales force	• Sales for *KedaiFGV* grew 15 times in FY2021 • Managed to open new accounts for ticketing business. The new customers are Employees Provident Fund (EPF), *Suruhanjaya Syarikat Malaysia (SSM)* and Malaysian Agricultural Research and Development Institute (MARDI) • Successfully brought on board 70 new agents from all over Malaysia to focus on *Umrah* sales

SUSTAINABILITY HIGHLIGHTS

Our transport operations have been committed to energy efficiency and carbon reduction initiatives. The existing programmes include:

Route Optimisation
for FGV trucks to **reduce mileage**

Automated Control (CAN-Bus)
for heavy vehicles towards **reduced emissions**

Digitalisation through
e-Delivery Order (eDO)
and **Smart Fuel card**
for convenient fuelling up at any petrol station

Internal Regulatory and Standards for Maintenance
towards optimal operational efficiency and building of a Euro-5 engine fleet for cleaner emissions

OUTLOOK

2022 is forecasted to be a bullish year with expected high demand on vegetable oil, oleochemicals, biodiesel and waste oil.

Burgeoning market opportunities are expected in transport and bulking. The LO Sector is focused on internal improvements while staying poised to ramp up external markets by growing capabilities and capacity through expansion, acquisitions and investments.

Enhanced cost control measures on variable costs, utilities and expenses as well as loss reduction initiatives will continue across all businesses in this Sector. We also target to grow volume handled through internal business opportunities in sugar, integrated farming and dairy products.

Growing capabilities are in the pipeline as Transport business seeks to add haulage assets to expand our services. In our Bulking operations, diversification of products handling is on the cards as well as heightening capabilities in the handling of premium products such as oleochemical and biodiesel. These will be accompanied with more competitive package offers to market players.

For our ICT business, we seek to leverage on sustainable income from long-term projects while also competing more aggressively for new IT management and service provider projects in the defence, telecommunications and O&G industries. Business diversifications into commercialising IPs, *Halal* e-commerce platform and R&D through the establishment of an innovation lab centre for technology, as well as smart collaboration with institutions of higher level education, are also in the pipeline.

On the travel front, as recovery is expected to be gradual, we will take the opportunity to fortify acquisition of strategic ticketing customer accounts through existing corporate partners and internal group network and leverage on existing strengths in selected segments to generate competitive tour packages and services. We see opportunities in becoming a preferred provider for MICE, leisure domestic packages in collaboration with FELDA Residences and Lexis Group and in promoting *Umrah* and *Hajj* products and travel packages.

2022 STRATEGIES

BULKING

- Increase in handling of premium products such as oleochemicals and biodiesel
- Establish and expand Renewable Energy Division focusing on PKS, waste oil and POME by collaborating with other players to expand business portfolio
- Build additional 15,000 MT warehouse capacity to meet storage demand
- Explore business opportunities for liquid terminal and dry cargoes in Central Region (Port Klang)

TRANSPORT

- Increase inland transport tonnage carried
- Maximise Internal Businesses for FFB, sugar, integrated farming & dairy products
- Increase external customers for Inland Transport, MTO, O&G, Courier & 3PL warehousing
- Establish own haulier business to support *Multimodal Transport Operator-Lembaga Peperiksaan Malaysia (MTO-LPM)* and service companies within the FGV Group

INFORMATION & COMMUNICATION TECHNOLOGY

- Penetrate Technology and Defence industries as external revenue streams
- Commercialise in-house products and solutions such as WMS and Integrated Logistics & Distribution System as Intellectual Properties to market them externally
- Drive R&D by establishing innovation lab centre for technology and through smart collaboration with institutions of higher level education
- Gain sustainable income from long-term projects

TRAVEL

- Acquire strategic customer accounts
- Embark on corporate partnership programmes with FGV Group and FELDA subsidiaries
- Increase *KedaiFGV* sales through online market and offline expansion
- Enhance *Umrah* and *Hajj* packages and added services
- Leverage existing strengths in selected segments to generate competitive products

SECTION 4

How We Are Governed

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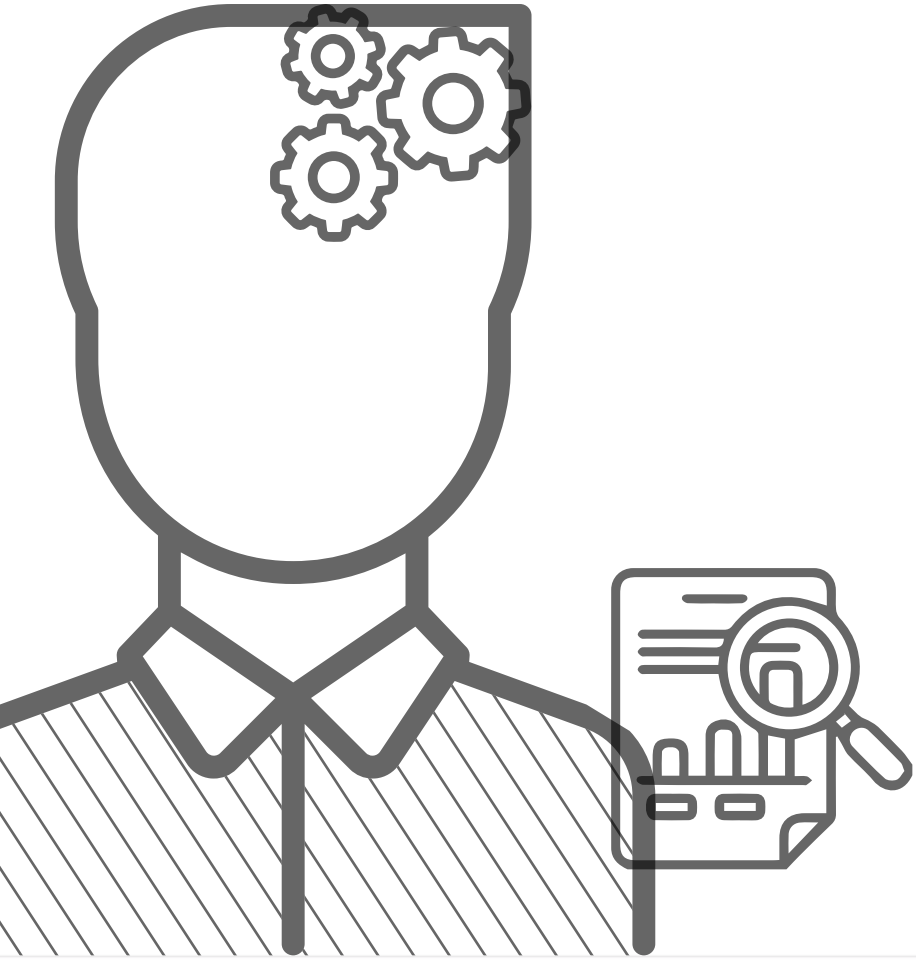
FGV believes that effective corporate governance is critical in delivering our strategy and creating sustainable long-term value for our stakeholders.
As a public listed company in a fast evolving corporate environment, we are committed to abide by uncompromising corporate governance practices and grow a culture of integrity and accountability across our operations.



Board of Directors

Dato' Nonee Ashirin Dato' Mohd Radzi
Independent
Non-Executive Director

Dato' Amiruddin Abdul Satar
Non-Independent
Non-Executive Director

Dato' Shahrol Anuwar Sarman
Non-Independent
Non-Executive Director

Dato' Dzulkifli Abd Wahab
Chairman
Non-Independent
Non-Executive Director

Dato' Mohd Rafik Shah Mohamad
Senior Independent Non-Executive Director

Kasmuri Sukardi
Independent Non-Executive Director

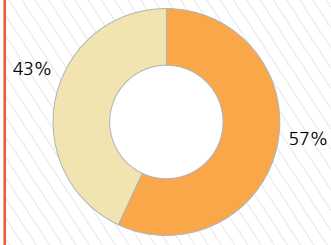
Nik Fazila Nik Mohamed Shihabuddin
Independent Non-Executive Director

Datuk Yatimah Sarjiman
Non-Independent Non-Executive Director

At a Glance

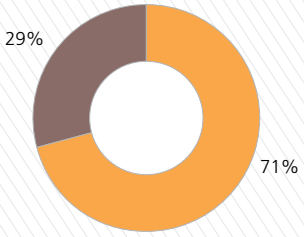
Board of Directors

BALANCE AND COMPOSITION



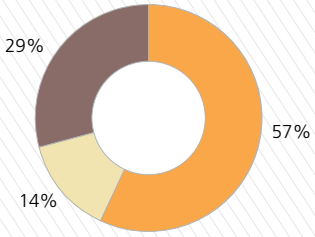
- Independent Non-Executive Director
- Non-Independent Non-Executive Director

GENDER DIVERSITY



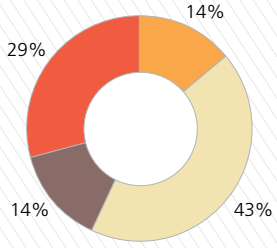
- Male
- Female

TENURE



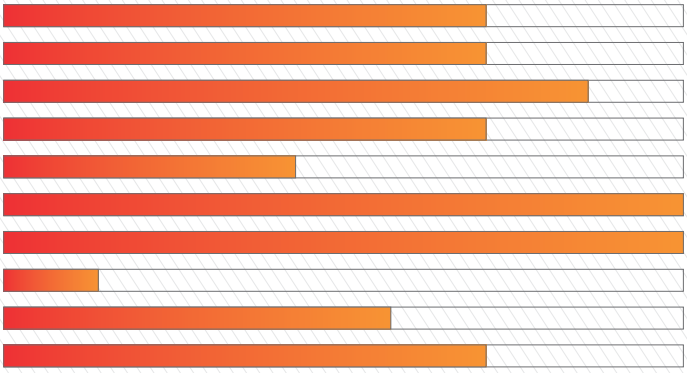
- Less than 1 year
- 1-2 years
- 2-3 years

AGE DIVERSITY



- 40-49 years
- 50-59 years
- 60-69 years
- 70 years and above

SKILLS AND EXPERIENCE



71%	Specific Industry Experience and Knowledge
71%	Financial Acumen (Finance/Accounting/Taxation/IFRS/MFRS)
86%	Strategic Thinking, Planning and Communication
71%	Risk Management and Internal Controls
43%	Public Policy and Regulatory
100%	Corporate Governance
100%	Corporate Knowledge
14%	Legal
57%	Mergers & Acquisitions and Corporate Global Experience
71%	Sustainability and Environment

BOARD OF DIRECTORS

NON-INDEPENDENT NON-EXECUTIVE DIRECTORS

REPRESENTATIVES OF FGV'S SPECIAL SHAREHOLDER

Dato' Dzulkifli Abd Wahab
Appointed as Chairman on 1 April 2021
Attended 9 out of 9 Board Meetings

Dato' Shahrol Anuwar Sarman
Appointed on 17 November 2020
Attended 13 out of 14 Board Meetings

Datuk Yatimah Sarjiman
Appointed on 8 April 2022

Datuk Wira Azhar Abdul Hamid
Appointed as Chairman on 8 September 2017
Resigned on 1 April 2021
Attended 4 out of 5 Board Meetings

Datuk Dr Zunika Mohamed
Appointed on 10 February 2020
Resigned on 11 March 2022
Attended 12 out of 14 Board Meetings

REPRESENTATIVE OF FGV'S MAJOR SHAREHOLDER

Dato' Amiruddin Abdul Satar
Appointed on 26 October 2020
Attended 13 out of 14 Board Meetings

INDEPENDENT NON-EXECUTIVE DIRECTORS

REPRESENTATIVE OF FGV'S MINORITY SHAREHOLDERS AND THE PUBLIC

Dato' Nonee Ashirin
Dato' Mohd Radzi
Appointed on 30 June 2021
Attended 6 out of 6 Board Meetings

Dato' Mohd Rafik Shah Mohamad
Senior Independent Non-Executive Director
Appointed on 1 July 2021
Redesignated as Senior Independent Non-Executive Director on 30 March 2022
Attended 6 out of 6 Board Meetings

Nik Fazila Nik Mohamed Shihabuddin
Appointed on 1 July 2021
Attended 6 out of 6 Board Meetings

Kasmuri Sukardi
Appointed on 1 July 2021
Attended 6 out of 6 Board Meetings

Datuk Mohd Anwar Yahya
Appointed on 23 November 2017
Resigned on 1 April 2021
Attended 5 out of 5 Board Meetings

Dr Mohamed Nazeeb P.Alithambi
Appointed on 31 October 2017
Resigned on 1 April 2021
Attended 5 out of 5 Board Meetings

Datin Hoi Lai Ping
Appointed on 6 September 2018
Retired on 23 June 2021
Attended 8 out of 8 Board Meetings

Dr Nesadurai Kalanithi
Appointed on 1 January 2018
Resigned on 24 June 2021
Attended 8 out of 8 Board Meetings

Dato' Yusli Mohamed Yusoff
Appointed as Member on 6 September 2018
Redesignated as Deputy Chairman on 2 March 2020
Demised on 10 March 2022
Attended 14 out of 14 Board Meetings

Notes:
1. *Board balance and composition, gender diversity, tenure, age diversity, skills and experience are based on information as at 21 March 2022.*
2. *All meeting attendances were for FY2021.*
3. *There was one Board Meeting in FY2021 which Datuk Wira Azhar Abdul Hamid, Datuk Dr Zunika Mohamed, Dato' Amiruddin Abdul Satar and Dato' Shahrol Anuwar Sarman were not required to attend.*

■ Chairman ■ Member • Independent Non-Executive Director • Non-Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Dato' Mohd Rafik Shah Mohamad •
Appointed as Member on 1 July 2021
Redesignated as Chairman on 6 September 2021
Attended 3 out of 3 meetings

Dato' Nonee Ashirin Dato' Mohd Radzi •
Appointed on 30 June 2021
Attended 3 out of 3 meetings

Nik Fazila Nik Mohamed Shihabuddin •
Appointed on 6 September 2021
Attended 3 out of 3 meetings

Datuk Yatimah Sarjiman
Appointed on 8 April 2022

RESIGNED

Datin Hoi Lai Ping •
Appointed on 15 July 2019
Resigned on 23 June 2021
Attended 7 out of 7 meetings

Dr Nesadurai Kalanithi •
Appointed on 15 July 2019
Resigned on 24 June 2021
Attended 7 out of 7 meetings

Dato' Yusli Mohamed Yusoff •
Appointed on 6 September 2018
Resigned on 6 September 2021
Attended 7 out of 7 meetings

Datuk Dr Zunika Mohamed •
Appointed on 10 February 2020
Resigned on 11 March 2022
Attended 8 out of 10 meetings

AUDIT COMMITTEE

Dato' Mohd Rafik Shah Mohamad •
Appointed on 1 July 2021
Attended 6 out of 6 meetings

Dato' Shahrol Anuwar Sarman •
Appointed on 17 November 2020
Attended 10 out of 12 meetings

Dato' Nonee Ashirin Dato' Mohd Radzi •
Appointed on 30 June 2021
Attended 4 out of 6 meetings

Nik Fazila Nik Mohamed Shihabuddin •
Appointed on 1 July 2021
Attended 6 out of 6 meetings

RESIGNED

Datuk Mohd Anwar Yahya •
Appointed as Chairman on 23 November 2017
Resigned on 1 April 2021
Attended 3 out of 3 meetings

Datin Hoi Lai Ping •
Appointed as Member on 6 September 2018
Redesignated as Chairman on 20 April 2021
Resigned on 23 June 2021
Attended 6 out of 6 meetings

Dr Nesadurai Kalanithi •
Appointed on 17 May 2021
Resigned on 24 June 2021
Attended 2 out of 2 meetings

Dato' Yusli Mohamed Yusoff •
Appointed on 20 April 2021
Resigned on 1 July 2021
Attended 3 out of 3 meetings

BOARD GOVERNANCE & RISK MANAGEMENT COMMITTEE

Kasmuri Sukardi •
Appointed on 1 July 2021
Attended 3 out of 3 meetings

Dato' Mohd Rafik Shah Mohamad •
Appointed on 1 July 2021
Attended 3 out of 3 meetings

Nik Fazila Nik Mohamed Shihabuddin •
Appointed on 1 July 2021
Attended 3 out of 3 meetings

Datuk Yatimah Sarjiman
Appointed on 8 April 2022

RESIGNED

Dr Nesadurai Kalanithi •
Appointed on 15 July 2019
Resigned on 24 June 2021
Attended 3 out of 3 meetings

Dato' Yusli Mohamed Yusoff •
Appointed on 6 September 2018
Resigned on 1 July 2021
Attended 3 out of 3 meetings

Datuk Dr Zunika Mohamed •
Appointed on 10 February 2020
Resigned on 11 March 2022
Attended 4 out of 6 meetings

INVESTMENT COMMITTEE

Dato' Nonee Ashirin Dato' Mohd Radzi •
Appointed on 30 June 2021
Attended 2 out of 2 meetings

Dato' Amiruddin Abdul Satar •
Appointed on 26 October 2020
Attended 4 out of 5 meetings

Kasmuri Sukardi •
Appointed on 1 July 2021
Attended 2 out of 2 meetings

RESIGNED

Dr Mohamed Nazeeb P.Alithambi •
Appointed on 23 November 2017
Resigned on 1 April 2021
Attended 0 out of 1 meeting

Datin Hoi Lai Ping •
Appointed as Member on 6 September 2018
Redesignated as Chairman on 15 July 2019
Resigned on 23 June 2021
Attended 3 out of 3 meetings

DEMISED

Dato' Yusli Mohamed Yusoff •
Appointed on 15 July 2019
Demised on 10 March 2022
Attended 5 out of 5 meetings

BOARD SUSTAINABILITY COMMITTEE (ESTABLISHED ON 1 SEPTEMBER 2021)

Dato' Dzulkifli Abd Wahab •
Appointed on 1 September 2021
Attended 1 out of 1 meeting

Nik Fazila Nik Mohamed Shihabuddin •
Appointed on 1 September 2021
Attended 1 out of 1 meeting

Kasmuri Sukardi •
Appointed on 1 September 2021
Attended 1 out of 1 meeting

Dato' Amiruddin Abdul Satar •
Appointed on 1 September 2021
Attended 1 out of 1 meeting

DEMISED

Dato' Yusli Mohamed Yusoff •
Appointed on 1 September 2021
Demised on 10 March 2022
Attended 1 out of 1 meeting

BOARD TENDER COMMITTEE (DISBANDED ON 20 APRIL 2021)

Dr Mohamed Nazeeb P.Alithambi •
Appointed as Member on 23 November 2017
Redesignated as Chairman on 26 September 2018
Resigned on 1 April 2021
Attended 1 out of 1 meeting

Dato' Shahrol Anuwar Sarman •
Appointed on 17 November 2020
Resigned on 20 April 2021
Attended 1 out of 1 meeting

Datuk Mohd Anwar Yahya •
Appointed on 15 July 2019
Resigned on 1 April 2021
Attended 1 out of 1 meeting

Board of Directors' Profile

Dato' Dzulkifli Abd Wahab

Chairman
Non-Independent Non-Executive Director

Age:
66

Gender:
Male

Nationality:
Malaysian

Date of appointment to the Board:
1 April 2021

Length of tenure as Director:
< 1 year

Date of last re-election:
23 June 2021

Board Meeting attendance in FY2021:
9 out of 9 Board Meetings held during the financial year under review since his appointment.

100%

Qualifications:

Dato' Dzulkifli holds a Degree in Geography from University of Malaya. He obtained his Postgraduate Diploma in Strategy and Innovation from Said Business School, Oxford University, UK. He attended High Performance Boards Programme, International Institute for Management Development, Lausanne, Switzerland, Strategic Leadership Programme (SLP), Said Business School, Oxford University, UK, Industrial Management Programme (Look East Policy), Japan International Cooperation Agency (JICA), Tokyo, Japan and Advanced Management Programme (AMP), Institut Européen d'Administration des Affaires (INSEAD), Fontainebleau, France.

Working experience and occupation:
Dato' Dzulkifli has 35 years of experience in the plantation field, where he began his career with Federal Land Development Authority (FELDA) in 1977. He was appointed as the Director General (DG) of FELDA in 2009 where he held the position for three years until 2012. During his tenure as the DG of FELDA, Dato' Dzulkifli oversaw over 450,000 hectares of plantation consisting of palm oil and rubber and executed a myriad of action plans to continuously drive the socio-economic values of 112,635 settlers and their families. He was also involved in top-level decision-making on investing FELDA's funds into its subsidiaries, joint ventures and associate companies.

Dato' Dzulkifli was later appointed as an agricultural attaché at the Embassy of Malaysia in Rome, Italy. Whilst being the representative for Malaysia, he has represented Malaysia in Food and Agriculture Organisation (FAO), World Food Programme and International Finance Agricultural Development, United Nations. He was also appointed and served as a Council Member of FAO, Deputy Chairman for the FAO Asia Group in 2014 and as a Committee Member on Commodity Problems in FAO in 2015.

Dato' Dzulkifli is currently a member of the Group National Association of Smallholders Malaysia (NASH) - the Think Tank Group.

Directorship in other public companies:
- Nil

Board Committees:
- Chairman of the Board Sustainability Committee

Conflict of interest with the Company:
- Nil

Family relationship with any Director and/or Major shareholder:
- Nil

List of convictions for offences within the past 5 years (other than traffic offences) and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any:
- Nil

Dato' Amiruddin Abdul Satar

Non-Independent Non-Executive Director

Age:
58

Gender:
Male

Nationality:
Malaysian

Date of appointment to the Board:
26 October 2020

Length of tenure as Director:
1-2 years

Date of last re-election:
23 June 2021

Board Meeting attendance in FY2021:
13 out of 14 Board Meetings held during the financial year under review.
(Note: There was one Board Meeting in FY2021 which Dato' Amiruddin was not required to attend.)

93%

Qualifications:

Dato' Amiruddin holds a Master in Business Administration from the Henley Business School, University of Reading, UK. He is also a member of the Association of Chartered Certified Accountants (ACCA), UK and the Malaysian Institute of Accountants (MIA).

Working experience and occupation:
Dato' Amiruddin has over 30 years of experience in finance and management. He began his career in 1989 as an Accountant Executive with UMW Toyota Berhad (UMW). He later left UMW in 1990 to pursue his career as an Accountant in Boustead Holdings Berhad, where he served for two years until 1992. Subsequent to that, he joined INC Sdn Bhd, a subsidiary of Lembaga Tabung Haji as a Finance Manager until 1993.

In KPJ Healthcare Berhad (KPJ), Dato' Amiruddin was a Finance Manager until 1996. He later assumed the role of Deputy General Manager in 1996 before becoming the Group General Manager in 2003.

Dato' Amiruddin was appointed as the Chief Operating Officer (COO) of KPJ in 2010 where he served the role for 2 years. During his tenure as the COO, he was also appointed as the Executive Director for KPJ in 2011. In 2013, Dato' Amiruddin was then appointed as President and Managing Director of KPJ until July 2020.

He is currently the Director General of the Federal Land Development Authority (FELDA) effective from 15 October 2020.

In addition to this, he currently sits on the Malaysia Advisory Committee of ACCA since 2018.

Directorship in other public companies:
- Director, Jentayu Sustainables Berhad (formerly known as IPMUDA Berhad)

Board Committees:
- Member of the Investment Committee
- Member of the Board Sustainability Committee

Conflict of interest with the Company:
- Nil

Family relationship with any Director and/or Major shareholder:
- Nil

List of convictions for offences within the past 5 years (other than traffic offences) and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any:
- Nil

Board of Directors' Profile

Dato' Shahrol Anuwar Sarman

Non-Independent Non-Executive Director

Age:
48

Gender:
Male

Nationality:
Malaysian

Date of appointment to the Board:
17 November 2020

Length of tenure as Director:
1-2 years

Date of last re-election:
23 June 2021

Board Meeting attendance in FY2021:
13 out of 14 Board Meetings held during the financial year under review.
(Note: There was one Board Meeting in FY2021 which Dato' Shahrol was not required to attend.)

93%

Qualifications:

Dato' Shahrol Anuwar holds a Master in Business Administration from Cardiff University, Wales, UK and a Bachelor's Degree in Finance from Universiti Teknologi MARA (UiTM), Malaysia.

Working experience and occupation:
Dato' Shahrol Anuwar began his career as an Assistant Secretary at the Loans Management and Finance Policy Division in the Ministry of Finance (MoF) in 1996.

In 2003, Dato' Shahrol Anuwar became the Assistant Director at Human Resource Management and Administration Division (Head of Finance and Account Unit) for Anti-Corruption Agency Malaysia. In 2004, he was appointed as the Principal Assistant Secretary of Timber Industry Division under the Ministry of Plantation Industries and Commodities, where he served for 2 years. He then served for one year as the Senior Principal Assistant Secretary, Administration and Finance Division, Melaka's Chief Minister Department.

Prior to becoming the Special Officer to the Secretary General of Treasury, MoF, in 2011, Dato' Shahrol Anuwar was appointed as Senior Private Secretary to the Secretary General of Treasury, MoF from 2007 until 2011. He was later appointed as Senior Advisor to Executive Director of the World Bank Group in Washington D.C., USA from 2012 to 2014.

In 2014, Dato' Shahrol Anuwar became the Senior Private Secretary to the Secretary General of Treasury, MoF where he served for 3 years. He was then appointed as an Undersecretary to the Statutory Bodies Strategic Management Division, MoF from 2017 until 2019. He is currently the Undersecretary of the Strategic Investment Division, MoF.

Dato' Shahrol Anuwar sits on the Board of Federal Land Development Authority (FELDA), FELCRA Berhad, MyHSR Corporation Sdn Bhd (MyHSR), Lembaga Pelabuhan Johor (LPJ) and Pertubuhan Keselamatan Sosial (PERKESO) representing MoF.

Directorship in other public companies:
- Director, FELCRA Berhad

Board Committees:
- Member of the Audit Committee

Conflict of interest with the Company:
- Nil

Family relationship with any Director and/or Major shareholder:
- Nil

List of convictions for offences within the past 5 years (other than traffic offences) and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any:
- Nil

Datuk Yatimah Sarjiman

Non-Independent
Non-Executive Director

Age:
57

Gender:
Female

Nationality:
Malaysian

Date of appointment to the Board:
8 April 2022

Length of tenure as Director:
< 1 year

Date of last re-election:
Not applicable

Board Meeting attendance in FY2021:
Not applicable

Qualifications:

Datuk Yatimah holds a Degree in Business Accounting Information System cum Computer Information System from Idaho State University, USA. She also holds a Masters of Business Administration in Accounting & Finance cum International Business from Northrop University, USA.

Working experience and occupation:
Datuk Yatimah has over 30 years of experience in the field of planning, formulating and implementing public policies on human resource management and organisation, financial resources management and organisation, financial resources, economy, administration and development of the region, social administration, international relations and foreign affairs resilience. She has expertise in rural development and management, international industrial structure, plantation industry and women empowerment.

Datuk Yatimah was appointed as Deputy Secretary General in the Prime Minister's Department in 2015 and was later promoted as Director General, Department of Women Development in 2016. In 2018, she became the Director of Agriculture Division, Economic Planning Unit (EPU) of the Prime Minister's Department. She is currently the Deputy Director General (Sectoral), EPU of the Prime Minister's Department.

Datuk Yatimah sits on the Board of Federal Land Development Authority (FELDA) and FELCRA Berhad.

Directorship in other public companies:
- Director, FELCRA Berhad

Board Committees:
- Member of the Nomination and Remuneration Committee
- Member of the Board Governance & Risk Management Committee

Conflict of interest with the Company:
- Nil

Family relationship with any Director and/or Major shareholder:
- Nil

List of convictions for offences within the past 5 years (other than traffic offences) and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any:
- Nil

Board of Directors' Profile

Dato' Mohd Rafik Shah Mohamad

Senior Independent Non-Executive Director

Age:
71

Gender:
Male

Nationality:
Malaysian

Date of appointment to the Board:
1 July 2021 (Redesignated as Senior Independent Non-Executive Director on 30 March 2022)

Length of tenure as Director:
< 1 year

Date of last re-election:
Not applicable

Board Meeting attendance in FY2021:
6 out of 6 Board Meetings held during the financial year under review since his appointment.

100%

Qualifications:

Dato' Mohd Rafik is a qualified Chartered Accountant from the Malaysian Institute of Accountants (MIA) and is a fellow of the Association of Chartered Certified Accountants (ACCA), UK. He attended the Executive Development Programme, International Institute of Management Development, Lausanne, Switzerland.

Working experience and occupation:
Dato' Mohd Rafik has more than 33 years of experience in the food industry where he held various senior management positions, and after his retirement in 2006, as Director in a number of companies. He is a qualified Chartered Accountant with the MIA.

Dato' Mohd Rafik started his career in 1973 as an Analyst with Esso Malaysia Berhad. After working in local companies, he joined Nestlé in 1981 and retired in 2006 after 25 years of operational service. During his tenure in Nestlé, he held various senior management positions within the Nestlé group of companies both locally and overseas including Nestlé Corporate Headquarters in Switzerland.

Upon retirement from Nestlé, Dato' Mohd Rafik was appointed as Director of Nestlé (Malaysia) Berhad, for 12 years, until he retired in April 2021. He was also previously the Chairman of Malaysian Agrifood Corporation Berhad, Biotropics Malaysia Berhad, to name a few. He was also a former director of FGV prior to its public listing.

Directorship in other public companies:
- Nil

Board Committees:
- Chairman of the Nomination and Remuneration Committee
- Chairman of the Audit Committee
- Member of the Board Governance & Risk Management Committee

Conflict of interest with the Company:
- Nil

Family relationship with any Director and/or Major shareholder:
- Nil

List of convictions for offences within the past 5 years (other than traffic offences) and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any:
- Nil

Dato' Nonee Ashirin Dato' Mohd Radzi

Independent Non-Executive Director

Age:
50

Gender:
Female

Nationality:
Malaysian

Date of appointment to the Board:
30 June 2021

Length of tenure as Director:
< 1 year

Date of last re-election:
Not applicable

Board Meeting attendance in FY2021:
6 out of 6 Board Meetings held during the financial year under review since her appointment.

100%

Qualifications:

Dato' Nonee holds a Bachelor of Laws (LLB) from University of Wolverhampton, UK. She is a Barrister-at-Law of Lincoln's Inn, UK. She is also a member of The Malaysian Bar Council.

Working experience and occupation:
Dato' Nonee Ashirin is currently a Partner at Arthur Yeong Nonee Ashirin Advocates & Solicitors. As a law graduate, she had completed her Barrister-at-Law degree at Lincoln's Inn, United Kingdom and was called to the Malaysian Bar in 1999. She started her career in 2001 as a lawyer at Mohammad Ali & Co. where she served for three years until 2003. She then decided to venture full-time into the aerospace and defence industry. She joined Eurocopter Malaysia (now known as Airbus Helicopters Malaysia Sdn Bhd) as Business Development Manager in 2003 and in 2006 she joined Unique Globe Sdn Bhd and was appointed Vice President, Business Development. She later joined HELIPARTNER Sdn Bhd in 2009 as Vice President of Business Development and Sales until 2010. In 2011, she was appointed as the Chairman and Chief Executive Officer of Global Turbine Asia Sdn Bhd (GTA) where she served for seven years until 2017.

Dato' Nonee is one of the most respected and leading experts in the Malaysian Aerospace Industry, with over 20 years of experience in aerospace, defence and international security. She is most noted for her Visionary Leadership, steering GTA to become a market leader domestically and a highly acclaimed regional authority in the Maintenance, Repair & Overhaul (MRO) sector. Dato' Nonee's track-record speaks for itself, guiding GTA towards holding the accolade of being the only Approved Maintenance Organisation (AMO) from outside of Europe under the European Aviation Safety Agency (EASA) Part 145 Regulation which is the European standard for the approval of organisations that perform maintenance on aircraft and aircraft components. While her successes with GTA are noteworthy in their own right, Dato' Nonee's highest acclaims come from her strong connections and partnerships within the industry, working closely with global brand names as key components within the Malaysian Aerospace Ecosystem. Esteemed names such as; Airbus, Safran Group, Dassault Group, Thales Group, Leonardo S.p.A., FLIR Systems, and Moog USA. Dato' Nonee is a respected and valued advisor for the Malaysian Industry Defence and Security Association (MIDES) which falls under the purview of the Ministry of Defence, Malaysia. Combining her wealth of knowledge and experience, Dato' Nonee as an accomplished industry leader, entrepreneur, pioneer and patriot has a bigger picture goal of being the driving force and catalyst in developing Malaysia into a global aerospace hub. Dato' Nonee is also a board member of the Malaysian Aerospace Industry Association (MAIA) since 2018 and the lead for the MRO Technical Sub Committee.

Directorship in other public companies:
- Director, Boustead Holdings Berhad and its group of companies

Board Committees:
- Chairman of the Investment Committee
- Member of the Audit Committee
- Member of the Nomination and Remuneration Committee

Conflict of interest with the Company:
- Nil

Family relationship with any Director and/or Major shareholder:
- Nil

List of convictions for offences within the past 5 years (other than traffic offences) and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any:
- Nil

Board of Directors' Profile

Kasmuri Sukardi

Independent Non-Executive Director

Age:
71

Gender:
Male

Nationality:
Malaysian

Date of appointment to the Board:
1 July 2021

Length of tenure as Director:
< 1 year

Date of last re-election:
Not applicable

Board Meeting attendance in FY2021:
6 out of 6 Board Meetings held during the financial year under review since his appointment.

100%

Qualifications:

Kasmuri holds a Masters in Management from Asian Institute of Management, Manila, Philippines and an Advanced Management Program (AMP) from Harvard Business School, Boston, Massachusetts, USA. His other fields of study include Associate Diploma (AISP) from Incorporated Society of Planters, Malaysia and Planting Industry Management (DPIM) from Universiti Teknologi MARA (UiTM), Malaysia.

Working experience and occupation:
Kasmuri has more than 48 years of experience in various capacities involving plantations agribusiness namely oil palm, rubber, cocoa and coconut.

He began his career in 1973 as an Estate Assistant/Senior Assistant Manager at Harrisons & Crosfield PLC (H&C) which later became Harrisons Malaysian Plantations Berhad (HMPB) and Golden Hope Plantations Berhad (Golden Hope). In 1982, he was appointed as Estate Manager and was later promoted to various positions as Estate Visiting Agent, General Manager, Director of Estates and Group Director, Plantations Agribusiness until he retired in 2006.

From 2006 to 2008, Kasmuri was Director, Special Functions and later the Consultant, Lead Trainer for Golden Hope.

In 2008, Kasmuri joined Poliplant Group, Indonesia & Clarity Resources Ltd, Hong Kong based in Jakarta, Indonesia as its Board Director and Corporate & Operational Director where he served until 2015. During this period, he had successfully led the development and management of more than 50,000 hectares of oil palm plantation, most of which from green fields, in Ketapang, Kalimantan Barat, Indonesia.

Directorship in other public companies:
- Nil

Board Committees:
- Chairman of the Board Governance & Risk Management Committee
- Member of the Investment Committee
- Member of the Board Sustainability Committee

Conflict of interest with the Company:
- Nil

Family relationship with any Director and/or Major shareholder:
- Nil

List of convictions for offences within the past 5 years (other than traffic offences) and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any:
- Nil

Nik Fazila Nik Mohamed Shihabuddin

Independent Non-Executive Director

Age:
55

Gender:
Female

Nationality:
Malaysian

Date of appointment to the Board:
1 July 2021

Length of tenure as Director:
< 1 year

Date of last re-election:
Not applicable

Board Meeting attendance in FY2021:
6 out of 6 Board Meetings held during the financial year under review since her appointment.

100%

Qualifications:

Nik Fazila holds a Bachelor of Economics (Accounting) from Flinders University of South Australia, Adelaide, Australia. She is a qualified Chartered Accountant from the Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Accountants (MIA).

Working experience and occupation:
Nik Fazila was the Group Managing Director of Chemical Company of Malaysia Berhad (CCM) from 2017 to 2021. She was the Chief Financial Officer of CCM from 2012 before assuming the role of Group Managing Director of CCM in 2017.

Nik Fazila has over 30 years of experience in the field of accounting, finance, business assurance and corporate transactions. She began her career with Price Waterhouse (now known as PricewaterhouseCoopers) Malaysia where she spent 10 years, primarily in the audit & business advisory services. She also held various senior roles in the accounting, finance and management including as Chief Financial Officers in Malaysia public listed companies, prior to joining CCM Group.

Directorship in other public companies:
- Director, MSM Malaysia Holdings Berhad

Board Committees:
- Member of the Nomination and Remuneration Committee
- Member of the Audit Committee
- Member of the Board Governance & Risk Management Committee
- Member of the Board Sustainability Committee

Conflict of interest with the Company:
- Nil

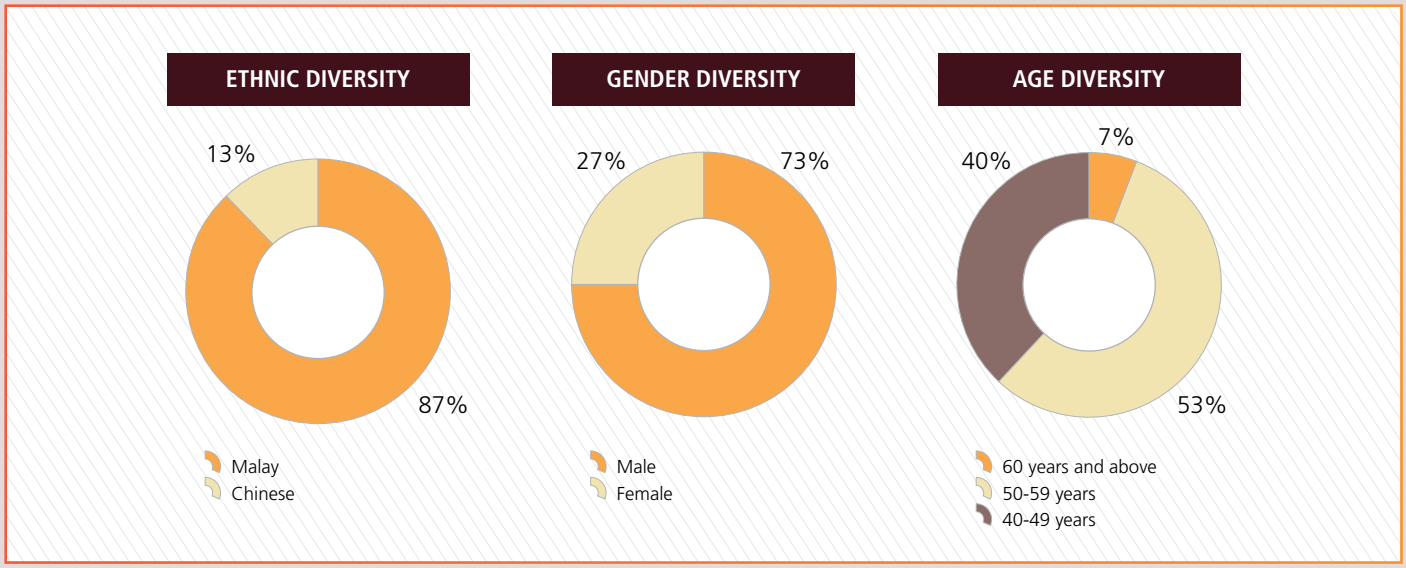
Family relationship with any Director and/or Major shareholder:
- Nil

List of convictions for offences within the past 5 years (other than traffic offences) and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any:
- Nil

At a Glance

Group Management Committee

The Group Management Committee (GMC) is established to support the GCEO in the stewardship of the Group to centrally monitor the Group's performance, coordinate and align the Group's management and business operations to achieve FGV Group's vision, mission, strategies, through good corporate governance principles and best business and control practices based on the directions, guidance, decisions and policies of the Board and the Board Committees. The GMC held 20 meetings in FY2021.



Notes:
1. *All information as at 21 March 2022.*
2. *None of the GMC members have any conflict of interest with the Company, family relationship with any Director and/or Major shareholder or have any convictions for offences (other than traffic offences) within the past five years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

Group Management Committee's Profile

MOHD NAZRUL IZAM MANSOR

Group Chief Executive Officer

Malaysian	Age 47	Male

Appointment to the position : **23 August 2021**

Academic/Professional Qualification:
- Degree in Commerce, University of Queensland, Brisbane, Australia
- Fellow Certified Practising Accountant, CPA Australia
- Chartered Accountant of Malaysian Institute of Accountants

Relevant experience:
Mohd Nazrul is a Chartered Accountant by training. He has over 22 years of experience in various capacities in several different industries. Prior to his appointment as the Company's Group CEO, he was formerly the Group CEO of FELCRA Berhad since 2018.

Mohd Nazrul began his career in 1998 as an Account Executive with RHB Unit Trust Management Berhad. In 2000, prior to joining PricewaterhouseCoopers as a Senior Associate, he was an Audit Assistant at Hasyudeen & Co. During his tenure with the two public accounting firms, he was involved in various auditing and assurance assignments for medium to large public and private companies.

He joined Padiberas Nasional Berhad in 2002 and played key roles in risk management, corporate planning and was the Executive Assistant to the CEO until 2007. In 2009, he joined Malaysia Building Society Berhad (MBSB) as the Head of Structured Business.

In 2010, he was appointed as Group Chief Financial Officer at Realmild Sdn Bhd before he joined N.U.R Power Sdn Bhd as Director of Finance in 2013, where he held the position until 2018 before joining Teras Dara Konsortium Sdn Bhd to become its Managing Director.

Directorship in other public companies:
- Nil

DATO' MOHD HAIRUL ABDUL HAMID

Group Chief Financial Officer

Malaysian	Age 52	Male

Appointment to the position : **2 January 2019**

Academic/Professional Qualification:
- Fellow of the Association of Chartered Certified Accountants
- Chartered Accountant of Malaysian Institute of Accountants

Relevant experience:
Dato' Mohd Hairul is a Chartered Accountant by training. He started his career in Sime Darby Berhad in 1994 as Management Trainee and rose to become Group Accountant in 1997. In October 2002, he was appointed Finance Manager of Consolidated Plantations Berhad (CPB), a wholly-owned subsidiary of Sime Darby Berhad. He was later made Plantation Financial Controller of CPB from July 2005 to June 2006, before returning to Sime Darby Berhad as General Manager Finance of the Plantation Division. He was appointed Chief Financial Officer (CFO) of the Division in June 2008. He left Sime Darby Berhad in February 2012, with his last position as CFO of the Energy & Utilities Division.

Prior to joining FGV Holdings Berhad in January 2019, he was the CFO of Mass Rapid Transit Corporation Sdn Bhd from March 2012 to December 2018. Presently he is also a Director of Felda Holdings Berhad.

Directorship in other public companies:
- Felda Holdings Berhad

Group Management Committee's Profile

MOHD SARIAN MD SAHID

Group Divisional Director,
Plantation Sector

Malaysian	Age 59	Male

Appointment to the position : **1 April 2022**

Academic/Professional Qualification:
- Master of Business Administration (MBA) - RMIT University - AIM
- Diploma in Mechanical Engineering, Universiti Teknologi Malaysia (UTM)
- Professional STEM Certificate Grade 1

Relevant experience:
Mohd Sarian has an extensive experience of 37 years with FGV, where he first started serving various mills in Felda Palm Industries Sdn Bhd (now known as FGV Palm Industries Sdn Bhd) from 1984 to 2001. Between 2002 to 2006, Mohd Sarian was appointed as Regional General Manager for two zones; Wilayah Kuala Lumpur before continuing with the same role when he moved to Wilayah Sahabat.

In 2007, Mohd Sarian held the position of Head of Zone, where he served until 2013. At the end of 2013, he was appointed as Head of Business Development, Group CEO Office until early 2014. After briefly holding the said position, Mohd Sarian was then appointed as Head of Business Development and Strategy Rubber Cluster within the same year.

In 2017, Mohd Sarian was appointed as Head of Global Supply Chain Management before assuming the role as CEO of FGV Fertiliser Sdn Bhd in 2018.

In 2019, he was appointed as Head of Upstream Division before redesignated as Officer-In-Charge of the Group Divisional Director, Plantation Sector in 2021. He was promoted as the Group Divisional Director of Plantation Sector in April 2022.

Directorship in other public companies:
- Nil

AZMAN AHMAD

Group Divisional Director,
Logistics & Others Sector

Malaysian	Age 60	Male

Appointment to the position : **1 January 2018**

Academic/Professional Qualification:
- Bsc. (Hons) in Maritime Studies (Maritime Technology), University of Wales Institute of Science and Technology - UWIST, Wales, United Kingdom
- Diploma in Management, Malaysian Institute of Management

Relevant experience:
Azman Ahmad has wide and varied experience over 35 years in marine, port-related and logistics activities in FGV Holdings Berhad. He started his career in 1986 as the Operation Executive in Felda Johore Bulkers Sdn Bhd in Johor. He became the General Manager in 2006 and was appointed as the Chief Executive Officer in the subsequent year, a position that he held until 2013. In 2014, he was promoted to Senior Vice President for Trading, Marketing, Logistics and Others.

In 2016, Azman Ahmad was appointed as the Executive Vice President heading the Palm Downstream Cluster, FGV Holdings Berhad and a year later, retasked to head the Logistics Cluster before being promoted to become the Chief Operating Officer of Logistics & Others Sector in 2018. He was then redesignated as the Group Divisional Director of Logistics & Others Sector in December 2020.

Directorship in other public companies:
- MSM Malaysia Holdings Berhad

SYED FEIZAL SYED MOHAMMAD

Group Chief Executive Officer of MSM Malaysia Holdings Berhad

Malaysian	Age 57	Male

Appointment to the position : **1 February 2021**

Academic/Professional Qualification:
- Masters in Business Administration (Executive) from the Charles Sturt University, Australia
- Bachelor of Science in Electrical Engineering from University of Nebraska, Lincoln, USA
- Member of Institute of Corporate Directors Malaysia
- Main Member of The CEO Action Network (CAN)

Relevant experience:
With over 32 years of experience in multinational and local conglomerates companies, Syed Feizal had served at various corporate and business sectors including engineering and construction of oil and gas facilities, petrochemicals and industrial process plants, exploration and production, infrastructure (water, transport and power) and trading of agro and industrial commodities (palm oil, rubber, sugar and rice) and hydrocarbons. His experience in various large to mega capital project conceptualisation and development spans several countries and regions including Asia Pacific, South Asia and the Middle East.

Previously, Syed Feizal held several senior leadership positions as Chief Executive Officer, Executive Project Sponsor and Board roles, managing large organisations of over 3,000 people in Malaysia. He was also a senior member of Executive Committee overseeing over 7,000 people in Asia Pacific with over 15 subsidiaries across China, South East Asia and Australia.

Directorship in other public companies:
- Nil

VINCENT CHUI TEE SUAN

Chief Consumer Products Officer and Officer-In-Charge of the Group Chief Strategic Communication Officer

Malaysian	Age 53	Male

Appointment to the position : **16 July 2020**

Academic/Professional Qualification:
- Bachelor of Science with Honours in Pharmacology from Universiti Kebangsaan Malaysia, Malaysia

Relevant experience:
Vincent has nearly 30 years of experience in marketing and product management primarily in food and beverages, non-food, financial and telecommunications industries. He started his career in 1993 as a Sales and Administration Executive at Herbal Link (M) Sdn Bhd between 1995 and 2000, he was the Product Manager at Fonterra Brands (M) Sdn Bhd for two years before joining The Boots Company (Far East) Pte Ltd. He then joined S.C. Johnson & Son (M) Sdn Bhd in 2000 for six years managing consumer products marketing in Malaysia and Singapore.

In 2006, Vincent was appointed as Senior Manager/Head of Usage for 3G, Roaming & IDD in Maxis Communications Bhd overseeing the Maxis Brand Marketing for Postpaid. He was instrumental in cross-selling and up-selling the product services within the Group. He later joined Tune Money Sdn Bhd in 2007 as the Vice President (Marketing) for financial services, being the first in Malaysia to introduce insurance and pre-paid card products online direct to consumers.

He then returned to the FMCG industry by joining Yeo Hiap Seng (Malaysia) Bhd in 2009 for eight years as the First Vice President overseeing the marketing of consumer products for Malaysia, Brunei and Indonesia. Prior to joining FGV, he was appointed as the Regional Marketing Director at Lee Kum Kee (Malaysia) Sdn Bhd in 2017, managing the regional marketing of consumer products in South East Asia, India, Middle East, and Africa.

In April 2022, he was appointed as Officer-In-Charge of the Group Chief Strategic Communication Officer. He will undertake this role in tandem with his current position.

Directorship in other public companies:
- Nil

Group Management Committee's Profile

ABDUL RAZAK AYA

Head of Integrated Farming

Malaysian	Age 51	Male

Appointment to the position : **1 August 2019**

Academic/Professional Qualification:

- Master of Science (M.Sc.) in Plantation Management and Diploma in Agriculture from Universiti Putra Malaysia (UPM), Malaysia
- Executive Leadership Programme from Bond University, Gold Coast Australia
- Business Strategy and Supply Chain Management Programme from National University of Singapore
- Plantations Management Programme from Golden Hope Academy, Carey Island, Malaysia

Relevant experience:

Abdul Razak has more than 20 years of experience primarily in strategic and business planning, plantation and estate operations, biotechnology, precision agriculture, biosecurity, plantation land development, as well as occupational health and safety. He also has vast experience in cattle and goat farming, poultry, fisheries/aquaculture, pineapple, herbal and fruits industries through his involvement in Government economic regional projects.

He started his career in 1992 as Information Technology Executive in Creative Technology Computer Sdn Bhd. He later joined the Faculty of Forestry at Universiti Putra Malaysia (UPM) in 1993 as the Satellite Remote Sensing Researcher before joining Johor State Department of Agriculture from 1994 to 1995.

Prior to the merger with Sime Darby, he was appointed as Business Development Manager at Golden Hope Plantations Sdn Bhd in 1995 where he served for 13 years. Subsequently, he continued with the same portfolio post-merger at what is known today as Sime Darby Plantations Sdn Bhd up to 2009.

He was made Senior Manager, Agriculture at East Coast Economic Region Development Council (ECERDC) from 2008 to 2014, before joining Malaysian Agricultural Research and Development Institute (MARDI) as a Permanent Member of the Board of Governors until 2016. He later served as the Vice President in Naza World Holdings Sdn Bhd in 2014, overseeing the Agro and Bio Division. He was the Adjunct Lecturer at Universiti Teknologi MARA (UiTM) in 2019 prior to joining FGV.

Directorship in other public companies:

- Nil

SALMAN GHAZALI

Group Chief Strategy Officer

Malaysian	Age 40	Male

Appointment to the position : **13 September 2019**

Academic/Professional Qualification:

- Bachelor of Science (BSc.) in Accounting & Finance from London School of Economics & Political Science, London, UK

Relevant experience:

Salman brings with him 16 years of experience in strategy, investments management, private equity, business banking, corporate finance and business development. He started his career in 2005 with Consolidated Plantations Berhad (CPB), now known as Sime Darby Plantation Berhad (SDP), moved to the Managing Director's Office in SDP in 2007 as Senior Executive, and rose to become Assistant Vice President I - Corporate Finance in the Strategy and Business Development department.

While in SDP, he was assigned to PEMANDU's National Key Economic Area (NKEA) in 2010 where he became Head of Palm Oil Food & Health-based Downstream Sector. He was then seconded to Emery Oleochemicals in 2011, which is a 50:50 joint venture company between SDP and PTT Global Chemical, to oversee SDP's interest in the oleochemicals Sector covering Global Strategy and investments. He left Emery Oleochemicals and SDP in December 2011 and joined Petroliam Nasional Berhad (PETRONAS) in 2012 in the Executive Vice President's Office before joining Khazanah Nasional Berhad as Vice President of Investments and Special Officer to the Chief Investment Officer until 2015.

Salman then became Managing Partner of RM Capital Partners & Associates (RMCP), one of the largest boutique private equity firms in Malaysia, where he also held various directorship positions in RMCP's investee companies operating in the Manufacturing, Oil & Gas, Plastics, and Personal Care industries. Salman was also an Investment Committee (IC) member for both RMCP One Fund and RMCP Two Fund. Prior to joining FGV Holdings Berhad in September 2019, he was Head of Business Banking in Bank Pembangunan Malaysia Berhad.

Directorship in other public companies:

- Nil

MOHAMAD FAUZI HASSAN

Officer-In-Charge of the Chief Human Resources Officer

Malaysian	Age 53	Male

Appointment to the position : **1 November 2021**

Academic/Professional Qualification:
- Bachelor of Science (Honours) in Life Science, Universiti Kebangsaan Malaysia (UKM)
- Executive Management Programme INSEAD Fontainebleau, in France

Relevant experience:
Mohamad Fauzi started his career in Motorola Technology Sdn Bhd from 1993 to 2000 as Human Resources Executive up to Human Resources Manager, before becoming General Manager, Group Human Resources at Sapura Technology Berhad between 2003 to 2005.

In 2006, Mohamad Fauzi was appointed as Human Resource Director of Carrefour Malaysia and Singapore, where he served until 2011. He was also appointed as a member of the Board for Carrefour Malaysia. He then joined Sime Darby Plantation Sdn Bhd from 2011 to 2015 and was appointed as Head of Human Resources (Senior VP).

Prior to joining FGV Holdings Berhad in October 2019, he was the Founder and Managing Director of Sigma Perintis Sdn Bhd from 2015 to 2019, a Consultancy Company.

Mohamad Fauzi held the position of Head of Human Resources for Plantation of FGV Holdings Berhad in 2019 before assuming the position of Officer-In-Charge of Chief Human Resources Officer at present.

Directorship in other public companies:
- Nil

WAN NORMAN NASIR

Head of Group Governance and Risk Management

Malaysian	Age 49	Male

Appointment to the position : **1 May 2019**

Academic/Professional Qualification:
- Master of Business Administration from Nottingham University Business School, UK
- Bachelor of Laws (Honours) from King's College London, UK

Relevant experience:
Wan Norman has over 20 years experience in risk and policy management in financial institutions and the corporate sector covering amongst others the areas of credit risk, operational risk, business continuity management, corporate governance and compliance.

He began his career with Petronas and then was with Arthur Andersen & Co before joining the Policy & Portfolio department of Citibank Berhad in 2002, overseeing risk management of the bank's consumer assets, where he rose through the ranks to become the country Cards Risk Head. In 2011 he joined Al Rajhi Bank Berhad as its Retail Risk Head managing the whole suite of its Islamic retail financing portfolio.

He then joined FGV Holdings Berhad as the Chief Risk Officer tasked to set up a robust risk management framework in the company. His role was further expanded in 2019 to cover matters on corporate governance, ethics & integrity, Anti-Bribery Management System certification and the Whistleblowing mechanism when he was promoted as the Chief Risk & Governance Officer.

Directorship in other public companies:
- Nil

Group Management Committee's Profile

NURUL HASANAH AHAMED HASSAIN MALIM

Head of Group Sustainability

Malaysian	Age 42	Female

Appointment to the position : **1 March 2019**

Academic/Professional Qualification:

- LLM in Human Rights Law from the University of Nottingham, UK
- LLB (Honours) from the International Islamic University, Malaysia
- Certificate in Continuing Professional Development Programme from the University of Glasgow, Scotland
- British Foreign Commonwealth Office Chevening Fellowship Award
- Alumni of the International Visitors Leadership Programme by the Bureau of Education and Cultural Affairs of the United States Department of State

Relevant experience:

Nurul Hasanah has over 17 years of experience in Human Rights, law, and policy development. She worked with the Human Rights Commission of Malaysia for 15 years, where she started her career as Legal Officer in 2003. She became Head of the Complaints & Inquiries Division in 2006, before heading the National Inquiry Division for 2 years starting 2010. From 2013 till 2015, she was Head of the Research and Policy Development Division. She was appointed as Deputy Secretary of the Policy and Law Working Group in 2015 and left the Commission in 2018 to join Earthworm Foundation, an international non-profit organisation, formerly known as The Forest Trust. In Earthworm Foundation, she was responsible to oversee the palm programme in Malaysia, focusing on Environment, Social and Human Rights.

Directorship in other public companies:

- Nil

NOR MARHAMAH YAHYA

General Counsel, Group Legal

Malaysian	Age 45	Female

Appointment to the position : **1 August 2019**

Academic/Professional Qualification:

- Bachelor of Laws (Honours) from Universiti Teknologi MARA (UiTM), Malaysia

Relevant experience:

Nor Marhamah has more than 19 years of experience as a corporate and commercial lawyer. She began her career as Legal Assistant with BUSTAMAN in 2002, before becoming Partner in M.Y. Nor & Partners in mid-2006. She left the firm in June 2008 to join Astro Entertainment Sdn Bhd as Senior Legal Executive and rose to become the Assistant Vice President in MEASAT Broadcast Network Systems Sdn Bhd.

In October 2012, she joined FGV Holdings Berhad's Group Legal Division as a Senior Manager, promoted to General Manager in 2015 before being appointed as General Counsel in August 2019.

Directorship in other public companies:

- Nil

SHAHARIZAN YUNUS

Head of Group Health, Safety & Environment

Malaysian	Age 43	Male

Appointment to the position : **15 November 2019**

Academic/Professional Qualification:

- Safety and Health Officer Certificate and Train the Trainer Certificate from NIOSH Malaysia
- Bachelor (Honours) of Marine Science from the National University of Malaysia

Relevant experience:

Shaharizan is a Qualified Internal Auditor for QMS, EMS, OHSAS Management System and a Qualified Incident Command System Silver Commander. He began his career as an Executive in the Occupational Safety Division in NIOSH Malaysia in 2002. Between May 2004 and December 2008, he worked in Gas Malaysia Berhad (previously known as Gas Malaysia Sdn Bhd) and KLCC Urusharta Sdn Bhd as a Health, Safety, Environment (HSE) and Quality Executive. He later joined IGB Corporation Berhad, in December 2008 as Safety & Health Manager, before becoming an advisor in Occupational Health and Safety in ABB Malaysia Sdn Bhd in October 2010.

Shaharizan was appointed as Country HSE Leader by Llyod's Register (LR) Malaysia & Brunei in November 2011, before moving to RAPID Pengerang Project Package as HSE Manager in May 2017. He joined FGV Holdings Berhad as Manager of the Group HSE Division in July 2018, and was promoted to head the Department in November 2019.

Directorship in other public companies:

- Nil

ZALILY MOHAMED ZAMAN KHAN

Chief Internal Auditor

Malaysian	Age 55	Female

Appointment to the position : **1 March 2012**

Academic/Professional Qualification:

- Certified Internal Auditor of the Institute of Internal Auditors Inc. (IIA), USA
- Certification in Control Self-Assessment awarded by the Institute of Internal Auditors Inc. (IIA), USA
- Certification in Risk Management Assurance awarded by the Institute of Internal Auditors Inc. (IIA), USA
- Bachelor of Accountancy from the University of South Australia
- Chartered Accountant of Malaysian Institute of Accountants
- Fellow, CPA Australia

Relevant experience:

Zalily is a Chartered Accountant by training. She has more than 30 years experience in external and internal auditing. She started her career as an external auditor in Hanafiah Raslan & Mohamed in 1990, which then merged to become Arthur Andersen & Co.

Zalily joined Sapura Telecommunications Bhd in 1994 as its Group Finance Manager overseeing the finance function of four subsidiaries in the Telco distribution segment.

She started her career as an internal auditor when she moved to Golden Hope Plantations Berhad in year 2000 to the post of Deputy General Manager of the Internal Audit Department. With the merger of three plantation companies in 2007, she was appointed as Vice President of the Group Corporate Assurance Department of the Plantation Division in Sime Darby Berhad. Subsequently in 2008, she became General Manager and Head of Group Internal Audit of Boustead Holdings Berhad where she also led the internal audits covering three listed subsidiaries. In 2012 she joined FGV as the Chief Internal Auditor, covering also the internal audit of MSM Malaysia Holdings Berhad.

She had also served as a member of the Institute of Internal Auditors Malaysia's Research and Technical Advisory Committee for several years.

Directorship in other public companies:

- Nil

Group Management Committee's Profile

KOO SHUANG YEN

Company Secretary

Malaysian	Age 59	Female

Appointment to the position : **30 June 2014**

Academic/Professional Qualification:

- Associate member of the Chartered Institute of Management Accountants, UK
- Chartered Accountant of Malaysian Institute of Accountants

Relevant experience:

Koo Shuang Yen is a Chartered Accountant by training. She has almost 30 years of experience in finance, accounting and corporate secretarial practice, which includes a wide range of corporate exercises such as listings, mergers and acquisitions, and joint ventures.

Koo Shuang Yen was the Company Secretary of Felda Holdings Berhad and its Group of Companies from 1995 to 2012. Simultaneously, she held several other roles in various companies within Felda Holdings Berhad Group. She was Head of Finance in Felda Engineering Services and Felda Enterprises Sdn Bhd, from 1991 to 2006 and from 2007 to 2008, respectively. In 2009, she was made Group Accountant of the Downstream Division in Felda Holdings Berhad, and then Senior General Manager of Group Finance in 2011.

Koo Shuang Yen was appointed Company Secretary for MSM Malaysia Holdings Berhad and its Group of Companies in 2011, a position she holds till today. After the listing of FGV Holdings Berhad in 2012, she took on the role of Head of Cluster & Accounting Unit, from 2013 to August 2016, and was also Head of Budgeting Unit from 2015 to August 2016. From July 2016 to December 2017, she was the Senior Vice President of the Group President/Chief Executive Officer's Office in FGV Holdings Berhad.

Directorship in other public companies:

- Nil

Corporate Governance Overview Statement

This Corporate Governance Overview Statement (CGOS) is prepared in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR) and in accordance with the principles and practices of the Malaysian Code on Corporate Governance 2021 (MCCG). It is to be read together with the Corporate Governance Report 2021 (CG Report) which is available on the Company's website at www.fgvholdings.com. The CG Report provides the details on how the Company has applied each Practice as set out in the MCCG during FY2021.

Board Leadership and Effectiveness
- Our Governance and Integrity Framework
- Responsibilities, Oversight and Independence
- Board Activities FY2021
- Board Performance Evaluation i.e. Board Effectiveness Assessment
- Induction and Continuous Professional Development
- Nomination and Remuneration Committee Report
- Directors' Remuneration
- Senior Management's Remuneration

pages 105 – 124

Effective Audit and Risk Management
- Audit Committee Report
- Relationship with the External Auditor
- Group Internal Audit
- Board Governance & Risk Management Committee Report

pages 125 – 134

Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders
- Communicating with Our Stakeholders

pages 135 – 139

"In FGV, we genuinely believe that a culture immersed with ethics and integrity should be at the forefront of our governance goals. This year, the Group had carried out several initiatives to create awareness and measure the effectiveness of our governance framework and integrity activities. We are pleased to report that the survey conducted by FGV in collaboration with the Institut Integriti Malaysia using the Integrity Assessment Tool showed a score of 81% as opposed to 68% in 2018. This means that the Group is moving in the right direction towards enhancing integrity and good corporate governance in FGV. We, the Board, will remain steadfast in ensuring that governance and integrity values are embedded in the strategy and operations of FGV. This will lead and support all measures to ensure FGV and its employees maintain high ethical standards at all times.

Dato' Dzulkifli Abd Wahab

The Board is pleased to present the CGOS that provides a summary of FGV's corporate governance practices during FY2021 premised on the three principles of MCCG:

Principle A
Board Leadership and Effectiveness (30 Practices)

Principle B
Effective Audit and Risk Management (10 Practices)

Principle C
Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders (8 Practices)

Corporate Governance
Overview Statement

THE BOARD

The current size of the Board is appropriate for the size and diversity of FGV Group of companies' (FGV Group or Group) operations. There is also a good mix of skills as the four Independent Directors bring added experience and skills in specific areas such as plantation, finance, corporate governance, business management, sustainability and Downstream. FGV has also maintained the recommended 30% women representation on the Board. The Board will continue to seek to appoint Independent Directors in order to reach majority Independent Directors on the Board.

The Board is aware of the importance of infusing sustainability measures into its day-to-day operations and business strategy to preserve the existence of its business and creating value for FGV's stakeholders. In line with FGV's aspiration, its sustainability framework incorporates the main Environmental, Social and Governance (ESG) components, innovation and transformation as the key thrusts of FGV sustainability agenda. This framework will help improve FGV's ESG rating and enable the adoption of an accurate and comprehensive corporate sustainability framework to assist FGV in achieving its goal to become a zero-impact business operation.

GOVERNANCE AND INTEGRITY FRAMEWORK

FGV has in place a robust governance and integrity framework that is benchmarked against best practices and meets the changing needs of FGV's operations. The Group implements governance processes Group-wide and constantly reviews them to ensure that they are still relevant to the Group's operations.

SUMMARY OF KEY INITIATIVES UNDERTAKEN IN 2021

In FY2021, FGV had focused on the following key areas:

As part of its commitment to become a zero-impact business operation, FGV had formalised its commitment to become a net-zero emission entity by 2050, by signing the United Nations (UN)-backed Science-Based Target initiative (SBTi) Business Ambition for 1.5°C pledge. FGV had also improved its SPOTT ranking to 19th (previous spot was 23rd) in the SPOTT.

Appropriate actions have also been taken to strengthen its anti-corruption and anti-bribery programme by reviewing and implementing policies and procedures on whistleblowing and anti-corruption for the Group that are, at a minimum, guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 (MACC Act 2009).

Gap analysis on the application and adoption of the MCCG practices against FGV's practices and some action plans were also presented to the Board for its consideration and decision which included the adoption of the MCCG practices by amending the Board Charter, Board Committees Terms of Reference (ToR) and Group Management Committee (GMC) ToR as well as other related policies to close some of the gaps.

FGV had also carried out a revision of some of its key policies to ensure that its policies and procedures remain relevant to the Group's businesses and operations.

FGV through the COVID-19 task force had managed the pandemic and its impact by carrying out appropriate monitoring and mitigation measures which included among others the ramping up of the vaccination rate of its workers and the introduction of a new policy to regulate the same, established quarantine and isolation centres in estates and provided welfare aids to affected employees.

APPLICATION OF MCCG 2021

For FY2021, FGV had applied the principles and practices of the MCCG 2021 and also adopted Step Up practices, with the exception of Practice 5.3, 5.7, 5.10, 8.2 and 13.5 as well as Step Up 8.3 and 9.4. The details on how the Company had applied each practice as set out in the MCCG during FY2021 and the explanations on the departures can be found in the Company's CG Report which is available on the Company's website.

The summary explanations are in the table below:

Practice	Summary Explanations
Practice 5.3	Not applicable - Step Up 5.4 adopted.
Practice 5.7	The base statement on Board concurrence on the re-election of the retiring Directors was provided but the Board's statement on the reasons for the Board's support on the re-election of the retiring Directors were absent in the AIR 2020.
Practice 5.10	Up to 31 December 2021, there was no gender diversity policy for Senior Management (GMC members), no gender diversity numerical target (targeted percentage) has been set and no mechanism has been established to track performance against these targets and measures undertaken to meet the aforementioned targets.
Practice 8.2	The top five Senior Management's remuneration components in detail (including their salary, bonus, benefits-in-kind and other emoluments) on a named basis as per the prescribed table in the CG Report under Practice 8.2 was not disclosed to the public at large in FY2021.
Practice 13.5	Less pertinent and repetitive questions posed by shareholders were not made visible to all meeting participants during the 13th Annual General Meeting (AGM) in 2021.

How We Are Governed

Board Leadership & Effectiveness

OUR GOVERNANCE AND INTEGRITY FRAMEWORK

OVERSIGHT ROLE & MANAGEMENT REVIEW

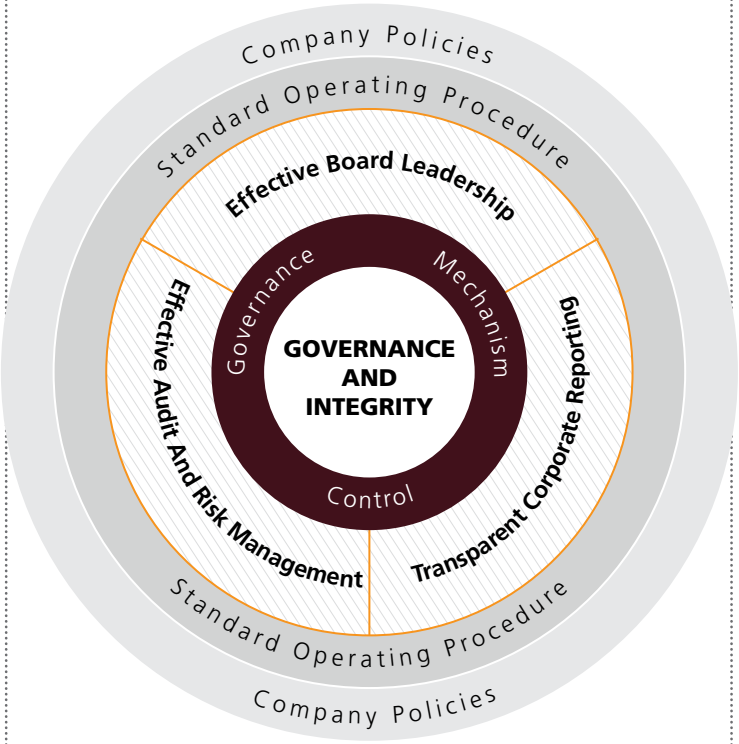
MAIN BOARD
- Board Charter
- Code of Business Practice
- Code of Ethics and Conduct

BOARD COMMITTEES
- Terms of Reference

GCEO

GROUP MANAGEMENT COMMITTEE
- GCFO
- Sector Heads
- Corporate Centre Heads

Business Sectors | **Corporate Centres**



Operations | **Supporting Functions**

KEY EXTERNAL REGULATORS & BEST PRACTICES

REGISTERED COMPANY
- Companies Commission of Malaysia (CCM)
  - Companies Act 2016

PLANTATION COMPANY
- Malaysian Palm Oil Board (MPOB)
- Malaysian Palm Oil Certification Council (MPOCC)
  - Malaysian Sustainable Palm Oil Certificate (MSPO)
- Roundtable on Sustainable Palm Oil (RSPO)

PUBLIC LISTED COMPANY
- Bursa Malaysia Securities Berhad (Bursa Securities)
  - Main Market Listing Requirements (Listing Requirements)
- MCCG 2021

GOVERNANCE ASSURANCE	GOVERNANCE PROCESS & CONTROL	GOVERNANCE REQUIREMENT

How We Are Governed
Board Leadership & Effectiveness

RESPONSIBILITIES, OVERSIGHT AND INDEPENDENCE

BOARD COMPOSITION

The Board, through the Nomination and Remuneration Committee, from time to time reviews the size and composition of the Board to determine if the Board has the right size and sufficient diversity with independent elements, proposes new Board appointments and monitors the Board's succession needs. Board has its diversity policy which is intended to adopt and pursue Board diversity based on meritocracy system which does not discriminate, particularly on the grounds of gender and ethnicity. The Board will endeavour to maintain a minimum of 30% women Directors in its composition. The Board recognises the benefits of having a diverse Board hence has taken active measures in ensuring that the mix and profiles of the Board members in terms of age, gender, perspectives, academic background, experience and expertise, works in the best combination for the Board to be effective in its stewardship functions. The specific details on the Board composition and skills are set out in page 84 of this Report.

BOARD CHARTER

The Board Charter sets out the role, composition and responsibilities of the Board of Directors of FGV. This includes key values, principles and ethos of the Company. The Board Charter aims to guide FGV's Board in its stewardship role of the Group based on the Listing Requirements of Bursa Securities and the Companies Act 2016. In addition, it recognises and aims to adopt better practices and guidance from MCCG, Bursa Securities' Corporate Governance Guide, and other rules and regulations or best practices.

The Board Charter was last reviewed on 30 November 2021.

BOARD ROLES AND RESPONSIBILITIES

The Board is responsible for the overall conduct of the Group's business and has the powers and duties set out in the Board Charter. Broadly, the Board:

1. Reviews and adopts a sustainable Strategic Plan for the Group's business.
2. Oversees the conduct of the Group's business.
3. Identifies principal risks and ensures the implementation of appropriate internal controls and mitigation measures.
4. Reviews succession planning, appointments of Board Members, Board Committee Members and Senior Management.
5. Oversees the development and implementation of Investor Relations programmes and Shareholders Communication Policy.
6. Reviews the adequacy and the integrity of the management information and internal controls systems of the Group, including systems for compliance with applicable laws, regulations, rules, directives, guidelines, governance and integrity framework.

The full details of the Board's roles and responsibilities are stated in the Board Charter.

FORMALISED ETHICAL STANDARDS

In discharging its responsibilities, the Board observes the principles of ethical conduct as contained in the Directors' Code of Ethics and Conduct (CoEC) and Directors' Code of Business Practice (CoBP). The Directors' CoEC and CoBP outlines the ethical standards of behaviour and conduct expected from all Directors of FGV Group. All Directors have given their commitment to comply with the Directors' CoEC and CoBP through a signed declaration. The Directors' CoEC and CoBP are made available to the Directors and are also published on our website.

FGV also has in place a Code of Business Conduct and Ethics for employees (COBCE). The COBCE guides our employees in embracing the Group's values and applying with applicable laws and regulations through honest, transparent and ethical business practices. The Board and employees of the Group strive to adhere to best practices in corporate governance and observing the highest standards of integrity and behaviour in all activities conducted by FGV, including the interaction with its customers, suppliers, employees and business partners, and within the community and environment in which FGV operates. The COBCE is made available in the Compliance Management System (internal hub) for easy access for employees and periodic awareness are conducted through roadshows and forum events.

The Group also has in place a Whistleblowing Policy which facilitates the FGV community to report any form of improper conduct without fear of punishment or unfair treatment.

Further details on the Board Charter and COBCE are available on our website, www.fgvholdings.com.

MATTERS FORMALLY RESERVED FOR THE BOARD

The Board has collective responsibilities for promoting the long term sustainability and success of the Group by providing entrepreneurial leadership within a framework of prudent and effective controls. In doing so, the Board commits to high standards of integrity and ethics. Specific matters reserved for the Board's consideration and decision include:

1. Appointments of the Board, Board Committees and Senior Management.
2. Remuneration of the Board, Board Committees and Senior Management.
3. Strategic plans, investments, divestments, delegation of authorities and any major changes in the strategic directions of the Group.
4. Annual budgets, Financial Statements, Quarterly Results, dividends, matters related to managing risks and controls and financial decisions.

AUTHORITY LIMITS

The Board's delegation of powers to the Board Committees and the GCEO is aligned with the Board Charter, which sets out the approved Group's Limit of Authorities (LOA). The limits establish a sound framework of authority and accountability within the Group, including segregation of duties, which facilitates timely, effective and quality decision making at the appropriate levels in the Group's hierarchy.

BOARD COMMITTEES

While the Board maintains a schedule of key matters that are reserved for their decision, the responsibilities of the Board were discharged through delegation to Board Committees.

All Board Committees operate within clearly defined Terms of Reference (ToR) as approved by the Board. The approved ToR of the Board Committees are continuously reviewed and updated to ensure their relevance to FGV's operations as well as for compliance with legislation and standards. The last review was done on 30 November 2021. The approved ToR of the Board Committees are available on our website www.fgvholdings.com.

The Board currently has five main Board Committees as follows:

1. Nomination and Remuneration Committee (NRC);
2. Audit Committee (AC);
3. Board Governance & Risk Management Committee (BGRMC);
4. Investment Committee (IC); and
5. Board Sustainability Committee (BSC).

The Board Committees' composition and the record of their attendance can be found on page 85 of this Report. The NRC Report, AC Report and BGRMC Report can be found at pages 117 to 134 of this Report.

The Board Sustainability Committee was established on 1 September 2021 to assist the Board in fulfilling its oversight responsibilities in relation to the Group's Sustainability policies, strategies, framework, initiatives, priorities, targets, principles and best practices.

The IC is tasked with ensuring investments undertaken are aligned to the Group's objectives, vision and overall risk appetite while the BSC is tasked to assist the Board in fulfilling its oversight responsibilities in relation to the Group Sustainability policies, strategies, framework, initiatives, priorities, targets, principles and best practices. The Board Tender Committee (BTC) was disbanded on 20 April 2021 and all procurement related matters under BTC's purview was presented directly to the Board for deliberation and approval.

The Board Committees deliberate issues on a broad and in-depth basis before putting up any recommendation to the Board for decision. Notwithstanding the existence of the Board Committees and the relevant authorities granted to a Board Committee under its ToR, ultimate responsibility for the affairs of FGV and decision-making lies with the Board.

The Board is kept abreast of the significant matters and resolutions deliberated by each Board Committee through the reports by the Chairman of the relevant Board Committees and the Minutes of the Board Committee meetings were tabled at the subsequent Board meeting.

In FY2021, none of the Board Committee Meetings were combined with the Board meetings.

How We Are Governed
Board Leadership & Effectiveness

RESPONSIBILITIES, OVERSIGHT AND INDEPENDENCE

CHAIRMAN OF THE BOARD

The Chairman of the Board (Chairman) does not assume the position of the Chairman in any Board Committee except in BSC. As sustainability is of great importance for FGV, the Chairman will chair the BSC until sustainability practices are firmly entrenched in FGV's business strategies and daily operations.

The Board delegates the execution of strategy, operations and the day-to-day management of the Group to the GCEO. The GCEO reports directly to the Board.

The positions of Chairman and GCEO are held by two different individuals. This is to ensure that an appropriate balance of power and authority, with clear division of responsibilities and accountability, can be attained. The division of the roles and responsibilities of the Chairman and the GCEO has been clearly defined in the Board Charter.

GCEO

The GCEO is responsible for implementing the programmes to achieve the Company's and the Group's goals and vision for the future, in accordance with the strategies, risk appetite, policies, programmes and performance requirements approved by the Board.

He is also responsible for the management and development of the Group.

FGV's auxiliary police is responsible for the safety of the Group's assets.

GROUP MANAGEMENT COMMITTEE

In addition to the Board Committees, the Board has also delegated some responsibilities to the GCEO. These include administrative matters and the approval of items where the Board has already approved the overarching principle.

The Group Management Committee (GMC) is established to support the GCEO. The composition of the GMC and full details of the GMC's duties and responsibilities are stated on page 94 of this Report.

COMPANY SECRETARY

The Board has appointed a qualified Company Secretary who plays an advisory role to the Board. The Company Secretary also monitors the developments in corporate governance and assists the Board in applying best practices to meet the Board's needs and stakeholders' expectations. The Company Secretary's profile is disclosed on page 102 of this Report.

ACCESS TO INFORMATION AND ADVICE

The Board has full and unrestricted access to anyone in the Group in order to conduct any investigation and obtain any information pertaining to the Group, including access to the Company's Auditors and consultants. The Board may also seek relevant internal and external independent professional advice at the expense of the Company.

The Board strives to encourage a paperless environment for all Board and Board Committees meetings, where digital access is given to meeting papers to save on the distribution of hard copies.

The agendas and meeting papers are distributed in advance, to provide the Board and Board Committee members with sufficient time to review the matters to be deliberated and to allow for effective discussion and decision making during the meeting.

BOARD ACTIVITIES FY2021

WHAT THE BOARD DID THIS YEAR

Board activities are organised to approve, oversee and support executive management in the delivery of the Group's strategy within the FGV governance framework. Key matters considered by the Board in FY2021 were as follows:

Strategy, Risk and Sustainability

- COVID-19 Impact Analysis.
- Strategic Blueprint for FGV.
- FY2021 Budget and 3-year Strategic Plan (Business Plan) focusing on operational improvements and strengthening the governance and accountability in line with FGV's status as a public listed company.
- FY2021 Key Performance Indicators (KPI) for Senior Management.
- Revision of organisation structure.
- Quarterly report on risks covering the Group's top 10 risks, Risk Appetite Statement, key risks beyond the risk register, project, emerging and reputational risks.
- Quarterly report on sustainability updates and key initiatives.
- US Customs and Border Protection (US CBP) Withhold Release Order (WRO) against FGV, its subsidiaries and joint venture companies on palm oil and palm oil products.
- Roundtable on Sustainable Palm Oil (RSPO) and Malaysian Sustainable Palm Oil Certificate (MSPO) certifications.
- Reports on the traceability of Fresh Fruit Bunches (FFB).

Investments and Divestments

- Rationalisation and action plans for non-core and non-performing businesses.
- Divestment, liquidation and striking-off of non-core and non-performing subsidiary and joint venture companies.
- Joint Venture Agreement and Memorandum of Understanding.
- Unconditional Mandatory Take-Over Offer by FELDA through Maybank Investment Bank Berhad to acquire all the remaining ordinary shares in FGV (FGV Shares) (excluding treasury shares) which are not already held by FELDA and the persons acting in concert with it including all FGV Shares under FGV's Long Term Incentive Plan (LTIP) for a cash consideration of RM1.30 per offer share.

Succession Planning, Appointments, Remuneration and Others

- Board Performance Evaluation/Board Effectiveness Assessment.
- Board Improvement Plans.
- Annual assessment on the independence of the Independent Directors.
- Revision of composition of the Board Committees.
- Appointment of Government Appointed Director (Chairman, Non-Independent Non-Executive Director) and Independent Non-Executive Directors.
- Appointment of Senior Management.
- Re-election of FGV Directors.
- Annual fees for Board and Board Committees.
- Performance bonus payout and merit payout to employees of FGV Group.
- Salary increment for employees of FGV Group.
- Salary adjustment of Senior Management.

Governance

- Adoption of Securities Commission's Guidelines on the conduct of Directors of listed issuers and their subsidiaries.
- Revision of Board Charter and Board Committees ToR.
- Revision of the Group's policies.
- Schedule of FGV Board Meetings for the year 2022.
- Gap analysis on application and adoption of principles and practices of MCCG 2021.
- Material litigation updates within the Group.
- Internal investigations.
- Processes related to the Group's past investments.
- Establishment of the COVID-19 & Its Variants Vaccination Policy.

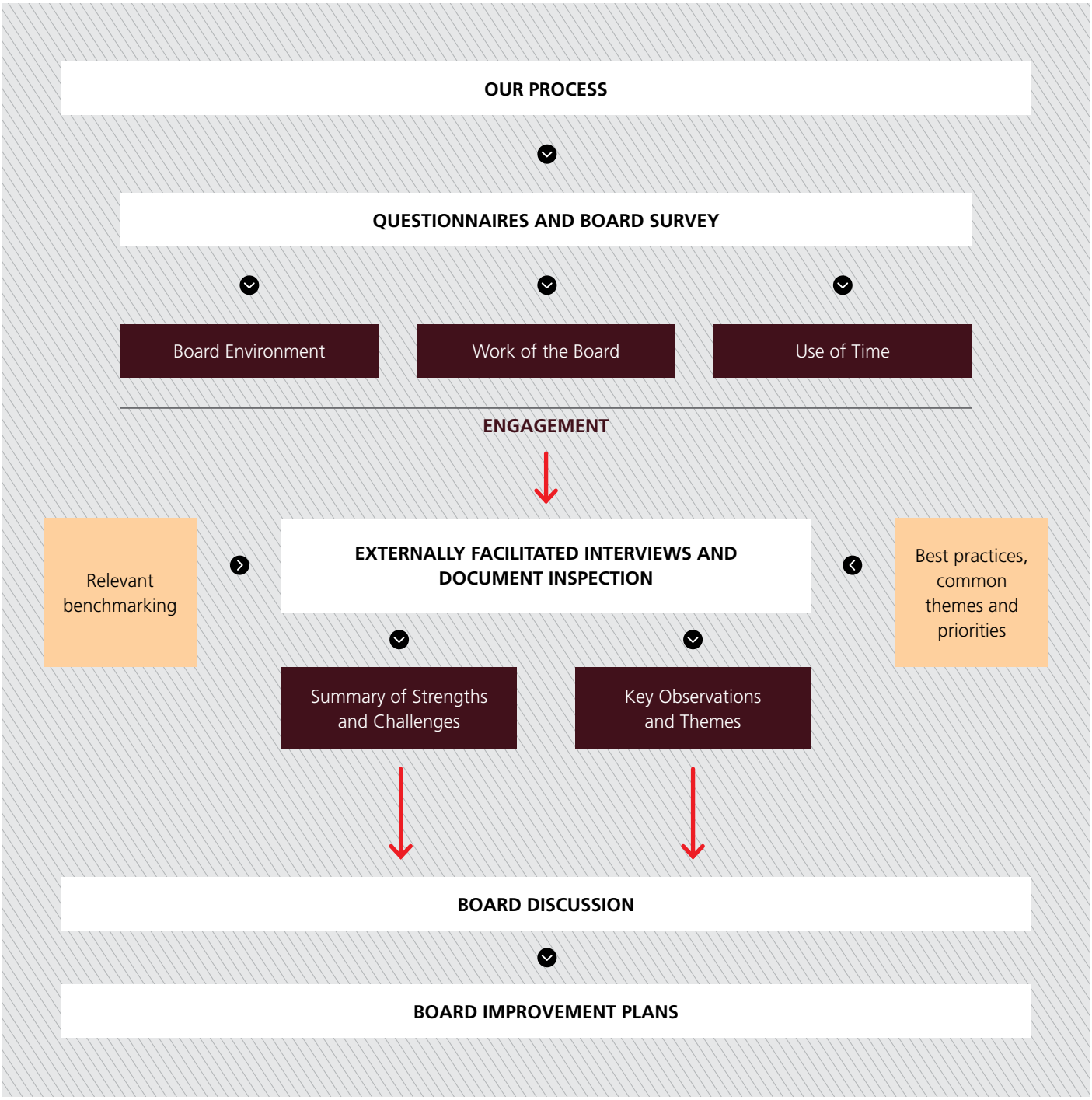
Financial

- Audited Financial Statements for FYE 31 December 2020 together with the Directors' and Auditors' Report.
- Quarterly report on consolidated results.
- Quarterly report on FGV Group's recurrent related party transactions.
- Re-appointment of external audit or for FY2021.
- Audit fees for FGV Group for FY2021.
- Non-audit services provided by PricewaterhouseCoopers PLT.
- Dividend for the FYE 31 December 2020.
- Group's financial performance against budget and key performance targets.
- FY2021 cost saving measures for FGV Group.
- Circular to shareholders on proposed renewal of shareholders' mandate and proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature for FGV Group.
- FGV Annual Integrated Report 2020 including the Chairman's Statement, GCEO's Message, Management Discussion & Analysis, CGOS, CG Report, Board Committees' Reports, Statement on Risk Managementand Internal Control and Sustainability Statement.
- Issuance of Islamic Medium Term Notes (*Sukuk Murabahah*) programme of up to RM500.0 million in nominal value based on the shariah principle of *murabahah* (via tawarruq arrangement).

How We Are Governed
Board Leadership & Effectiveness

BOARD PERFORMANCE EVALUATION I.E. BOARD EFFECTIVENESS ASSESSMENT

FGV conducts its Board performance evaluation i.e. Board Effectiveness Assessment (BEA) annually. The process of the BEA is set out in the diagram below:



The BEA 2021 was conducted to assess the effectiveness of the Board as a whole, the Board Committees and the individual Directors in accordance with Paragraph 15.08A(3)(c) of the Bursa Securities Listing Requirements, Practice 6.1 of the MCCG and the Board Nomination and Election Policy and Procedures (BNE Policy), which includes a review on the tenure of each Director, an assessment on the independence of Independent Directors, a review on the performance of the Board in addressing the Company's material sustainability risks and opportunities as well as a review on the term of office and performance of the AC and each of its members to determine whether they have carried out their duties in accordance with the AC's ToR.

As per the BNE Policy, an independent professional consultant (external consultant) was appointed to assist the NRC to facilitate an objective and candid BEA.

KPMG Management & Risk Consulting Sdn Bhd (KPMG) was appointed to conduct the BEA 2021. As approved by the Board, the BEA 2021 was premised on a **bilateral assessment approach** i.e. assessed by the Chairman and Deputy Chairman.

Assessment forms were drafted by KPMG based on existing assessment forms as per the BNE Policy. The assessment forms/questionnaires were then distributed and completed by the Chairman and Deputy Chairman.

KPMG conducted a one-on-one interview with the Chairman, Deputy Chairman and selected Senior Management on a confidential basis to gather further insights on the responses of the assessment forms.

The responses in the assessment forms as well as the responses during the interview sessions were then compiled and analysed by KPMG.

The results of the BEA 2021 were presented by KPMG to the Chairman and Deputy Chairman and subsequently to the Board.

In the BEA 2021 Report, KPMG highlighted the strengths of the Board which includes Board succession planning, boardroom experience, financial stewardships as well as boardroom commitment and proactivity. KPMG also gave recommendations for improvement considerations which includes FGV's reporting vector, working relationship between the Board and Management, efficacy of nomination functionalities and boardroom configuration as well as information flow and boardroom administration.

KPMG also produced Individual Directors' report cards which include recommendations on the trainings needed for each individual Director based on the bilateral assessment approach. The individual Directors' score was tabulated based on the questionnaire responses as gathered by the Chairman and Deputy Chairman.

The Board had initiated Board Improvement Plans following the recommendations.

RE-ELECTION OF DIRECTORS

For the purpose of determining the eligibility of the Directors to stand for re-election at the 14th AGM, the Board through its NRC had assessed each of the retiring Directors and considered the following:

- The Director's performance and contribution based on the outcome of the BEA 2021;
- The Director's level of contribution to the Board deliberations through his/her skills, experience and strength in qualities; and
- The level of independence demonstrated by the Independent Directors and his/her ability to act in the best interest of the Company in decision-making.

An assessment of the Independent Non-Executive Directors (INED) independence was also conducted based on the criteria prescribed under the Listing Requirements and both the NRC and the Board concurred that the INED standing for re-election at the forthcoming 14th AGM have maintained their independence throughout their tenure as Directors of the Company.

Based on the outcome of the above assessment, the Board approved the NRC's recommendation that the retiring Directors to stand for re-election. The profiles of the Directors seeking re-election are set out on pages 86 to 93 of this Report. The reasons for the Board's support on the re-election are listed below.

How We Are Governed
Board Leadership & Effectiveness

BOARD PERFORMANCE EVALUATION I.E. BOARD EFFECTIVENESS ASSESSMENT

RETIREMENT BY ROTATION IN ACCORDANCE WITH CLAUSE 97 OF THE COMPANY'S CONSTITUTION

Clause 97 of the Company's Constitution states that at each AGM one third (1/3) of the Directors for the time being, or if their number is not a multiple of three, the number nearest to one-third (1/3) with a minimum of one shall retire from office. In addition, each Director shall retire at least once in every three years but shall be eligible for re-election. Clause 98 of the Company's Constitution provides that the Directors to retire, shall be the one that has been the longest in office since his/her last election or appointment, but as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Dato' Amiruddin Abdul Satar being the longest in office shall retire at the 14th AGM and is eligible for re-election as Director of the Company.

- Dato' Amiruddin Abdul Satar was appointed as Non-Independent Non-Executive Director (NINED) of the Company on 26 October 2020. He has over 30 years of experience in finance and management. Since his appointment, Dato' Amiruddin has not only grasped the intricacies of corporate business management in a public company but has also enriched the Board's mix and skills by imparting his in-depth knowledge in the government governance into the Company. With a busy schedule holding a full time job, he has demonstrated his time commitment to the Company by attending 13 out of 14 (93%) Board meetings. Dato' Amiruddin is a member of IC and BSC. He is respected by his peers and Management alike and relates well with them. He engendered mutual trust amongst Board members and demonstrated professionalism and objectivity in the boardroom. In terms of contribution and performance, Dato' Amiruddin actively probes Senior Management as well as engages in catalytic discussions with his peers.

  Dato' Amiruddin's last re-election according to Clause 103 of the Company's Constitution was at the 13th AGM on 23 June 2021. At the forthcoming 14th AGM, Dato' Amiruddin shall retire by rotation in accordance with Clause 97 of the Company's Constitution and he has consented to be re-elected as a NINED of the Company for the ensuing years. Based on the bilateral assessment conducted on Dato' Amiruddin's performance for the year as a Director, it was found that he fared well in terms of contribution and performance in the boardroom. The Board recommended Dato' Amiruddin to be re-elected for the shareholders' consideration.

RE-ELECTION OF DIRECTORS IN ACCORDANCE WITH CLAUSE 103 OF THE COMPANY'S CONSTITUTION

Clause 103 of the Company's Constitution stipulates that a Director appointed by the Board shall hold office until the conclusion of the next AGM of the Company and shall be eligible for re-election.

Dato' Nonee Ashirin, Dato' Mohd Rafik Shah Mohamad, Puan Nik Fazila Nik Mohamed Shihabuddin and Encik Kasmuri Sukardi who were appointed INED of the Company since the last AGM shall retire at the 14th AGM and are eligible for re-election as Directors of the Company. They have attended and successfully completed the Mandatory Accreditation Programme (MAP) as required by the Listing Requirements.

- Dato' Nonee Ashirin was appointed as INED of the Company on 30 June 2021. She is also the Chairman for IC and member of AC and NRC. She is an experienced corporate and commercial lawyer with more than 20 years of experience in various industries. With her legal and professional background, she provides invaluable inputs from the industry and legal perspectives for the Board's discussion.

  At the forthcoming 14th AGM, Dato' Nonee Ashirin shall retire in accordance with Clause 103 of the Company's Constitution and she has consented to be re-elected as an INED of the Company for the ensuing years. Based on the bilateral assessment conducted on Dato' Nonee Ashirin's performance for the year as a Director, it was found that she fared well in terms of contribution and performance in the boardroom. The Board recommended Dato' Nonee Ashirin to be re-elected for the shareholders' consideration.

- Dato' Mohd Rafik was appointed as INED of the Company on 1 July 2021. He was then redesignated as Senior Independent Non-Executive Director on 30 March 2022. He is also the Chairman of the AC and NRC and a member of the BGRMC. He has more than 30 years of experience in the food industry and multinational experience. With his extensive financial and management knowledge and experience, he continuously brings guidance and analytical input on the financial and strategic matters of the Company, and able to critically challenge the management. He is vocal, put forth his views and actively participates in the Board and Board Committees discussions and deliberations.

  At the forthcoming 14th AGM, Dato' Mohd Rafik shall retire in accordance with Clause 103 of the Company's Constitution and he has consented to be re-elected as an INED of the Company for the ensuing years. Based on the bilateral assessment conducted on Dato' Mohd Rafik's performance for the year as a Director, it was found that he fared well in terms of contribution and performance in the boardroom. The Board recommended Dato' Mohd Rafik to be re-elected for the shareholders' consideration.

- Puan Nik Fazila was appointed as INED of the Company on 1 July 2021. She is a member of BGRMC, NRC, AC and BSC. She is a qualified accountant with more than 30 years of experience in accounting. With her past experiences as Chief Financial Officer, Group Chief Operating Officer and also Group Managing Director in a listed corporation, she is analytical and able to provide focal views from the management's perspective. With her position as INED of the Company, Puan Nik Fazila is also in the distinct position to be able to present critical input and assessment on issues from both Director's and management's standpoints. She provides critical feedback and insights on various aspects, specifically on financial, investment, human capital and strategic matters.

  At the forthcoming 14th AGM, Puan Nik Fazila shall retire in accordance with Clause 103 of the Company's Constitution and she has consented to be re-elected as an INED of the Company for the ensuing years. Based on the bilateral assessment conducted on Puan Nik Fazila's performance for the year as a Director, it was found that she fared well in terms of contribution and performance in the boardroom. The Board recommended Puan Nik Fazila to be re-elected for the shareholders' consideration.

- Encik Kasmuri was appointed as INED of the Company on 1 July 2021. He is the Chairman of BGRMC and member of IC and BSC. He has more than 48 years of experience in plantation and has on the ground knowledge in oil palm plantation. He is inquisitive as well as insistent in seeking clarifications from management and vocal in Board and Board Committees meetings.

  At the forthcoming 14th AGM, Encik Kasmuri shall retire in accordance with Clause 103 of the Company's Constitution and he has consented to be re-elected as an INED of the Company for the ensuing years. Based on the bilateral assessment conducted on Encik Kasmuri's performance for the year as a Director, it was found that he fared well in terms of contribution and performance in the boardroom. The Board recommended Encik Kasmuri to be re-elected for the shareholders' consideration.

How We Are Governed
Board Leadership & Effectiveness

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

An induction programme is conducted for newly appointed Directors via a briefing by the GMC members to provide Directors with the necessary information to assist him or her in understanding the operations of the Group, current issues and corporate strategies, as well as the Management structure of the Group. All Directors have attended and successfully completed the MAP required under the Bursa Securities Listing Requirements.

All Directors are encouraged to attend continuous education programmes, talks, seminars, workshops and conferences to enhance their skills and knowledge, and to ensure Directors keep abreast with new developments and legislation affecting the business. FGV constantly identifies conferences and seminars that are beneficial for the Directors to attend. FGV provides a dedicated training budget for Directors' continuous development.

During the year 2021, the Directors attended the following training programmes:

TRAINING PROGRAMMES ATTENDED BY THE BOARD IN 2021

List of Training Programmes	Organiser
Dato' Dzulkifli Abd Wahab	
Induction Programme (In-house Programme FGV)	FGV Group Secretarial Division (GSD)
The New Geopolitics of Palm Oil from Neo-Colonialism to Post COVID-19	Universiti Putra Malaysia's Institute of Tropical Forestry and Forest Products (INTROP) in collaboration with French Agriculture Development Centre (CIRAD) & Malaysian Palm Oil Board (MPOB)
Board Director 101 Series	Boardroom Corporate Services Sdn Bhd
US Forced Labor Legislation: Impact on Corporate Malaysia	KPMG Board Leadership Center
The New Reality of Cyber Hygiene (In-house Programme FGV)	KPMG Malaysia & FGV GSD
Science and Sustainability Engagement Series 3	Malaysian Palm Oil Council (MPOC)
Why Climate Change Governance is Urgently Needed and the Role of Directors	Climate Governance Malaysia (CGM)
Board Visit to FGV Palm Industries Sdn Bhd and FGV Plantations (Malaysia) Sdn Bhd in Johor, Negeri Sembilan and Kelantan	FGV Management
Board of Directors' Strategic Retreat Roundtable Discussion (In-house Programme FGV)	FGV Group Strategy
COVID Creates Unique Governance Issues	Minority Shareholders Watch Group (MSWG)

List of Training Programmes	Organiser
Dato' Amiruddin Abdul Satar	
Anti-Bribery Management Systems (ABMS) Briefing (In-house Programme FGV)	FGV Group Governance and Risk Management Division (FGV GGRM)
Board of Directors' Strategic Retreat Roundtable Discussion (In-house Programme FGV)	FGV Group Strategy
Dato' Shahrol Anuwar Sarman	
ABMS Briefing (In-house Programme FGV)	FGV GSD & FGV GGRM
Why Climate Change Governance is Urgently Needed and the Role of Directors	CGM
Board of Directors' Strategic Retreat Roundtable Discussion (In-house Programme FGV)	FGV Group Strategy
COVID Creates Unique Governance Issues	Minority Shareholders Watch Group (MSWG)
Dato' Mohd Rafik Shah Mohamad	
Induction Programme (In-house Programme FGV)	FGV GSD
Why Climate Change Governance is Urgently Needed and the Role of Directors	CGM
Board of Directors' Strategic Retreat Roundtable Discussion (In-house Programme FGV)	FGV Group Strategy
Dato' Nonee Ashirin Dato' Mohd Radzi	
Induction Programme (In-house Programme FGV)	FGV GSD
Corporate Liability Implementation in FGV (In-house Programme FGV)	FGV GGRM
Why Climate Change Governance is Urgently Needed and the Role of Directors	CGM

How We Are Governed
Board Leadership & Effectiveness

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

List of Training Programmes	Organiser
Nik Fazila Nik Mohamed Shihabuddin	
Induction Programme (In-house Programme FGV)	FGV GSD
Corporate Liability Implementation in FGV (In-house Programme FGV)	FGV GGRM
Webinar on Securities Commission's Guidelines on the Conduct of Directors of Listed Corporations and Their Subsidiaries	Securities Commission
Why Climate Change Governance is Urgently Needed and the Role of Directors	CGM
Board of Directors' Strategic Retreat Roundtable Discussion (In-house Programme FGV)	FGV Group Strategy
ESG, Islamic Finance and The Accountancy Profession: The Way Forward	Malaysian Institute of Certified Public Accountants (MICPA)
Plantation Sector Roundtable Series (In-house programme)	FGV Group Divisional Plantation Sector
The Net-Zero Journey: What Board Members Need to Know	CGM
Khazanah Megatrends Forum 2021 - The Invention of Tomorrow: Crafting Our New Collective Narrative	Khazanah Nasional Berhad
2nd Future-Proofed Oil Summit (FPPO) 2021	Confexhub Group and the Malaysian Industry-Government Group for High Technology (MIGHT)
Kasmuri Sukardi	
Induction Programme (In-house Programme FGV)	FGV GSD
Corporate Liability Implementation in FGV (In-house Programme FGV)	FGV GGRM
MAP	The Iclif Leadership and Governance Centre
Why Climate Change Governance is Urgently Needed and the Role of Directors	CGM
Board Visit to FGV Palm Industries Sdn Bhd and FGV Plantations (Malaysia) Sdn Bhd in Johor, Negeri Sembilan and Kelantan	FGV Management
Board of Directors' Strategic Retreat Roundtable Discussion (In-house Programme FGV)	FGV Group Strategy

NOMINATION AND REMUNERATION COMMITTEE REPORT

Chairman

Dato' Mohd Rafik Shah Mohamad

Members

Dato' Nonee Ashirin Dato' Mohd Radzi

Nik Fazila Nik Mohamed Shihabuddin

The Nomination and Remuneration Committee (NRC) comprises exclusively of Non-Executive Directors and majority are Independent Directors. Dato' Mohd Rafik Shah Mohamad became the Chairman of NRC on 6 September 2021. He is a Senior Independent Non-Executive Director. The Board believes that the current NRC composition provides the appropriate balance in terms of skills, knowledge and experience to promote the interests of all shareholders and to meet the needs of the Group.

The NRC held 10 meetings in 2021, two of which were attended by the Chairman of the Board as invitee. He was invited for his better understanding of some of the matters discussed at the meetings relating to job levelling, remuneration and succession framework.

FGV already has in place its fit and proper policy i.e. Board Nomination and Election Policy and Procedures (BNE Policy) which formalise its policies on Board Composition, Independence, Conflict of Interest and Board Assessment. The BNE Policy was established to ensure that any person to be appointed as Director of FGV shall possess the necessary character, integrity, competency, skills and commitment taking into account the mix of skills, independence and diversity required to meet the needs of the Group. The BNE Policy prohibits nomination of an Active Political Person (i.e. Member of Parliament, State Assemblyman, Supreme Council Member of a political party or member who holds a position at divisional level in a political party) to be a Director of FGV. Further explanation of the BNE Policy together with the Board's nomination and election process and the selection criteria used by the NRC is published in the CG Report.

The performance evaluation i.e. BEA for FY2021 on the effectiveness of the Board as a whole, the Board Committees and the individual Directors was conducted in accordance with Paragraph 15.08A(3)(c) of the Bursa Securities Listing Requirements. The BEA 2021 process is described in detail on pages 100 to 111 of this Report.

The composition of the NRC for FY2021, including the name, designation, together with the number of NRC meetings held during FY2021 and details of attendance of each NRC member can be found on page 85 of this Report.

Further details on the NRC's ToR are published on our website at www.fgvholdings.com. This Report should be read in conjunction with our CG Report, also available on our website.

How We Are Governed
Board Leadership & Effectiveness

NOMINATION AND REMUNERATION COMMITTEE REPORT

SUMMARY OF WORK

In 2021, the NRC reviewed the following principal activities in discharging its responsibilities:

NOMINATION AND ELECTION PROCESS AND APPOINTMENT AND RE-APPOINTMENT/RE-ELECTION PROCESS

a. Appointment of Chairman, Non-Independent Non-Executive Director (Government Appointed Director) and four Independent Directors.
b. Appointment of Nominee Directors in FGV Group and Nominee Directors of Koperasi Permodalan FELDA Malaysia Berhad in FGV Group.
c. Re-election of Directors.
d. Revision of composition of the Board Committees.
e. Appointment of Senior Management.

REMUNERATION MATTERS

a. Annual fees and benefits for Board and Board Committees.
b. Remuneration and benefits of employees of FGV Group.
c. Performance bonus payout to employees of FGV Group.
d. Salary increment for employees of FGV Group.
e. Salary adjustment of Senior Management.

PERFORMANCE MANAGEMENT

a. Reviewed the PMS Framework.
b. Assessed the performance management effectiveness.

INDUCTION AND CONTINUING EDUCATION PROGRAMMES

a. Reviewed the report on the training programmes attended by the Board and the induction programme for newly appointed Directors.

BOARD ASSESSMENT

a. BEA for FY2020 - an assessment on the effectiveness of the Board as a whole, the Board Committees and the individual Directors was conducted in accordance with Paragraph 15.08A(3)(c) of the Bursa Securities Listing Requirements, MCCG and the BNE Policy, which includes a review on the tenure of each Director, an assessment on the independence of Independent Directors, a review on the performance of the Board in addressing the Company's material sustainability risks and opportunities as well as a review on the term of office and performance of the Audit Committee (AC) and each of its members to determine whether they have carried out their duties in accordance with the AC's ToR.

SUCCESSION PLANNING POLICIES

a. Proposed Succession Planning for Senior Management.
b. Revision of Group Human Capital policies.

STATEMENTS INCLUDED IN FGV'S ANNUAL INTEGRATED REPORT 2020

a. Reviewed the disclosure in Corporate Governance Overview Statement and CG Report relating to the following:
   - Board nomination and election procedures having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of FGV
   - Board balance and composition including tenure and gender diversity
   - Board skills mapping and experience
   - BEA process
   - Trainings attended by the Directors for the financial year and induction programmes, pursuant to the Bursa Securities Listing Requirements
   - Directors' remuneration in accordance with relevant provisions from the Bursa Securities Listing Requirements and the Companies Act 2016

b. Reviewed the disclosure in the NRC Report relating to the following:
   - How the requirements set out in paragraph 2.20A of Bursa Securities Listing Requirements were met
   - Composition of the NRC
   - Number of NRC meetings held and details of attendance of each member
   - Summary of work and activities of the NRC and matters considered by the NRC in the discharge of its functions and duties and how it has met its responsibilities

KEY MATTERS REPORTED TO THE BOARD

The NRC Chairman updated the Board on matters deemed to be of major importance deliberated at the NRC meetings and its recommendations. The copies of confirmed minutes of each NRC meeting were also circulated to the Board for noting at the next practicable Board meeting. Among the significant matters considered by the NRC during FY2021 were as follows:

Significant matters	How these matters were addressed by the NRC
1 **Proposed appointment of Chairman, Non-Independent Non-Executive Director (Government Appointed Director) with effect on 1 April 2021 and four Independent Directors with effect on 30 June 2021 and 1 July 2021 respectively**	Assessed the suitability of candidates, taking into account the selection criteria based on the BNE Policy.
2 **Proposed appointment of Senior Management**	Considered the proposed appointment of Senior Management taking into account the current and future needs of FGV, including diversity requirements.

PERFORMANCE REVIEW

During the financial year, the Board evaluated the NRC's performance and the extent to which the NRC met the requirements of its ToR, including the term of office and performance of the NRC and each of its members. This performance assessment constituted part of the annual BEA, pertaining to the assessment of Board Committees.

This Report was made in accordance with a resolution of the Board of Directors approved on 30 March 2022.

How We Are Governed
Board Leadership & Effectiveness

DIRECTORS' REMUNERATION

DIRECTORS' REMUNERATION

The Board Remunerations Policy sets out the processes and procedures in determining the remuneration for the Directors.

The Board Remunerations Policy provides that the Board, via the NRC, shall conduct a high-level review and shall perform an in-depth benchmarking of the remuneration packages of the Board at least once in two years to ensure fairness and competitiveness relative to the market (based on market positioning, revenue, performance, total assets, profit after tax and market capitalisation of the comparator groups), to attract, retain and motivate the Board.

The remuneration packages of the Board were last reviewed, benchmarked and approved by shareholders in 2019. In 2020, the shareholders approved the payment of Deputy Chairman's monthly allowance and in FY2021, the shareholders approved the increase in meeting allowance via teleconferencing in view of the pandemic and also the meeting allowance for overseas meeting with flight time <= 8 hours.

Dato' Dzulkifli Abd Wahab had agreed to waive his fees and meeting allowances as Chairman of BSC.

SUMMARY OF BOARD REMUNERATIONS POLICY

The Non-Executive Directors' remuneration package reflects the experience, expertise and level of responsibilities undertaken by the Non-Executive Directors. The Non-Executive Directors' remuneration includes fees, benefits-in-kind and other benefits including meeting allowances.

The Non-Executive Directors' current fee structure is set out in the table below:

BOARD/BOARD COMMITTEES	FEES PER ANNUM
Board	RM300,000.00 (Chairman) RM120,000.00 (Non-Executive Directors)
AC	RM64,000.00 (Chairman) RM32,000.00 (Non-Executive Directors)
NRC	RM35,000.00 (Chairman) RM20,000.00 (Non-Executive Directors)
BGRMC	RM32,000.00 (Chairman) RM16,000.00 (Non-Executive Directors)
IC	RM32,000.00 (Chairman) RM16,000.00 (Non-Executive Directors)
BSC*	RM32,000.00 (Chairman) RM16,000.00 (Non-Executive Directors)
BTC**	RM32,000.00 (Chairman) RM16,000.00 (Non-Executive Directors)

* *BSC was established on 1 September 2021. BSC's fees and meeting allowance will be presented to the shareholders for approval.*
** *BTC was disbanded on 20 April 2021.*

Partnership • Respect • Integrity • Dynamism • Enthusiasm (PRIDE) are the values embedded in the hearts of FGV employees.

The Non-Executive Directors' current remuneration structure (excluding Directors' fees) is set out below:

Meeting Allowance

Non-Executive Chairman and Non-Executive Directors

- **Local**: RM2,000.00
- **Overseas** (Flight time <= 8 hours): RM3,000.00
- **Overseas** (Flight time > 8 hours): RM5,000.00
- **Teleconferencing**: RM2,000.00

Other Benefits

Non-Executive Chairman

- Company car allowance (RM15,000.00 per month including petrol, toll charges and car maintenance)
- Driver (actual)
- Club membership (RM10,000.00 per annum)
- Mobile phone bills (actual)
- Personal entertainment (RM24,000.00 per annum)
- One personal bodyguard at Chairman's disposal within Malaysia (actual)
- Medical coverage (RM100,000.00 per annum)
- Group Personal Accident insurance coverage (RM200,000.00 per annum)

Non-Executive Deputy Chairman

- Deputy Chairman's allowance (RM3,000.00 per month)
- Medical coverage (RM100,000.00 per annum)
- Group Personal Accident insurance coverage (RM200,000.00 per annum)

Non-Executive Directors

- Medical coverage (RM100,000.00 per annum)
- Group Personal Accident insurance coverage (RM200,000.00 per annum)

Further details on summary of the Non-Executive Directors' remuneration structure are disclosed on our website at www.fgvholdings.com.

How We Are Governed
Board Leadership & Effectiveness

DIRECTORS' REMUNERATION

The Directors' remuneration for FY2021 in aggregate from FGV and the Group, with categorisation into components, distinguishing between Non-Independent Non-Executive Directors and Independent Non-Executive Directors, is stated below:

NAME OF DIRECTORS	ANNUAL FEES[1]			
	BOARD (RM)	AUDIT COMMITTEE (RM)	NOMINATION AND REMUNERATION COMMITTEE (RM)	INVESTMENT COMMITTEE (RM)
Non-Independent Non-Executive Director				
Dato' Dzulkifli Abd Wahab[4]	225,000.00	–	–	–
Dato' Amiruddin Abdul Satar	120,000.00	–	–	16,000.00
Dato' Shahrol Anuwar Sarman	120,000.00	32,000.00	–	–
Datuk Dr Zunika Mohamed[5]	120,000.00	–	20,000.00	–
Datuk Wira Azhar Abdul Hamid[6]	75,000.00	–	–	–
Independent Non-Executive Director				
Dato' Yusli Mohamed Yusoff[7]	120,000.00	6,400.00	23,877.00	16,000.00
Dato' Nonee Ashirin Dato' Mohd Radzi[8]	60,333.33	16,219.00	10,137.00	16,219.00
Dato' Mohd Rafik Shah Mohamad[9]	60,000.00	32,263.00	14,890.00	–
Nik Fazila Nik Mohamed Shihabuddin[10]	60,000.00	16,132.00	6,411.00	–
Kasmuri Sukardi[11]	60,000.00	–	–	8,066.00
Datuk Mohd Anwar Yahya[12]	30,000.00	15,956.00	–	–
Datin Hoi Lai Ping[13]	57,666.67	20,953.00	9,534.00	15,255.00
Dr Mohamed Nazeeb P.Alithambi[14]	30,000.00	–	–	3,989.00
Dr Nesadurai Kalanithi[15]	58,000.00	3,419.00	9,589.00	–
TOTAL	**1,196,000.00**	**143,342.00**	**94,438.00**	**75,529.00**

Notes:
1 Annual fees not inclusive of Sales and Services Tax (SST).
2 Board Sustainability Committee was established on 1 September 2021.
3 Board Tender Committee was disbanded on 20 April 2021.
4 Dato' Dzulkifli Abd Wahab was appointed as Chairman, Non-Independent Non-Executive Director on 1 April 2021.
5 Datuk Dr Zunika Mohamed resigned as Non-Independent Non-Executive Director on 11 March 2022.
6 Dato' Yusli Mohamed Yusoff demised on 10 March 2022.
7 Datuk Wira Azhar Abdul Hamid resigned as Chairman, Non-Independent Non-Executive Director on 1 April 2021.

**** Dato' Dzulkifli Abd Wahab had agreed to waive his fees of RM10,696.00 as Chairman of Board Sustainability Committee.***
***** Dato' Dzulkifli Abd Wahab had agreed to waive his Board Sustainability Committee meeting allowance of RM2,000.00.***

BOARD GOVERNANCE & RISK MANAGEMENT COMMITTEE (RM)	BOARD SUSTAINABILITY COMMITTEE[2] (RM)	BOARD TENDER COMMITTEE[3] (RM)	ANNUAL FEES FROM SUBSIDIARIES (RM)	BENEFITS-IN-KIND (RM)	OTHER BENEFITS (RM)	TOTAL (RM)
–	10,696.00*	–	–	44,685.58	150,000.00**	430,381.58
–	5,348.00	–	–	1,118.08	36,000.00	178,466.08
–	–	4,822.00	–	1,118.08	48,000.00	205,940.08
16,000.00	–	–	–	1,118.08	48,000.00	205,118.08
–	–	–	–	30,492.80	53,000.00	158,492.80
15,956.00	5,348.00	–	–	1,118.08	102,000.00	290,699.08
–	–	–	–	1,118.08	30,000.00	134,026.41
8,066.00	–	–	–	1,582.36	36,000.00	152,801.36
8,066.00	5,348.00	–	28,625.72	1,402.76	48,000.00	173,985.48
16,132.00	5,348.00	–	–	1,530.42	24,000.00	115,076.42
–	–	3,989.00	–	1,530.42	18,000.00	69,475.42
–	–	–	–	1,118.08	48,000.00	152,526.75
–	–	7,978.00	–	1,530.42	12,000.00	55,497.42
7,671.00	–	–	–	1,118.08	40,000.00	119,797.08
71,891.00	**32,088.00**	**16,789.00**	**28,625.72**	**90,581.32**	**693,000.00**	**2,442,284.04**

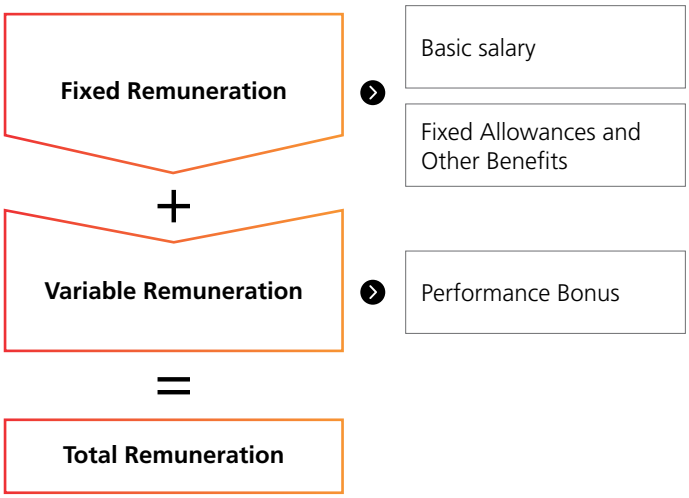
8 Dato' Nonee Ashirin Dato' Mohd Radzi was appointed as Independent Non-Executive Director on 30 June 2021.
9 Dato' Mohd Rafik Shah Mohamad was appointed as Independent Non-Executive Director on 1 July 2021. He was redesignated as Senior Independent Non-Executive Director on 30 March 2022.
10 Nik Fazila Nik Mohamed Shihabuddin was appointed as Independent Non-Executive Director on 1 July 2021.
11 Kasmuri Sukardi was appointed as Independent Non-Executive Director on 1 July 2021.
12 Datuk Mohd Anwar Yahya resigned as Independent Non-Executive Director on 1 April 2021.
13 Datin Hoi Lai Ping retired as Independent Non-Executive Director on 23 June 2021.
14 Dr Mohamed Nazeeb P.Alithambi resigned as Independent Non-Executive Director on 1 April 2021.
15 Dr Nesadurai Kalanithi resigned as Independent Non-Executive Director on 24 June 2021.

How We Are Governed
Board Leadership & Effectiveness

SENIOR MANAGEMENT'S REMUNERATION

The remuneration framework for all employees inclusive of the Senior Management is guided by the Group's Compensation Policy (GC Policy). The NRC reviews Senior Management's remuneration framework taking into consideration the best practices, views of industry experts, obtaining and analysing the available data, stakeholders and the market at large. The NRC also reviews the remuneration packages for the Senior Management as per the prevailing Group LOA and ensure the remuneration level is sufficient to attract, retain and motivate high calibre individuals with the required qualification, skills, talent and experience.

The Senior Management's remuneration structure consists of fixed and variable remunerations. Group Human Capital (GHC) was tasked to review and link the remuneration of the Senior Management especially performance-based remuneration to the individual's performance and contribution to the Group and also benchmarked against the industry to ensure alignment and pay competitiveness. GHC presents proposals to NRC which includes annual salary increments, performance bonuses, promotions, salary adjustments, promotion adjustments, other benefits and benefits-in-kind.



The Board of Directors is responsible for assessing the performance of the GCEO, Company Secretary and Chief Internal Auditor while the rest of the Senior Management's performance is assessed by the GCEO. The Senior Management's performance bonus is determined based on Group, Sector/Division/Company and individual performances. The relative weightage (%) of the business and individual performances has been determined based upon an employee's position within the Company (line-of-sight), to directly impact and be held accountable for his or her achievements and the Company's overall performance.

For FY2021, the Senior Management that had Key Performance Indicators (KPI) related to sustainability and environment are GCEO, Head of Group Sustainability, Group Divisional Directors and Group Chief Strategic Communication Officer. As such, the Company's material sustainability risks and opportunities have been addressed accordingly during the FY2021 performance review of these Senior Management.

Moving forward for FY2022, the KPI of all Senior Management will include an item related to material sustainability risks and opportunities.

Previously, the Long Term Incentive Plan (LTIP) was part of Senior Management's remuneration structure in the form of share grant scheme governed by LTIP By-Laws. The LTIP comprised of restricted share (RS) grant and performance share (PS) grant which were in force for a period of 10 years commencing from 3 February 2016. The RS granted on 1 June 2018 had a three-year vesting period and had fully vested or forfeited as at 31 December 2020. The LTIP was discontinued in January 2021. There were no outstanding grants pending vesting and there were no RS or PS granted in FY2021. All the remaining shares under the LTIP were treated as part of the Offer Shares under the Unconditional Mandatory Take-Over Offer by Federal Land Development Authority (FELDA).

The GC Policy was last reviewed end 2019 and a summary of the Senior Management's remuneration are disclosed in our website at www.fgvholdings.com.

TOP FIVE SENIOR MANAGEMENT'S REMUNERATION FOR FY2021

Dato' Haris Fadzilah Hassan
GCEO
(Resigned with effect from 15 May 2021)
RM1,750,001 to RM1,800,000

Dato' Mohd Hairul Abdul Hamid
GCFO
RM1,700,001 to RM1,750,000

Syed Mahdhar Syed Hussain
Group Divisional Director of Plantation Sector
(Ceased office with effect from 1 November 2021)
RM1,550,001 to RM1,600,000

Azman Ahmad
Group Divisional Director of Logistics & Others Sector
RM1,100,001 to RM1,150,000

Syed Feizal Syed Mohammad
GCEO of MSM Malaysia Holdings Berhad
(Appointed with effect from 1 February 2021)
RM1,050,001 to RM1,100,000

The remuneration includes salaries, bonuses, benefits-in-kind and other emoluments.

How We Are Governed

Effective Audit and Risk Management

AUDIT COMMITTEE REPORT

Chairman

Dato' Mohd Rafik Shah Mohamad

Members

Dato' Shahrol Anuwar Sarman

Dato' Nonee Ashirin Dato' Mohd Radzi

Nik Fazila Nik Mohamed Shihabuddin

The Audit Committee (AC) comprises exclusively of Non-Executive Directors, a majority of whom are Independent Non-Executive Directors. None of the AC members were former partners of the external auditors of the Company. With respect to the MCCG, FGV has not adopted Step Up Practice 9.4 for AC composition to comprise solely of Independent Non-Executive Directors as Dato' Shahrol Anuwar Sarman is a Non-Independent Non-Executive Director. The Board views the participation of Dato' Shahrol Anuwar is beneficial to the AC basing on his experience and knowledge relating to Government treasury.

The AC Chairman is a qualified Chartered Accountant from the Malaysian Institute of Accountants (MIA) and is a fellow of the Association of Chartered Certified Accountants (ACCA), UK. Puan Nik Fazila is also a qualified Chartered Accountant from the Malaysian Institute of Certified Public Accountants (MICPA) and the MIA. All AC members are financially literate and are able to analyse and interpret Financial Statements to effectively discharge their duties and responsibilities. The AC, therefore, meets the requirements of paragraph 15.09(1)(c) of the Listing Requirements which stipulates that at least one member of the AC must be a qualified accountant.

The AC held 12 meetings and the GCEO, the GCFO, the Chief Internal Auditor and various Management attended the meetings upon invitation by the AC. The AC also held various private sessions with the external auditors.

The purpose of the AC is to assist the Board in fulfilling the following key responsibilities:

- Ensuring the integrity of financial information
- Assessing the risks and control environment
- Overseeing and reviewing the Group's management of financial risk processes, accounting and financial reporting practices
- Reviewing the Group's accounting function, financial reporting and the system of internal controls
- Evaluating the internal and external audit processes and outcome to ensure independence of both the external and internal audit functions
- Reviewing conflict of interest situations and related party transactions
- Undertake any investigations within its ToR or as instructed by the Board
- Undertake any such other functions as may be determined by the Board from time to time

The existence of the AC does not diminish the Board's ultimate statutory and fiduciary responsibility for decision making relating to the functions and duties of the AC.

The composition of the AC for FY2021, including the name, designation together with the number of AC meetings held during FY2021 and details of attendance of each AC member can be found on page 85 of this Report.

Further details of the AC's ToR are published on our website at www.fgvholdings.com.

How We Are Governed
Effective Audit and Risk Management

AUDIT COMMITTEE REPORT

SUMMARY OF WORK

In FY2021, the AC assisted the Board in ensuring effective governance over the appropriateness of the Group's financial reporting, including the adequacy of related disclosure, the performance of both internal audit function and external auditors, and the oversight over the Group's system of internal controls, business risks and related compliance activities. The AC also undertook the following principal activities in discharging its responsibilities:

FINANCIAL REPORTING

a. Reviewed reports of the external auditors from their quarterly Financial Statements review and annual statutory financial audit at each meeting. Among the main focus areas of the reports were the assessments of impairment and provision exposures of various assets, land lease arrangements, goodwill on investments and onerous contracts based on applicable financial reporting standards.
b. Met with the external auditors in two private sessions during the financial year without the presence of Management on 23 March 2021 and 23 August 2021.
c. Reviewed the impact of COVID-19 pandemic to the Group's business operations.
d. Evaluated the quarter and annual report on consolidated financial statements for each quarter and appraised the analysis of the results in detail. Where required, the AC provided direction and sought more details on the analysis of the consolidated results to make its recommendation to the Board on the quarterly report. The AC also requested further details on several important matters for its deeper understanding and provided the necessary direction on the matters.
e. Assessed the cash flow assumptions and forecast, proposed dividend payment and solvency test.
f. Reviewed the calculation of the Land Lease Liability to FELDA and its impact to the Financial Statements.
g. Reviewed and endorsed policy revisions relating to accounting, finance, governance and internal control for the Board's approval.
h. Reviewed the Group's LOA, Group Finance Policies and Procedures and External Auditor Policy and Procedures.

The Chairman of the AC held two private meetings with the external auditors to be briefed in detail on the financial results of the Company and the Group.

RISKS AND INTERNAL CONTROL ENVIRONMENT

a. Evaluated the reports on the assessment of the risks and control environment based on the external auditors' quarterly financial information review in each quarter and statutory financial audit at year-end.
b. Reviewed five quarterly reports from the Chief Internal Auditor summarising the main observations from the internal audit reports issued, which included information relevant for the assessment of the risks and control environment.
c. Considered the overall rating of the internal audit reports issued in FY2021 as a reflection of the overall effectiveness of the system of internal control vis-à-vis the risks, control environment and compliance requirements of the Group.
d. Received assurances from the GCEO and the GCFO that the risk management and internal control system of the Group for FY2021 operated adequately and effectively, in all material respects.
e. Reviewed the implementation progress of a Control Self-Assessment System.
f. Reviewed independent consultants' reports on FGV's governance mechanisms, risk management processes and cyber security readiness.
g. Reviewed ESG matters relating to the Group's business operations.

At each of its meetings, the AC gave guidance which was relevant for the improvement of the risks and control environment of the Group, in particular in the areas of commodities trading, receivables management, inventory management, construction project management, procurement management, refinery maintenance and plantation operations, which were the main challenges to the Group during the financial year.

EXTERNAL AUDIT PROCESS AND OUTCOME

a. Assessed the comprehensiveness of the audit plan of the external auditors for FY2021 and ensured coordination with the various other audit firms apart from PricewaterhouseCoopers PLT (PwC) who are involved in the external audit of several subsidiaries.
b. Assessed the external auditors for their reappointment for FY2021 based on the established External Auditor Policy and recommended their re-appointment to the Board. The AC also considered the feedback from Management on their evaluation of the external auditors based on the services provided on the external audits for FY2020.
c. Assessed the external auditors audit fees for FY2021 and made its proposal to the Board for approval.

d. Received written assurance from external auditors in their audit plan for FY2021 confirming they are, and will maintain, independent throughout the conduct of the audit engagement in accordance with the ToR of all relevant professional and regulatory requirements.

INTERNAL AUDIT PROCESS AND OUTCOME

a. Received and reviewed all 39 internal audit reports issued during FY2021 to the Chairman and members of the AC. These are reports from assignments undertaken from the internal audit plan and any unplanned investigations and special assignments undertaken by Group Internal Audit.
b. Reviewed the following at every quarterly meeting during FY2021:
   - A report summarising the main observations from the internal audit reports issued during the quarter. The AC gave direction to Management on key matters requiring the Management's special and immediate attention. The AC reported to the Board on these key matters
   - A report on the progress of implementation of the approved internal audit plan for the FY2021, including the status of internal audit resources to support the implementation of the approved internal audit plan and development progress of the internal audit employees
   - A report on the progress of implementation of the recommendations from the internal audit reports issued. The Board was apprised of delays in implementation of the recommendations
c. Performed the following:
   - Reviewed and approved the internal audit plan for FY2021 together with the scope, functions, resources, budget and KPI of the Group's internal audit function and reported to the Board accordingly
   - Assessed the performance of the Chief Internal Auditor, which included assessment of the effectiveness of the Group's internal audit function with reference to the Institute of Internal Auditors' International Professional Practices Framework
   - Assessed the Chief Internal Auditor's performance, increment, bonus adjustment and renewal of her contract of employment

The Chairman of the AC held seven private meetings and discussions with the Chief Internal Auditor and her Management team to discuss on developments which were relevant for the internal audit work, to give direction for a more effective audit plan, to be apprised of or give guidance on any major internal audit observations and any related matters towards improving the governance, risk and control processes of FGV Group.

RECURRENT RELATED PARTY TRANSACTIONS MONITORING OF THE GROUP

a. Reviewed the quarterly report on the recurrent related party transactions of the Group and took note that the related party transactions were within the mandate from the shareholders.
b. Reviewed the Circular to shareholders for the purpose of seeking mandate for recurrent related party transactions at the 13th AGM in 2021.
c. Reviewed the internal audit report on the annual recurrent related party transactions review.
d. Reviewed justifications of the FGV Group's major recurrent related party transactions which were not supported with contemporaneous pricing.

FINDINGS OF INVESTIGATIONS AND RELATED LEGAL OPINION

a. Considered the investigation reports, valuation reports, legal opinion and related information from forensic and internal investigations.
b. The Committee deliberated the findings and sought relevant clarification to satisfy themselves that the investigations and legal opinion are comprehensive.

STATEMENTS INCLUDED IN FGV'S ANNUAL INTEGRATED REPORT 2020

Reviewed the AC Report, the Statement on Risk Management and Internal Control, the Corporate Governance Overview Statement, the Management Discussion & Analysis, the Chairman's Statement and the GCEO's Message to be included in the Annual Integrated Report 2021 as well as the CG Report and recommended the same to the Board for approval. The Statement on Risk Management and Internal Control was reviewed reflecting on the reports of the external and internal auditors on the risks and control environment of the Group and related matters that have been brought to the AC and the Board during the financial year.

How We Are Governed
Effective Audit and Risk Management

AUDIT COMMITTEE REPORT

KEY MATTERS REPORTED TO THE BOARD

The AC Chairman updated the Board on matters deemed to be of major importance deliberated at the AC meetings and its recommendations. The copies of confirmed minutes of each AC meeting were also circulated to the Board for noting at the next practicable Board meeting. Among the significant matters considered by the AC during FY2021 were the following:

Significant matters	How these matters were addressed by the AC
1 **Financial Reporting**	Reviewed and recommended to the Board the quarterly financial results and year-end Financial Statements of FGV and the Group, focusing particularly on changes in financial reporting standards including assessing their impacts on the Financial Statements, reasons for fluctuations between periods, explanations for achievement of budgets, forecasts and matters requiring Management's judgement, especially assets recoverability, accounting practices, unusual events and significant adjustments.
2 **Internal Control**	Provided direction for internal control improvements on matters reported by the Group Internal Audit particularly during the COVID-19 environment where there were no physical movements. Encouraged management to prioritise the improvements based on the observations reported in the Group Internal Audit reports.
3 **Recurrent Related Party Transactions**	Considered whether the recurrent related party transactions were undertaken at commercial terms in accordance with established procedures and within the mandate provided by the shareholders.
4 **Group Financial Policies**	Reviewed and recommended to the Board the revised Group's LOA, Group Finance Policies and Procedures and External Auditor Policy and Procedures.

RELATIONSHIP WITH THE EXTERNAL AUDITOR

FGV has an External Auditor Policy and Procedures which details the following relating to the relationship with the External Auditor:

- Appointment and re-appointment of External Auditor
- Effectiveness of the External Auditor
- Assessing independence of External Auditor
- Audit partner rotation
- Audit delivery and reporting
- Engagement of External Auditor for non-audit services
- Removal of External Auditor

The details of the External Auditor Policy and Procedures can be found on Practice 9.3 of the CG Report.

The AC ToR was revised on 30 November 2021 to include the requirement of MCCG that all non-audit services to be approved by the AC. For practical purposes, the AC has pre-approved a cumulative sum of up to RM100,000 for Malaysian Financial Reporting Standards (MFRS) and Financial Statements related training and works as non-audit services by the external auditor to be engaged by the Management. These engagements shall be reported to the AC every quarter.

FEES PAID AND PAYABLE TO THE EXTERNAL AUDITOR

The fees paid/payable to the external auditor, PwC, in FY2021 were as follows:

FEES PAID/PAYABLE TO PwC IN 2021	RM'000
Audit Fees	
• PwC Malaysia	3,941
• Member firms of PwC International Limited (PwCIL)	1,222
Audit-Related Fees	
• PwC Malaysia and member firms of PwCIL	1,484
• Other non-audit fees paid to PwC Malaysia and member firms of PwCIL	157
Total	**6,804**

GROUP INTERNAL AUDIT

The Group's Internal Audit function is independent and reports functionally directly to the AC and administratively to the GCEO. The conduct of Group Internal Audit is based on a Group Internal Audit Charter, which is established consistent with the requirements of the Institute of Internal Auditors' International Professional Practices Framework and approved by the AC as affirmed through a Quality Assurance Review once in every five years with the last one conducted in 2019.

There were 55 internal auditors as at 31 December 2021 covering the activities of the Group. The qualification, professional status and continuous development training of the internal auditors together with their independence and objectivity are disclosed in Practice 11.1 and 11.2 of the CG Report. The continuous development training is to enhance and align the internal auditors' competencies and knowledge to the emerging risks and audit requirements.

The total cost incurred by Group Internal Audit for FY2021 was RM8.5 million (FY2020 was RM8.2 million). This amount comprised mainly staff cost and benefits, travelling expenses and the operating cost of the Group Internal Audit management system.

How We Are Governed
Effective Audit and Risk Management

GROUP INTERNAL AUDIT

SUMMARY OF WORK DONE BY GROUP INTERNAL AUDIT IN FY2021

ASSURANCE

The assurance work during the year 2021 was a balance of governance, risk and control at the corporate centre level and business operational level. The focus was in the following main areas:

- At the business operational level, the key audit scopes were on the fresh fruit bunches (FFB) purchasing, crude palm oil (CPO) inventory management, FFB to CPO and palm kernel revenue supply chain and billing management, trading and hedging of CPO and PPO, OEM products management, project management, security management and reporting of operational information. For our main Business Cluster, i.e. Upstream, the key audit scopes were mechanisation, migrant workers' welfare management, wages management, procurement, inventory management, security management, by-products management and road & bridges project management. GIA also undertook Control Self-Assessment for 147 FGVPM estates in the year 2021.

- Corporate governance and risk management processes towards enhancing general governance and risk management practices and culture.

- Recurrent related party transactions review with a view of advising the AC on the Group's compliance with the Related Party Transactions and Recurrent Related Party Transactions Policy.

- Review of investment and divestment decision making and execution processes.

- Information Technology (IT) governance and controls which covers application functionality review, data integrity, user access control and system security including cyber security.

INVESTIGATION

Group Internal Audit undertakes investigative audits based on the request and information from Whistleblowing Committee, Management, AC and the Board. The outcome of the investigations are reported to the Whistleblowing Committee, Management, AC and the Board respectively. The recommendations and resolutions arising from the investigation reports tabled are communicated to Management for the necessary actions for implementation.

Group Internal Audit's investigations and special review work during the year 2021 identified improvements in the following areas:

- Revenue accounting
- Operations management
- Stock management
- Procurement management
- Project management
- Human resource management

CONSULTING

Group Internal Audit plays an active role in advising the Group on various matters. In FY2021, consulting advisory was provided through the following platforms:

- IT Project Steering Committee and Working Committee meetings to provide guidance on IT project management and system development or implementation processes
- Participation in working committee on issues related to the ban on palm oil products by the United States
- Provided feedback and queries on matters circulated and submitted to GMC for approval on process, clarity and transparency of information presented. The focus of Group Internal Audit's feedback on the documents was from the aspect of compliance with any regulatory requirements, incorporating practical best practices and enhancing governance and risk management
- Participation in meetings with Divisional Management and Sector Management to close the gaps relating to recurring audit issues

PERFORMANCE REVIEW

During the financial year, the Board evaluated the AC's performance and the extent to which the AC met the requirements of its ToR, including the term of office and performance of the AC and each of its members. This performance assessment constituted part of the annual BEA, pertaining to the assessment of Board Committees.

This Report was made in accordance with a resolution of the Board of Directors approved on 30 March 2022.

BOARD GOVERNANCE & RISK MANAGEMENT COMMITTEE REPORT

Chairman

Kasmuri Sukardi

Members

Dato' Mohd Rafik Shah Mohamad

Nik Fazila Nik Mohamed Shihabuddin

The purpose of the Board Governance & Risk Management Committee (BGRMC) is to assist the Board in fulfilling its statutory and fiduciary responsibilities in formulating, overseeing as well as inculcating good governance, sound risk management and sustainability practices and culture in the FGV Group.

The BGRMC comprises exclusively of Non-Executive Directors and majority are Independent Directors. The Chairman of the BGRMC is an Independent Non-Executive Director.

The BGRMC's responsibilities are as follows:

Governance, Ethics & Integrity

- Review and monitor the implementation of a governance and integrity framework which includes reviewing and maintaining governance documents and policies
- Ensure adequate resources to oversee and implement governance policies and processes

Risk Management

- Recommend to the Board for approval and/or amendments to the Group's risk management and internal control framework, strategies, policies, procedures, systems, capabilities and parameters
- Review periodically the Group's risk management and internal control framework, strategies, policies, procedures, systems, capabilities and parameters to ensure implementation and compliance
- Evaluate the adequacy and effectiveness of the Group's risk management, mitigation plans and internal control framework, the Group Governance and Risk Management structure, risk management processes and support system to identify, assess, monitor, manage and mitigate the Group's key risks
- Report to the Board key business risks and its updates, strategies on managing key business risks, effectiveness of the mitigation plans and progress management of key business risks

Sustainability

- Direct and oversee the formulation of the Group's overall sustainability strategies and initiatives, including principles and policies which are aligned with related regulations and standards
- Monitor the implementation of the Group's approved overall sustainability strategies and initiatives, including principles and policies
- Review Sustainability Report or Sustainability Statement or information having major financial and/or reputational impact to the Group, to be publicly issued by the Group or to be included in the Company's Annual Integrated Report
- Address ongoing sustainability legacy issues such as the RSPO and US Customs and Border Protection that has an impact on the business operations and performance of the company

Effective 1 September 2021, matters related to sustainability became agendas of the newly established Board Sustainability Committee.

How We Are Governed
Effective Audit and Risk Management

BOARD GOVERNANCE & RISK MANAGEMENT COMMITTEE REPORT

Others

- Review any reporting of matters to the shareholders and/or relevant authorities and statements for inclusion in the Company's Annual Integrated Report as well as other statements which are mandated by Bursa Malaysia or related to governance and risk management
- Ensure that the results of audit on corruption-related matters, reviews of risk assessment, control measures and performance are reported to the Board and acted upon (for corruption related matters, it shall be reported to the Board immediately upon conclusion of the audit and to update the Board more frequent. For high risk or sensitive red flag issues, material changes in situations which result in increased corruption risks, outcomes of investigations, etc. it shall be reported to the Board immediately upon conclusion of the audit and to update the Board every quarter)
- Highlight to the Board on every quarter, the Group's key risk indicators and risk tolerance levels, and the mitigation plans
- Undertake any such other functions as may be determined by the Board from time to time

The composition of the BGRMC for FY2021, including the name, designation together with the number of BGRMC meetings held during FY2021 and details of attendance of each BGRMC member can be found on page 85 of this Report.

Further details of the BGRMC's ToR are published on our website at www.fgvholdings.com. This Report should be read in conjunction with our CG Report, also available on our website.

SUMMARY OF WORK

In 2021, the BGRMC undertook the following principal activities in discharging its responsibilities:

GOVERNANCE, ETHICS AND INTEGRITY

a. Reviewed:
- Revision to Board Policy Approval Matrix and Governance Policy & Procedures
- Revision of Group Human Capital policies
- Establishment of COVID-19 & Its Variants Vaccination Policy
- Establishment of IT Security Framework
- Status of compliance to MCCG
- Plans on governance activities for the year 2022 and completed initiatives

b. Briefed on:
- Outcomes of internal Anti-Bribery Audit and SIRIM Surveillance Audit
- Integrity Assessment Tool (IAT) survey results by Institut Integriti Malaysia
- Enhancement of FGV policies
- Status of whistleblowing which include number of cases, type of cases, lessons learnt and list of improvements

RISK MANAGEMENT

a. Assessed and deliberated on the Group's risk status through FGV Group Quarterly Risk Report covering the Group's top 10 risks, Risk Profile Monitor, key risks beyond the risk register-strategic, reputational and emerging risks, and key risk management and governance activities

b. Appraised the reports on:
- New Ventures Post Review Project Risk Assessment for three selected projects
- COVID-19 Impact Analysis
- 2022 plans for risk management activities and the completed initiatives

SUSTAINABILITY

a. Briefed on:
   - Quarterly report on sustainability updates and key initiative
   - Updates on FGV's affiliation to the Fair Labor Association (FLA)
   - Updates on the selection of an independent auditor to address the US Customs and Border Protection (US CBP) Withhold Release Order (WRO) against FGV, its subsidiaries and joint venture companies on palm oil and palm oil products
   - Reports relating to verification audit by the Roundtable on Sustainable Palm Oil (RSPO)
   - Reports relating to RSPO/ISCC/MSPO certifications
   - Reports relating to the traceability source
   - Updates on Labour Programme, Conservation Programme, Supplier Management Programme and Climate Action Programme
   - Reports relating to FGV's status in ESG rating (Sustainability Policy Transparency Toolkit-Spott) as compared to other plantation companies in Malaysia

b. Assessed and deliberated on FGV's commitment to Science-Based Target and net-zero ambition

STATEMENTS INCLUDED IN FGV'S ANNUAL INTEGRATED REPORT 2020

a. Reviewed the BGRMC Report, the Statement on Risk Management and Internal Control, Corporate Governance Overview Statement and Sustainability Statement to be included in FGV's Annual Integrated Report 2020 as well as the CG Report and recommended the same to the Board for approval

KEY MATTERS REPORTED TO THE BOARD

The Chairman of the BGRMC updated the Board on matters deemed to be of major importance deliberated at the BGRMC meetings and its recommendations. The copies of confirmed minutes of each BGRMC meeting were also circulated to the Board for noting at the next practicable Board meeting. Among the significant matters considered by the BGRMC during FY2021 were the following:

Significant matters	How these matters were addressed by the BGRMC
1 **COVID-19 Impact Analysis Reports**	• Reviewed all four reports and deliberated on the assessment of the risks from four perspectives: globally, Malaysia, palm industry and FGV operations; potential impacts of the pandemic and mitigations • Following from the reports, FGV had ramped up the vaccination rate among its workers, provided counselling to encourage vaccination, closely monitored the number of serious cases, fatalities and worksites shutdown and provided the BGRMC with daily infection numbers
2 **Group Policies**	• Recommended the following proposed revisions for Board approval: a. Board Policy Approval Matrix and Governance Policy & Procedures b. Group Human Capital policies c. COVID-19 & Its Variants Vaccination Policy d. IT Security Framework

How We Are Governed
Effective Audit and Risk Management

BOARD GOVERNANCE & RISK MANAGEMENT COMMITTEE REPORT

	Significant matters	How these matters were addressed by the BGRMC
3	**New Ventures Post Review Project Risk Assessment**	• Updated on the issues, action plans and outcomes pertaining to new ventures undertaken by FGV
4	**FGV Group Quarterly Risk Report**	• Deliberated on key risks horizon associated with the Group's business and operations covering Group top 10 risks and mitigations. Informed the Board on risks that require closer attention and of the prevailing risk profile and outlook • Reviewed and approved the new user system for the online integrity pledge for employees
5	**Whistleblowing**	• Reviewed and deliberated on the number of whistleblowing cases, their respective categories, lessons learnt and recommendations from investigations cases
6	**Group Sustainability Report**	• Received updates on sustainability key initiatives, among others, FGV's Affiliation to the Fair Labor Association (FLA) and related labour programmes, RSPO/MSPO/ISCC Certification Status, FGV Conservation Programme (2021-2022), Traceability and Supplier Management Programme, Climate Action Programme
7	**US Customs and Border Protection (US CBP) Withhold Release Order (WRO) against palm oil and palm oil products made by FGV, its subsidiaries and joint ventures**	• Received updates on the status and progress of the selection of an independent assesor and legal counsel to address the Withhold Release Order (WRO) by the United States Customs and Border Protection Agency (CBP)

Effective 1 September 2021, matters related to sustainability became agendas of the newly established Board Sustainability Committee.

PERFORMANCE REVIEW

During the financial year, the Board evaluated the BGRMC's performance and the extent to which the BGRMC met the requirements of its ToR, including the term of office and performance of the BGRMC and each of its members. This performance assessment constituted part of the annual BEA, pertaining to the assessment of Board Committees.

This Report was made in accordance with a resolution of the Board of Directors approved on 30 March 2022.

How We Are Governed

Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

COMMUNICATING WITH OUR STAKEHOLDERS

ENGAGING OUR STAKEHOLDERS

FGV is committed to continuously updating its stakeholders of any developments and strategies that could enhance the long term stakeholders' value. The Investor Relations (IR) function is tasked to effectively communicate with the stakeholders to ensure an ongoing and transparent dialogue with the company whilst providing a platform for them to receive a balanced view of FGV Group's performance and the challenges faced.

Guided by FGV's Shareholders Communications Policy, FGV ensures that our shareholders are provided with timely, factual, accurate, complete, unambiguous, broadly disseminated information and in accordance with the framework and guidelines to govern the release of material and sensitive information, in line with the disclosure requirements.

The major channels of communication with the stakeholders include the following:

CORPORATE WEBSITE

Our website provides an essential platform for our investors and other stakeholders to access information. It is updated periodically to ensure the latest and accurate information on FGV is available and accessible by the stakeholders.

STAKEHOLDER MEETINGS

The GCEO and Senior Management holds periodic meetings with the stakeholders to share and discuss the Group's business performance and its strategic plan. In FY2021, FGV increased its engagements with the investment community and conducted various one-to-one and group meetings to address the investors' concerns.

Key Concerns Raised by Stakeholders

FGV remains committed to engaging our stakeholders in every way, including hosting virtual meetings during the movement restrictions to curb the spread of COVID-19. Some key concerns of stakeholders with FGV's responses are summarised below:

Topics	FGV's response
Land Lease Agreement (LLA)	• FGV continues its effort to improve the value of the LLA land by conducting replanting and rehabilitation programmes which will be fruitful for the Group in the long run • FGV's responsibility on the LLA amounting to RM248 million a year towards FELDA has been fully met. In total, FGV has paid more than RM3.14 billion to FELDA from 2012 to 2021 • To date, FGV has not received any notice on the LLA termination

INVESTOR RELATIONS CALENDAR 2021

26/02/2021	Q4 FY2020 Analyst Briefing
24/03/2021	Engagement with Bank Negara Malaysia
31/03/2021	Q1 FY2021 Analyst Briefing
14/06/2021	Engagement with Key Shareholders
17/06/2021	Engagement with Minority Shareholder Watch Group (MSWG)
23/06/2021	FGV 13th AGM
13/07/2021	Engagement with Fund Managers
30/08/2021	Q2 FY2021 Analyst Briefing
19/10/2021	Engagement with Fund Managers
01/12/2021	Q3 FY2021 Analyst Briefing

How We Are Governed
Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

COMMUNICATING WITH OUR STAKEHOLDERS

Topics	FGV's response
Operational & Financial Updates	• For the financial year in review, FGV's FFB production, yield and oil extraction rate (OER) were lower than last year due to the impacts of pandemic disruptions that gave rise to a shortage of manpower, lowered demand and consumption and heightened costs • FGV rode on the increased CPO price with an average of RM4,470/MT in 2021, a 37% increase from the previous year due to the reduction in palm oils production, weaker ringgit and rising crude oil prices • The flood that hit the country in December 2021 had minimal impact on FGV estates, covering around 2% of FGV's planted area • Our activities in the year continued to include our replanting programme. We have committed to a disciplined replanting schedule of approximately 15,000 Ha with an allocation of around RM300 million per year. The replanting programme is aimed at correcting our average palm age profile • With the recent announcement by the Government to bring in 32,000 migrant workers, FGV expects productivity improvement in 2H of FY2022
Sustainability Updates	• FGV continues to focus on enhancing its labour practices under its affiliation with the FLA. An Independent External Assessment (IEA) by FLA involving on-the-ground assessments completed in FY2021 at several FGV's mills and plantations. The outcome of the IEA will be used to develop other initiatives to enhance FGV's labour practices • FGV is regularly following up with RSPO Secretariat on certification suspension outcome by RSPO Complaints Panel. Currently, FGV has 30 RSPO-certified mills • FGV has appointed a third-party assessor, ELEVATE, to assess FGV's operations against forced labour indicators. ELEVATE is finalising a gap analysis based on desktop review and management interviews. The site assessments are expected to begin in the second quarter of 2022 • FGV is committed to becoming a net-zero business by 2050. FGV is Malaysia's first food and agribusiness company to formalise the commitment by signing the United Nations (UN)-backed Science-Based Target initiative (SBTi) Business Ambition for 1.5°C pledge, which calls for limiting global warming to 1.5°C. To achieve this, FGV is finalising its comprehensive GHG Inventory by setting up an ambitious reduction target for the Group
COVID-19 Updates	• FGV takes COVID-19 precaution among its employees seriously. On this note, FGV has taken measures to maximise the vaccination rates among workforce, ensure stringent compliance to Standard Operating Procedures (SOPs) and effective containment measures for business continuity • Most FGV operations were not affected by the MCO save for the Government's mandatory shutdown. However, if there are any COVID-19 positive cases found in estates, mills or plants, FGV will immediately shut down the operations according to the requirement of Majlis Keselamatan Negara (MKN)

Topics	FGV's response
Business Strategy and Divestment	**FGV's business strategy for the next 12 months** **Plantation** • FGV will continue to improve productivity and lower costs by improving yields through replanting and mechanisation initiatives and increasing OER from stringent process control **Sugar** • MSM is concentrating on increasing yield and capacity utilisation, which will reduce refining costs • For the asset maximisation plan, MSM will continue to expand its regional export presence and foster more volume to major export destinations such as Vietnam, Singapore, and South Korea **LO** • LO has commenced third-party logistics (3PL) services by leveraging on its new curtain siders and in-house developed Warehouse Management System (WMS) • LO has built up a mixed portfolio of customers from various industries such as oil & gas, ports, telecommunications, energy, defence, automotive, fast-moving consumer product (FMCG) and e-commerce to strengthen LO business position • To focus on market expansion and diversification while enhancing its operational effectiveness
Privatisation of FGV	• Bursa Malaysia has granted FGV the third extension until 3 August 2022 for FGV to rectify the shareholding spread • FELDA through its letter dated 23 February 2022 reiterated its intention not to maintain the listing status of FGV • FELDA will notify FGV or make the relevant announcement once FELDA is in a position to do so

How We Are Governed
Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

COMMUNICATING WITH OUR STAKEHOLDERS

BRIEFINGS ON QUARTERLY RESULTS

FGV consistently hosts briefings and/or conference calls with analysts and the business media following the announcement of our quarterly results. Chaired by the GCEO or the GCFO, this platform enables the wider market to better understand the Group's performance and to seek clarifications on any concerns, if any. In 2021, the majority of briefings on Quarterly Results were conducted through virtual briefings.

Concurrent with the release of the Group's quarterly results announcement to Bursa Malaysia, FGV would conduct a briefing session to media and analyst to give further insights into FGV's performance for the year under review. The briefings are normally through face-to-face interaction with conference call facilities to ensure full access to the intended audience. However, unprecedented times called for digital channels to be adopted, with continued communications through virtual briefings. Following the previous practice, the GCEO would present the quarterly performance to the audience before proceeding with the Question and Answer (Q&A) session.

MEDIA COVERAGE

Another platform utilised by FGV to reach out to the public is the media. The media assists FGV in building a positive image and keeps the public informed of its developments. The Group also shares updates on its social media platforms (Facebook, Instagram, LinkedIn and YouTube) with an average of five postings per week. FGV builds a good rapport with its media partners by providing prompt and accurate response to queries from these media partners.

GENERAL MEETINGS

The general meetings are the primary platform for face-to-face interaction and remain the primary forum for dialogue between the shareholders and the Company represented by the Board and the Senior Management.

As per the Board Charter, it is the role of the Board to ensure that the general meetings of the Company are conducted in an efficient manner and serve as crucial mechanisms in shareholder communications. Key ingredients behind this include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the general meetings. Through the use of technology, shareholders were able to participate remotely and cast their votes electronically. These enabled more shareholders to participate as they could do so remotely. Shareholders were able to view the proceedings of the 13th AGM through live streaming via LUMI AGM facilities at https://web.lumiagm.com. The proceedings of the fully virtual 13th AGM is disclosed in detail under Practice 13 of the CG Report.

The full minutes of the 13th AGM held on 23 June 2021 together with the Officer-In-Charge's presentation, FGV's responses to Minority Shareholders Watch Group's (MSWG) questions and the 82 complete list of questions posed by shareholders together with FGV's responses were published on FGV's corporate website at www.fgvholdings.com.

Please refer to the CG Report on detailed explanation on the proceedings of the 13th AGM.

ENQUIRIES

Shareholders are welcome to raise queries or concerns regarding the Group throughout the year. Communication and feedback from the shareholders can be directed to the IR team or Group Strategic Communications team. Shareholders may also direct their enquiries with respect to their shareholding matters to the Company's Share Registrar and also raise their concerns to the Independent Director who assumes the role of the Senior INED. The contact details are as follows:

Investor Relations Team

Nurul Syazatul Aiman Taifor
Head of Investor Relations
Level 20, Wisma FGV
Jalan Raja Laut
50350 Kuala Lumpur
Malaysia

03 2789 0000
03 2789 0001
fgv.investors@fgvholdings.com

Group Strategic Communications team

fgv.enquiries@fgvholdings.com

Share Registrar

bsr.helpdesk@boardroomlimited.com

Platform for Shareholders/Stakeholders to convey concerns

sid@fgvholdings.com

FINANCIAL REPORTING AND DISCLOSURE

The Board is committed to provide a fair and objective assessment of the financial position and prospects of the Group in the quarterly financial results, Annual Financial Statements, Annual Integrated Reports and all other reports released by the Group.

Furthermore, the Board ensures that all its announcements are issued in a timely manner. The Group's Financial Statements complies with the requirements set out in the MFRS, the International Financial Reporting Standards (IFRS), Bursa Securities Listing Requirements and the Companies Act 2016, as well as the laws and regulations in the respective countries in which FGV operates. Our Annual Financial Statements and quarterly reports are also reviewed by the Audit Committee to ensure a fair representation of the Group and the Company.

The Board is committed to provide a fair and objective assessment of the financial position and prospects of the Group in the quarterly financial results, Annual Financial Statements, Annual Integrated Reports and all other reports or statements to shareholders, investors and relevant regulatory authorities.

Further details on the Statement on Directors' Responsibility in respect of preparation of FGV's Audited Financial Statements is set out on page 1.

ANNUAL INTEGRATED REPORT

This is FGV's 7th Annual Integrated Report and 10th Annual Report produced since our listing on Bursa Securities on 28 June 2012. The AIR provides a comprehensive coverage of the Group's operations and financial performance in FY2021.

Further details on online version of the AIR are also available on our website at www.fgvholdings.com.

RECOGNITION

FGV's commitment to observing high standards of transparency and accountability gained international recognition. In the year under review, FGV was listed as one of the top 100 of the MSWG-ASEAN Corporate Governance Award 2020 for corporate governance disclosure.

FGV also received the Excellence Award (companies with RM2 billion - RM10 billion in market capitalisation (Gold) and Special Award Best Annual Report in Bahasa Malaysia (Silver) from NACRA 2021.

PLAN FOR FY2022

In 2022, the governance priorities to support and align to FGV's business strategies and plans, will be as follows:

- Drive optimisation of FGV's core operating assets such as plantation, sugar, logistics and integrated farming and seek ways to extract value chain maximisation for better returns
- Initiate programmes to upskill and retain talent
- Seek and evaluate opportunities with FGV's project risk assessment tools to grow its businesses through selective and value accretive corporate transactions
- Reinforce and improve FGV's risk management, anti-bribery and whistleblowing mechanisms which includes enhancing whistleblowing systems, extending the relevant policies to international subsidiaries or new businesses, improving vendor management and reviewing existing risk registers

STATEMENT BY THE BOARD

The Board has deliberated, reviewed and approved this Statement and save as disclosed, is satisfied that the Group has fulfilled its obligations under the relevant paragraphs of the Bursa Securities Listing Requirements, Companies Act 2016, MCCG, Bursa Securities' Corporate Governance Guide and other applicable laws and regulations throughout the financial year ended 31 December 2021.

The Board is committed to cultivating a responsible organisation and will regularly review and refine the Group's corporate governance practices to maintain a sensible and solid framework for effective governance in the interest of the shareholders and stakeholders.

This Statement was made in accordance with a resolution of the Board of Directors approved on 30 March 2022.

Statement on Risk Management and Internal Controls

The Board is pleased to present the Statement on Risk Management and Internal Control, pursuant to Chapter 15, Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Principle B of the Malaysian Code on Corporate Governance 2021, with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

RESPONSIBILITIES AND ACCOUNTABILITIES

BOARD OF DIRECTORS

The Board affirms its responsibility and commitment in embedding sound risk management practices and internal controls in the operations of the Group. The Board also ensures that the risk management practices and internal controls are adequate for identifying, evaluating, monitoring and managing the principal risks faced by the Group in its achievement of its strategic objectives. Each year, the Board reviews the effectiveness, adequacy and integrity of these systems.

BOARD COMMITTEES

The Board is supported by the Board Governance & Risk Management Committee (BGRMC) and Audit Committee (AC) on matters related to risk management and internal controls. One of the key roles of BGRMC is to direct and oversee the formulation of a structured mechanism to inculcate a strong risk management culture within the Group. The BGRMC assists the Board in reviewing the Group's key business risks, progress of mitigation measures including related internal controls and provide guidance on strategies to mitigate the key business risks. The BGRMC also periodically reviews the risk management processes to ensure that the processes facilitate proper identification and assessment of emerging risks.

The Audit Committee undertakes an independent review of the sufficiency and effectiveness of the risk management processes and system of internal controls.

GROUP MANAGEMENT COMMITTEE

The Group Management Committee (GMC), being a platform that consolidates the views of the Top Management of FGV Holdings Berhad (FGV), plays a key role in the identification and analysis of the key business risks of FGV. The GMC deliberates the status of the mitigation actions and strategies. Moving forward in 2022, FGV will establish a Risk Management Committee to place specific focus on managing the Group's risks to enable the GMC to focus on business undertaking and performance.

The GMC is supported by the risk management processes administered by the Group Governance and Risk Management Division (GGRM) which is tasked with the proper inculcation of risk management practices and culture within FGV. The GGRM works closely with the business by providing expertise and support on risk management thought process and challenge, and monitoring of the business risks identified.

The Group also relies on the work of its Group Internal Audit (GIA) for input on improvements of its risk management processes and identification of internal controls weaknesses related to mitigation of the key risks.

Further details on GIA can be found under Corporate Governance Overview Statement on page 103.

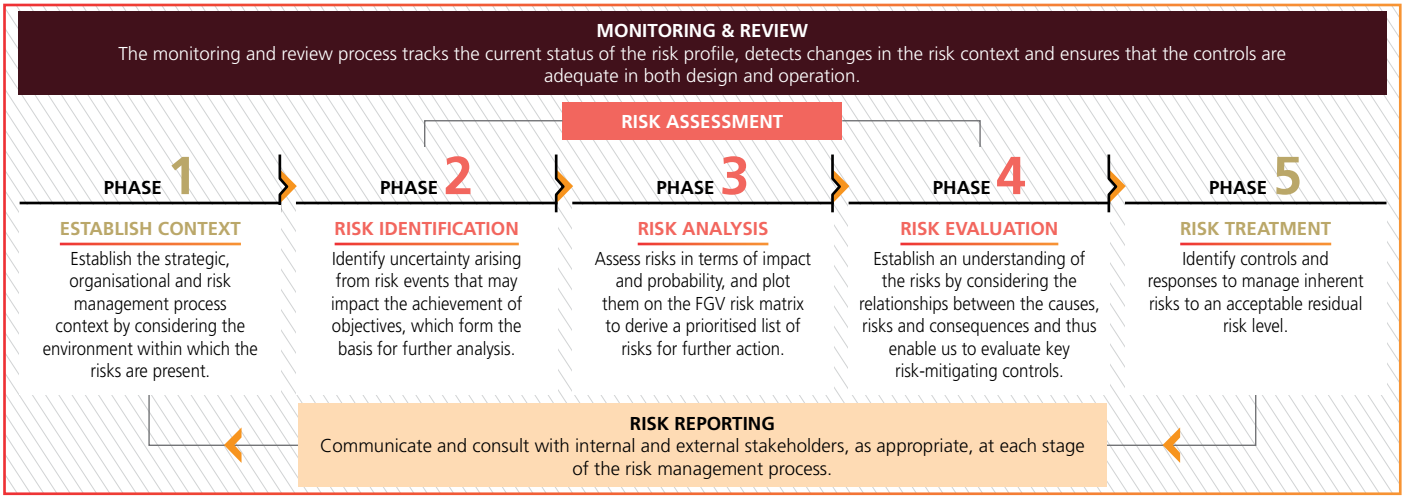
RISK MANAGEMENT FRAMEWORK

FGV's risk management framework has been established to set clear guidelines in relation to the level of risks acceptable to the Group. The framework which is designed to ensure proper management of risks and related processes are benchmarked against ISO 31000 Risk Management Standards.

The Group's risk management framework involves a continuous process of identification, evaluation and management of risks that would impede the achievement of the Group's long-term and short-term strategies and objectives. The framework aims at embedding risk awareness in all decision-making and a commitment to managing risk proactively and effectively.

The risk management framework provides the Board and its management with tools to anticipate and manage both existing and potential risks, taking into consideration the changing risk profiles as dictated by the changes in business strategies, operations, external environment and regulatory changes.

FGV's risk management process is summarised as follows:



FGV GROUP'S KEY RISKS

Through the ongoing risk management process at the management level and deliberation of agendas brought to the Board, the Board matters are assessed against risks of achievement of the Group's objectives and strategies. The following are the key risks faced by FGV in FY2021, and its mitigation measures:

TRADING & MARKET

The Group is exposed to commodity price risk since the Crude Palm Oil (CPO) prices and their derivatives are subject to fluctuations due to unpredictable factors such as weather, changes in global demand and production, crude oil prices and global production of similar and competing crops.

In mitigation, the Board has approved a commodity trading policy to ensure that the market and trading risks are managed within the acceptable threshold set therein. The policy also requires Management to monitor closely the trends of CPO, forex and other commodity price movements with limits on forward sales and hedging.

LABOUR

Our estates operations are highly labour intensive and heavily dependent on migrant workers. Labour shortages experienced during the year largely due to cross border restrictions compromised estates' operational efficiency leading to lower yield production, sales and profitability. The risk of further labour attrition remains a challenge to the palm oil sector.

To mitigate this, FGV has embarked on more efficient utilisation of its workforce by increasing mechanisation and applying more structured block crop recovery work arrangements for harvesters across its estates to minimise the effects of labour shortages. On top of this, various efforts are being undertaken to increase the number of local workers.

SUSTAINABILITY

The palm oil industry continues to be subjected to greater scrutiny on sustainability concerns, whether it be on the labour rights front, deforestation claims or impact on the climate. Alleged labour issues have shown how sustainability risk can materially impact FGV's reputation and business as seen from the Roundtable on Sustainable Palm Oil (RSPO) certification suspension and United States (US) Customs and Border Protection (CBP) ban, affecting the sales of our palm oil products to certain international markets.

Extensive work has been expanded to better manage sustainability-related risks to FGV. FGV has taken initiatives to improve the working and living conditions, as well as enhance the recruitment process and terms of employment of our labours.

FGV has collaborated with the Fair Labor Association (FLA), an international association, working at promoting and protecting the human rights of workers and improving working conditions worldwide. FGV has also engaged an independent assessor to verify and close the gaps in our labours situation as alleged by US CBP. On the climate front, FGV has launched its Climate Action Plan which includes commitments to United Nations (UN)-backed Science-Based Target initiative (SBTi) Business Ambition for 1.5°C pledge and net-zero emissions throughout its value chain.

Statement on Risk Management and Internal Controls

PANDEMIC

The uncertainties of COVID-19 pandemic remains a key risk to our operations with shutdowns of operational sites, loss of productivity, challenges in supply and logistics, and corresponding loss of earnings. As new variants of the coronavirus may appear in the near future, pandemic risk to our business cannot be downplayed despite the pandemic going into its third year in 2022.

Various mitigation measures have been put in place including tracking and ramping up vaccination rates among our workers through close collaboration with the relevant Government agencies, establishment of quarantine and isolation centres in estates, as well as strict compliance to the Standard Operation Procedures (SOPs) established by the Government.

CYBER SECURITY

With the increasing digitalisation of economies and the virtualisation of day-to-day business, all companies face heightened cyber threats. Operability and security of Information Technology (IT) systems may fail from among others cyber related attacks, espionage and poor user attitudes. Undesirable systems interruptions could compromise operational efficiency and potentially result in financial losses.

In order to mitigate and defend against cyber threats, FGV undertakes a range of cybersecurity programmes to protect our assets and information of our business. FGV has an approved IT Security Framework based on ISO 27001, which amongst others involves channel encryption for web services, server hardening and encryption, security penetration test for IT infrastructure and applications, and education on security related attacks.

During the year, the Board had engaged an independent consultant to review and enhance FGV's readiness on cyber security.

INTERNAL CONTROL FRAMEWORK

The key elements of FGV's internal control framework established by the Board are as follows:

THE GROUP'S CORE VALUES

The Group's corporate culture is embedded in its core values of Partnership, Respect, Integrity, Dynamism and Enthusiasm (PRIDE). These core values are integral in building an ethical and high performance culture to achieve the Group's vision and support its business objectives and goals.

All employees are made aware of these values to set the right conduct and culture within the Group. The PRIDE elements form a part of the annual performance assessment of the employees and account for 40% of the overall score.

Code of Business Conduct and Ethics for employees

FGV has in place a Code of Business Conduct and Ethics for Employees (COBCE). The COBCE guides our employees in embracing the Group's values and adhering with applicable laws and regulations through honest, transparent and ethical business practices.

Whistleblowing Policy

The Group's Whistleblowing Policy was established in 2012 and has been reviewed annually with the latest revision in November 2020. The policy provides a dedicated channel for employees and stakeholders to disclose or raise genuine concerns on possible improprieties, improper conduct or other malpractices, in a transparent and confidential manner without fear of punishment or unfair treatment. The policy also provides the platform by which whistleblowing complaints received are acted on through proper channels as well as protection to whistleblowers.

Anti-Bribery Management System

To signify FGV's stance on zero tolerance towards bribery and corruption, FGV has an ISO-certified Anti-Bribery Management System (ABMS) in place to uphold a high level of ethical business conduct and integrity, as adequate measures in compliance with Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act to protect itself from bribery and corruption risk.

ORGANISATIONAL STRUCTURE WITH FORMALLY DEFINED RESPONSIBILITY LINES AND DELEGATION OF AUTHORITY

FGV has a defined organisational structure that sets out the delineation of roles and responsibilities of the positions within FGV to enable swift responses to changes in the evolving business environment, effective supervision and coordination of day-to-day business undertakings.

The Group's Limit of Authorities (LOA) is the core reference for delegations of authorities of the Group's day-to-day operation through empowering various levels of Management to make decisions and execute the Group's business transactions within the Board's risk tolerance. The LOA defines the approval levels for budgeted, non-budgeted, capital and non-capital expenditures, and investments. The Group's LOA is continually reviewed and updated to ensure its applicability for operational expediency and alignment with the Group's other policies.

POLICIES & PROCEDURES

Documented policies and procedures form an integral part of the Group's internal control systems to safeguard shareholders' investment and the Group's assets against material losses. They also ensure complete and accurate information. These documents consist of policy documents, SOPs, circulars, manuals and handbooks that are continuously revised and updated to meet the current business and operational needs.

CONTROL SELF-ASSESSMENT

A Control Self-Assessment mechanism was implemented in FY2020 as an initiative to inculcate better risk management and compliance culture. In FY2021, all Group's estates had conducted Control Self-Assessment through a questionnaire mechanism for selected processes. The questionnaires completed by the estates were validated by GIA and feedback on the level of compliance was provided to the Audit Committee.

PERFORMANCE MONITORING

Management reports are deliberated monthly at the GMC level to review the financial and operational performance of the various Group's businesses. The reviews encompass financial and non-financial key performance indicators, variances between budget and operational results. The financial and operational performance is reviewed quarterly by the Board to monitor FGV's business progress against strategies established and the Management's performance against budgets and targets set annually. Through these platforms, actions and initiatives are taken to close any gaps from the achievement of strategies and budgets.

CAPABILITY BUILDING

FGV places emphasis on the identification and development of high potential candidates for succession planning and to support the Group's growth strategies. This exercise is a necessity to build a strong succession pipeline and healthy talent bench strength by investing in competency development programmes to build the skills required for business operations.

ADEQUACY AND EFFECTIVENESS

In 2021, Board's assessment of the adequacy and effectiveness of the risk management and internal control system was based on the quarterly reports and specific Board papers from the BGRMC, AC and other Board Committees.

The Board has taken cognisance on the report by an independent consultant engaged to review FGV's risk management processes and GIA's reviews on the internal controls in 2021 in accordance with the annual internal audit plan. The Board has also been updated on the remedial actions and their progress.

MATERIAL JOINT VENTURE AND ASSOCIATES

The disclosures in this statement do not include the risk management and internal control practice of FGV's material joint ventures and associates. FGV's interest in these entities are safeguarded through the appointment representatives to the respective board of directors or through nominated representatives. Additionally, where necessary, key financial and other appropriate information on the performance of these entities are obtained and reviewed by the Board.

RISK MANAGEMENT APPROACH FOR FGV'S LISTED SUBSIDIARY

MSM Malaysia Holdings Berhad (MSM), as a listed subsidiary of FGV, undertakes its risk management and internal control responsibilities through its Investment Committee and Board Audit, Governance and Risk Committee for subsequent deliberation by MSM's Board. Any risks identified as having significant impact on FGV Group are reported to FGV's BGRMC and where they have a direct impact on the financial performance of the Group, are reported directly to the FGV's AC, and subsequently to FGV's Board.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide No. 3 (AAPG3) issued by the Malaysian Institute of Accountants. AAPG3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

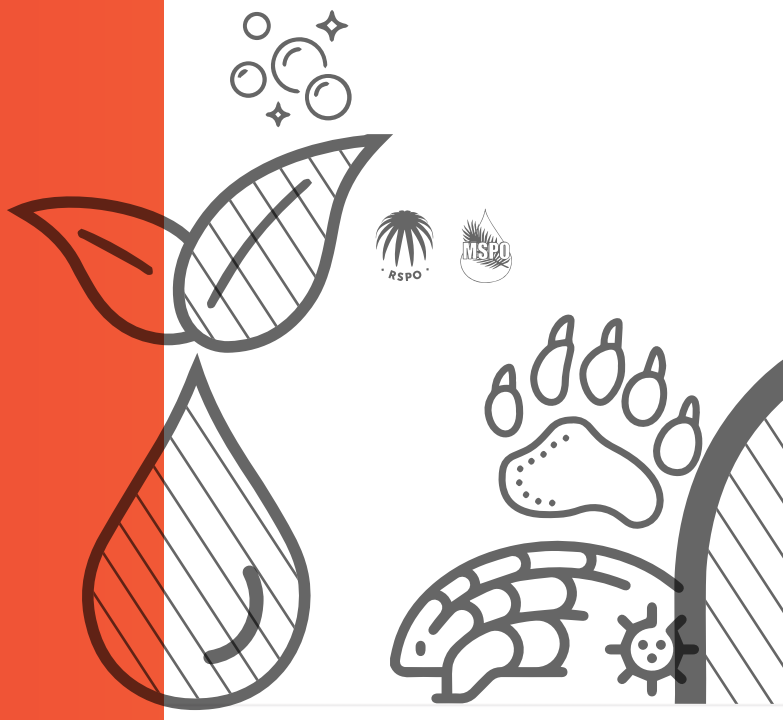
THE BOARD'S CONCLUSION

The Board is pleased to report that the state of the Group's risk management and internal control framework enables the Group to manage its risks against achieving its strategic plans and business objectives. The Board has also received assurance from the Group Chief Executive Officer (GCEO) and Group Chief Financial Officer (GCFO) that the Group's risk management and internal control framework is operating adequately and effectively in all material aspects. Continuous focus on measures to protect and enhance shareholder value and business sustainability will remain a core focus for the Group.

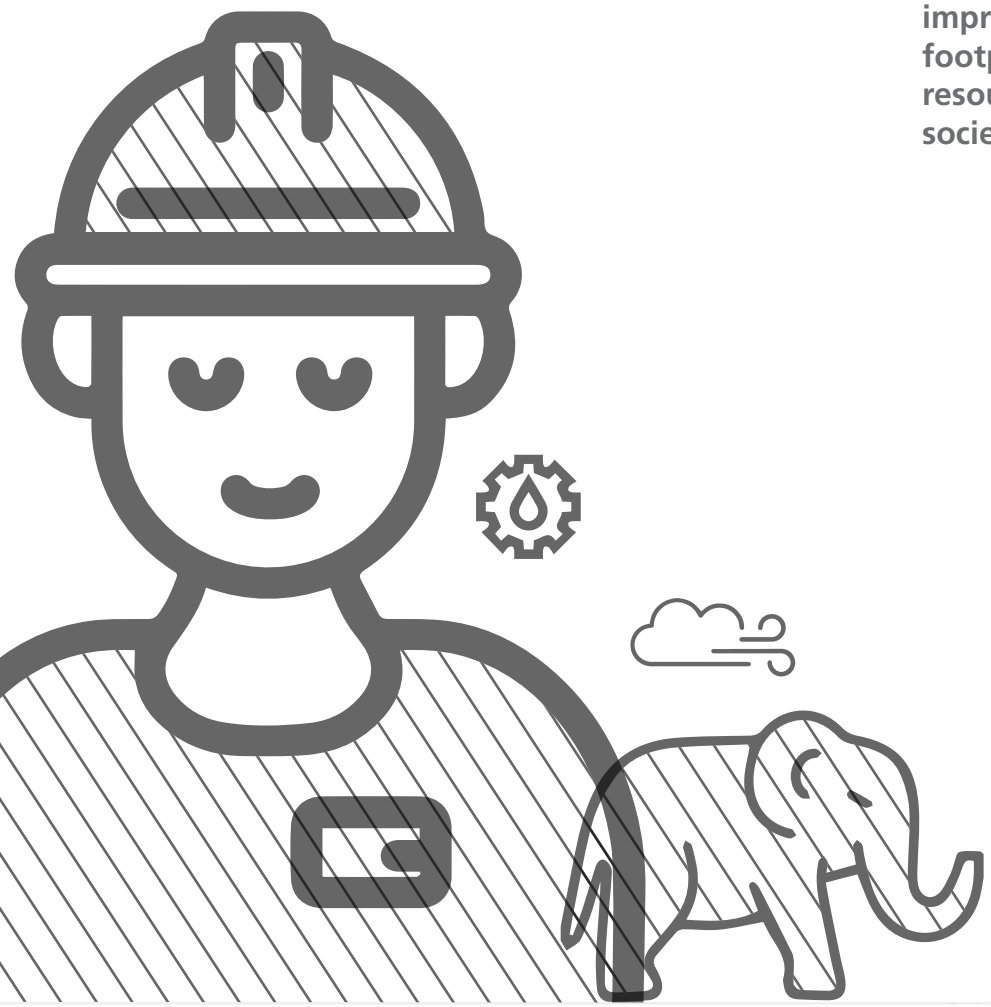
This statement was made in accordance with a resolution of the Board approved on 30 March 2022.

SECTION 5

Reinforcing Sustainability



FGV is dedicated to drive positive impact through business driven sustainability, and to lead as a responsible global company. We are fully committed to ensuring consistent efforts and initiatives are carried out to improve our carbon emission footprint, utilisation of green resources, and contribution to society and the environment.



Sustainability Statement

EXPLANATORY NOTICE

For FY2021, FGV Holdings Berhad (FGV) will be publishing a standalone Sustainability Report. This is in line with FGV's practice of publishing a biennial Sustainability Report. Given our many sustainability efforts across multiple areas, a standalone Sustainability Report will provide a more comprehensive and in-depth view of our sustainability commitments, initiatives and achievements. This Sustainability Statement provides an overview of our sustainability commitment, approach and practices.

Scan here to view our Sustainability Report

Please refer to the Sustainability Report to learn more about the Sustainability Report's Scope and Boundaries.

OVERVIEW

Sustainability is no longer just a notion within the corporate consciousness rather it has become an activity embedded into business operations given its wide-ranging impact across the entire spectrum of stakeholders.

FGV recognises our responsibility to balance our economic ambitions with positive environmental and social considerations, without compromising our governance and ethics. Our Environmental, Social and Governance (ESG) agenda is a compass that guides us as we set out to harness synergy and deliver values to our stakeholders in a responsible manner. As we commit to uphold this agenda, our actions are guided by the three pillars of our Group Sustainability Policy (GSP) 4.0.

- Promoting Economic Growth
- Respecting Human Rights
- Protecting the Environment

Embedding sustainability into our operations is critical for growth and prosperity but more crucially for our continued survival and existence, without sustainability, there is no future. Accordingly, FGV's sustainability is about fortifying our business to continuously remain viable, vital and vibrant.

Our commitments towards sustainability has led FGV to be ranked at 19th position (previous spot was 23rd) among other 100 palm oil producers that were assessed against 182 ESG indicators. The 2021 overall SPOTT assessment score for FGV is 74% which was an improvement from 70% recorded in FY2020.

However, our sustainability journey has not been without any challenges. Specific to the Roundtable on Sustainable Palm Oil (RSPO) certification, FGV has implemented the RSPO Complaints Panels' (CP) directives of November 2018 and January 2020, respectively, and verification audits involving six of FGV's mill complexes were conducted between January and April 2021 by an independent auditor appointed by the RSPO. FGV was made to understand by the RSPO Secretariat that the outcome and findings of the verification audit were deliberated by the RSPO CP in August 2021 and FGV has since been following up regularly with the RSPO Secretariat while awaiting the decision by the CP on the RSPO certification suspensions. While FGV understands that these matters need to be considered and deliberated thoroughly by the CP, we believe that the process is taking much longer than necessary. FGV is committed to obtaining RSPO certification for all its mill complexes to demonstrate compliance with the RSPO Principles and Criteria (P&C). In the meanwhile, FGV is forced to put on hold efforts to achieve certification for remaining uncertified mill complexes until and unless a decision is made by the CP on the matter. Our inability to provide a clear response to our stakeholders on the matter due to the delay by the CP puts FGV in a very difficult position, not to mention the significant negative impact this is having on FGV from a reputational and commercial standpoint.

FGV was also issued a Withhold Release Order (WRO) by the United States (US) Customs and Border Protection (CBP) on 30 September 2020, against palm oil and palm oil products made by FGV, its subsidiaries and joint ventures (JV). FGV views the WRO very seriously and is determined to take all necessary steps towards the lifting of the WRO. In relation to this, we have recently appointed ELEVATE, an industry leader in sustainability and supply chain services globally to conduct an independent assessment of FGV's operations against the 11 International Labour Organisation (ILO) Indicators of Forced Labour, as advised by the CBP. FGV estimates that we would be able to submit to the CBP, a petition to modify the WRO, together with the assessment and verification of remediation report by ELEVATE towards the end of 2022.

OUR SUSTAINABILITY APPROACH

We have re-strategised our approach to sustainability and our Group Sustainability Framework encapsulates our latest thinking.

To continue thriving, remain relevant and competitive in an environment that is constantly changing, all businesses must transform and not be bound by but rather challenge tradition, which applies to FGV as well. Innovation will be pivotal to our transformation as we discover, through Research and Development (R&D), more effective ways to execute, new applications for our resources and develop ground-breaking products to elevate and bolster our market positioning all of which will lend to stronger, more sustained economic growth. ESG considerations are infused into our transformation and innovation efforts to promote incremental and disruptive sustainability-oriented progress.

Economic Growth
Profitability and economic growth as the main output of a holistic sustainability approach

Governance
Integration of sustainability objectives and targets into company's core business strategy, model and governance structure

Social
Integration of responsible approach to social and human rights issues in line with national and global standards

Environment
Integration of environmental protection and sustainable food production in becoming a zero environmental impacts business

Innovation & Transformation
Linking innovation R&D and transformation to promote incremental and disruptive sustainability-oriented innovations and progress

ALIGNMENT TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We believe in achieving sustainable development, we should act in solidarity with the global community as part of a global partnership contributing collectively to peace and prosperity for people and the planet, now and into the future. Accordingly, we incorporate applicable Sustainable Development Goals (SDGs) and their targets into our operations to meet the growing expectations from the public. We also see this as a viable approach to help strengthen our sustainability practices and improve our business performance in the long-term. It also provides us with business opportunities, in areas including food and agriculture, energy and materials, created with the achievement of the SDGs. These are the 17 SDGs which we believe we can contribute to the most, through our sustainable business activities. These cover areas throughout our value chain.

Please refer to the Sustainability Report on the mapping of relevant SDGs to our Material Matters.

FGV'S GROUP SUSTAINABILITY POLICY

Our GSP 4.0 guides and informs our approach to sustainability. Our GSP revolves around three pillars namely, Promoting Economic Growth, Respecting Human Rights and Protecting the Environment which shapes our strategies to build a strong and sustainable business for the long term.

PROMOTING ECONOMIC GROWTH

We are committed to long-term economic growth and will seek every opportunity to develop new sustainable earning streams that deliver value to our shareholders and stakeholders.

RESPECTING HUMAN RIGHTS

We are committed to respecting human rights by upholding international human rights principles and standards as encapsulated in international human rights treaties and instruments, subject to the laws and regulations of the countries and territories in which FGV Group of Companies operates.

PROTECTING THE ENVIRONMENT

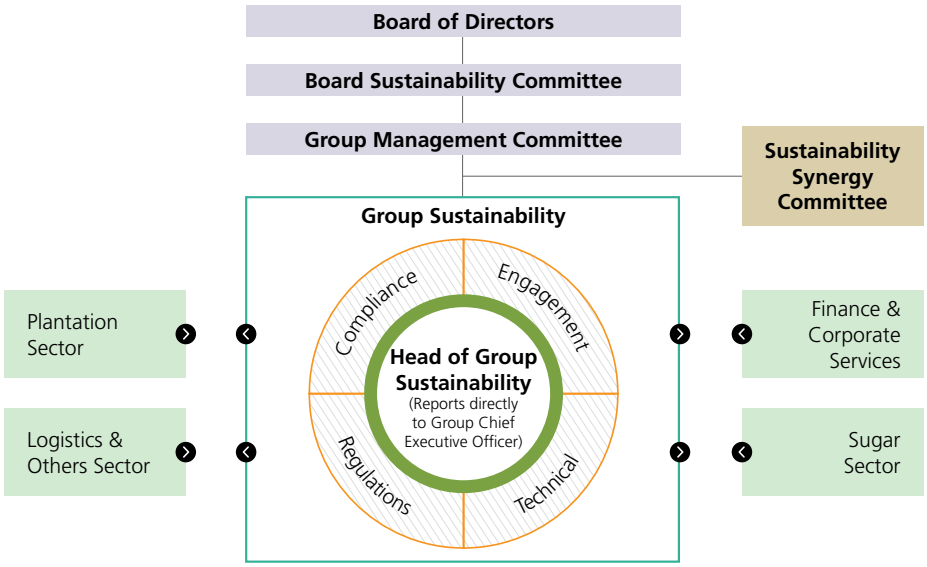
FGV Group recognises the impact of climate change and will play our part in reducing Greenhouse Gas (GHG) emissions in line with our Nationally Determined Contributions (NDC) under the Paris Agreement. FGV Group values its natural resources and endeavours to eliminate or minimise negative impact on the environment through the implementation of best practices. FGV is firmly committed to No Deforestation, No Peat, No Exploitation (NDPE).

SUSTAINABILITY GOVERNANCE

The Board, being ultimately responsible for the management of the Group, provides leadership and policy direction on sustainability matters. A range of focused committees support the Board in the overall management of the Group, including on sustainability matters.

A dedicated governance structure is established with clear reporting lines to ensure that the GSP is implemented in the spirit and manner it is intended. The roles and responsibilities of the sustainability governing body are depicted in the following diagram.

Sustainability
Statement



In relation to Sustainability Governance, a Board Sustainability Committee (BSC) was formally established in September 2021 out of a realisation that sustainability warrants and deserves dedicated focus and attention at the highest level. The establishment of the BSC reinforces FGV's unwavering commitment to sustainability, and reflects FGV's resolve in ensuring that ESG considerations such as human rights, labour standards, health and safety, climate action, biodiversity, traceability and supply chain, as well as the circular economy, continue to take centre stage in all FGV's businesses. Previously, FGV's sustainability matters were under the purview of its Board Governance and Risk Management Committee (BGRMC).

Please refer to the Sustainability Report on Sustainability Governance.

STAKEHOLDERS ENGAGEMENT

Operating in an industry that is constantly under scrutiny, it is imperative that we give voice to our multiple stakeholders so that we obtain an inclusive and informed view to make decisions and formulate sustainability responses that are balanced and unbiased.

To this end, FGV is committed to maintaining good relationships with all stakeholder groups to encourage and obtain honest feedback. Our stakeholders are critical for business success, and continuously engaging with them to gather feedback on their expectations and perceptions will serve us well.

We view the following as key stakeholders to our business and the associated sustainability matters.

- Customers
- Suppliers
- Regulators & Government
- Board of Directors & Employees
- Field Workers
- FELDA & FELDA Settlers
- Investors & Capital Providers
- JV & Business Partners
- Media
- Non-Governmental Organisations (NGOs)

Please refer to the Sustainability Report on our Stakeholders Engagement which can also be found on page 26 of this Report.

MATERIALITY ASSESSMENT

FGV conducts annual Materiality Assessment to understand and identify the impacts of our business on the economy, environment and people, including the impacts on human rights. The identified impacts - our sustainability risks - are then critically assessed to determine their relative materiality with consideration given to both financial and non-financial perspectives. Sustainability risks that are most significant and material are specifically referred to as our material matters.

The materiality assessment process involves a three step processes namely:

- Identification
- Prioritisation
- Validation

Please refer to the Sustainability Report on our Materiality Assessment Approach and Process which can also be found on page 24 of this Report.

SDGs LINKAGE

Our material matters have direct linkages to relevant SDGs and by implication sustainability efforts in each of the material matter will lend towards FGV contributing towards efforts of the wider global community in making our world a better, safer place and making it more sustainable for future generations.

Our material matters, identified to the three pillars of our GSP 4.0 and linked to relevant SDGs are depicted below:

GSP Pillar: Promoting Economic Growth		
Material Matter	**What It Means to FGV**	**SDG**
Operational Excellence	Improvement of production yield and enhancement of operational, leveraging on innovation, R&D as well as the sustainable environmental and climate conscious policies and practices without compromising human rights & labour standards	
Traceability, Responsible Sourcing & Supply Chain Management	Establishment of traceability system and procurement process to ensure responsible and sustainable practices in palm oil value chain	
Sustainability Certifications	Compliance with recognised sustainability standards such as the RSPO P&C and Malaysian Sustainable Palm Oil (MSPO) Certification Scheme for purposes of certification and alignment of practices with the most widely accepted sustainability standards for the palm oil industry	
Business Development & Product Quality	Broaden and embed market presence, penetrate new markets, diversify revenue streams and reinforce market positioning	
Governance, Ethics & Integrity	Compliance with regulatory requirements and good corporate governance principles	
Data Security & Protection	Keeping data secure at all times from all forms of intrusions to ensure business operations are shielded from harm and stakeholders' trust is preserved	

Sustainability
Statement

GSP Pillar: Respecting Human Rights		
Material Matter	**What It Means to FGV**	**SDG**
Upholding Human Rights & Labour Standards	Respecting human rights including the rights of our workforce by ensuring fair treatment and upholding established international labour standards	1, 5, 8, 10, 17
Employee Engagement	Give voice to employees and soliciting their views to promote closer and tighter collaboration and reinforce a symbiotic and mutually beneficial relationship	8, 10, 17
Talent Management	Creating and sustaining a high performing workforce embedded with agility and flexibility to adapt, deliver and keep pace with changing workplace demands	5, 8, 17
Occupational Health & Safety	Initiatives to ensure a safe and healthy working environment to our workforce and external stakeholders such as suppliers, vendors and service providers	3, 17
Community Engagement & Development	Leveraging our capacity to do good for the betterment of our communities and society at large	2, 4, 11, 17

GSP Pillar: Protecting the Environment		
Material Matter	**What It Means to FGV**	**SDG**
Climate Action	Initiatives to mitigate and adapt to the adverse impacts of climate change to business operations, and implementing best climate governance measures to ensure business continuity	2, 12, 13, 15, 14, 17
Renewable Energy & Energy Management	Sustainability conscious consumption and management of energy usage with specific attention to leveraging opportunities to generate and use clean energy	7, 12, 13
Waste Management	Management of waste generated from operations and leveraging on circularity opportunities to repurpose waste materials for alternative effective use	12, 13, 14
Soil, Water, Pest & Disease Management	Sustainable management of soil, water, pests & disease controls to minimise negative impact on the environment	6, 12, 13, 14
Biodiversity & Land Management	Conscious and responsible operations to preserve and ensure sustainability of nature's endowments including active conservation of biodiversity and preserve their natural habitat	12, 15, 14, 17

OUR SUSTAINABILITY PRACTICES

Below are the key highlights of our sustainability practices for 2021:

- **Established the BSC**.
- **Established Gender Equity and Women Empowerment Committee** which reflects FGV's commitment to provide women with equal access to all opportunities throughout our operations.
- Improved in the SPOTT rankings, **climbing to 19th position** from 23rd, with an overall SPOTT assessment **score of 74%**.
- Pledged to **adopt Science-Based Targets** and become a net-zero emission entity by 2050, making **FGV as Malaysia's first food and agriculture** company to sign the United Nations (UN)-backed Science-Based Target initiative (SBTi) Business Ambition for 1.5°C pledge.
- **Expansion of wildlife conservation and human-wildlife conflict management** to include pygmy elephants, pangolins and gibbons besides the existing programme for sun bear.
- Embarked on a **new three-year initiative to protect and enhance High Conservation Value and High Carbon Stock** areas within our plantations.
- Ensure compliance to responsible sourcing, sustainability standards and regulations through traceability and supply chain management. To date, **our palm oil is 100% traceable to mill and 98% to plantation. For rubber, 97% is traceable to plantation (local suppliers)**.
- Continued the implementation of programmes under its **affiliation to the Fair Labor Association (FLA)**, with the overarching objective to enhance it labour practices by focusing on a range of initiatives to strengthen FGV's migrant worker recruitment process, human rights capacity building and training programmes, grievance mechanisms and labour standards monitoring systems.
- Established a **new Grievance Management Unit**, to address all grievances channelled from the FGV e-wallet system.
- To further internalise Partnership, Respect, Integrity, Dynamism and Enthusiasm (PRIDE) values among the employees, the **2021 PRIDE campaign** was launched in March which included a PRIDE Survey.
- Launched a **new PowerSafe App** to digitalise online reporting and management allowing its workers to file health, safety, and environmental reports.
- Achieved 8% increase in **carbon emission reduction from biogas plants.**

Please refer to the Sustainability Report on our Sustainability Practices under each material matter and how they are managed including policies, measures and measurement indicators.

SECTION 6

Additional Information

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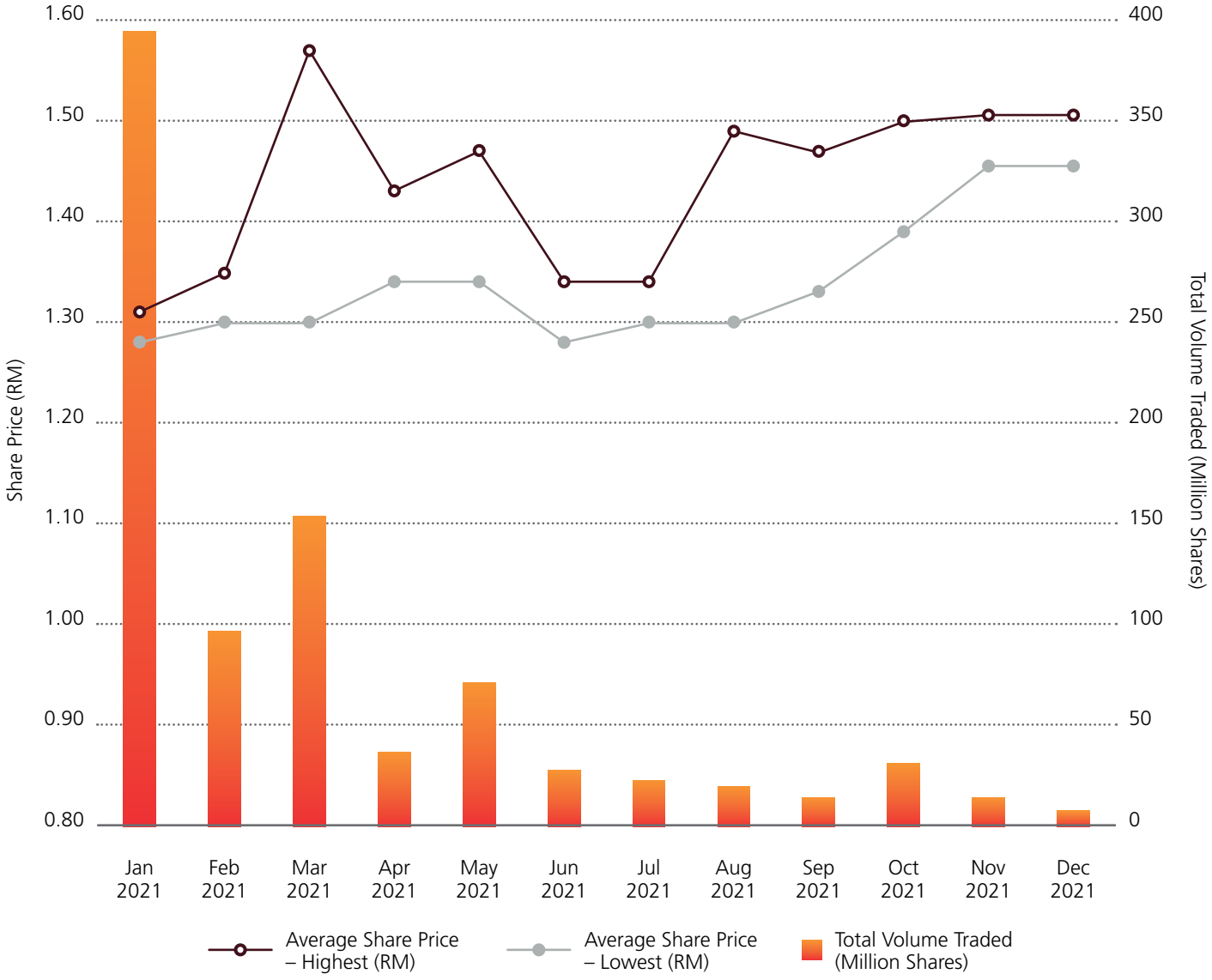
FGV is striving towards becoming Malaysia's agribusiness leader. We intend to further penetrate the FMCG segment with more premium products and brands, while creating a circular economy for Waste-to-Wealth opportunities. Our vision is to grow an integrated value chain with businesses that harness synergies while delivering diversity in revenue streams.

Share Price Movement

FGV SHARE PRICE PERFORMANCE 2021



Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total Volume Traded (Million Shares)	395.2	96.9	154.3	36.9	71.3	28.1	23.0	19.8	14.4	31.2	14.5	8.0
Average Share Price Highest (RM)	1.31	1.35	1.57	1.43	1.47	1.34	1.34	1.49	1.47	1.50	1.51	1.51
Average Share Price Lowest (RM)	1.28	1.30	1.30	1.34	1.34	1.28	1.30	1.30	1.33	1.39	1.46	1.46

Financial Calendar

Financial Calendar **2021**

Quarterly Results

26 February 2021
Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2020

28 May 2021
Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2021

30 August 2021
Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2021

30 November 2021
Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2021

Annual Audited Accounts

28 April 2021
Announcement of the Annual Audited Accounts for the financial year ended 31 December 2020 and issuance of Annual Integrated Report 2020

Annual General Meeting

28 April 2021
Notice of the 13th Annual General Meeting

23 June 2021
13th Annual General Meeting

Financial Calendar **2022**

Quarterly Results

28 February 2022
Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2021

Annual Audited Accounts

28 April 2022
Announcement of the Annual Audited Accounts for the financial year ended 31 December 2021 and issuance of Annual Integrated Report 2021

Analysis of Shareholdings

as at 21 March 2022

Issued and Paid-up Share Capital	: 3,648,151,500 ordinary shares and 1 special share
Class of Shares	: Ordinary shares Special share
Voting Right	: One (1) vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Category	No. of Shareholders		Total No. of Shareholders		No. of Issued Shares		Total No. of Issued Shares	
	Malaysian	Foreigner	No.	Percentage (%)	Malaysian	Foreigner	No.	Percentage (%)
Less than 100	681	6	687	2.67	4,269	211	4,480	0.00
100 to 1,000	17,318	22	17,340	67.28	13,420,079	11,657	13,431,736	0.37
1,001 to 10,000	5,437	52	5,489	21.30	25,209,876	287,138	25,497,014	0.70
10,001 to 100,000	1,913	63	1,976	7.67	59,004,324	2,822,003	61,826,327	1.69
100,001 to less than 5% of issued shares	225	51	276	1.07	354,669,587	161,445,498	516,115,085	14.15
5% and above of issued shares	5	0	5	0.02	3,031,276,858	0	3,031,276,858	83.09
TOTAL	**25,579**	**194**	**25,773**	**100.00**	**3,483,584,993**	**164,566,507**	**3,648,151,500**	**100.00**

ANALYSIS OF EQUITY STRUCTURE

No.	Category of Shareholders	No. of Shareholders		No. of Issued Shares		Percentage (%) of Issued Shares	
		Malaysian	Foreigner	Malaysian	Foreigner	Malaysian	Foreigner
1	Individual	9,122	84	98,618,816	2,383,812	2.70	0.07
2	Body Corporate						
	a. Banks/finance companies	4	2	171,500	518,200	0.00	0.01
	b. Investment trust/foundation/charities	0	0	0	0	0.00	0.00
	c. Industrial and commercial companies	165	2	537,972,910	33,000	14.74	0.00
3	Government agencies/institutions	8	0	406,437,300	0	11.14	0.00
4	Nominees	16,280	106	2,440,384,467	161,631,495	66.91	4.43
5	Others	0	0	0	0	0.00	0.00
	TOTAL	**25,579**	**194**	**3,483,584,993**	**164,566,507**	**95.49**	**4.51**

SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

No.	Name		Direct Interest		Indirect/Deemed Interest	
			No. of Issued Shares	Percentage (%) of Issued Shares	No. of Issued Shares	Percentage (%) of Issued Shares
1	LEMBAGA KEMAJUAN TANAH PERSEKUTUAN (FELDA)		2,463,683,591	67.53	452,921,192	12.42
	• Own Account	3,188,300				
	• Own Account (MOF – Akaun Jaminan Pinjaman Kerajaan Persekutuan)	400,000,000				
	• Maybank Nominees (Tempatan) Sdn Bhd	1,624,106,591				
	• Maybank Nominees (Tempatan) Sdn Bhd	63,192,800				
	• Maybank Nominees (Tempatan) Sdn Bhd	371,841,500				
	• Affin Hwang Nominees (Tempatan) Sdn Bhd	1,354,400				
2	FELDA ASSET HOLDINGS COMPANY SDN BHD					
	• Own Account	452,921,192	452,921,192	12.42	–	–
3	KERAJAAN NEGERI PAHANG					
	• Maybank Nominees (Tempatan) Sdn Bhd	182,407,575	182,407,575	5.00	–	–

DIRECTORS' SHAREHOLDINGS

No.	Name	Direct Interest		Indirect/Deemed Interest	
		No. of Issued Shares	Percentage (%) of Issued Shares	No. of Issued Shares	Percentage (%) of Issued Shares
1	Dato' Dzulkifli Abd Wahab	–	–	–	–
2	Dato' Amiruddin Abdul Satar	–	–	–	–
3	Dato' Shahrol Anuwar Sarman	–	–	–	–
4	Dato' Nonee Ashirin Dato' Mohd Radzi	–	–	–	–
5	Dato' Mohd Rafik Shah Mohamad	–	–	–	–
6	Kasmuri Sukardi	–	–	–	–
7	Nik Fazila Nik Mohamed Shihabuddin	–	–	–	–

Note:
None of the Directors hold shares in FGV.

Analysis of Shareholdings
as at 21 March 2022

TOP 30 SECURITIES ACCOUNT HOLDERS

No.	Name	No. of Holdings	%
1	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEMBAGA KEMAJUAN TANAH PERSEKUTUAN (564212105881)	1,624,106,591	44.52
2	FELDA ASSET HOLDINGS COMPANY SDN BHD	452,921,192	12.42
3	MINISTER OF FINANCE AKAUN JAMINAN PINJAMAN KERAJAAN PERSEKUTUAN	400,000,000	10.96
4	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEMBAGA KEMAJUAN TANAH PERSEKUTUAN (464016811369)	371,841,500	10.19
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KERAJAAN NEGERI PAHANG	182,407,575	5.00
6	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	89,265,697	2.45
7	KOPERASI PERMODALAN FELDA MALAYSIA BERHAD	70,748,208	1.94
8	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD SDB ASSET MANAGEMENT SDN BHD FOR CHIEF MINISTER STATE OF SABAH	65,934,066	1.81
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEMBAGA KEMAJUAN TANAH PERSEKUTUAN	63,192,800	1.73
10	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD SDB ASSET MANAGMENT SDN BHD FOR EKUITI YAKINJAYA SDN BHD	20,869,113	0.57
11	AFFIN HWANG NOMINEES (ASING) SDN BHD EXEMPT AN FOR LEI SHING HONG SECURITIES LIMITED (CLIENTS A/C)	19,251,000	0.53
12	RHB NOMINEES (TEMPATAN) SDN BHD OSK CAPITAL SDN BHD FOR YAYASAN ISLAM TERENGGANU	16,455,100	0.45
13	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR CGS-CIMB SECURITIES SDN BHD (FELDA IPO SMF)	11,820,700	0.32
14	HSBC NOMINEES (ASING) SDN BHD CREDIT SUISSE (HONG KONG) LIMITED	10,042,800	0.28
15	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	6,663,600	0.18

No.	Name	No. of Holdings	%
16	MIDF AMANAH INVESTMENT NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FOXTON CONSULTING – F.Z.E (CTS-FCF0001C)	6,035,000	0.17
17	ALLIANCE GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM NYUK SANG @ FREDDY LIM (8071811)	5,618,300	0.15
18	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR KU TIEN SEK	5,000,000	0.14
19	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM NYUK SANG @ FREDDY LIM (MQ0423)	4,609,500	0.13
20	KOPERASI PERMODALAN FELDA MALAYSIA BERHAD	3,961,700	0.11
21	CHIN CHIN SEONG	3,754,000	0.10
22	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	3,719,100	0.10
23	LEMBAGA KEMAJUAN TANAH PERSEKUTUAN (FELDA)	3,188,300	0.09
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM NYUK SANG @ FREDDY LIM	3,150,000	0.09
25	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	3,148,923	0.09
26	AMSEC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AMBANK ISLAMIC BERHAD (FELDA)	2,858,200	0.08
27	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	2,737,100	0.08
28	CARTABAN NOMINEES (TEMPATAN) SDN BHD SSBT FUND WTAU FOR WISDOMTREE EMERGING MARKETS SMALLCAP DIVIDEND FUND	2,530,100	0.07
29	BIMSEC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR FEDERAL LAND DEVELOPMENT AUTHORITY (FOR SETTLER IPO)	2,320,800	0.06
30	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LEEF)	2,252,500	0.06

Top 10 Properties of FGV Group

Location	Tenure	Year lease expiring	Approximate Area (Hectares)	Description	Year of Acquisition	Net Book Value (RM'000)
SABAH Sahabat 07, Sahabat 30 ,Sahabat 40, Sahabat 41, Sahabat 42, Sahabat 43, Sahabat 46, Sahabat 48, Sahabat 50, Sahabat 51, Sahabat 52, Sahabat 53, Sahabat 54, Sahabat 21, Sahabat 22, Sahabat 23, Sahabat 24, Sahabat 25, Sahabat 26, Sahabat 28, Sahabat 31, Sahabat 33, Sahabat 34, Sahabat 35, Sahabat 36, Sahabat 09, Sahabat 10, Sahabat 11, Sahabat 12, Sahabat 16, Sahabat 17, Sahabat 20, Sahabat 38, Sahabat 39, Sahabat 44, Sahabat 45, Sahabat 55, Sahabat 56, Kalabakan Selatan, Kalabakan Utara 01, Umas 05, Umas 06, Tenegang, Sahabat, Tawau, Lahad Datu, Sandakan, Umas, Baiduriayu, Kalabakan, Embara Budi, Fajar Harapan, Merchu Puspita, Hamparan Badai, Kembara Sakti, Nilam Permata, Jeragan Bistari, Lanchang Kemudi	Leasehold	2028-2887	128,692	Oil palm estates and palm oil mills and refining plant	1996-2013, 2016	1,108,113
JOHOR DARUL TAKZIM Inas Selatan, Kledang 02, Maokil 06, Maokil 07, Nitar Timur, Paloh, Tenggaroh 09, Tenggaroh 11, Tenggaroh 12, Tenggaroh 13, Tenggaroh Timur 02, Palong Timur 04, Palong Timur 05, Semencu, Bukit Besar, Air Tawar, Penggeli, Kahang, Lok Heng, Selanchar 2A, Tenggaroh 4, Adela, Moakil, Nitar, Selanchar 2B, Belitong, Wa Ha, Tenggaroh Timur, Kulai, Plentong, Pasir Gudang, Tanjung Langsat Industrial Complex	Leasehold	2018-2111	33,915	Oil palm estates, palm oil mills, factory, warehouse, storey offices and sugar refinery plant	2012-2015	250,916
SARAWAK Lot 15 Dulit Land Batang Tinjar, Baram. Lot 20 Dulit Land Long Aya, Tinjar, Baram. Lot 10 Dulit Land Along Batang Tinjar, Baram. Lot 16 Dulit Land Batang Tinjar, Baram. Lot 68, Bok Land, Sg Bok, Dulit, Baram. Lot 23 Dulit Land Sg Bok, Dulit, Baram. Lot 17, 18 & 19 Patah Land District, Sg Aran & Sg Tema-ah, Miri. Sampadi 01, Sampadi 03, Sampadi 04, Sampadi 05, Sampadi 06, Sampadi	Leasehold	2063-2111	32,803	Oil palm estates and palm oil mills	2012-2014	203,758
PAHANG DARUL MAKMUR Berabong 01, Selendang 03, Selendang 04, Selanchar 06, Selanchar 08, Selanchar 09, Chegar Perah 02, Kechau 02, Kechau 03, Kechau 06, Kechau 07, Kechau 08, Kechau 10, Kechau 11, Krau 02, Krau 04, Telang 01, Bera Selatan 01, Bera Selatan 03, Bera Selatan 04, Bera Selatan 05, Bera Selatan 07, Keratong 11, Mengkarak 01, Mengkarak 02, Tembangau 03, Tembangau 05, Tembangau 06, Tembangau 08, Tembangau 07, Tembangau 09, Bukit Sagu 04, Bukit Sagu 06, Bukit Sagu 07, Bukit Sagu 08, Lepar Hilir 05, Lepar Hilir 06, Lepar Hilir 08, Merchong, Chini Timur 04, Lepar Utara 05, Lepar Utara 07, Lepar Utara 08, Lepar Utara 09, Lepar Utara 11, Lepar Utara 14, Terapai 01, Terapai 03, Triang 02, Triang 04, Triang Selatan 01, Jengka 21, Keratong 2, Bkt Mendi, Pdg Piol, Kepayang, Gelanggi, Neram, Chini 3, Tementi, Mempaga, Kemasul, Keratong 3, Seroja, Tersang, Keratong 9, Selendang A, Lepar Utara 4, Chini 2, Jengka 8, Lepar Hilir, Bukit Sagu, Lepar Utara 6, Panching, Triang, Kerau, Kechau A, Kechau B, Tanjung Gelang	Leasehold	2027-2111	143,902	Oil palm estates, palm oil mills and refining plant	2012	220,088

Location	Tenure	Year lease expiring	Approximate Area (Hectares)	Description	Year of Acquisition	Net Book Value (RM'000)
KELANTAN DARUL NAIM Aring 02, Aring 03, Aring 04, Aring 05, Aring 06, Aring 08, Aring 10, Chiku 04, Chiku 08, Aring B, Kemahang, Chiku, Aring A	Leasehold	2111	24,620	Oil palm estates and palm oil mills	2012	97,023
PERLIS INDERA KAYANGAN PN 37, Lot No : 2040, Kampong Baru, Chuping. PN 39, Lot No : 2035, Bukit Merah, Chuping. PN 40, Lot No : 2038, Store Chia, Chuping. PN1755, Lot 18794, Mukim Chuping. PN 43, Lot No : 2037, Air Hujan, Chuping. HS (D) 145, PT, Chuping	Leasehold	2061-2062	4,340	Rubber and other crops plantation and buildings	2011	75,084
UNITED STATES OF AMERICA 740-760, 749-773, and 780 Washington Street, Quincy, Massachusetts, 02169 United States of America	Freehold		Built up area: 4.38	Production of fatty acids and glycerine with distribution facilities for ocean shipping and shipping by rail	2008-2009	63,075
TERENGGANU DARUL IMAN Chador 01, Cherul 03, Rantau Abang 01, Semaring 01, Setiu 01, Jerangau Baru, Jerangau Barat, Kertih, Chalok	Leasehold	2111	13,395	Oil palm estates and palm oil mills	2012	36,968
NEGERI SEMBILAN Palong 17, Palong 18, Palong 21, Serting Hilir 08, Serting, Serting Hilir, Palong Timur, Pasoh	Leasehold	2111	12,867	Oil palm estates and palm oil mills	2012	24,448
PERAK Besout 06, Besout 07, Lawin Tengah, Nenering 02, Tawai 01, Tawai 02, Trolak, Besout	Leasehold	2111	15,551	Oil palm estates and palm oil mills	2012	19,428

Additional Disclosure

UTILISATION OF PROCEEDS

There were no proceeds raised from corporate proposals during the financial year ended 31 December 2021.

NON-AUDIT FEES

The amount of non-audit fees rendered to the Group by its external auditors, Pricewaterhouse Coopers PLT (PwC), for the financial year ended 31 December 2021 amounted to RM157,000 and was within the allowable threshold.

MATERIAL CONTRACTS

Share Sale Agreement dated 8 June 2021 between MSM Malaysia Holdings Berhad and FGV Integrated Farming Sdn Bhd in respect of the proposed acquisition of the entire equity interest held in MSM Perlis Sdn Bhd for a consideration of RM175,000,000.00, subject to the adjustment for net debt and net working capital upon completion. This agreement was completed on 29 September 2021.

LONG TERM INCENTIVE PLAN (LTIP)

The Long Term Incentive Plan (LTIP) was discontinued in January 2021.

SHARE ISSUANCE SCHEME

There was no Share Issuance Scheme declared or implemented in 2021.

RECURRENT RELATED PARTY TRANSACTION OF REVENUE OR TRADING NATURE

At the 13th AGM held on 23 June 2021, the Company had obtained a general mandate from its shareholders' for the existing recurrent related party transactions of a revenue or trading nature, to be entered into by FGV and its Group of Companies (FGV Group) as set out in the Circular to shareholders dated 28 April 2021 (RRPT Mandate). The RRPT Mandate is valid until the conclusion of the forthcoming 14th AGM of the Company.

Pursuant to paragraph 10.09(2)(b) and paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the details of the recurrent related party transactions of a revenue or trading nature entered into during the financial year ended 31 December 2021 are as follows:

Item	Transacting Related Party		Interested Major Shareholders/Directors and persons connected with them	Nature of RRPT	Value of Transaction (RM'000)
	Recipient	Provider			
1	KPF-Linked Subsidiaries, MSM Group of Companies & FGV Trading	FGV Group	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Provision of management and shared services	71,614

Item	Transacting Related Party		Interested Major Shareholders/Directors and persons connected with them	Nature of RRPT	Value of Transaction (RM'000)
	Recipient	Provider			
2	FGV Group	KPF-linked Subsidiaries	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Supply of fertiliser, oil palm seeds and fertilisers recommendation services	902
				Rental for buildings/ houses at various places having rental period of less than 3 years on pro-rated monthly or annual instalments basis, for purposes of offices, store rooms, laboratories, pump houses, staff squatters and etc.	1,579
				Purchase of FFB	158,280
3	FGV Group, MSM Group of Companies, FELDA Group of Companies, KPF Related Corporations, Yayasan Felda	FGV Prodata	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF • Yayasan Felda	Computer and printer rentals; sale and renting of IT services; rental and service of computers	72,743
4	FGV Group, MSM Group of Companies, FELDA Group of Companies, KPF Related Corporations, Yayasan Felda	KPF-linked Subsidiaries	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF • Yayasan Felda	Provision of security services	57,117

Additional
Disclosure

Item	Transacting Related Party		Interested Major Shareholders/Directors and persons connected with them	Nature of RRPT	Value of Transaction (RM'000)
	Recipient	Provider			
5	FGV Group, MSM Group of Companies, KPF Related Corporations	KPF-linked Subsidiaries	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Provision of logistic services (including courier, transportation, freight forwarder services)	100,380
6	FELDA Group of Companies & KPF Related Corporations	KPF-linked Subsidiaries	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Jetty commissions; provision of courier services	447
7	MSM Group of Companies, FELDA Group of Companies, KPF-linked Subsidiaries and KPF Related Corporations	FGV Group	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Provision of travel and accommodation services	1,591
8	FGV Group	KPF-linked Subsidiaries	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Provision of tolling services	69,194

Item	Transacting Related Party		Interested Major Shareholders/Directors and persons connected with them	Nature of RRPT	Value of Transaction (RM'000)
	Recipient	Provider			
9	FGV Group, MSM Group of Companies	FELDA Group of Companies & KPF Related Corporations	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Purchase of FFB	5,333,216
				Payment of incentive for the settlers' welfare to the Joint Consultative Committee (JCC)/ FELDA	16,953
				Office and land rental having rental period of less than 3 years of on pro-rated monthly or annual instalment basis	1,004
10	FELDA Group of Companies, KPF-Linked Subsidiaries, KPF Related Corporations	FGV Group	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Sale of packed products	34
				Sale of product (bunch ash)	375
11	FGV Group, FELDA Group of Companies	KPF-linked subsidiaries	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Supply of steam and electricity	4,376
12	FGV Group, FELDA Group of Companies, KPF Related Corporations	KPF-Link Subsidiaries, FGV Trading	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Provision of raw materials, sale of palm oil products	3,054,906

Additional
Disclosure

Item	Transacting Related Party		Interested Major Shareholders/Directors and persons connected with them	Nature of RRPT	Value of Transaction (RM'000)
	Recipient	Provider			
13	FELDA Group of Companies, KPF-linked Subsidiaries, MSM Group of Companies, KPF Related Corporations	FGV Group	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Sale of fertiliser	201,577
14	FGV Group	FELDA	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Purchase of rubber	148,117
15	KPF-linked subsidiaries	FGV Capital	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Provision of financial assistance to the FGV Group on a short or medium term basis (i.e. for a duration of not exceeding 3 years)	455,683
16	FGV Group	KPF-linked Subsidiaries	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Provision of tolling services - manufactured CPO & PK	663,762

Item	Transacting Related Party		Interested Major Shareholders/Directors and persons connected with them	Nature of RRPT	Value of Transaction (RM'000)
	Recipient	Provider			
17	FGV Bulkers	FELDA	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Leasing land at Plentong, Johor (Terminal T4X) having lease/rental period of less than 3 years on pro-rated monthly or annual instalments basis	151
18	KPF-linked Subsidiaries, FELDA Group of Companies, KPF Related Corporations	FGVPM	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Provision of maintenance services for Infra Sabah (i.e. Operations and maintenance of the electric power station and water treatment plant)	3,775
19	FELDA Group of Companies, KPF-linked Subsidiaries, KPF Related Corporations	FGV Group	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Office and building rental having rental period of less than 3 years on pro-rated monthly or annual instalments basis	1,140
20	KPF-linked Subsidiaries	FGV Group	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Tank, storage and handling, and warehouse rental for a period of less than 3 years on pro-rated monthly or annual instalments basis	5,801

Additional
Disclosure

Item	Transacting Related Party		Interested Major Shareholders/Directors and persons connected with them	Nature of RRPT	Value of Transaction (RM'000)
	Recipient	Provider			
21	KPF-linked Subsidiaries	FGV Group	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Sale of raw material (rubber)	13,229
22	FGV Group, MSM Group of Companies	KPF Related Corporations	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Food and beverage services	2
23	FGV Group	KPF-linked Subsidiaries, FGVGT	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Villa, land and warehouse rental for a period of less than 3 years on pro-rated monthly or annual instalments basis	673
24	KPF-linked Subsidiaries	FGV Group	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Provision of research and development services	28,098

Item	Transacting Related Party		Interested Major Shareholders/Directors and persons connected with them	Nature of RRPT	Value of Transaction (RM'000)
	Recipient	Provider			
25	FGV Group, FELDA Group of Companies, KPF Related Corporations	KPF-Linked Subsidiaries	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Provision of advisory and laboratory analysis services, sales of seeds palm, seedlings, rat bait and agricultural products	44,760
26	FGV Group, KPF Related Corporations	MSM Group of Companies, KPF-Linked Subsidiries	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Office, building and warehouse rental having rental period of less than 3 years on pro-rated monthly or annual instalments basis	417
27	FGV Group	MSM Group of Companies	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Supply of sugar, molasses and other sugar products	93
28	FGV Group, MSM Group of Companies	KPF-Linked Subsidiaries	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Sales of packed products	845

Additional
Disclosure

Item	Transacting Related Party		Interested Major Shareholders/Directors and persons connected with them	Nature of RRPT	Value of Transaction (RM'000)
	Recipient	Provider			
29	FGV Group	KPF-linked Subsidiaries	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Purchase of Palm Kernel Expeller (PKE)	171
30	FGV Group, MSM Group of Companies, FELDA Group of Companies, KPF Related Corporations	KPF-Linked Subsidiaries	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Provision of logistic services; Jetty commissions	116,132
31	KPF-Linked Subsidiaries, FELDA Group of Companies, KPF Related Corporations	FGV Group	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Commision on sale of PKE/Animal Feed	233
32	KPF Linked Subsdiaries	FELDA Group of Companies	Interested Major Shareholders: • FELDA • FAHC Interested Directors: • Dato' Amiruddin Abdul Satar • Dato' Shahrol Anuwar Sarman Interested Directors in KPF-Linked Subsidiaries* Interested person connected: • KPF	Lease of land having lease/rental period of more than 3 years on pro-rated monthly or quarterly or annual instalments basis.	13,586
				Total	**10,642,956**

* *Interested Directors in KPF-Linked subsidiaries comprise of Dato' Amir Hamdan Yusof, Dato' Muhamad Rizal Abdul Rahim, Dato' Ramli Ismail, Datuk Khamis Mohamed Som, Hasbullah Muhamad, Hasrin Ismail, Norzuki Mustafa, Samsudin Othman, Sulong Jamil Mohamed and Zaid Sidek.*

Application of the Principles and Practices of the Malaysian Code on Corporate Governance 2021 (MCCG 2021)

FGV's application of the principles and practices of the MCCG 2021 in respect of FY2021 are explained in the Corporate Governance (CG) Report available on our website, www.fgvholdings.com and also in the Annual Integrated Report 2021 set out in the following pages:

Practice	Details	Applied / Departure / Adopted / Not Adopted / Not Applicable	Page*
PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS			
1.1	The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.	Applied	4-15, 17, 30-31, 36-79
1.2	A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.	Applied	4-7, 16, 82, 84, 86
1.3	The positions of Chairman and Chief Executive Officer (CEO) are held by different individuals.	Applied	82, 84, 86, 95, 108
1.4	The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.	Applied	85, 117, 125
1.5	The board is supported by a suitably qualified and competent company secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.	Applied	16, 102, 108
1.6	Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.	Applied	Please refer to CG Report
2.1	The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies: • the respective roles and responsibilities of the board, board committees, individual directors and management; and • issues and decisions reserved for the board.	Applied	106
3.1	The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering. The Code of Conduct and Ethics is published on the company's website.	Applied	106
3.2	The board establishes, reviews and together with management implements policies and procedures on whistleblowing.	Applied	104, 106, 139, 142
4.1	The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets. The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management. Strategic management of material sustainability matters should be driven by senior management.	Applied	4-7, 36-40, 44-47
4.2	The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.	Applied	148
4.3	The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.	Applied	109, 133, 114-116
4.4	Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.	Applied	111, 124
4.5 (Step Up)	The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.	Adopted	100
5.1	The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each Director should be reviewed by the Nomination Committee and annual re-election of a Director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.	Applied	104, 106
5.2	At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.	Applied	Please refer to CG Report
5.3	The tenure of an Independent Director does not exceed a term limit of nine years. Upon completion of the nine years, an Independent Director may continue to serve on the board as a non-independent director. If the board intends to retain an Independent Director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.	Not Applicable - Step Up 5.4 Adopted	

* *To also refer to our CG Report, which is available on our website, www.fgvholdings.com*

Application of the Principles and Practices
of the Malaysian Code on Corporate Governance 2021 (MCCG 2021)

Practice	Details	Applied / Departure / Adopted / Not Adopted / Not Applicable	Page*
PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)			
5.4 (Step Up)	The board has a policy which limits the tenure of its independent directors to nine years without further extension.	Adopted	Please refer to CG Report
5.5	Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.	Applied	84, 86-102, 117
5.6	In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing directors, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates. If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.	Applied	Please refer to CG Report
5.7	The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.	Departure	111-113, 157, Statement Accompanying Notice of 14th Annual General Meeting
5.8	The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.	Applied	85, 117
5.9	The board comprises at least 30% women directors.	Applied	Please refer to CG Report
5.10	The board discloses in its annual report the company's policy on gender diversity for the board and senior management.	Departure	94, 104, 106
6.1	The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition. For Large Companies, the board engages independent experts at least every three years, to facilitate objective and candid board evaluations.	Applied	110-111
7.1	The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.	Applied	120-124
7.2	The board has a Remuneration Committee to implement its remuneration policies and procedures including reviewing and recommending matters relating to the remuneration of board and senior management. The Remuneration Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.	Applied	117-119
8.1	There is detailed disclosure on named basis of the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.	Applied	122-123
8.2	The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.	Departure	124
8.3 (Step Up)	Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.	Not Adopted	

Practice	Details	Applied / Departure / Adopted / Not Adopted / Not Applicable	Page*
PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT			
9.1	The Chairman of the Audit Committee is not the Chairman of the board.	Applied	85, 108, 125
9.2	The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.	Applied	125
9.3	The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.	Applied	129
9.4 (Step Up)	The Audit Committee should comprise solely of independent directors.	Not Adopted	125 and Audit Committee Terms of Reference
9.5	Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process. All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.	Applied	88, 90, 91, 93
10.1	The board should establish an effective risk management and internal control framework.	Applied	140-143
10.2	The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.	Applied	140-143
10.3 (Step Up)	The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.	Adopted	85, 131-134
11.1	The Audit Committee should ensure that the internal audit function is effective and able to function independently.	Applied	18, 129-130
11.2	The board should disclose: • whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence; • the number of resources in the internal audit department; • name and qualification of the person responsible for internal audit; and • whether the internal audit function is carried out in accordance with a recognised framework.	Applied	101, 129-130 Please refer to CG Report
PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS			
12.1	The board ensures there is effective, transparent and regular communication with its stakeholders.	Applied	2-3, 16, 26-29, 135-138
12.2	Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.	Applied	2-3, 139
13.1	Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.	Applied	Please refer to CG Report
13.2	All directors attend general meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.	Applied	Please refer to CG Report
13.3	Listed companies should leverage technology to facilitate: • voting including voting in absentia; and • remote shareholders' participation at general meetings. Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.	Applied	138 Please refer to CG Report
13.4	The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.	Applied	Please refer to Board Charter and CG Report
13.5	The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.	Departure	138 Please refer to CG Report
13.6	Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.	Applied	Please refer to CG Report

Detailed explanation on the application/departure/adoption of the Principles and Practices of the MCCG 2021 are explained in our CG Report, which is available on our website at www.fgvholdings.com

Notice of 14th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 14th Annual General Meeting (AGM) of FGV Holdings Berhad ("FGV" or "the Company") **will be held fully virtual via virtual meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657) which is located in Malaysia on Thursday, 23 June 2022 at 11.00 a.m.**, or an adjournment thereof, to transact the following businesses, with or without modifications:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon.
   Please refer to Explanatory Note 1
2. To approve the payment of Directors' fees for the Non-Executive Chairman (NEC) from 24 June 2022 until the next AGM of FGV based on the Directors' fee structure. **(Resolution 1)**
   Please refer to Explanatory Note 2 and 3
3. To approve the payment of Directors' fees for the Non-Executive Directors (NED) from 24 June 2022 until the next AGM of FGV based on the Directors' fee structure. **(Resolution 2)**
   Please refer to Explanatory Note 2 and 4
4. To approve the payment of Board Sustainability Committee fees and meeting allowances to the NED for the period from 1 September 2021 until 23 June 2022 based on the Directors' fee and remuneration structure. **(Resolution 3)**
   Please refer to Explanatory Note 2 and 5
5. To approve the payment of benefits payable to the NEC from 24 June 2022 until the next AGM of FGV based on the Directors' remuneration structure. **(Resolution 4)**
   Please refer to Explanatory Note 2 and 6
6. To approve the payment of benefits payable to the NED from 24 June 2022 until the next AGM of FGV based on the Directors' remuneration structure. **(Resolution 5)**
   Please refer to Explanatory Note 2 and 7
7. To re-elect Dato' Amiruddin Abdul Satar who retires by rotation in accordance with Clause 97 of the Company's Constitution and who, being eligible, has offered himself for re-election. **(Resolution 6)**
   Please refer to Explanatory Note 8
8. To re-elect the following Directors who retire in accordance with Clause 103 of the Company's Constitution and who, being eligible, have offered themselves for re-election:
   (i) Dato' Nonee Ashirin Dato' Mohd Radzi **(Resolution 7)**
   (ii) Dato' Mohd Rafik Shah Mohamad **(Resolution 8)**
   (iii) Nik Fazila Nik Mohamed Shihabuddin **(Resolution 9)**
   (iv) Kasmuri Sukardi **(Resolution 10)**
   (v) Datuk Yatimah Sarjiman **(Resolution 11)**
   Please refer to Explanatory Note 9
9. To re-appoint PricewaterhouseCoopers PLT, having consented to act as Auditors of the Company, for the financial year ending 31 December 2022 and to authorise the Board of Directors to determine their remuneration. **(Resolution 12)**
   Please refer to Explanatory Note 10

As Special Business

To consider and if thought fit, to pass the following as Ordinary Resolution:

10. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **(Resolution 13)**

    "THAT subject always to the Companies Act, 2016 (CA 2016), the Constitution of FGV, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Listing Requirements), other applicable laws, guidelines, rules and regulations, and the approval of the relevant governmental/regulatory authorities (where applicable), approval be and is hereby given to the Company and its subsidiaries to enter into all arrangements and/or transactions involving the interests of the Related Parties as specified in Appendix I of the Circular to the Shareholders dated 28 April 2022 (RRPT Circular), provided that such arrangements and/or transactions are:

    (a) recurrent transactions of a revenue or trading nature;

    (b) necessary for the day-to-day operations;

    (c) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and

    (d) not detrimental to the minority Shareholders of the Company;

    (Proposed Mandates).

    AND THAT the Proposed Mandates shall commence immediately upon passing of this ordinary resolution and continue to be in force until:

    (i) the conclusion of the next AGM of the Company following this 14th AGM at which time the Proposed Mandates will lapse, unless the Proposed Mandates are renewed by a resolution passed at the next AGM of the Company; or

    (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Sections 340(1) and (2) of the CA 2016 (excluding however such extension as may be allowed pursuant to Section 340(4) of the CA 2016); or

    (iii) the Proposed Mandates are revoked or varied by a resolution passed by the Shareholders of the Company in a general meeting of the Company,

    whichever is the earlier;

    AND FURTHER THAT authority be and is hereby given to the Directors of the Company and/or its subsidiaries to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to such transactions as authorised by this resolution and the Proposed Mandates."

    Please refer to the Explanatory Notes on Special Business

11. To transact any other business of the Company for which due notice have been given in accordance with the Company's Constitution and the CA 2016.

BY ORDER OF THE BOARD

KOO SHUANG YEN
Company Secretary
(SSM PC No. 201908003534)
(MIA 7556)

Kuala Lumpur
28 April 2022

NOTES:

1. Precautionary measures against Coronavirus disease 2019 (COVID-19) pandemic

(i) Having regard to the well-being and the safety of our Shareholders, the Company will conduct its forthcoming 14th AGM fully virtual through live streaming and online remote voting. Please follow the procedures provided in the Administrative Details for the 14th AGM in order to register, participate and vote remotely via LUMI AGM facilities.

(ii) With LUMI AGM facilities, a Shareholder may exercise his/her right to participate (including to pose questions to the Chairman/Board/Management of the Company) and vote at the 14th AGM, at the comfort of their home.

(iii) The venue of the 14th AGM is the virtual meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657) which is located in Malaysia being the main venue and is strictly for the purpose of compliance with Section 327(2) of the CA 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. In a fully virtual general meeting, all meeting participants including the Chairman, Board, Management of the Company and Shareholders will participate virtually through the virtual meeting platform.

(iv) Due to the constant evolving situation of the COVID-19 pandemic, we may be required to change the arrangements of our 14th AGM at short notice. Kindly check the Company's website or announcements for the latest updates on the status of the 14th AGM.

2. Proxy

(i) Shareholders who are unable to participate in the 14th AGM may appoint Proxy(ies) to vote on their behalf. Where a Shareholder appoints two (2) Proxies, each Proxy appointed shall represent a minimum of one hundred (100) shares and the appointment of such Proxies shall not be valid unless the Shareholder specifies the proportion of his/her shareholding to be represented by each of such Proxy.

(ii) The Proxy Form shall be in writing under the hands of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation either under its common seal, or the hand of its officer or its duly authorised attorney. An instrument appointing a Proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor.

(iii) The appointment of Proxy may be made in a hardcopy form or by electronic means as follows:

In Hardcopy Form

The Proxy Form shall be deposited at the office of the Share Registrar of the Company at Boardroom Share Registrars Sdn Bhd at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia no later than **Wednesday, 22 June 2022 at 1.00 p.m.**, and in default the Proxy Form shall not be treated as valid.

By Electronic Means

The Proxy Form may be submitted:

a) to the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd via e-mail to bsr.helpdesk@boardroomlimited.com, no later than **Wednesday, 22 June 2022 at 1.00 p.m.** or

b) via electronic means (e-Proxy) no later than **Wednesday, 22 June 2022 at 1.00 p.m.** (please refer to the Annexure to the Proxy Form for further information on submission via e-Proxy).

3. Corporate Shareholders, Authorised Nominees and Exempt Authorised Nominees

For Corporate Shareholders, Authorised Nominees and Exempt Authorised Nominees who wish to participate and vote remotely via LUMI AGM facilities at the 14th AGM of the Company, please refer to the procedures in the Administrative Details for the 14th AGM.

4. Shareholders entitled to participate and vote

For purposes of determining a Shareholder who shall be entitled to participate and vote at the 14th AGM of the Company, the Company shall be requesting from Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 63 of the Company's Constitution and Section 34(1) of Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 15 June 2022. **Only a depositor whose name appears on the General Meeting Record of Depositors as at 15 June 2022 shall be entitled to participate and vote at the 14th AGM or appoint a Proxy(ies) to participate and vote on such depositor's behalf.**

5. Request for remote participation user ID and password

The registration for remote participation will be open from **11.00 a.m. on Thursday, 28 April 2022 up to 11.00 a.m. on Wednesday, 22 June 2022**. Please follow the procedures provided in the Administrative Details for the 14th AGM in order to participate in the 14th AGM remotely via LUMI AGM facilities.

6. Voting

Pursuant to Paragraph 8.29A(1) of the Listing Requirements, all resolutions set out in the Notice of the 14th AGM of the Company will be put to vote by poll. Poll Administrator will be appointed to conduct the poll via e-voting process and Independent Scrutineers will be appointed to verify the poll results.

Shareholders can proceed to vote on the resolutions and submit their votes at any time from the commencement of the 14th AGM at 11.00 a.m. until a time when the Chairman of the meeting announces the completion of the voting session. Upon completion of the voting session for the 14th AGM, the Independent Scrutineers will verify the poll results followed by the Chairman of the meeting's announcement of the poll results and declaration whether the resolutions are duly passed.

7. Submission of questions before and during the 14th AGM

Shareholders may submit questions in relation to the agenda items for the 14th AGM prior to the meeting electronically and may also ask questions real time (in the form of typed text) during the meeting. Please refer to the procedures in the Administrative Details for the 14th AGM.

EXPLANATORY NOTES ON ORDINARY BUSINESS:

Explanatory Note 1:

Audited Financial Statements for the financial year ended 31 December 2021

This agenda item is meant for presentation and discussion only as under the provisions of Section 340(1)(a) of the CA 2016 and Clause 135 of the Company's Constitution, the Audited Financial Statements do not require the formal approval of Shareholders and hence, will not be put forward for voting.

Explanatory Note 2:

Directors' remuneration - fees and benefits payable

Section 230(1) of the CA 2016 provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

In this respect, the Board agreed that the Shareholders' approval shall be sought at the 14th AGM on the Directors' remuneration in five (5) separate resolutions as below:

- **Resolution 1** on payment of Directors' fees for the NEC from 24 June 2022 until the next AGM of FGV;
- **Resolution 2** on payment of Directors' fees for the NED from 24 June 2022 until the next AGM of FGV;
- **Resolution 3** on payment of Board Sustainability Committee fees and meeting allowances for the period from 1 September 2021 until 23 June 2022;
- **Resolution 4** on payment of benefits payable to the NEC for the period from 24 June 2022 until the next AGM of FGV; and
- **Resolution 5** on payment of benefits payable to the NED for the period from 24 June 2022 until the next AGM of FGV.

The Board Remunerations Policy sets out the processes and procedures in determining the remuneration for the Directors. The Board Remunerations Policy provides that the Board, via the Nomination and Remuneration Committee (NRC), shall conduct a high level review and shall perform an in-depth benchmarking of the remuneration packages of the Board at least once in two (2) years to ensure fairness and competitiveness relative to the market (based on market positioning, revenue, performance, total assets, profit after tax and market capitalisation of the comparator groups), to attract, retain and motivate the Board.

The remuneration packages of the Board were last reviewed, benchmarked and approved by Shareholders in 2019. In 2020, the Shareholders approved the payment of Non-Executive Deputy Chairman's (NEDC) monthly allowance and in 2021 the Shareholders approved the increase in meeting allowance via teleconferencing in view of the pandemic and also the meeting allowance for overseas meeting with flight time <= 8 hours.

In 2022, FGV had appointed an independent consultant to conduct a review and benchmarking on the NED remuneration. The NRC deliberated on the independent consultant's recommendations and after due deliberation, having regard to the complexity as well as the number of business verticals of FGV Group, modifications were recommended and presented to the Board.

The Board approved the NRC's recommendation for the Directors' fees to be increased as set out in the **fee structure** below:

Board/Board Committees	Fees per annum for the period from 24 June 2021 until 23 June 2022 (RM)			Proposed fees per annum for the period from 24 June 2022 until the next AGM of FGV (RM)		
	Chairman of the Board	NEDC	NED	Chairman of the Board	NEDC	NED
Board	300,000.00	120,000.00	120,000.00	480,000.00	Removed	150,000.00
	Chairman of the Board Committee	Members of the Board Committee/ NED		Chairman of the Board Committee	Members of the Board Committee/ NED	
Audit Committee	64,000.00	32,000.00		80,000.00	40,000.00	
NRC	35,000.00	20,000.00		45,000.00	30,000.00	
Board Governance & Risk Management Committee	32,000.00	16,000.00		40,000.00	20,000.00	
Investment Committee	32,000.00	16,000.00		40,000.00	20,000.00	
Board Sustainability Committee (established on 1 September 2021)	32,000.00	16,000.00		40,000.00	20,000.00	
Board Tender Committee (disbanded on 20 April 2021)	32,000.00	16,000.00		–	–	
Other Board Committees	Nil	Nil		40,000.00	20,000.00	

The Board also approved the NRC's recommendation for the change in benefits payable to the Directors as set out in the **remuneration structure** (excluding Directors' fees) below:

Current benefits payable	Proposed new benefits payable
Meeting Allowance (per meeting) NEC, NEDC and NED • Local: RM2,000.00 • Overseas (Flight time <= 8 hours): RM3,000.00 • Overseas (Flight time > 8 hours): RM5,000.00 • Teleconferencing: RM2,000.00	**Meeting Allowance (per meeting)** NEC and NED • No changes • No changes • No changes • No changes
Nil	**Official Business Allowance** NEC and NED • Official Business allowance (RM1,000.00 per day) for the following: – attending meetings with government representatives/third parties such as consultants, bankers and advisors on behalf of the Company with an official report to the Board/Board Committees; or – official site visits (visiting projects and/or reference sites) to advise management and/or the Company with an official report to the Board/Board Committees.
Other Benefits NEC • Company car allowance (RM15,000.00 per month including petrol, toll charges and car maintenance) • Driver (actual) • Club membership (RM10,000.00 per annum) • Mobile phone bills (actual) • Personal entertainment (RM24,000.00 per annum) • One (1) personal bodyguard at Chairman's disposal within Malaysia (actual) • Medical coverage (RM100,000.00 per annum) • Group Personal Accident insurance coverage (RM200,000.00 per annum) NEDC • Deputy Chairman's allowance (RM3,000.00 per month) • Medical coverage (RM100,000.00 per annum) • Group Personal Accident insurance coverage (RM200,000.00 per annum) NED • Medical coverage (RM100,000.00 per annum) • Group Personal Accident insurance coverage (RM200,000.00 per annum)	**Other Benefits** NEC • One (1) company car of at least 2000cc with RM180,000.00 per annum of car utility expenses • No changes • No changes • No changes • No changes • No changes • No changes • No changes NEDC • Removed • Removed • Removed NED • No changes • No changes

Notice of
14th Annual General Meeting

The Company is seeking Shareholders' approval on the proposed increase in Directors' fees and proposed change in benefits payable to the Directors.

The payment of the Directors' fees and benefits payable to the Directors for the period from 24 June 2022 until the next AGM of FGV would be in accordance with the proposed new fee and remuneration structure set out above will only be made if the proposed **Resolution 1, 2, 4** and **5** are passed at the 14th AGM of the Company.

The payment of Board Sustainability Committee fees and meeting allowances for the period from 1 September 2021 until 23 June 2022 will be made if the proposed **Resolution 3** is passed at the 14th AGM of the Company.

Explanatory Note 3:

Payment of Directors' fees to the NEC

The proposed **Resolution 1**, if passed, will allow the Company to pay:
- Monthly Board fees of RM40,000.00 per month to the NEC from 24 June 2022 until the next AGM of FGV; and
- Directors' fees to the NEC from 24 June 2022 until the next AGM of FGV based on the fee structure under Explanatory Note 2.

Explanatory Note 4:

Payment of Directors' fees to the NED

The proposed **Resolution 2**, if passed, will allow the Company to pay:
- Monthly Board fees of RM12,500.00 per month to each NED from 24 June 2022 until the next AGM of FGV; and
- Directors' fees to the NED from 24 June 2022 until the next AGM of FGV based on the fee structure under Explanatory Note 2.

Explanatory Note 5:

Payment of Board Sustainability Committee fees and meeting allowances

The Board Sustainability Committee was established on 1 September 2021. Todate, no fees and meeting allowances were paid to the Board Sustainability Committee members as the Shareholders' approval in 2021 did not include this.

The proposed **Resolution 3**, if passed, will allow the Company to pay Board Sustainability Committee fees and meeting allowances for the period from 1 September 2021 until 23 June 2022 as follows:

	Fees per annum (RM)	
	Chairman of the Board Committee	Members of the Board Committee/NED
Board Sustainability Committee	32,000.00	16,000.00
	Meeting Allowance (per meeting)	
	RM2,000.00 (Local & Teleconferencing)	

Dato' Dzulkifli Abd Wahab had agreed to waive his fees and meeting allowances as Chairman of Board Sustainability Committee for the period from 1 September 2021 until the next AGM of FGV in 2023.

Explanatory Note 6:

Payment of benefits payable to the NEC

The proposed **Resolution 4**, if passed, will allow the Company to pay benefits payable to the NEC on a monthly basis and/or as and when incurred from 24 June 2022 until the next AGM of FGV based on the remuneration structure under Explanatory Note 2.

The Board is of the view that it is just and equitable for the NEC to be paid benefits payable on a monthly basis and/or as and when incurred, in recognition of the NEC's responsibilities and services rendered to the Company.

Explanatory Note 7:

Payment of benefits payable to the NED

The proposed **Resolution 5**, if passed, will allow the Company to pay benefits payable to the NED on a monthly basis and/or as and when incurred from 24 June 2022 until the next AGM of FGV based on the remuneration structure under Explanatory Note 2.

The Board is of the view that it is just and equitable for the NED to be paid benefits payable on a monthly basis and/or as and when incurred, in recognition of their responsibilities and services rendered to the Company.

Explanatory Note 8:

Resolution 6 - Re-election of Director who retires by rotation in accordance with Clause 97 of the Company's Constitution

Clause 97 of the Company's Constitution states that at each AGM one-third (1/3) of the Directors for the time being, or if their number is not a multiple of three (3), the number nearest to one-third (1/3) with a minimum of one (1) shall retire from office. In addition, each Director shall retire at least once in every three (3) years but shall be eligible for re-election. Clause 98 of the Company's Constitution provides that the Directors to retire, shall be the one that has been longest in office since his/her last election or appointment, but as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Dato' Amiruddin Abdul Satar being the longest in office shall retire at the forthcoming 14th AGM and is eligible for re-election as Director of the Company. He is standing for re-election as Director at the forthcoming 14th AGM and has consented to be re-elected as Director of the Company.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 14th AGM, the Board through its NRC had assessed each of the retiring Directors, and considered the following:
- The Director's performance and contribution based on the outcome of the Board Effectiveness Assessment (BEA) 2021; and
- The Director's level of contribution to the Board deliberations through his/her skills, experience and strength in qualities.

Based on the outcome of the above assessment, the Board approved the NRC's recommendation that Dato' Amiruddin Abdul Satar to stand for re-election. He had abstained from deliberation and decision on his own eligibility to stand for re-election at the relevant Board meeting. Dato' Amiruddin Abdul Satar's profile is set out in the Statement accompanying notice of 14th AGM. The reasons for the Board's support on his re-election is stated in the Corporate Governance Overview Statement in the Annual Integrated Report 2021.

Explanatory Note 9:

Resolution 7, 8, 9, 10 and 11 - Re-election of Directors who retire in accordance with Clause 103 of the Company's Constitution

Clause 103 of the Company's Constitution stipulates that a Director appointed by the Board shall hold office until the conclusion of the next AGM of the Company and shall be eligible for re-election.

Dato' Nonee Ashirin Dato' Mohd Radzi, Dato' Mohd Rafik Shah Mohamad, Puan Nik Fazila Nik Mohamed Shihabuddin and Encik Kasmuri Sukardi who were appointed Independent Non-Executive Directors of the Company since the last AGM shall retire at the forthcoming 14th AGM and are eligible for re-election as Directors of the Company. They are standing for re-election as Directors at the forthcoming 14th AGM and have consented to be re-elected as Directors of the Company.

They have attended and successfully completed the Mandatory Accreditation Programme as required by the Listing Requirements.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 14th AGM, the Board through its NRC had assessed each of the retiring Directors, and considered the following:
- The Director's performance and contribution based on the outcome of the BEA 2021;
- The Director's level of contribution to the Board deliberations through his/her skills, experience and strength in qualities; and
- The level of independence demonstrated by the Independent Directors, and his/her ability to act in the best interest of the Company in decision-making.

An assessment of the Independent Non-Executive Directors' independence was also conducted based on the criteria prescribed under the Listing Requirements and both the NRC and the Board concurred that the Independent Non-Executive Directors standing for re-election at the forthcoming 14th AGM have maintained their independence throughout their tenure as Directors of the Company.

Based on the outcome of the above assessment, the Board approved the NRC's recommendation that the retiring Directors to stand for re-election. The profiles of the Directors seeking re-election are set out in the Statement accompanying notice of 14th AGM. The reasons for the Board's support on their re-election are stated in the Corporate Governance Overview Statement in the Annual Integrated Report 2021.

Datuk Yatimah Sarjiman who was just appointed on 8 April 2022 shall retire at the forthcoming 14th AGM and is eligible for re-election as Director of the Company. She is also standing for re-election as Director at the forthcoming 14th AGM and will complete the Mandatory Accreditation Programme by 8 August 2022. Datuk Yatimah Sarjiman's profile is set out in the Statement accompanying notice of 14th AGM.

Explanatory Note 10:

Resolution 12 – Re-appointment of Auditors

The Audit Committee (AC) at its meeting held on 23 March 2022 undertook an annual assessment of the suitability and independence of the external auditors, PricewaterhouseCoopers PLT (PwC), in accordance with the revised External Auditor Policy and Procedures which was approved by the Board on 30 November 2021. In its assessment, the AC considered several factors which include the information in PwC's 2021 Annual Transparency Report and the following:
- Quality of PwC's performance and their communications with the AC and FGV Group, based on feedback obtained via assessment questionnaires from FGV personnel who had substantial contact with the external audit team and FGV during the audit;
- Adequacy of experience and resources provided to FGV Group by PwC, in terms of the firm and the professional staff assigned to the audit; and
- Independence and objectivity of PwC.

The AC also took into account the openness in communication and interaction with the lead audit engagement partner and engagement team through discussions at the private meetings, which demonstrated their independence, objectivity and professionalism.

The AC was satisfied with the suitability of PwC based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to FGV Group. The AC was also satisfied in its review that the provisions of non-audit services by PwC to the Company for the FY2021 did not in any way impair their objectivity and independence as external auditors of FGV. The AC was also satisfied that PwC has met the relevant criteria prescribed by Paragraph 15.21 of the Listing Requirements.

The Board on 4 April 2022 approved the AC's recommendation for the Shareholders' approval to be sought at the 14th AGM on the re-appointment of PwC as Auditors of the Company for the financial year ending 31 December 2022.

The present Auditors, PwC, have indicated their willingness to continue their services for another year.

EXPLANATORY NOTES ON SPECIAL BUSINESS:

Resolution 13 - Proposed Mandates

The proposed **Resolution 13**, if passed, will allow the Company and/or its subsidiary companies to enter into arrangements/transactions involving the interests, direct or indirect, of the Related Parties, which are recurrent transactions of a revenue or trading nature necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business on normal commercial terms which are not more favourable to the related party than those generally available to the public and are not detrimental to the minority Shareholders of the Company. Detailed information on the Proposed Mandates is set out in the RRPT Circular.

Statement Accompanying
Notice of 14th Annual General Meeting

Made pursuant to Paragraph 8.27(2) of the Listing Requirements

The details of the following Directors who are seeking re-election pursuant to Clause 97 of the Company's Constitution are set out below:

	DATO' AMIRUDDIN ABDUL SATAR Non-Independent Non-Executive Director
Age, gender, nationality	58, Male, Malaysian
Date of appointment to the Board	26 October 2020
Length of tenure as Director	1-2 years
Date of last re-election	23 June 2021
Board Meeting attendance in FY2021	13 out of 14 Board Meetings held during the financial year under review. *(Note: There was one Board Meeting in FY2021 which Dato' Amiruddin was not required to attend.)*
Qualifications	Dato' Amiruddin holds a Master in Business Administration from the Henley Business School, University of Reading, UK. He is also a member of the Association of Chartered Certified Accountants (ACCA), UK and the Malaysian Institute of Accountants (MIA).
Working experience and occupation	Dato' Amiruddin has over 30 years of experience in finance and management. He began his career in 1989 as an Accountant Executive with UMW Toyota Berhad (UMW). He later left UMW in 1990 to pursue his career as an Accountant in Boustead Holdings Berhad, where he served for two years until 1992. Subsequent to that, he joined INC Sdn Bhd, a subsidiary of Lembaga Tabung Haji as a Finance Manager until 1993. In KPJ Healthcare Berhad (KPJ), Dato' Amiruddin was a Finance Manager until 1996. He later assumed the role of Deputy General Manager in 1996 before becoming the Group General Manager in 2003. Dato' Amiruddin was appointed as the Chief Operating Officer (COO) of KPJ in 2010 where he served the role for two years. During his tenure as the COO, he was also appointed as the Executive Director for KPJ in 2011. In 2013, Dato' Amiruddin was then appointed as President and Managing Director of KPJ until July 2020. He is currently the Director General of the Federal Land Development Authority (FELDA) effective from 15 October 2020. In addition to this, he currently sits on the Malaysia Advisory Committee of ACCA since 2018.
Directorship in other public companies	Director, Jentayu Sustainables Berhad (formerly known as IPMUDA Berhad)
Board Committees	• Member of the Investment Committee • Member of the Board Sustainability Committee

Dato' Amiruddin does not hold any shares in FGV, has no conflict of interest with the Company, has no family relationship with any Director and/or Major Shareholder of FGV and has not been convicted of any offence within the past five years and has not been imposed any penalty by the relevant regulatory bodies during the FY2021.

Statement Accompanying

Notice of 14th Annual General Meeting

Made pursuant to Paragraph 8.27(2) of the Listing Requirements

The details of the following Directors who are seeking re-election pursuant to Clause 103 of the Company's Constitution are set out below:

	DATO' NONEE ASHIRIN DATO' MOHD RADZI Independent Non-Executive Director
Age, gender, nationality	50, Female, Malaysian
Date of appointment to the Board	30 June 2021
Length of tenure as Director	< 1 year
Date of last re-election	Not applicable
Board Meeting attendance in FY2021	6 out of 6 Board Meetings held during the financial year under review since her appointment.
Qualifications	Dato' Nonee holds a Bachelor of Laws (LLB) from University of Wolverhampton, UK. She is a Barrister-at-Law of Lincoln's Inn, UK. She is also a member of The Malaysian Bar Council.
Working experience and occupation	Dato' Nonee Ashirin is currently a Partner at Arthur Yeong Nonee Ashirin Advocates & Solicitors. As a law graduate, she had completed her Barrister-at-Law degree at Lincoln's Inn, United Kingdom and was called to the Malaysian Bar in 1999. She started her career in 2001 as a lawyer at Mohammad Ali & Co. where she served for three years until 2003. She then decided to venture full-time into the aerospace and defence industry. She joined Eurocopter Malaysia (now known as Airbus Helicopters Malaysia Sdn Bhd) as Business Development Manager in 2003 and in 2006 she joined Unique Globe Sdn Bhd and was appointed Vice President, Business Development. She later joined HELIPARTNER Sdn Bhd in 2009 as Vice President of Business Development and Sales until 2010. In 2011, she was appointed as the Chairman and Chief Executive Officer of Global Turbine Asia Sdn Bhd (GTA) where she served for seven years until 2017. Dato' Nonee is one of the most respected and leading experts in the Malaysian Aerospace Industry, with over 20 years of experience in aerospace, defence and international security. She is most noted for her Visionary Leadership, steering GTA to become a market leader domestically and a highly acclaimed regional authority in the Maintenance, Repair & Overhaul (MRO) sector. Dato' Nonee's track-record speaks for itself, guiding GTA towards holding the accolade of being the only Approved Maintenance Organisation (AMO) from outside of Europe under the EASA Part 145 Regulation which is the European standard for the approval of organisations that perform maintenance on aircraft and aircraft components. While her successes with GTA are noteworthy in their own right, Dato' Nonee's highest acclaims come from her strong connections and partnerships within the industry, working closely with global brand names as key components within the Malaysian Aerospace Ecosystem. Esteemed names such as; Airbus, Safran Group, Dassault Group, Thales Group, Leonardo S.p.A., FLIR Systems, and Moog USA. Dato' Nonee is a respected and valued advisor for the Malaysian Industry Defence and Security Association (MIDES) which falls under the purview of the Ministry of Defence, Malaysia. Combining her wealth of knowledge and experience, Dato' Nonee as an accomplished industry leader, entrepreneur, pioneer and patriot has a bigger picture goal of being the driving force and catalyst in developing Malaysia into a global aerospace hub. Dato' Nonee is also a board member of the Malaysian Aerospace Industry Association (MAIA) since 2018 and the lead for the MRO Technical Sub Committee.
Directorship in other public companies	Director, Boustead Holdings Berhad and its group of companies
Board Committees	• Chairman of the Investment Committee • Member of the Audit Committee • Member of the Nomination and Remuneration Committee

Dato' Nonee Ashirin does not hold any shares in FGV, has no conflict of interest with the Company, has no family relationship with any Director and/or Major Shareholder of FGV and has not been convicted of any offence within the past five years and has not been imposed any penalty by the relevant regulatory bodies during the FY2021. Dato' Nonee Ashirin satisfies the criteria of an Independent Director as defined under the Listing Requirements.

	DATO' MOHD RAFIK SHAH MOHAMAD Senior Independent Non-Executive Director
Age, gender, nationality	71, Male, Malaysian
Date of appointment to the Board	1 July 2021. Redesignated as Senior Independent Non-Executive Director on 30 March 2022.
Length of tenure as Director	< 1 year
Date of last re-election	Not applicable
Board Meeting attendance in FY2021	6 out of 6 Board Meetings held during the financial year under review since his appointment.
Qualifications	Dato' Mohd Rafik is a qualified Chartered Accountant from the Malaysian Institute of Accountants (MIA) and is a fellow of the Association of Chartered Certified Accountants (ACCA), UK. He attended the Executive Development Programme, International Institute of Management Development, Lausanne, Switzerland.
Working experience and occupation	Dato' Mohd Rafik has more than 33 years of experience in the food industry where he held various senior management positions, and after his retirement in 2006, as Director in a number of companies. He is a qualified Chartered Accountant with the MIA. Dato' Mohd Rafik started his career in 1973 as an Analyst with Esso Malaysia Berhad. After working in local companies, he joined Nestlé in 1981 and retired in 2006 after 25 years of operational service. During his tenure in Nestlé, he held various senior management positions within the Nestlé group of companies both locally and overseas including Nestlé Corporate Headquarters in Switzerland. Upon retirement from Nestlé, Dato' Mohd Rafik was appointed as Director of Nestlé (Malaysia) Berhad, for 12 years, until he retired in April 2021. He was also previously the Chairman of Malaysian Agrifood Corporation Berhad, Biotropics Malaysia Berhad, to name a few. He was also a former director of FGV prior to its public listing.
Directorship in other public companies	Nil
Board Committees	• Chairman of the Nomination and Remuneration Committee • Chairman of the Audit Committee • Member of the Board Governance & Risk Management Committee

Dato' Mohd Rafik does not hold any shares in FGV, has no conflict of interest with the Company, has no family relationship with any Director and/or Major Shareholder of FGV and has not been convicted of any offence within the past five years and has not been imposed any penalty by the relevant regulatory bodies during the FY2021. Dato' Mohd Rafik satisfies the criteria of an Independent Director as defined under the Listing Requirements.

Statement Accompanying

Notice of 14th Annual General Meeting

Made pursuant to Paragraph 8.27(2) of the Listing Requirements

	NIK FAZILA NIK MOHAMED SHIHABUDDIN Independent Non-Executive Director
Age, gender, nationality	55, Female, Malaysian
Date of appointment to the Board	1 July 2021
Length of tenure as Director	< 1 year
Date of last re-election	Not applicable
Board Meeting attendance in FY2021	6 out of 6 Board Meetings held during the financial year under review since her appointment.
Qualifications	Nik Fazila holds a Bachelor of Economics (Accounting) from Flinders University of South Australia, Adelaide, Australia. She is a qualified Chartered Accountant from the Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Accountants (MIA).
Working experience and occupation	Nik Fazila was the Group Managing Director of Chemical Company of Malaysia Berhad (CCM) from 2017 to 2021. She was the Chief Financial Officer of CCM from 2012 before assuming the role of Group Managing Director of CCM in 2017. Nik Fazila has over 30 years of experience in the field of accounting, finance, business assurance and corporate transactions. She began her career with Price Waterhouse (now known as PricewaterhouseCoopers) Malaysia where she spent 10 years, primarily in the audit & business advisory services. She also held various senior roles in the accounting, finance and management including as Chief Financial Officers in Malaysia public listed companies, prior to joining CCM Group.
Directorship in other public companies	Director, MSM Malaysia Holdings Berhad
Board Committees	• Member of the Nomination and Remuneration Committee • Member of the Audit Committee • Member of the Board Governance & Risk Management Committee • Member of the Board Sustainability Committee

Nik Fazila does not hold any shares in FGV, has no conflict of interest with the Company, has no family relationship with any Director and/or Major Shareholder of FGV and has not been convicted of any offence within the past five years and has not been imposed any penalty by the relevant regulatory bodies during the FY2021. Nik Fazila satisfies the criteria of an Independent Director as defined under the Listing Requirements.

	KASMURI SUKARDI Independent Non-Executive Director
Age, gender, nationality	71, Male, Malaysian
Date of appointment to the Board	1 July 2021
Length of tenure as Director	< 1 year
Date of last re-election	Not applicable
Board Meeting attendance in FY2021	6 out of 6 Board Meetings held during the financial year under review since his appointment.
Qualifications	Kasmuri holds a Masters in Management from Asian Institute of Management, Manila, Philippines and an Advanced Management Program (AMP) from Harvard Business School, Boston, Massachusetts, USA. His other fields of study include Associate Diploma (AISP) from Incorporated Society of Planters, Malaysia and Planting Industry Management (DPIM) from Universiti Teknologi MARA (UiTM), Malaysia.
Working experience and occupation	Kasmuri has more than 48 years of experience in various capacities involving plantations agribusiness namely oil palm, rubber, cocoa and coconut. He began his career in 1973 as an Estate Assistant/Senior Assistant Manager at Harrisons & Crosfield PLC (H&C) which later became Harrisons Malaysian Plantations Berhad (HMPB) and Golden Hope Plantations Berhad (Golden Hope). In 1982, he was appointed as Estate Manager and was later promoted to various positions as Estate Visiting Agent, General Manager, Director of Estates and Group Director, Plantations Agribusiness until he retired in 2006. From 2006 to 2008, Kasmuri was Director, Special Functions and later the Consultant, Lead Trainer for Golden Hope. In 2008, Kasmuri joined Poliplant Group, Indonesia & Clarity Resources Ltd, Hong Kong based in Jakarta, Indonesia as its Board Director and Corporate & Operational Director where he served until 2015. During this period, he had successfully led the development and management of more than 50,000 hectares of oil palm plantation, most of which from green fields, in Ketapang, Kalimantan Barat, Indonesia.
Directorship in other public companies	Nil
Board Committees	• Chairman of the Board Governance & Risk Management Committee • Member of the Investment Committee • Member of the Board Sustainability Committee

Kasmuri does not hold any shares in FGV, has no conflict of interest with the Company, has no family relationship with any Director and/or Major Shareholder of FGV and has not been convicted of any offence within the past five years and has not been imposed any penalty by the relevant regulatory bodies during the FY2021. Kasmuri satisfies the criteria of an Independent Director as defined under the Listing Requirements.

Statement Accompanying

Notice of 14th Annual General Meeting

Made pursuant to Paragraph 8.27(2) of the Listing Requirements

	DATUK YATIMAH SARJIMAN Non-Independent Non-Executive Director
Age, gender, nationality	57, Female, Malaysian
Date of appointment to the Board	8 April 2022
Length of tenure as Director	< 1 year
Date of last re-election	Not applicable
Board Meeting attendance in FY2021	Not applicable
Qualifications	Datuk Yatimah holds a Degree in Business Accounting Information System cum Computer Information System from Idaho State University, USA. She also holds a Masters of Business Administration in Accounting & Finance cum International Business from Northrop University, USA.
Working experience and occupation	Datuk Yatimah has over 30 years of experience in the field of planning, formulating and implementing public policies on human resource management and organisation, financial resources management and organisation, financial resources, economy, administration and development of the region, social administration, international relations and foreign affairs resilience. She has expertise in rural development and management, international industrial structure, plantation industry and women empowerment. Datuk Yatimah was appointed as Deputy Secretary General in the Prime Minister's Department in 2015 and was later promoted as Director General, Department of Women Development in 2016. In 2018, she became the Director of Agriculture Division, Economic Planning Unit (EPU) of the Prime Minister's Department. She is currently the Deputy Director General (Sectoral), EPU of the Prime Minister's Department. Datuk Yatimah sits on the Board of Federal Land Development Authority (FELDA) and FELCRA Berhad.
Directorship in other public companies	Director, FELCRA Berhad
Board Committees	• Member of the Nomination and Remuneration Committee • Member of the Board Governance & Risk Management Committee

Datuk Yatimah does not hold any shares in FGV, has no conflict of interest with the Company, has no family relationship with any Director and/or Major Shareholder of FGV and has not been convicted of any offence within the past five years and has not been imposed any penalty by the relevant regulatory bodies during the FY2021.

The Notice of the 14th AGM, Proxy Form, 14th AGM Administrative Details, AIR 2021, Audited Financial Statements for the financial year ended 31 December 2021 and the Reports of the Directors and Auditors thereon, Circular to Shareholders on Proposed Mandates and Corporate Governance Report 2021 are available on the Company's website at www.fgvholdings.com and Bursa Malaysia's website. Shareholders may request for copies of the printed AIR 2021 by filling up the Request Form which can also be downloaded from the Company's website and submit the same to the Share Registrar of the Company.

The Notice of the 14th AGM will be sent by post to all Shareholders and will be sent by electronic mail to Shareholders who have maintained their e-mail addresses in the Record of Depositors with Bursa Malaysia Depository Sdn Bhd. The Notice of the 14th AGM has also been advertised in the newspaper.

PERSONAL DATA PRIVACY

By registering to participate and vote remotely via LUMI AGM facilities and/or submitting the Proxy Form and/or Certificate of Appointment of Corporate Representative, the Shareholder of the Company have consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The Shareholder agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.

All the Independent Non-Executive Directors standing for re-election at the forthcoming 14th AGM have not exceeded the nine-year term as Independent Directors. An assessment of their independence was also conducted based on the criteria prescribed under the Listing Requirements and both the NRC and the Board concurred that the Independent Non-Executive Directors standing for re-election at the forthcoming 14th AGM have maintained their independence throughout their tenure as Directors of the Company.

Administrative Details

1. AGM REMOTE PARTICIPATION

a. As FGV's 14th AGM will be conducted fully virtual, you will be able to view a live streaming of the 14th AGM proceedings, pose questions to the Chairman/Board/Management of the Company, and submit your votes remotely.

b. All meeting participants including the Chairman, Board, Management of the Company and Shareholders will participate virtually through the virtual meeting platform. Therefore, Shareholders are strongly advised to participate and vote remotely via LUMI AGM facilities.

Date	:	**Thursday, 23 June 2022**
Time	:	**11.00 a.m.**
Venue	:	**Virtual meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657) which is located in Malaysia**

2. LUMI AGM FACILITIES

a. The platform used for the live streaming of the fully virtual 14th AGM and remote voting is via LUMI AGM facilities.

b. Kindly follow the steps and instructions below to participate in the 14th AGM remotely.

Before the day of the 14th AGM

Step 1 : Register online with Boardroom Smart Investor Portal (for first time registration only)

[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 below to submit request for remote participation user ID and password.]

a. Access website https://investor.boardroomlimited.com
b. Click <<**REGISTER**>> button to sign up as a user.
c. Complete the registration and upload a scanned copy of your MYKAD (for Malaysian) front and back or Passport (for non-Malaysian) in JPEG or PNG format.
d. Please enter a valid e-mail address and wait for Boardroom's e-mail verification.
e. Click <<**VERIFY E-MAIL ADDRESS**>> from the e-mail received to complete the registration.
f. Your registration will be verified and approved within one (1) business day and an e-mail notification will be provided.

Step 2 : Submit request for remote participation user ID and password

[Note: The registration for remote participation is open from 11.00 a.m. on Thursday, 28 April 2022 up to 11.00 a.m. on Wednesday, 22 June 2022.]

Individual Shareholders

a. Login to https://investor.boardroomlimited.com using your user ID and password registered under Step 1.
b. Select <<**FGV HOLDINGS BERHAD FOURTEENTH (14TH) VIRTUAL ANNUAL GENERAL MEETING**>> from the list of Corporate Meetings and click <<**ENTER** >> button.
c. Click <<**REGISTER FOR RPEV**>> button.
d. Read and agree to the terms and conditions and thereafter confirm the declaration.
e. Enter your CDS account number and thereafter submit your request.
f. You will receive a notification from Boardroom that your request has been received and is being verified.
g. Upon system verification against the General Meeting Record of Depositors as at 15 June 2022, you will receive an e-mail from Boardroom either approving or rejecting your registration for remote participation.
h. If your registration is approved, you will also receive your remote access user ID and password in the same e-mail from Boardroom after the closing date.

Corporate Shareholders

a. Write in to bsr.helpdesk@boardroomlimited.com by providing the name of the Corporate Shareholder, CDS account number accompanied with the scanned copy of the Certificate of Appointment of Corporate Representative or Proxy Form to submit the request.
b. Please provide a scanned copy of the Corporate Representative's MYKAD (for Malaysian) front and back or Passport (for non-Malaysian) in JPEG or PNG format as well as his/her e-mail address.
c. You will receive a notification from Boardroom that your request has been received and is being verified.
d. Upon system verification against the General Meeting Record of Depositors as at 15 June 2022, you will receive an e-mail from Boardroom either approving or rejecting your registration for remote participation.
e. If your registration is approved, you will also receive your remote access user ID and password in the same e-mail from Boardroom after the closing date.

Authorised Nominees and Exempt Authorised Nominees

a. Write in to bsr.helpdesk@boardroomlimited.com by providing the name of the Shareholder, CDS account number accompanied with the Proxy Form to submit the request.
b. Please provide a scanned copy of the Proxy Holder's MYKAD (for Malaysian) front and back or Passport (for non-Malaysian) in JPEG or PNG format as well as his/her e-mail address.
c. You will receive a notification from Boardroom that your request has been received and is being verified.
d. Upon system verification against the General Meeting Record of Depositors as at 15 June 2022, you will receive an e-mail from Boardroom either approving or rejecting your registration for remote participation.
e. If your registration is approved, you will also receive your remote access user ID and password in the same e-mail from Boardroom after the closing date.

Step 3 : Submit questions online

[Note: You may submit questions in relation to the agenda items for the 14th AGM prior to the meeting electronically no later than Friday, 17 June 2022 at 11.00 a.m. The responses to these questions will be shared at the 14th AGM.]

a. Access website https://investor.boardroomlimited.com
b. Login with your remote access user ID and password provided to you via the e-mail notification under Step 2.
c. Click <<**SUBMIT QUESTION**>> after selecting <<**FGV HOLDINGS BERHAD FOURTEENTH (14TH) VIRTUAL ANNUAL GENERAL MEETING**>> from the list of Corporate Meetings.
d. Type your question within the chat box and once completed, click <<**SUBMIT**>> button.

On the day of the 14th AGM

Step 4 : Login to virtual meeting platform

[Please note that the quality of the connectivity to virtual meeting platform is highly dependent on the bandwidth and the stability of the internet connectivity available at the location of the remote users.]

a. The virtual meeting platform is open for login starting from 10.00 a.m. on Thursday, 23 June 2022, one (1) hour before the commencement of the 14th AGM, which can be accessed via one of the following methods:
   - Launch LUMI AGM by scanning the QR Code provided in the e-mail notification under Step 2(f); or
   - Access to LUMI AGM webportal via website at https://meeting.boardroomlimited.my.
b. Insert the Meeting ID number provided in the e-mail notification under Step 2.
c. Login with your remote access user ID and password provided to you via the e-mail notification under Step 2.

Submit questions online

[Note: You may ask questions real time (in the form of typed text) during the meeting. The Chairman/Board/Senior Management will provide the responses to the questions accordingly. Questions submitted online will be moderated before being sent to the Chairman of the meeting to avoid repetition. All questions will be presented with the full name of the Individual Shareholders, Proxies and Corporate Representatives raising the questions. You may pose questions from 10.00 a.m. on Thursday, 23 June 2022 until voting session commences. The Chairman/Board/Senior Management will endeavour their best to respond to questions submitted by you during the 14th AGM. If the questions are received late after the Questions & Answers session or in the event the Chairman/Board/Senior Management is unable to respond to your questions during the meeting, the questions and FGV's responses will be published in FGV's corporate website after the meeting.]

a. Select the messaging icon.
b. Type your question within the chat box and once completed, click <<**SEND**>> button.
c. The messaging icon will be disabled when the voting session commences.

Administrative
Details

Online remote voting

[Please note that the quality of the connectivity to virtual meeting platform for online remote voting is highly dependent on the bandwidth and the stability of the internet connectivity available at the location of the remote users. You may start voting from **11.00 a.m. on Thursday, 23 June 2022 until a time when the Chairman of the meeting announces the completion of the voting session.**]

a. Once voting is open, the polling icon will appear with the resolutions and your voting choices.
b. To vote, select your voting direction from the options provided. A confirmation message will appear to show your vote has been received.
c. To change your vote, select another voting direction.
d. If you wish to cancel your vote, please click <<**CANCEL**>> button.
e. If you wish to abstain from voting on a particular resolution, please click <<**CANCEL**>> button.

Remote participation through live streaming

[Please note that the quality of the connectivity to virtual meeting platform for live streaming is highly dependent on the bandwidth and the stability of the internet connectivity available at the location of the remote users.]

a. If you would like to view the live streaming, select the broadcast icon .
b. The moment the Chairman of the meeting announces the closure of the AGM, the live streaming will end.
c. You can now logout from the virtual meeting platform.

3. ENTITLEMENT TO PARTICIPATE AND VOTE

Only a depositor (Shareholder) whose name appears on the General Meeting Record of Depositors as at 15 June 2022 shall be entitled to participate and vote at the 14th AGM or appoint Proxy(ies) to participate and vote on such depositor's behalf.

4. PROXY

a. If you are a Shareholder and you are unable to participate in the 14th AGM, and you wish to appoint a Proxy to vote on your behalf, please submit your Proxy Form in accordance with the notes and instructions printed therein.
b. If you are a Shareholder and you wish to participate in the 14th AGM yourself, please do not submit any Proxy Form as you will not be allowed to participate in the 14th AGM together with a Proxy appointed by you.
c. The appointment of Proxy may be made in a hardcopy form or by electronic means as follows:

In Hardcopy Form

The Proxy Form shall be deposited at the office of the Share Registrar of the Company at Boardroom Share Registrars Sdn Bhd at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia no later than **Wednesday, 22 June 2022 at 1.00 p.m.**, and in default the Proxy Form shall not be treated as valid.

By Electronic Means

The Proxy Form may be submitted:

(i) to the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd via e-mail to bsr.helpdesk@boardroomlimited.com, no later than **Wednesday, 22 June 2022 at 1.00 p.m.** or
(ii) via electronic means (e-Proxy) no later than **Wednesday, 22 June 2022** at **1.00 p.m.** (please refer to the Annexure to the Proxy Form for further information on submission via e-Proxy).

5. CORPORATE SHAREHOLDERS, AUTHORISED NOMINEES AND EXEMPT AUTHORISED NOMINEES

For Corporate Shareholders, Authorised Nominees and Exempt Authorised Nominees who wish to participate and vote remotely via LUMI AGM facilities at the 14th AGM of the Company, please refer to the procedures in item 2 above.

6. PROCEEDINGS OF THE MEETING

a. The meeting will start promptly at 11.00 a.m.
b. The resolutions set out in the Notice of 14th AGM will be considered at the 14th AGM. You will be asked to vote on these resolutions.
c. In order to enhance the efficiency of the proceedings of the 14th AGM, Shareholders may submit questions in relation to the agenda items for the 14th AGM prior to the meeting electronically and may also ask questions real time (in the form of typed text) during the meeting (refer item 2 above).
d. You are able to view the Company's presentation slides via live streaming.
e. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 14th AGM of the Company will be put to vote by poll.
f. Voting session commences from 11.00 a.m. on the day of the 14th AGM until a time when the Chairman of the meeting announces the completion of the voting session. Please indicate your votes for the resolutions that are tabled for voting, confirm and submit your votes.
g. Upon completion of the voting session for the 14th AGM, the Independent Scrutineers will verify the poll results followed by the Chairman of the meeting's announcement of the poll results and declaration whether the resolutions are duly passed.
h. No recording or photography of the 14th AGM proceedings is allowed without the prior written permission of the Company.

7. ANNUAL INTEGRATED REPORT 2021 (AIR 2021) AND OTHER DOCUMENTS

a. As part of our dedicated commitment to sustainable practices, the Notice, Proxy Form and Administrative Details of the 14th AGM, AIR 2021, Audited Financial Statements for the financial year ended 31 December 2021 and the Reports of the Directors and Auditors thereon, Circular to Shareholders on proposed renewal of Shareholders' Mandate and proposed Shareholders' Mandate for the new recurrent related party transactions of a revenue or trading nature for FGV and its Group of Companies and Corporate Governance Report 2021 can be downloaded from the Company's website at www.fgvholdings.com and Bursa Malaysia's website.
b. If you wish to obtain a printed copy of the AIR 2021, you may submit your request by filling up the Request Form and submit the same to the Share Registrar of the Company. The Request Form can be downloaded from the Company's website at www.fgvholdings.com.
c. Please consider the environment before you decide to print or request for the printed copy of the AIR 2021.

8. VOUCHERS

The Company will provide vouchers to all Shareholders/Proxies/Corporate Representatives who participated at the 14th AGM.

9. ENQUIRIES FOR THE 14TH AGM

a. If you have any enquiry relating to the 14th AGM Administrative Details, please contact our **Investor Relations** or **Group Strategic Communications**:
   E-mail : fgv.investors@fgvholdings.com
   : fgv.enquiries@fgvholdings.com
b. If you have any enquiry relating to LUMI AGM facilities or any of the above, please contact the **Share Registrar** of the Company:
   E-mail : bsr.helpdesk@boardroomlimited.com
   Tel (Help Desk) : 03-7890 4700

10. PERSONAL DATA PRIVACY

By registering to participate and vote remotely via LUMI AGM facilities and/or submitting the Proxy Form and/or Certificate of Appointment of Corporate Representative, the Shareholder of the Company have consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The Shareholder agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.

CDS ACCOUNT NO.	NO. OF SHARES HELD

FGV Holdings Berhad
Registration No.: 200701042133 (800165-P)

PROXY FORM

I/We _____
(Full name of Member in BLOCK LETTERS as per Identity Card (MYKAD)/Passport/Certificate of Incorporation)

MYKAD No. (for Malaysian)/Passport No. (for non-Malaysian)/Company No.: _____

of _____
(Address in full)

Telephone No.: _____ E-mail Address: _____

being a Member of FGV Holdings Berhad ("FGV" or "the Company") hereby appoints _____
(Full name of Proxy in BLOCK LETTERS as per MYKAD/Passport)

MYKAD No. (for Malaysian)/Passport No. (for non-Malaysian): _____

of _____
(Address in full)

Telephone No.: _____ E-mail Address: _____

and/or failing him/her _____
(Full name of Proxy in BLOCK LETTERS as per MYKAD/Passport)

MYKAD No. (for Malaysian)/Passport No. (for non-Malaysian): _____

of _____
(Address in full)

Telephone No.: _____ E-mail Address: _____

or failing the abovenamed Proxies, the Chairman of the meeting, as my/our Proxy/Proxies to attend and vote for me/us on my/our behalf at the 14th Annual General Meeting (AGM) of the Company to be **held fully virtual via virtual meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657) which is located in Malaysia on Thursday, 23 June 2022 at 11.00 a.m.,** or any adjournment thereof, to transact the following businesses, with or without modifications:

NO.		RESOLUTION	FOR	AGAINST	ABSTAIN
1	To approve the payment of Directors' fees for the Non-Executive Chairman (NEC) from 24 June 2021 until the next AGM of FGV.	1			
2	To approve the payment of Directors' fees for the Non-Executive Directors (NED) from 24 June 2021 until the next AGM of FGV.	2			
3	To approve the payment of Board Sustainability Committee fees and meeting allowances to the NED for the period from 1 September 2021 until 23 June 2022.	3			
4	To approve the payment of benefits payable to the NEC from 24 June 2021 until the next AGM of FGV.	4			
5	To approve the payment of benefits payable to the NED from 24 June 2021 until the next AGM of FGV.	5			
6	Re-election of Dato' Amiruddin Abdul Satar as Director pursuant to Clause 97 of the Company's Constitution.	6			
7	Re-election of Dato' Nonee Ashirin Dato' Mohd Radzi as Director pursuant to Clause 103 of the Company's Constitution.	7			
8	Re-election of Dato' Mohd Rafik Shah Mohamad as Director pursuant to Clause 103 of the Company's Constitution.	8			
9	Re-election of Nik Fazila Nik Mohamed Shihabuddin as Director pursuant to Clause 103 of the Company's Constitution.	9			
10	Re-election of Kasmuri Sukardi as Director pursuant to Clause 103 of the Company's Constitution.	10			
11	Re-election of Datuk Yatimah Sarjiman as Director pursuant to Clause 103 of the Company's Constitution.	11			
12	Re-appointment of PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 December 2021 and to authorise the Board of Directors to determine their remuneration.	12			
13	Proposed renewal of Shareholders' Mandate and proposed new Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature.	13			

(Please indicate with an "X" in the space whether you wish your votes to be cast for or against the resolutions, or you wish to abstain from voting on the resolutions. In the absence of such specific instructions, your Proxy will vote or abstain as he/she thinks fit).

Dated this _____ day of _____ 2022.

_____
Signature(s)/Common Seal of Member(s)

The proportions of my/our holding to be represented by my/our Proxies are as follows:

	No. of Shares	Percentage
First Proxy		
Second Proxy		
Total		**100%**

NOTES:

1. **Precautionary measures against Coronavirus disease 2019 (COVID-19) pandemic**
   (i) Having regard to the well-being and the safety of our Shareholders, the Company will conduct its forthcoming 14th AGM fully virtual through live streaming and online remote voting. Please follow the procedures provided in the Administrative Details for the 14th AGM in order to register, participate and vote remotely via LUMI AGM facilities.
   (ii) With LUMI AGM facilities, a Shareholder may exercise his/her right to participate (including to pose questions to the Chairman/Board/Management of the Company) and vote at the 14th AGM, at the comfort of their home.
   (iii) The venue of the 14th AGM is the virtual meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657) which is located in Malaysia being the main venue and is strictly for the purpose of compliance with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. In a fully virtual general meeting, all meeting participants including the Chairman, Board, Management of the Company and Shareholders will participate virtually through the virtual meeting platform.
   (iv) Due to the constant evolving situation of the COVID-19 pandemic, we may be required to change the arrangements of our 14th AGM at short notice. Kindly check the Company's website or announcements for the latest updates on the status of the 14th AGM.
2. **Proxy**
   (i) Shareholders who are unable to participate in the 14th AGM may appoint Proxy(ies) to vote on their behalf. Where a Shareholder appoints two (2) Proxies, each Proxy appointed shall represent a minimum of one hundred (100) shares and the appointment of such Proxies shall not be valid unless the Shareholder specifies the proportion of his/her shareholding to be represented by each of such Proxy.
   (ii) The Proxy Form shall be in writing under the hands of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation either under its common seal, or the hand of its officer or its duly authorised attorney. An instrument appointing a Proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor.
   (iii) The appointment of Proxy may be made in a hardcopy form or by electronic means as follows:

   In Hardcopy Form

   The Proxy Form shall be deposited at the office of the Share Registrar of the Company at Boardroom Share Registrars Sdn Bhd at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia no later than **Wednesday, 22 June 2022 at 1.00 p.m.**, and in default the Proxy Form shall not be treated as valid.

   By Electronic Means

   The Proxy Form may be submitted:

   a) to the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd via e-mail to bsr.helpdesk@boardroomlimited.com, no later than **Wednesday, 22 June 2022 at 1.00 p.m.** or
   b) via electronic means (e-Proxy) no later than **Wednesday, 22 June 2022 at 1.00 p.m.** (please refer to the Annexure to the Proxy Form for further information on submission via e-Proxy).
3. **Corporate Shareholders, Authorised Nominees and Exempt Authorised Nominees**
   For Corporate Shareholders, Authorised Nominees and Exempt Authorised Nominees who wish to participate and vote remotely via LUMI AGM facilities at the 14th AGM of the Company, please refer to the procedures in the Administrative Details for the 14th AGM.
4. **Shareholders entitled to participate and vote**
   For purposes of determining a Shareholder who shall be entitled to participate and vote at the 14th AGM of the Company, the Company shall be requesting from Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 63 of the Company's Constitution and Section 34(1) of Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 15 June 2022. **Only a depositor whose name appears on the General Meeting Record of Depositors as at 15 June 2022 shall be entitled to participate and vote at the 14th AGM or appoint a Proxy(ies) to participate and vote on such depositor's behalf.**
5. **Request for remote participation user ID and password**
   The registration for remote participation will be open from **11.00 a.m. on Thursday, 28 April 2022 up to 11.00 a.m. on Wednesday, 22 June 2022**. Please follow the procedures provided in the Administrative Details for the 14th AGM in order to participate in the 14th AGM remotely via LUMI AGM facilities.
6. **Voting**
   Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 14th AGM of the Company will be put to vote by poll. Poll Administrator will be appointed to conduct the poll via e-voting process and Independent Scrutineers will be appointed to verify the poll results.

   Shareholders can proceed to vote on the resolutions and submit their votes at any time from the commencement of the 14th AGM at 11.00 a.m. until a time when the Chairman of the meeting announces the completion of the voting session. Upon completion of the voting session for the 14th AGM, the Independent Scrutineers will verify the poll results followed by the Chairman of the meeting's announcement of the poll results and declaration whether the resolutions are duly passed.
7. **Submission of questions before and during the 14th AGM**
   Shareholders may submit questions in relation to the agenda items for the 14th AGM prior to the meeting electronically and may also ask questions real time (in the form of typed text) during the meeting. Please refer to the procedures in the Administrative Details for the 14th AGM.

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FGV

14th Annual General Meeting
FGV Holdings Berhad
23 June 2022

STAMP

Share Registrar
Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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ANNEXURE TO THE PROXY FORM

Dear Shareholders,

We are pleased to inform you that as a Shareholder, you have the option to submit your Proxy Form via electronic means (e-Proxy). Once you have successfully submitted your e-Proxy form, you are no longer required to complete and submit the physical Proxy Form to the office of the Share Registrar of the Company.

To assist you on how to engage with e-Proxy, kindly read and follow the guidance notes which are detailed below:

PROCEDURE FOR ELECTRONIC LODGEMENT OF PROXY FORM OF THE 14TH AGM (E-PROXY LODGEMENT)

Step 1 – Register online with Boardroom Smart Investor Portal (for first time registration only)

[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 below for e-Proxy lodgement.]

a. Access website https://investor.boardroomlimited.com
b. Click <<**REGISTER**>> button to sign up as a user.
c. Complete the registration and upload a scanned copy of your MYKAD (for Malaysian) front and back or Passport (for non-Malaysian) in JPEG or PNG format.
d. Please enter a valid e-mail address and wait for Boardroom's e-mail verification.
e. Click <<**VERIFY E-MAIL ADDRESS**>> from the e-mail received to complete the registration.
f. Your registration will be verified and approved within one (1) business day and an e-mail notification will be provided.

Step 2 – e-Proxy lodgement

a. Login to https://investor.boardroomlimited.com using your user ID and password registered under Step 1.
b. Select <<**FGV HOLDINGS BERHAD FOURTEENTH (14TH) VIRTUAL ANNUAL GENERAL MEETING**>> from the list of Corporate Meetings and click <<**ENTER** >> button.
c. Click <<**SUBMIT E-PROXY FORM**>> button.
d. Read and agree to the terms and conditions and thereafter confirm the declaration.
e. Enter your CDS account number and indicate the number of securities for your Proxy(ies) to vote on your behalf.
f. Appoint your Proxy(ies) or the Chairman of the AGM and enter the required particulars of your Proxy(ies).
g. Indicate your voting instructions - FOR or AGAINST or ABSTAIN, otherwise your Proxy(ies) will decide your votes.
h. Review and confirm your Proxy(ies) appointment.
i. Click <<**SUBMIT**>> button.
j. Download or print the e-Proxy form acknowledgement.

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www.fgvholdings.com

FGV HOLDINGS BERHAD
Registration No. 200701042133 (800165-P)

Level 21, Wisma FGV, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia
t +603 2789 0000 f +603 2789 0001