

FGV 17TH AGM: RESPONSES TO PHYSICAL QUESTIONS RECEIVED

A. CORPORATE

NO.	SHAREHOLDER'S NAME	PHYSICAL QUESTIONS
1.	Isnan Fitri Bin Mohd Azmi	<p>a. Given FGV's role in the agrifood, in light of food security, how does FGV contribute to National Food security efforts?</p> <p>b. Could the Board clarify on how much is the impairment in FY2024 and what are the components?</p>
RESPONSE		
<p>Thank you for the questions, Fitri.</p> <p>a. FGV is expanding its Consumer Products Division to deliver sustainable food and agriproducts, focusing on key segments including cooking ingredients, dairy, rice, fresh produce, and animal feed. By leveraging circular economy initiatives and group synergies, we aim to create high value-added products. Through contract farming and strategic offtake, we support the National Agrofood Policy (2.0) and drive Malaysia's food self-sufficiency while building a future-ready food value chain.</p> <p>b. The total net impairment in 2024 amounting to RM165 million compared to RM108 million recorded in 2023. The higher impairment in 2024 was mainly due to a total impairment loss of RM94 million in one of Plantation subsidiary. This was driven by continued losses resulting from lower mill utilization, following the withdrawal of a key FFB (fresh fruit bunches) supplier in 2024.</p>		

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2.	Dr. Ismet Yusoff	<p>a. On page 29 of the Annual Integrated Report, in relation to Return on Capital Employed (ROCE), the Company is targeting double digit ROCE, what initiatives are undertaken and how is it benchmarked?</p> <p>b. In relation to notes in the AFS (note. 45), there was a provision on asset retirement for RM5 million which is recorded in FY 2024 (i.e. on fatty acids). What led to this recognition and are there any other expected retirement?</p> <p>c. There was an increase in work-related injuries, along with significant numbers of fatalities recorded in the past three years, with three cases recorded in 2024. May I know what happened to these three cases? Does the Board intend to ensure zero fatality from 2025 onwards?</p>

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RESPONSE	
	<p>Thank you for your questions, Dr. Ismet.</p> <p>a. FGV remains focused on strengthening core operations and driving growth through four key areas: operational improvement, new growth ventures, market expansion, and financial capability building. While we assess M&A opportunities that are synergistic and add value to our current business chain, our priority is on building higher value-added businesses such as consumer products and waste-to-wealth to reduce reliance on commodity-based income.</p> <p>b. The RM5 million is a provision made in accordance with accounting standards, mainly related to FPI's mill. This reflects the latest estimated dismantling cost based on asset retirement obligations, which was previously calculated based on mill closure assumptions.</p> <p>c. FGV has taken several dedicated steps to enhance workplace safety and accountability. These include continuous reviews of safety policies and procedures, enhanced employee training and engagement programmes, strengthened incident investigation protocols, as well as regular audits and real-time monitoring to ensure effective implementation.</p>

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3.	Ir. Ts. Dr. Gideon Tan Xiang Yee	<p>a. FGV has signed up for SBTi in 2021. What is the progress of emission reduction target after the SBTi approval?</p> <p>b. On lifting the Withhold Release Order (WRO), has the gap analysis being attended to and addressed?</p>
RESPONSE		
		<p>Thank you for the questions, Gideon.</p> <p>a. On 1st May 2025, FGV's near-term and long-term greenhouse gas (GHG) reduction targets have been successfully approved and validated by SBTi, reflecting FGV's focus and commitment to the targets. The development of FGV's GHG Reduction Roadmap has also commenced in March 2025, covering all three emissions scopes (Scope 1, Scope 2, and Scope 3).</p> <p>b. Following the issuance of the WRO, FGV implemented a remediation plan which was developed together with LRQA, an independent firm, to ensure that our operations are free from any forced labour indicators. The implementation of the remediation plan was verified by LRQA and was included in FGV's petition submitted to the US CBP on 30 June 2024 to modify the WRO. FGV continuously monitors its policies and labour practices, ensuring alignment with the national law and international labour standards.</p>

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4.	Mohamad Shahrel Bin Mohd Yudin	<p>a. Heavy reliance on palm oil can be risky. What are the Board's plans to diversify FGV's earnings in food, logistics, plantation technology?</p> <p>b. On Digitalisation & Agritech advancement, how does FGV plan to leverage technology to improve yield, reduce cost, and increase efficiency? Any usage of robotics instruments in the future?</p> <p>c. As a follow up to the four cases resulted in disciplinary actions, please share the details of these cases and are they related to Malaysian Anti-Corruption Commission (MACC)?</p>
RESPONSE		
<p>Thank you Shahrel for the questions.</p> <p>a. To mitigate the impact of fluctuating CPO prices, we channel our commodity products into our downstream segment, where CPO is processed into higher-margin products. Ultimately, leading to branded consumer products. Additionally, through Logistics and Support Division, we explored market expansion opportunities by increasing bulking capacity and managing a higher volume of high-value products such as premium oils and renewable energy. In our Sugar business, we expanded our product portfolio by selling premium sugar products at floating prices and broadening our sales channels through the business-to-business segment, resulting in improved production utilisation.</p> <p>b. In leveraging technology in our operation, we implemented the FGV Geotagger PRO and digital replanting blueprint design to streamline and optimise replanting activities through data-driven planning. We are also developing mobile application for FFB harvesting and tracking, ensuring data management and better operational monitoring. In addition, another mobile application is being developed that is focusing on oil palm nursery planting material management. In terms of mechanisation, we have introduced a new manuring solution, Tabur Tani, specifically designed for fertiliser application on terraced terrain, as part of our ongoing efforts to enhance operational efficiency.</p> <p>c. From the four cases identified, three were referred to the MACC and subjected to internal disciplinary action by FGV, while one case resulted in a formal warning. We are unable to disclose further details due to confidentiality considerations.</p>		

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5.	Mohd Ahzamirul Aiman Bin Ahdar	<p>a. Please provide insights on the initiatives taken by FGV to improve FFB yield, from R&D and estate management perspective?</p> <p>b. In the past few years, we heard a lot about FGV's ambition to implement food strategy, anchored by the national food security agenda. What is the current progress of FGV's food strategy and what is the Company doing with regards to this ambition?</p> <p>c. In relation to CPO prices, global commodity prices are currently elevated. However, what would happen to FGV if CPO prices were to drop significantly to RM3,000 per MT, and how does FGV plan to mitigate this?</p>
RESPONSE		
<p>Thank you Aiman for your questions.</p> <p>a. To achieve our 2025 targets, FGV is focusing on improving loose fruit collection, reducing unharvested bunches, enhancing crop security, ensuring proper GAP implementation, improving accessibility, optimising mechanisation, and applying weather-suited manuring methods. R&D efforts support these goals through Project 25:23, which includes the use of high-quality planting materials, development of new varieties through breeding and genomics, GAP advisory, and the adoption of mechanisation, digitalisation, and automation to address labour challenges and boost yields.</p> <p>b. FGV remains committed to advancing its food strategy in support of the national food security agenda. Our efforts are focused on strengthening the food value chain through the expansion of KedaiFGV.com, scaling up integrated farming, and developing new consumer products such as noodles, condiments, analogue cheese, and yogurt drinks. We continue to grow our presence in key categories including cooking ingredients, rice, dairy, fresh produce, and animal feed, while also exploring diversification into high-value crop materials. These initiatives reflect our broader ambition to support national food resilience.</p> <p>c. If CPO prices fall to RM3,000 MT, FGV's earnings particularly from our Plantation segment would be impacted. To mitigate this, we are focusing on improving FFB yields through better harvesting practices, mechanisation, and replanting efforts. At the same time, we are enhancing cost efficiency through better labour productivity, lower refining costs, and digitalisation. Diversification into value-added products and investment in renewable energy will also contribute to long-term resilience under our BP26 strategy.</p>		

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6.	Dr. Ismet Yusoff (<i>follow-up question</i>)	<p>a. This question is directed to the Independent Advisor (Kenanga IB) – In relation to the Independent Advisors circular today, we note the reasonableness of the offer relates to public spread non-compliance and no alternative offers. Are these legitimate reasons for offering a discount?</p> <p>b. This question is directed to the Board – Was there a negotiation that took place between FGV and the offeror, is there an independent valuation done on assets and why is there an acceptance for the discount to the intrinsic value?</p>
RESPONSE		
<p>Thank you Dr. Ismet for your questions.</p> <p>a. Kenanga IB has assessed the Offer based on both fairness and reasonableness as separate criteria. While Kenanga IB concluded that the Offer is not fair, they are of the opinion that it is reasonable and therefore recommend shareholders to accept the offer. Kenanga IB's evaluation considers FGV's ongoing non-compliance with the public spread requirement since 2021, despite having received seven extensions from Bursa. The most recent application in March 2025 was rejected, and Bursa has directed FGV to rectify the issue by 10 September 2025. If FGV fails to comply, it will result to possible trading suspension, limiting shareholders' ability to trade. Additionally, the absence of an alternative offer and the relatively low liquidity of FGV shares compared to the FBM KLCI suggest that the Offer provides an opportunity for shareholders with significant shareholdings to monetise their investments. These factors support Kenanga IB's assessment of reasonableness.</p> <p>b. As the Board of Directors, we believe it is not our role to negotiate with the offeror, as this is beyond our control. The decision to accept the offer or decide what price to trade FGV shares is entirely up to the shareholders. Regarding an independent asset valuation, we follow the advice of our advisor, Kenanga IB, who has guided us on the usual approach and practices for such corporate exercises. According to them, the method used here follows standard practice, and the Board has relied on their expertise in making this decision.</p>		

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7.	Mohamad Shahrel Bin Mohd Yudin (<i>follow-up question</i>)	Will we see Robotics replace human in the plantation?
RESPONSE		
<p>Thank you Shahrel for the question.</p> <p>The most challenging part of our plantation operations remains the harvesting process, where no effective robotic solution currently exists. Due to the nature of the task and the variability of terrain and tree height, harvesting still relies heavily on manual labour. For other activities, such as manuring, fertiliser application, and pest and disease control, we have adopted mechanisation through tools like spreaders. However, the use of full robotics in plantation remains limited at this stage. For now, we continue to use basic mechanisation technologies, though we remain open to exploring more advanced solutions in the coming years.</p>		