

FGV EGM: RESPONSES TO ONLINE QUESTIONS RECEIVED

A. CORPORATE

NO.	SHAREHOLDER'S NAME AND RAW QUESTION	MODERATED QUESTION
1.	<p>Ong Kok Pak</p> <p>As a long-term shareholder who has witnessed the share price fall drastically from the IPO price of RM4.55 to around RM1.30 today, I believe many investors are deeply concerned and disappointed. Can the Board please explain the key reasons behind this long-term underperformance and share price decline? Additionally, are there any concrete plans to turn around or divest loss-making subsidiaries or non-core assets to improve overall group performance and shareholder value? If not, why has the Board chosen to retain these loss-making units?</p>	<p>Are there any concrete plans to turn around or divest loss-making subsidiaries or non-core assets as part of this proposed acquisition exercise so as to improve overall group performance and shareholder value? If not, why has the Board chosen to retain these loss-making units?</p>
RESPONSE		
<p>Thank you for your insightful question Ong Kok Pak.</p> <p>FGV continues to evaluate its non-core and non-performing assets and is considering options to restructure and create value before adopting an exit strategy for investments that have not achieved targets or are unable to derive any further value. In addition, the Board has also approved management's plan to reorganise, restructure, and/or liquidate the identified dormant, inactive companies and investment holding companies to streamline business across the group and eliminate and minimise any unnecessary costs incurred to administer those entities.</p>		
2.	<p>Teh Kiang Lang</p> <p>With the just announced take-over offer is this corporate exercise still necessary?</p>	<p>Is this corporate exercise still necessary given that announcement was just made on the takeover offer of FGV's shares by FELDA?</p>
RESPONSE		
<p>Thank you Teh Kian Leng, for the question.</p> <p>The current opportunity for FGV to acquire the remaining minority interests presents a strategic move to consolidate its holdings. Gaining full control over key subsidiaries will enable FGV to simplify and streamline operations and effectively execute its turnaround plans. The timing is also favourable given FGV's improved financial position following a profitable 2024 and KPF's willingness to divest, making this the optimal moment for full consolidation.</p>		

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3.	Ong Kok Pak	What are the names and principal activities of the three subsidiaries involved in this acquisition? (Which FGV Palm Industries Sdn. Bhd. will acquire)
RESPONSE		
<p>Thank you, Ong Kok Pak. The subsidiaries involved are as follows:</p> <ul style="list-style-type: none"> a. FGV Kernel Products Sdn. Bhd. is principally involved in the manufacture of crude palm kernel oil, palm kernel expeller, refined bleached deodorised palm kernel oil product and palm kernel fatty acid distillate. b. The principal activities of FGV Refineries Sdn. Bhd. are processing and sale of refined palm oil products. c. The principal activity of FGV Marketing Services Sdn. Bhd. is provision of marketing services for the FGV Group's commodity products and collection of revenues on their behalf and physical trading of crude palm oil and crude kernel oil. 		
4.	Ong Kok Pak	How were the valuations for the proposed acquisitions derived?
RESPONSE		
<p>Thank you for the question, Ong.</p> <p>The respective Purchase Consideration of the Proposed Acquisitions arrived on a "willing-buyer willing-seller basis" after taking into consideration the following:</p> <ul style="list-style-type: none"> a. Aggregated audited NA of the Target Companies of RM220.0 million and RM513.6 million as of 31 December 2024 in accordance with the SSA 1 and SSA 2 respectively; and b. Adjustments arising from dividends and capital injection which are provided for in the SSAs. 		
5.	Ong Kok Pak	What are the strategic and financial justifications for this acquisition at this juncture?
RESPONSE		
<p>Thank you for the question, Ong.</p> <p>These acquisitions are a key component of FGV's long-term strategy to simplify the Group's ownership structure and eliminate complexities from intercompany transactions and RPTs. By consolidating full ownership of the subsidiaries, FGV will gain greater control over its core businesses, aligning with its strategic goal to strengthen operational and financial integration.</p>		

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6.	Ong Kok Pak	Will this acquisition result in operational synergies or cost savings for FGVPI?
	RESPONSE	
	<p>Thank you for your question, Mr. Ong.</p> <p>Yes, full ownership enables FGVPI to streamline decision-making, reduce costs, and enhance operational coordination through centralised services and standardised processes. To ensure the realisation of these benefits, FGVPI will monitor key performance indicators such as cost savings, margin improvements, and cash flow generation. Progress will be reviewed on a quarterly basis, with plans adjusted as necessary to achieve the established targets.</p>	
7.	Ong Kok Pak	Considering that both FGV and KPF are linked to the Felda ecosystem, how has transparency and fairness been ensured in the pricing and negotiation process?
	RESPONSE	
	<p>Thank you for the question.</p> <p>For transparency and fairness, the negotiations were carried out on a commercial arms-length basis without interference from external parties. The transactions were also carried out according to FGV's Investment Policies and Procedures, similar as any other commercial transactions.</p>	
8.	Lee Mun Hoe	Who will benefit the most from the resolution? Could you kindly elaborate on the details.
	RESPONSE	
	<p>Thank you for the question, Lee.</p> <p>The main beneficiary of the resolution is FGV, which gains full control of eight key subsidiaries, enabling streamlined operations, reduced related party transactions, and improved efficiency and earnings.</p> <p>KPF benefits financially by monetising its stakes for RM229.75 million and reducing exposure to loss-making entities. Minority shareholders benefit from better governance, a simplified structure, and enhanced long-term value. FELDA, as the offeror, indirectly benefits from a more efficient and profitable FGV post-consolidation.</p>	

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9.	Ong Kok Pak	What is the expected payback period of these acquisitions based on current or forecasted cash flows?
RESPONSE		
<p>Thank you for your question.</p> <p>We expect to get payback in approximately 8 years' time, I can assure you that these acquisitions are expected to be earnings-accretive and cash flow-positive in the medium term.</p> <p>The subsidiaries involved, particularly those in IT, security, and engineering are profitable and have a strong track record of dividend contributions. By gaining full ownership, we will improve operational efficiency, eliminate related party transactions, and enhance group-wide integration.</p> <p>These factors collectively support a sound return on investment within a commercially reasonable timeframe.</p>		
10.	Ong Kok Pak	What is the strategic rationale behind acquiring the remaining stakes at this stage? What benefits do FGV foresee in having full ownership of these subsidiaries?
RESPONSE		
<p>Thank you for your question, Ong.</p> <p>These acquisitions are a key component of FGV's long-term strategy to simplify the Group's ownership structure and eliminate complexities from intercompany transactions and Related Party Transactions. By consolidating full ownership of the subsidiaries, FGV will gain greater control over its core businesses, aligning with its strategic goal to strengthen operational and financial integration. There are no immediate plans for listing or divestment; FGV's focus is firmly on consolidation and sustainable growth.</p>		

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11.	Lee Mun Hoe Any irregularity checking on company performance and corporate governance by the corporate advisory prior to propose on the resolution?	Are there any irregularities that affect the company performance and corporate governance in relation to the proposed resolution?
	RESPONSE <p>Thank you for the question.</p> <p>No irregularities in company performance or corporate governance were found based on the Independent Advice Letter and Circular. FGV conducted thorough due diligence, complied with Bursa's related party transaction rules, and appointed QuantePhi as the Independent Adviser.</p> <p>The transaction was deemed fair and reasonable, with no signs of mismanagement. Proper governance steps, including abstention by interested parties and voting rights for minority shareholders, were observed. The acquisitions were carried out with transparency and in line with regulatory requirements.</p>	
12.	Ong Kok Pak	What are the names and principal businesses of the five subsidiaries involved in this acquisition (i.e. proposed acquisitions by Felda Holdings Berhad)?
	RESPONSE <p>Thank you Ong, the five subsidiaries involved in this acquisition are:</p> <ol style="list-style-type: none"> FGV Agri Services Sdn Bhd FGV Transport Services Sdn Bhd FGV Security Services Sdn Bhd FGV Rubber Industries Sdn Bhd FGV Prodata Systems Sdn Bhd <p>For the principal business of the above five companies, you may refer to Appendices V to IX of the circular.</p>	

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13.	<p>Mohd Rosdi bin Zakaria</p> <p>We would like to enquire whether the Proposed Acquisition will have any direct or indirect impact on the business operations of all FGV subsidiaries.</p> <p>In particular, we seek clarification on whether it will affect the employment status, job positions, or salary structures of employees across these subsidiaries. Will there be any changes in staffing, restructuring exercises, or adjustments to the remuneration framework as a result of the acquisition?</p>	<p>Will the Proposed Acquisition have any direct or indirect impact on the business operations of all FGV subsidiaries. In particular, we seek clarification on:</p> <p>a. Whether it will affect the employment status, job positions, or salary structures of employees across these subsidiaries?</p> <p>b. Will there be any changes in staffing, restructuring exercises, or adjustments to the remuneration framework as a result of the acquisition?</p>
RESPONSE		
<p>Thank you for the question, Rosdi.</p> <p>These acquisitions will not have any impact on the employment or job positions of employees and likewise, no changes are expected in the staffing and remuneration framework of the involved workforce/entities.</p>		
14.	<p>Chew Sek Moi</p> <p>What is the rationale for acquiring the minority interest in a subsidiary (FGVRI) which has been loss-making. What is the strategic intent behind this move, and how does the company plan to turn around its performance?</p>	<p>What is the rationale for acquiring the minority interest in a subsidiary (FGVRI) which has been loss-making. What is the strategic intent behind this move, and how does the company plan to turn around its performance?</p>
RESPONSE		
<p>Thank you for the question, Chew.</p> <p>While FGV Rubber Industries (FGVRI) has remained unprofitable, acquiring the remaining minority interest gives FGV full control to implement turnaround strategies without constraint. This includes optimising operations, strengthening procurement, and exploring strategic partnerships. FGVRI also plays a key role in the Group's integrated value chain by processing cup lumps. Full ownership supports better alignment with Group priorities and long-term recovery plans.</p>		

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B. FINANCIAL

NO.	SHAREHOLDER'S NAME AND RAW QUESTION	MODERATED QUESTION
15.	<p>Ong Kok Pak</p> <p>How will this acquisition impact FGV's financial position, in terms of gearing, profitability, and future earnings contributions?</p> <p>What is the impact on FGV's gearing or leverage ratio after around RM230 million combined outlay?</p>	<p>How will this acquisition impact FGV's financial position, in terms of gearing, profitability, and future earnings contributions?</p>
RESPONSE		
<p>Thank you for the question, Ong.</p> <p>The acquisition will slightly increase FGV's gearing from 0.61 to 0.64 times, mainly due to partial funding through sukuk issuance. Profitability is expected to improve modestly, with earnings rising from RM276.25 million to RM279.77 million and EPS increasing from 7.6 sen to 7.7 sen.</p> <p>Although one of the acquired companies, FGVRI, is loss-making, its impact is mitigated by the inclusion of profitable subsidiaries. Overall, the acquisitions are expected to enhance long-term earnings, cash flow, and operational efficiency.</p>		
16.	<p>Ong Kok Pak</p> <p>In relation to the Proposed Acquisitions 1 & 2, involving the acquisition of the remaining equity interests in a total of eight (8) non-wholly owned subsidiaries from Koperasi Permodalan Felda Malaysia Berhad (KPF) for a combined cash consideration of RM229.75 million:</p> <p>We respectfully request the following information from the Board:</p> <p>Can the BOD confirm whether all eight subsidiaries have been consistently profitable over the past three (3) financial years? Please provide a breakdown of each subsidiary's Profit & Loss (P&L) statements for FY2022, FY2023, and the latest available figures for FY2024, including: (i) Revenue, (ii) Net Profit / Loss, (iii) EBITDA and (iv) Total Assets and Liabilities</p>	<p>In relation to the Proposed Acquisitions 1 and 2, please provide a breakdown of each subsidiary's Profit & Loss (P&L) statements for FY2022, FY2023, and the latest available figures for FY2024, including:</p> <ul style="list-style-type: none"> • Revenue • Net Profit / Loss • EBITDA • Total Assets and Liabilities
RESPONSE		
<p>Thank you for the question, Ong Kok Pak.</p> <p>All of these information can be found in the circular issued and published on Bursa Malaysia Securities' Website. Please refer to page 94- 130 of the circular.</p>		

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17.	<p>Ong Kok Pak</p> <p>How will these acquisitions be financed (e.g., internal funds or borrowings or both)? Will it affect dividend policy or capital expenditure plans?</p>	<p>How will these acquisitions be financed (e.g., internal funds or borrowings or both)?</p>
RESPONSE		
<p>Thank you for your question, Ong.</p> <p>The acquisitions will be funded via internal fund of RM89.7 million and RM140 million from sukuk murabahah.</p>		

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18.	Ong Kok Pak Will it affect dividend policy or capital expenditure plans	Will these acquisitions affect dividend policy or capital expenditure plans?
	RESPONSE	
	Thank you for your question Ong. They are not expected to affect FGV's dividend policy or capital expenditure plans, as the acquisitions are projected to improve earnings and cash flow.	
19.	Ong Kok Pak What is the financial performance of the five subsidiaries involved in this acquisition? (proposed acquisitions by Felda Holdings Bhd.	How is the financial performance of the five subsidiaries involved in this acquisition (i.e. proposed acquisitions by FELDA Holdings Berhad)?
	RESPONSE	
	Thank you Ong. The financial performance of these five subsidiaries can be referred in Appendices V to roman IX in the circular.	

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C. MISCELLANEOUS

NO.	SHAREHOLDER'S NAME	RAW QUESTION
20.	Ong Kok Pak	Kenanga Investment Bank has stated that FELDA's takeover offer for FGV Holdings was 'not fair but reasonable.' In light of this, did the Board of Directors enter into any negotiation with FELDA to seek a higher offer price in the interest of minority shareholders? If not, could the Board explain the rationale behind that decision?
21.	Tan Kim Khuat	I asked the question because we have been waiting from morning until 3pm, without having hesitate to do other business, and if the MGO successful, that mean we shall not meet again in next year. So why not the board give us as a token of remembrance and appreciation for being loyal shareholders? Thanks
22.	Ong Kok Pak	How was the purchase consideration determined for acquisition of the remaining equity interests in five (5) non-wholly owned subsidiaries of FHB from Koperasi Permodalan Felda Malaysia Berhad?
23.	Tan Ai Lan	As this Extraordinary General Meeting (EGM) marks the final one with our longstanding shareholders, I would like to request FGV provide a token of appreciation in the form of a small gift to express FGV sincere gratitude for virtual attendees continued support over the years. This gesture would serve as a meaningful way to acknowledge the shareholders' loyalty and contributions to the FGV's journey and success. I believe it would leave a lasting positive impression and reinforce FGV commitment to strong shareholder relations. I look forward to your kind consideration.
24.	Lee Suan Bee	Since this will be the last meeting before take over, I would request that the BOD give Touch & Go e wallet as a token of appreciation

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25.	Tan Kim Khuat	May I know is there the second door gift allotted to EGM attendees? Hope so, thanks.
26.	Loo Yeo Ming	Pls give door gift to all virtual attendees for both AGM and EGM. You did not answer our questions. Note: physical attendees got door gift for AGM and EGM. Please answer our question as this will be the last meeting due to the takeover soon and delisted.
27.	Lee Mun Hoe	Please provide e-voucher to those who participate in this EGM
28.	Kwong Sheng Yuan	Got any door gift?
29.	Tan Boon Aik	Got gift???
30.	Tan Boon Lye	Any gift???
31.	Tan Mei Teng	Got gift????
32.	Tan Kim Sing	Got gift???
33.	Tan Chai Heng	Will there be an FGV products cenderamata
34.	Low Pek Suet	Would the Board consider door gift for shareholders who attended the AGM and EGM today, considering our interest of the matters discussed since this morning till this evening of which we have spent almost the whole day.
35.	Syameer Joshua A/L Shenbagan	Do you provide door gift for AGM and EGM for esteem shareholders or proxies attended virtually?
36.	Loo Tuck Fatt	Please give door gift for virtual attendees for AGM and EGM? Physical attendees got 2 gifts. As this will be the last meeting.
37.	Cheah Yew Boon	Kindly give e Voucher or e Wallet to attendees as a token of appreciation for this special event.
38.	Gan Kian Tee	good afternoon, Chairman Tan Sri and (BOD) did the company consider to give the door gift such as e voucher/ e wallets to the shareholder/proxyholder attending the EGM, tq.
RESPONSE		
<p>Thank you for your questions and suggestions.</p> <p>We have responded to all your questions relating to the EGM, door gift, and other similar questions in our earlier responses. These responses are also available in the Administrative Guide page 15 for your reference.</p>		

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NO.	SHAREHOLDER'S NAME	RAW QUESTION
39.	Ho Yueh Weng	Don't resort to lying, just answer the question even if uncomfortable???
40.	Ho Yueh Weng	Another way to scam your minority shareholders again??? Which of your reasonable acquisitions, etc. have brought minority shareholders any real benefits except crashing to a fraction of your IPO share price, and still not enough. Explain any deals where minority shareholders truly benefited?
41.	Tan Saik Kuen	Boustead did the same thing. Few rounds of right issue at high price and when the market price dropped to ridiculous level due to internal management, they offered low price and snatched our shares. Is this happening again with FGV?! Snatch small shareholders shares when the market price is low? Should shareholders still trust listed companies? Very disappointed and frustrated!
42.	Tan Saik Kuen	Why this unconditional offer again. Please do not list and then delist. It's very unfair to shareholders who have bought the shares at high price and now is offered a much lower price. Shareholders will suffer big loss and have no chance to recover their losses! Is this how the company pays the shareholders for their trust and loyalty in the company?!!!
43.	Mohamad Shahrel Bin Mohd Yudin	What steps has the Board taken to protect long-term minority shareholders? Was there any consideration of: A better exit mechanism (e.g. share buyback at higher price)? Listing core subsidiaries like the downstream or logistics units to unlock value? Strategic partnerships or third-party offers?

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44.	Mohamad Shahrel Bin Mohd Yudin	<p>Q1- If the offer is accepted and FGV is delisted, what guarantees do minority shareholders have about the future value creation being fairly shared?</p> <p>What role will the current Board play to ensure transparency if FGV becomes a private entity under FELDA?</p>
45.	Ahmad Marzuki Bin Abd.Razak	If offerer and PAC received more than 90% total shares, what happen to balance dissenting shareholders shares?
46.	Lee Mun Hoe	What form of compensation will be provided to those who subscribe at IPO price but forced take over by the company?
47.	Lee Mun Hoe	<p>Offeror take over price is much lower than the IPO price. This clearly proved that board members had failed the fiduciary duty delegated to them. Section 213(1) of the</p> <p>Company Act outlines the core duty for directors to exercise their powers for a proper purpose, in good faith, and in the best interest of the company. How the corporate advisory view on this issue? Can comment</p>
48.	Ong Kok Pak	What is the current replanting progress, and how is FGV managing the age profile of its oil palm estates to ensure long-term yields?
49.	Ong Kok Pak	With improving cash flows, is there a plan to revise the dividend payout policy to enhance shareholder returns?
50.	Ong Kok Pak	FGV was previously sanctioned by the US Customs and Border Protection (CBP). Can the Board provide a clear update on the latest compliance status and how reputational risks are being mitigated?
51.	Ong Kok Pak	Given the volatility in palm oil prices, what strategies does FGV have in place to maintain stable profitability, especially in non-CPO segments?

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52.	Ong Kok Pak	Can the Board update shareholders on the status and long-term sustainability of the Land Lease Agreement (LLA) with FELDA? Are there renegotiation plans to improve margins?
53.	Khaw Soon Hock	If accept the share buy back price proposed by FGV, how to submit form to company?
54.	Khaw Soon Hock	If accept the share buy back price proposed by FGV, how to submit form to company?
55.	Tey Chin	Good afternoon, Chairman Tan Sri Rastam and (BOD)
56.	Tey Tong	Good afternoon, Chairman Tan Sri Rastam and (BOD)
57.	Goh Ah Tee @ Goh Hui Chua	I login. Click Home but cannot work
58.	Ong Kok Pak	Will BOD answer every questions from shareholders?
RESPONSE		
<p>Thank you for your questions.</p> <p>We acknowledge all submissions received. However, kindly note that the questions raised are not relevant to the matters being discussed and will not be addressed at this meeting.</p>		