THIS INDEPENDENT ADVICE CIRCULAR ("IAC") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU SHOULD READ THIS IAC IN CONJUNCTION WITH THE OFFER DOCUMENT DATED 16 JUNE 2025 ISSUED BY MAYBANK INVESTMENT BANK BERHAD ON BEHALF OF THE OFFEROR (FEDERAL LAND DEVELOPMENT AUTHORITY), WHICH HAS BEEN SENT TO YOU.

You should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately if you have any doubt about the Offer (as defined herein).

If you have sold or transferred all your Offer Shares (as defined herein), you should hand this IAC immediately to the person through whom you have effected the sale or transfer for transmission to the purchaser or transferee.

Pursuant to subparagraphs 11.03(2) and 11.04(2) of the Rules on Take-overs, Mergers and Compulsory Acquisitions, the Securities Commission Malaysia ("**SC**") has notified that it has no further comments on the content of this IAC. However, such notification shall not be taken to suggest that the SC agrees with the recommendations or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAC.

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

INDEPENDENT ADVICE CIRCULAR IN RELATION TO THE UNCONDITIONAL VOLUNTARY TAKE-OVER OFFER

BY

FEDERAL LAND DEVELOPMENT AUTHORITY ("OFFEROR")
(Established under the Land Development Act 1956 (Act 474))

THROUGH

MAYBANK INVESTMENT BANK BERHAD
(Registration No. 197301002412)

TO ACQUIRE

ALL THE REMAINING ORDINARY SHARES IN FGV HOLDINGS BERHAD NOT ALREADY OWNED BY THE OFFEROR ("OFFER SHARES") FOR A CASH OFFER PRICE OF RM1.30 PER OFFER SHARE ("OFFER")

Independent Adviser

KENANGA INVESTMENT BANK BERHAD
(Registration No. 197301002193 (15678-H))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

This Independent Advice Circular is dated 26 June 2025

DEFINITIONS

The following definitions shall apply throughout this IAC, unless the context requires otherwise:

Accepting Holder(s)	:	Holder(s) who accepts the Offer in accordance with the terms and conditions as set out in the Offer Document
Act	:	Companies Act 2016
Board	:	Board of directors of FGV
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Closing Date	:	(i) First Closing Date; or (ii) such later date(s) in the event the Offer is extended by the Offeror may decide and will be announced by Maybank IB on behalf of the Offeror, at least 2 days before the closing date, in accordance with the Rules and the terms and conditions set out in the Offer Document
CMSA	:	Capital Markets and Services Act 2007
CPO	:	Crude palm oil
DCF	:	Discounted cash flow
Director(s)	:	Director(s) of FGV
Dissenting Holder(s)	:	Holder(s) who has/have not accepted the Offer and/or failed or refused to transfer their Offer Shares to the Offeror in accordance with the terms and conditions set out in the Offer Document
Distribution(s)	:	Any dividends and/or distributions that the Offeree declares, makes or pay to its shareholders
FCFE	:	Free cash flow to equity
FELDA Asset	:	Felda Asset Holdings Company Sdn Bhd (Registration No. 201201010615 (984135-P))
FELDA or **Offeror**	:	Federal Land Development Authority
FELKOP	:	Koperasi Kakitangan FELDA Malaysia Berhad
FFB	:	Fresh fruit bunches
FGV Group or **Group**	:	Collectively, FGV and its subsidiary companies
FGV or **Offeree**	:	FGV Holdings Berhad (Registration No. 200701042133 (800165- P))
FGV Share(s) or **Share(s)**	:	Ordinary shares in FGV

First Closing Date	:	5.00 p.m. (Malaysian time) on 7 July 2025 being the date falling 21 days from the Posting Date
Form of Acceptance and Transfer	:	Form of acceptance and transfer for the Offer Shares, as enclosed with the Offer Document
FPE	:	Financial period ended
FYE	:	Financial year ended 31 December
Holder(s)	:	Each holder(s) (including any custodian, nominee and trustee) of the Offer Shares
IAC	:	This independent advice circular in relation to the Offer dated 26 June 2025, comprising the letter from the Board (as set out in Part A of this IAC), the IAL (as set out in Part B of this IAC) and the accompanying appendices
IAL	:	The independent advice letter dated 26 June 2025 issued by Kenanga IB in relation to the Offer, which forms Part B of this IAC
Interested Directors	:	Collectively, (i) Tan Sri Rastam Mohd Isa and Datuk Abdul Halim Hamzah are deemed interested by virtue of them being appointed by Minister of Finance (Incorporated); (ii) Dato' Dr Suzana Idayu Wati Osman is deemed interested as she is the Director-General of FELDA; and (iii) Dato' Shahrol Anuwar Sarman is deemed interested as he is a board member of FELDA. Accordingly, they have abstained and will continue to abstain from deliberation, making any recommendation and from voting in relation to the Offer.
Kenanga IB or **Independent Adviser**	:	Kenanga Investment Bank Berhad (Registration No. 197301002193 (15678-H))
KPF	:	Koperasi Permodalan FELDA Malaysia Berhad (Koop Negara No. 39)
LAT	:	Loss after tax
Land Lease Agreement	:	Land lease agreement dated 1 November 2011 between FELDA and Felda Global Ventures Holdings Sdn Bhd (now known as FGV) as novated pursuant to the novation agreement dated 6 January 2012 between FGV, FELDA and Felda Global Ventures Plantations (Malaysia) Sdn Bhd
LBZT	:	Loss before zakat and taxation
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
Logistics Entities	:	FGVJB, FGVB, FGVTS, LBSB and FGVGT
LPD	:	19 June 2025, being the latest practicable date before the issuance date of this IAC

Market Day(s)	:	Day(s) on which Bursa Securities is open for trading of securities
Market Value	:	The theoretical price of an asset in a free and open market, on a willing buyer and seller basis
Maybank IB or **Principal Adviser**	:	Maybank Investment Bank Berhad (Registration No. 197301002412)
MFRS	:	Malaysian Financial Reporting Standards
MSM Malaysia Shares	:	Ordinary shares in MSM Malaysia
NA	:	The value of shareholders equity recorded on the statement of financial position
NL	:	Net liability
N.E.C	:	Not Elsewhere Classified, primarily means food products that are not classified into specific categories as outlined in the Food Regulations 1985
Non-Interested Directors	:	Collectively, Mohamad Fadzil Hitam, Azizan Zakaria, Rozainah Awang and Nurul Muhaniza Hanafi
Non-Resident Holder(s)	:	Holder(s) (including without limitations, any custodian, agent, representative, nominee or trustee of the Holder) who is a citizen or national of, or resident in, or has a registered address in a jurisdiction outside Malaysia, or is incorporated or registered with, or approved by any authority outside Malaysia, or is a non-resident within the definition prescribed under the Financial Services Act 2013
Notice	:	Notice of the Offer dated 26 May 2025 issued by Maybank IB on behalf of the Offeror, and served to the Board
Notice LTD	:	23 May 2025, being the last trading day prior to the date of the Notice
Notice to Dissenting Holders	:	Notice in the manner prescribed under the Rules of the rights exercisable by the Dissenting Holders under subsection 223(1) of the CMSA
Offer	:	The unconditional voluntary take-over offer by the Offeror, through Maybank IB, to acquire all the Offer Shares at the Offer Price in accordance with the terms and conditions as set out in the Offer Document
Offer Document	:	The Offer Document dated 16 June 2025, which sets out the details, terms and conditions of the Offer, together with the enclosed Form of Acceptance and Transfer
Offer Document LPD	:	9 June 2025, being the latest practicable date of the Offer Document

Offer Period	:	Period commencing from 26 May 2025, being the date of the Notice until the earlier of: (i) the Closing Date; or (ii) the date on which the Offer lapses or is withdrawn with the prior written approval of the SC whichever is earlier
Offer Price	:	Cash offer price of RM1.30 for each Offer Share
Offer Shares	:	All the remaining FGV Shares not already held by the Offeror. For information purposes, as at the Offer Document LPD, the Offer Shares comprise 1,097,495,201 FGV Shares, representing approximately 30.08% of the total issued FGV Shares
Official List	:	A list specifying all securities listed on the Main Market of Bursa Securities
PAC Agreement	:	Acting-in-concert agreement entered into between Pahang State and FELDA dated 14 May 2025
PACs	:	Persons acting in concert with the Offeror for the Offer pursuant to subsection 216(2) of the CMSA and/or person presumed to be acting in concert under subsection 216(3) of the CMSA As at the Offer Document LPD, the PACs who hold FGV Shares are Pahang State, FELDA Asset, FELKOP, SJMS and SHS
Pahang State	:	Kerajaan Negeri Pahang
PBZT	:	Profit before zakat and taxation
PK	:	Palm kernel
Posting Date	:	16 June 2025, being the date of posting of the Offer Document to the Holders
PPE	:	Property, plant and equipment
Public Spread Requirement	:	The requirement under subparagraph 8.02(1) of the Listing Requirement, whereby a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are held by public shareholders to ensure its continued listing on the Main Market of Bursa Securities
ROU	:	Right-of-use assets
RM and **sen**	:	Ringgit Malaysia and sen, respectively
Rules	:	Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC
SC	:	Securities Commission Malaysia
SHS	:	Salina binti Hj Samsudin
SJMS	:	Sulong Jamil Mohamed Shariff

SOPV	:	Sum of parts valuation
Special Share	:	Special share in FGV held by the Minister of Finance (Incorporated)
Special Shareholder	:	Minister of Finance (Incorporated)
USA	:	United States of America
Valid Acceptance(s)	:	Acceptance(s) of the Offer by a Holder which is deemed by the Offeror to be valid and complete in all respects in accordance with the terms and conditions set out in the Offer Document
VWAMP	:	Volume-weighted average market price

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MATERIAL SUBSIDIARY COMPANIES OF FGV GROUP

FGVAS	:	FGV Agri Services Sdn. Bhd.
FGVB	:	FGV Bulkers Sdn. Bhd.
FGVF	:	FGV Fertiliser Sdn. Bhd.
FGVGT	:	FGV Grains Terminal Sdn. Bhd.
FGVJB	:	FGV Johor Bulkers Sdn. Bhd.
FGVPI	:	FGV Palm Industries Sdn. Bhd.
FGVPM	:	FGV Plantations (Malaysia) Sdn. Bhd.
FGV Sugar	:	FGV Sugar Sdn. Bhd.
FGVT	:	FGV Trading Sdn. Bhd.
FGVTS	:	FGV Transport Services Sdn. Bhd.
LBSB	:	Langsat Bulkers Sdn. Bhd.
MSM Malaysia	:	MSM Malaysia Holdings Berhad
PUP	:	Pontian United Plantations Berhad and its subsidiaries

All references to "**we**", "**us**" and "**our**" in this IAC are to Kenanga IB, being the Independent Adviser for the Offer.

All references to "**you**", "**your**" or "**Holder(s)**" in this IAC are to the holder of the Offer Shares, being the person to whom the Offer is being made.

If a period that is specified in this IAC ends on a day that is not a Market Day, the period shall be extended until the next Market Day.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations.

Any reference in this IAC to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this IAC shall be a reference to Malaysian time, unless otherwise stated.

Certain amounts and percentage figures included in this IAC have been subject to rounding adjustments. Any discrepancy in the tables included in this IAC between the amount listed, actual figures and the totals are due to rounding.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS ONLY THE PERTINENT INFORMATION OF THE OFFER. YOU ARE ADVISED TO READ CAREFULLY THE CONTENTS OF THIS IAC FOR FURTHER INFORMATION AND THE RECOMMENDATION FROM THE NON-INTERESTED DIRECTORS (AS SET OUT IN SECTION 8, PART A OF THIS IAC) AND KENANGA IB, THE INDEPENDENT ADVISER (AS SET OUT IN SECTION 10, PART B OF THIS IAC) IN RELATION TO THE OFFER. THIS IAC SHOULD ALSO BE READ IN CONJUNCTION WITH THE OFFER DOCUMENT.

1. INTRODUCTION

On 26 May 2025, Maybank IB, on behalf of the Offeror, served the Notice on the Board in accordance with subparagraph 9.10(1)(b)(i) of the Rules to acquire all the Offer Shares pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules. On even date, FGV announced the receipt of the Notice and a copy of the Notice was dispatched to the Holders on 30 May 2025.

On 28 May 2025, in accordance with Paragraph 3.06 of the Rules, Kenanga IB had been appointed to act as the Independent Adviser to provide comments, opinions, information and recommendation to the Non-Interested Directors and the Holders in relation to the Offer. On 3 June 2025, Kenanga IB had declared to the SC its independence from conflict of interest or potential conflict of interest to act as the Independent Adviser in relation to the Offer.

On 16 June 2025, a copy of the Offer Document, which sets out the details, terms and conditions of the Offer as well as the procedures for acceptance and method of settlement of the Offer was dispatched to you.

Pursuant to subparagraphs 11.03(2) and 11.04(2) of the Rules, the SC had, via its letter dated 25 June 2025, notified that it has no further comments on this IAC. However, such notification shall not be taken to suggest that the SC agrees with the recommendations contained herein or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAC.

As set out in the Offer Document, there is no ultimate offeror for the Offer. Pursuant to section 216 of the CMSA, the PACs that hold FGV Shares as at the Offer Document LPD are as follows:

(i) FELDA Asset, being a wholly-owned subsidiary of FELDA;

(ii) Pahang State, being an entity who has agreed to co-operate with FELDA to act jointly for the purpose of exercising control over FGV by virtue of the PAC Agreement;

(iii) FELKOP, being an entity who is accustomed to act in accordance with the instructions of FELDA by virtue of the fact that the board members of FELKOP are part of the management team of FELDA;

(iv) SJMS, being a board member of the Offeror; and

(v) SHS, being the wife of SJMS.

As set out in the Offer Document, the details of the direct and indirect interests of the Offeror and its PACs in FGV as at the Offer Document LPD are as follows:

	Direct		Indirect	
Name	**No. of FGV Shares**	**[(1)]%**	**No. of FGV Shares**	**[(1)]%**
<u>Offeror</u>				
FELDA	2,550,656,299	69.92	[(2)]452,921,192	12.42
<u>PACs</u>				
FELDA Asset	452,921,192	12.42	-	-
Pahang State	182,407,575	5.00	-	-

Name	Direct No. of FGV Shares	(1)%	Indirect No. of FGV Shares	(1)%
PACs *(cont'd)*				
FELKOP	451,200	0.01	-	-
SJMS	25,000	*	-	-
SHS	800	*	-	-
Total	**3,186,462,066**	**87.34**		

Notes:

* Negligible

(1) Computed based on 3,648,151,500 FGV Shares in issue as at the Offer Document LPD.

(2) Deemed interested by virtue of its interest in FELDA Asset pursuant to subsection 8(4) of the Act.

2. TERMS AND CONDITIONS OF THE OFFER

The salient terms and conditions of the Offer are set out below.

2.1 Consideration for the Offer

The Offeror will pay to the Holders who accept the Offer a cash consideration of RM1.30 per Offer Share in accordance with the method of settlement as stated in **Section 2** of **Appendix II** of the Offer Document.

Notwithstanding the above, if FGV declares, makes or pays any Distribution on or after the date of the Notice but prior to the Closing Date and the Holders are entitled to retain such Distribution, the Offer Price shall be reduced by an amount equivalent to the net Distribution per FGV Share of which the Holders are entitled to retain. No adjustment shall be made to the Offer Price if the entitlement date for the Distribution is after the Closing Date.

As at the LPD, FGV has not announced any Distribution in respect of FGV Shares which is payable on or after the date of the Notice.

The Holders may accept the Offer in respect of all or part of the Offer Shares that they hold. The Holder may not accept the Offer in excess of their holdings of the Offer Shares. The Offeror will not pay fractions of a sen to the Accepting Holders. Hence, where applicable, the cash consideration payable to the Accepting Holders in respect of Valid Acceptances of the Offer will be rounded down to the nearest whole sen.

2.2 Condition of the Offer

The Offer is **not conditional** upon the receipt of any minimum level of Valid Acceptances of the Offer Shares as the Offeror holds more than 50% of the voting shares in FGV.

2.3 Duration of the Offer

The Offer will remain open for acceptances until **5:00 p.m. (Malaysian time) on Monday, 7 July 2025**, being the First Closing Date, or such later date(s) as the Offeror may decide and as will be announced by Maybank IB, on behalf of the Offeror, at least two (2) days before the Closing Date, in accordance with the Rules and the terms and conditions as set out in the Offer Document, unless the Offeror withdraws the Offer with the SC's prior written consent. In such event, every person shall be released from any obligation incurred under the Offer. Notice of such extension, if any, will be posted to you accordingly.

Please refer to **Section 2** of **Appendix I** of the Offer Document for further details on the duration of the Offer.

2.4 Method of settlement

Save for the Offeror's rights to reduce the Offer Price as set out in **Section 2.1** of the **Offer Document** and except with the consent of the SC, the Offeror will settle the consideration in full and in accordance with the terms and conditions as set out in the Offer Document without regard to any lien, right of set-off, counter-claim or other analogous rights to which the Offeror may be entitled against the Accepting Holder(s). However, this is without prejudice to the Offeror's rights to make any claim against the Accepting Holder(s) after such full settlement in respect of a breach of any of the warranties set out in **Section 1** of **Appendix I** of the Offer Document.

Where there are Valid Acceptance(s), the settlement for the Offer Shares to which such acceptance(s) relate will be effected via:

(a) remittance into the Accepting Holders' bank account, if the Accepting Holder(s) have registered their bank account with Bursa Depository for the purpose of cash dividend/ distribution within ten (10) days from the date of such Valid Acceptance; or

(b) otherwise, remittance in the form of cheque(s), banker's draft(s) or cashier's order(s) which will be despatched by ordinary mail to the Accepting Holders (or their designated agents, as they may direct) at their registered Malaysian addresses last maintained with Bursa Depository, at their own risk within ten (10) days from the date of such Valid Acceptance.

Accepting Holders are encouraged to register and/or update their bank account details with Bursa Depository in order to receive the consideration for the Offer Shares in their bank accounts.

Non-Resident Holders are advised that the settlement for acceptances of the Offer will be made in RM. Non-Resident Holders who wish to convert the consideration received into foreign currency for repatriation may do so after payment of the appropriate fees and/or charges, if applicable, as levied by the respective financial institutions and/or foreign authorities.

3. DETAILS OF ACCEPTANCES

As at the Offer Document LPD, save for Pahang State and FELDA Asset, who have provided their undertakings to the Offeror not to accept the Offer, the Offeror and its PACs have not received any irrevocable undertaking from any Holders to either accept or reject the Offer.

There is no announcement made by FGV on Bursa Securities up to the LPD in respect of any Valid Acceptance of the Offer Shares.

4. EVALUATION OF THE OFFER

In arriving at our conclusion and recommendation, we have assessed the fairness and reasonableness of the Offer in accordance with paragraphs 1 to 6 of Schedule 2: Part III of the Rules whereby:

(i) the term "fair and reasonable" should generally be analysed as 2 distinct criteria i.e. whether the Offer is "fair" and whether the Offer is "reasonable", rather than as a composite term;

(ii) the Offer is considered "fair" if the Offer Price is equal to or higher than the market price and is also equal to or higher than the value of the Offer Shares. However, if the Offer Price is equal to or higher than the market price, but is lower than the value of the Offer Shares, the Offer is considered as "not fair". In making the assessment, the value of the Offer Shares is determined based on the assumption that 100% of the Offeree is being acquired;

(iii) pursuant to paragraph 4 of Schedule 2: Part III of the Rules, in considering whether a take-over offer is "reasonable", the Independent Adviser should take into consideration matters other than the valuation of the securities that are subject of the take-over offer. Generally, a take-over offer would be considered "reasonable" if it is "fair". Nevertheless, an Independent Adviser may also recommend for shareholders to accept the take-over offer despite it being "not fair", if the Independent Adviser is of the view that there are sufficiently strong reasons for the Holders to accept the offer in the absence of a higher bid and such reasons should be clearly explained; and

(iv) in the event that the Independent Adviser concludes that the Offer is "not fair but reasonable", the Independent Adviser must clearly explain the following:

(a) what is meant by "not fair but reasonable";

(b) how has the Independent Adviser reached to this conclusion; and

(c) the course of action that the Holders are recommended to take pursuant to the conclusion.

4.1 Fairness of the Offer

Considerations	Assessment
Valuation of FGV Shares	FGV is principally an investment holding company. Through its subsidiaries, FGV Group is mainly involved in the plantation, oils and fats, logistics and support segments, and others. In arriving at the most appropriate valuation method to estimate the value of FGV Shares, Kenanga IB has considered various valuation methodologies including amongst others, DCF method, market value and NA method. Kenanga IB has adopted DCF method, market value and NA method, where relevant to value the business segments of the FGV Group. In view of the different valuation methodologies adopted for different business segments of the FGV Group, Kenanga IB has adopted the SOPV method as the most appropriate valuation methodology to arrive at the value of FGV Shares. The SOPV method represents the aggregate valuation of the different businesses. Premised on the SOPV valuation, the Offer Price represents a **discount** between 28.96% to 34.67% per FGV Share.

Based on the above, Kenanga IB is of the view that the Offer is **NOT FAIR** as the Offer Price represents a **discount** between 28.96% to 34.67% to the estimated value of FGV Shares of between RM1.83 and RM1.99 per FGV Share derived from using the SOPV method.

4.2 Reasonableness of the Offer

In assessing the reasonableness of the Offer, Kenanga IB has considered the following factors:

Considerations	Assessment
Historical market prices analysis of FGV Shares	Based on our evaluation, the Offer Price represents: (i) a **premium** of RM0.0200 (1.56%) over the last traded market price of FGV Shares on the Notice LTD of RM1.2800; (ii) a **discount** of RM0.0167 (1.27%) over the 5-day VWAMP up to and including the Notice LTD; (iii) a **premium** of between RM0.0331 (2.61%) and RM0.1190 (10.08%) over the 1-month, 3-month, 6-month and 1 year VWAMPs of FGV Shares up to and including the Notice LTD; and (iv) is **equivalent** to the last traded market price of FGV Shares on the LPD and a **discount** of RM0.0004 (0.03%) over the 5-day VWAMP of FGV Shares up to the LPD.
No alternative proposal and level of control of the Offeror and PACs	Save for the Offer, the Board confirmed that, as at the LPD, FGV has not received any alternative offer for the Offer Shares or any other offer to acquire the business, assets and liabilities of the FGV Group. In the absence of an alternative offer, the Offer provides an opportunity to the Holders to realise their investments in the Offer Shares for cash at the Offer Price, offering liquidity and value certainty without impacting the share price significantly. As at the LPD, the Offeror and the PACs hold 3,193,275,366 FGV Shares, representing a majority stake of approximately 87.53% equity interest in FGV. With such a majority stake, the Offeror has been in control the outcome of the resolutions sought at a general meeting of shareholders of FGV since the previous Offer (save for resolutions in which it is interested and required to abstain from voting), including the ability to approve or oppose any ordinary resolutions (which requires approval from more than 50% of the total vote cast), as well as to approve or oppose any special resolutions (which requires approval from at least 75% of the total vote cast).
Non-compliance of Public Spread Requirement and listing status of FGV	On 5 February 2021, FGV announced that it did not comply with the Public Spread Requirement as its public shareholding spread was less than 25%. Subsequently, FGV had on 23 March 2021, 4 August 2021, 28 January 2022, 3 April 2023, 4 September 2023, 18 March 2024 and 13 September 2024 obtained approvals from Bursa Securities for an extension of time to comply with the Public Spread Requirement. On 10 March 2025, Bursa Securities had, vide its written notification, rejected FGV's application for a further extension of time of six months from 3 March 2025. Bursa Securities has directed FGV to rectify the breach within six months, on or before 10 September 2025. In the event that FGV fails to comply with the Public Spread Requirement by 10 September 2025, Bursa Securities may take or impose any action or penalty pursuant to Paragraph 16.19 of the Listing Requirements and may also suspend trading in FGV's Shares pursuant to Paragraph 16.02 of the Listing Requirements. In the event of a suspension in trading of FGV Shares, Holders may face difficulty dealing in FGV Shares as there may not be an active or ready market for the Shares.

Considerations	Assessment
Trading liquidity of FGV Shares	FGV Shares are relatively illiquid when compared against the FBM KLCI Index, as the average trading liquidity turnover of FGV Shares of 1.47% is lower than the average monthly trading liquidity of FBM KLCI Index (5.89%) over the same period. Further, when the Offeror accumulates a higher shareholding level (beyond the collective shareholdings of the Offeror and the PACs in FGV of 87.53% as at the LPD) as a result of valid acceptances received pursuant to the Offer and/or via further acquisitions, the liquidity of FGV Shares and the Holders' ability to dispose their FGV Shares in the open market after the Closing Date may be further constrained. Hence, the Offer may represent an avenue for the Holders (especially for those holding a significant number of FGV Shares) to realise their investment in FGV Shares for cash at the Offer Price. Considering the above as well as the analysis of the historical market prices of FGV Shares in **Section 7.1 of this IAL**, in our view, the Offer provides the Holders an exit opportunity to realise their investments in FGV Shares pursuant to the Offer.

Based on the above, Kenanga IB is of the view that the Offer is **REASONABLE**.

Please refer to **Section 7 of Part B** of this IAC for further details.

5. RECOMMENDATION

5.1 By Kenanga IB

Premised on the evaluation of the Offer as set out above, Kenanga IB is of the view that the Offer is **NOT FAIR** but **REASONABLE**. Accordingly, Kenanga IB:

(i) advises the Non-Interested Directors to recommend the Holders to **ACCEPT** the Offer; and

(ii) recommends that the Holders **ACCEPT** the Offer.

However, the decision to be made would depend entirely on the risk appetite and specific investment requirements of the Holders. If the Holders so wish and if the trading liquidity permits, they may consider disposing their Offer Shares in the open market or via direct business transactions if they are able to obtain a price higher than the Offer Price, net of transaction costs and assuming that there will not be any revision to the Offer Price.

Holders are advised to closely monitor the market share price, trading volume and any press releases and/or announcements made in relation to the Offer before making a decision on the course of action to be taken in respect of the Offer Shares.

Please refer to **Section 11 of Part B** of this IAC for further details.

5.2 By the Non-Interested Directors

The Interested Directors have abstained and will continue to abstain from deliberations, voting and making any recommendation in relation to the Offer.

After careful assessment and evaluation of the Offer and taking into consideration the evaluation and recommendation by Kenanga IB as set out in **Part B of this IAC**, the Non-Interested Directors **CONCUR** with the evaluation and recommendation of Kenanga IB that the Offer is **NOT FAIR** but **REASONABLE**.

Accordingly, the Non-Interested Directors recommend that the Holders **ACCEPT** the Offer.

6. IMPORTANT DATES AND EVENTS

The important dates pertaining to the Offer are as set out in the table below:

Events	**Date**
Notice served to the Board	Monday, 26 May 2025
Posting Date	Monday, 16 June 2025
Last day for the Independent Adviser to issue the Independent Advice Circular to the Holders	Thursday, 26 June 2025
First Closing Date[(1)]	Monday, 7 July 2025

Note:

(1) The Offer will remain open for acceptances until 5:00 p.m. (Malaysian time) on Monday, 7 July 2025, being the First Closing Date, unless extended in accordance with the Rules and the terms and conditions of the Offer Document as the Offeror may decide. Any such extension will be announced by Maybank IB, on behalf of the Offeror, at least two (2) days before the Closing Date. Notice of such revision or extension will be posted to the Holders accordingly.

The summary notification for this IAC has been despatched to you. The purpose of the aforementioned summary notification is to inform you of the publication of this IAC on the websites of the Offeree and Bursa Securities. As the summary notification do not contain all the information on the Offer and the views and recommendation of the Non-Interested Directors and Kenanga IB on the Offer, you are advised to read carefully this IAC. You should consider the recommendation of the Non-Interested Directors and Kenanga IB on the Offer carefully before making your decision regarding the Offer.

To facilitate electronic delivery of documents in the future, you are encouraged to register your email address with Bursa Depository via:

(a) https://www.bursamalaysia.com/trade/our_products_services/central_depository_system/request_for_estatement; or

(b) Bursa Anywhere mobile application which can be downloaded from Google Play Store or Apple App Store.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE INFORMATION CONTAINED IN THIS IAC, TOGETHER WITH THE OFFER DOCUMENT AND NOT RELY SOLELY ON THIS EXECUTIVE SUMMARY BEFORE FORMING AN OPINION ON THE OFFER AND MAKING A DECISION ON THE COURSE OF ACTION TO BE TAKEN.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE IN RELATION TO THE OFFER, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

PART A

LETTER FROM THE BOARD

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

Registered Office:

FGV Holdings Berhad
Level 21
Wisma FGV
Jalan Raja Laut
50350 Kuala Lumpur
Malaysia

26 June 2025

Board of Directors:

Tan Sri Rastam Mohd Isa *(Chairman and Non-Independent Non-Executive Director)*
Dato' Shahrol Anuwar Sarman *(Non-Independent Non-Executive Director)*
Datuk Abdul Halim Hamzah *(Non-Independent Non-Executive Director)*
Dato' Dr Suzana Idayu Wati Osman *(Non-Independent Non-Executive Director)*
Mohamad Fadzil Hitam *(Independent Non-Executive Director)*
Azizan Zakaria *(Independent Non-Executive Director)*
Rozainah Awang *(Independent Non-Executive Director)*
Nurul Muhaniza Hanafi *(Independent Non-Executive Director)*

To: The Holders

Dear Sir / Madam,

UNCONDITIONAL VOLUNTARY TAKE-OVER OFFER BY THE OFFEROR, THROUGH MAYBANK IB, TO ACQUIRE THE OFFER SHARES FOR A CASH OFFER PRICE OF RM1.30 PER OFFER SHARE

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1. INTRODUCTION

On 26 May 2025, Maybank IB, on behalf of the Offeror, served the Notice on the Board in accordance with subparagraph 9.10(1)(b)(i) of the Rules to acquire all the Offer Shares pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules. On even date, FGV announced the receipt of the Notice and a copy of the Notice was dispatched to the Holders on 30 May 2025.

On 28 May 2025, in accordance with Paragraph 3.06 of the Rules, Kenanga IB had been appointed to act as the Independent Adviser to provide comments, opinions, information and recommendation to the Non-Interested Directors and the Holders in relation to the Offer. On 3 June 2025, Kenanga IB had declared to the SC its independence from conflict of interest or potential conflict of interest to act as the Independent Adviser in relation to the Offer.

On 16 June 2025, a copy of the Offer Document, which sets out the details, terms and conditions of the Offer as well as the procedures for acceptance and method of settlement of the Offer was dispatched to you.

Pursuant to subparagraphs 11.03(2) and 11.04(2) of the Rules, the SC had, via its letter dated 25 June 2025, notified that it has no further comments on this IAC. However, such notification shall not be taken to suggest that the SC agrees with the recommendations contained herein or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAC.

As set out in the Offer Document, there is no ultimate offeror for the Offer. Pursuant to section 216 of the CMSA, the PACs that hold FGV Shares as at the Offer Document LPD are as follows:

(i) FELDA Asset, being a wholly-owned subsidiary of FELDA;

(ii) Pahang State, being an entity who has agreed to co-operate with FELDA to act jointly for the purpose of exercising control over FGV by virtue of the PAC Agreement;

(iii) FELKOP, being an entity who is accustomed to act in accordance with the instructions of FELDA by virtue of the fact that the board members of FELKOP are part of the management team of FELDA;

(iv) SJMS, being a board member of the Offeror; and

(v) SHS, being the wife of SJMS.

As set out in the Offer Document, the details of the direct and indirect interests of the Offeror and its PACs in FGV as at the Offer Document LPD are as follows:

	Direct		Indirect	
Name	**No. of FGV Shares**	**(1)%**	**No. of FGV Shares**	**(1)%**
Offeror				
FELDA	2,550,656,299	69.92	(2)452,921,192	12.42
PACs				
FELDA Asset	452,921,192	12.42	-	-
Pahang State	182,407,575	5.00	-	-
FELKOP	451,200	0.01	-	-
SJMS	25,000	*	-	-
SHS	800	*	-	-
Total	**3,186,462,066**	**87.34**		

Notes:

* Negligible

(1) Computed based on 3,648,151,500 FGV Shares (excluding treasury shares, if any) in issue as at the Offer Document LPD.

(2) Deemed interested by virtue of the interest held through FELDA Asset pursuant to Section 8 of the Act.

THE PURPOSE OF THIS IAC IS TO HIGHLIGHT THE RELEVANT INFORMATION IN RELATION TO THE OFFER AND TO PROVIDE YOU WITH THE VIEWS AND RECOMMENDATIONS OF THE NON-INTERESTED DIRECTORS AND KENANGA IB ON THE OFFER.

YOU ARE ADVISED TO READ THIS IAC, TOGETHER WITH THE OFFER DOCUMENT AND CAREFULLY CONSIDER THE RECOMMENDATIONS CONTAINED HEREIN BEFORE TAKING ANY ACTION.

2. TERMS AND CONDITIONS OF THE OFFER

The terms and conditions of the Offer are set out in **Section 2 of the executive summary** and **Section 2, Part B of this IAC**. Please refer to **Section 2 of the Offer Document and Appendix I of the Offer Document** for further information on the other terms and conditions of the Offer and **Appendix II of the Offer Document** for the procedures for acceptance and method of settlement of the Offer.

3. DETAILS OF ACCEPTANCES

As at the Offer Document LPD, save for Pahang State and FELDA Asset, who have provided their undertakings to the Offeror not to accept the Offer, the Offeror and its PACs have not received any irrevocable undertaking from any Holders to either accept or reject the Offer.

There is no announcement made by FGV on Bursa Securities up to the LPD in respect of any Valid Acceptance of the Offer Shares.

4. NON-INTERESTED DIRECTORS' COMMENTS

4.1 Rationale for the Offer

The Non-Interested Directors take note of the rationale for the Offer as set out in **Section 3 of the Offer Document**. The Non-Interested Directors take cognisance that:

(i) FGV was incorporated in Malaysia under the Companies Act 1965 on 19 December 2007 and was the commercial arm of FELDA for its investments in the upstream and downstream palm oil business and other agribusinesses.

(ii) In 2009, almost all of FELDA's midstream and downstream business entities held by Felda Holdings Bhd, which were principally engaged in the processing and refining of CPO and its related products, were transferred to FGV. In 2012, FELDA embarked on a corporate restructuring exercise that involved the listing of FGV on the Main Market of Bursa Securities. As part of the listing plan, the commercial plantation lands previously under FELDA were leased to FGV via the Land Lease Agreement. FGV was subsequently listed on the Main Market of Bursa Securities on 28 June 2012 and since then, FELDA has been and is still a substantial shareholder of FGV.

(iii) Pursuant to a press statement released by the Minister in the Prime Minister's Department (Economy) on 28 October 2020 under the title "Pelan Pemulihan Felda" which was followed by a special briefing to the press editors held by FELDA on 30 October 2020, it was made known to the public that FELDA will be embarking on a transformation plan to make FELDA financially independent and sustainable. The plan entails, inter-alia, enhancing its core income from its lands which may or may not involve the variation and/or termination of the Land Lease Agreement and taking over the related palm oil mills subject to satisfactory discussions with FGV. Accordingly, FELDA has completed the acquisition of 506,190,800 FGV Shares, representing approximately 13.88% equity interest in FGV from Kumpulan Wang Persaraan (Diperbadankan) and Urusharta Jamaah Sdn Bhd for a total cash consideration of RM658,048,040 or RM1.30 per FGV Share on 24 December 2020 ("**Acquisition**"). As a result of the Acquisition, FELDA's shareholding in FGV increased from 21.24% to approximately 35.12% and the collective shareholding of FELDA and the persons acting in concert with it during the Acquisition, namely FELDA Asset, KPF, SJMS and SHS ("**MO PACs**"), in FGV increased from 36.61% to approximately 50.49%.

Accordingly, pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules, and in view that the Offeror, individually and together with the MO PACs, had collectively obtained control of FGV (i.e. holding more than 33% of the voting shares of FGV) upon completion of the Acquisition, the notice of the unconditional mandatory take-over offer ("**MO**") was served on the Board of FGV on 22 December 2020. The offer document was despatched on 12 January 2021 and the MO was closed on 15 March 2021. On the closing of the MO, FELDA and the MO PACs collectively held 2,955,241,291 FGV Shares, representing 81.01% of the total issued FGV Shares.

(iv) As at 19 February 2025, FGV's public shareholding spread was at 13.09%, which is below the Public Spread Requirement. FGV had submitted numerous applications for an extension of time to rectify this non-compliance. However, Bursa Securities had on 10 March 2025, via a written notification, rejected FGV's application for a further six (6)-month extension of time from 3 March 2025 and has directed FGV to rectify the breach within six (6) months (i.e. on or before 10 September 2025). If FGV fails to comply with the Public Spread Requirement by 10 September 2025, Bursa Securities may take or impose any action or penalty pursuant to Paragraph 16.19 of the Listing Requirements and may also suspend trading in FGV's Shares, pursuant to Paragraph 16.02 of the Listing Requirements.

(v) It is FELDA's intention to privatise FGV in order to gain full control of the business operations and management of FGV. As at the LPD, FELDA has limited influence over FGV's management, as it does not have control over the Board of FGV despite FELDA and FELDA Assets collectively holding 82.52% equity interest in FGV. The current market conditions and share price make this an opportune time for FELDA to further pursue its plans to privatise FGV. This plan which has been approved by the Minister in charge of FELDA, is aligned with FELDA's intention of undertaking the MO in 2020.

(vi) FELDA has developed a strategic plan with the goals of increasing revenue, reducing costs, resolving legacy issues, redefining the settlers' model, strengthening cooperatives, as well as improving governance and human capital. Upon the successful completion of the privatisation and the implementation of the plan, FELDA will be better positioned to enhance the operational and financial efficiencies of the FGV Group. This will be achieved by streamlining the entire value chain of upstream and downstream operations in the plantation sector respectively held by FELDA and the FGV Group which is in turn expected to contribute positively to the future earnings of FELDA.

(vii) Accordingly, FELDA is offering the Holders the opportunity to realise their investment in the Offer Shares for cash at the Offer Price, which represents a premium of 9.91% to the six (6)-month VWAMP of FGV Share up to and including the Notice LTD of RM1.1828.

(viii) The trading liquidity of FGV Shares has historically been low, with an average daily trading volume of 479,213 FGV Shares for the past three (3) years up to and including the Notice LTD. This average daily trading volume represents 0.10% over the free float of FGV comprising of approximately 476.90 million FGV Shares as at the Notice LTD and is lower than the average monthly trading liquidity of KL Plantation Index for the past twelve (12) months up to April 2025 (being the last full trading month prior to the Notice LTD), of approximately 1.67%. Please refer to **Section 7.4 of the Offer Document** which illustrate the trading liquidity of FGV Shares and KL Plantation Index for the past twelve (12) months up to April 2025 (being the last full trading month prior to the Notice LTD). The Offer presents an opportunity for the Holders who might have different investment objectives or horizon to realise their investments in FGV expeditiously for reinvestments elsewhere (where applicable), which may otherwise be difficult given the low trading liquidity of FGV Shares.

(ix) In the event that the Offer does not result in the de-listing of FGV and FGV fails to comply with the Public Spread Requirement by 10 September 2025, Bursa Securities may take or impose any action or penalty pursuant to Paragraph 16.19 of the Listing Requirements and may also suspend trading in FGV's Shares, pursuant to Paragraph 16.02 of the Listing Requirements. Regardless of the outcome, FELDA will continue to pursue its plan to privatise FGV.

4.2 Listing status of FGV

The Non-Interested Directors take note that the Offeror **does not intend to maintain the listing status of FGV on the Main Market of Bursa Securities.** Accordingly, in the event the Offeror receives Valid Acceptances resulting in the Offeror and its associates holding in aggregate 90% or more of the FGV Shares (excluding treasury shares), an immediate announcement will be made by the Offeree. Upon such announcement, Bursa Securities will suspend the trading of FGV Shares immediately upon expiry of five (5) market days from the Closing Date. Thereafter, the Offeror will submit a request to the Offeree to take the necessary procedures to withdraw its listing status from the Official List in accordance with Paragraph 16.07 of the Listing Requirements.

Bursa Securities may at its discretion impose additional conditions for the withdrawal of the Offeree's listing status from the Official List. If the de-listing of the Offeree from the Official List is successful, the FGV Shares will no longer be quoted and traded on the Main Market of Bursa Securities.

Please refer to **Section 7.1 of Part B of this IAC** for further details.

4.3 Compulsory acquisition and rights of Dissenting Holders

(i) Compulsory acquisition

The Non-Interested Directors take note that the Offeror **intends to invoke the provisions of subsection 222(1) of the CMSA to compulsorily acquire any remaining Offer Shares from Dissenting Holders** in the event the Offeror receives Valid Acceptances of not less than nine-tenths (9/10) of the nominal value of the Offer Shares (excluding FGV Shares already held by the Offeror and its PACs as at the date of the Offer) on or before the Closing Date. In such instance, all the Offer Shares that are compulsorily acquired will, subject to subsection 224(1) of the CMSA, be acquired on the same terms as set out in the Offer Document and in accordance with subsection 222(1) of the CMSA.

(ii) Rights of Dissenting Holders

Notwithstanding the above and subject to section 224 of the CMSA, section 223 of the CMSA provides that if the Offeror acquires FGV Shares and/or receives Valid Acceptance from the Holders, resulting in the Offeror and its PACs holding not less than nine-tenths (9/10) in the value of all FGV Shares (including FGV Shares that are already held by the Offeror and its PACs as at the date of the Offer) on or before the Closing Date, a Dissenting Holder may exercise his/her/its rights under subsection 223(1) of the CMSA within a period to be specified by the Offeror which shall be no less than 3 months after the Closing Date, by serving a Notice to require the Offeror to acquire his/her/its Offer Shares on the same terms set out in the Offer Document or such other terms as may be agreed between the Offeror and such Dissenting Holder.

If a Dissenting Holder invokes the provisions of subsection 223(1) of the CMSA, the Offeror shall acquire such Offer Shares in accordance with the provisions of the CMSA, subject to the provisions of section 224 of the CMSA. Subsection 224(3) of the CMSA, provides that when a Dissenting Holder exercises his/her/its rights under subsection 223(1) of the CMSA, the court may, on an application made by such Dissenting Holder or by the Offeror, order that the terms on which the Offeror shall acquire such Offer Shares shall be as the court thinks fit.

Subsection 223(2) of the CMSA requires the Offeror to give the Dissenting Holders a Notice, in the manner specified by the SC of the rights exercisable by the Dissenting Holders under subsection 223(1) of the CMSA, within 1 month of the time the Offeror have acquired FGV Shares and/or received Valid Acceptances from the Holders resulting in the Offeror and PACs holding not less than nine-tenths (9/10) in the value of all FGV Shares (including FGV Shares already held at the date of the Offer by the Offeror and PACs).

A Notice to Dissenting Holders under subsection 223(2) of the CMSA may specify the period for the exercise of the rights of the Dissenting Holders and in any event, such period shall not be less than 3 months after the Closing Date.

Please refer to **Section 8.0 of Part B of this IAC** for further details.

4.4 Future plans for the FGV Group and its employees

The Non-Interested Directors take note of the intention of the Offeror with respect to the future plans for the FGV Group and its employees as set out in **Section 5 of the Offer Document** as follows:

(i) Continuation of the FGV Group's business

As stated in the Offer Document, the Offeror intends to continue the existing businesses of the Offeree Group, which are principally involved in oil palm plantation and its related downstream activities, sugar refining, manufacturing, logistics, and others, after the completion of the Offer.

FELDA has developed a strategic plan with the goals of increasing revenue, reducing costs, resolving legacy issues, redefining the settlers' model, strengthening cooperatives, as well as improving governance and human capital. To achieve these objectives, the Offeror intends for the Offeree Group to focus on driving operational excellence across the value chain. This includes, among others, increasing yield per hectare through improved replanting strategies; enhancing harvesting practices, including loose fruit collection and unharvested bunch elimination; improving cost efficiency through mechanisation and automation; and adopting enhanced digitalisation efforts to modernise plantation operations by integrating advanced technologies to reduce reliance on manual labour.

The Offeror does not have any immediate plans or intention to liquidate any company within the Offeree Group. Nevertheless, the Offeror may review the businesses and operations of the Offeree Group and make such arrangements, rationalisation and reorganisation of the Offeree Group as the Offeror considers suitable for the future of the Offeree Group's business operations. This may potentially involve the rationalisation of the Offeree Group's non-core businesses after assessing their strategic relevance, financial performance, and alignment with FELDA's long-term objectives. Such steps to rationalise the Offeree Group's non-core businesses may include the restructuring, divestment, consolidation, or repositioning of certain business segments that is not within the core plantation and integrated value chain activities. The ultimate aim is to optimise resource allocation, improve operational efficiency, and sharpen the Offeree Group's focus on its core competencies in the plantation sector.

(ii) Major changes to the FGV Group's business

There is no immediate plan by the Offeror to introduce any major changes in the businesses of the Offeree Group, liquidate the Offeree Group, dispose of any major assets or undertake any major redeployment of fixed assets of the Offeree Group. Nevertheless, the Offeror may from time to time review strategic options with regard to the businesses of the Offeree Group, which may or may not involve the variation and/or termination of the Land Lease Agreement and taking over the related palm oil mills. With respect to the Land Lease Agreement, no firm decision has been made at this stage regarding any variation or termination. FELDA is currently reviewing the terms of the Land Lease Agreement to ensure alignment with the evolving business structure and the interests of both parties. Any decision concerning the Land Lease Agreement, whether involving variation of its terms or termination of the agreement, will be discussed in good faith and will only proceed based on mutual agreement. FELDA remains committed to ensuring that any future course of action continues to reflect the best interests of both FELDA and FGV. Where appropriate, the Offeror may implement changes to the corporate structure, including any expansion activities, mergers, consolidations or disposal of assets, with a view to ensure that the Offeree Group remains competitive in the industry or to rationalise the business activities and/or direction of the Offeree Group and/or improve the utilisation of resources by the Offeree Group.

(iii) Employees of FGV Group

The Offeror has no plans to dismiss or make redundant the employees of the Offeree Group as a direct consequence of the Offer. Nevertheless, any changes with regard to staff employment may take place in conjunction with the rationalisation or streamlining of the business activities of the Offeree Group and/or as part of the steps undertaken to reduce costs or to improve the efficiency of operations and optimise staff productivity of the Offeree Group. Any such action taken will be carried out in accordance with the relevant legislation and the terms of employment of the affected employees.

The Non-Interested Directors wish to highlight to the Holders that the Offeror retains the flexibility at any time to consider any available options to carry out any of the above future plans to the best interest of the FGV Group and ultimately to the Offeror upon completion of the Offer.

To the best knowledge of the Non-Interested Directors, as at the LPD, the Offeror has not entered into any negotiation or arrangement or understanding with any third party in relation to any significant change in the Group's business and assets or the Company's shareholding structure.

5. INDEPENDENT ADVICE LETTER

You are advised to read and consider the comments, opinion, information and recommendation of Kenanga IB, the Independent Adviser appointed by FGV to advise the Non-Interested Directors and the Holders in relation to the Offer. The IAL is included in **Part B of this IAC**.

6. DISCLOSURE OF DIRECTORS' INTERESTS

As at the LPD, none of the Directors of FGV have any interest, whether direct or indirect, in FGV Shares.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Board has seen and approved the contents of this IAC and they collectively and individually accept full responsibility for the accuracy and completeness of the information contained in this IAC. The Board confirms the following after making all reasonable enquiries and to the best of their knowledge and belief:

(i) no statement and/or information relating to the FGV Group in this IAC is false or misleading or incomplete;

(ii) there are no other facts and/or information, the omission of which would render any statement or information provided relating to the FGV Group herein false or misleading or incomplete;

(iii) all material facts and/or information in relation to the Offer, including those required under the Rules, have been accurately and completely disclosed in this IAC; and

(iv) opinions expressed by the Non-Interested Directors in this IAC have been arrived at after due deliberation and careful consideration.

Further, the responsibility of the Board in respect of:

(i) the information relating to the Offeror and its subsidiaries and its PACs (as extracted from the Offer Document) is limited to ensuring that such information is accurately reproduced in this IAC; and

(ii) the independent advice and expression of opinion by Kenanga IB in relation to the Offer as set out in **Part B of this IAC,** is to ensure that accurate information in relation to the FGV Group was provided to Kenanga IB for its evaluation of the Offer and that all information in relation to the FGV Group that is relevant to Kenanga IB's evaluation of the Offer has been accurately and completely disclosed to Kenanga IB and that there is no material fact, and/or omission of which would make any information provided to Kenanga IB false or misleading.

For the avoidance of doubt, the Directors' responsibility in respect of the above shall exclude the independent advice and expression of opinion by Kenanga IB in relation to the Offer as set out in **Part B of this IAC**.

8. NON-INTERESTED DIRECTORS' RECOMMENDATION

The Interested Directors have abstained and will continue to abstain from deliberations, voting and making any recommendation in relation to the Offer.

After careful assessment and evaluation of the Offer and taking into consideration the opinion and recommendation by Kenanga IB as set out in **Part B of this IAC**, the Non-Interested Directors **CONCUR** with the opinion and recommendation of Kenanga IB that the Offer is **NOT FAIR** but **REASONABLE**.

Accordingly, the Non-Interested Directors recommend that the Holders **ACCEPT** the Offer.

YOU ARE ADVISED TO CONSIDER CAREFULLY THE INFORMATION CONTAINED IN THE OFFER DOCUMENT (AS WELL AS OTHER PUBLICLY AVAILABLE INFORMATION) AND THIS IAC BEFORE MAKING A DECISION ON THE COURSE OF ACTION TO BE TAKEN.

THE NON-INTERESTED DIRECTORS HAVE NOT TAKEN INTO CONSIDERATION ANY SPECIFIC INVESTMENT OBJECTIVE, FINANCIAL SITUATION OR RISK PROFILE OR PARTICULAR NEEDS OF ANY INDIVIDUAL HOLDER OR ANY SPECIFIC GROUP OF HOLDERS.

THE NON-INTERESTED DIRECTORS RECOMMEND THAT ANY INDIVIDUAL HOLDER OR ANY SPECIFIC GROUP OF HOLDERS WHO REQUIRES ADVICE IN RELATION TO THE OFFER IN THE CONTEXT OF THEIR INDIVIDUAL INVESTMENT OBJECTIVES, RISK PROFILES, FINANCIAL AND TAX SITUATION OR PARTICULAR NEEDS, CONSULT THEIR RESPECTIVE STOCKBROKERS, BANK MANAGERS, ACCOUNTANTS, SOLICITORS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

Yours faithfully,
For and on behalf of the Board of
FGV Holdings Berhad

Azizan Zakaria
Independent Non-Executive Director

PART B

INDEPENDENT ADVICE LETTER FROM KENANGA IB

kenanga

Registered Office:

Level 17, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur

26 June 2025

To: The Non-Interested Directors and Holders

Dear Sir / Madam,

UNCONDITIONAL VOLUNTARY TAKE-OVER OFFER BY THE OFFEROR, THROUGH MAYBANK IB, TO ACQUIRE ALL THE OFFER SHARES FOR A CASH OFFER PRICE OF RM1.30 PER OFFER SHARE

---

1. INTRODUCTION

Please refer to **Section 1 of Part A of this IAC** for the chronological events in relation to the Offer.

The purpose of this IAL is to provide our independent evaluation of the Offer together with our recommendation thereon, subject to the scope of our role and limitations specified herein.

YOU ARE ADVISED TO CONSIDER CAREFULLY THE INFORMATION AND RECOMMENDATION CONTAINED IN THIS IAC INCLUDING THIS IAL TOGETHER WITH THE OFFER DOCUMENT BEFORE MAKING A DECISION AS TO THE COURSE OF ACTION TO BE TAKEN.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE IN RELATION TO THE OFFER, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

THIS IAL IS SOLELY FOR THE USE OF THE NON-INTERESTED DIRECTORS AND THE HOLDERS FOR THE PURPOSE OF CONSIDERING THE OFFER AND SHOULD NOT BE USED OR RELIED UPON BY ANY OTHER PARTY OR FOR ANY OTHER PURPOSE.

2. TERMS AND CONDITIONS OF THE OFFER

The terms and conditions of the Offer are as follows:

2.1 Consideration for the Offer

The Offeror will pay to the Holders who accept the Offer a cash consideration of RM1.30 per Offer Share in accordance with the method of settlement as stated in **Section 2 of Appendix II** of the Offer Document.

Notwithstanding the above, if FGV declares, makes or pays any Distribution on or after the date of the Notice but prior to the Closing Date and the Holders are entitled to retain such Distribution, the Offer Price shall be reduced by an amount equivalent to the net Distribution per FGV Share of which the Holders are entitled to retain. No adjustment shall be made to the Offer Price if the entitlement date for the Distribution is after the Closing Date.

As at the LPD, FGV has not announced any Distribution in respect of FGV Shares which is payable on or after the date of the Notice.

The Holders may accept the Offer in respect of all or part of the Offer Shares that they hold. The Holders may not accept the Offer in excess of their holdings of the Offer Shares. The Offeror will not pay fractions of a sen to the Accepting Holders. Hence, where applicable, the cash consideration payable to the Accepting Holders in respect of Valid Acceptances of the Offer will be rounded down to the nearest whole sen.

2.2 Condition of the Offer

The Offer is **not conditional** upon any minimum level of Valid Acceptances of the Offer Shares as the Offeror holds more than 50% of the voting shares in FGV.

2.3 Duration of the Offer

The Offer will remain open for acceptances until **5:00 p.m. (Malaysian time) on Monday, 7 July 2025**, being the First Closing Date, or such later date(s) as the Offeror may decide and as will be announced by Maybank IB, on behalf of the Offeror, at least two (2) days before the Closing Date, in accordance with the Rules and the terms and conditions as set out in the Offer Document, unless the Offeror withdraws the Offer with the SC's prior written consent. In such event, every person shall be released from any obligation incurred under the Offer. Notice of such extension, if any, or revision will be posted to you accordingly.

Please refer to **Section 2 of Appendix I** of the Offer Document for further details on the duration of the Offer.

2.4 Method of settlement

Save for the Offeror's rights to reduce the Offer Price as set out in **Section 2.1 of the Offer Document**, and except with the consent of the SC, the Offeror will settle the consideration in full and in accordance with the terms and conditions as set out in the Offer Document without regard to any lien, right of set-off, counter-claim or other analogous rights to which the Offeror may be entitled against the Accepting Holder(s). However, this is without prejudice to the Offeror's rights to make any claim against the Accepting Holder(s) after such full settlement in respect of a breach of any of the warranties set out in **Section 1 of Appendix I** of the Offer Document**.**

Where there are Valid Acceptance(s), the settlement for the Offer Shares to which such acceptance(s) relate will be effected via:

(i) remittance into the Accepting Holders' bank account, if the Accepting Holder(s) have registered their bank account with Bursa Depository for the purposes of cash dividend/distribution within ten (10) days from the date of such Valid Acceptance; or

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(ii) otherwise, remittance in the form of cheque(s), banker's draft(s) and/or cashier's order(s) which will be despatched by ordinary mail to the Accepting Holders (or their designated agents, as they may direct) at their registered Malaysian addresses last maintained with Bursa Depository, at their own risk within 10 days from the date of the Valid Acceptance.

Accepting Holders are encouraged to register and/or update their bank account details with the Bursa Depository in order to receive the consideration for the Offer Shares in their bank accounts.

Non-Resident Holders are advised that the settlement for acceptances of the Offer will be made in RM. Non-Resident Holders who wish to convert the consideration received into foreign currency for repatriation may do so after payment of the appropriate fees and/or charges, if applicable, as levied by the respective financial institutions and/or foreign authorities.

Please refer to **Appendix I** of the Offer Document for further information on the other terms of the Offer and **Appendix II** of the Offer Document for details on the procedures for acceptance and method of settlement of the Offer.

3. DETAILS OF ACCEPTANCES

As at the Offer Document LPD, save for Pahang State and FELDA Asset, who have provided their undertakings to the Offeror not to accept the Offer, the Offeror and its PACs have not received any irrevocable undertaking from any Holder to either accept or reject the Offer.

There is no announcement made by FGV on Bursa Securities up to the LPD in respect of any Valid Acceptance of the Offer Shares.

4. SCOPE AND LIMITATIONS TO THE EVALUATION OF THE OFFER

We have evaluated the Offer and in rendering our advice, we have considered various factors which we believe are of relevance and general importance to an assessment of the Offer and would be of general concern to the Holders.

Kenanga IB was not involved in the formulation, deliberations, negotiations or discussions pertaining to the terms and conditions of the Offer. Kenanga IB's terms of reference as an Independent Adviser is limited to providing comments, opinion, information and recommendation on the Offer based on the following sources of information:

(i) the information contained in the Notice, the Offer Document and the accompanying appendices;

(ii) audited financial statements of the FGV Group for the FYE 2022, FYE 2023 and FYE 2024 as well as the unaudited financial statements of the FGV Group for the 3-month FPE 31 March 2025;

(iii) other relevant information, confirmations and documents furnished to us by the Board and/or management of the FGV Group;

(iv) discussions and consultation with the Board and/or management of the FGV Group; and

(v) other publicly available information which we consider relevant for our evaluation.

We have relied on the Board and management of the FGV Group to take due care to ensure that all information, documents and representations provided by them to facilitate our evaluation of the Offer are accurate, valid and complete in all material aspects.

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We have obtained written confirmation from the Board that the contents of this IAL have been reviewed, considered and approved by the Board, and they collectively and individually accept full responsibility for the accuracy, completeness and validity of the information provided to us. Nonetheless, we have made enquiries as were reasonable in the circumstances, and we are satisfied that the information provided to us or which is available to us is sufficient and we have no reason to believe that the information provided to us or available to us is unreliable, incomplete, misleading and/or inaccurate. As such, we have relied on the information provided by the Board and management of FGV.

In rendering our advice, we have taken note of significant factors which we believe are of general importance to an assessment of the fairness and reasonableness of the Offer and therefore of concern to the Holders as a whole. As such:

(i) in carrying out our evaluation, we have not given consideration to the specific investment objectives, risk profiles, financial and tax situations and particular needs of any individual Holder or any specific group of Holders; and

(ii) we recommend that any individual Holder or group of Holders who is/are in doubt as to the action to be taken or require advice in relation to the Offer in the context of their individual objectives, risk profiles, financial and tax situations or particular needs, consult their respective stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Our advice should be considered in the context of the entirety of this IAL. Our views expressed in this IAL are, amongst others, based on prevailing economic, market, regulatory and other conditions, and the information and/or documents available to us as at the LPD or such other period as specified herein. Such conditions may change significantly over a short period of time. Accordingly, our evaluation and opinion expressed herein do not take into account information, events or conditions arising after the LPD.

Kenanga IB will immediately disclose to the SC and notify the Holders by way of announcement(s) if, after despatching this IAC, as guided by subparagraph 11.07(1) of the Rules, we become aware that the information provided in the IAC:

(i) contains a material statement which is false or misleading;

(ii) contains a statement from which there is a material omission; or

(iii) does not contain a statement relating to a material development.

Pursuant to subparagraph 11.07(3) of the Rules, the disclosure and announcement referred to in subparagraph 11.07(1) of the Rules shall be made before 9 a.m. on the next Market Day.

If circumstances require, a supplementary IAC will be sent to the Holders in accordance with subparagraph 11.07(2) of the Rules.

5. EVALUATION OF THE OFFER

In arriving at our conclusion and recommendation, we have assessed the fairness and reasonableness of the Offer in accordance with paragraphs 1 to 6 of Schedule 2: Part III of the Rules whereby:

(i) the term **"fair and reasonable"** should generally be analysed as 2 distinct criteria i.e. whether the Offer is **"fair"** and whether the Offer is **"reasonable"**, rather than as a composite term;

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(ii) the Offer is considered **"fair"** if the Offer Price is equal to or higher than the market price and is also equal to or higher than the value of the Offer Shares. However, if the Offer Price is equal to or higher than the market price, but is lower than the value of the Offer Shares, the Offer is considered as **"not fair".** In making the assessment, the value of the Offer Shares is determined based on the assumption that 100% of the Offeree is being acquired;

(iii) pursuant to paragraph 4 of Schedule 2: Part III of the Rules, in considering whether a take-over offer is **"reasonable"**, the Independent Adviser should take into consideration matters other than the valuation of the securities that are subject of the take-over offer. This includes but not limited to, existing shareholding of the Offeror and its PACs with them in the Offeree and their ability to pass special resolutions or control the assets of the Offeree, liquidity of the Offeree's securities, expected market price if the take-over offer is unsuccessful, and/or likelihood and value of alternative offers or competing offers before the close of the take-over offer;

(iv) generally, a take-over offer would be considered **"reasonable" if it is "fair"**. Nevertheless, an Independent Adviser **may also recommend for shareholders to accept the take-over offer despite it being "not fair"**, if the Independent Adviser is of the view that there are sufficiently strong reasons to accept the offer in the absence of a higher bid and such reasons should be clearly explained; and

(v) in the event that the Independent Adviser concludes that the Offer is **"not fair but reasonable"**, the independent adviser must clearly explain the following:

   (a) what is meant by **"not fair but reasonable"**;

   (b) how has the Independent Adviser reached to this conclusion; and

   (c) the course of action that the Holders are recommended to take pursuant to the conclusion.

In evaluating the Offer, we have taken into consideration the following factors in forming our opinion of the Offer:

Fairness of the Offer		**Section in this IAL**
(i)	Valuation of FGV Shares	**Section 6**

Reasonableness of the Offer		**Section in this IAL**
(i)	Historical market prices analysis of FGV Shares	**Section 7.1**
(ii)	No competing/alternative offer and level of control	**Section 7.2**
(iii)	Non-compliance of Public Spread Requirement and listing status of FGV	**Section 7.3**
(iv)	Trading liquidity of FGV Shares	**Section 7.4**

6. FAIRNESS OF THE OFFER

Valuation of FGV Shares

FGV Group is principally involved in the following segments:

No.	Business segments	Description
1.	Plantation	Plantation estates and mill activities including cultivation, harvesting and production of FFB and processing of FFB into CPO and PK, research and development activities, fertilisers processing, rubber processing and production, sale of planting materials and security
2.	Oils and Fats	Trading of CPO, refining of CPO, fractionation of refined bleached deodorised palm oil and palm olein, crushing of PK, production of oleochemicals namely fatty acid and glycerine, processing and sales of biodiesel products, production of consumer bulk and packed products
3.	Sugar	Sugar refining, sales and marketing of refined sugar and molasses
4.	Logistics & Support	Bulking and transportation facilities and services, information technology and travel

The principal activities of FGV's subsidiaries, associates and joint ventures are stated in **Section 5, Appendix I, Part C of this IAC**.

The contribution of the above business segments to the FGV Group's revenue and PBZT/LBZT are as follows:

	Audited FYE 2023				Audited FYE 2024				Unaudited FPE 31 March 2025			
	Revenue		PBZT/LBZT		Revenue		PBZT/LBZT		Revenue		PBZT/LBZT	
Segments	RM'million	%	RM'million	%	RM'million	%	RM'million	%	RM'million	%	RM'million	%
Plantation	1,200.1	6.2	38.7	11.5	1,349.5	6.1	260.7	46.1	383.2	7.6	50.7	60.8
Oils and Fats	14,554.4	75.2	267.1	79.4	16,704.4	75.4	205.3	36.3	(1)3,242.8	64.4	(1)(11.6)	(13.9)
Sugar	3,091.1	15.9	(23.1)	(6.9)	3,544.3	16.0	79.3	14.0	749.5	14.9	11.5	13.8
Logistics and Support	479.5	2.5	149.1	44.3	530.5	2.4	157.0	27.7	117.7	2.3	32.5	38.9
Others(2)	34.1	0.2	(95.4)	(28.3)	28.8	0.1	(136.5)	(24.1)	(1)542.7	10.8	(1)0.3	0.4
Total	**19,359.2**	**100.0**	**336.4**	**100.0**	**22,157.5**	**100.0**	**565.8**	**100.0**	**5,035.9**	**100.0**	**83.4**	**100.0**

Notes:

(1) As of 1st January 2025, Delima Oil Products Sdn. Bhd. has been reclassified from the oils and fats segment to others, due to changes in the internal report structure. Notwithstanding this, the reclassification will not result in any change to the total estimated value of FGV Group.

(2) For information, others relate to investment holding companies within the Group and Group consolidation adjustments, which are not part of the operating segments.

Plantation

The plantation segment's revenue increased from RM1,200.1 million for the FYE 2023 to RM1,349.5 mill for the FYE 2024, mainly attributable to higher FFB production.

In tandem with the increased revenue, the plantation segment recorded a significant increase in PBZT from RM38.7 million for the FYE 2023 to RM260.7 million for the FYE 2024, which was mainly attributable to the improved operational performance (FFB yield), lower operating cost, and better margins from fertiliser business.

Oils and Fats

The oils and fats segment's revenue increased from RM14,554.4 million for the FYE 2023 to RM16,704.4 million for the FYE 2024, mainly attributable to higher palm oil product sales and better performance in the edible oils and chemicals segment.

The oils and fats segment recorded a decline in PBZT from RM267.1 million for FYE 2023 to RM205.3 million for FYE 2024, mainly attributable to reduced margins in the bulk commodities segment.

Sugar

The sugar segment's revenue increased from RM3,091.1 million for the FYE 2023 to RM3,544.3 million for the FYE 2024, mainly attributable to a higher overall average selling price and sales volume, as well as incentive received for certain packed sugar sold in domestic market.

In tandem with the increased revenue, the sugar segment recorded a LBZT of RM23.1 million for FYE 2023 to PBZT of RM79.3 million for FYE 2024, mainly attributable to improved margin from higher average selling price including incentive and better refining capacity utilisation.

Logistics and Support

The logistics and support segment's revenue increased from RM479.5 million for FYE 2023 to RM530.5 million for FYE 2024, mainly attributable to increased tonnage handled and better rental rates.

In tandem with the increased revenue, the logistics and support segment recorded an increase in PBZT from RM149.1 million for FYE 2023 to RM157.0 million for FYE 2024, which was mainly attributable to better operational efficiencies.

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Our valuation approach

In view of the different business segments of FGV Group, we have adopted the SOPV methodology to arrive at the value of FGV Shares as it is the most appropriate valuation method. The SOPV represents the aggregate valuation of these different operating business segments which shall be valued based on their respective appropriate valuation methods as follows:

Segments	Details and rationale	Valuation methodologies	Low range (RM'million)	High range (RM'million)
Plantation	**Section 6.1.1**	DCF	1,807.33	1,949.42
	Section 6.1.2	NA	1,719.62	1,719.62
	Section 6.1.3	NA	(1,125.09)	(1,125.09)
Oils and Fats	**Section 6.2.1**	DCF	1,183.71	1,376.15
	Section 6.2.2	NA	1,799.24	1,799.24
Sugar	**Section 6.3**	Market Value	365.69	365.69
Logistics and Support	**Section 6.4.1**	DCF	1,170.11	1,412.47
	Section 6.4.2	NA	210.83	210.83
Others	**Section 6.5**	NA	57.58	57.58
Total value			**7,189.02**	**7,765.91**

6.1 Plantation

The plantation segment of FGV Group is mainly contributed by the following subsidiaries:

No.	Name of subsidiaries	Principal activities
1.	FGVPM	Production and sales of FFB, rubber cup-lump and other agricultural products
2.	FGVPI	Investment holding, provision of tolling services related to the processing of FFB into CPO and PK and the sale of by-products from its tolling activities
3.	FGVF	Manufacture and sales of fertilisers
4.	PUP	Investment holding, provision of management services, cultivation of oil palms and sales of FFB
5.	FGVAS	Carry out research and development activities as well as providing advisory services, sales of FFB, production and sale of agricultural products to FELDA and other related companies

In arriving at the fair value of the plantation segment, we have adopted a combination of the DCF and NA valuation methodology. The DCF valuation methodology was adopted for FGVPM and FGVF whereas the NA valuation methodology was adopted for FGVPI, FGVAS, PUP and the remaining entities in the plantation segment of FGV Group.

6.1.1 Plantation segment – DCF method

In arriving at the most appropriate valuation method to estimate the fair value of FGVPM and FGVF, we have considered various valuation methodologies including amongst others, NA method, EV/EBITDA method and DCF method.

In arriving at the estimated fair value of FGVPM and FGVF, we have adopted the DCF method as our valuation method. The DCF method is based on the theory that the value of an asset or business depends on its future cash flows which are discounted to present value, and is able to effectively factor in both the time value of money and the future cash flows to be generated over a specified period of time.

We have not adopted the NA method as we are of the view that the earnings-based valuation methodology is more appropriate to value FGVPM and FGVF as both FGVPM and FGVF have been profitable for the past 5 FYEs. The NA method is also generally used to value loss-making companies or companies with no significant profit.

We have assessed the fair value of FGVPM and FGVF based on the DCF method and noted that they are higher than the audited NA of FGVPM and FGVF as at 31 December 2024, respectively.

We have also not selected the EV/EBITDA method as EV/EBITDA does not account for any replanting or maintenance capital expenditure, as well as the maturity profile of biological assets in determining the future yields and cash flows of the plantation business.

As such, we are of the view that the DCF method is the most appropriate valuation methodology to estimate the fair value of FGVPM and FGVF as these entities have consistently generated positive cash flows from its operating activities for the past 3 FYEs.

As the methodology entails the discounting of future cash flows to be generated at a specified discount rate to arrive at the present value, the riskiness of generating such cash flows is also taken into consideration.

We have relied on the future financial information of the FGVPM and FGVF which was prepared by the management of FGV ("**Plantation Future Financials**") on a best-effort basis to derive the fair estimated value of FGVPM and FGVF.

We have considered and evaluated the key bases and assumptions adopted in the Plantation Future Financials and are satisfied that the key bases and assumptions used in the preparation of the Plantation Future Financials are reasonable given the prevailing circumstances and significant factors that are known as at the LPD. The Plantation Future Financials, together with the bases and assumptions adopted in the preparation of the Plantation Future Financials are as follows:

(i) The future financial information of FGVPM ("**Estate Entity**") mainly involves the operations of the plantation estates, and is projected based on the economic life cycle of the plantation estates of 25 years from FYE 2025 to FYE 2049. At the end of the economic life of the cultivation, it is assumed that replanting will be carried out in a staggered manner to maintain the productive capacity of the estates. As such, subject to the renewal of tenancy of the leasehold lands (where applicable), the plantation estates are expected to continue to operate on a going concern basis, and are expected to sustain their operations in perpetuity supported by the ongoing replanting cycle;

(ii) The future financial information of FGVF ("**Non-Estate Entity**") which is not involved in the operations of the plantation estates is projected for 10 years from FYE 2025 to FYE 2034, and the Non-Estate Entity will continue to operate on a going-concern basis and is expected to sustain its operations in perpetuity;

(iii) There will not be any significant or material changes in the principal activities, group structure and shareholding structure of the FGVPM and FGVF;

(iv) There will not be any significant or material increase in costs which are expected to have a material adverse effect on the financial results, cash flows or business prospects of the plantation segment;

(v) There will not be any major disruptions to the business operations which have a material adverse impact on the financial results, cash flows or business prospects of the plantation segment;

(vi) Sufficient funds will be available or obtainable to finance the working capital requirements and capital expenditure of the Plantation segment without any material adverse effect on its financial results, cash flows, or business prospects;

(vii) There will not be any significant or material changes to the agreements, contracts, licenses and regulations governing the plantation segment's operations;

(viii) The current accounting policies adopted will remain relevant and there will not be any significant changes in the accounting policies which have a material adverse impact on the financial performance and financial position of the plantation segment; and

(ix) There will not be any significant or material changes in political, social and economic conditions, monetary and fiscal policies, inflation and regulatory requirements of the plantation industry.

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In order to derive the fair value of Estate Entity and Non-Estate Entity, we have discounted the projected FCFE to be generated by the respective businesses at an appropriate cost of equity which represents the required rate of return by the equity holders of FGV Group. Our valuation, together with the key bases and assumptions adopted, are as follows:

No	Parameters	Basis and assumptions	Description
1	FCFE	(i) Future Financials of the Estate Entity from FYE 2025 to FYE 2049 (ii) Future Financials of the Non-Estate Entity from FYE 2025 to FYE 2034	FCFE is the free cash flows from operations available to the equity holders of a company after taking into consideration all net operating cash flows, net investing cash flows and net financing cash flows. The FCFE is discounted at an appropriate cost of equity which represents the required rate of return by the equity holders of FGV Group. We have reviewed the key bases and assumptions adopted in the Plantation Future Financials in deriving the FCFE and are satisfied that they are reasonable given the prevailing circumstances and significant factors that are known as at the LPD. As such, we have relied upon the Plantation Future Financials prepared by the management of FGV Group.
2	Cost of equity ("**K_e**")	8.69% to 9.69%	The cost of equity represents the expected or required rate of return on equity by the equity holders. The cost of equity is derived using the capital asset pricing model as shown below: $K_e = R_f + [\beta \times EMRP]$ We have adopted a sensitivity of +/- 0.5% to the K_e computed to arrive at a range as the computation of K_e is based on the assumed R_f, β and EMRP adopted and each of these components are dependent on the assumptions made and are sensitive to changes in factors including time period, government policies, market volatility and economic conditions.
3	Risk-free rate of return ("**R_f**")	3.59%	The risk-free rate of return represents the expected rate of return from a risk-free investment. We have relied on the yield of the 10-year Malaysian Government Securities as extracted from the Bank Negara Malaysia as at the LPD as this represents the closest available approximation of a risk-free investment in Malaysia.

<table>
<tr><th>No</th><th>Parameters</th><th>Basis and assumptions</th><th>Description</th></tr>
<tr><td>4</td><td>Beta (“β”)</td><td>Re-levered beta of 0.94</td><td>
Beta is the sensitivity of an asset’s returns to the changes in market returns. It measures the correlation of systematic risk between the said asset and the market. A beta of more than 1 signifies that the asset is riskier as compared to the market and a beta of lower than 1 signifies that the asset is less risky as compared to the market.
In arriving at the beta for the Estate Entity and Non-Estate Entity, we have relied on the average re-levered beta derived based on the 5-year weekly beta of comparable companies and un-levered them according to their respective 5-year weekly debt-to-equity ratios as extracted from Bloomberg, and subsequently re-levering the un-levered beta above based on FGV Group’s debt-to-equity ratio as at the LPD.
After taking into consideration the debt-to-equity ratio and the market capitalisation of FGV as at the LPD, we have selected companies listed on Bursa Securities as comparable companies to FGVPM and FGVF based on the following criteria:
(i) principally involved in the operations of oil palm plantations, and/or production, processing and sale of FFB related activities;
(ii) more than 60% of the comparable companies’ revenue is derived from such activities;
(iii) a market capitalisation ranging from RM1 billion to RM5 billion.
The comparable companies are as set out below:
<table>
<tr><th>No.</th><th>Comparable companies</th><th>Country of incorporation</th><th>Market capitalisation as at the LPD (RM’mil)</th><th>Revenue contribution (%)</th><th>5-year historical beta up to the LPD</th><th>Gearing ratio on the comparable companies’ latest audited financial statements (times)</th></tr>
<tr><td>1.</td><td>Genting Plantations Berhad</td><td>Malaysia</td><td>4,360.21</td><td>61.20</td><td>0.67</td><td>0.60</td></tr>
<tr><td>2.</td><td>Johor Plantation Group Berhad</td><td>Malaysia</td><td>3,075.00</td><td>99.96</td><td>1.05</td><td>0.53</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>No</th><th>Parameters</th><th>Basis and assumptions</th><th>Description</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>No.</th><th>Comparable companies</th><th>Country of incorporation</th><th>Market capitalisation as at the LPD (RM'mil)</th><th>Revenue contribution (%)</th><th>5-year historical beta up to the LPD</th><th>Gearing ratio on the comparable companies' latest audited financial statements (times)</th></tr>
<tr><td>3.</td><td>TSH Resources Berhad</td><td>Malaysia</td><td>1,462.80</td><td>94.77</td><td>1.26</td><td>0.13</td></tr>
<tr><td>4.</td><td>Far East Holdings Bhd</td><td>Malaysia</td><td>2,149.69</td><td>100.00</td><td>0.15</td><td>0.07</td></tr>
<tr><td>5.</td><td>Ta Ann Holdings Berhad</td><td>Malaysia</td><td>1,638.52</td><td>87.87</td><td>0.93</td><td>0.08</td></tr>
</table>
There are no companies which are exactly similar or directly comparable to the Estate Entity and Non-Estate Entity in terms of, amongst others, the composition of business activities, geographical location of operations, historical performance, risk profile, customer profile and prospects. However, we view that identified companies are reasonable to be adopted for the purpose of deriving the estimated beta of FGVPM and FGVF.
FGVPM and FGVF beta of 0.94 are derived from re-levering the average un-levered beta of the comparable companies set out above of 0.68.
</td></tr>
<tr><td>5</td><td>Statutory corporate income tax rate</td><td>24.00%</td><td>The latest Malaysian statutory corporate income tax rate applicable to the plantation segment is 24.00%.</td></tr>
</table>

No	Parameters	Basis and assumptions	Description
6	Equity market risk premium (“**EMRP**”)	5.93%	The equity market risk premium refers to an excess return that investing in an equity asset provides over a risk-free rate. This excess return compensates investors for taking on the relatively higher risk of equity investing. We have relied on the equity market risk premium for Malaysia as published in January 2025 by Professor Aswath Damodaran, who is an established academic in the subject. Professor Aswath Damodaran is a Professor of Finance at the Stern School of Business at New York University who has published various research on equity risk premium since 2008. Further, his other papers have been published in the Journal of Financial and Quantitative Analysis, the Journal of Finance, the Journal of Financial Economics and the Review of Financial Studies.
7	Terminal growth rate (“**g**”)	2.20%	Terminal value represents the present value of all FCFE of FGVPM and FGVF beyond FYE 2049 (for the Estate Entity) and FYE 2034 (for the Non-Estate Entity), which assumes that the FCFE of FGVPM and FGVF grow at a constant rate to perpetuity. The terminal value is ascribed to FGVPM and FGVF as they are assumed to operate on a going-concern basis and is expected to sustain their operations in perpetuity. In ascribing the terminal value, we have adopted a terminal growth rate of 2.20% for FGVPM and FGVF’s FCFE, which we view as reasonable after taking into consideration the 10-year historical average inflation in Malaysia of 2.20%, as extracted from World Bank Open Data. The terminal value for these companies are computed based on the following formula: $\dfrac{\textit{(FCFE for FYE 2034 and FYE 2049 for FGVF and FGVPM)} \times (1 + g)}{(Ke - g)}$

Based on the discounted FCFE of FGVPM and FGVF, we then derived the estimated fair value of both entities in the following manner:

	Low range RM'000	High range RM'000
Total present value of FCFE for FGVPM and FGVF[(1)(2)]	1,807,332	1,949,415

Notes:

(1) The present value of the FCFE of FGVPM and FGVF are derived based on the following formula:

$$\text{Present value of FCFE} = \frac{\text{FCFE}}{(1 + K_e)^n}$$

Whereby, n represents number of years in the future.

(2) The breakdown of the estimated fair value of FGVPM and FGVF based on the DCF valuation methodology and the NA valuation methodology are as follows:

	Low range RM'000	High range RM'000	NA RM'000
FGVPM	1,469,692	1,568,816	235,992
FGVF	337,640	380,599	352,018
Total value of FGVPM and FGVF	**1,807,332**	**1,949,415**	**588,010**

Holders should note that the valuation in itself is highly dependent on, amongst others, the achievability of the Plantation Future Financials as well as the materialisation of the bases and assumptions used therein. Holders should also note that the valuation may be materially or adversely affected should the actual results or events differ from any of the bases and assumptions adopted.

6.1.2 Plantation segment- NA method

In arriving at the estimated fair value of the FGVPI, FGVAS and PUP, we initially considered the DCF valuation methodology as our valuation methodology due to the following considerations:

(i) the DCF valuation methodology is based on the theory that the value of an asset or business depends on its future cash flows which are discounted to present value, and is able to effectively factor in both the time value of money and the future cash flows to be generated over a specified period of time;

(ii) FGVPI, FGVAS and PUP have consistently generated positive cash flows from its operating activities for the past 3 FYEs; and

(iii) the management of FGVPI, FGVAS and PUP was able to reliably project the future financial information of FGVPI, FGVAS and PUP given the nature of the oil palm plantation business.

However, the implied fair value of FGVPI, FGVAS and PUP based on the DCF valuation methodology ranges between RM453.31 million and RM541.67 million (on an effective equity interest basis), which was lower than its respective audited NA as at 31 December 2024 of RM1,719.62 million (also on an effective equity interest basis).

The breakdown of estimated fair value of FGVPI, FGVAS and PUP based on the DCF valuation methodology and the NA valuation methodology are as follows:

	Low range RM'000	High range RM'000	NA RM'000
FGVPI	136,562	170,602	992,373
FGVAS	159,088	172,437	306,414
PUP	157,664	198,635	420,837
Total estimated value of FGVPI, FGVAS and PUP	**453,314**	**541,674**	**1,719,624**

In addition, the bearer plants and leasehold land, which is part of FGVPI, FGVAS and PUP's assets, plant and equipment and right-of-use assets constitute a large percentage of the audited total assets of the entities as at 31 December 2024 and no recent valuations have been conducted by independent valuers for these assets. As such, we have relied on the audited NA of the FGVPI, FGVAS and PUP as at 31 December 2024 as the fair value.

The value of the FGVPI, FGVAS and PUP based on the audited NA as at 31 December 2024, after taking account of adjustments such as investment in subsidiaries, joint ventures and associates and FGV's effective equity interest in the respective entities are as follows:

	FGVPI RM'000	FGVAS RM'000	PUP RM'000	Total RM'000
Pre-adjusted NA	1,463,651	398,458	453,093	2,315,202
Less: Adjustments	[(1)](85,355)	-	[(2)](32,256)	(117,611)
Post-adjusted NA	1,378,296	398,458	420,837	2,197,591
FGV's effective interest in the entity as at the LPD (%)	72.00	76.90	100.00	-
NA of the entity after accounting for the adjustments and FGV's effective interest	992,373	306,414	420,837	1,719,624

Notes:

(1) Relates to the deduction of investment in subsidiaries and investment in joint ventures amounting to RM85.36 million.

(2) Relates to the deduction of investment in associates amounting to RM32.26 million.

6.1.3 Remaining plantation entities

The other plantation entities within this segment are involved in, amongst others, investment holding, with diversified operations including security services and equipment, fire protection, pest control, rubber processing and product manufacturing, natural rubber production, and R&D in oil palm and other crops across upstream to downstream activities. We have adopted the NA valuation method in arriving at the fair value of the remaining plantation entities after taking into consideration that the PPE and ROU of the remaining plantation entities constitute only 1.30% of the audited and unaudited total assets of the plantation segment.

Such PPE and ROU are also immaterial as compared to the audited total assets of FGV Group of RM18,614.97 million as at 31 December 2024. Premised on this, we are of the view that any differences arising between the market value and carrying value of the PPE and ROU of the remaining plantation entities are not expected to be material.

In view of the above and taking into consideration the elimination adjustments made on the investment in subsidiaries, joint ventures and associates and impairment provisions, we have adopted the latest aggregate audited and unaudited NL of the remaining plantation entities of RM1,125.09 million as the value of the said entities.

Our valuation on the overall plantation segment is set out below:

	Low range RM'000	High range RM'000	NA RM'000
Plantation segment – DCF method	1,807,332	1,949,415	588,010
Plantation segment- NA method	1,719,624	1,719,624	1,719,624
Remaining plantation entities valued at NL	(1,125,094)	(1,125,094)	(1,125,094)
Total value of plantation segment	**2,401,862**	**2,543,945**	**1,182,540**

6.2 Oils and Fats

The oils and fats segment of FGV Group is mainly contributed by the following subsidiary:

No.	Name of subsidiary	Principal activity
1.	FGVT	Buying and selling of vegetable oil commodity products either through physical or paper transactions.

In arriving at the estimated value of the oils and fats segment of FGV Group, we have adopted the DCF valuation methodology for the valuation of FGVT whereas NA valuation methodology was adopted for the valuation of the remaining oils and fats entities.

6.2.1 Oils and Fats segment – DCF method

In arriving at the most appropriate valuation method to estimate the fair value of FGVT, we have considered various valuation methodologies including amongst others, NA method, EV/EBITDA method and DCF method.

In arriving at the estimated fair value of FGVT, we have adopted the DCF method as our valuation method. The DCF method is based on the theory that the value of an asset or business depends on its future cash flows which are discounted to present value and is able to effectively factor in both the time value of money and the future cash flows to be generated over a specified period of time.

We have not adopted the NA method as we are of the view that the earnings-based valuation methodology is more appropriate to value FGVT as FGVT has been profitable for the past 5 FYEs. The NA method is also generally used to value loss-making companies or companies with no significant profit.

We have assessed the fair value of FGVT based on the DCF method and noted that it is higher than the audited NA of FGVT as at 31 December 2024.

We have also not selected the EV/EBITDA method as EV/EBITDA does not normalise cyclical swings or take into account the volatility in earnings driven by fluctuations in commodity input prices, e.g. prices of CPO, PK and crude palm kernel oil.

As such, we are of the view that this is the most appropriate valuation methodology to estimate the fair value of the FGVT as these entities have consistently generated positive cash flows from its operating activities for the past 3 FYEs.

As the methodology entails the discounting of future cash flows to be generated at a specified discount rate to arrive at the present value, the riskiness of generating such cash flows is also taken into consideration.

We have relied on the future financial information of the FGVT which was prepared by the management of FGV ("**Oils and Fats Future Financials**") on a best-effort basis to derive the fair estimated value of the FGVT.

We have considered and evaluated the key bases and assumptions adopted in the Oils and Fats Future Financials and are satisfied that the key bases and assumptions adopted in the preparation of the Oils and Fats Future Financials are reasonable given the prevailing circumstances and significant factors that are known as at the LPD. The key bases and assumptions adopted in the preparation of the Oils and Fats Future Financials are as follows:

(i) The future financial information of FGVT are projected for 10 years from FYE 2025 to FYE 2034, and these companies will continue to operate on a going-concern basis and are expected to sustain their operations in perpetuity;

(ii) There will not be any significant or material changes in the principal activities, group structure and shareholding structure of FGVT;

(iii) There will not be any significant or material increase in costs which are expected to have a material adverse effect on the financial results, cash flows or business prospects of the oils and fats segment;

(iv) There will not be any major disruptions to the business operations which have a material adverse impact on the financial results, cash flows or business prospects of the oils and fats segment;

(v) Sufficient funds will be available or obtainable to finance the working capital requirements and capital expenditure of the oils and fats segment without any material adverse effect on its financial results, cash flows, or business prospects;

(vi) There will not be any significant or material changes to the agreements, contracts, licenses and regulations governing the oils and fats segment's operations;

(vii) The current accounting policies adopted will remain relevant and there will not be any significant changes in the accounting policies which have a material adverse impact on the financial performance and financial position of the FGVT; and

(viii) There will not be any significant or material changes in political, social and economic conditions, monetary and fiscal policies, inflation and regulatory requirements of the oils and fats industry.

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In order to derive the fair value of FGVT, we have discounted the projected FCFE to be generated from FGVT's business at an appropriate cost of equity which represents the required rate of return by the equity holders of FGV Group. Our valuation, together with the key bases and assumptions adopted, are as follows:

No	Parameters	Basis and assumptions	Description
1	FCFE	Oils and Fats Future Financials from FYE 2025 to FYE 2034.	FCFE is the free cash flows from operations available to the equity holders of a company after taking into consideration all net operating cash flows, net investing cash flows and net financing cash flows. The FCFE is discounted at an appropriate cost of equity which represents the required rate of return by the equity holders of FGV Group. We have reviewed the key bases and assumptions adopted in the Oils and Fats Future Financials in deriving the FCFE and are satisfied that they are reasonable given the prevailing circumstances and significant factors that are known as at the LPD. As such, we have relied upon the Oils and Fats Future Financials prepared by the management of FGV Group.
2	Cost of equity ("**K_e**")	7.38% to 8.38%	The cost of equity represents the expected or required rate of return on equity by the equity holders. The cost of equity is derived using the capital asset pricing model as shown below: $K_e = R_f + [\beta \times EMRP]$ We have adopted a sensitivity of +/- 0.5% to the K_e computed to arrive at a range as the computation of K_e is based on the assumed R_f, β and EMRP adopted and each of these components are dependent on the assumptions made and are sensitive to changes in factors including time period, government policies, market volatility and economic conditions.
3	Risk-free rate of return ("**R_f**")	3.59%	The risk-free rate of return represents the expected rate of return from a risk-free investment. We have relied on the yield of the 10-year Malaysian Government Securities as extracted from the Bank Negara Malaysia as at the LPD, as these represent the closest available approximation of a risk-free investment in Malaysia and the USA.
4	Beta ("**β**")	Re-levered beta of 0.72	Beta is the sensitivity of an asset's returns to the changes in market returns. It measures the correlation of systematic risk between the said asset and the market. A beta of more than 1 signifies that the asset is riskier compared to the market and a beta of lower than 1 signifies that the asset is less risky as compared to the market.

No	Parameters	Basis and assumptions	Description
			In arriving at the beta of the FGVT, we have relied on the average re-levered beta derived based on the 5-year weekly beta of comparable companies and un-levered them according to their respective 5-year weekly debt-to-equity ratios as extracted from Bloomberg, and subsequently re-levering the un-levered Beta above based on the FGV Group's debt-to-equity ratio as at LPD. After taking into consideration the debt-to-equity ratio of FGV Group and the market capitalisation of FGV as at the LPD, we have selected companies based on the following criteria: (i) principally involved in the manufacturing and sale of oleochemical products; (ii) more than 60% of the comparable companies' revenue is derived from such activities; (iii) companies listed on Bursa Securities in Malaysia with a market capitalisation ranging from RM1 billion to RM13 billion. The comparable companies are as set out below:

No.	Comparable companies for Malaysia	Country of incorporation	Market capitalisation as at the LPD (RM'mil)	Revenue contribution (%)	5-year historical beta up to the LPD	Gearing ratio on the comparable companies' latest audited financial statements (times)
1.	United Plantation Berhad	Malaysia	13,625.69	66.80	0.37	0.01
2.	Kretam Holdings Berhad	Malaysia	1,595.08	89.29	0.73	0.09

There are no companies which are exactly similar or directly comparable to the oils and fats segment in terms of, amongst others, the composition of business activities, geographical location of operations, historical performance, risk profile, customer profile and prospects. However, we view that identified companies are reasonable to be adopted for the purpose of deriving the estimated beta of the oils and fats segment.

No	Parameters	Basis and assumptions	Description
			As the historical beta was extracted from Bloomberg based on the capital structure of the comparable companies, we have unlevered the beta of the comparable companies and derived a simple average beta for the comparable companies which we then re-levered based on the existing gearing ratio (latest audited NA and borrowings as at 31 December 2024) of FGV Group.
5	Statutory corporate income tax rate	24.00%	The latest Malaysian statutory corporate income tax rate applicable to the oils and fats segment is 24.00%.
6	Equity market risk premium ("**EMRP**")	5.93%	The equity market risk premium refers to an excess return that investing in an equity asset provides over a risk-free rate. This excess return compensates investors for taking on the relatively higher risk of equity investing. We have relied on the equity market risk premium for Malaysia as published in January 2025 by Professor Aswath Damodaran, who is an established academic in the subject. Professor Aswath Damodaran is a Professor of Finance at the Stern School of Business at New York University who has published various research on equity risk premium since 2008. Further, his other papers have been published in the Journal of Financial and Quantitative Analysis, the Journal of Finance, the Journal of Financial Economics and the Review of Financial Studies.
7	Terminal growth rate ("**g**")	2.20%	Terminal value represents the present value of the FCFE of FGVT beyond FYE 2034, which assumes that the FCFE of these companies grow at a constant rate to perpetuity. The terminal value is ascribed to these companies as they are assumed to operate on a going-concern basis and is expected to sustain its operations in perpetuity. In ascribing the terminal value to these companies, we have adopted a terminal growth rate of 2.20% for the Malaysia operations, respectively which we view as reasonable after taking into consideration the 10-year historical average inflation in Malaysia, as extracted from World Bank Open Data. The terminal value for these companies are computed based on the following formula: $\dfrac{\textit{(FCFE for FYE 2034 for FGVT)} \times (1 + g)}{(Ke - g)}$

Based on the discounted FCFE of FGVT, we then derived the estimated fair value of FGVT in the following manner:

	Low range RM'000	High range RM'000
Total present value of FCFE for FGVT (1)(2)	1,183,709	1,376,152

Notes:

(1) The present value of FGVT's FCFE is derived based on the following formula:

$$\text{Present value of FCFE} = \frac{\text{FCFE}}{(1 + K_e)^n}$$

Whereby, n represents number of years in the future.

(2) The NA of FGVT as at 31 December 2024 is RM466.18 million.

Holders should note that the valuation in itself is highly dependent on, amongst others, the achievability of the Oils and Fats Future Financials as well as the materialisation of the bases and assumptions used therein. Holders should also note that the valuation may be materially or adversely affected should the actual results or events differ from any of the bases and assumptions adopted.

6.2.2 Remaining oils and fats entities

The other oils and fats entities within this segment are involved in, amongst others, investment holding, buying and selling of commodity products, processing and sale of biodiesel products, and manufacture of food products. We have adopted the NA valuation method in arriving at the fair value of the remaining oils and fats entities after taking into consideration that the PPE and ROU of the remaining oils and fats entities constitute only 11.65% of the audited and unaudited total assets of the oils and fats segment.

Such PPE and ROU are also immaterial as compared to the audited total assets of FGV Group of RM18,614.97 million as at 31 December 2024. Premised on this, we are of the view that any differences arising between the market value and carrying value of the PPE and ROU of the remaining plantation entities are not expected to be material.

In view of the above and taking into consideration the elimination adjustments made on the investment in subsidiaries, joint ventures and associates and impairment provisions, we have adopted the latest audited and unaudited NA of the other oils and fats entities of RM1,799.24 million as the value of the said entities.

Our valuation on the overall oils and fats segment is set out below:

	Low range RM'000	High range RM'000	NA RM'000
Oils and fats segment – DCF method	1,183,709	1,376,152	466,177
Remaining oils and fats entities	1,799,243	1,799,243	1,799,243
Total value of oils and fats segment	**2,982,952**	**3,175,395**	**2,265,420**

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6.3 Sugar

The sugar segment of FGV Group is mainly contributed by its subsidiary, MSM Malaysia, a public listed company on the Main Market of Bursa Securities. MSM Malaysia produces, markets and sells refined sugar products under its Gula Prai brand. In addition to the contributions from MSM Malaysia and its subsidiaries, the sugar segment includes FGV Sugar, a wholly-owned subsidiary of FGV, which is the investment holding company of MSM Malaysia. The contributions from FGV Sugar to the sugar segment is insignificant and will not materially affect the value of the sugar segment and hence, we have not taken into consideration its contribution in our valuation of the sugar segment.

In arriving at the most appropriate valuation method to estimate the fair value of the sugar segment of FGV Group, we have considered various valuation methodologies including amongst others, NA method, DCF method and market valuation method.

We have not adopted the NA method as we are of the view that the market valuation method is more appropriate to value the sugar segment of FGV Group as it reflects the real-time valuation ascribed by the market based on all publicly available information, of which includes the company’s performance, sector outlook, macroeconomic conditions and investor sentiment. The NA method is generally used to value loss-making companies or companies with no significant profit.

We have not adopted DCF method as sugar is a controlled commodity in Malaysia which is subject to government-imposed price ceilings. Furthermore, on 22 November 2023, the government had announced its intention to introduce a new pricing strategy for the sugar industry. Subsequently, on 19 June 2025, the government has declared the implementation of a 5% sales tax on raw sugar, effective from 1 July 2025. In light of this development, MSM Malaysia is currently seeking clarification from the authorities over the potential rise in production costs associated with the new tax. These regulatory uncertainties significantly affect the ability to reliably forecast future revenues and cash flows for the sugar segment.

In arriving at the estimated fair value of MSM Malaysia, we have adopted the market valuation method due to MSM Malaysia's status as a publicly listed company. Despite being lower than other valuation approaches, market value reflects real-time market conditions through frequent share trading. It is also the most practical benchmark for share disposal, as transactions are based on prevailing market prices.

The shareholdings of FGV Group in MSM Malaysia as at the LPD are as follows:

Company Name	No. of MSM Malaysia Shares	% of issued share
FGV Sugar	281,369,800	40.03
FGV	77,150,248	10.97
Total	**358,520,048**	**51.00**

As at the LPD, the market capitalisation of MSM Malaysia is computed as follows:

Market price of MSM Malaysia Shares (RM)	[A]	1.02
Number of shares in issue as at the LPD (units)	[B]	702,980,000
Market capitalisation of MSM Malaysia (RM)	[A] x [B]	717,039,600

After taking into consideration the shareholdings of FGV Group in MSM Malaysia as at the LPD, the fair value ascribed in our valuation of the sugar segment is approximately RM365.69 million.

The fair value ascribed for the sugar segment is computed as follows:

		RM
Market capitalisation of MSM Malaysia	[A]	717,039,600
% of issued share	[B]	51.00%
Fair value ascribed for the sugar segment	[A] x [B]	**365,690,196**

Notwithstanding that MSM Malaysia's market price per MSM Malaysia Shares has declined from RM1.19 as at the Notice LTD to RM1.02 as at the LPD, we have still adopted the market valuation of MSM Malaysia as at the LPD to be consistent with the valuation assessment conducted throughout in estimating the fair value of FGV Group.

For your information purposes, if MSM Malaysia is to be valued based on its market price as at the Notice LTD or based on the NA and net tangible assets of MSM Malaysia:

(i) the value to be ascribed to the sugar segment is approximately RM426.64 million, based on the market price as at the Notice LTD of RM1.19 per MSM Malaysia Share, the number of shares in issue as at the Notice LPD of 702,980,000, as well as FGV Group's effective equity interest in MSM Malaysia as at the Notice LTD of 51.00%;

(ii) the value to be ascribed to the sugar segment is approximately RM765.04 million (RM2.13 per MSM Malaysia Share) and RM452.22 million (RM1.26 per MSM Malaysia Share), based on the NA and net tangible assets of MSM Malaysia as at 31 March 2025 (unaudited) respectively; or

(iii) the value to be ascribed to the sugar segment is approximately RM763.14 million (RM2.13 per MSM Malaysia Share) and RM449.92 million (RM1.25 per MSM Malaysia Share), based on the NA and net tangible assets of MSM Malaysia as at 31 December 2024 (audited) respectively,

all of which are higher than our ascribed valuation of the sugar segment based on the market value of MSM Malaysia as at the LPD. The total estimated value of MSM Malaysia would have been RM60.95 million (or 17 sen per MSM Malaysia Share) higher if MSM Malaysia had been valued at its market price as at the Notice LTD; and RM397.45 million (or 1.11 sen per MSM Malaysia Share) higher if MSM Malaysia had been valued at its audited NA as at 31 December 2024.

Notwithstanding this, the increased valuation of FGV Group contributed by the higher valuation of MSM Malaysia based on its market price as at the Notice LTD (which translates to an increase of 2 sen per FGV Share) or its NA as at 31 December 2024 (which translates to an increase of 11 sen per FGV Share) will not have any impact on our recommendation, given that the estimated value of FGV Group is higher than the Offer Price.

6.4 Logistics and Support

The logistics and support segment of FGV Group is mainly contributed by the logistics business which include the following subsidiaries:

No.	Name of subsidiaries	Principal activities
1.	FGVJB	Storing and handling of vegetable oil and trading in palm kernel shell
2.	FGVB	Provision of installation services for storage and export of crude and refined palm oil, oleochemical products, palm kernel oil, palm kernel expeller and palm kernel shell for the

No.	Name of subsidiaries	Principal activities
		FGV Group and external customers, and tank and warehouse rentals
3.	FGVTS	Provision of transportation liquid and general cargo, courier, forwarding and jetty operation services
4.	LBSB	Handling, storing and transhipping biodiesel, biofuel, palm oil products, oleo chemicals, soft oils and other vegetable oils.
5.	FGVGT	Handling, storing, transporting, mixing and blending palm kernel meal and grains

In arriving at the fair value of the logistics and support segment, we have adopted the DCF valuation methodology for the valuation of the Logistics Entities and adopted the NA valuation methodology for the valuation of the remaining logistics and support entities.

6.4.1 Logistics segment – DCF method

In arriving at the estimated fair value of the Logistics Entities, we have adopted the DCF method as our valuation method. The DCF method is based on the theory that the value of an asset or business depends on its future cash flows which are discounted to present value, and is able to effectively factor in both the time value of money and the future cash flows to be generated over a specified period of time.

We have not adopted the NA method as we are of the view that the earnings-based valuation methodology is more appropriate to value the Logistics Entities of FGV Group as the Logistics Entities have been profitable for the past 3 FYEs. The NA method is also generally used to value loss-making companies or companies with no significant profit.

We have assessed the fair value based on the DCF method and noted that it is higher than the audited NA of the Logistics Entities as at 31 December 2024.

We are of the view that the DCF method is the most appropriate valuation methodology to estimate the fair value of the Logistics Entities as the management of the Logistics Entities are able to reliably project its future revenue.

As the methodology entails the discounting of future cash flows to be generated at a specified discount rate to arrive at the present value, the riskiness of generating such cash flows is also taken into consideration.

We have relied on the future financial information of the Logistics Entities which was prepared by the management of FGV ("**Logistics Future Financials**") on a best-effort basis to derive the estimated fair value of the Logistics Entities of FGV Group.

We have considered and evaluated the key bases and assumptions adopted in the Logistics Future Financials and are satisfied that the key bases and assumptions used in the preparation of the Logistics Future Financials are reasonable given the prevailing circumstances and significant factors that are known as at the LPD. The Logistics Future Financials, together with the bases and assumptions adopted in the preparation of the Logistics Future Financials are as follows:

(i) The future financial information of the Logistics Entities within the logistics and support segment are projected for 10 years from FYE 2025 to FYE 2034, and these companies will continue to operate on a going-concern basis and are expected to sustain their operations in perpetuity;

(ii) There will not be any significant or material changes in the principal activities, group structure and shareholding structure of the Logistics Entities;

(iii) There will not be any significant or material increase in costs which are expected to have a material adverse effect on the financial results, cash flows or business prospects of the logistics and support segment;

(iv) There will not be any major disruptions to the business operations which have a material adverse impact on the financial results, cash flows or business prospects of the logistics and support segment;

(v) Sufficient funds will be available or obtainable to finance the working capital requirements and capital expenditure of the logistics and support segment without any material adverse effect on its financial results, cash flows, or business prospects;

(vi) There will not be any significant or material changes to the agreements, contracts, approvals, licenses, permits and regulations governing the operations of the logistics and support segment;

(vii) The current accounting policies adopted by the logistics and support segment of FGV Group will remain relevant and there will not be any significant changes in the accounting policies which have a material adverse impact on the financial performance and financial position of the logistics and support segment; and

(viii) There will not be any significant or material changes in political, social and economic conditions, monetary and fiscal policies, inflation and regulatory requirements of the logistics and support industry in Malaysia and applicable tax regimes or tax rates.

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In order to derive the estimated fair value of the Logistic Entities, we have discounted the projected FCFE to be generated from the business of the Logistic Entities at an appropriate cost of equity which represents the required rate of return by the equity holders of FGV Group. Our valuation, together with the key bases and assumptions adopted, are as follows:

No	Parameters	Basis and assumptions	Description
1	FCFE	Logistics Future Financials from FYE 2025 to FYE 2034	FCFE is the free cash flows from operations available to the equity holders of a company after taking into consideration all net operating cash flows, net investing cash flows and net financing cash flows. The FCFE is discounted at an appropriate cost of equity which represents the required rate of return by the equity holders of FGV Group. We have reviewed the key bases and assumptions adopted in the Logistics Future Financials in deriving the FCFE and are satisfied that they are reasonable given the prevailing circumstances and significant factors that are known as at the LPD. As such, we have relied upon the Logistic Future Financials prepared by the management of FGV Group.
2	Cost of equity (“**K_e**”)	7.67% to 8.67% for FGVB, FGVJB, LBSB and FGVGT 6.95% to 7.95% for FGVTS	The cost of equity represents the expected or required rate of return on equity by the equity holders. The cost of equity is derived using the capital asset pricing model as shown below: $K_e = R_f + [\beta \times EMRP]$ We have adopted a sensitivity of +/- 0.5% to the K_e computed to arrive at a range as the computation of K_e is based on the assumed R_f, β and EMRP adopted and each of these components are dependent on the assumptions made and are sensitive to changes in factors including time period, government policies, market volatility and economic conditions.
3	Risk-free rate of return (“**R_f**”)	3.59%	The risk-free rate of return represents the expected rate of return from a risk-free investment. We have relied on the yield of the 10-year Malaysian Government Securities as extracted from the Bank Negara Malaysia as at the LPD as this represents the closest available approximation of a risk-free investment in Malaysia.

<table>
<tr>
<td>4.</td>
<td>Beta (“β”)</td>
<td>Re-levered beta of 0.77 for FGVB, FGVJB, LBSB and FGVGT

Re-levered beta of 0.65 for FGVTS</td>
<td>Beta is the sensitivity of an asset’s returns to the changes in market returns. It measures the correlation of systematic risk between the said asset and the market. A beta of more than 1 signifies that the asset is riskier compared to the market and a beta of lower than 1 signifies that the asset is less risky as compared to the market.

In arriving at the beta for the Logistics Entities, we have relied on the average re-levered beta derived based on the 5-year weekly beta of comparable companies and un-levered them according to their respective 5-year weekly debt-to-equity ratios as extracted from Bloomberg, and subsequently re-levering the un-levered Beta above based on FGV Group’s debt-to-equity ratio as at LPD.

After taking into consideration the debt-to-equity ratio of FGV Group and the market capitalisation of FGV as at the LPD, we have selected companies based on the following criteria:

(i) principally involved in the operations of bulking and logistics services;

(ii) more than 30% of their revenue is derived from such activities;

(iii) companies listed on Bursa Securities and the National Stock Exchange of India Limited with a market capitalisation of RM300 million to RM800 million.

The comparable companies are as set out below:

<table>
<tr><th>No.</th><th>Comparable companies operating in the bulking business</th><th>Country of incorporation</th><th>Market capitalisation as at the LPD (in million)</th><th>Revenue contribution (%)</th><th>5-year historical beta up to the LPD</th><th>Gearing ratio on the comparable companies’ latest audited financial statements (times)</th></tr>
<tr><td>1.</td><td>Kumpulan Fima Berhad</td><td>Malaysia</td><td>RM704.97</td><td>35.68</td><td>0.59</td><td>0.38</td></tr>
<tr><td>2.</td><td>Ganesh Benzoplast Limited</td><td>India</td><td>Indian Rupee 7,054.96 (or approximately RM346.53)</td><td>60.12</td><td>0.70</td><td>0.12</td></tr>
</table>
</td>
</tr>
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<table>
<tr><th>No</th><th>Parameters</th><th>Basis and assumptions</th><th>Description</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>No.</th><th>Comparable companies operating in the logistics business</th><th>Country of incorporation</th><th>Market capitalisation as at the LPD (RM'mil)</th><th>Revenue contribution (%)</th><th>5-year historical beta up to the LPD</th><th>Gearing ratio on the comparable companies' latest audited financial statements (times)</th></tr>
<tr><td>1.</td><td>TASCO Berhad</td><td>Malaysia</td><td>392.00</td><td>81.49</td><td>0.89</td><td>0.47</td></tr>
<tr><td>2.</td><td>Tiong Nam Logistics Holdings Berhad</td><td>Malaysia</td><td>368.17</td><td>95.09</td><td>0.47</td><td>1.78</td></tr>
<tr><td>3.</td><td>FM Global Logistics Holdings Berhad</td><td>Malaysia</td><td>318.31</td><td>99.64</td><td>0.72</td><td>0.53</td></tr>
<tr><td>4.</td><td>Swift Haulage Berhad</td><td>Malaysia</td><td>333.08</td><td>83.29</td><td>1.06</td><td>1.13</td></tr>
</table>

There are no companies which are exactly similar or directly comparable to the Logistics Entities in terms of, amongst others, the composition of business activities, geographical location of operations, historical performance, risk profile, customer profile and prospects. However, we view that identified companies are reasonable to be adopted for the purpose of deriving the estimated beta of the Logistics Entities.

As the historical beta was extracted from Bloomberg based on the capital structure of the comparable companies, we have unlevered the beta of the comparable companies and derived a simple average beta for the comparable companies which we then re-levered based on the existing gearing ratio (latest audited NA and borrowings as at 31 December 2024) of FGV Group.
</td></tr>
<tr><td>5</td><td>Statutory corporate income tax rate</td><td>24.00%</td><td>The latest Malaysian statutory corporate income tax rate applicable to the logistics and support segment is 24.0%.</td></tr>
</table>

No	Parameters	Basis and assumptions	Description
6	Equity market risk premium ("**EMRP**")	5.93%	The equity market risk premium refers to an excess return that investing in an equity asset provides over a risk-free rate. This excess return compensates investors for taking on the relatively higher risk of equity investing. We have relied on the equity market risk premium for Malaysia as published in January 2025 by Professor Aswath Damodaran, who is an established academic in the subject. Professor Aswath Damodaran is a Professor of Finance at the Stern School of Business at New York University who has published various research on equity risk premium since 2008. Further, his other papers have been published in the Journal of Financial and Quantitative Analysis, the Journal of Finance, the Journal of Financial Economics and the Review of Financial Studies.
7	Terminal growth rate ("**g**")	2.20%	Terminal value represents the present value of all FCFE of the Logistic Entities beyond FYE 2034, which assumes that the FCFE of the Logistic Entities grow at a constant rate to perpetuity. The terminal value is ascribed to the Logistic Entities as they are assumed to operate on a going-concern basis and is expected to sustain their operations in perpetuity. In ascribing the terminal value to the Logistic Entities, we have adopted a terminal growth rate of 2.20% for the Logistic Entities' FCFE, which we view as reasonable after taking into consideration the 10-year historical average inflation in Malaysia of 2.20%, as extracted from World Bank Open Data. The terminal value for the Logistic Entities is computed based on the following formula: $\dfrac{\textit{(FCFE for FYE 2034 of the Logistic Entities)} \times (1 + g)}{(Ke - g)}$

Based on the discounted FCFE of the Logistic Entities, we then derived the estimated fair value of these entities in the following manner:

	Low range RM'000	**High range RM'000**
Total present value of FCFE for FGV Group's Logistics Entities [(1)(2)]	1,170,110	1,412,467

Notes:

(1) The present value of the FCFE of FGV Group's Logistics Entities is derived based on the following formula:

$$\text{Present value of FCFE} = \frac{\text{FCFE}}{(1 + K_e)^n}$$

Whereby, n represents number of years in the future.

(2) The breakdown of estimated fair value of the Logistics Entities based on the DCF valuation methodology and the NA valuation methodology are as follows:

	Low range RM'000	**High range RM'000**	**NA RM'000**
FGVB	393,280	468,941	122,178
FGVJB	425,688	515,366	102,510
FGVTS	175,512	218,596	95,364
LBSB	154,304	184,208	45,711
FGVGT	21,326	25,356	14,263
Total value of Logistic Entities	**1,170,110**	**1,412,467**	**380,026**

Holders should note that the valuation in itself is highly dependent on, amongst others, the achievability of the Logistics Future Financials as well as the materialisation of the bases and assumptions used therein. Holders should also note that the valuation may be materially or adversely affected should the actual results or events differ from any of the bases and assumptions adopted.

6.4.2 Remaining logistics and support entities

The other logistics and support entities are involved in, amongst others, IT solutions and support, travel and hospitality services, property development, logistics and warehousing, engineering and industrial equipment sales, as well as the construction and operation of liquid cargo storage and handling facilities.We have adopted the NA valuation method in arriving at the fair value of the remaining logistics and support entities. Although the PPE and ROU of the remaining logistics and support entities constitute 5.92% of the audited and unaudited total assets of the logistics and support segment, no recent valuations have been conducted by independent valuers for these assets.

Such PPE and ROU are also immaterial as compared to the audited total assets of FGV Group of RM18,614.97 million as at 31 December 2024. Premised on this, we are of the view that any differences arising between the market value and carrying value of the PPE and ROU of the remaining logistics and support entities are not expected to be material.

In view of the above and taking into consideration the elimination adjustments made on the investment in subsidiaries, joint ventures and associates and impairment provisions, we have adopted the latest audited and unaudited NA of the other logistics and support entities of RM210.83 million as the value of the said entities.

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Our valuation on the overall logistics and support segment is set out below:

	Low range RM'000	High range RM'000	NA RM'000
Logistics segment – DCF method	**1,170,110**	**1,412,467**	380,026
Remaining logistics and support entities	210,835	210,835	210,835
Total value of logistics and support segment	**1,380,945**	**1,623,302**	**590,861**

6.5 Others

The other businesses of the FGV Group comprise the following:

(i) Integrated farming division which comprises companies involved in the wholesale of paddy, rice and retail sale of other food products, manufacturing of animal feed product and plantation of fruits;

(ii) Other companies involved in corporate and shared services, investment holding, investment management and treasury services, as well as real estate in the USA; and

(iii) A joint venture of FGV Group, namely FKW Global Commodities (PVT) Limited.

We have adopted the NA valuation method in arriving at the fair value of the other businesses of FGV Group after taking into consideration that the PPE and ROU of the other businesses constitute only 0.37% of the audited and unaudited total assets of the other businesses segment.

Such PPE and the ROU are also immaterial as compared to the audited total assets of FGV Group of RM18,614.97 million as at 31 December 2024. Premised on this, we are of the view that any differences arising between the market value and carrying value of the PPE and ROU of the remaining plantation entities are not expected to be material.

In view of the above and taking into consideration the elimination adjustments made on the investment in subsidiaries, joint ventures and associates and impairment provisions, we have adopted the latest aggregate audited and unaudited net asset of the other businesses of RM57.58 million as the value of the said entities.

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6.6 SOPV of FGV Shares

Based on the SOPV method, the estimated value of the FGV Group is as follows:

Segments	Valuation methodologies	Section	Low range (RM'million)	High range (RM'million)	Audited FYE 2024 NA[(2)] (RM'million)
Plantation	DCF and NA	**Section 6.1**	2,401.86	2,543.95	1,182.54
Oils and Fats	DCF and NA	**Section 6.2**	2,982.95	3,175.40	2,265.42
Sugar	Market Value	**Section 6.3**	365.69	365.69	763.14
Logistics and Support	DCF and NA	**Section 6.4**	1,380.94	1,623.30	590.86
Others	NA	**Section 6.5**	57.58	57.58	57.58
Total value			**7,189.02**	**7,765.92**	
Less: FGV (company level) adjusted audited NL as at 31 December 2024 [(1)]			(512.72)	(512.72)	
Value of the FGV Group			**6,676.30**	**7,253.20**	
Number of FGV Shares as at the LPD ('million)			3,648.15	3,648.15	
Estimated value per FGV Share (RM)			**1.83**	**1.99**	

Notes:

(1) The adjustments made to derive FGV's company level adjusted audited NL as at 31 December 2024 are as follows:

	Audited as at 31 December 2024 RM'million
Net assets	7,840.09
Less: Investment in subsidiaries	(8,352.81)
Adjusted NL	**(512.72)**

(2) The audited FYE 2024 NA is disclosed for the purpose of ease of reading and allowing for comparison between the estimated value and the NA of the respective segments. Kindly refer to **Section 7** of **Appendix I** for the audited NA per FGV Share for FYE 2024 of RM1.67.

Based on the above, the Offer Price represents a discount of 28.96% to 34.67% to the estimated value of between RM1.83 and RM1.99 per FGV Share.

<u>Our view on the fairness of the Offer</u>

Based on our evaluation in **Section 6 of this IAL**, the Offer Price of RM1.30 is lower than and represents a **discount** of RM0.53 and RM0.69 or approximately 28.96% to 34.67% to the estimated value per FGV Share ranging between RM1.83 and RM1.99 derived using the SOPV methodology. Hence, we are of the view that the Offer is **NOT FAIR**.

The Holders are advised to read the ensuing sections of this IAL for a comprehensive evaluation of the Offer and not to rely on the valuation of FGV Shares derived based on the SOPV methodology as the sole criteria when assessing the Offer.

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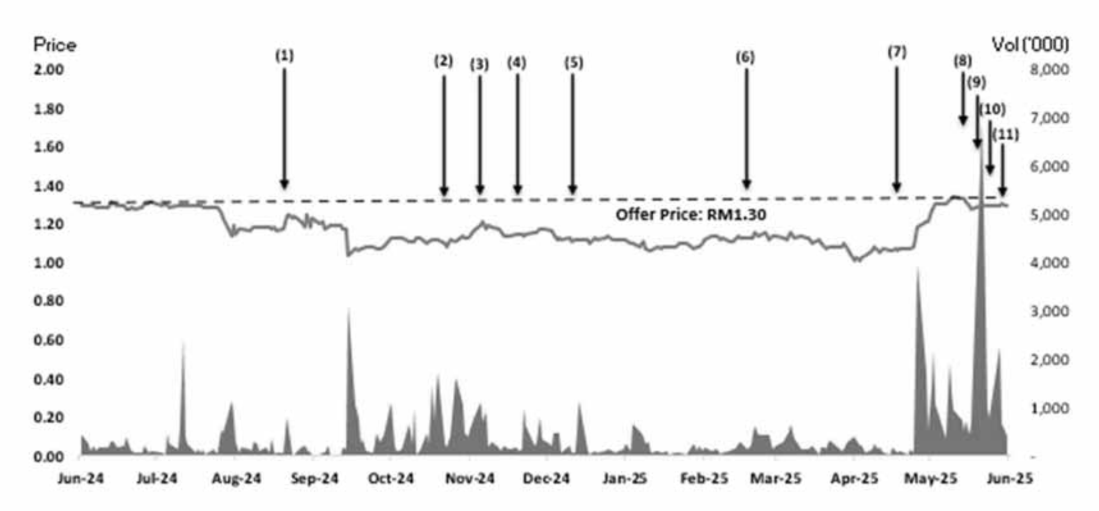
7. REASONABLENESS OF THE OFFER

7.1 Historical market prices analysis of FGV Shares



(Source: Bloomberg L.P.)

No.	Date	Announcement
(1)	27 August 2024	On 27 August 2024, FGV announced its second quarter consolidated results for the FPE 30 June 2024, whereby FGV recorded an unaudited PBZT of RM140.73 million for the FPE 30 June 2024 as compared to an unaudited PBZT of RM14.39 million for the FPE 30 June 2023.
(2)	30 October 2024	FGV announced that it had entered into an intercompany loan agreement with FGVPI, a 72% owned subsidiary of FGV, to grant a loan sum of RM260.0 million.
(3)	7 November 2024	FGV announced that on 6 November 2024, its indirect subsidiary, FGVB, a 72% owned subsidiary of FGV, had been served with a Writ of Summon dated 4 November 2024 by South Asian International Distribution Sdn. Bhd. in relation to an alleged breach of the supply and delivery agreement for the supply and delivery of PK shells.
(4)	27 November 2024	On 27 November 2024, FGV announced its third quarter consolidated results for the FPE 30 September 2024, whereby FGV recorded an unaudited PBZT of RM156.63 million for the FPE 30 September 2024 as compared to an unaudited PBZT of RM82.77 million for the FPE 30 September 2023.
(5)	10 December 2024	FGV announced that FGV Integrated Farming Sdn Bhd, a wholly-owned subsidiary of FGV, Baladna for Trading and Investment W.L.L. (a wholly-owned subsidiary of Baladna Q.P.S.C.) and Touch Group Holdings Sdn. Bhd. had agreed to terminate the conditional shareholders agreement dated 6 August 2022 ("**Conditional SHA**") due to the expiration of the period to satisfy the conditions precedent stipulated in the Conditional SHA.

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No.	Date	Announcement
(6)	28 February 2025	(i) On 28 February 2025, FGV announced its fourth quarter consolidated results for the FPE 31 December 2024, whereby FGV recorded an unaudited PBZT of RM218.78 million for the FPE 31 December 2024 as compared to an unaudited PBZT of RM179.42 million for the FPE 31 December 2023. (ii) FGV announced a final dividend of 5.0 sen per ordinary share, under single-tier system, in respect of FYE 2024.
(7)	30 April 2025	FGV announced its annual report for FYE 2024.
(8)	23 May 2025	FGV announced that it had entered into 2 conditional share sale agreements: (i) proposed acquisitions by FGVPI, an indirect 72%-owned subsidiary of FGV, of the remaining equity interest in 3 non-wholly owned subsidiaries of FGVPI from for a cash consideration of RM54.70 million; and (ii) proposed acquisitions by Felda Holdings Bhd ("**FHB**"), a wholly-owned subsidiary of FGV, of the remaining equity interest in five 5 non-wholly owned subsidiaries of FHB from KPF for a cash consideration of RM175.05 million.
(9)	26 May 2025	FGV announced that it had received the Notice.
(10)	28 May 2025	On 28 May 2025, FGV announced its first quarter consolidated results for the FPE 31 March 2025, whereby FGV recorded an unaudited PBZT of RM83.36 million for the FPE 31 March 2025 as compared to an unaudited PBZT of RM49.67 million for the FPE 31 March 2024.
(11)	30 May 2025	FGV announced the notification to shareholders of FGV Holdings Berhad in relation to the Notice of Offer.

Furthermore, we also note that there was no fundamental change to the business of FGV Group during the said period as well.

Based on the graph above, we noted that:

(i) the highest closing share price of FGV Shares in the past 12 months before the announcement of the receipt of the Notice was RM1.35; and

(ii) the highest closing share price of FGV Shares post of the Notice up to and including the LPD was RM1.30.

Further, the table below sets out the discount/premium represented by the Offer Price vis-à-vis the relevant last traded market price/VWAMP of FGV Shares:

	Last traded market price/ VWAMP of FGV Shares	(Discount)/Premium of the Offer Price over last traded market price / VWAMP of FGV Shares	
	RM	RM	%
Up to the Notice LTD:			
Last traded market price	1.2800	0.0200	1.56
5-day VWAMP	1.3167	(0.0167)	(1.27)
1-month VWAMP	1.2669	0.0331	2.61
3-month VWAMP	1.2121	0.0879	7.25
6-month VWAMP	1.1831	0.1169	9.89
1-year VWAMP	1.1810	0.1190	10.08
Up to the LPD:			
Last traded market price	1.3000	-	-
5-day VWAMP	1.3004	(0.0004)	(0.03)

(Source: Bloomberg L.P.)

Based on our evaluation above, the Offer Price represents:

(i) a **premium** of RM0.0200 (1.56%) over the last traded market price of FGV Shares at the Notice LTD of RM1.2800;

(ii) a **discount** of RM0.0167 (1.27%) over the 5-day VWAMP up to and including the Notice LTD;

(iii) a **premium** of between RM0.0331 (2.61%) and RM0.1190 (10.08%) over the 1-month, 3-month, 6-month and 1-year VWAMPs of FGV Shares up to and including the Notice LTD; and

(iv) is **equivalent** to the last traded market price of FGV Shares at the LPD and a **discount** of RM0.0004 (0.03%) over the 5-day VWAMP of FGV Shares up to the LPD.

There is no assurance that the market price of FGV Shares will continue to trade at the market prices close to the Offer Price after the Closing Date.

7.2 No alternative proposal and level of control of the Offeror and PACs

Save for the Offer, the Board confirmed that, as at the LPD, FGV has not received any alternative offer for the Offer Shares or any other offer to acquire the business, assets and liabilities of the FGV Group. In the absence of an alternative offer, the Offer provides an opportunity to the Holders to realise their investments in the Offer Shares for cash at the Offer Price.

As at the LPD, the Offeror and the PACs hold 3,193,275,366 FGV Shares, representing a majority stake of approximately 87.53% equity interest in FGV. With such a majority stake, the Offeror has been in control of the outcome of the resolutions sought at a general meeting of shareholders of FGV since the previous Offer (save for resolutions in which it is interested and required to abstain from voting), including the ability to approve or oppose any ordinary resolutions (which requires approval from more than 50% of the total vote cast), as well as to approve or oppose any special resolutions (which requires approval from at least 75% of the total vote cast). Such resolutions include proposals for equity fundraising exercises where all shareholders are provided with an equal right to participate in the equity fundraising exercise and the Offeror will be able to determine the outcome of such resolutions. If any equity fundraising exercise resolutions are passed, the equity interest for Holders who do not wish to participate in such equity fundraising exercise will be diluted.

The Offeror is only required to abstain from voting on resolutions related to any proposal or transaction in which they are interested parties. We note that any alternative proposal including proposals to acquire the assets and liabilities of the FGV Group or to wind up the FGV Group will only be successful with the Offeror's support (save for resolutions in which it is interested and required to abstain from voting).

In addition, given that the Offeror and PACs have already secured holdings of approximately 87.53% equity interest in FGV as at the LPD, it may deter a take-over offer of the Company by a third party. Any competing offer will not be able to succeed unless the Offeror agrees to tender their FGV Shares in acceptance of any competing offers.

Save for the Offeror and the PACs, there is no other substantial shareholder in FGV.

7.3 Non-compliance of Public Spread Requirement and listing status of FGV

On 5 February 2021, FGV announced that it did not comply with the Public Spread Requirement as its public shareholding spread was less than 25%. Subsequently, FGV had on 23 March 2021, 4 August 2021, 28 January 2022, 3 April 2023, 4 September 2023, 18 March 2024 and 13 September 2024 obtained approvals from Bursa Securities for an extension of time to comply with the Public Spread Requirement. On 10 March 2025, Bursa Securities had, vide its written notification, rejected FGV's application for a further extension of time of six months from 3 March 2025. Bursa Securities has directed FGV to rectify the breach within six months, on or before 10 September 2025.

In the event that FGV fails to comply with the Public Spread Requirement by 10 September 2025, Bursa Securities may take or impose any action or penalty pursuant to Paragraph 16.19 of the Listing Requirements and may also suspend trading in FGV's Shares pursuant to Paragraph 16.02 of the Listing Requirements. In the event of a suspension in trading of FGV Shares, Holders may face difficulty dealing in FGV Shares as there may not be an active or ready market for the Shares.

As at the LPD, the Offeror directly holds 2,557,469,599 FGV Shares representing 70.10% of the total issued FGV Shares. For the information of the Holders, the public shareholding spread of FGV as at the LPD is 12.47%.

Based on **Section 4.1 of the Offer Document**, we noted that **the Offeror does not intend to maintain the listing status of FGV on the Main Market of Bursa Securities**. As such, the Offeror will not be taking any steps to address any shortfall in the Public Shareholding Spread of FGV in the event FGV does not meet the Public Spread Requirement after the Closing Date. As the Offeror does not intend to maintain the listing status of FGV, in the event that the Offeror receives Valid Acceptance resulting in 90% or more of the listed shares in FGV being held by the Offeror either individually or jointly with its associate(s), an immediate announcement will be made by FGV.

Upon such announcement, Bursa Securities shall suspend the trading in the FGV Shares immediately upon the expiry of 5 Market Days from the Closing Date, in accordance with Paragraph 16.02(3) of the Listing Requirements. Thereafter, the Offeror will procure FGV to take the requisite steps to withdraw its listing status from the Official List of Bursa Securities, in accordance with Paragraph 16.07 of the Listing Requirement. Bursa Securities may at its discretion impose additional conditions for the withdrawal of FGV's listing status from the Official List.

In the event of a suspension in the trading of FGV Shares or de-listing of FGV from the Official List, should you choose not to accept the Offer, there is no assurance that you will be able to dispose the Offer Shares at a price equivalent to or above the Offer Price after the suspension and/or de-listing. Further, Holders may risk holding unlisted FGV Shares in the event FGV is de-listed with no platform or active or ready market for dealings in unlisted securities.

In this regard, we would like to highlight to the Holders the following relevant provisions of the Listing Requirements of a public listed company on Bursa Securities:

(i) Subparagraph 8.02(1) of the Listing Requirements stipulates the Public Spread Requirement, whereby a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders to ensure its continued listing on the Main Market of Bursa Securities. Bursa Securities may accept a percentage lower than the 25% threshold if it is satisfied that such lower percentage is sufficient for a liquid market in such shares.

(ii) The non-compliance with the Public Spread Requirement will not automatically result in the de-listing of the listed issuer. A listed issuer which fails to maintain the required shareholding spread may request for an extension of time to rectify the situation in the manner as may be prescribed by Bursa Securities. Where an extension of time is not granted by Bursa Securities or the non-compliance with the Public Spread Requirement is not rectified within the timeframe, Bursa Securities may take or impose any type of action or penalty pursuant to Paragraph 16.19 of the Listing Requirements for a breach of subparagraph 8.02(1) of the Listing Requirements, which may include suspension of trading of the securities of the listed issuer pursuant to subparagraph 16.02(1) of the Listing Requirements and de-listing of the listed issuer.

(iii) Subparagraph 9.19(48) of the Listing Requirements requires that in relation to a takeover offer, an immediate announcement must be made by the listed issuer upon 90% or more of the listed shares (excluding treasury shares) of the listed issuer being held by a shareholder, either individually or jointly with associates of the said shareholder. Upon such immediate announcement, Bursa Securities shall:-

    (a) Pursuant to subparagraph 16.02(2) of the Listing Requirements, where the listed issuer has announced that the offeror intends to maintain the listed issuer's listing status, suspend trading of the securities of the listed issuer upon expiry of 30 Market Days from the date of the immediate announcement.

    In this regard, the suspension will only be uplifted upon the listed issuer's full compliance with the Public Spread Requirement or as may be determined by Bursa Securities. This requirement is also applicable where the public shareholding spread of a listed issuer is 10% or less of its total listed shares (excluding treasury shares); or

    (b) Pursuant to subparagraph 16.02(3) of the Listing Requirements, where the listed issuer has announced that the offeror does not intend to maintain the listed issuer's listing status, suspend trading of the securities of the listed issuer upon expiry of 5 Market Days from the close of the offer period.

    The listed issuer may then withdraw its listing from the Official List of Bursa Securities in accordance with Paragraph 16.07 of the Listing Requirements.

In view of the above, Holders are advised to closely monitor the market prices, trading volume, any press releases and/or announcements made in relation to the Offer, particularly on the level of acceptances, as well as changes in shareholdings of the Offeror and PACs with it, and non-compliance with the Public Spread Requirement, if any.

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7.4 Trading liquidity of FGV Shares

For information, the historical trading volume of FGV Shares for the past 12 months from June 2024 up to May 2025 (being the last full trading month before the LPD), is as follows:

Month	(1) Volume traded of FGV Shares ('000)	(2) Volume traded over free float (%)
2024		
June	3,961,910	0.83%
July	5,758,025	1.21%
August	6,419,375	1.34%
September	7,035,178	1.47%
October	10,724,573	2.25%
November	10,861,413	2.28%
December	6,124,014	1.28%
2025		
January	3,648,704	0.76%
February	3,908,675	0.82%
March	5,263,307	1.10%
April	3,250,413	0.68%
May	16,864,820	3.65%
Simple average	**6,985,034**	**1.47%**

(Source: Bloomberg L.P. and announcements on Bursa Securities)

Notes:

(1) Monthly volume traded excludes FGV Shares traded in the open market by the substantial shareholders of FGV during the respective months, if any. The current Directors do not hold any FGV Shares and have not traded in FGV Shares.

(2) The monthly free float of FGV Shares excludes FGV Shares held by the substantial shareholders of FGV. The current Directors do not hold any FGV Shares and have not traded in FGV Shares.

Based on the table above, FGV Shares were traded at an average monthly volume of 6,985,034 FGV Shares, representing 1.47% of the free float of FGV Shares for the past 12 months from June 2024 to May 2025 (being the last full trading month before the LPD).

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In comparison, we compared the trading liquidity of FGV Shares against the average monthly trading liquidity of the relevant benchmark index of Bursa Securities, as follows:

Company/Index	**Average monthly traded volume over free float (%)**
FGV	1.47
FBM KLCI Index [(1)]	[(2)]5.89

Notes:

(1) Selected as an additional benchmark for comparison, in view that FGV Group is primarily in oil palm plantation and its related downstream activities, sugar refining, trading, logistics, marketing, rubber processing, research and development activities and related agribusiness activities.

(2) Calculated by dividing the average monthly volume traded over the free float of FBM KLCI Index as extracted from Bloomberg.

Based on the above, we note that FGV Shares are relatively illiquid when compared against the FBM KLCI Index, as the average trading liquidity turnover of FGV Shares of 1.47% is lower than the average monthly trading liquidity of FBM KLCI Index (5.89%) over the same period.

Further, when the Offeror accumulates a higher shareholding level (beyond the collective shareholdings of the Offeror and the PACs in FGV of 87.53% as at the LPD) as a result of Valid Acceptances received pursuant to the Offer and/or via further acquisitions, the liquidity of FGV Shares and the Holders' ability to dispose of their FGV Shares in the open market after the Closing Date may be further constrained. Hence, the Offer may represent an avenue for the Holders (especially for those holding a significant number of FGV Shares) to realise their investment in FGV Shares for cash at the Offer Price.

Considering the above as well as the analysis of the historical market prices of FGV Shares in **Section 7.1 of this IAL**, in our view, the Offer provides the Holders an exit opportunity to realise their investments in FGV Shares pursuant to the Offer.

Holders are advised to closely monitor the market prices and trading volume of FGV Shares and evaluate the Offer Price before making a decision on the course of action to be taken in respect of the Offer Shares.

We wish to highlight that the above evaluation is based on the historical trading volume of the FGV Shares as at the respective periods as well as the free float as at the respective periods and should not be relied upon as an indication of the future trading liquidity of the FGV Shares, which may be influenced by, amongst others, the performance and prospects of FGV Group, prevailing economic conditions, economic outlook, stock market conditions, market sentiment and other general macroeconomic conditions as well as company specific factors. Further, there is no assurance that the market price of FGV Shares will continue to trade at current price levels after the Closing Date.

7.5 Our view on the reasonableness of the Offer

Premised on our analysis as set out in **Sections 7.1, 7.2, 7.3 and 7.4** above, we are of the view that the Offer is **REASONABLE**.

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8.0 COMPULSORY ACQUISITION AND RIGHTS OF DISSENTING HOLDERS

8.1 Compulsory acquisition

We have taken note from **Section 4.2 of the Offer Document** that the Offeror **intends to invoke the provisions of subsection 222(1) of the CMSA** to compulsorily acquire any remaining Offer Shares from the Dissenting Holders in the event that the Offeror receives Valid Acceptances of not less than nine-tenths 9/10 of the nominal value of the Offer Shares (excluding FGV Shares already held by the Offeror and person(s) acting in concert with it at the date of the Offer) on or prior to the Closing Date. Under such circumstance, all the Holders of these offer shares will be paid in cash for the offer shares compulsorily acquired. The consideration for the offer shares under compulsory acquisition will, subject to subsection 224(1) of the CMSA, be equivalent to the Offer Price and on the same terms set out in the Offer Document.

In accordance with subsection 224(1) of the CMSA, where a notice is given under subsection 222(1) of the CMSA, the court may, on an application made by any Dissenting Holder within one month from the date on which the notice was given by the Offeror, order that the Offeror shall not be entitled and shall not be bound to acquire the Offer Shares of such Dissenting Holder, or specify terms of acquisition that are different from the terms of the Offer.

8.2 Rights of Dissenting Shareholders

As set out in **Section 4.3 of the Offer Document**, notwithstanding the above and subject to section 224 of the CMSA, section 223 of the CMSA provides that if the Offeror receives valid acceptances from the Holders resulting in the Offeror and the PACs holding not less than nine-tenths (9/10) in the value of all the shares in FGV (including the FGV Shares that are already held by the Offeror as at the date of the Offer) on or before the Closing Date, a Dissenting Holder may exercise his/her/its rights under subsection 223(1) of the CMSA, by serving a notice on the Offeror to require the Offeror to acquire his/her/its Offer Shares on the same terms as set out in the Offer Document or such other terms as may be agreed between the Offeror and such Dissenting Holder.

If a Dissenting Holder invokes the provisions of subsection 223(1) of the CMSA, the Offeror shall acquire such Offer Shares in accordance with the provision of the CMSA, subject to section 224 of the CMSA. In accordance with subsection 224(3) of the CMSA, when a Dissenting Holder exercises his/her/its rights under subsection 223(1) of the CMSA, the court may, on an application made by such Dissenting Holder or by the Offeror, order that the terms on which the Offeror shall acquire such Offer Shares shall be as the court thinks fit.

Subsection 223(2) of the CMSA requires the Offeror to give the Dissenting Holders a notice in the manner specified by the SC of the rights exercisable by the Dissenting Holders under subsection 223(1) of the CMSA, within 1 month of the time the Offeror receiving valid acceptances from the Holders resulting in the Offeror and the PACs holding not less than nine-tenths (9/10) in the value of all shares in FGV.

A notice to the Dissenting Holders under subsection 223(2) of the CMSA may specify the period for the exercise of the rights of the Dissenting Holders and in any event, such period shall not be less than 3 months after the Closing Date.

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9. RATIONALE FOR THE OFFER AND FUTURE PLANS FOR THE FGV GROUP AND ITS EMPLOYEES

9.1 Rationale for the Offer

The rationale for the Offer is provided in **Section 3 of the Offer Document**.

We note the following:

(i) FGV was incorporated in Malaysia under the Companies Act 1965 on 19 December 2007 and was the commercial arm of FELDA for its investments in the upstream and downstream palm oil business and other agribusinesses.

(ii) In 2009, almost all of FELDA's midstream and downstream business entities held by Felda Holdings Bhd, which were principally engaged in the processing and refining of CPO and its related products, were transferred to FGV. In 2012, FELDA embarked on a corporate restructuring exercise that involved the listing of FGV on the Main Market of Bursa Securities. As part of the listing plan, the commercial plantation lands previously under FELDA were leased to FGV via the Land Lease Agreement. FGV was subsequently listed on the Main Market of Bursa Securities on 28 June 2012 and since then, FELDA has been and is still a substantial shareholder of FGV.

(iii) Pursuant to a press statement released by the Minister in the Prime Minister's Department (Economy) on 28 October 2020 under the title "Pelan Pemulihan Felda" which was followed by a special briefing to the press editors held by FELDA on 30 October 2020, it was made known to the public that FELDA will be embarking on a transformation plan to make FELDA financially independent and sustainable. The plan entails, inter-alia, enhancing its core income from its lands which may or may not involve the variation and/or termination of the Land Lease Agreement and taking over the related palm oil mills subject to satisfactory discussions with FGV. Accordingly, FELDA has completed the Acquisition. As a result of the Acquisition, FELDA's shareholding in FGV increased from 21.24% to approximately 35.12% and the collective shareholding of the MO PACs, in FGV increased from 36.61% to approximately 50.49%. Accordingly, pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules, and in view that the Offeror, individually and together with the MO PACs, had collectively obtained control of FGV (i.e. holding more than 33% of the voting shares of FGV) upon completion of the Acquisition, the notice of the MO was served on the Board of FGV on 22 December 2020. The offer document was despatched on 12 January 2021 and the MO was closed on 15 March 2021. On the closing of the MO, FELDA and the MO PACs collectively held 2,955,241,291 FGV Shares, representing 81.01% of the total issued FGV Shares.

(iv) As at 19 February 2025, FGV's public shareholding spread was at 13.09%, which is below the Public Spread Requirement. FGV had submitted numerous applications for an extension of time to rectify this non-compliance. However, Bursa Securities had on 10 March 2025, via a written notification, rejected FGV's application for a further six (6)-month extension of time from 3 March 2025 and has directed FGV to rectify the breach within six (6) months (i.e. on or before 10 September 2025). If FGV fails to comply with the Public Spread Requirement by 10 September 2025, Bursa Securities may take or impose any action or penalty pursuant to Paragraph 16.19 of the Listing Requirements and may also suspend trading in FGV's Shares, pursuant to Paragraph 16.02 of the Listing Requirements.

(v) It is FELDA's intention to privatise FGV in order to gain full control of the business operations and management of FGV. As at the LPD, FELDA has limited influence over FGV's management, as it does not have control over the Board of FGV despite FELDA and FELDA Assets collectively holding 82.52% equity interest in FGV. The current market conditions and share price make this an opportune time for FELDA to further pursue its plans to privatise FGV. This plan which has been approved by the Minister in charge of FELDA, is aligned with FELDA's intention of undertaking the MO in 2020.

(vi) FELDA has developed a strategic plan with the goals of increasing revenue, reducing costs, resolving legacy issues, redefining the settlers' model, strengthening cooperatives, as well as improving governance and human capital. Upon the successful completion of the privatisation and the implementation of the plan, FELDA will be better positioned to enhance the operational and financial efficiencies of the FGV Group. This will be achieved by streamlining the entire value chain of upstream and downstream operations in the plantation sector respectively held by FELDA and the FGV Group which is in turn expected to contribute positively to the future earnings of FELDA.

(vii) Accordingly, FELDA is offering the Holders the opportunity to realise their investment in the Offer Shares for cash at the Offer Price, which represents a premium of 9.91% to the six (6)-month VWAMP of FGV Share up to and including the Notice LTD of RM1.1828.

(viii) The trading liquidity of FGV Shares has historically been low, with an average daily trading volume of 479,213 FGV Shares for the past three (3) years up to and including the Notice LTD. This average daily trading volume represents 0.10% over the free float of FGV comprising of approximately 476.90 million FGV Shares as at the Notice LTD and is lower than the average monthly trading liquidity of KL Plantation Index for the past twelve (12) months up to April 2025 (being the last full trading month prior to the Notice LTD), of approximately 1.67%. Please refer to **Section 7.4** of the **Offer Document** which illustrate the trading liquidity of FGV Shares and KL Plantation Index for the past twelve (12) months up to April 2025 (being the last full trading month prior to the Notice LTD). The Offer presents an opportunity for the Holders who might have different investment objectives or horizon to realise their investments in FGV expeditiously for reinvestments elsewhere (where applicable), which may otherwise be difficult given the low trading liquidity of FGV Shares.

(ix) In the event that the Offer does not result in the de-listing of FGV and FGV fails to comply with the Public Spread Requirement by 10 September 2025, Bursa Securities may take or impose any action or penalty pursuant to Paragraph 16.19 of the Listing Requirements and may also suspend trading in FGV's Shares, pursuant to Paragraph 16.02 of the Listing Requirements. Regardless of the outcome, FELDA will continue to pursue its plan to privatise FGV.

We take note that the Offer is undertaken by the Offeror to privatise and obtain full control, which in turn will allow greater liberty in deciding on the strategic direction of FGV and flexibility to restructure, reorganise and rationalise FGV's group structure and business, should the need arise. The de-listing of FGV through the Offer, if materialised, is also expected to eliminate administrative efforts and costs in maintaining the listing status of FGV and re-divert resources towards its core business.

It should also be noted that Holders who accept the Offer will not be able to participate in any future risks and rewards in relation to the businesses of the FGV Group, subsequent to the Offer.

9.2 Future plans for the FGV Group and its employees

The intention of the Offeror, as at the Offer Document LPD, with respect to the future plans for the FGV Group and its employees as stated in the Offer Document is as follows:

(i) Continuation of the FGV Group's business

The Offeror intends to continue the existing businesses of the Offeree Group, which are principally involved in oil palm plantation and its related downstream activities, sugar refining, manufacturing, logistics, and others, after the completion of the Offer.

FELDA has developed a strategic plan with the goals of increasing revenue, reducing costs, resolving legacy issues, redefining the settlers' model, strengthening cooperatives, as well as improving governance and human capital. To achieve these objectives, the Offeror intends for the Offeree Group to focus on driving operational excellence across the value chain. This includes, among others, increasing yield per hectare through improved replanting strategies; enhancing harvesting practices, including loose fruit collection and unharvested bunch elimination; improving cost efficiency through mechanisation and automation; and adopting enhanced digitalisation efforts to modernise plantation operations by integrating advanced technologies to reduce reliance on manual labour.

The Offeror does not have any immediate plans or intention to liquidate any company within the Offeree Group. Nevertheless, the Offeror may review the businesses and operations of the Offeree Group and make such arrangements, rationalisation and reorganisation of the Offeree Group as the Offeror considers suitable for the future of the Offeree Group's business operations. This may potentially involve the rationalisation of the Offeree Group's non-core businesses after assessing their strategic relevance, financial performance, and alignment with FELDA's long-term objectives. Such steps to rationalise the Offeree Group's non-core businesses may include the restructuring, divestment, consolidation, or repositioning of certain business segments that is not within the core plantation and integrated value chain activities. The ultimate aim is to optimise resource allocation, improve operational efficiency, and sharpen the Offeree Group's focus on its core competencies in the plantation sector.

(ii) Major changes to the FGV Group's business

There is no immediate plan by the Offeror to introduce any major changes in the businesses of the Offeree Group, liquidate the Offeree Group, dispose of any major assets or undertake any major redeployment of fixed assets of the Offeree Group. Nevertheless, the Offeror may from time to time review strategic options with regard to the businesses of the Offeree Group, which may or may not involve the variation and/or termination of the Land Lease Agreement and taking over the related palm oil mills. With respect to the Land Lease Agreement, no firm decision has been made at this stage regarding any variation or termination. FELDA is currently reviewing the terms of the Land Lease Agreement to ensure alignment with the evolving business structure and the interests of both parties. Any decision concerning the Land Lease Agreement, whether involving variation of its terms or termination of the agreement, will be discussed in good faith and will only proceed based on mutual agreement. FELDA remains committed to ensuring that any future course of action continues to reflect the best interests of both FELDA and FGV. Where appropriate, the Offeror may implement changes to the corporate structure, including any expansion activities, mergers, consolidations or disposal of assets, with a view to ensure that the Offeree Group remains competitive in the industry or to rationalise the business activities and/or direction of the Offeree Group and/or improve the utilisation of resources by the Offeree Group.

(iii) Employees of the FGV Group

The Offeror has no plans to dismiss or make redundant the employees of the Offeree Group as a direct consequence of the Offer. Nevertheless, any changes with regard to staff employment may take place in conjunction with the rationalisation or streamlining of the business activities of the Offeree Group and/or as part of the steps undertaken to reduce costs or to improve the efficiency of operations and optimise staff productivity of the Offeree Group. Any such action taken will be carried out in accordance with the relevant legislation and the terms of employment of the affected employees.

We also noted that the future plans disclosed above are the present intentions of the Offeror and they retain the flexibility at any time to consider any options which are in the best interest of the FGV Group that may present itself.

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The Offeror may from time to time review strategic options with regards to the businesses or assets of the FGV Group. The Offeror may, where appropriate, undertake such changes, disposal and/or redeployment as part of the process to rationalise the business activities or direction of the FGV Group. Any changes with regards to staff employment pursuant to the above will be carried out in accordance with the relevant legislation and the terms of employment of the affected employees.

Based on the Offeror's stated intention in relation to the future plans for the FGV Group and its employees and in view that the Offeror is the holding company of FGV, we do not expect the FGV Group's business, corporate structure, assets and employees to change materially after the Offer.

10. FURTHER INFORMATION

We advise the Holders to refer to the Appendices contained in this IAC and other relevant information as set out in the Offer Document for further details in relation to the Offer.

11. CONCLUSION AND RECOMMENDATION

In arriving at our conclusion and recommendation, we have assessed the fairness and reasonableness of the Offer in accordance with paragraphs 1 to 6 of Schedule 2: Part III of the Rules whereby:

(i) the term "**fair and reasonable**" should generally be analysed as 2 distinct criteria i.e. whether the Offer is "**fair**" and whether the Offer is "**reasonable**", rather than as a composite term.

(ii) the Offer is considered "**fair**", if the Offer Price is equal to or higher than the market price and is also equal to or higher than the value of the Offer Shares. However, if the Offer Price is equal to or higher than the market price, but is lower than the value of the Offer Shares, the Offer is considered as "**not fair**".

Pursuant to paragraph 4 of Schedule 2: Part III of the Rules, in considering whether the Offer is "**reasonable**", we have taken into consideration matters other than the valuation of the Offer Shares. Generally, a take-over offer would be considered "**reasonable**" if it is "**fair**". Nevertheless, an Independent Adviser **may also recommend for shareholders to accept the take-over offer despite it being "not fair"**, if the Independent Adviser is of the view that there are sufficiently strong reasons for the Holders to accept the offer in the absence of a higher bid and such reasons should be clearly explained.

We have assessed and evaluated the Offer and have set out our evaluation in the relevant sections in this IAL as set out in **Sections 5, 6** and **7**. Holders should carefully consider the merits and demerits of the Offer based on all relevant and pertinent factors including those set out below and other considerations as set out in this IAL and the Offer Document.

In arriving at our opinion, we have taken into consideration various applicable factors as set out below:

<u>Fairness of the Offer</u>

Despite the Offer Price is within the range of the closing market price, notwithstanding, we are of the view that the Offer is **NOT FAIR** as the Offer Price represents a **discount** of between 28.96% to 34.67% to the estimated value of FGV Shares of between RM1.83 and RM1.99 per FGV Share derived using the SOPV method.

Reasonableness of the Offer

We are of the view that the Offer is **REASONABLE** based on the following:

(i) The Offer Price is a premium of between RM0.0331 (2.61%) and RM0.1190 (10.08%) over the 1-month, 3-month, 6-month and 1-year VWAMPs of FGV Shares up to and including the Notice LTD;

(ii) Save for the Offer, the Board confirmed that, as at the LPD, FGV has not received any alternative offer for the Offer Shares or any other offer to acquire its business, assets and liabilities. In the absence of an alternative offer, the Offer provides an opportunity to the Holders to realise their investments in the Offer Shares for cash at the Offer Price. Further, as at the LPD, the Offeror holds a majority stake in FGV, which enable them to control the outcome of the resolutions sought at a general meeting of FGV (save for resolutions in which it is interested and required to abstain from voting);

(iii) On 10 March 2025, Bursa Securities had, vide its written notification, rejected the FGV's application for a further extension of time of six months from 3 March 2025 due to the non-compliance for the Public Spread Requirement. In the event that FGV fails to comply with the Public Spread Requirement by 10 September 2025, Bursa Securities may take or impose any action or penalty pursuant to Paragraph 16.19 of the Listing Requirements and may also suspend trading in FGV's Shares pursuant to Paragraph 16.02 of the Listing Requirements;

(iv) FGV Shares are relatively illiquid when compared against the FBM KLCI Index, as the average trading liquidity turnover of FGV Shares of 1.47% is lower than the average monthly trading liquidity of FBM KLCI Index (5.89%) over the same period; and

(v) The Offeror does not intend to maintain the listing status of FGV on the Main Market of Bursa Securities.

Premised on the above and our assessment on the fairness and reasonableness of the Offer in **Sections 6 and 7 of this IAL**, we are of the opinion that the Offer is **NOT FAIR** but **REASONABLE**. Accordingly, Kenanga IB:

(i) Advises the Non-Interested Directors to recommend the Holders to **ACCEPT** the Offer; and

(ii) Recommends that the Holders **ACCEPT** the Offer.

However, the decision to be made would depend entirely on the risk appetite and specific investment requirements of the individual Holder.

If the Holders so wish and if the trading liquidity permits, they may consider disposing their Offer Shares in the open market or via direct business transactions if they are able to obtain a price higher than the Offer Price, net of transaction costs and assuming that there will not be any revision to the Offer Price.

Holders should be mindful that there may be continuous fluctuations in the market prices of FGV Shares prior to and after the Closing Date. As such, Holders are advised to closely monitor the market share price, trading volume and any press release and/or announcements made in relation to the Offer before making a decision on the course of action to be taken in respect of the Offer Shares.

We wish to reiterate that we have not taken into consideration any specific investment objective, financial situation or particular needs of any individual Holder or any specific group of Holders. We recommend that individual Holder or group of Holders who may require advice in relation to the Offer in the context of their individual objectives, financial situation and particular situation, to consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

Yours faithfully
for and on behalf of
KENANGA INVESTMENT BANK BERHAD

DATUK ROSLAN HJ TIK
Executive Director, Head
Group Investment Banking & Islamic Banking

ALVIN OOI YET MING
Head, Corporate Finance

PART C

APPENDICES

INFORMATION ON FGV

1. HISTORY AND PRINCIPAL ACTIVITIES

FGV was incorporated in Malaysia on 19 December 2007 under the Companies Act 1965 and deemed registered under the Act as a private limited company under the name of Felda Global Ventures Holdings Sdn Bhd. On 18 January 2012, FGV was converted into a public limited company and changed its name to Felda Global Ventures Holdings Berhad. Subsequently on 29 June 2018 it changed its name to its present name.

FGV was listed on the Main Market of Bursa Securities on 28 June 2012. FGV is principally an investment holding company with investments primarily in oil palm plantation and its related downstream activities, sugar refining, manufacturing, logistics, and others. The principal activities of the subsidiaries of FGV are set out in **Section 5 of this Appendix I**.

2. SHARE CAPITAL

2.1 Issued share capital

As at the LPD, the issued share capital of FGV is as follows:

	No. of FGV Shares	Amount RM
Issued share capital [(1)]	3,648,151,500	7,029,888,221
Special Share	*	*

Note:

* Relating to one unit Special Share held by the Special Shareholder of RM1.

As at the LPD, there are two classes of shares in FGV, i.e. ordinary shares and Special Share held by the Special Shareholder. All ordinary shares in FGV rank equally in terms of voting rights and entitlements to any dividends, rights, allotments and/or Distributions.

The Special Share has the following characteristics:

(a) The Special Shareholder or any person acting on behalf of the Special Shareholder shall be entitled to receive notice of and to attend and speak at all general meetings or any other meeting of any class or shareholders of FGV, but the Special Share shall carry no right to vote nor any other rights at any such meeting.

(b) In a distribution of capital in a winding up of FGV, the Special Shareholder shall be entitled to repayment of the capital paid up on the Special Share in priority to any repayment of capital to any other member. The Special Share shall confer no other right to participate in the capital or profits of FGV.

2.2 Changes in the issued share capital

Since the end of the FYE 2024 up to the LPD, there are no changes in FGV's issued share capital.

2.3 Convertible securities

As at the LPD, FGV does not have any convertible securities.

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of FGV and their respective shareholdings in FGV as at the LPD are as follows:

Name	Country of incorporation	Direct No. of FGV Shares	%	Indirect No. of FGV Shares	%
FELDA	Malaysia	2,557,469,599	70.10	452,921,192[(1)]	12.42
FELDA Asset	Malaysia	452,921,192	12.42		
Pahang State	Malaysia	182,407,575	5.00		

Note:

(1) Deemed interested by virtue of its interest in FELDA Asset pursuant to Section 8(4) of the Act.

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4. DIRECTORS OF FGV

The Directors of FGV as at the LPD are as follows:

Name	Nationality	Designation	Date of appointment	Correspondence Address / C/O
Tan Sri Rastam Mohd Isa	Malaysian	Chairman, Non-Independent Non-Executive Director	26 September 2023	c/o Level 21, Wisma FGV, Jalan Raja Laut, 50350 Kuala Lumpur, W.P. Kuala Lumpur
Dato' Shahrol Anuwar Sarman	Malaysian	Non-Independent Non-Executive Director	17 November 2020	c/o Level 21, Wisma FGV, Jalan Raja Laut, 50350 Kuala Lumpur, W.P. Kuala Lumpur
Datuk Abdul Halim Hamzah	Malaysian	Non-Independent Non-Executive Director	3 March 2025	c/o Level 21, Wisma FGV, Jalan Raja Laut, 50350 Kuala Lumpur, W.P. Kuala Lumpur
Dato' Dr Suzana Idayu Wati Osman	Malaysian	Non-Independent Non-Executive Director	1 April 2024	c/o Level 21, Wisma FGV, Jalan Raja Laut, 50350 Kuala Lumpur, W.P. Kuala Lumpur
Mohamad Fadzil Hitam	Malaysian	Independent Non-Executive Director	27 December 2023	c/o Level 21, Wisma FGV, Jalan Raja Laut, 50350 Kuala Lumpur, W.P. Kuala Lumpur
Azizan Zakaria	Malaysian	Independent Non-Executive Director	4 July 2024	c/o Level 21, Wisma FGV, Jalan Raja Laut, 50350 Kuala Lumpur, W.P. Kuala Lumpur
Rozainah Awang	Malaysian	Independent Non-Executive Director	2 January 2025	c/o Level 21, Wisma FGV, Jalan Raja Laut, 50350 Kuala Lumpur, W.P. Kuala Lumpur
Nurul Muhaniza Hanafi	Malaysian	Independent Non-Executive Director	1 April 2024	c/o Level 21, Wisma FGV, Jalan Raja Laut, 50350 Kuala Lumpur, W.P. Kuala Lumpur

5. SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURE COMPANIES

As at the LPD, the subsidiaries of FGV are as follows:

Name of company	Place of incorporation	Effective equity interest (%)	Principal activities
Direct subsidiaries			
FGV Sugar Sdn. Bhd.	Malaysia	100.00	Investment holding
Felda Global Ventures Perlis Sdn. Bhd.	Malaysia	100.00	Dormant
FGV USA Properties, Inc.	United States of America	100.00	Operator of residential real estate in USA
MSM Malaysia Holdings Berhad	Malaysia	51.00	Investment holding
FGV Downstream Sdn. Bhd.	Malaysia	100.00	Investment holding
FGV Plantations Sdn. Bhd.	Malaysia	100.00	Investment holding
FGV Shared Service Centre Sdn. Bhd.	Malaysia	100.00	Provide transactional processing activities for Finance and Human Resources functions of FGV Group
FGV R&D Sdn. Bhd.	Malaysia	100.00	Research and development
FGV Capital Sdn. Bhd.	Malaysia	100.00	Undertake the business of all kinds of treasury services
FGV Investment (L) Pte. Ltd	Malaysia	100.00	Investment holding and investment management
Pontian United Plantations Berhad	Malaysia	100.00	Investment holding, provision of management services, cultivation of oil palm and sales of fresh fruit bunches
Felda Holdings Bhd.	Malaysia	100.00	Investment holding
FGV Research Sdn. Bhd.	Malaysia	100.00	Investment holding
FGV Integrated Farming Holdings Sdn. Bhd.	Malaysia	100.00	Investment holding, wholesale of paddy, rice, retail sale of other food products, manufacturing of animal feed product and plantation of fruits

Name of company	Place of incorporation	Effective equity interest (%)	Principal activities
<u>Indirect subsidiaries</u>			
MSM Prai Berhad	Malaysia	51.00	Sugar refining, sales and marketing of sugar products and investment holding
MSM Trading & Distribution Sdn. Bhd.	Malaysia	51.00	Dormant
MSM Sugar Refinery (Johor) Sdn. Bhd.	Malaysia	51.00	Carry on business in sugar product and by-product and to import raw sugar and others for milling and refining of sugar
MSM Logistics Sdn. Bhd.	Malaysia	51.00	Provision of transportation services
Felda Global Ventures North America Sdn. Bhd.	Malaysia	100.00	Investment holding
FGV Biotechnologies Sdn. Bhd.	Malaysia	100.00	Processing and sale of biodiesel products
FGV Green Energy Sdn. Bhd.	Malaysia	60.00	Processing and sale of biodiesel products
Twin Rivers Technologies Holdings, Inc.	United States of America	100.00	Investment holding
Twin Rivers Technologies Holdings-Enterprise De Transformation De Graines Oleagineuses Du Quebec Inc	Canada	100.0	Investment holding
Twin Rivers Technologies Manufacturing Corporation	United States of America	100.00	Procurement, processing and supply of fatty acids
TRT Europe GambH	Germany	100.00	Dormant
Fore River Transportation Corporation	United States of America	100.00	Operation, management and maintenance of a railroad service
FGV Plantations (Malaysia) Sdn. Bhd.	Malaysia	100.00	Production and sales of FFB, rubber cup-lump and other agricultural products
FGV Kalimantan Sdn. Bhd.	Malaysia	100.00	Investment holding

Name of company	Place of incorporation	Effective equity interest (%)	Principal activities
FGV Trading Sdn. Bhd.	Malaysia	100.00	Buying and selling of vegetable oil commodity products either through physical or paper transactions.
Asian Plantations Limited	Singapore	100.00	Investment holding
Asian Plantations (Sarawak) Sdn. Bhd.	Malaysia	100.00	Investment holding
Asian Plantations (Sarawak) II Sdn. Bhd.	Malaysia	100.00	Investment holding
Asian Plantations (Sarawak) III Sdn. Bhd.	Malaysia	100.00	Investment holding
BJ Corporation Sdn. Bhd.	Malaysia	100.00	Oil palm plantation
Incosetia Sdn. Bhd.	Malaysia	100.00	Oil palm plantation
Fortune Plantation Sdn. Bhd.	Malaysia	100.00	Oil palm plantation
Asian Plantations Milling Sdn. Bhd.	Malaysia	100.00	Oil palm milling
South Asian Farms Sdn. Bhd.	Malaysia	100.00	Dormant
Kronos Plantation Sdn. Bhd.	Malaysia	100.00	Oil palm plantation
Grand Performance Sdn. Bhd.	Malaysia	100.00	Oil palm plantation
Jubilant Paradise Sdn. Bhd.	Malaysia	60.00	Oil palm plantation
PT Bumi Agro Nusantara	Indonesia	100.00	Management and consulting services
FGV Cambodia (L) Pte. Ltd.	Malaysia	100.00	Investment holding
FGV-CVC (Cambodia) Co. Ltd.	Cambodia	75.00	Production and export of rubber blocks
Redefined Land Sdn. Bhd.	Malaysia	100.00	Investment holding
Kilang Kelapa Sawit Pontian Sdn. Bhd.	Malaysia	100.00	Investment holding
Bangsan Sdn. Bhd.	Malaysia	100.00	Investment holding

Name of company	Place of incorporation	Effective equity interest (%)	Principal activities
Sabahanya Plantations Sdn. Bhd.	Malaysia	100.00	Investment holding and cultivation of oil palm
Pontian Fico Plantations Sdn. Bhd.	Malaysia	78.30	Investment holding, cultivation and purchase of oil palm FFB, processing, saled of its finished products
Pontian Orico Plantations Sdn. Bhd.	Malaysia	78.30	Cultivation of oil palm and sales of oil palm seedlings
Pontian Pendirosa Plantations Sdn. Bhd.	Malaysia	78.30	Cultivation of oil palm and investment holding
Pontian Materis Plantations Sdn. Bhd.	Malaysia	78.30	Cultivation of oil palm and investment holding
Pontian Hillco Plantations Sdn. Bhd.	Malaysia	78.30	Cultivation of oil palm
Pontian Subok Plantations Sdn. Bhd.	Malaysia	78.30	Cultivation of oil palm
Yapidmas Plantation Sdn. Bhd.	Malaysia	100.00	Cultivation of oil palm and provision of management services
Sri Kehuma Sdn. Bhd.	Malaysia	100.00	Cultivation of oil palm
Ladang Kluang Sdn. Bhd.	Malaysia	100.00	Cultivation of oil palm
Tanah Emas Oil Palm Processing Sdn. Bhd.	Malaysia	100.00	Operation of a palm oil mill
Rawajaya Sdn. Bhd.	Malaysia	100.00	Cultivation of oil palm
Blossom Plantations Sdn. Bhd.	Malaysia	100.00	Cultivation of oil palm
FGV Palm Industries Sdn. Bhd.	Malaysia	72.00	Investment holding, provision of tolling services related to the processing of FFB into CPO and PK and the sale of by-products from tolling activities
FGV Agri Services Sdn. Bhd.	Malaysia	76.90	Research and development, providing advisory services, sales of FFB, production and sale of agricultural products

Name of company	Place of incorporation	Effective equity interest (%)	Principal activities
Felda Travel Sdn. Bhd.	Malaysia	100.00	Travel and tour agent
Malaysia Cocoa Manufacturing Sdn. Bhd.	Malaysia	100.00	Dormant.
FGV Fertiliser Sdn. Bhd.	Malaysia	100.00	Manufacture and sales of fertilisers
FGV Prodata Systems Sdn. Bhd.	Malaysia	80.00	Provisions of information technology solutions, sales of computer hardware, software and equipment and system support services
FGV Johor Bulkers Sdn. Bhd.	Malaysia	73.10	Storing and handling of vegetable oil and trading in palm kernel shell
FGV Rubber Industries Sdn. Bhd.	Malaysia	71.40	Processing of raw latex to concentrated latex and standard malaysia rubber, manufacturing, trading and distribution of rubber related products
Felda Engineering Services Sdn. Bhd.	Malaysia	51.00	Engineering services including project management, sale of industrial equipment and property management
FGV Transport Services Sdn. Bhd.	Malaysia	51.00	Provision of transportation liquid and general cargo, courier, forwarding and jetty operation services
FGV Security Services Sdn. Bhd.	Malaysia	51.00	Provision of security services, sale of security appliances, sales and provision of services of fire protection equipment, pest control and training services
F.W.Q. Enterprises (Pvt.) Ltd.	Pakistan	65.00	Provision of liquid cargo storage terminal/jetty/berth facilities
FGV Logistics Sdn. Bhd.	Malaysia	100.00	Provision of transportation
FGV Products Sdn. Bhd.	Malaysia	100.00	Sales, marketing, and distribution of retail packed consumer products
FGV Refineries Sdn. Bhd.	Malaysia	48.00	Provision of CPO and palm kernel processing service

Name of company	Place of incorporation	Effective equity interest (%)	Principal activities
FGV Kernel Products Sdn. Bhd.	Malaysia	60.00	Buying and processing oil palm kernels, refined palm oil products and selling its products
Delima Oil Products Sdn. Bhd.	Malaysia	72.00	Manufacture of other food products N.E.C, wholesale of paddy, rice, flour, other grains and sugar and export and import of other foodstuffs
FGV Marketing Services Sdn. Bhd.	Malaysia	36.70	Marketing of FGV Group's commodity products
FNI Biofuel Sdn. Bhd.	Malaysia	72.00	Manufacturing of biomass fuel from empty fruit bunch
PT. Cashgrow Ventures	Indonesia	34.90	Commodity trading
Feltex Co. Ltd.	Thailand	36.40	Processing and marketing of latex concentrate
P.T. Felda Indo Rubber	Indonesia	50.00	Under liquidation
FGV Bulkers Sdn. Bhd.	Malaysia	86.30	Provision of installation services for storage and export of crude and refined palm oil, oleochemical products, palm kernel oil, palm kernel expeller and palm kernel shell for the FGV Group and external customers, and tank and warehouse rentals
Langsat Bulkers Sdn. Bhd.	Malaysia	73.10	Handling, storing and transhipping biodiesel, biofuel, palm oil products, oleo chemicals, soft oils and other vegetable oils
FGV Grains Terminal Sdn. Bhd.	Malaysia	70.30	Handling, storing, transporting, mixing and blending palm kernel meal and grains
Felda Properties Sdn. Bhd.	Malaysia	51.00	Property development and management, project management for logging activities and acting as manager in managing projects on behalf of FELDA

Name of company	Place of incorporation	Effective equity interest (%)	Principal activities
FGV Applied Technologies Sdn. Bhd.	Malaysia	100.00	Research and Development of mechanisation, automation, milling, biomass, bio and oleo chemicals and food technology
FGV Dairy Farm Sdn. Bhd.	Malaysia	60.00	Engaged in the business of agriculture, general trading and properties
FGV Agro Fresh Technology Sdn. Bhd.	Malaysia	52.00	Internet retail of groceries, including fresh produce and food items, and the trading, import, export, distribution and wholesaling of food products
FGV Chuping Agro Valley Sdn. Bhd.	Malaysia	100.00	Rubber, mango and oil palm plantation
FGV Dairy Industries Sdn. Bhd.	Malaysia	60.00	Manufacturing and trading of dairy products
FGV-PU India Pte. Ltd	India	70.00	Sale regional office including market intelligence and business development work for India market

As at the LPD, the associated companies of FGV are as follows:

Name of company	Place of incorporation	Effective equity interest (%)	Principal activities
Nilai Education Sdn. Bhd.	Malaysia	30.00	Management of an educational institute
FKW Global Commodities (PVT) Limited	Pakistan	30.00	Commodity trading
Malacca Plantation Sdn. Bhd.	Malaysia	34.30	Investment holding and cultivation of oil palm

As at the LPD, the joint venture companies of FGV are as follows:

Name of company	Place of incorporation	Effective equity interest (%)	Principal activities
FGV Iffco Sdn. Bhd.	Malaysia	50.00	Refining and packing of palm oil and kernel based products
Trurich Resources Sdn. Bhd.	Malaysia	50.00	Dormant
FPG Oleochemicals Sdn. Bhd.	Malaysia	50.00	Manufacturing and selling of oleochemical products
Malaysia Pakistan Venture Sdn. Bhd.	Malaysia	37.30	Investment holding
Mapak Edible Oils (Pvt) Ltd.	Pakistan	30.00	Refining and marketing of industrial palm oil products
FTJ Biopower Sdn. Bhd.	Malaysia	43.00	Developing, constructing, operating and maintaining a power plant
Kuala Muda Estate Joint Venture	Malaysia	50.00	Cultivation of oil palms

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of FGV Group based on its audited consolidated financial statements for the FYE 2022, 2023 and 2024 as well as the latest unaudited consolidated financial statements of FGV for the FPE 31 March 2025 are as follows:

		Audited		Unaudited FPE
	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	31 March 2025 RM'000
Revenue	25,561,543	19,359,186	22,157,528	5,035,875
PBZT	1,955,223	336,442	565,802	83,359
Zakat	(35,142)	(34,162)	(11,474)	(414)
Taxation	(651,480)	(189,838)	(230,561)	(35,601)
Profit after zakat and taxation	1,268,601	112,442	323,767	47,344
Profit attributable to:				
- Owners of the company	1,329,226	101,618	276,252	36,481
- Non-controlling interests	(60,625)	10,824	47,515	10,863
Weighted average number of FGV Shares in issue ('000)	3,648,152	3,648,152	3,648,152	3,648,152
Earnings per FGV Share attributable to owners of the Company (sen):	36.4	2.8	7.6	1.0
Dividend per Share (sen)	15.0	3.0	5.0	-

There were no exceptional items in the audited consolidated financial statements of FGV in the past 3 FYEs from FYE 2022 to FYE 2024 as well as the latest unaudited consolidated financial statements of FGV for the FPE 31 March 2025.

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7. **STATEMENT OF ASSETS AND LIABILITIES**

The statement of assets and liabilities of FGV Group based on its audited consolidated financial statements as at 31 December 2022, 31 December 2023 and 31 December 2024 as well as the latest unaudited consolidated financial statements as at 31 March 2025 are as follows:

	Audited as at 31 December			Unaudited as at
	2022	2023	2024	31 March 2025
	RM'000	RM'000	RM'000	RM'000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	7,727,964	7,908,289	8,116,031	8,210,840
Right-of-use assets	2,150,803	2,195,949	2,141,479	2,122,127
Investment properties	73,779	66,074	58,999	57,164
Intangible assets	939,983	889,593	928,531	927,351
Interests in associates	63,631	58,060	53,086	53,258
Interests in joint ventures	567,412	593,623	602,325	616,440
Receivables	123,557	159,511	170,847	162,900
Financial assets at fair value through profit and loss	6,588	5,340	2,533	2,531
Financial assets at fair value through other comprehensive income	162,670	160,973	148,541	144,713
Biological assets	1,491	4,717	1,919	664
Deferred tax assets	231,316	237,429	288,709	300,002
Tax recoverable	-	52,960	61,786	58,697
Total non-current assets	**12,049,194**	**12,332,518**	**12,574,786**	**12,656,687**
CURRENT ASSETS				
Inventories	2,361,423	1,626,911	2,330,019	2,082,822
Biological assets	86,698	65,087	110,920	132,762
Receivables	1,615,069	1,333,652	1,328,499	1,533,715
Amount due from ultimate holding company	25,654	32,329	39,595	91,533
Amounts due from other related companies	260,895	62,037	194,067	160,160
Amounts due from joint ventures	146,887	134,877	166,419	217,952
Amount due from an associate	4,300	38	38	38
Financial assets at fair value through profit or loss	74,767	89,857	105,414	112,486
Contract assets	47,298	26,139	15,272	43,681
Tax recoverable	10,129	44,139	19,882	29,041
Derivative financial assets	3,165	11,935	1,697	2,948
Deposits, cash and bank balances	1,397,106	1,523,234	1,728,363	1,239,197
Assets held for sale	28,041	-	-	-
Total current assets	**6,061,432**	**4,950,235**	**6,040,185**	**5,646,335**
TOTAL ASSETS	**18,110,626**	**17,282,753**	**18,614,971**	**18,303,022**

	Audited as at 31 December			Unaudited as at
	2022	2023	2024	31 March 2025
	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES				
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	7,029,889	7,029,889	7,029,889	7,029,889
Foreign exchange reserve	68,156	116,727	108,107	96,309
Reorganisation reserve	(3,089,497)	(3,089,497)	(3,089,497)	(3,089,497)
Other reserves	29,495	21,928	(3,549)	(6,698)
Retained earnings	2,193,614	1,892,868	2,059,338	1,913,403
Equity attributable to owners of the Company	6,231,657	5,971,915	6,104,288	5,943,406
Non-controlling interests	1,653,028	1,610,065	1,511,506	1,489,582
TOTAL EQUITY	**7,884,685**	**7,581,980**	**7,615,794**	**7,432,988**
NON-CURRENT LIABILITIES				
Borrowings	844,066	1,163,357	1,442,664	1,431,074
Lease liabilities	293,738	351,888	369,340	365,947
Land lease agreement ("**LLA**") liability	3,264,463	3,257,842	3,338,206	3,381,897
Derivative financial liabilities	193	11	-	-
Provision for asset retirement	32,119	32,674	37,710	37,716
Provision for defined benefit plan	47,981	62,072	62,097	62,434
Deferred tax liabilities	577,718	591,523	655,455	670,826
Total non-current liabilities	**5,060,278**	**5,459,367**	**5,905,472**	**5,949,894**
CURRENT LIABILITIES				
Payables	1,941,029	1,296,536	2,060,680	1,717,596
Contract liabilities	109,359	91,660	85,623	175,345
Amount due to ultimate holding company	239,203	276,663	224,972	194,839
Amounts due to other related companies	24,350	5,950	5,572	5,532
Amount due to a joint venture	42	506	238	-
Amount due to an associate	331	331	539	437
Derivative financial liabilities	17,742	403	7,485	699
Borrowings	1,881,578	2,269,445	2,304,971	2,449,134
Lease liabilities	37,621	30,637	40,625	39,307
Loans due to ultimate holding company	333,316	-	-	-
LLA liability	415,891	255,971	325,281	304,861
Provision for asset retirement	702	734	716	709
Current tax liabilities	164,499	12,570	37,003	31,681
Total current liabilities	**5,165,663**	**4,241,406**	**5,093,705**	**4,920,140**
TOTAL LIABILITIES	**10,225,941**	**9,700,773**	**10,999,177**	**10,870,034**
TOTAL EQUITY AND LIABILITIES	**18,110,626**	**17,282,753**	**18,614,971**	**18,303,022**

	Audited as at 31 December			Unaudited as at
	2022	2023	2024	31 March 2025
	RM'000	RM'000	RM'000	RM'000
Number of FGV Shares in issue ('000)	3,648,152	3,648,152	3,648,152	3,648,152
NA per FGV Share (RM)	1.71	1.64	1.67	1.63

As at the LPD, there were no material or unusual items affecting the financial position of FGV Group subsequent to the FPE 31 March 2025.

8. ACCOUNTING POLICIES

The audited consolidated financial statements of FGV for the FYE 2022, FYE 2023 and FYE 2024, and unaudited consolidated financial statements of FGV for the FPE 31 March 2025 have been prepared in accordance with the MFRS, International Financial Reporting Standards and the requirements of the Act. There was no audit qualification for FGV Group's financial statements for the respective years under review.

There is no change in the accounting standards adopted by FGV which would result in a material variation to the comparable figures for the audited consolidated financial statements of FGV for the FYE 2022, FYE 2023 and FYE 2024, and unaudited consolidated financial statements of FGV for the FPE 31 March 2025.

9. BORROWINGS

As at 31 March 2025, which is not more than 3 months preceding the LPD, the total outstanding borrowings of the FGV Group are as follows:

	RM'(000)
Current	
Secured	
Short term trade financing	5,997
Islamic term loans	95,071
Sukuk	50,000
Unsecured	
Islamic short term trade financing	2,241,714
Sukuk	56,041
Hire purchase	311
Non-current	
Secured	
Islamic term loans	137,220
Sukuk	298,884
Unsecured	
Sukuk	899,940
Hire purchase	95,030
Total borrowings	**3,880,208**

10. CONTINGENT LIABILITIES

Save as disclosed in **Section 12**, as at the LPD, there are no contingent liabilities incurred or known to be incurred by the FGV Group which, upon becoming enforceable, may have a material impact on the financial position of the FGV Group.

11. MATERIAL COMMITMENTS

Save as disclosed below, as at 31 March 2025, which is not more than 3 months preceding the LPD, there are no material commitments incurred or known to be incurred by FGV Group which, upon becoming enforceable, may have a material impact on the financial position of FGV Group.

	RM'000
Capital expenditure approved and contracted for:	
Property, plant and equipment	413,321
Total	**413,321**

12. MATERIAL LITIGATION

Save as disclosed below, FGV Group is not engaged in any material litigations, claims or arbitration either as plaintiff or as defendant, which may have a material impact on the financial position or business of the FGV Group and the Board is not aware of any proceedings, pending or threatened, against the FGV Group, or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position of business of the FGV Group as at the LPD:

(i) High Court of Sabah & Sarawak at Sandakan (Civil Suit No. SDK-22NCVC-9/5-2016 (HC)) brought by Abdul Malik bin Said Omar (suing as the Administrator of the Estates of the late Norhuda Bt S Said and 6 others) and Fathiyah binti S. Abdul Salam ("Plaintiffs") against SKSB ("Defendant")

Background/ Nature of Claim and Status	By a Writ of Summons dated 12 May 2016, the Plaintiffs had commenced the above legal proceedings on 30 June 2016 against the Defendant for the recovery of land held under title CL 085310443. The Plaintiffs alleged that the transfer of the land to the Defendant was done through fraud and forgery, which was completed prior to the acquisition of the Defendant by Pontian United Plantation Berhad. On 20 July 2018, the Sandakan High Court had allowed the Defendant's application to strike out the Plaintiffs' Statement of Claim, with cost of RM3,000.00 to be paid to the Defendant. The Plaintiffs vide a Notice of Appeal dated 14 August 2018 filed an appeal to the Court of Appeal on the whole decision given by the Sandakan High Court on 20 July 2018. On 24 July 2019, the Court of Appeal has decided that 1st and 3rd Plaintiff's cause of action has been caught by Sabah Limitation Ordinance **("SLO")**. It was further held that the 1st Plaintiff does not have *locus standi* to represent the 7 deceased persons. Hence, the 1st and 3rd Plaintiffs' appeal was dismissed with no order to cost. However, the Court found that the 2nd Plaintiff action would be sustained as it is not time barred by the SLO on the basis that the 2nd Plaintiff has no knowledge of the police report lodged by the 3rd Plaintiff. Hence, the Court has allowed the 2nd Plaintiff Appeal and the matter to be returned to the High Court for full trial.

On 21 August 2019, the Defendant's solicitors has filed the Notice of Motion to Federal Court to request for leave to appeal against the decision of the Court of Appeal in respect of the 2nd Plaintiff. The hearing of the Notice of Motion to Federal Court for leave to appeal was fixed for 29 September 2020.

On 29 September 2020, the Federal Court had refused to grant leave to the Defendant and instructed for the matter to be returned to the High Court.

On 16 August 2022, the Defendant has filed an application to strike out the 2nd Plaintiff's action for want of prosecution. However, on 6 October 2022, the Sandakan High Court has dismissed the Defendant's application.

In view of the above decision, the case has proceeded for trial on 17-20 January 2023 and 1 February 2023.

On 23 May 2023, the Sandakan High Court had dismissed the 2nd Plaintiff's action against the Defendant with cost of RM40,000.00 to be paid by the 2nd Plaintiff to the Defendant.

On 20 June 2023, the 2nd Plaintiff has filed an appeal against the Sandakan High Court's decision.

The Court of Appeal has fixed case management on 15 October 2025 and hearing for the appeal on 12 November 2025.

(ii) Arbitration at Asian International Arbitration Centre (AIAC) Case No. AIAC/D/ADM-662/2019 between Multazam Development Sdn Bhd ("Claimant") against FGV Plantations (Malaysia) Sdn Bhd ("Respondent")

Background/ Nature of Claim and Status

The Claimant commenced arbitration against the Respondent by service of a Notice of Arbitration on 27 December 2018. The arbitration was conducted under the rules of the Asian International Arbitration Centre ("AIAC").

In the arbitration, the Claimant claimed in excess of RM28 million against the Respondent for unpaid work done, the return of perform bond monies and damages for wrongful termination in respect of a project known as "Design & Build and Development of Estate Workers' Housing Comprising of Workers' Hostel and 6 Doors Single Storey Terrace and Other Ancillary Works in Peninsular Malaysia & Sarawak" **("the Project")** in whereby the Respondent was the employer and Claimant, the design and build contractor.

Meanwhile, the Respondent counterclaimed for the following:-

(i) Deduction for liquidated and ascertained damages **("LAD")** for RM470,250.00;

(ii) Additional costs of RM1,141,965,57 to complete the Project;

(iii) Damages for breach of contract comprising,

(a) additional costs of RM4,759,555.70 to employ new workers to replace absconded workers due to shortage of accommodation; and / or

(b) loss of earning of RM21,224,862.00 due to the decrease in workers.

The arbitration hearing concluded and the Final Award of the Tribunal dated 11 January 2024 was received by the Respondent from the AIAC. In the Final Award, the Tribunal dismissed the Claimant's claim for damages for wrong termination and awarded as follows:

(i) RM86,341.45 be paid by the Respondent to the Claimant (after setting-off/deducting RM470,450.00 in LAD from RM556,591.45 found to be value of unpaid works done by the Claimant as at the date of the Claimant's termination with interest at the rate of 5% per annum from the date of the Award until full satisfaction;

(ii) RM12,517,317.10 be paid by the Claimant to the Respondent (after setting-off/deducting the value of the Claimant's Performance Bond of RM3,750,000.00 from the RM16,267,317.10, assessed as the Respondent's additional costs for completion of the Project) with interest at the rate of 5% per annum from the date of the Award until full satisfaction;

(iii) Nett costs of RM294,000.00 be paid by the Claimant to the Respondent;

(iv) Cost of the Award amounting to RM418,935.17 be apportioned between the Claimant and the Respondent on an 80:20 basis, that is to say, RM335,148.14 be borne and paid by the Claimant and RM83,787.03 be borne and paid by the Respondent; and

(v) In the event either party fails to pay the costs of the Award in accordance with the aforesaid apportionment, the unpaid portion of the costs of the Award which ought to have been borne by the party responsible for such portion shall be deemed as payment due to the other party.

Following a request from the Respondent for an additional award to address its set-off claim in relation to costs favouring the Respondent against the Claimant in earlier adjudication proceedings and court proceedings between the parties amounting to RM152,864.15 that had been omitted from the Final Award, the Tribunal made an Additional Award on 9 May 2025 and a Corrective Award dated 14 May 2025 awarding as follows:

(i) The sum of RM86,341.45 awarded in favour of the Claimant is set off and deducted as of the date of the Final Award against the sum of RM152,864.15 adjudged/awarded/ordered in favour of the Respondent in the earlier adjudication and court proceedings; and

(ii) The interest awarded in favour of the Claimant to be paid by the Respondent in respect of the said sum of RM86,341.45 is calculated to result in a zero-sum payable.

The nett effect of the Final Award, the Additional Award and the Corrective Award is that a principal amount of slightly more than RM12.93 million has been awarded in favour of the Respondent against the Claimant in the arbitration.

On 6 May 2024, the Claimant applied to the Kuala Lumpur High Court to set aside the Final Award. The Respondent, on 2 July 2024, applied to the Kuala Lumpur High Court to; (1) the enforce the Final Award, the Additional Award and Corrective Award; and (2) for security payment of the awarded sums pending the disposal of the setting aside application.

The High Court on 29 November 2024 dismissed the Respondent's application for security payment and the Respondent, on 27 December 2024, appealed to the Court of Appeal against the High Court's decision. This appeal is presently scheduled for a case management on 25 June 2025 to fix a new hearing date for the Appeal following the vacation of the originally fixed hearing date of 9 July 2025.

The hearing of the Claimant's setting aside application and Respondent's enforcement application is fixed on 2 September 2025 but this hearing date is subject to a direction from Court of Appeal made on 26 March 2025 that the Appeal is to be heard one month before the hearing of the setting aside application.

(iii) Kuala Lumpur High Court (Civil Suit No. WA-22NCVC-807-11/2018) brought by our Company ("Plaintiff") against Tan Sri Mohd Isa bin Abdul Samad, former Chairman of FGV ("1st Defendant") and Dato Mohd Emir Mavani Abdullah, former group president/ Chief Executive Officer ("2nd Defendant") (collectively, "Defendants")

Background/ Nature of Claim and Status

The Plaintiff had on 30 November 2018 commenced the above legal proceedings against the 1st and 2nd Defendants as a result of loss suffered by the Plaintiff from the failure of the Defendants to discharge their respective fiduciary duty, duty of fidelity and/or duty to exercise reasonable care, skill and diligence towards the Plaintiff, which primarily concerned the acquisition by the Plaintiff of 2 luxury condominium units located at the Troika at 19, Persiaran KLCC, 50540 Kuala Lumpur ("**Troika Units**") at prices significantly above market value and without proper due diligence, and the wrongful and/or unauthorised use and possession of the Troika Units by the Defendants.

The above legal proceedings also pertain to the acquisition by the Plaintiff of a number of cars ("**Pool Cars**") and their misuse by the 2nd Defendant, as well as misuse of petrol benefit by the 2nd Defendant.

In this regard, the Plaintiff sought the following reliefs against the Defendants:

(i) RM2,918,672.00 jointly and severally against the 1st Defendant and the 2nd Defendant in relation to the acquisition of the Troika Units;

(ii) RM1,616,488.03 jointly and severally against the 1st Defendant and the 2nd Defendant in relation to the Defendants' use and possession of the Troika Units;

(iii) RM3,141,071.86 against the 2nd Defendant in relation to the Pool Cars;

(iv) RM10,837.10 against the 2nd Defendant in relation to the 2nd Defendant's petrol benefit;

(v) General damages to be assessed;

(vi) Aggravated damages;

(vii) Exemplary damages;

(viii) Interest at the rate of 5% per annum on damages awarded starting from the date of the filing of the suit until the date of full and final settlement;

(ix) Costs;

(x) Interest at the rate of 5% per annum on the amount of costs awarded starting from the date when the costs was awarded until the date of full and final settlement; and

(xi) Such other and further reliefs that the Court deems fit and proper.

The Trial proceeded and concluded on 19 December 2023 after thirty (30) witness were called.

On 29 March 2024, the High Court has delivered its judgement as follows: -

(i) The High Court allowed the Company's claim against the Defendants for the wrongful use of the Troika Units and causing the Plaintiff to incur substantial costs to furnish the Troika Units contrary to their duties owed to the company and not in accordance with the internal procedures of the Company.

(ii) The High Court also allowed the Company's claim against the 2nd Defendant for the misuse of the Pool Cars and petrol benefits.

(iii) The 1st Defendant was ordered to pay RM990,502.61 in damages which includes RM300,000.00 as exemplary damages. The 2nd Defendant was ordered to pay RM2,328,705.86 in damages with RM500,000.00 as exemplary damages ("Judgment Sum").

(iv) Costs of RM200,000.00 was also ordered against the Defendants respectively as well as interest at the rate of 5% per annum calculated on the Judgment Sum and costs from the date of judgement until full settlement.

Nevertheless, the High Court, however, dismissed the Company's claim in respect of the acquisition of the Troika Units.

On 23 April 2024, the Plaintiff was served with an appeal to the Court of Appeal by the 2nd Defendant against part of the High Court's Judgment delivered on 29 March 2024 ("High Court Judgment") that were unfavourable to the 2nd Defendant.

On 25 April 2024, the Plaintiff was served with an appeal to the Court of Appeal by the 1st Defendant against parts of the High Court's Judgment that were unfavourable to the 1st Defendant.

On 28 April 2024, the Plaintiff lodged an appeal to the Court of Appeal against parts of the High Court's Judgment that were unfavourable to the Plaintiff.

The 1st Defendant had on 20 May 2024 filed an application at Kuala Lumpur High Court for stay of execution pending disposal of the 1st Defendant's appeal and subsequently on 27 August 2024, after hearings parties' submissions, the High Court dismissed the 1st Defendant's application.

The Court of Appeal has fixed hearing of the appeals on 12 March 2026.

(iv) Kuala Lumpur High Court (Civil Suit No. WA-22NCC-98-03/2023) brought by our Company ("Plaintiff") against Mohd Emir Mavani Abdullah & 13 Others ("Defendants")

Background/ Nature of Claim and Status

The Plaintiff had on 23 November 2018 commenced the above legal proceedings against the following Defendants:

(i) Dato' Mohd Emir Mavani Abdullah ("**1st Defendant**"), the Plaintiff's former Group President / Chief Executive Officer and Non-Independent Executive Director.

(ii) Farisan Bin Mokhtar ("**2nd Defendant**"), the Plaintiff's former Senior Vice President, Business Development of Downstream Cluster, at the material time.

(iii) Rasydan Bin Alias Mohamed ("**3rd Defendant**"), the Plaintiff's former Senior General Manager, Downstream Cluster, at the material time.

(iv) Ahmad Tifli Bin Dato Mohd Talha ("**4th Defendant**"), the Plaintiff's former Chief Financial Officer.

(v) Tan Sri Hj. Mohd Isa Dato Hj. Abdul Samad ("**5th Defendant**"), the Plaintiff's former Chairman of the Board and Non-Independent Non-Executive Director.

(vi) Datuk Dr. Omar Salim ("**6th Defendant**"), the Plaintiff's former Non-Independent Non-Executive Director.

(vii) Datuk Noor Ehsanuddin Mohd Harun Narrashid ("**7th Defendant**"), the Plaintiff's former Independent Non-Executive Director.

(viii) Dato' Yahaya Abd Jabar ("**8th Defendant**"), the Plaintiff's former Senior Independent Non-Executive Director.

(ix) Datuk Haji Faizoull Ahmad ("**9th Defendant**"), the Plaintiff's former Non-Independent Non-Executive Director.

(x) Tan Sri Dato' Paduka Ismee Ismail ("**10th Defendant**"), the Plaintiff's former Independent Non-Executive Director.

(xi) Tan Sri Dato' Dr. Wan Abdul Aziz Wan Abdullah ("**11th Defendant**"), the Plaintiff's former Independent Non-Executive Director.

(xii) Tan Sri Dr Sulaiman Mahbob ("**12th Defendant**"), the Plaintiff's former Independent Non-Executive Director.

(xiii) Datuk Nozirah Bahari ("**13th Defendant**"), the Plaintiff's former Non-Independent Non-Executive Director.

(xiv) Datuk Fazlur Rahman Ebrahim ("**14th Defendant**"), the Plaintiff's former Independent Non-Executive Director.

The above legal proceedings concerned the Plaintiff's acquisition of 100% equity interest in Asian Plantation Limited ("**APL**") via a voluntary conditional cash offer in 2014, whereby the Plaintiff brought this action for loss suffered as a result of the Defendants' failure to discharge their respective fiduciary and statutory duties, duties or fidelity and/or duties to exercise reasonable care, skill and diligence towards the Plaintiff.

In this regard, the Plaintiff sought the following reliefs against the Defendants:

(i) Damages totalling RM514 million for loss from the acquisition APL. Alternatively, damages for loss from the acquisition of APL to be assessed by the High Court;

(ii) General damages;

(iii) Interest at the rate of 5% per annum on damages awarded starting from the date of the filing of the suit until the date of full and final settlement;

(iv) Costs;

(v) Interest at the rate of 5% per annum on the amount of costs awarded starting from the date when the costs was awarded until the date of full and final settlement; and

(vi) Such other and further reliefs that the Court deems fit and proper.

All Defendants had filed their respective defences and the Plaintiff had filed replies to all the defences. The 2nd and 3rd Defendants, 4th Defendant, 5th Defendant and 8th Defendant filed Rejoinders and the Plaintiff filed Surrejoinders accordingly.

The 10th Defendant, the 11th Defendant, the 12th Defendant, the 13th Defendant and the 14th Defendant ("**10th to 14th Defendants**") had on 11 February 2019 filed a counterclaim with their defence **("Counterclaim")**, the Counterclaim was against the Plaintiff and the following individuals:

(1) Azhar bin Abdul Hamid;
(2) Mohd Hassan bin Ahmad;
(3) Othman bin Omar;
(4) Mohamed Nazeeb bin P.Alithambi;
(5) Salmiah binti Ahmad;
(6) Hoi Lai Peng;
(7) Yusli bin Mohamed Yusoff;
(8) Nesadurai Kalanithi;
(9) Mohd Anwar bin Yahya; and
(10) Mohamad Suffian bin Awang

(the above individuals (1) to (10) are collectively referred to as "**the Counterclaim Defendants**", who are at the time of the Counterclaim, the members of our board).

The Counterclaim was premised on the tort of abuse of process, malicious prosecution and alleged breaches of fiduciary duties by the Counterclaim Defendants'. The Counterclaim sought for the following reliefs, jointly and severally, against the Plaintiff and the Counterclaim Defendants:

(i) Declaration that the Plaintiff and the Counterclaim Defendants are liable for the loss of RM514 million (in the Plaintiff's legal proceedings) (if any);

(ii) Order that any damages (from Plaintiff's legal proceedings) (if any) imposed against the 10th to 14th Defendants shall be indemnified by the Plaintiff and the Counterclaim Defendants;

(iii) General damages;

(iv) Interest at a rate of 5% per annum on the damages awarded starting from the date of the filling of the Counterclaim until the date of full and final settlement;

(v) Costs; and

(vi) Such other and further reliefs that the Court deems fit and proper.

An application was filed to strike out the Counterclaim. On 8 November 2019, the Court allowed the Plaintiff's application to strike out the Counterclaim with costs of RM8,000.00. The 10th to 14th Defendants filed an appeal against the striking out decision **("Appeal")** and at the same time applied for a stay of the High Court proceedings pending the disposal of the appeal. **("Stay Application")**

On 6 September 2021, the Court of Appeal had accepted 10th to 14th Defendants appeal and reversed the High Court's decision. On 5 October 2021, Notice of Motion and Affidavit in Support of the Application for Leave to Appeal to the Federal Court has been filed by the Plaintiff.

On 5 October 2022, the Federal Court dismissed the Plaintiff's application for Leave to Appeal and therefore the main action and Counterclaim will proceed to trial in the High Court.

On 6 March 2023, the case was transferred to the Commercial Court (NCC2) under a new suit number, WA-22NCC-98-03/2023 (previous suit number was WA-22NCVC-779-11/2018).

The High Court had on 27 November 2023 allowed the 1st Defendant's and 10th-14th Defendants Amendment Application to the Counter Claim.

The High Court has fixed trial dates in September 2025: 2 – 4, 17 – 19 and 22 – 26. The Plaintiff's solicitors are unable to advise the prospect outcome of the case at this stage as the matter is still at the pre-trial preparation stage and parties are still in the midst of preparing witness statements.

(v) Kuala Lumpur High Court (Civil Suit No. WA-22NCvC-364-05/2021) VDSL Technology Sdn. Bhd. ("the Plaintiff") v FGV Prodata ("1st Defendant") and FELDA ("2nd Defendant")

Background/ Nature of Claim and Status

On 18 May 2021, FGV Prodata had been served with the sealed Writ and Statement of Claim, both dated 12 May 2021 filed by the Plaintiff, VDSL Technology Sdn. Bhd. ("**VDSL**") ("**Legal Suit**").

The Plaintiff seeks certain declarations and certain payments including damages (both general damages and special damages) together with interest and alternatively the value of benefit for the services received. The special damages sought are for the sums of RM170,707,600.00 (a claim restitution for the same sum is also made) and RM69,193,372.32 together with interest effectively from 12 November 2019 to date of full payment and costs. The claims against the 1st Defendant and the 2nd Defendant are on a joint and several basis.

These claims of VDSL are based on certain alleged breaches relating to a project called the Felda Broadband Initiative Project.

The Court required parties to explore and discuss possible settlement via a Court assisted mediation and fixed 11 May 2022 as the mediation date. The Court also fixed 2 June 2022 for the hearing of all interlocutory applications before the High Court Judge.

On 11 May 2022, after hearing parties, the Mediator acknowledged that the mediation was unsuccessful.

In view of the outcome of the mediation, the hearing of all interlocutory applications continued on 2 June 2022 and the Court fixed these applications for decision on 16 December 2022.

On 16 December 2022, the High Court made the following decisions on the interlocutory applications:

(i) the Court recorded a Consent Order between the Plaintiff and the 2nd Defendant in respect of the Protective Order application and the 2nd Defendant 's Discovery application;

(ii) the Court allowed the Plaintiff 's Protective Order application vis-à-vis the 1st Defendant with costs in the cause; and

(iii) The Court dismissed the respective security for costs applications filed by the respective Defendants with costs of RM5,000.00 each.

The respective Defendants filed their respective appeals against the High Court's decision dismissing their respective applications for security for costs. The Court of Appeal had on 10 August 2023 allowed the respective appeals of the respective Defendants' for security for costs and directed the Plaintiff to pay a sum of RM100,000 each as security for costs to the respective Defendants.

The High Court has fixed the matter for trial on 16, 17 and 18 June 2025. The matter proceeded with trial on these dates and the matter is now fixed for continued hearing on 7 July 2025 and 1 and 2 April 2026 – further trial dates are likely to be fixed in due course.

(vi) Kota Kinabalu High Court (Civil Suit No.: BKI-22NCvC-21/3-2023) Euggne Kousai ("Plaintiff") v Sri Kehuma Sdn. Bhd. ("1st Defendant") & Yapidmas Plantations Sdn. Bhd. ("2nd Defendant")

Background/ Nature of Claim and Status

The Plaintiff had on 13 March 2023 commenced the legal proceedings against the Defendants on the following grounds:

(i) The existing Lease Agreements between the Plaintiff and the Defendants are tainted with fraud and illegality;

(ii) Continuing trespass by the 2nd Defendant in occupying the Plaintiff's lands without consent; and

(iii) Illegal use of the Plaintiff's land tittles.

In this regard, the Plaintiff sought the following reliefs against the Defendants:

(i) Loss of lease of rental in aggregate sum of RM2,000.00 per month for each land title x 41 titles in the amount of RM14,924,000.00;

(ii) Damages for illegal use of the original tittles as collateral for the purpose of obtaining loan from financial institutions in the amount of RM10,000,000.00 together with interest at 5% per annum;

(iii) A declaration that the alleged illegal clause in the Lease Agreements is void and has no effect;

(iv) A declaration that the 1st and 2nd Subleases are illegal and void;

(v) An injunction to compel the Defendants to surrender the original tittles of the said Lands to the Plaintiff;

(vi) An injunction to restrain any further dealings on the said Lands and all assets to be removed from the said Lands;

(vii) Interest at 5% per annum on the Judgment Sum from date of Judgment until date of full and final settlement;

(viii) Cost of this action on a solicitor-client basis in the amount of RM100,000.00.; and

(ix) Such further or other reliefs that the Honorable Court may deem fit and proper in the circumstances.

The High Court had on 20 September 2023, order for the Plaintiff's application for Order 14A be strucked out with costs of RM1,000.00 to be paid by the Plaintiff to the Defendants.

Subsequently, the Defendants had on 31 October 2023 filed an application under Order 18 of the Rules of Court 2012 to strike out the Plaintiff's summon. On 17 May 2024, the Court allowed the Defendants' application to strike out the Plaintiff's summon with costs of RM2,000.00 to be paid by the Plaintiff to the Defendants. The Plaintiff had on 14 June 2024 filed an appeal against the High Court's decision to the Court of Appeal. The Court of Appeal has fixed the hearing for the appeal on 12 November 2025.

Based on the information and documents available, the solicitors are of the view that the Defendants have a reasonably good chance at succeeding in the appeal by the Plaintiff at the Court of Appeal based on the grounds of limitation and res judicata.

(vii) Kuala Lumpur High Court (Civil Suit No.: WA-22NCC-769-11/2024) South Asian International Distribution Sdn. Bhd. ("Plaintiff") v FGV Bulkers Sdn. Bhd. ("Defendant")

Background/ Nature of Claim and Status

The Plaintiff filed the claim in the High Court of Malaya at Kuala Lumpur concerning a dispute over a Supply and Delivery Agreement ("**SDA**") dated around 28 February 2023 for the sale and purchase of palm kernel shells, seeking the following reliefs:

(a) A declaration that any agreement (whether expressly or impliedly made by the Plaintiff) to the increase of price of PKS within the 6 month period under Clause 5.1 of the SDA shall be null and void;

(b) Damages in the sum of RM4,443,859.70 being losses pleaded in paragraph 17 of the Statement of Claim ("**SOC**");

(c) Damages in the sum of RM86,399,575 being losses pleaded in paragraph 24 of the SOC;

(d) General damages;

(e) Pre-judgment interest pursuant to Section 11 of the Civil Law Act 1956;

(f) Post judgment interest;

(g) Costs

The Plaintiff filed a summary judgment application seeking the following reliefs:

(a) A declaration that any agreement (whether expressly or impliedly made by the Plaintiff) to the increase of price of PKS within the 6 month period under Clause 5.1 of the SDA shall be null and void;

(b) Damages in the sum of RM4,443,859.70 being losses pleaded in paragraph 17 of the Statement of Claim ("SOC");

(c) General damages;

(d) Pre-judgment interest pursuant to Section 11 of the Civil Law Act 1956;

(e) Post judgment interest;

(f) Cost

At this juncture, the Hearing of the summary judgment application and the next Case Management for the main suit is fixed on **25 August 2025 at 9a.m.** physically before the High Court Judge, YA Tuan Wan Muhammad Amin Bin Wan Yahya.

13. MATERIAL CONTRACTS

Save as disclosed below, FGV Group has not entered into any other material contracts (not being contracts entered into the ordinary course of business) during the past 2 years preceding the commencement of the Offer Period and up to the LPD:

(i) proposed acquisitions by FGV Palm Industries Sdn Bhd, an indirect 72%- owned subsidiary of FGV, of the remaining equity interest in three (3) non-wholly owned subsidiaries of FGV Palm Industries Sdn Bhd from KPF, namely FGV Kernel Products Sdn Bhd, FGV Refineries Sdn Bhd and FGV Marketing Services Sdn Bhd, for a cash consideration of RM54,696,719; and

(ii) proposed acquisitions by Felda Holdings Bhd, a wholly-owned subsidiary of FGV, of the remaining equity interest in five (5) non-wholly owned subsidiaries of Felda Holdings Bhd from KPF, namely FGV Agri Services Sdn Bhd, FGV Transport Services Sdn Bhd, FGV Security Services Sdn Bhd, FGV Prodata Systems Sdn Bhd and FGV Rubber Industries Sdn Bhd, for a cash consideration of RM175,054,633,

(collectively, referred to as the "**Proposed Acquisitions**").

The Offeror has taken note of the rationale, benefits and effects of the Proposed Acquisitions, as well as the expected completion date of the Proposed Acquisitions, and it confirms that:

(a) the Proposed Acquisitions are acceptable to the Offeror and the Offeror has no objection for the Proposed Acquisitions to be carried out by the Offeree Group from the date of the Notice until the date where the Offer is completed, lapsed or withdrawn, whichever earlier; and

(b) the Offeror undertakes not to abort the Offer or revise the Offer Price to an amount lower than the Offer Price of RM1.30 per FGV Share as stated in this Offer Document.

FURTHER INFORMATION

1. CONSENTS

Kenanga IB and Maybank IB have given and have not subsequently withdrawn their written consents to the inclusion of their names and all references to them in the form and context in which they appear in this IAC, prior to the despatch of this IAC.

2. DISCLOSURE OF INTERESTS AND DEALINGS IN SECURITIES

2.1 By FGV

(i) Disclosure of interests in the Offeror

Not applicable as the Offeror is a government statutory body and does not have any voting shares and/or convertible securities.

(ii) Dealings in the securities of the Offeror

Not applicable as the Offeror is a government statutory body and does not have any voting shares and/or convertible securities.

(iii) Dealings in the securities of FGV

FGV has not dealt, directly or indirectly, in any of its own voting shares during the period commencing 6 months prior to the beginning of the Offer Period and up to the LPD.

2.2 By the Directors of FGV

(i) Disclosure of interests in the Offeror

Not applicable as the Offeror is a government statutory body and does not have any voting shares and/or convertible securities.

(ii) Dealings in the securities of the Offeror

Not applicable as the Offeror is a government statutory body and does not have any voting shares and/or convertible securities.

(iii) Disclosure of interests in FGV

As at the LPD, the Directors do not have any interest, whether direct or indirect, in any voting shares and/or convertibles of FGV.

(iv) Dealings in the securities of FGV

The Directors have not dealt, directly or indirectly, in any voting shares and/or convertible securities of FGV during the period commencing 6 months prior to the beginning of the Offer Period and up to the LPD.

2.3 By the persons with whom FGV or any persons acting in concert with it has any arrangement over FGV Shares

As at the LPD, FGV or any persons acting in concert with it has not entered into any arrangement, including any arrangement involving rights over shares, any indemnity arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to FGV Shares which may be an inducement to deal or to refrain from dealing, in relation to the Offer.

2.4 By the persons with whom FGV or any persons acting in concert with it has borrowed or lent

As at the LPD, there is no person with whom FGV or any persons acting in concert with it has borrowed or lent any voting shares and/or convertible securities of FGV.

2.5 By Kenanga IB and funds whose investments are managed by Kenanga IB on a discretionary basis ("Discretionary Funds")

Save as disclosed below, Kenanga IB and its Discretionary Funds do not have any interest, whether direct or indirect, in any voting shares or convertible securities of FGV as at the LPD.

(i) Disclosure of interests in FGV

Save as disclosed below, as at the LPD, Kenanga IB and its Discretionary Funds do not have any interest whether direct or indirect, in any voting shares and/or convertible securities of FGV.

	Direct		Indirect	
Name	No. of FGV Shares	(1)%	No. of FGV Shares	(1)%
Kenanga IB	26,000	*	-	-
Kenanga IB's Discretionary Funds	-	-	-	-

Note:

* Negligible

(1) Computed based on 3,648,151,500 FGV Shares in issue as at the LPD.

(ii) Dealings in the securities of FGV

Save as disclosed below, Kenanga IB and its Discretionary Funds have not dealt, directly or indirectly, in any voting shares or convertible securities of FGV during the period commencing 6 months prior to the beginning of the Offer Period and up to the LPD.

Date of transaction	Nature of transaction	No. of FGV Shares	(1) %	Transacted price per FGV Share (RM)
27 November 2024 – 19 June 2025	Acquire	444,900	0.0122	1.0800 - 1.1700
	Disposal	444,900	0.0122	1.0800 - 1.1700

Note:

(1) Computed based on 3,648,151,500 FGV Shares in issue as at the LPD.

3. ARRANGEMENT AFFECTING DIRECTORS

As at the LPD:

(i) there is no payment or other benefit which will be made or given to any Director as compensation for loss of office or otherwise in connection with the Offer;

(ii) there is no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Offer or otherwise connected with the outcome of the Offer; and

(iii) there is no material contract entered into by the Offeror in which any Director has a material personal interest.

4. SERVICE CONTRACTS

As at the LPD, there are no service contracts entered into by any of the Directors or proposed Directors with FGV Group, which have been entered into or amended within 6 months before the commencement of the Offer Period, or which are fixed term contracts with more than 12 months to run.

For the purpose of this section, the term "service contracts" excludes those expiring or determinable by the employing company without payment of compensation within 12 months from the date of this IAC.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of FGV at Level 21, Wisma FGV, Jalan Raja Laut, 50350, Kuala Lumpur during normal business hours from 8.30 a.m. to 5.30 p.m. (Malaysian time) on Mondays to Fridays (except public holidays) from the date of this IAC up to and including the Closing Date:

(i) the constitution of FGV;

(ii) the audited consolidated financial statements of FGV for the FYE 2022, FYE 2023 and FYE 2024 as well as the latest unaudited consolidated financial statements of FGV for the FPE 31 March 2025;

(iii) a copy of the Notice;

(iv) a copy of the letter from the SC notifying it has no further comments on this IAC dated 25 June 2025;

(v) the cause papers in respect of the material litigation referred in **Section 12 of Appendix I**;

(vi) the material contracts as referred to in **Section 13 of Appendix I**; and

(vii) the letters of consent as referred to in **Section 1 of this Appendix II**.