

## 9. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors  
Felda Global Ventures Holdings Berhad  
PwC/TSP/MBJ/lh/2016J  
21 May 2012

## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.16 INTERESTS IN JOINTLY CONTROLLED ENTITIES

	As at 31 December		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
Share of net assets of jointly controlled entities	<u>33,587</u>	<u>33,471</u>	<u>41,299</u>

FHB's share of the assets and liabilities in the jointly controlled entities are as follow:

	As at 31 December		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
Non-current assets	286,257	15,261	15,313
Current assets	171,464	18,485	37,944
Current liabilities	(208,276)	(135)	(538)
Non-current liabilities	(215,858)	(140)	(11,420)
Net assets	<u>33,587</u>	<u>33,471</u>	<u>41,299</u>

FHB's shares of the results of the jointly controlled entities are as follow:

	As at 31 December		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
Gross profit	28,782	5,575	9,197
Other operating income	782	743	600
Expenses	(12,143)	(912)	(2,382)
Taxation	-	-	-
Profit after taxation	<u>17,421</u>	<u>5,406</u>	<u>7,415</u>

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## 9.16 INTERESTS IN JOINTLY CONTROLLED ENTITIES (CONTINUED)

Details of the jointly controlled entities, which have financial years ended 31 December, are as follow:

Name of company	Country of incorporation	FHB's effective interest			Principal activities
		2009 %	2010 %	2011 %	
<u>Direct jointly controlled entities</u>					
Kuala Muda Estate Joint Venture	Malaysia	50.0	50.0	50.0	Rubber and oil palm plantation and sale of rubber and oil palm products
<u>Indirect jointly controlled entities</u>					
FTJ Biopower Sdn. Bhd.	Malaysia	51.0	43.2	43.2	Dormant
ProXcel Sdn. Bhd.	Malaysia	-	40.0	40.0	Consulting, advisory, training, managing and outsourcing ICT services.
Sahabat Renewable Fuel Ventures Sdn. Bhd.	Malaysia	-	-	36.7	Develop, construction, fabrication and operation of a conversion biomass plant.

(i) Financial year ended 31 December 2009

- I FHB acquired 51% equity interest in a newly set up joint venture entity, FTJ Biopower Sdn. Bhd. ('FTJ') for a total consideration of RM500,000.
- II The investment in Felda Iffco Sdn. Bhd. was disposed off to FGVH for a total consideration of RM168,716,470, which resulted in a net gain on disposal of RM10,369,630 for FHB.

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## 9.16 INTERESTS IN JOINTLY CONTROLLED ENTITIES (CONTINUED)

(ii) Financial year ended 31 December 2010

- I On 12 December 2010, a shareholder of FTJ, Electric Power Development Co. Ltd., withdrew from participation in FTJ pursuant to the Shareholder Agreement dated 1 December 2008 and transferred 310,000 and 180,000 of its shares to Tenaga Nasional Berhad and FPISB respectively. Consequently, FPISB's equity interest in FTJ increased from 51% to 60% during the financial year ended 31 December 2010.

The Shareholder Agreement was unaffected by the increase in shareholdings of the remaining parties of the joint venture, as such, FTJ continues to be classified as a jointly controlled entity of FHB as at 31 December 2011.

- II On 21 June 2010, ProXcel Sdn. Bhd. was incorporated with a total paid up capital of RM2.

(iii) Financial year ended 31 December 2011

- I On 12 July 2011, Sahabat Renewable Fuel Ventures Sdn. Bhd. was incorporated with total paid up capital of RM100,000, of which FPISB, a subsidiary of FHB, owns 51% equity interest. The effective interest of FHB is 36.7%. The company has yet to commence its operation as at 31 December 2011.

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## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.17 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	As at 31 December		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
At 1 January, as previously stated	-	-	193,870
Adjustments on application of FRS 139 (Note 6(a))	-	98,004	-
At 1 January, as restated	-	98,004	193,870
Additions	-	95,298	1,202
Disposals	-	(1,399)	-
Gains transferred to available-for-sale reserve	-	1,967	45,682
	-	193,870	240,754
Available-for-sale financial assets comprise the following:			
Quoted equity securities:			
- In Malaysia	-	54,706	82,259
Unquoted equity securities:			
- In Malaysia	-	132,727	150,948
- Outside Malaysia	-	4,630	5,740
Quoted unit trust securities:			
-In Malaysia	-	1,807	1,807
	-	193,870	240,754

Available-for-sale financial assets are denominated in the following currencies:

	As at 31 December		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
- RM	-	189,240	235,014
- USD	-	4,630	5,740
	-	193,870	240,754

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## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.18 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
At 1 January			
Effect of adoption of FRS 139 (Note 6(a))	-	9,034	19,631
At 1 January, as restated	-	9,034	19,631
Additions	-	9,502	6,955
Fair value changes taken into profit or loss (Note 9.3)	-	1,095	321
	-	19,631	26,907
<u>Quoted investments</u>			
In Malaysia	-	7,120	7,472
Outside Malaysia	-	12,511	19,435
	-	19,631	26,907

## 9.19 LONG TERM INVESTMENTS

	As at 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
Quoted investments in Malaysia, at cost	45,040	-	-
Allowance for diminution in value	(3,375)	-	-
	41,665	-	-
Unquoted investments, at cost	51,569	-	-
Allowance for diminution in value	(24,147)	-	-
	27,422	-	-
	69,087	-	-
Market value of quoted investments	39,205	-	-

The long term investments were reclassified upon adoption of FRS 139 (Note 6(a)).

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## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.20 BIOLOGICAL ASSETS

Non-current

	Mature <u>area</u> RM'000	Immature <u>area</u> RM'000	<u>Livestock</u> RM'000	<u>Total</u> RM'000
<u>2009</u>				
<u>Cost</u>				
At 1 January	46,002	6,636	6,477	59,115
Additions	-	960	1,975	2,935
Disposals	-	-	(2,714)	(2,714)
Reclassifications	973	(973)	-	-
Write-offs	-	-	(760)	(760)
Transfer from property, plant and equipment (Note 9.10)	8,484	-	-	8,484
At 31 December	55,459	6,623	4,978	67,060
<u>Accumulated amortisation and impairment losses</u>				
At 1 January	-	1,219	2,980	4,199
Amortisation for the year	-	-	701	701
Impairment loss	-	1,719	-	1,719
Disposals	-	-	(1,207)	(1,207)
Write-offs	-	-	(394)	(394)
At 31 December	-	2,938	2,080	5,018
Net book value at 31 December	55,459	3,685	2,898	62,042

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## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.20 BIOLOGICAL ASSETS (CONTINUED)

Non-current

	<u>Mature area</u> RM'000	<u>Immature area</u> RM'000	<u>Livestock</u> RM'000	<u>Total</u> RM'000
<u>2010</u>				
<u>Cost</u>				
At 1 January	55,459	6,623	4,978	67,060
Additions	-	717	1,095	1,812
Disposals	-	-	(748)	(748)
Reclassifications	815	(815)	-	-
Write-offs	-	-	(432)	(432)
Transfer from biological assets (current)	-	-	1,587	1,587
At 31 December	56,274	6,525	6,480	69,279
<u>Accumulated amortisation and impairment losses</u>				
At 1 January	-	2,938	2,080	5,018
Amortisation for the year	-	-	111	111
Impairment loss	-	2,500	2,444	4,944
Disposals	-	-	(404)	(404)
Write-offs	-	-	(230)	(230)
Transfer from biological assets (current)	-	-	692	692
At 31 December	-	5,438	4,693	10,131
Net book value at 31 December	56,274	1,087	1,787	59,148

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## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.20 BIOLOGICAL ASSETS (CONTINUED)

Non-current

	Mature area RM'000	Immature area RM'000	Livestock RM'000	Total RM'000
<u>2011</u>				
<u>Cost</u>				
At 1 January	56,274	6,525	2,825	65,624
Additions	251	13	180	444
Disposals	(253)	-	(875)	(1,128)
Reclassifications	20	(20)	-	-
Write-offs	(491)	(1,842)	(17)	(2,350)
Transfer from biological assets (current)	-	-	205	205
At 31 December	55,801	4,676	2,318	62,795

Accumulated amortisation  
and impairment losses

At 1 January	-	5,438	1,038	6,476
Depreciation charge	-	-	337	337
Disposals	-	-	(503)	(503)
Impairment loss/(reversal of impairment)	2,251	(1,719)	-	532
At 31 December	2,251	3,719	872	6,842
Net book value at 31 December	53,550	957	1,446	55,953

Current

	<u>2009</u> RM'000	<u>2010</u> RM'000	<u>2011</u> RM'000
Livestock	18,032	1,958	3,196
Orchards	173	71	-
	18,205	2,029	3,196

Certain current biological assets under livestock had been written down by RM2,251,750 (2010: RM9,919,224, 2009: RM Nil).



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## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.21 PREPAID LEASE PAYMENTS

The prepaid lease payments were payment for rights to use the following:

	Leasehold land RM'ooo
<u>2009</u>	
<u>Cost</u>	
At 1 January, as previously stated	210,493
Effects of amendment to FRS 117 (Note 6(a))	(146,307)
At 1 January, as restated	64,186
Additions	5,437
Currency translation differences	(119)
Write-offs	(1,755)
Transfer from property, plant and equipment (Note 9.10)	8,484
Transfer to assets held for sale (Note 9.31)	(677)
At 31 December	75,556
<u>Accumulated amortisation and impairment losses</u>	
At 1 January, as previously stated	57,321
Effects of amendment to FRS 117 (Note 6(a))	(36,959)
At 1 January, as restated	20,362
Amortisation charge	6,674
Currency translation differences	(15)
Write-offs	(1,755)
Reversal of impairment loss	(1,660)
Transfer to assets held for sale (Note 9.31)	(442)
At 31 December	23,164
Net book value at 31 December	52,392

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## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.21 PREPAID LEASE PAYMENTS (CONTINUED)

	Leasehold land RM'ooo
<u>2010</u>	
<u>Cost</u>	
At 1 January, as previously stated	221,863
Effects of amendment to FRS 117 (Note 6(a))	(146,307)
At 1 January, as restated	75,556
Additions	-
Currency translation differences	(209)
Transfer from property, plant and equipment (Note 9.10)	669
At 31 December	76,016
<u>Accumulated amortisation and impairment losses</u>	
At 1 January, as previously stated	60,123
Effects of amendment to FRS 117 (Note 6(a))	(36,959)
At 1 January	23,164
Amortisation charge	3,514
Currency translation differences	(31)
At 31 December	26,647
Net book value at 31 December	49,369

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## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.21 PREPAID LEASE PAYMENTS (CONTINUED)

	Leasehold land RM'000
<u>2011</u>	
<u>Cost</u>	
At 1 January	76,016
Additions	2,572
Currency translation differences	(22)
At 31 December	<u>78,566</u>
<u>Accumulated amortisation and impairment losses</u>	
At 1 January	26,647
Amortisation charge	5,046
Impairment loss	90
Currency translation differences	(4)
At 31 December	<u>31,779</u>
Net book value at 31 December	<u><u>46,787</u></u>

Prepaid lease payments with a net book value of RM Nil (2010: RM2,449,775, 2009: RM5,847,337) were charged to banks as security for term loan (Note 9.34).

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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.22 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	As at 31 December		
	2009 RM'000	2010 RM'000	2011 RM'000
Subject to income tax			
- Deferred tax assets	48,358	43,872	44,386
- Deferred tax liabilities	(125,876)	(148,529)	(171,563)
At 1 January	(18,843)	(77,518)	(104,657)
Acquisition of a subsidiary (Note 9.14)	-	-	(131)
(Charged)/credited to profit or loss (Note 9.8):			
- property, plant and equipment	(37,061)	(13,586)	(43,940)
- provisions	(5,404)	(4,896)	18,577
- tax losses	(640)	1,108	12,888
- others	(11,082)	(9,765)	(9,914)
Over accrual of deferred tax in respect of prior year	(54,187)	(27,139)	(22,389)
Transfer to assets held for sale (Note 9.31)	(6,244)	-	-
Deemed disposal of a subsidiary (Note 9.14)	259	-	-
At 31 December	(77,518)	(104,657)	(127,177)
Deferred tax assets			
- property, plant and equipment	12,880	17,368	8,837
- provisions	30,308	30,941	49,518
- tax losses	8,347	7,184	20,072
- others	30,395	16,716	4,508
Amount before offsetting	81,930	72,209	82,935
Offsetting	(33,572)	(28,337)	(38,549)
	48,358	43,872	44,386

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## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.22 DEFERRED TAXATION (CONTINUED)

	As at 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
Deferred tax liabilities			
- property, plant and equipment	(156,238)	(174,572)	(210,112)
- others	(674)	(2,294)	-
- dividend receivable	(2,536)	-	-
Amount before offsetting	(159,448)	(176,866)	(210,112)
Offsetting	33,572	28,337	38,549
	(125,876)	(148,529)	(171,563)

The amount of unused tax losses and unabsorbed reinvestment allowances for which no deferred tax assets are recognised in the statement of financial position by certain subsidiaries as the Directors are of the view it is not probable that sufficient taxable profits will be available to allow the deferred tax assets to be utilised are as follows:

	As at 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
Unused tax losses	80,832	60,633	26,363
Unabsorbed reinvestment allowances	9,296	-	-
	90,128	60,633	26,363

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## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.23 INVENTORIES

	As at 31 December		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
Finished goods for resale	1,020,400	903,243	863,509
Raw materials	188,750	163,155	322,792
Chemicals	865	340	490
Stores, consumables and replaceable products	29,524	50,144	24,704
Work-in-progress	12,568	2,892	9,289
	<u>1,252,107</u>	<u>1,119,774</u>	<u>1,220,784</u>

Write-down of inventories included as an expenses during the financial year amounted to RM15,223,000 (2010: RM545,000, 2009: RM4,127,000).

## 9.24 TRADE RECEIVABLES

	As at 31 December		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
Trade receivables	701,565	1,196,217	1,437,048
Provision for impairment	(23,460)	(6,600)	(5,100)
	<u>678,105</u>	<u>1,189,617</u>	<u>1,431,948</u>
Amounts due from customers on contracts (Note 9.40)	8,474	7,805	9,114
	<u>686,579</u>	<u>1,197,422</u>	<u>1,441,062</u>

Included in the trade receivables is cooking oil subsidy receivable from Malaysian Palm Oil Board ('MPOB') of RM53,301,000 (2010: RM56,996,000, 2009: RM23,489,000).

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## 9.24 TRADE RECEIVABLES (CONTINUED)

The currency exposure profile of trade receivables is as follows:

	As at 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
- RM	505,991	853,945	356,680
- USD	150,974	315,875	1,067,134
- Thai Baht	12,254	9,255	10,832
- Pound Sterling	13,338	11,521	4,497
- Australian Dollar	-	1,560	487
- Singapore Dollar	432	316	449
- Indonesian Rupiah	3,003	4,406	204
- Pakistan Rupee	-	-	607
- Others	587	544	172
	<u>686,579</u>	<u>1,197,422</u>	<u>1,441,062</u>

Credit term of trade receivables is between 30 to 60 (2010: 30 to 60, 2009: 30 to 60) days.

Trade receivables which are neither past due nor impaired as it has yet to exceed the credit period amounted to RM1,112,553,000 (2010: RM1,047,493,000, 2009: RM601,475,000).

Past due but not impaired

As at 31 December 2011, RM328,509,000 (2010: RM149,929,000, 2009: RM85,104,000) of trade receivables were past due but not impaired. These relate to number of external parties where there is no expectation of default. The ageing analysis of these receivables is as follows:

	As at 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
Less than 30 days past due	46,571	83,798	202,976
Between 30 and 60 days past due	26,654	49,394	91,454
Between 61 and 90 days past due	2,507	2,170	5,887
Between 91 days and 1 year past due	5,008	7,618	24,132
More than 1 year past due	4,364	6,949	4,060
	<u>85,104</u>	<u>149,929</u>	<u>328,509</u>

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## 9.24 TRADE RECEIVABLES (CONTINUED)

Past due but not impaired (continued)

	No history of default RM'000	History of default RM'000	New customer RM'000	Total RM'000
<u>2009</u>				
Less than 30 days past due	45,295	1,276	-	46,571
Between 30 and 60 days past due	25,991	578	86	26,655
Between 61 and 90 days past due	2,473	33	-	2,506
Between 91 days and 1 year past due	5,008	-	-	5,008
More than 1 year past due	4,364	-	-	4,364
At 31 December 2009	83,131	1,887	86	85,104
<u>2010</u>				
Less than 30 days past due	83,219	579	-	83,798
Between 30 and 60 days past due	48,450	892	52	49,394
Between 61 and 90 days past due	2,087	72	11	2,170
Between 91 days and 1 year past due	7,494	112	12	7,618
More than 1 year past due	6,949	-	-	6,949
At 31 December 2010	148,199	1,655	75	149,929
<u>2011</u>				
Less than 30 days past due	202,195	239	542	202,976
Between 30 and 60 days past due	90,388	947	119	91,454
Between 61 and 90 days past due	5,542	309	36	5,887
Between 91 days and 1 year past due	23,761	336	35	24,132
More than 1 year past due	4,060	-	-	4,060
At 31 December 2011	325,946	1,831	732	328,509



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## 9.24 TRADE RECEIVABLES (CONTINUED)

Impaired and provided for

As at 31 December 2011, trade receivables of RM5,100,000 (2010: RM6,600,000, 2009: RM23,460,000) were impaired and have been fully provided for. The individually impaired receivables mainly relate to debtors that are unexpectedly having financial difficulties and have defaulted on payments. It was assessed that a portion of the receivables is expected to be recovered.

Movement of FHB's provision for impairment of trade receivables are as follows:

	As at 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
At 1 January	26,070	23,460	6,600
Amounts written off	(3,514)	(16,555)	(1,312)
Charged/ (credited) to profit or loss	904	(305)	(188)
At 31 December	23,460	6,600	5,100

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.25 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
Deposit for sale of investments	1,500	-	-
Other receivables	56,281	51,589	42,995
Deposits	17,447	3,627	16,481
Prepayments	12,148	14,298	28,446
	<u>87,376</u>	<u>69,514</u>	<u>87,922</u>

Other receivables which are neither past due nor impaired as it has yet to exceed the credit period amounted to RM66,939,000 (2010: RM35,512,000, 2009: RM84,394).

Other receivables, deposits and prepayments are denominated as follows:

	As at 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
- RM	77,656	61,357	80,626
- USD	3,477	3,956	347
- Pound Sterling	3,792	170	2,083
- Thai Baht	138	590	1,119
- Indonesian Rupiah	-	2,533	3,141
- Others	2,313	908	606
	<u>87,376</u>	<u>69,514</u>	<u>87,922</u>

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.25 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

Past due but not impaired

As at 31 December 2011, RM20,893,000 (2010: RM34,002,000, 2009: RM2,982,000) of other receivables and deposits of FHB were past due but not impaired. These relate to number of external parties where there is no expectation of default. The ageing analysis of these receivables is as follows:

	As at 31 December		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
Less than 30 days past due	543	19,322	159
Between 30 and 60 days past due	473	172	1,372
Between 61 and 90 days past due	68	78	179
Between 91 days and 1 year past due	394	243	13,532
More than 1 year past due	1,504	14,187	5,741
	<u>2,982</u>	<u>34,002</u>	<u>20,983</u>

Impaired and provided for

There are no other receivables and deposits that were impaired and provided for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011.

## 9.26 AMOUNTS DUE FROM/(TO) ULTIMATE HOLDING COMPANY, FELDA, A SHAREHOLDER, ASSOCIATES AND A JOINTLY CONTROLLED ENTITY

	As at 31 December		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
<u>Amount due from</u>			
Amount due from ultimate holding company	83	463	178
Amount due from FELDA	388,305	149,942	317,072
Amount due from shareholders			
- non-current	134,973	100,499	-
- current	33,833	19,133	1,127
Amount due from an associate	76,116	55,374	40,999
	<u>633,310</u>	<u>325,411</u>	<u>359,376</u>

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.26 AMOUNTS DUE FROM/(TO) ULTIMATE HOLDING COMPANY, FELDA, A SHAREHOLDER, ASSOCIATES AND A JOINTLY CONTROLLED ENTITY (CONTINUED)

	As at 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
<u>Amount due to</u>			
Amount due to a shareholder	-	(419)	(1,971)
Amount due to FELDA	(521,531)	(589,090)	(592,775)
Amount due to an associate	-	(55)	-
	<u>(521,531)</u>	<u>(589,564)</u>	<u>(594,746)</u>

Amounts due from/(to) ultimate holding company are unsecured, interest free, denominated in RM and have credit terms of 30 to 60 days (2010: 30 to 60 days, 2009: 30 to 60 days).

Amounts due from/(to) associates, FELDA and a jointly controlled entity are unsecured, interest free and have credit terms ranging from 15 to 120 days (2010: 15 to 120 days, 2009: 15 to 120 days).

Amount due from a shareholder includes the sales proceeds for the disposal of a jointly controlled entity, Felda Iffco Sdn. Bhd., to a shareholder, FGVH in the financial year ended 31 December 2009 for a total consideration of RM168,716,470 which is repayable as follows:

- (i) 10% deposit payable upon execution of the shares purchase agreement;
- (ii) 3 equal annual instalments of RM16,871,647 payable in July of each financial year; and
- (iii) remaining 4 equal annual instalments of RM25,307,470 payable in July of each financial year.

On 21 December 2011, FGVH had fully settled the remaining balance of the sale consideration of RM118,101,029.

The remaining balance due from a shareholder is unsecured, interest free and has no fixed term of repayments.

Amount due from ultimate holding company, FELDA, a shareholder and associates which are neither past due nor impaired as it has yet to exceed the credit period amounted to RM275,285,000 (2010: RM255,688,000, 2009: RM374,315,000) of FHB.

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.26 AMOUNTS DUE FROM/(TO) ULTIMATE HOLDING COMPANY, FELDA, A SHAREHOLDER, ASSOCIATES AND A JOINTLY CONTROLLED ENTITY (CONTINUED)

Past due but not impaired

As at 31 December 2011, RM84,091,000 (2010: RM69,723,000, 2009: RM124,022,000) of amounts due from ultimate holding company, FELDA, associates and a jointly controlled entity were past due but not impaired. The ageing analysis of these balances is as follows:

	Less than 30 days past due RM'000	Between 30 and 60 days past due RM'000	Between 61 and 90 days past due RM'000	Between 91 days and 1 year past due RM'000	More than 1 year past due RM'000	Total RM'000
<u>At 31 December 2009</u>						
Amount due from FELDA	118,354	1,189	547	3,398	322	123,810
Amounts due from associates	10	3	18	-	181	212
	<u>118,364</u>	<u>1,192</u>	<u>565</u>	<u>3,398</u>	<u>503</u>	<u>124,022</u>
<u>At 31 December 2010</u>						
Amount due from ultimate holding company	486	-	-	4	-	490
Amount due from FELDA	58,534	2,281	1,848	5,794	675	69,132
Amounts due from associates	-	-	-	1	100	101
	<u>59,020</u>	<u>2,281</u>	<u>1,848</u>	<u>5,799</u>	<u>775</u>	<u>69,723</u>

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## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.26 AMOUNTS DUE FROM/(TO) ULTIMATE HOLDING COMPANY, FELDA, A SHAREHOLDER, ASSOCIATES AND A JOINTLY CONTROLLED ENTITY (CONTINUED)

Past due but not impaired (continued)

	Less than 30 days past due RM'000	Between 30 and 60 days past due RM'000	Between 61 and 90 days past due RM'000	Between 91 days and 1 year past due RM'000	More than 1 year past due RM'000	Total RM'000
At 31 December 2011						
Amount due from ultimate holding company	137	-	-	-	-	137
Amount due from FELDA	74,602	217	311	953	3,302	79,385
Amounts due from associates	4,146	124	299	-	-	4,569
	<u>78,885</u>	<u>341</u>	<u>610</u>	<u>953</u>	<u>3,302</u>	<u>84,091</u>

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.26 AMOUNTS DUE FROM/(TO) ULTIMATE HOLDING COMPANY, FELDA, A SHAREHOLDER, ASSOCIATES AND A JOINTLY CONTROLLED ENTITY (CONTINUED)

Impaired and provided for

There were no amounts due that were impaired and provided for, for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 except as stated in Note 9.27 below.

The amounts due from ultimate holding company, FELDA, a shareholder, associates and a jointly controlled entity are denominated in RM other than the balances below:

	<u>As at 31 December</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
Pakistan Rupees			
- amount due from associate	45,291	-	-

## 9.27 LOAN DUE FROM AN ASSOCIATE

	<u>As at 31 December</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
Loan due from an associate	10,696	3,158	2,410
Impairment	(10,696)	-	-
	-	3,158	2,410

Financial year ended 31 December 2009

Loan due from an associate, Felda Enterprise Sdn. Bhd. was charged interest at 3.6% premium and had no fixed term of repayment.

Financial year ended 31 December 2010

Loan due from an associate of FELMA, Title Winner Sdn. Bhd. is unsecured, interest free and repayable in full within one year.

Financial year ended 31 December 2011

Loan due from an associate of FELMA, Title Winner Sdn. Bhd. is past due by 240 days as at 31 December 2011 but not impaired as the loan is expected to be fully settled in 2012. The loan is unsecured, interest free and repayable in full within one year.

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.28 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	As at 31 December		
	2009 RM'000	2010 RM'000	2011 RM'000
At 1 January as previously stated	-	-	30,237
Effects of adoption of FRS 139 (Note 6(a))	-	2,064	-
At 1 January, as restated	-	2,064	30,237
Settlement of derivatives during the financial year (net)	-	(1,413)	(29,294)
Fair value (losses)/gains taken to profit or loss:			
- Foreign currency forward contracts	-	(1,679)	(11,752)
- Palm oil futures contracts	-	32,767	(3,639)
- Cocoa beans futures contracts	-	(1,502)	3,748
At 31 December	-	30,237	(10,700)



## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.28 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (CONTINUED)

	As at 31 December					
	2009		2010		2011	
	Contract/ Notional amount RM'000	Derivative assets RM'000	Derivative liabilities RM'000	Contract/ Notional amount RM'000	Derivative assets RM'000	Derivative liabilities RM'000
Foreign currency forward contracts	-	-	-	1,177,984	14,519	(85)
Palm oil futures contracts	-	-	-	265,352	19,224	(4,184)
Cocoa bean futures contracts	-	-	-	32,430	893	(130)
Net book value at 31 December	-	-	-	1,475,766	34,636	(4,399)
	-	-	-	1,228,802	1,874	(12,518)
	-	-	-	5,208	-	(55)
	-	-	-	2,162	-	(1)
	-	-	-	1,236,172	1,874	(12,574)

FHB classifies derivative financial instruments as financial assets/liabilities at fair value through profit or loss. None of the derivatives are designated as hedges. None of the derivatives are designated as hedges as FHB does not apply hedge accounting during the financial year.

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.29 SHORT TERM INVESTMENTS

	As at 31 December		
	2009 RM'000	2010 RM'000	2011 RM'000
Quoted investments in Malaysia, at cost	19,534	-	-
Changes in market value	(917)	-	-
	<u>18,617</u>	<u>-</u>	<u>-</u>
Unquoted investments in Malaysia at cost	1,019	-	-
Reversal of impairment	(207)	-	-
	<u>812</u>	<u>-</u>	<u>-</u>
	<u>19,429</u>	<u>-</u>	<u>-</u>
Market value of quoted investments	<u>24,123</u>	<u>-</u>	<u>-</u>

The short term investments were reclassified upon adoption of FRS 139 (Note 6(a)).

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.30 FIXED DEPOSITS, CASH AND BANK BALANCES

	As at 31 December		
	2009 RM'000	2010 RM'000	2011 RM'000
Fixed deposits in (Note 9.41):			
Licensed banks	552,169	551,956	946,626
Licensed financial institutions	385,870	314,067	235,367
Government-linked financial institutions	108,310	178,649	167,380
	1,046,349	1,044,672	1,349,373
Cash and bank balances (Note 9.41)	201,914	313,668	203,505
	1,248,263	1,358,340	1,552,878

Fixed deposit:

Credit rating profiles for fixed deposits are as follow:

	2009 RM'000	2010 RM'000	2011 RM'000
- AAA	139,270	428,120	816,978
- AA-	14,200	17,970	2,000
- AA1	-	-	37,930
- AA2	176,257	163,153	125,935
- AA3	133,500	41,300	34,890
- A1	193,500	215,480	164,260
- Non-rated	389,622	178,649	167,380
	1,046,349	1,044,672	1,349,373
Cash and bank balances	201,914	313,668	203,505
	1,248,263	1,358,340	1,552,878

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.30 FIXED DEPOSITS, CASH AND BANK BALANCES (CONTINUED)

The currency exposure profile for fixed deposits, cash and bank balances are as follow:

	As at 31 December		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
- RM	1,229,867	1,343,220	1,539,602
- USD	3,975	4,909	7,562
- Pound Sterling	2,120	5,809	606
- Thai Baht	2,063	1,653	1,672
- Pakistan Rupee	9,107	478	336
- Indonesia Rupiah	931	1,880	2,426
- Singapore Dollars	200	391	674
	<u>1,248,263</u>	<u>1,358,340</u>	<u>1,552,878</u>

The weighted average interest rates (per annum) of deposits and bank balances that were effective at the financial year end were as follows:

	<u>2009</u>	<u>2010</u>	<u>2011</u>
	%	%	%
- Licensed banks	2.20	2.81	3.00
- Licensed financial institutions	2.07	2.61	2.82
- Other financial institutions	4.43	3.40	3.69

Fixed deposits as at 31 December 2011 have average maturity periods of 80 days (2010: 50, 2009: 63) days. Cash and bank balances are deposits held at call with banks.

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.31 NON-CURRENT ASSETS HELD FOR SALE AND LIABILITIES RELATED TO ASSETS HELD FOR SALE

(i) Financial year ended 31 December 2009

FHB entered into agreement to dispose off its entire 66% equity interest in Felda Oil Products Sdn. Bhd. to Felda Iffco Sdn. Bhd. for a total consideration of RM32,076,000.

(ii) Financial year ended 31 December 2010

A subsidiary company entered into a contract to sell an investment property for RM760,000. The full payment is expected to be received in 2011. The disposal was completed on 6 May 2011.

The assets and liabilities classified as held for sale are as follows:

	As at 31 December		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
Assets at disposal group classified as held for sale	28,389	-	-
Investment properties held for sale	-	289	-
Liabilities directly associated with assets classified as held for sale	(4,789)	-	-
	<u>23,600</u>	<u>289</u>	<u>-</u>

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.31 NON-CURRENT ASSETS HELD FOR SALE AND LIABILITIES RELATED TO ASSETS HELD FOR SALE (CONTINUED)

The major classes of assets and liabilities classified as held for sale as at the date of the statement of financial position are as follows:

	As at 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
<b>Assets:</b>			
Property, plant and equipment (Note 9.10)	14,129	-	-
Prepaid lease payments (Note 9.21)	235	-	-
Long term investments	14	-	-
Deferred tax assets (Note 9.22)	6,244	-	-
Inventories	470	-	-
Trade and other receivables	1,631	-	-
Deposits, cash and bank balances	5,666	-	-
	<u>28,389</u>	<u>-</u>	<u>-</u>
Assets classified as held for sale	-	289	-
Investment properties (Note 9.13)	<u>28,389</u>	<u>289</u>	<u>-</u>
	<u>28,389</u>	<u>289</u>	<u>-</u>
<b>Liabilities:</b>			
Trade and other payables	<u>4,789</u>	<u>-</u>	<u>-</u>
Liabilities directly associated with assets classified as held for sale	<u>4,789</u>	<u>-</u>	<u>-</u>
	<u>23,600</u>	<u>289</u>	<u>-</u>

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.32 SHARE CAPITAL

	As at 31 December		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
Authorised share capital:			
Ordinary shares of RM1 per share	5,000,000	5,000,000	5,000,000
Special share of RM1	*	*	*
	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
Issued and fully paid share capital:			
Ordinary shares of RM1 per share	220,000	220,000	220,000
Special share of RM1	*	*	*
	<u>220,000</u>	<u>220,000</u>	<u>220,000</u>

\* RM 1

The special share held by the Minister of Finance (Incorporated) has the following characteristics:

- (a) The special share can only be held or transferred by the Minister of Finance (Incorporated) or its substitute or the Minister, representative or anyone authorised by the Malaysian Government to act on their behalf.
- (b) The holder of special share has the right to appoint anyone as a director or nominate an existing director as a director appointed by the government, from time to time, subject to not more than one director being appointed.
- (c) The holder of special share is not allowed to vote in general meeting of FHB.
- (d) The holder of special share has the right to receive returns on capital before other shareholders in the event that FHB is liquidated. This special share does not give the right, other than the right stated above, to receive a share of FHB's capital or profit.
- (e) The holder of special share can require FHB to redeem the special share at par value at any time by giving a written notice, subject to provisions of the Companies Act, 1965.
- (f) One ordinary share entitles the holders one vote in the Annual General Meeting.

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.33 RESERVES

## (i) Retained earnings

Under the single-tier tax system which came into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholders.

Companies with Section 108 credits as at 31 December 2007 may continue to pay franked dividends until the Section 108 credits are exhausted or 31 December 2013 whichever is earlier unless they opt to disregard the Section 108 credits to pay single-tier dividends under the special transitional provisions of the Finance Act 2010. Subject to agreement with the tax authorities, FHB has sufficient Section 108 tax credits and tax exempt income to pay RM358,487,000 (2010: RM502,596,000, 2009: RM502,596,000) out of the retained earnings of FHB as franked and exempt dividends.

## (ii) Other reserves

## (a) Share premium

Share premium is not available for distribution as cash dividends.

## (b) Capital reserve

The non-distributable capital reserve arose from:

- (i) legal transfer from retained earnings of a subsidiary; and
- (ii) bonus share issue and capital paid in excess due to currency translation differences on paid up share capital of an associate.

## (c) Foreign exchange reserve

The foreign exchange reserve represents currency translation differences in the cumulative net investment of foreign subsidiaries and associates.

## (d) Available-for-sale reserve

The available-for-sale reserve represents the changes in the fair value of available-for-sale financial assets.



## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.34 TERM LOANS

	As at 31 December		
	2009 RM'000	2010 RM'000	2011 RM'000
Secured and interest bearing:			
Loans from FELDA	5,375	4,300	3,225
Loan from financial institutions	-	5,480	5,480
	5,375	9,780	8,705
Repayment due within 12 months included as part of current liabilities	(1,075)	(1,075)	(1,075)
Non-current liabilities	4,300	8,705	7,630
The currency exposure profile for the term loans is as follows:			
- RM	5,375	4,300	3,225
- USD	-	5,480	5,480
	5,375	9,780	8,705



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## II FELDA HOLDINGS BHD. (CONTINUED)

### 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

#### 9.34 TERM LOANS (CONTINUED)

The exposure of term loans of FHB to maturity profile is as follow:

	Total carrying amount RM'000	Less than 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	More than 5 years RM'000
<u>At 31 December 2009</u>						
Loans from FELDA	5,375	1,075	1,075	1,075	2,150	-
<u>At 31 December 2010</u>						
Loans from FELDA	4,300	1,075	1,075	1,075	1,075	-
Loans from financial institutions	5,480	-	711	-	1,922	2,847
	9,780	1,075	1,786	1,075	2,997	2,847
<u>At 31 December 2011</u>						
Loans from FELDA	3,225	1,075	1,075	1,075	-	-
Loans from financial institutions	5,480	-	1,045	2,299	2,136	-
	8,705	1,075	2,120	3,374	2,136	-

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.34 TERM LOANS (CONTINUED)

The range of interest rates (per annum) during the financial year is as follow:

	<u>Contractual interest rates</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>Floating rate</u>	%	%	%
Loans from FELDA	3.50	3.80	4.10
Loans from financial institutions	-	2.60	2.60

The loans from FELDA are secured by way of:

- a first fixed and floating charge against all assets of certain subsidiaries

The loans from financial institutions are secured by way of :

- (i) First legal charge on the biomass plant.
- (ii) Assignment over the agreement related to the biomass plant project which included biomass pellet purchase agreement, empty fruit bunch ('EFC') contracts and insurance policies related to the project and any performance guarantee from contractors.
- (iii) Letter of awareness from shareholders.
- (iv) Assignment on the Designated Accounts open and maintain with the bank such as proceeds and debt service reserve accounts.

## 9.35 PROVISION FOR DEFINED BENEFIT PLAN

	<u>As at 31 December</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
Non-current	20,553	21,919	39,933

The movements during the financial year in the amounts recognised in the statement of financial position are as follows:

	<u>As at 31 December</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
At 1 January	21,961	20,553	21,919
Charged to profit or loss	3,313	3,220	2,716
Benefits paid-unfunded obligations	(4,692)	(1,535)	(2,667)
Disposal of a subsidiary (Note 9.14)	(29)	(319)	-
Reimburse by FELDA	-	-	17,965
At 31 December	20,553	21,919	39,933

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.35 PROVISION FOR DEFINED BENEFIT PLAN (CONTINUED)

The amounts recognised in the statement of financial position are determined as follows:

	As at 31 December		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
Present value of unfunded obligations	20,553	21,919	39,933
Net liabilities	<u>20,553</u>	<u>21,919</u>	<u>39,933</u>

The amounts recognised in profit or loss is as follows:

	As at 31 December		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
Current service cost	1,602	1,964	1,377
Finance costs	1,711	1,256	1,339
Expense recognised in profit or loss	<u>3,313</u>	<u>3,220</u>	<u>2,716</u>

The principal actuarial assumptions used in respect of the unfunded defined retirement benefits are as follows:

	<u>2009</u>	<u>2010</u>	<u>2011</u>
	%	%	%
Discount rate	6.30	6.30	6.25
Expected rate of salary increase	6.00	5.00	6.00

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.36 REPLANTING GRANT FROM FELDA

	As at 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
<u>Accumulated replanting grant</u>			
At 1 January	156,490	112,783	108,341
Grant received	64,216	56,870	104,473
Completed replanting projects	(107,923)	(61,312)	(65,476)
At 31 December	<u>112,783</u>	<u>108,341</u>	<u>147,338</u>
<u>Accumulated replanting expenditure</u>			
At 1 January	152,545	102,330	97,530
Replanting expenditure incurred	57,708	56,512	52,064
Completed replanting projects	(107,923)	(61,312)	(65,476)
At 31 December	<u>102,330</u>	<u>97,530</u>	<u>84,118</u>
Replanting grant at 31 December	<u>10,453</u>	<u>10,811</u>	<u>63,220</u>

## Government grants

## (i) Replanting grants from FELDA

The replanting grant programme introduced by FELDA is to finance the replanting of FELDA settlers' land. Such grants are prepaid by FELDA for a three-year replanting programme. The replanting expenditure incurred by FHB on behalf of FELDA settlers is deducted from the replanting grant received.

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.37 CAPITAL GRANT FROM FELDA

	Biotechnology centre RM'000	Fruit plantation in Sungai Tengi RM'000	Furniture and fittings at Felda academy RM'000	Total RM'000
<b>2009</b>				
<u>Grant contribution</u>				
At 1 January and 31 December	12,550	10,000	3,000	25,550
<u>Accumulated amortisation</u>				
At 1 January	565	7,068	-	7,633
Amortisation for the year	251	132	-	383
At 31 December	816	7,200	-	8,016
Grant at 31 December	11,734	2,800	3,000	17,534
<b>2010</b>				
<u>Grant contribution</u>				
At 1 January and 31 December	12,550	10,000	3,000	25,550
<u>Accumulated amortisation</u>				
At 1 January	816	7,200	-	8,016
Amortisation for the year	251	128	-	379
At 31 December	1,067	7,328	-	8,395
Grant at 31 December	11,483	2,672	3,000	17,155
<b>2011</b>				
<u>Grant contribution</u>				
At 1 January and 31 December	12,550	10,000	3,000	25,550
<u>Accumulated amortisation</u>				
At 1 January	1,067	7,327	-	8,394
Amortisation for the year	251	153	-	404
At 31 December	1,318	7,480	-	8,798
Grant at 31 December	11,232	2,520	3,000	16,752

## 9. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors  
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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.37 CAPITAL GRANT FROM FELDA (CONTINUED)

Capital grant from FELDA is in respect of the following:

## (i) Biotechnology Centre

Grant contribution of RM12,550,000 was received from FELDA for the development of the Biotechnology Centre in Enstek, Nilai.

## (ii) Fruit plantation in Sungai Tenggi

Grant contribution of RM10,000,000 was received by a subsidiary for the development of a fruit plantation over a period of 3 years commencing March 2004. The subsidiary had contracted the right to manage the developed areas and being sole consignee in handling the produce from these developed areas on behalf of FELDA for a period of 30 years from March 2004. At the end of the 30 years, the subsidiary has the option to extend the contract for this project.

## (iii) Furniture and fittings at Felda academy

Grant contribution of RM3,000,000 received by FHB is a capital grant in relation to acquisition of furniture and fittings at Felda Academy.

There are no grants recognised as at 31 December 2011 that are related to unfulfilled conditions or other contingencies.

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.38 TRADE, OTHER PAYABLES AND ACCRUALS

	As at 31 December		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
Trade payables	307,217	233,093	394,441
Other payables and accruals	587,237	565,300	630,945
Amount due to customers on contracts (Note 9.40)	2,071	583	2,663
At 31 December	<u>896,525</u>	<u>798,976</u>	<u>1,028,049</u>

The trade, other payables and accruals are denominated as follows:

	As at 31 December		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
- RM	547,888	781,587	918,336
- USD	345,356	10,616	98,796
- Pound Sterling	5	2,366	7,443
- Thai Baht	1,658	1,126	2,017
- Indonesian Rupiah	243	2,230	580
- Pakistan Rupee	-	-	806
- Others	1,375	1,051	71
	<u>896,525</u>	<u>798,976</u>	<u>1,028,049</u>

Credit term of trade payables is within 30 to 60 (2010: 30 to 60, 2009: 30 to 60) days.



## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.39 BORROWINGS

	As at 31 December		
	2009 RM'000	2010 RM'000	2011 RM'000
<u>Unsecured</u>			
Revolving credits	1,000	1,000	1,000
Bankers acceptances	379,327	454,161	751,563
Bank overdrafts (Note 9.41)	-	144	-
Export credit refinancing	220,446	485,154	312,565
	600,773	940,459	1,065,128
<u>Secured</u>			
Bankers acceptances	76,092	40,648	77,042
Bank overdrafts (Note 9.41)	961	-	-
	677,826	981,107	1,142,170

The borrowings are denominated as follows:

	As at 31 December		
	2009 RM'000	2010 RM'000	2011 RM'000
- RM	650,574	932,506	971,816
- Thai Baht	23,608	28,652	32,227
- Indonesian Rupiah	3,644	15,614	6,756
- Pound Sterling	-	-	38,533
- USD	-	-	92,838
- Others	-	4,335	-
	677,826	981,107	1,142,170

The range of interest rates (per annum) is as follows:

	Financial year ended 31 December		
	2009 RM'000 %	2010 RM'000 %	2011 RM'000 %
Bankers acceptances	2.17 – 3.80	2.78-3.17	2.66-3.43
Bank overdrafts	6.05	6.50	-
Export credit refinancing	2.38 – 3.58	3.08-3.20	3.28-3.38

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.40 CONSTRUCTION CONTRACTS

	As at 31 December		
	2009 RM'000	2010 RM'000	2011 RM'000
Cost incurred to date	136,952	126,970	100,399
Attributable profit less foreseeable losses	7,654	3,804	4,812
	144,606	130,774	105,211
Less: Progress billings	(138,203)	(123,552)	(98,760)
	6,403	7,222	6,451
Amounts due from customers on contracts (Note 9.24)	8,474	7,805	9,114
Amounts due to customers on contracts (Note 9.38)	(2,071)	(583)	(2,663)
	6,403	7,222	6,451

## 9.41 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following amounts which are included in the statements of financial position:

	As at 31 December		
	2009 RM'000	2010 RM'000	2011 RM'000
Fixed deposits (Note 9.30)	1,046,349	1,044,672	1,349,373
Cash and bank balances (Note 9.30)	201,914	313,668	203,505
Bank overdrafts (Note 9.39)			
- secured	(961)	-	-
- unsecured	-	(144)	-
Less: Restricted cash	(70)	(70)	(70)
	1,247,232	1,358,126	1,552,808

The restricted cash represents deposits pledged by a subsidiary to secure bank guarantees

Cash and cash equivalents included in the assets of the disposal group held for sale as disclosed in Note 9.31 amounted to RM Nil (2010: RM Nil, 2009: RM5,665,993).

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.42 RELATED PARTY TRANSACTIONS

FHB is controlled by Koperasi Permodalan Felda Malaysia Berhad ('KPF'), a cooperative set up under the Cooperatives Ordinance 1948, which was subsequently replaced by Cooperative Act 1993. KPF owns 51% of FHB and is the ultimate holding company. The remaining 49% of the shares are held by FGVH; a 100% subsidiary of FELDA.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on agreed terms among the related parties.

Other related parties and relationships are summarised as follows:

<u>Other related parties</u>	<u>Relationship</u>
FPM	Subsidiary company
LBSB	Subsidiary company acquired in 2011, previously an associated company
Behn Meyer (M) Sdn. Bhd. ('Behn Meyer')	Associated company
BH Insurance Bhd ('BHI')	Associated company
Felda CFA Logistics Sdn. Bhd. ('CFA')	Associated company
Felda Herbal Sdn. Bhd. ('Herbal')	Associated company
FPG Oleochemicals Sdn. Bhd.	Associated company
Mapak Edible Oils (Pvt.) Ltd. ('MEO')	Associated company
ProXcel Sdn. Bhd. ('ProXcel')	Associated company
Taiko Clay Chemicals Sdn. Bhd. ('Taiko')	Associated company
Felda Iffco Sdn. Bhd. ('FISB')	Jointly controlled entity
FTJ	Jointly controlled entity
KGFP	Subsidiary of FGVH
MSMH	Subsidiary of FGVH
Felda Bridge Africa ('FBA')	Subsidiary of FISB

## (a) Sales of goods, services and investments

	<u>Financial year ended 31 December</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
Sales of goods:			
- MEO	288,277	289,791	322,549
- FPG	390,195	614,940	884,654
- FBA	79,181	-	-
- Behn Meyer	14,116	-	-
- FELDA	491,385	350,127	126,934
- KPF	27	1,203	50
- FISB	698,637	-	-

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.42 RELATED PARTY TRANSACTIONS (CONTINUED)

## (a) Sales of goods, services and investments (continued)

	Financial year ended 31 December		
	2009 RM'000	2010 RM'000	2011 RM'000
Sales of services:			
- FELDA	253,973	256,199	296,436
- FGVH	91	400	861
- KPF	878	1,077	995
- FPG	33,580	36,004	32,261
- FISB	10,552	-	-
Sales of investments:			
- FGVH	168,717	-	-
- Other related parties	2,691	-	126,710

## (b) Purchases of goods, services and investments

	Financial year ended 31 December		
	2009 RM'000	2010 RM'000	2011 RM'000
Purchases of goods:			
- Taiko	42,282	-	-
- FISB	1,371	-	-
- FELDA			
Related to plantation estate	2,155,448	2,553,790	3,133,440
Related to settlers	2,073,337	2,723,996	3,707,565
Purchases of services:			
- FGVH	-	155	-
- BHI	82	-	-
- FISB	118	-	-

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.42 RELATED PARTY TRANSACTIONS (CONTINUED)

## (c) Key management compensation

	Financial year ended 31 December		
	2009 RM'000	2010 RM'000	2011 RM'000
Salaries and other short-term employee benefits	13,660	18,672	12,891

Key management personnel is represented by the General Manager and above who have the authority and responsibility for planning, directing and controlling the activities of FHB, directly or indirectly.

## (d) Year-end balances arising from sales/purchases of good/services/property, plant and equipment/investments

	As at 31 December		
	2009 RM'000	2010 RM'000	2011 RM'000
Receivables from ultimate holding company:			
- KPF	83	463	178
Receivables from FELDA	388,305	149,942	317,072
Receivables from associates:			
- FPG	29,295	54,495	40,907
- KGFP	102	113	-
- LBSB	379	668	-
- CFA	-	61	49
- FTJ	-	-	6
- ProXcel	-	-	8
- Herbal	1,008	37	29
- Mapak	45,291	-	-
- BHI Insurance	41	-	-
	76,116	55,374	40,999
Amount due from a shareholder:			
- Non- current	134,973	100,499	-
- Current	33,833	19,133	1,127
	168,806	119,632	1,127

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.42 RELATED PARTY TRANSACTIONS (CONTINUED)

- (d) Year-end balances arising from sales/purchases of good/services/property, plant and equipment/investments (continued)

	As at 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
Payables to FELDA	521,531	589,090	592,775
Payables to a shareholder:			
- FGVH	-	419	1,971
Payables to associates:			
- CFA	-	23	-
- FPG	-	32	-

- (e) Loans from/to related parties

- (i) Loans from FELDA:

	As at 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
At 1 January	6,450	5,375	4,300
Loans repaid	(1,075)	(1,075)	(1,075)
Finance costs	226	204	176
Finance costs paid	(226)	(204)	(176)
At 31 December	5,375	4,300	3,225

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.43 CAPITAL COMMITMENT

Capital commitments not provided for in the financial statements are as follows:

	As at 31 December		
	2009 RM'000	2010 RM'000	2011 RM'000
Authorised capital commitments to acquire property, plant and equipment:			
- Approved and contracted for	58,969	372,130	310,690
- Approved but not contracted for	332,194	489,347	468,001
	<u>391,163</u>	<u>861,477</u>	<u>778,691</u>

## 9.44 NON CANCELLABLE LEASE COMMITMENTS

	As at 31 December		
	2009 RM'000	2010 RM'000	2011 RM'000
Not later than 1 year	2,221	3,243	5,421
Later than 1 year and not later than 5 years	4,898	5,840	8,408
Later than 5 years	6,794	5,722	4,848
	<u>13,913</u>	<u>14,805</u>	<u>18,677</u>

## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.45 CONTINGENT LIABILITIES

- (a) On 12 June 2009, FPISB and FELDA were sued by 645 settlers of Felda Maokil Scheme in Johor for alleged fraud and manipulation of the extraction rate of palm oil. The claim amounted to RM71.8 million. The Putrajaya Court of Appeal had on 30 November 2011 decided that the case shall be heard before an arbitration proceeding based on section 10 of the Arbitration Act 2005 and original agreement between the settlers and FELDA which mentioned that if any dispute arises, the dispute shall be heard before an arbitration proceeding. On 7 December 2011, FPISB's counsel had filed the order from the Court of Appeal before the Senior Assistant Registrar ('SAR') of Johor Bahru High Court and on 22 February 2012, the plaintiffs informed the SAR that the application for appeal before the Federal Court is pending judgment order from the Court of Appeal. The SAR then instructed that if the appeal is not allowed then the onus to initiate arbitration proceedings will be on the plaintiffs and not on the defendants. The SAR then gave a new mention date on 29 August 2012 for both parties to update the status of appeal and arbitration.
- (b) On 3 September 2010, FPISB and FELDA were sued by 514 settlers of Felda Seriting Scheme and 252 settlers of Felda Gugusan Raja Alias Scheme in Jempol, Negeri Sembilan for alleged fraud and manipulation of the extraction rate for palm oil. The claim amounted to RM15.4 million for year 2008 only. FPISB filed Pleading and Statement of Defence ('SOD') in the Seremban High Court on 22 December 2011 together with confirmation of documents which was filed by the Plaintiffs. On 22 December 2011, the SAR informed that the judge has instructed the case to go through mediation process before undergoing full trial. On 7 March 2012, the SAR directed both parties to file pleading, documents and issues to be tried. Further, on 26 March 2012 the SAR informed both parties to file supplementary documents/evidence for mediation on 9 April 2012. The date for mediation proceedings was scheduled for 9 May 2012. The mediation failed and the Court fixed a case management date of 26 July 2012 for further instructions.
- (c) On 12 July 2011, FPISB and FELDA were sued by 711 settlers of Felda Jengka 1 to 25 and Felda Sg. Tekam in Temerloh, Pahang for alleged fraud and manipulation of the extraction rate of palm oil. The claim amounted to RM22.9 million. FPISB has filed SOD in the Temerloh High Court on 9 September 2011 and the plaintiffs had filed their reply on 9 November 2011. The case has gone through the case management before the SAR on 10 November 2011. FPISB has filed an affidavit in reply to the Statement of Reply of SOD on 20 December 2011 as well as application to strike out Plaintiffs' claim. On 3 April 2012 both parties have filed written submissions for the application to Strike-Out Ground on Plaintiffs' claims. The Court has on 24 April 2012 allowed order in terms for application by FELDA and FPISB to strike out 42 Plaintiffs with cost on the cause. The Court also fixed the matter for further case management on 24 May 2012 with directions that the parties are to file Bundle of Pleadings, Bundle of Documents, Statement of Issues to be Tried and Statement of Agreed Facts.



## 9. ACCOUNTANTS' REPORT (Cont'd)



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## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.45 CONTINGENT LIABILITIES (CONTINUED)

(d) On 20 September 2011, FPISB and FELDA were sued by 550 settlers of Gugusan Bera for alleged fraud and manipulation of the extraction rate of palm oil. The plaintiffs are claiming for a share from the sale of kernel, burn ash and sludge oil which was derived from their FFB consignments sold to FPISB's mills. The claim amounted to RM19.2 million for year 2008 only. FPISB has filed Memorandum of Appearance in High Court on 15 November. FPISB has filed a SOD on 3 January 2012. On 25 January 2012, Plaintiffs have filed the reply to the SOD and Defendants have filed a reply to it on 9 February 2012. Defendants also have filed an application to Strike-Out Ground on Plaintiffs' claims on the same date. During the latest case management on 22 February 2012, the SAR instructed Plaintiffs to reply to the Application to Strike-Out Ground on 8 March 2012 and 22 March 2012 for Defendants to reply to the Plaintiffs' reply. Further, both parties have filed written submissions on the Strike-Out Ground issue. The Court has on 19 April 2012 allowed order in terms for application by FELDA and FPISB to strike out 20 Plaintiffs with cost on the cause. The Court also fixed the matter for further case management on 24 May 2012 with directions that the parties are to file Bundle of Pleadings, Bundle of Documents, Statement of Issues to be Tried and Statement of Agreed Facts.

(e) On 10 November 2011, FPISB and FELDA were sued by 365 settlers of Felda Jengka 1 to 7, 10, 13 to 19, 23 to 24, Felda Ulu Jempol and Felda Sg. Tekam Utara for alleged fraud and manipulation of the extraction rate of palm oil. The claim amounted to RM11.7 million for year 2008 only. FPISB has filed Memorandum of Appearance in Temerloh High Court on 15 November 2011. FPISB has filed a SOD on 27 December 2011. Defendants had also filed an application to Strike-Out Ground on Plaintiffs' claims on 9 February 2012. During the latest case management on 22 February 2012, the SAR instructed Plaintiffs to reply to the Application to Strike-Out Ground on 8 March 2012 and 22 March 2012 for Defendants to reply to the Plaintiffs' reply. Further, both parties have filed written submissions on the Strike-Out Ground issue. The Court has on 19 April 2012 allowed order in terms for application by FELDA and FPISB to strike out 17 Plaintiffs with cost on the cause. The Court also fixed the matter for further case management on 24 May 2012 with directions that the parties are to file Bundle of Pleadings, Bundle of Documents, Statement of Issues to be Tried and Statement of Agreed Facts.

Based on available information and on the legal advices received, the Directors of FHB are of the view that there is a reasonable chance of defending all the above claims and therefore, no provision has been made in the financial statements of FHB.

(f) In the ordinary course of business, FHB has given guarantees totalling RM6,723,526 (2010: RM6,187,429, 2009: RM17,615,142) to a government enterprise and other third parties in respect of services obtained and purchases of inventories and materials.

## 9. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors  
Felda Global Ventures Holdings Berhad  
PwC/TSP/MBJ/lh/2016J  
21 May 2012**

## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.46 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (i) As part of the corporate reorganisation for listing purposes performed by FGVH, a significant shareholder of FHB, to list its sugar business, on 20 May 2011, FHB has disposed KGFP which involved the followings:
- (a) KGFP has acquired the sugar cane cultivation operation of FGVP, a 100% subsidiary of FGVH for RM106,209,770, which was satisfied through the issuance of 25.4 million new KGFP shares at issue price of RM4.19 per share. The issuance of shares by KGFP has diluted FHB's interest in KGFP from 50% to 16%.
  - (b) Subsequently, FHB disposed its entire 16% interest in KGFP to MSMH at carrying value of RM21,224,000 for RM126,710,000, which was satisfied through the issuance of 36.2 million new MSM shares at issue price of RM3.50 per share (which represents 6% of equity interest in MSMH).
  - (c) Finally, FHB has declared a dividend-in-specie to its shareholders for its entire 6% investment in MSMH:

The dilution of interest in KGFP from 50% to 16% and subsequent disposal of KGFP on the same date resulted in gain on disposal of RM56,157,000 for FHB

- (ii) On 12 July 2011, Sahabat Renewable Fuel Venture Sdn. Bhd. was incorporated with a total paid up capital of RM100,000. FPISB and Renewable Energy Sdn. Bhd.'s equity interest in this company are 51% and 49% respectively. The company has yet to commence operations as at 31 December 2011.

## 9. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors  
Felda Global Ventures Holdings Berhad  
PwC/TSP/MBJ/lh/2016J  
21 May 2012**

## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.46 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

- (iii) On 20 October 2011, FJB, a subsidiary of FHB acquired the remaining 60% equity interest of LBSB from Tanjung Langsat Port Sdn. Bhd., the existing shareholder of LBSB, comprising 4,200,000 shares for a fair value consideration of RM413,425 for business expansion purpose. Subsequently, FHB's equity interest increased from 29.1% to 72.7% and LBSB, previously an associate became a subsidiary to FHB.

On 12 December 2011, LBSB issued 27,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.00 per ordinary share amounting to RM27,000,000. FJB has fully subscribed for the shares and FHB maintain its equity interests of 72.7% in LBSB.

- (iv) On 4 November 2011, FPM, a subsidiary of FHB increased its authorised share capital from RM50,000,000 divided into 50,000,000 ordinary shares of RM1.00 each to RM70,000,000 ordinary shares of RM1.00 each by creation of 20,000,000 ordinary shares of RM1.00 each. On the same date, FPM issued 20,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.00 per ordinary share amounting to RM20,000,000 in cash for additional working capital purposes. The new ordinary shares ranked pari passu in all respects with the existing ordinary shares of FPM. FHB fully subscribed for the shares to maintain its equity interest in FPM.

## 9.47 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- (i) On 31 January 2012, FPISB entered into an agreement for the sale and purchase of fresh fruit bunches ('FFB') with FELDA whereby FELDA has agreed to supply the specified amounts of FFB to FPISB, and FPISB have agreed to purchase the FFB at a cash consideration based on the actual price which is derived by FPISB from the MPOB guidelines. The agreement is effective from 1 November 2011.
- (ii) On 22 February 2012, FPISB and Felda Global Ventures Plantation (Malaysia) Sdn. Bhd. ('FGVPM'), a subsidiary of a significant shareholder, FGVH, entered into a supply and delivery agreement for the purchase of FFB produced by FGVPM on FELDA-leased land from FGVPM and the sale of CPO produced by FPISB at its mills (as defined in this agreement) that is not sold to Delima Oil Products Sdn. Bhd. ('DOP'), a subsidiary of FHB, for its own business and consumption, which is currently approximately 21,000 MT of CPO per month, to FGVPM.

In respect of the purchase of FFB, FPISB shall pay FGVPM a price based on a formula comprising the relevant extraction rates of FFB and the price of the FFB, minus the processing charges and other related costs. Prices for the FFB will be based on MPOB's prices for Peninsular Malaysia or Sabah and Sarawak. In respect of the sale of CPO, FGVPM shall pay FPISB a price based on MPOB's CPO price for Peninsular Malaysia or Sabah and Sarawak.

## 9. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors  
Felda Global Ventures Holdings Berhad  
PwC/TSP/MBJ/lh/2016J  
21 May 2012**

## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.47 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

The agreement is valid for a period of 99 years, commencing from 1 March 2012 ('Effective Date') to 28 February 2111, or such other period that the parties may mutually agree in writing, unless otherwise terminated in accordance with the terms thereof.

The parties acknowledge that FPISB shall continue to source and purchase FFB from third parties to fulfill its requirements and to maximise the utilisation factor of its mills, at its own costs, risk and expense and FPISB agrees and undertakes to indemnify and keep FGVPM harmless against any liabilities, costs, damages, disputes, demands, claims, compensations or litigations in any form whatsoever in relation to FPISB's purchase of all FFB from third parties at any time, including those prior to the Effective Date.

FPISB or FGVPM may terminate the agreement at any time without assigning any reason whatsoever, in respect of, (a) one and up to three mills, by giving six months prior written notice to the other party; and (b) more than three mills, by giving 24 months prior written notice to the other party.

- (iii) The management agreement between Felda Plantations Sdn. Bhd. ('FPSB'), a subsidiary of FHB, and FELDA expired on 31 December 2011 and was not renewed. On 1 January 2012, FPSB therefore ceased from being the management agent for FELDA. On 6 January 2012, FPSB entered into a management agreement with FGVPM for the management of FGVPM's plantation estates, which were leased from FELDA. This agreement is effective for a duration of one month, with a monthly renewal and can be renewed through written notification within 7 days before the expiration of the management agreement. This management agreement expired on 29 February 2012 and subsequently, the employees of FPSB were transferred to FGVPM.
- (iv) On 10 May 2012, FPI and FELDA were sued by 770 settlers of Rancangan Felda Chini 1 to 5 and Rancangan Felda Chini Timur 1 to 3 in Pahang for alleged fraud and manipulation of the extraction rate of palm oil. The claim amounted to RM24.8 million for year 2008 only. FPISB has filed Memorandum of Appearance in High Court on 16 May 2012. The case is fixed for first Case Management on 21 May 2012. The Defendants are currently in the midst of preparing the Defence.

## 9. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors  
Felda Global Ventures Holdings Berhad  
PwC/TSP/MBJ/lh/2016J  
21 May 2012

## II FELDA HOLDINGS BHD. (CONTINUED)

## 9 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

## 9.48 COMPARATIVES

The following comparatives have been reclassified to be consistent with the financial year ended 31 December 2011's presentation:

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Statement of comprehensive income for the financial year ended 31 December 2009			
-Revenue	11,824,044	140,538	11,964,582
- Cost of sales	(10,501,636)	(178,041)	(10,679,677)
- Administrative expenses	(496,088)	37,503	(458,585)
Statement of financial position as at 31 December 2009			
- Property, plant and equipment	1,658,452	34,994	1,693,446
- Prepaid lease payments	87,386	(34,994)	52,392
- Trade receivable	663,090	23,489	686,579
- Other receivables, deposits and prepayments	110,865	(23,489)	87,376
Statement of comprehensive income for the financial year ended 31 December 2010			
- Revenue	14,907,246	223,437	15,130,683
- Cost of sales	(13,717,983)	(270,652)	(13,988,635)
- Administrative expenses	(533,015)	47,215	(485,800)
Statement of financial position as at 31 December 2010			
- Property, plant and equipment	1,839,633	34,994	1,874,627
- Prepaid lease payments	84,363	(34,994)	49,369
- Trade receivable	1,140,426	56,996	1,197,422
- Other receivables, deposits and prepayments	126,510	(56,996)	69,514

9. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors  
Felda Global Ventures Holdings Berhad  
PwC/TSP/MBJ/lh/2016J  
21 May 2012

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Ananthan Cooper'.

PRICEWATERHOUSECOOPERS  
(No. AF: 1146)  
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Thayaparan A/L S. Sangarapillai'.

THAYAPARAN A/L S. SANGARAPILLAI  
(No. 2085/09/12 (J))  
Chartered Accountant

9. ACCOUNTANTS' REPORT *(Cont'd)*

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**The Board of Directors  
Felda Global Ventures Holdings Berhad  
PwC/TSP/MBJ/EC/fm/2019J  
21 May 2012**

**SECTION III**

**CARVE-OUT FINANCIAL STATEMENTS OF PLANTATION ESTATES OWNED  
BY FEDERAL LAND DEVELOPMENT AUTHORITY ('FELDA') AND OPERATED BY  
FELDA PLANTATIONS SDN. BHD. ('FPSB')**

## 9. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors**  
**Felda Global Ventures Holdings Berhad**  
**PwC/TSP/MBJ/EC/fm/2019J**  
**21 May 2012**

### III CARVE-OUT FINANCIAL STATEMENTS OF PLANTATION ESTATES OWNED BY FEDERAL LAND DEVELOPMENT AUTHORITY ('FELDA') AND OPERATED BY FELDA PLANTATIONS SDN. BHD. ('FPSB')

#### 1 GENERAL INFORMATION

FGVH entered into an agreement with FELDA on 1 November 2011 to lease (i) lands with individual land titles issued to FELDA as the registered owner, (ii) existing lands granted to FELDA for development but where individual land titles have not been issued to FELDA and (iii) other lands to be alienated or to be acquired by FELDA in the future.

The lease will commence on 1 January 2012 or upon fulfilment of statutory approvals, whichever is later, which includes consent by the relevant State Authorities. The lease term is 99 years from the commencement date and if the current lease period is less than the lease term, FELDA shall on a best effort basis obtain an extension such that the remainder of the term can be completed; otherwise the term shall be the remaining lease period as at 1 January 2012.

Under the terms of the lease, FGVH will have the sole and absolute control over existing and future crops and vegetation, rights to undertake replanting and receive replanting incentives from the Government as well as ownership and control over the infrastructure of the Plantation Estates. The principal activities of Plantation Estates consist of the production and sales of fresh fruit bunches and rubber latex. The Plantation Estates are currently managed by FPSB (a subsidiary of FGVH's associate company, Felda Holdings Berhad ('FHB')) under a Management Agreement which expired on 31 December 2011. For details of the Management Agreement relating to the Sarawak lands, refer to Note 7.18 (e).

The financial statements of these Plantation Estates are included in the financial statements of FELDA and for the purposes of this Prospectus, have been separately carved out.

#### 2 FINANCIAL STATEMENTS AND AUDITORS

The Auditor General ('AG') was the auditor of FELDA for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011. FELDA is a statutory body corporate incorporated under the Land Development Act, 1956. PricewaterhouseCoopers ('PwC') were contracted to undertake the audit on behalf of the AG for the financial year ended 31 December 2010 onwards for a period of 2 years. The financial statements of FELDA for the financial year ended 31 December 2009 were contracted by the AG to be audited by a firm other than PricewaterhouseCoopers, i.e. Ernst & Young, located at Level 23A, Menara Millenium, Jalan Damanlela, Pusat Bandar Damansara, Kuala Lumpur.

The carve-out financial statements of Plantation Estates, which were audited by PwC for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 have been drawn up so as to give a true and fair view of the financial position of Plantation Estates and its financial performance and cash flows for the financial years then ended and have been reported on without qualification to the shareholders of FELDA as a body and for no other purpose.



## 9. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors**  
**Felda Global Ventures Holdings Berhad**  
**PwC/TSP/MBJ/EC/fm/2019J**  
**21 May 2012**

**III CARVE-OUT FINANCIAL STATEMENTS OF PLANTATION ESTATES OWNED BY FEDERAL LAND DEVELOPMENT AUTHORITY ('FELDA') AND OPERATED BY FELDA PLANTATIONS SDN. BHD. ('FPSB') (CONTINUED)**

**3 BASIS FOR PREPARATION OF HISTORICAL CARVE-OUT FINANCIAL STATEMENTS IN THIS REPORT**

The carve-out financial statements of Plantation Estates have been prepared by the Board of Directors of FELDA using accounting policies extracted from the financial statements of FELDA, in so far as it applies to the carve-out financial statements of the Plantation Estates in connection with the proposed listing of FGVH on the Main Market of Bursa Securities. The carve-out financial statements of Plantation Estates have been prepared in accordance with Financial Reporting Standards ('FRS'), Malaysian Accounting Standards Board ('MASB') Approved Accounting Standards for Entities Other than Private Entities. These carve-out financial statements have been reported on by us without qualification to the Board of Directors of FELDA as a body in accordance with approved standards on auditing in Malaysia and for no other purpose.

The carve-out financial statements of the Plantation Estates which have been prepared based on the financial information contained in the audited financial statements of FELDA for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011, reflect the historical assets, liabilities, revenues and expenses that are directly attributable and separately identifiable to the Plantation Estates, and adjustments including current and deferred taxation (which were not separately reflected in the audited financial statements of FELDA) considered necessary by the Board Members of FELDA, to fairly present the financial position, results of operations, changes in equity and cash flows of the Plantation Estates on a stand-alone basis. Key assumptions used in the preparation of the carve-out financial statements are as follows:

- The Plantation Estates' business is a going concern which is not affected by the transfer of the operations from FELDA to FGVH;
- Common expenses incurred at FELDA's entity level (e.g. general staff costs, tax compliance fee, secretarial fee, audit fee and directors allowances) will not be reallocated to Plantation Estate as they are not significant;
- Financing of the business is via equity and not borrowings. Accordingly, there is no finance cost;
- Cash flows are managed by FELDA's central treasury and an adequate level of cash and cash equivalents will be maintained to meet operational needs. Excess funds are remitted to FELDA. Accordingly, an appropriate amount of interest income or expense are apportioned to the Plantation Estates' carve-out financial statements; and
- There are no contingent liabilities specific to Plantation Estates.

The above assumptions were necessary because Plantation Estates is not a separate stand-alone entity which would have conducted the transactions on its own. The carve-out financial statements are, therefore, not necessarily indicative of results that would have occurred if Plantation Estates had been a separate stand-alone entity during the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011, or of future results of Plantation Estates.

Capital contributions by FELDA in the Plantation Estates are presented as 'Net investment in Plantation Estates' in the carve-out financial statements. The aggregated balance comprises retained earnings and net capital contributions.

## 9. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors  
Felda Global Ventures Holdings Berhad  
PwC/TSP/MBJ/EC/fm/2019J  
21 May 2012**

- III CARVE-OUT FINANCIAL STATEMENTS OF PLANTATION ESTATES OWNED BY FEDERAL LAND DEVELOPMENT AUTHORITY ('FELDA') AND OPERATED BY FELDA PLANTATIONS SDN. BHD. ('FPSB') (CONTINUED)
- 3 BASIS FOR PREPARATION OF HISTORICAL CARVE-OUT FINANCIAL STATEMENTS IN THIS REPORT (CONTINUED)

The carve-out financial statements have been prepared under the historical cost convention except as disclosed in the summary of significant accounting policies in Note 4 below.

The audited carve-out financial statements of Plantation Estates for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 are the responsibilities of the Directors of FELDA.

The preparation of carve-out financial statements in conformity with the FRS, the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the carve-out financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. There are no areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the carve-out financial statements.

- (i) New standards, amendments to published standards and IC interpretations that are applicable and adopted by Plantation Estates are as follows:

Financial year ended 31 December 2009

There were no new accounting standards that are applicable to Plantation Estates for the financial year ended 31 December 2009.

Financial year ended 31 December 2010

- FRS 4 Insurance Contracts
- FRS 7 Financial Instruments: Disclosures
- FRS 139 Financial Instruments: Recognition and Measurement
- Revised FRS101 Presentation of Financial Statements
- Amendment to FRS 7 Financial Instruments: Disclosures
- Amendment to FRS 132 Financial Instruments: Presentation

## 9. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors**  
**Felda Global Ventures Holdings Berhad**  
**PwC/TSP/MBJ/EC/fm/2019J**  
**21 May 2012**

**III CARVE-OUT FINANCIAL STATEMENTS OF PLANTATION ESTATES OWNED BY FEDERAL LAND DEVELOPMENT AUTHORITY ('FELDA') AND OPERATED BY FELDA PLANTATIONS SDN. BHD. ('FPSB') (CONTINUED)**

**3 BASIS FOR PREPARATION OF HISTORICAL CARVE-OUT FINANCIAL STATEMENTS IN THIS REPORT (CONTINUED)**

- (i) New standards, amendments to published standards and IC interpretations that are applicable and adopted by Plantation Estates are as follows (continued):

Financial year ended 31 December 2010 (continued)

- Amendment to FRS 139 Financial Instruments: Recognition and Measurement
- Improvement to FRSs (2009) in connection with IASB Improvements to IFRS in 2008
  - FRS 7 Financial Instruments: Disclosures
  - FRS 136 Impairment of Assets
- Improvement to FRSs in connection with IASB Improvements to IFRS in 2009
  - FRS 107 Cash Flow Statements
  - FRS 117 Leases
  - FRS 118 Revenue
  - FRS 136 Impairment of Asset
- Amendment to IC Interpretation 9 Reassessment of Embedded Derivatives

The adoption of the above new/revised standards and interpretations did not have a significant financial impact on Plantation Estates and did not result in substantial changes in the Plantation Estates' accounting policies except for the following:

- FRS 7 Financial Instruments: Disclosures (effective from 1 January 2010) provides information to users of carve-out financial statements about an entity's exposure to risks and how the entity manages those risks. The improvement of FRS 7 clarifies that entities must not present total interest income and expense as a net amount within finance costs on the face of profit or loss. FRS 7 has been applied prospectively in accordance with the transitional provisions.

## 9. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors  
Felda Global Ventures Holdings Berhad  
PwC/TSP/MBJ/EC/fm/2019J  
21 May 2012**

**III CARVE-OUT FINANCIAL STATEMENTS OF PLANTATION ESTATES OWNED BY FEDERAL LAND DEVELOPMENT AUTHORITY ('FELDA') AND OPERATED BY FELDA PLANTATIONS SDN. BHD. ('FPSB') (CONTINUED)**

**3 BASIS FOR PREPARATION OF HISTORICAL CARVE-OUT FINANCIAL STATEMENTS IN THIS REPORT (CONTINUED)**

- (i) New standards, amendments to published standards and interpretations which are applicable and adopted by Plantation Estates are as follows (continued):

Financial year ended 31 December 2010 (continued)

The adoption of the above new/revised standards and interpretations did not have a significant financial impact on Plantation Estates and did not result in substantial changes in the Plantation Estates' accounting policies except for the following (continued):

- Revised FRS 101 Presentation of Financial Statements (effective from 1 January 2010) differentiates owner changes and non-owner changes in equity. Therefore, the statements of changes in equity now only include the details of transactions with owners. All non-owner changes in equity are presented separately as a line labeled as comprehensive income. The standard also introduces Statement of Comprehensive Income that discloses all income and expense items recognised in the profit or loss, as well as all other items acknowledged as income and expenses, either in one solitary statement, or two related statements. Other changes include presentation an additional Statement of Financial Position as at the opening of comparative period when there is a change in accounting standard, restatement or reclassification in the carve-out financial statements. The revision to FRS 101 does not have an effect on the financial position and decisions of the Plantation Estates.
- FRS 139 Financial Instruments: Recognition and Measurement (effective from 1 January 2010) establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted under strict circumstances.

FRS 139 has been prospectively applied at the Plantation Estates. Retrospective application is not permitted. Any adjustment of the previous carrying amount are recognised as an adjustment to the balance of retained earnings or, if appropriate, another category of equity, at the beginning of the financial year in which this standard is initially applied.

## 9. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors  
Felda Global Ventures Holdings Berhad  
PwC/TSP/MBJ/EC/fm/2019J  
21 May 2012**

III CARVE-OUT FINANCIAL STATEMENTS OF PLANTATION ESTATES OWNED BY FEDERAL LAND DEVELOPMENT AUTHORITY ('FELDA') AND OPERATED BY FELDA PLANTATIONS SDN. BHD. ('FPSB') (CONTINUED)

3 BASIS FOR PREPARATION OF HISTORICAL CARVE-OUT FINANCIAL STATEMENTS IN THIS REPORT (CONTINUED)

- (i) New standards, amendments to published standards and interpretations which are applicable and adopted by Plantation Estates are as follows (continued):

Financial year ended 31 December 2010 (continued)

The effects on the carve-out financial statements following the adoption FRS 139 are disclosed in Note 4(a) to this Report. The effects on the carve-out financial statements following the adoption of FRS 7 and Revised FRS 101 are mainly disclosures.

Financial year ended 31 December 2011

- Amendment to FRS 7 Financial Instruments: Disclosures
- Amendment to FRS 132 Financial Instruments: Presentation
- IC Interpretation 4 Determining whether an Arrangement Contains a Lease
- Improvement to FRSs in connection with IASB Improvements to IFRSs in 2010:
  - FRS 7 Financial Instruments: Disclosures
  - FRS 101 Presentation of Financial Statements

The principal effects resulting from the adoption of Amendment to FRS 7 and IC Interpretation 4 are discussed below:

- Amendment to FRS 7 Financial Instruments: Disclosures (effective 1 January 2011) enhanced the disclosure on fair value measurement using three levels of fair value hierarchy and reinforces existing principles for disclosure about liquidity risk.

## 9. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors  
Felda Global Ventures Holdings Berhad  
PwC/TSP/MBJ/EC/fm/2019J  
21 May 2012**

**III CARVE-OUT FINANCIAL STATEMENTS OF PLANTATION ESTATES OWNED BY FEDERAL LAND DEVELOPMENT AUTHORITY ('FELDA') AND OPERATED BY FELDA PLANTATIONS SDN. BHD. ('FPSB') (CONTINUED)**

**3 BASIS FOR PREPARATION OF HISTORICAL CARVE-OUT FINANCIAL STATEMENTS IN THIS REPORT (CONTINUED)**

- (i) New standards, amendments to published standards and IC interpretations which are applicable and adopted by Plantation Estates are as follows (continued):

Financial year ended 31 December 2011 (continued)

The principal effects resulting from the adoption of Amendment to FRS 7 and IC Interpretation 4 are discussed below (continued):

- IC Interpretation 4 Determining whether an Arrangement Contains a Lease (effective 1 January 2011) requires Plantation Estates to identify any arrangement that does not take the legal form of a lease, but conveys a right to use an asset in return for a payment or series of payments. This interpretation provides guidance for determining whether such arrangements are, or contain, leases. The assessment is based on the substance of the arrangement and requires assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset. If the arrangement contains a lease, the requirements of FRS 117 'Leases' should be applied to the lease element of the arrangement.

## 9. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors  
Felda Global Ventures Holdings Berhad  
PwC/TSP/MBJ/EC/fm/2019J  
21 May 2012**

**III CARVE-OUT FINANCIAL STATEMENTS OF PLANTATION ESTATES OWNED BY FEDERAL LAND DEVELOPMENT AUTHORITY ('FELDA') AND OPERATED BY FELDA PLANTATIONS SDN. BHD. ('FPSB') (CONTINUED)**

**3 BASIS FOR PREPARATION OF HISTORICAL CARVE-OUT FINANCIAL STATEMENTS IN THIS REPORT (CONTINUED)**

- (ii) New standards, amendments to published standards and IC interpretations to existing standards that are applicable to Plantation Estates but not yet effective and have not yet been early adopted:

**Financial year ending 31 December 2012:**

• **Revised FRS 124 Related Party Disclosures**

The revised FRS 124 Related Party Disclosures removes the exemption to disclose transactions between government-related entities and the government, and all other government-related entities. The following new disclosures are now required for government related entities:

- The name of the government and the nature of their relationship;
- The nature and amount of each individually significant transactions; and
- The extent of any collectively significant transactions, qualitatively or quantitatively.

Plantation Estates will apply this standard from financial year beginning on 1 January 2012.

**Financial year ending 31 December 2013:**

In the financial year beginning on/after 1 January 2013, Plantation Estates will be adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards ('MFRS'). MFRS 1 'First-time adoption of MFRS' provides for certain optional exemptions and certain mandatory exceptions for first-time MFRS adopters.

The impact of the adoption of MFRS 1 to Plantation Estates is still being assessed by the Directors.

The Plantation Estates will apply the following new standards, amendments to standards and interpretations:

## 9. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors  
Felda Global Ventures Holdings Berhad  
PwC/TSP/MBJ/EC/fm/2019J  
21 May 2012**

III CARVE-OUT FINANCIAL STATEMENTS OF PLANTATION ESTATES OWNED BY FEDERAL LAND DEVELOPMENT AUTHORITY ('FELDA') AND OPERATED BY FELDA PLANTATIONS SDN. BHD. ('FPSB') (CONTINUED)

3 BASIS FOR PREPARATION OF HISTORICAL CARVE-OUT FINANCIAL STATEMENTS IN THIS REPORT (CONTINUED)

- (ii) New standards, amendments to published standards and IC interpretations to existing standards that are applicable to Plantation Estates but not yet effective and have not yet been early adopted (continued):

Financial year ending 31 December 2013 (continued):

- MFRS 141 Agriculture
- MFRS 9 Financial Instruments: Classification and Measurement of Financial Assets and Financial Liabilities
- MFRS 13 Fair Value Measurement
- Amendment to MFRS 7 Financial Instruments: Disclosures on Transfers of Financial Assets
- Amendment to MFRS 101 Financial Statement Presentation
- Amendment to MFRS 119 Employee Benefits

The adoption of the above MFRSs is not expected to have a significant financial impact and will not result in substantial changes to the Plantation Estates' accounting policies except for the adoption of MFRS 141, MFRS 13 and MFRS 101 which are discussed below:

- MFRS 141 Agriculture requires biological assets and agricultural produce at the point of harvest to be measured at fair value less costs to sell. The change in fair value less costs to sell of a biological asset shall be included in profit or loss for the period in which it arises. The standard is to be applied retrospectively.

Upon adoption of MFRS141 on 1 January 2013, the biological assets of Plantation Estates will be fair valued and the impact of the fair value adjustment will be accounted for retrospectively by adjusting retained earnings. Subsequent changes in fair value after that date of the biological assets shall be included in profit or loss in the period in which the changes arise.



## 9. ACCOUNTANTS' REPORT (Cont'd)



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- III CARVE-OUT FINANCIAL STATEMENTS OF PLANTATION ESTATES OWNED BY FEDERAL LAND DEVELOPMENT AUTHORITY ('FELDA') AND OPERATED BY FELDA PLANTATIONS SDN. BHD. ('FPSB') (CONTINUED)
- 3 BASIS FOR PREPARATION OF HISTORICAL CARVE-OUT FINANCIAL STATEMENTS IN THIS REPORT (CONTINUED)

- (ii) New standards, amendments to published standards and interpretations to existing standards that are applicable to Plantation Estates but not yet effective and have not yet been early adopted (continued):

Financial year ending 31 December 2013 (continued):

- MFRS 13 Fair Value Measurement aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across MFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhanced disclosure requirements are similar to those in MFRS 7 Financial instruments: Disclosures, but apply to all assets and liabilities measured at fair value, not just financial ones.

The adoption of MFRS 13 will result in additional disclosure requirements for Plantation Estates.

- Amendment to MFRS 101 Financial statement presentation requires entities to separate items presented in other comprehensive income ("OCI") in the statement of comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. The amendments do not address which items are presented in OCI.

The adoption of MFRS 101 will result in additional disclosure requirements for Plantation Estates.

The preparation of carve-out financial statements in conformity with the FRS, the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the carve-out financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. There are no areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the carve-out financial statements.

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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the financial years presented, unless stated otherwise.

(a) Financial assets

Classification

Plantation Estates have changed its accounting policy for recognition and measurement of financial assets upon adoption of FRS 139 Financial instruments: Recognition and Measurement on 1 January 2010.

Previously, loans and receivables are carried at invoiced amount. Plantation Estates has applied the new policy according to the transitional provision of FRS 139 by re-measuring all financial assets, as appropriate, and recording any adjustments to the previous carrying amounts to opening retained earnings or, if appropriate, to another category of equity, of the current financial year. The impact of the change in the accounting policy for Plantation Estates is not significant.

All of Plantation Estates' financial assets are classified as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The classification was not applicable to the financial assets of Plantation Estates for the financial year ended 31 December 2009 as the adoption of FRS 139 was applied prospectively in accordance with the requirement of the standard.

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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial assets (continued)

Classification (continued)

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Plantation Estates' loans and receivables include trade and other receivables, amounts due from related companies and cash and cash equivalents in the statement of financial position.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Plantation Estates commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not classified at fair value through profit and loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Plantation Estates has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Impairment of financial assets

Assets carried at amortised cost

Plantation Estates assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Plantation Estates uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Plantation Estates, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- Disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  - (a) adverse changes in the payment status of borrowers in the portfolio; and
  - (b) national or local economic conditions that correlate with defaults on the assets in the portfolio.

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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Impairment of financial assets (continued)

Assets carried at amortised cost (continued)

Plantation Estates first assesses whether objective evidence of impairment exists. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, Plantation Estates may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

(c) Financial liabilities

Previously, financial liabilities such as trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

Following the adoption of FRS 139 on 1 January 2010, financial liabilities within the scope of FRS 139 are recognised on the statement of financial position when, and only when, Plantation Estates becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transactions costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method except for derivatives which are measured at fair value.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

## 9. ACCOUNTANTS' REPORT (Cont'd)



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**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(c) Financial liabilities (continued)**

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

**(d) Biological assets**

Biological assets are comprised of new planting development costs which are accounted for under the capital maintenance method. Under the capital maintenance method, development costs incurred (for example land clearing and upkeep of trees) up to the maturity period are capitalised and not amortised, and are shown as a non-current asset net of accumulated impairment losses. Replanting expenses are charged to the profit or loss in the financial year in which they are incurred.

When the area is replanted with a different crop, the previously capitalised development costs are expensed off in the profit or loss and new planting development costs in respect of the new crop are capitalised.

The significant accounting policy for impairment of non-financial assets is stated in Note 4(h) to this Report.

**(e) Property, plant and equipment**

All property, plant and equipment are initially stated at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Plantation Estates and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All repairs and maintenance costs are charged to the profit or loss during the financial year in which they are incurred. The significant accounting policy for impairment of non-financial assets is as stated in Note 4(h) to this Report.

Assets under construction are not depreciated.

Other property, plant and equipment are depreciated to write-off the cost of the assets to their residual values on the straight line basis over their estimated useful lives. The estimated useful lives are as follows:

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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property, plant and equipment (continued)

<u>Property, plant and equipment</u>	<u>Estimated useful lives (years)</u>
Buildings, structures and renovations	10 to 50
Motor vehicles and machinery	5 to 15
Office equipment, tools and other equipment	3 to 8

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date to reflect the latest information and the expected pattern of consumption of the future economic benefits embodied in the related assets.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is used to determine gain/ (loss) to be recognised in the profit or loss.

(f) Inventories

The Plantation Estates' inventories comprise of fertilisers, pesticides, nursery and consumables.

Inventories are stated at the lower of cost and net realisable value. Costs are determined using the weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

(g) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Bad debts are written off in the financial year in which they are identified. An estimate is made for provision for impairment of receivables based on a review of all outstanding accounts at the financial year end. The provision is established when there is objective evidence that Plantation Estates will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount. The amount of provision is recognised in the profit or loss.

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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment of non-financial assets

Carrying amounts of assets other than inventories and deferred tax assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit ('CGU') to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units, if any, and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised as gain or loss in profit or loss in the period in which it arises.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised as a gain or loss in profit or loss.

(i) Income taxes

Current income taxes expense is determined according to the national tax laws.

Deferred tax assets are provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the carve-out financial statements. Deferred tax liabilities are not recognised for temporary differences that arise from initial recognition of assets and liabilities, at initial recognition or upon subsequent measurement, that at the time of transaction, affect neither accounting profit nor taxable profit. Deferred taxation recognised includes temporary differences arising from tax credit.



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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Income taxes (continued)

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

Tax rates enacted or substantively enacted by the statement of financial position date are used to determine deferred tax.

(j) Revenue recognition

Revenue, comprising sales of fresh fruit bunches and rubber latex, are recognised at the fair value of consideration received or receivable upon the delivery of goods, net of discounts, allowances and indirect taxes, when the significant risks and rewards of ownership of the goods are transferred to the buyer.

Interest income is recognised on the accrual basis using the effective interest rate method.

(k) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(l) Employee benefits

(i) Short term employee benefits

Salaries, paid annual leave, sick leave, bonuses and non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

(ii) Defined contribution plans

Defined contribution plans are plans under which Plantation Estates pays fixed contribution to the Employees' Provident Fund. Plantation Estates will have no obligation other than the contributions made. Such contributions are recognised as an expense in the profit or loss as incurred.

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**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(m) Contingent liabilities**

The Plantation Estates does not recognise a contingent liability but discloses its existence in the carve-out financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Plantation Estates or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

**(n) Provisions**

Provisions are recognised when the Plantation Estates has an obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

**(o) Operating leases**

Leases where a significant portion of the rewards and risks of ownership of assets are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on the straight line basis over the lease period.

When an operating lease is terminated before the expiry of the lease period, any payment made to the lessor as a penalty will be recognised as an expense in the period when the lease is terminated.

Payment for leasehold plantation land, if meeting the criteria of an operating lease, are categorised as prepaid land lease payments and amortised over the term of the lease on a straight line basis. All plantation lands are leasehold land.

Prepaid land lease payments for the plantation land, of which the lease period ranges from 60 to 99 years, represent premiums paid to the State Governments.

For premiums relating to plantation land not yet paid to State Governments, Plantation Estates has made a provision for plantation land premium for the premium payable for the period from the time of application to obtain or extend the lease period, until end of the financial year, which represents the lease period that has lapsed in the operating lease arrangement. Upon payment of the premiums to the State Governments, the provision for plantation land premiums will be reversed and the remaining prepaid lease payment is amortised over the remaining term of the lease on a straight line basis.

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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Foreign currencies

Functional and presentation currency

Items included in the carve-out financial statements of Plantation Estates are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The carve-out financial statements are presented in Ringgit Malaysia (RM), which is the Plantation Estates' functional and presentation currency.

Transactions and balances

Transactions in currencies other than the Plantation Estates' functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are translated at the rates prevailing on the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the profit or loss.

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5 RISK MANAGEMENT

(a) Financial risk management

Plantation Estates' activities are exposed to a variety of financial risks, which are credit risk and liquidity risk. The financial risk management objective of the Plantation Estates is to minimise the possibility of adverse risks on the financial performance of the Plantation Estates.

Risk management of the Plantation Estates is carried out by the FELDA's central treasury through risk reviews, internal control system and adherence to financial risk management policies. The management reviews and agrees on policies for managing the credit risk and liquidity risk.

Credit risk

There is a concentration of credit risk resulting from Plantation Estates' transactions with related companies, in particular Felda Palm Industries Sdn. Bhd. and Felda Rubber Industries Sdn. Bhd. in relation to the sales of fresh fruit bunches and rubber latex respectively. The exposure is closely monitored and followed up by finance department of FELDA. Management is of the view that since the transactions are with related companies, the risk of credit concentration is reduced.

Plantation Estates' cash and cash equivalents were largely placed with major financial institutions in Malaysia where the possibility of non-performance by these financial institutions is remote after taking into account their financial strength.

The maximum amount of credit risk is equal to the carrying amount of the receivables. There is no collateral held in respect of the receivables.

Liquidity risk

Liquidity risk is the risk that Plantation Estates will encounter difficulties in meeting obligations due to shortage of funds. FELDA's central treasury monitors Plantation Estates' working capital requirements by closely monitoring its cash flows and ensuring that funds will be transmitted from FELDA's central treasury as and when it is needed by Plantation Estates.

As at the statement of financial position date, the remaining contractual maturity periods for all Plantation Estates' financial liabilities are within a period of less than a year.

(b) Capital risk management

Capital risk management for Plantation Estates are managed by FELDA at entity level. FELDA's policy is to ensure that funds will be transmitted from central treasury as and when it is needed by Plantation Estates, for its continuous operations. As funding is provided by FELDA, Plantation Estates was not allowed to source for external borrowings.

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6 HISTORICAL FINANCIAL STATEMENTS

6.1 STATEMENTS OF COMPREHENSIVE INCOME

	Note	Financial year ended 31 December		
		2009 RM'ooo	2010 RM'ooo	2011 RM'ooo
Revenue	7.1	2,264,849	2,655,091	3,273,678
Cost of operations		(1,415,970)	(1,222,341)	(1,499,476)
Gross profit		848,879	1,432,750	1,774,202
Other operating income		12,046	11,501	4,482
Administrative expenses		(66,094)	(85,204)	(96,840)
Other operating expenses		(15,498)	(49,519)	(60,782)
Profit before taxation	7.2	779,333	1,309,528	1,621,062
Taxation	7.3	(198,885)	(331,694)	(410,787)
Profit for the financial year		580,448	977,834	1,210,275
Profit for the financial year		580,448	977,834	1,210,275
Other comprehensive income		-	-	-
Total comprehensive income for the financial year		580,448	977,834	1,210,275

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6 HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

6.2 STATEMENTS OF FINANCIAL POSITION

		As at 31 December		
	Note	2009 RM'000	2010 RM'000	2011 RM'000
ASSETS				
<u>Non-current assets</u>				
Property, plant and equipment	7.4	235,147	245,568	264,758
Prepaid lease payments	7.5	425,590	419,856	441,110
Biological assets	7.6	1,865,822	1,871,026	1,872,914
Total non-current assets		2,526,559	2,536,450	2,578,783
<u>Current assets</u>				
Inventories	7.8	50,502	50,369	58,918
Receivables	7.9	3,123	3,902	7,955
Amounts due from related companies	7.10	227,150	268,429	250,655
Cash and bank balances	7.11	505	310	306
Total current assets		281,280	323,010	317,834
TOTAL ASSETS		2,807,839	2,859,460	2,896,617
EQUITY AND LIABILITIES				
<u>Capital and reserve</u>				
Capital contributions - Net investment in the Plantation Estates		2,538,291	2,548,299	2,385,288
<u>Current liabilities</u>				
Payables	7.12	192,912	219,806	280,924
Provisions for plantation land premiums	7.13	14,291	14,811	1,257
Amounts due to related companies	7.10	56,387	65,338	211,274
Total current liabilities		263,590	299,955	493,455
<u>Non-current liabilities</u>				
Deferred tax liabilities	7.7	5,958	11,206	17,874
TOTAL EQUITY AND LIABILITIES		2,807,839	2,859,460	2,896,617

## 9. ACCOUNTANTS' REPORT (Cont'd)



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III CARVE-OUT FINANCIAL STATEMENTS OF PLANTATION ESTATES OWNED BY FEDERAL LAND DEVELOPMENT AUTHORITY ('FELDA') AND OPERATED BY FELDA PLANTATIONS SDN. BHD. ('FPSB') (CONTINUED)

6 HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

6.3 STATEMENTS OF CHANGES IN EQUITY

	<u>Net investment in the Plantation Estates<sup>^</sup></u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
At 1 January	2,439,106	2,538,291	2,548,299
Profit and total comprehensive income for the financial year	580,448	977,834	1,210,275
Net capital contributions*	(481,263)	(967,826)	(1,373,286)
At 31 December	<u>2,538,291</u>	<u>2,548,299</u>	<u>2,385,288</u>

<sup>^</sup> The net investment of FELDA in the Plantation Estates comprises net capital contribution and retained earnings which are disclosed on an aggregated basis.

\* Net capital contributions represent net cash inflows and outflows during the financial year as the treasury is managed centrally at FELDA.

## 9. ACCOUNTANTS' REPORT (Cont'd)



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III CARVE-OUT FINANCIAL STATEMENTS OF PLANTATION ESTATES OWNED BY FEDERAL LAND DEVELOPMENT AUTHORITY ('FELDA') AND OPERATED BY FELDA PLANTATIONS SDN. BHD. ('FPSB') (CONTINUED)

6 HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

6.4 STATEMENTS OF CASH FLOWS

		As at 31 December		
	Note	2009	2010	2011
		RM'000	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit for the financial year		580,448	977,834	1,210,275
Adjustments for:				
Taxation		198,885	331,694	410,787
Depreciation of property, plant and equipment		11,263	13,030	26,138
Loss/(gain) on disposal of property, plant and equipment		27	14	(94)
Write-off of property, plant and equipment		9	1,481	562
Amortisation of prepaid land lease payments		5,733	5,734	6,208
Provision for plantation land premiums		521	520	47
Write-off of biological assets		-	-	4,509
Interest income		(18)	(24)	(9)
		796,868	1,330,283	1,658,423
Working capital changes:				
Inventories		(968)	133	(8,549)
Receivables		284	(780)	(4,053)
Amount due from/ (to) related companies		11,149	(32,327)	163,708
Payables		(71,003)	26,894	61,119
		736,330	1,324,203	1,870,648
Tax paid*		(194,931)	(326,446)	(404,119)
Interest received		18	24	9
Net cash generated from operating activities		541,417	997,781	1,466,538



## 9. ACCOUNTANTS' REPORT (Cont'd)



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6 HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

6.4 STATEMENTS OF CASH FLOWS (CONTINUED)

		As at 31 December		
	<u>Note</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
		RM'000	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	7.4	(47,092)	(25,046)	(45,890)
Proceeds from disposal of property, plant and equipment		26	100	94
Biological assets				
-Additions		(7,631)	(5,555)	(6,437)
-Crop revenue		87	351	40
Payment for land lease premiums		(5,114)	-	(41,063)
Net cash used in investing activities		(59,724)	(30,150)	(93,256)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net capital contributions		(481,263)	(967,826)	(1,373,286)
Net cash used in financing activities		(481,263)	(967,826)	(1,373,286)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS				
		430	(195)	(4)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR				
		75	505	310
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR				
	7.11	505	310	306

\* Tax paid does not represent actual tax payment by Plantation Estates. The current taxation (including settlement of tax liabilities) was not reflected in the historical financial statements as the current taxation was accounted by FELDA as a separate legal entity. As a result, management had computed the theoretical current taxation to be presented in the carve-out financial statements, and assumes full settlement of tax liabilities made in each financial year (refer to Note 3).

## 9. ACCOUNTANTS' REPORT (Cont'd)



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**7 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS**

**7.1 REVENUE**

	<b>Financial year ended 31 December</b>		
	<b>2009</b>	<b>2010</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Sales of fresh fruit bunches	2,219,206	2,596,543	3,183,817
Sales of rubber latex	45,643	58,548	89,861
	<b>2,264,849</b>	<b>2,655,091</b>	<b>3,273,678</b>

**7.2 PROFIT BEFORE TAXATION**

Profit before taxation is stated after charging/(crediting):

	<b>Financial year ended 31 December</b>		
	<b>2009</b>	<b>2010</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Harvesting costs	333,635	304,661	365,263
Manuring costs	398,177	257,027	275,819
Replanting expenses	245,327	235,225	243,942
Staff costs*	207,191	228,387	294,630
Weeding costs	44,535	38,095	41,223
Land and water restoration costs	7,056	6,986	8,882
Pruning costs	19,423	18,638	18,624
Security costs	25,330	36,312	46,656
Pest and disease control cost	8,701	7,847	8,050
Roads and bridges maintenance expenses	75,512	48,639	61,060
Irrigation and equipment expenses	8,403	5,639	11,708
Infrastructure maintenance expenses	6,210	3,083	4,363
Property, plant and equipment			
- Depreciation	11,263	13,030	26,137
- Write-offs	9	1,481	562
- Loss /(gain) on disposal of property, plant and equipment	27	14	(94)
Amortisation of prepaid lease payments	5,733	5,734	6,208
Oil palm replanting scheme from Malaysian Palm Oil Board ('MPOB')	(836)	(6,133)	(616)
Sale of rubber wood	(3,786)	(1,593)	-
Compensation for disposal of land for public infrastructure	(3,942)	-	-
Rental income	(1,306)	(1,320)	(1,460)
Management fees	66,094	85,204	96,840
Development contribution to State Governments	15,496	49,519	58,761

## 9. ACCOUNTANTS' REPORT (Cont'd)



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7 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

7.2 PROFIT BEFORE TAXATION (CONTINUED)

	Financial year ended 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
* Staff costs are analysed as follows:			
Wages, salaries and bonuses	94,806	116,933	137,825
Defined contribution plan	20,244	21,345	25,052
Other employee benefits	92,141	90,109	131,753
	<u>207,191</u>	<u>228,387</u>	<u>294,630</u>

Staff costs relate to recharges in respect of plantation staff costs charged by FPSB.

7.3 TAXATION

As described in Note 3 to this Report, the current and deferred taxation were not reflected in the historical Plantation Estates' financial statements as the current and deferred taxation were accounted by FELDA as a separate legal entity. As a result, management had computed the theoretical current and deferred taxation to be presented in the carve-out financial statements. These estimates were based on the assumption that Plantation Estates was operating as a legal entity and the temporary differences will originate and reverse in future periods in accordance with FRS 112 Income Taxes.

	Financial year ended 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
In respect of the current financial year			
- Malaysian income tax	194,931	326,446	404,119
- deferred tax (Note 7.7)	3,954	5,248	6,668
	<u>198,885</u>	<u>331,694</u>	<u>410,787</u>

## 9. ACCOUNTANTS' REPORT (Cont'd)



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- III CARVE-OUT FINANCIAL STATEMENTS OF PLANTATION ESTATES OWNED BY FEDERAL LAND DEVELOPMENT AUTHORITY ('FELDA') AND OPERATED BY FELDA PLANTATIONS SDN. BHD. ('FPSB') (CONTINUED)
- 7 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)
- 7.3 TAXATION (CONTINUED)

The numerical reconciliation between tax expense and profit before taxation are as follows:

	Financial year ended 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
Profit before taxation	779,333	1,309,528	1,621,062
Tax at Malaysian income tax rate of 25% (2010: 25%, 2009: 25%)	194,833	327,382	405,266
Tax effect of - expenses not deductible for tax purposes	4,052	4,312	5,521
	198,885	331,694	410,787

## 9. ACCOUNTANTS' REPORT (Cont'd)



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III CARVE-OUT FINANCIAL STATEMENTS OF PLANTATION ESTATES OWNED BY FEDERAL LAND DEVELOPMENT AUTHORITY ('FELDA') AND OPERATED BY FELDA PLANTATIONS SDN. BHD. ('FPSB') (CONTINUED)

7 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

7.4 PROPERTY, PLANT AND EQUIPMENT

	Buildings, structures and renovations RM'ooo	Motor vehicles and machinery RM'ooo	Office equipment, tools and other equipment RM'ooo	Assets under construction RM'ooo	Total RM'ooo
<u>2009</u>					
<u>Cost</u>					
As at 1 January	292,067	103,145	14,305	68,069	477,586
Additions	743	11,470	1,786	33,093	47,092
Reclassification	33,973	-	-	(33,973)	-
Write-offs	(184)	(1,382)	(130)	-	(1,696)
Disposals	-	(126)	-	-	(126)
As at 31 December	326,599	113,107	15,961	67,189	522,856
<u>Accumulated depreciation</u>					
As at 1 January	205,030	65,382	7,794	-	278,206
Charge for the financial year	4,468	5,382	1,413	-	11,263
Write-offs	(154)	(1,408)	(125)	-	(1,687)
Disposals	-	(73)	-	-	(73)
As at 31 December	209,344	69,283	9,082	-	287,709
Net book value at 31 December	117,255	43,824	6,879	67,189	235,147

## 9. ACCOUNTANTS' REPORT (Cont'd)



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7 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

7.4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings, structures and renovations RM'ooo	Motor vehicles and machinery RM'ooo	Office equipment, tools and other equipment RM'ooo	Assets under construction RM'ooo	Total RM'ooo
<u>2010</u>					
<u>Cost</u>					
As at 1 January	326,599	113,107	15,961	67,189	522,856
Additions	-	4,340	652	20,054	25,046
Reclassification	25,422	-	-	(25,422)	-
Write-offs	(584)	(1,796)	(439)	(1,229)	(4,048)
Disposals	-	(235)	-	-	(235)
As at 31 December	351,437	115,416	16,174	60,592	543,619
<u>Accumulated depreciation</u>					
As at 1 January	209,344	69,283	9,082	-	287,709
Charge for the financial year	5,487	6,060	1,483	-	13,030
Write-offs	(462)	(1,716)	(389)	-	(2,567)
Disposals	-	(121)	-	-	(121)
As at 31 December	214,369	73,506	10,176	-	298,051
Net book value at 31 December	137,068	41,910	5,998	60,592	245,568

## 9. ACCOUNTANTS' REPORT (Cont'd)



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7 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

7.4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings, structures and <u>renovations</u> RM'000	Motor vehicles and <u>machinery</u> RM'000	Office equipment, tools and other <u>equipment</u> RM'000	Assets under <u>construction</u> RM'000	<u>Total</u> RM'000
<b>2011</b>					
<u>Cost</u>					
As at 1 January	351,437	115,416	16,174	60,592	543,619
Additions	4,867	11,768	3,058	26,197	45,890
Reclassification	61,059	-	-	(61,059)	-
Write-offs	(1,764)	(3,624)	(1,053)	-	(6,441)
Disposals	-	(790)	-	-	(790)
As at 31 December	415,599	122,770	18,179	25,730	582,278
<u>Accumulated depreciation</u>					
As at 1 January	214,369	73,506	10,176	-	298,051
Charge for the financial year	17,715	7,204	1,218	-	26,137
Write-offs	(1,565)	(3,314)	(1,000)	-	(5,879)
Disposals	-	(790)	-	-	(790)
As at 31 December	230,519	76,606	10,394	-	317,519
Net book value at 31 December	185,080	46,164	7,785	25,730	264,759

## 9. ACCOUNTANTS' REPORT (Cont'd)



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7 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

7.5 PREPAID LEASE PAYMENTS

	As at 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
As at 1 January	426,209	425,590	419,856
Additions	5,114	-	27,462
Amortisation	(5,733)	(5,734)	(6,208)
As at 31 December	425,590	419,856	441,110

The titles of certain leasehold land have not been issued to FELDA and the titles of certain leasehold land were lost. FELDA is still in the process of obtaining the titles from the relevant authorities. Non existence of the titles have no impact on Plantation Estates' right to use the leasehold land as these lands have been alienated by State Governments to Plantation Estates via agreements with the respective State Governments.

7.6 BIOLOGICAL ASSETS

	As at 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
As at 1 January	1,858,278	1,865,822	1,871,026
Additions	7,631	5,555	6,437
Write-off	-	-	(4,509)
Crop revenue	(87)	(351)	(40)
As at 31 December	1,865,822	1,871,026	1,872,914



## 9. ACCOUNTANTS' REPORT (Cont'd)



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7 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

7.7 DEFERRED TAXATION

Deferred taxation was not reflected in the historical Plantation Estates' financial statements as the current and deferred taxation were accounted by FELDA as a separate legal entity. As a result, management had computed the theoretical current and deferred taxation to be presented in the carve-out financial statements. These estimates were based on the assumption that Plantation Estates was operating as a legal entity and the temporary differences will originate and reverse in future periods in accordance with FRS 112 Income Taxes.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	As at 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
Subject to income tax			
- Deferred tax liabilities	5,958	11,206	17,874
At 1 January	2,004	5,958	11,206
Charged to profit or loss (Note 7.3):			
- property, plant and equipment	3,954	5,248	6,668
At 31 December	5,958	11,206	17,874
Deferred tax liabilities			
- property, plant and equipment			
(before and after offsetting)	5,958	11,206	17,874

## 9. ACCOUNTANTS' REPORT (Cont'd)



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7 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

7.8 INVENTORIES

	As at 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
At cost:			
Fertilisers	21,160	14,852	18,482
Pesticides	2,742	2,496	3,422
Nursery	24,672	29,857	34,265
Consumables	1,928	3,164	2,749
	<u>50,502</u>	<u>50,369</u>	<u>58,918</u>

7.9 RECEIVABLES

	As at 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
Other receivables	2,498	3,247	7,239
Deposits	625	655	716
	<u>3,123</u>	<u>3,902</u>	<u>7,955</u>

All receivables are denominated in Ringgit Malaysia.

## 9. ACCOUNTANTS' REPORT (Cont'd)



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7 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

7.9 RECEIVABLES (CONTINUED)

Past due but not impaired

As at 31 December 2011, RM759,741 (2010: RM 67,059, 2009: RM 68,050) of receivables were past due but not impaired. These relate to a number of external parties where there is no expectation of default. The ageing analysis of these receivables is as follows:

	<u>As at 31 December</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
Less than 30 days past due	23	33	760
Between 30 and 60 days past due	45	34	-
	<u>68</u>	<u>67</u>	<u>760</u>

The remaining receivables balance of RM7,194,856 (2010: RM3,834,607, 2009: RM3,054,616) which are neither past due nor impaired are creditworthy debtors with good payment records with Plantation Estates.

7.10 AMOUNTS DUE FROM/ (TO) RELATED COMPANIES

	<u>As at 31 December</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
<u>Amounts due from</u>			
Amounts due from related companies	227,150	268,429	250,655
	<u>227,150</u>	<u>268,429</u>	<u>250,655</u>
<u>Amounts due to</u>			
Amounts due to related companies	(56,387)	(65,338)	(211,274)
	<u>(56,387)</u>	<u>(65,338)</u>	<u>(211,274)</u>

## 9. ACCOUNTANTS' REPORT (Cont'd)



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7 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

7.10 AMOUNTS DUE FROM/ (TO) RELATED COMPANIES (CONTINUED)

Details of related companies are set out in Note 7.16 to this Report.

Amounts due from/(to) related companies are unsecured, interest free, denominated in Ringgit Malaysia and have credit terms between 30 to 60 days (2010: 30 to 60 days, 2009: 30 to 75 days).

Past due but not impaired

As at 31 December 2011, RM nil (2010: RM25,373, 2009: RM2,549,331) of amounts due from related companies were past due but not impaired. These relate to certain related companies where there is no expectation of default. The ageing analysis of these balances is as follows:

	As at 31 December		
	2009 RM'000	2010 RM'000	2011 RM'000
Less than 30 days past due	2,549	-	-
Between 30 and 60 days past due	-	25	-
	<u>2,549</u>	<u>25</u>	<u>-</u>

The remaining amounts due from related companies balances of RM250,654,998 (2010: RM268,402,873, 2009: RM224,600,610) which are neither past due nor impaired are creditworthy debtors with good payment records with Plantation Estates.

## 9. ACCOUNTANTS' REPORT (Cont'd)



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7 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

7.11 CASH AND BANK BALANCES

	As at 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
Cash and bank balances	505	310	306

Cash and bank balances are deposits held at call with banks and are denominated in Ringgit Malaysia.

The effective interest rate of bank balances during the year was 2.73% (2010: 2.27%, 2009: 2.05%).

7.12 PAYABLES

	As at 31 December		
	2009	2010	2011
	RM'000	RM'000	RM'000
Trade payables	27,801	29,477	44,304
Contract payables	20,679	17,401	17,147
Accrued development contribution to State Governments	101,127	130,812	156,171
Accrued salaries and bonuses	40,946	39,781	59,189
Other accruals	2,359	2,335	4,113
	192,912	219,806	280,924

Credit terms of trade payables are between 30 to 60 days (2010: 30 to 60 days, 2009: 30 to 60 days).

Included in contract payables are retention monies amounting to RM6,305,042 (2010: RM8,686,931, 2009: RM10,780,118).

Accrued development contributions represent Plantation Estates' obligations to assist certain State Governments in their poverty eradication programme. These contributions are recognised based on 20% to 30% of the operating profit of the plantation estates within the respective states, as agreed with the respective State Governments.

All payables are denominated in Ringgit Malaysia.

## 9. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors**  
**Felda Global Ventures Holdings Berhad**  
**PwC/TSP/MBJ/EC/fm/2019J**  
**21 May 2012**

III CARVE-OUT FINANCIAL STATEMENTS OF PLANTATION ESTATES OWNED BY FEDERAL LAND DEVELOPMENT AUTHORITY ('FELDA') AND OPERATED BY FELDA PLANTATIONS SDN. BHD. ('FPSB') (CONTINUED)

7 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

7.13 PROVISIONS FOR PLANTATION LAND PREMIUMS

	As at 31 December		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
As at 1 January	13,770	14,291	14,811
Additions	521	520	47
Payments	-	-	(13,601)
As at 31 December	<u>14,291</u>	<u>14,811</u>	<u>1,257</u>

The provision is made based on current estimates of plantation land premium under operating lease payable for the period from the time of application to obtain or extend the lease period, until end of the financial year, which represent the lease period that has lapsed in the operating lease arrangement.

7.14 CAPITAL COMMITMENTS

Capital expenditure not provided for in the carve-out financial statements is as follows:

	As at 31 December		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
Property, plant and equipment			
- Approved but not contracted for	<u>3,764</u>	<u>4,954</u>	<u>-</u>

## 9. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors**  
**Felda Global Ventures Holdings Berhad**  
**PwC/TSP/MBJ/EC/fm/2019J**  
**21 May 2012**

III CARVE-OUT FINANCIAL STATEMENTS OF PLANTATION ESTATES OWNED BY FEDERAL LAND DEVELOPMENT AUTHORITY ('FELDA') AND OPERATED BY FELDA PLANTATIONS SDN. BHD. ('FPSB') (CONTINUED)

7 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

7.15 OPERATING LEASE COMMITMENTS

The future aggregate operating leases payments are as follows:

	As at 31 December		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
Within 1 year	521	521	47
Between 1 and 2 years	521	521	47
Between 2 and 3 years	521	521	47
Between 3 and 4 years	521	521	47
Between 4 and 5 years	521	521	47
After 5 years	34,698	34,177	3,153
	<u>37,303</u>	<u>36,782</u>	<u>3,388</u>

7.16 SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to related party transactions mentioned elsewhere in the carve-out financial statements, set out below are other significant related party transactions.

All the related parties are subsidiaries of FHB except for Felda Trading Sdn. Bhd. FHB is a 49% indirect associated company of FELDA. Felda Trading Sdn. Bhd. is a wholly owned subsidiary of Koperasi Permodalan Felda Malaysia Berhad ('KPF'), the holding company of FHB.

The following transactions were carried out with related parties:

	As at 31 December		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
(a) Sales of goods			
-Felda Palm Industries Sdn. Bhd.	2,219,206	2,553,790	3,133,440
-Felda Rubber Industries Sdn. Bhd.	45,643	58,548	89,861
	<u></u>	<u></u>	<u></u>



III	CARVE-OUT FINANCIAL STATEMENTS OF PLANTATION ESTATES OWNED BY FEDERAL LAND DEVELOPMENT AUTHORITY ('FELDA') AND OPERATED BY FELDA PLANTATIONS SDN. BHD. ('FPSB') (CONTINUED)
7	NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)
7.16	SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

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## 9. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors**  
**Felda Global Ventures Holdings Berhad**  
**PwC/TSP/MBJ/EC/fm/2019J**  
**21 May 2012**

III CARVE-OUT FINANCIAL STATEMENTS OF PLANTATION ESTATES OWNED BY FEDERAL LAND DEVELOPMENT AUTHORITY ('FELDA') AND OPERATED BY FELDA PLANTATIONS SDN. BHD. ('FPSB') (CONTINUED)

7 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

7.17 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) FELDA entered into an Land Lease Agreement ('LLA') with FGVH on 1 November 2011 to lease (i) lands with individual land titles issued to FELDA as the registered owner, (ii) existing lands granted to FELDA for development but where individual land titles have not been issued to FELDA and (iii) other lands to be alienated or to be acquired by FELDA in the future.

The lease will commence on 1 January 2012 or upon fulfilment of statutory approvals, whichever is later, which includes consent by the relevant State Authorities. The lease term is 99 years from the commencement date and if the current lease period is less than the lease term, FELDA shall on a best effort basis obtain an extension such that the remainder of the term can be completed; otherwise the term shall be the remaining lease period as at 1 January 2012.

- (b) The Lease Consideration for the LLA is computed on the following basis for 99 years: (i) an annual fixed lease amount and (ii) a fixed percentage of yearly plantation operating profit attributable to the lands which is calculated in accordance with the terms of the LLA. The Lease Amount shall be reassessed every 20 years based on the then prevailing state land premium.

7.18 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- (a) On 2 January 2012, a supplemental agreement (Addendum No.001) which is supplemental to the LLA between FGVH ('Lessee') and FELDA ('Lessor') dated 1 November 2011 was made effective. It shall be read together and construed as an integral part of the LLA.

The addendum includes the transfer of property, plant and equipment, current assets and current liabilities at a consideration being the audited net book value as at 31 December 2011.

- (b) As part of its restructuring process, FELDA, FGVH and Felda Global Ventures Plantation (Malaysia) Sdn. Bhd. ('FGVPM') had, on 6 January 2012, entered into a Novation Agreement whereby all benefits, rights, title, interest, obligations, undertakings, covenants and liabilities of FGVH under the LLA shall be transferred by FGVH to FGVPM from 1 January 2012 and FELDA has consented to the transfer of all of FGVH's benefits, rights, title, interest, obligations, undertakings, covenants and liabilities to FGVPM subject to the terms and conditions of the Novation Agreement.

## 9. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors**  
**Felda Global Ventures Holdings Berhad**  
**PwC/TSP/MBJ/EC/fm/2019J**  
**21 May 2012**

III CARVE-OUT FINANCIAL STATEMENTS OF PLANTATION ESTATES OWNED BY FEDERAL LAND DEVELOPMENT AUTHORITY ('FELDA') AND OPERATED BY FELDA PLANTATIONS SDN. BHD. ('FPSB') (CONTINUED)

7 NOTES TO THE HISTORICAL FINANCIAL STATEMENTS (CONTINUED)

7.18 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

- (c) On 6 January 2012, FGVPM a subsidiary of FGVH, signed a tenancy agreement with FELDA whereby FELDA agreed to grant tenancy and FGVPM agreed to accept tenancy of (a) all lands listed in Exhibit 1 of the Agreement for which individual land titles have been issued to FELDA but pending Approvals from the relevant authorities ('Remaining Existing Lands'); and (b) all lands listed in Exhibit 2 of the agreement for which the State Authority has granted FELDA the right to develop but individual land titles have not been issued to FELDA ('Additional Existing Lands') (the Remaining Existing Lands and Additional Existing Lands shall collectively be referred to as 'Lands'), both together measuring 336,010 hectares.

In the event that the Approvals for any part of the Lands are obtained from time to time or individual land titles are issued by the state authorities for any part of the Additional Existing Lands and the Approvals are obtained ('Approved Lands'), the parties will proceed to register the lease, and thereafter the Approved Lands shall be excluded from this agreement and the tenancy therein and shall fall under the lease in the Land Lease Agreement.

FGVPM shall pay to FELDA an agreed consideration which reflects the Lease Consideration in accordance with the LLA.

- (d) On 21 January 2012, FGVPM signed a tenancy agreement with FELDA in respect of the implementation of the LLA whereby FELDA agreed to grant tenancy and FGVPM agreed to accept tenancy of certain plantation lands measuring 19,854 hectares which are owned by FELDA that are subject to consideration of the special circumstances affecting the lands), which the parties have decided to segregate the tenancies of these lands.

FGVPM shall pay to FELDA an agreed consideration which reflects the Lease Consideration in accordance with the LLA.

- (e) On 21 May 2012, FGVPM entered into an addendum to the tenancy agreement dated 6 January 2012 to exclude all Sarawak Lands measuring 8,280 hectares from the application of the tenancy agreement and the LLA until FGVPM has obtained the status of Native as defined in the Land Code (Cap 81) of Sarawak, obtained approval by the State Authority for the lease and registered the lease instrument.

On the same date, FGVPM entered into a Management Agreement ('MA') with FELDA in respect of the Sarawak Lands to manage the operations of these lands for a contract period of one year that is automatically renewed on a yearly basis. Throughout the contract period, FGVPM shall purchase all FFB produced on these lands, In consideration of the appointment of FELDA under the MA, FGVPM shall bear all costs, expenses and expenditures in any form whatsoever in relation to the plantation operations of the Sarawak Lands.

This agreement will take effect from 1 January 2012.

9. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors  
Felda Global Ventures Holdings Berhad  
PwC/TSP/MBJ/EC/fm/2019J  
21 May 2012

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Arintulhem Cooper'.

PRICEWATERHOUSECOOPERS  
(No. AF: 1146)  
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Thayaparan A/L S. Sangarapillai'.

THAYAPARAN A/L S. SANGARAPILLAI  
(No. 2085/09/12 (J))  
Chartered Accountant

## 10. OUR MAJOR LICENCES

The operations of our Group are subject to the purview of the MITI and MPOB and are primarily governed by the Industrial Coordination Act, 1975 and the MPOB Act, 1998. In respect of the manufacturing operations of our Group, specific licences are obtained from the MITI which are not subject to annual renewal.

We have obtained all approvals, major licences and certifications necessary for our business and are in compliance with, and expect to continue to comply with, their terms and conditions. We are required to renew such approvals, licences and certifications from time to time and while we believe that we will be able to renew our approvals, licences and certifications (where required), there can be no assurance that the relevant authorities / parties will approve these renewals, within the time frame required, or at all. If we fail to obtain the approvals, licences and certifications that are necessary for our business operations or our current approvals, licences or certifications are not renewed, our business, results of operations, financial condition and prospects could be materially and adversely affected.

We set out below the major licences for the operations of our Group as at the Latest Practicable Date. None of these licences held by our Group have equity restriction or conditions, unless otherwise stated. Details of our major licences together with the main conditions attached and status of compliance are as follows:

Licences	Status	Type of business / Transaction approved	Main conditions imposed	Compliance status
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### CERTIFICATE OF AUTHORISATION

Vegetable oil producing facility	Subsisting	Certificates of authorisation issued to TRT-ETGO Inc by the Ministry of Sustainable Development, Environment and Parks (Québec) for its operation of a vegetable oil producing facility at 555 Alphonse-Deshaies Boulevard in Bécancour, Québec.	The permit allows the use of the property at 555 Alphonse-Deshaies, Bécancour, Québec to be used as canola and soybean crushing plant.	Complied
No. of licence: One			The capacity of the plant is estimated at 3,000 MT of grains per day with a capacity of 1,200 tonne/day of oil produced from canola grains and 545 tonne/day of oil produced from soya beans.	
			The yearly estimated volume of canola grains is 600,000 MT and the yearly estimated volume of soya beans is 400,000 MT.	
			The yearly production is estimated at 76,000 MT for soya oil and at 240,000 MT for canola oil.	

**10. OUR MAJOR LICENCES (Cont'd)**

<b>Licences</b>	<b>Status</b>	<b>Type of business / Transaction approved</b>	<b>Main conditions imposed</b>	<b>Compliance status</b>
<b>MITI MANUFACTURING LICENCE</b>				
Manufacturing Licences	Subsisting	Licence granted to KGFP to manufacture sugar and its related products.	Nil	N/A
No. of licences: Two		Licence granted to MSM to manufacture sugar and its related products.		
<b>MPOB LICENSES<sup>(1)</sup></b>				
Category: DK/DL/PX	Subsisting	Licences granted to FGV Plantations Malaysia to perform the various licensed activities;	Provision to comply in the Sixth Schedule, Malaysian Palm Oil Board (Licensing) Regulations 2005. Broadly, the schedule covers general conditions and specific conditions for such category.	Complied
Palm Kernel Dealers (DK)		<u>DK</u> (i) purchasing and moving palm kernel; (ii) selling and moving palm kernel; and/or (iii) storing palm kernel.		
Palm Oil Dealers (DL)		<u>DL</u> (i) purchasing and moving palm oil; (ii) selling and moving palm oil; and/or (iii) storing palm oil.		
Oil Palm Product Exporter (PX)		<u>PX</u> (i) exporting oil palm fruit; (ii) exporting palm oil; (iii) exporting palm fatty acids; (iv) exporting palm kernel cake; (v) exporting palm kernel; (vi) exporting palm oleochemicals; and/or (vii) exporting oil palm planting materials.		

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**10. OUR MAJOR LICENCES (Cont'd)**

- (vi) Carriers' licence issued by Lembaga Perlesenan Kenderaan Perdagangan ("LPKP") and Suruhanjaya Pengangkutan Awam Darat ("SPAD") to F Transport to undertake rental or hire services or to carry approved goods within the allowed operation area. As of 31 January 2011, all functions of LPKP in Peninsular Malaysia are now assumed by SPAD under the Land Public Transport Act, 2010 and Suruhanjaya Pengangkutan Awam Darat Act, 2010. Hence, according to the requirements of Section 10 of the new Commercial Vehicles Licensing Board (Amendment) Act, 2010, the licensee has gone through the re-registration process with SPAD, which is now finalising the process;
- (vii) Statement of Compliance issued by the Marine Department, Peninsular Malaysia pursuant to provisions of Part B of the International Code for the Security of Ships and Port Facilities (ISPS Code) to F Transport to certify compliance of the port facility with the provisions of Chapter X1-2 and Part A of the ISPS Code and that the port facility operates in accordance with the approved port facility plan;
- (viii) License for the Grinding of Cocoa issued by the Malaysian Cocoa Board pursuant to Cocoa (Licensing and Grading) Regulations, 1991 for MCM to grind cocoa;
- (ix) License to act as Forwarding Agent issued by the Kastam Diraja Malaysia pursuant to the Custom Act, 1967 for F Johore-Bulkers to act as forwarding and shipping agent;
- (x) Certificate of registration with the Construction Industry Development Board pursuant to Lembaga Pembangunan Industri Pembinaan Malaysia Act, 1994 for F Engineering;
- (xi) Housing Developers' Licence issued by the National Housing Department pursuant to Housing Development (Control and Licensing) Act, 1966 for F Properties to develop Perumahan Warga Felda Taman Pasak Indah at Lot PTD 33895, PT3359 – PT3371, Mukim Kota Tinggi, Daerah Kota Tinggi, Negeri Johor; and
- (xii) Certificate of registration of Private Consultancy Services issued by the Ministry of Finance of Malaysia pursuant to Treasury Instructions dated 31 July 2008 to Allied Engineering for Civil Engineering, Electrical Engineering and Mechanical Engineering consultancy services.

# 11. MATERIAL PROPERTIES AND MATERIAL EQUIPMENTS

## 11.1 MATERIAL PROPERTIES OWNED BY OUR GROUP

The details of the material lands and buildings and material properties owned by us as at the Latest Practicable Date are set out below:

No.	Material properties	Description of property / Existing use	CCC issued by the local authorities	Built-up area / Land area (square metre unless otherwise stated)	Audited NBV as at 31 December 2011 (RM unless otherwise stated)
TRT US					
1.	Plant located at: (i) 740-760, Washington Street (ii) 780 Washington Street (iii) 749-773, Washington Street, Quincy, Massachusetts, 02169 US	<b>Description of Property:</b> Industrial and manufacturing purposes (including storage and transportation).  <b>Existing use:</b> Fatty acid and glycerine production facility, with distribution facilities for ocean shipping and shipping by rail.	Permit of occupancy dated 12.12.1994	<b>Built up area:</b> 43,796  <b>Land area:</b> Approximately 15.75 hectares	USD14,837,208 (RM47,011,694) <sup>(1)</sup>
TRT-ETGO Inc					
2.	Plant located at 555 Alphonse-Deshaies Boulevard Bécancour, Québec G9H 2Y8	<b>Description of Property:</b> Canola and soybean crushing plant and oil refinery.  <b>Existing use:</b> Crushing and oil refining facility with distribution facilities for shipping by rail.	Permit of occupancy issued in 2008	<b>Built up area:</b> 146,260  <b>Land area:</b> Approximately 6.76 hectares	CAD56,519,000 (RM175,508,451) <sup>(2)</sup>



## 11. MATERIAL PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)

No.	Material properties	Description of property Existing use	CCC issued by the local authorities	Built-up area / Land area (square metre unless otherwise stated)	Audited NBV as at 31 December 2011 (RM unless otherwise stated)
<b>KGFP</b>					
<b>Sugar factories and related assets</b>					
3.	KM23, Jalan Kilang Chuping, 02400 Beseri, Perlis.	<b>Description of property:</b> Sugar factory, sugar cane plantation, agricultural complex and housing complex.	CCC is exempted. Refer to Note 3.	<b>Built-up area:</b> 60,690  <b>Land area:</b> 4,499.82 hectares	10,811,599 (Buildings)  92,536,845 (Land)
<b>Existing use of property:</b> Sugar cane milling process and sugar refinery.					
<b>MSM</b>					
<b>Sugar refineries and related assets</b>					
4.	798, Main Road, 13600 Prai, Penang.	<b>Description of property:</b> Property erected with molasses tanks, refined sugar warehouse, raw sugar warehouse, container parking area, railway lines and packaging materials warehouse.	Refer to Note 4.	<b>Built-up area:</b> 85,417  <b>Land area:</b> 7.99 hectares (For further details on the rented land, refer to Section 11.2.1 of this Prospectus)	23,386,504
<b>Existing use:</b> Facilities for the production of refined sugar.					

In addition to the material properties disclosed above, our Group owns an industrial land in Sungai Buloh, Selangor erected with loading bay, restroom, forklift and pallet washing shed as well as parking area and a weighbridge, held by MSM. MSM will submit an application to Majlis Perbandaran Selayang for the issuance of CCC upon completion of inspection by the Fire and Rescue Department of Selayang. The application for the letter of support from the Fire and Rescue Department of Selayang had been submitted on 29 December 2011. The approval for CCC is expected to be obtained by November 2012. The parking area and weighbridge does not require CCCs.

**11. MATERIAL PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)**

Save as disclosed in relation to the CCCs, none of our properties are in breach of any land use conditions and / or are in non-compliance with current statutory requirements, land rules or building regulations which will have material adverse impact on our operations.

The details of the palm oil mills<sup>(6)</sup> and related assets owned by FHB Group are set out below:

<b>No.</b>	<b>State</b>	<b>Total no. of mills.</b>	<b>Built up area (square metre unless otherwise stated)</b>	<b>Land area</b>
1.	Pahang	30	Ranging from 3,608 to 21,707 Total built up of 30 mills is 294,020	Ranging from 2.70 to 22.30 hectares Total land area for the lands is 220.83 hectares
2.	Perak	2	Ranging from 5,094 to 6,019 Total built up of two mills is 11,113	Ranging from 4.56 to 8.20 hectares Total land area for the lands is 12.76 hectares
3.	Johor	13	Ranging from 4,211 to 7,613 Total built up of 13 mills is 76,957	Ranging from 10.89 to 30.76 hectares Total land area for the lands is 255.63 hectares
4.	Kelantan	4	Ranging from 9,752 to 16,101 Total built up of four mills is 53,533	Ranging from 14.86 to 34.60 hectares Total land area for the lands is 103.62 hectares
5.	Negeri Sembilan	4	Ranging from 5,371 to 14,828 Total built up of four mills is 32,246	Ranging from 7.90 to 41.44 hectares Total land area for the lands is 98.96 hectares
6.	Sabah	11	Ranging from 9,531 to 17,666 Total built up of 11 mills is 152,359	Ranging from 30.66 to 131.13 hectares Total land area for the lands is 598.42 hectares
7.	Sarawak	1	6,415	41.94 hectares
8.	Terengganu	4	Ranging from 3,796 to 12,861 Total built up of four mills is 37,351	Ranging from 4.74 to 36.42 hectares Total land area for the lands is 57.08 hectares
9.	Selangor	1	6,791	30.50 hectares
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**11. MATERIAL PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)**

Other than the above 70 mills, FHB Group also owns the following CPO refineries and PK crushing plants:

CPO Refineries<sup>(6)</sup>

No.	State	Total no. of refineries	Built up area (square metre unless otherwise stated)	Land area
1.	Pahang	1	12,656	4.25 hectares
2.	Johor	1	8,132	4.16 hectares
3.	Sabah	3	12,681	6.50 hectares
		<u>5</u>		

PK Crushing Plants<sup>(7)</sup>

No.	State	Total no. of plants	Built up area (square metre unless otherwise stated)	Land area
1.	Pahang	1	3,378	2.67 hectares
2.	Johor	1	8,708	4.67 hectares
3.	Sabah	1	5,192	2.16 hectares
4.	Selangor	1	3,347	8.09 hectares
		<u>4</u>		

In addition to the mills, CPO refineries and PK crushing plants disclosed above, the FHB Group also owns properties which are material to its operations such as, amongst others, rubber factories and related assets, R&D facilities and related assets, jetty, fertiliser plants and related assets, bulking installations and a cocoa processing plant. We were made to understand that as at the Latest Practicable Date, six mills, three PK crushing plants and four CPO refineries are located within local authority jurisdiction. Of these, all three PK crushing plants and three CPO refineries have CFs / CCCs. Six mills and one CPO refinery do not have CCCs issued to them. We were made to understand that the FHB Group will be making the application for CCC to be issued to the CPO refinery. As at the Latest Practicable Date, the applications for CCCs to be issued to the six mills and the CPO refinery have not been made. Our management will follow up with the management of the FHB Group in relation to the procurement of the CCCs.

# 11. MATERIAL PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)

## Notes:

- (1) Based on the rate of USD1 = RM3.1685, being the middle rate as published by Bank Negara Malaysia as at 31 December 2011.
- (2) Based on the rate of CAD1 = RM3.1053, being the middle rate as published by Bank Negara Malaysia as at 31 December 2011.
- (3) Further to the confirmation letter from the Municipal Council of Kangar, Perlis to KGFP dated 10 March 2011, the local authorities had approved the application by KGFP for the exemption of CCC for the buildings erected on the plantation areas subject to KGFP ensuring that the buildings are at all times safe and fit for occupation.
- (4) 34 CFs / CCCs have been issued for properties on this land. Apart from these, MSM had submitted applications to the Municipal Council of Seberang Perai, Penang for the CCC for the extension / renovation to factory No. 2 (3,000 tonnes capacity). The application letter was submitted on 29 September 2010 by J.K Bersatu Sdn Bhd on behalf of MSM. The Fire and Rescue Department of Penang ("Bomba") had, on 25 October 2010 issued a full support letter in respect of the application for the issuance of the said CCC.

MSM had on 12 September 2011 further submitted to the Municipal Council of Seberang Perai, Penang all relevant drawing plans of the following:

- (a) one unit of five storey silo building (1 unit bangunan silo 5 tingkat);
- (b) No. 7 silo (2500 tonnes capacity) and conveyor gantry; and
- (c) roof extension.

Bomba had on 12 April 2011 issued a support letter in respect of the application made on 12 September 2011 for the issuance of the said CCC.

As at the Latest Practicable Date, the CCC is still pending from the Municipal Council of Seberang Perai, Penang.

- (5) The major licences required for the operations of the mills operated by F Palm Industries are, amongst others, licenses issued by MPOB, Department of Environment Malaysia, Energy Commission of Malaysia and Department of Occupational Safety and Health, Malaysia.
- (6) The major licences required for the operations of the CPO refineries operated by F Vegetable and DOP are licenses issued by MPOB and MITI.
- (7) The major licences required for the operations of the PK crushing plants operated by F Kernel are licenses issued by MPOB and MITI.

**11. MATERIAL PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)****11.2 MATERIAL PROPERTIES LEASED / TENANTED BY OUR GROUP**

11.2.1 The details of the material land leased by us as at the Latest Practicable Date is set out below:

Name of lessor / lessee or landlord Lot. no. / Postal address	Description of property	Land area	Tenure / date of expiry	Rental per annum
<b>MSM</b>				
Perbadanan Asset Keretapi (as lessor) / Malaysian Sugar Land Manufacturing Company Berhad (as lessee)	Land	7.99 hectares	<b>Tenure:</b> 30 years	Part of the land in Lot 286 (Plot A, B & C) and Lot 287 :
<b>Title Details:</b> H.S. (D) 28162, Lot 286, Bandar Prai, Daerah Seberang Perai Tengah, Pulau Pinang			<b>Date of Expiry:</b> From 1 December 1994 to 30 November 2009 – RM0.18 per square feet/year – total is RM137,439.54	
H.S. (D) 28137, Lot 287, Bandar Prai, Daerah Seberang Perai Tengah, Pulau Pinang			From 1 December 2009 to 30 November 2024 – RM0.27 per square feet/year – total is RM206,159.31	
<b>Postal address:</b> 798, Main Road, 13600 Prai, Penang.				Plot D (Lot 286): RM30,764.00

In addition to the material land leased by us as disclosed above, our Group also rents properties such as office spaces used for general, corporate and administrative purposes. These properties tenanted by our Group are not deemed to be material for the business operations of our Group. Our Group will continue to use its best endeavour to ensure that the premises tenanted by its operations have all the necessary CCCs and deemed fit for occupation. In the event these tenanted properties do not have CCCs and are deemed not fit for occupation, we will relocate and rent other office spaces in such manner so that the relocation exercise will not have material impact on our business operations.

# 11. MATERIAL PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)

11.2.2 The details of the material lands tenanted by us as at the Latest Practicable Date are set out below:

## Tenancy Agreement dated 6 January 2012

The details of the FELDA-leased Land tenanted by our Group pursuant to the tenancy agreement dated 6 January 2012 between FELDA and FGV Plantations Malaysia and as amended by Addendum No. 001 ("Tenancy Agreement dated 6 January 2012") are set out below. For further details on these tenancy agreement and the addendum, refer to Section 7.22.2(i) of this Prospectus.

No.	State	Existing use	Land with titles (total hectareage)	Tenure		No. of titles	Land without titles (total hectareage)	Total hectareage
				(range of years remaining as at the Latest Practicable Date)				
1.	Pahang	Oil palm	123,152.45	91-99 years 81-90 years	15 590	20,013.75	143,166.20	
2.	Perak	Oil palm and rubber	13,848.02	81-90 years	163	1,662.00	15,510.02	
3.	Johor	Oil palm and rubber	18,576.02	91-99 years 81-90 years	45 34	14,859.06	33,435.08	
4.	Kelantan	Oil palm and rubber	21,392.82	91-99 years	86	3,117.39	24,510.21	
5.	Negeri Sembilan	Oil palm	5,923.90	91-99 years 81-90 years	28 31	3,219.81	9,143.71	
6.	Sabah	Oil palm	78,398.25	65-70 years	1	10,016.10	88,414.35	
7.	Terengganu	Oil palm	-	-	-	13,308.82	13,308.82	
8.	Kedah	Rubber	-	-	-	241.67	241.67	
Total			261,291.46		993	66,438.60	327,730.06	

## 11. MATERIAL PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)

The FELDA-leased Land measures approximately 347,584.48 hectares, comprising 262,511.26 hectares of lands with title and 85,073.22 hectares of lands without title.

By virtue of Section 57 of the Land Development Act, FELDA is allowed to deal with its movable and immovable property which will include the FELDA-leased Land. Section 57 of the Land Development Act states that *"the Authority (FELDA) and every board and corporation may enter into contracts and may acquire, purchase, take, hold and enjoy movable and immovable property of every description and may convey, assign, surrender, yield-up, charge, mortgage, demise, reassign, transfer or otherwise dispose of, or deal with, any movable or immovable property or any interest therein vested in FELDA or such board or corporation upon such term as to FELDA or such board or corporation deems fit"*.

### 1. Lands with titles

For the lands with titles, our due diligence solicitors for the Lands and Licences had, vide its letter dated 6 April 2012, opined that FELDA has the right to create a lease of the said lands pursuant to the National Land Code whereby a registered owner of any alienated land has the right to deal with the land, subject to the conditions of title and restrictions-in-interest or any other statutory requirements, for instance, on Malay Reserved Lands. These include, but are not limited to, approval from the relevant state authorities for the lease of the lands with titles by FELDA in favour of FGV Plantations Malaysia and in respect of Malay Reserved Lands, refer to item 3 below. Additionally, in respect of creation of tenancies, there is no restriction or requirement for statutory approval for FELDA to proceed with the tenancies.

We have also obtained an opinion letter from Messrs Johari & Zelika dated 31 January 2012 in relation to the lands with titles in Sabah registered in the name of FELDA (**"Sabah Opinion Letter 1"**). The Sabah Opinion Letter 1 opines that FELDA's interest on the lands with titles in Sabah are derived from land alienation pursuant to Section 9(1) of the Sabah Land Ordinance. Upon alienation and the payment of the due land premium and the registration of the title, FELDA is the registered owner of the lands and as such, FELDA's rights are absolute subject to the special terms and conditions imposed upon the particular land titles. By virtue of being the registered land owner, FELDA's interest on the lands are protected under Section 88 of the Sabah Land Ordinance. The Sabah Opinion Letter 1 further states that FELDA is legally permitted to enter into the Tenancy Agreement dated 6 January 2012 with FGV Plantations Malaysia pursuant to the Sabah Land Ordinance.

## 11. MATERIAL PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)

FGV Plantations Malaysia has applied to the relevant state authorities for their consents to lease the said lands with titles to FGV Plantations Malaysia as well as to extend the lease periods of the lands to 99 years from 1 January 2012. FGV Plantations Malaysia will, upon receipt of the relevant state's consent, register the lease for the remaining available lease period. The remaining available lease period in respect of such lands with titles is calculated from 1 January 2012.

Pejabat Tanah dan Galian of Negeri Sembilan and Pahang had, vide their respective letters dated 15 March 2012 and 28 March 2012, granted a blanket consent to lease the lands with titles in Negeri Sembilan and Pahang to FGV Plantations Malaysia and to extend the lease period to 99 years from 1 January 2012. As at the Latest Practicable Date, the remaining lands are still pending the consent from the remaining state authorities. In the event the remaining state authorities' consents are not granted, FGV Plantations Malaysia will continue to occupy and benefit from the commercial agricultural activities undertaken on the lands under the Tenancy Agreement dated 6 January 2012.

### 2. Lands without titles

Pursuant to the terms of the Land Lease Agreement, FELDA has agreed to lease to FGV Plantations Malaysia a total of 66,438.60 hectares of existing lands vested with FELDA by the state authorities for development in respect of which individual titles have not been issued to FELDA. Pending the issuance of land titles to FELDA, both parties have entered into Tenancy Agreements dated 6 January 2012 to implement the intention of the parties under the Land Lease Agreement.

With respect to these lands (other than those in Sabah), our due diligence solicitors for the Lands and Licences had, vide its letters dated 6 April 2012 and 28 May 2012, opined that in respect of the lands without titles under the Land Lease Agreement, the lands have been vested by the state authorities in favour of FELDA to be developed as group settlement area by virtue of the agreements between FELDA and the state authorities under Section 34 of the Land (Group Settlement Areas) Act. Pursuant to Section 57 of the Land Development Act, FELDA has the right to deal with these lands. In addition, our due diligence solicitors for the Lands and Licences further provided that there is no contractual or legal requirements for any state consent to be obtained by FELDA prior to the creation of the tenancy. In the event any of the state governments do not issue the land titles to FELDA, the land will remain as land without title and FGV Plantations Malaysia will not be able to register the lease. However, FGV Plantations Malaysia will continue to occupy and benefit from the commercial agricultural activities undertaken on the land under the Tenancy Agreement dated 6 January 2012.

In relation to the lands without titles in Sabah, we have obtained three opinion letters from Messrs Johari & Zelika, one dated 31 January 2012 and two dated 3 May 2012. Messrs Johari & Zelika have opined that FELDA has the right to deal with these lands by virtue of the agreements entered into between FELDA and the Sabah state government and Section 57 of the Land Development Act, and further that FELDA has the right and is able to create tenancy over the designated lands in Sabah to FGV Plantations Malaysia. We cannot confirm whether the lands involves native customary claims, we can only confirm the existence of such native customary claim after the collector of the District Land Office has exercised its administrative function as provided under Section 13 of the Sabah Land Ordinance.



**11. MATERIAL PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)****3. Malay Reserved Lands**

There is a total of 34,967.76 hectares of Malay Reserved Lands which is approximately 10.1% of the FELDA-leased Land. The Malay Reserved Lands are located in Perak (7,678.03 hectares), Johor (5,896.91 hectares) and Kelantan (21,392.82 hectares). The application for state consent for the registration of the lease in favour of FGV Plantations Malaysia also includes application for FGV Plantations Malaysia to be gazetted as 'Malay' in order to be eligible to hold interest in Malay Reserved Lands or alternatively to be exempted from the restrictions therein. As at the Latest Practicable Date, the state consent has yet to be obtained. In the event the state consents are not obtained, FGV Plantations Malaysia will continue to occupy and benefit from the commercial agricultural activities undertaken on the land under the Tenancy Agreement dated 6 January 2012. Our due diligence solicitors for the Lands and Licences had, vide its letter dated 6 April 2012, opined that there are no express prohibitions against creation of the tenancy agreements over the Malay Reserved Land under the respective state enactments and therefore, FGV Plantations Malaysia shall have the right to occupy and conduct commercial agricultural activities as well as have control and ownership over the crops and vegetation on the Malay Reserved Land under the Tenancy Agreement dated 6 January 2012.

Further details of the Malay Reserved Lands are set out below:

No.	State	Existing use	Land with titles (total hectareage)	Tenure	
				(range of years remaining as at the Latest Practicable Date)	No. of titles
1.	Perak	Oil palm and rubber	7,678.03	81-90 years	54
2.	Johor	Oil palm and rubber	5,896.91	91-99 years	30
3.	Kelantan	Oil palm and rubber	21,392.82	91-99 years	86

# 11. MATERIAL PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)

## Tenancy Agreement dated 21 January 2012

19,854 hectares of the FELDA-leased Land are made up of land areas which form part of 11 estates around the country and the final boundary of the estates has not been drawn up. The management of FELDA has also informed that the demarcation of the 19,854 hectares of lands in these estates will be undertaken in due course.

FELDA and FGV Plantations Malaysia have decided to place these 19,854 hectares of lands under the tenancy agreement dated 21 January 2012 between FELDA and FGV Plantations Malaysia ("Tenancy Agreement dated 21 January 2012"), as there may be instances in the future where FELDA may lose possession over the right to use any part of the 19,854 hectares of the FELDA-leased lands in favour of any third party. Upon the occurrence of such an event, rights over such lands will be excluded from the tenancy agreement and the tenancy shall terminate in respect of such lands without any compensation to either FELDA or FGV Plantations Malaysia. For the risk factor in relation to these 19,854 hectares of land, please refer to Section 5.2.3 of this Prospectus.

The details of the FELDA-leased Land tenanted by our Group pursuant to the Tenancy Agreement dated 21 January 2012 are set out below. For further details on the tenancy agreement, refer to Section 7.22.2(ii) of this Prospectus.

No.	State	Existing use	Land with titles (total hectareage)	Tenure (range of years remaining as at the Latest Practicable Date)	No. of titles	Land without titles (total hectareage)	Total hectareage
1.	Negeri Sembilan	Oil palm	1,219.80	91-99 years	10	2,360.18	3,579.98
2.	Sabah	Oil palm	-	-	-	15,399.86	15,399.86
3.	Kedah	Rubber	-	-	-	874.58	874.58
Total			1,219.80		10	18,634.62	19,854.42

# 11. MATERIAL PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)

## Lands without titles

Pursuant to the terms of the Land Lease Agreement, FELDA has agreed to lease to FGV Plantations Malaysia a total of 18,634 hectares of existing lands vested with FELDA by the state authorities for development but where individual titles have not been issued to FELDA. With respect to these lands, our due diligence solicitors for the Lands and Licences had, vide its letters dated 6 April 2012 and 28 May 2012, opined that in respect of the lands without titles under Land Lease Agreement, these lands have been vested by the state authorities in favour of FELDA to be developed as group settlement area by virtue of the agreements between FELDA and the state authorities under Section 34 of the Land (Group Settlement Areas) Act. Pursuant to Section 57 of the Land Development Act, FELDA has the right to deal with these lands. In addition, our due diligence solicitors for the Lands and Licences further provided that there is no contractual or legal requirements for any state consent to be obtained by FELDA prior to dealing with the lands whether by way of the creation of the tenancy. In the event any of the state governments do not issue the land titles to FELDA, the land will remain as land without title. However, FGV Plantations Malaysia will continue to occupy and benefit from the commercial agricultural activities undertaken on the land under the Tenancy Agreement dated 21 January 2012.

In relation to the lands without titles in Sabah, we have obtained three opinion letters from Messrs Johari & Zelika, one dated 31 January 2012 and two dated 3 May 2012. Messrs Johari & Zelika have opined that FELDA has the right to deal with these lands by virtue of the agreements entered into between FELDA and the Sabah state government and Section 57 of the Land Development Act, and further that FELDA has the right and is able to create tenancy over the designated lands in Sabah to FGV Plantations Malaysia. We cannot confirm whether the lands involves native customary claims, we can only confirm the existence of such native customary claim after the collector of the District Land Office has exercised its administrative function as provided under Section 13 of the Sabah Land Ordinance.

The estimated initial lease consideration per annum for the FELDA-Leased Land is RM248,481,322 (plus 15% of yearly plantation operating profit attributable to the FELDA-Leased Land).

None of the properties tenanted by our Group are in breach of any land use conditions and/or are in non-compliance with current statutory requirements, land rules or building regulations which will have a material adverse impact on our operations.

**11. MATERIAL PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)****11.3 MATERIAL EQUIPMENTS**

The material plant and equipments used by our business operations as at the Latest Practicable Date are set out below:

<b>Plant and equipment</b>	<b>Description of use</b>	<b>Audited NBV as at 31 December 2011 (RM unless otherwise stated)</b>
<b><u>Sugar business</u></b>		
- Sugar handling related machineries and equipment	Handling and storage of raw sugar and finished goods	314,452
- Steam production & power generation related machineries and equipment	Power and steam generation and solid fuels preparation	16,841,107
- Milling equipment	Handling and storage of cane and cane juice extraction	1,061,802
- Clarification related machineries and equipment	Clarify cane juice	1,072,386
- Melting related machineries and equipment	Removal of impurities and colour	19,446,707
- Boiling related machineries and equipment	Sugar crystallisation process	25,140,825
- Curing related machineries and equipment	Separation of sugar syrup	13,820,003
- Screening related machineries and equipment	Sieving process for sugar size classification	6,736,296
- Service equipment	Instrumentation and compressed air facilities	627,543
- Packing related machineries and equipment	Packing operation	26,122,900
- Logistics	Transportation of sugar to Sungai Buloh warehouse and customer	4,678,574
- Water Station	Treatment of raw water	1,070,914
- Others		13,327,390

## 11. MATERIAL PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)

Plant and equipment	Description of use	Audited NBV as at 31 December 2011 (RM unless otherwise stated)
<b><u>Downstream business</u></b>		
<b>Oleochemicals products (Plant located in Quincy, Massachusetts)</b>		
- Fatty acid production related equipment	Production of fatty acids, oleic acids and stearic acids	USD30,987,313 (RM98,183,301) <sup>(1)</sup>
- Glycerine refinery production related equipment	Production of refined glycerine	USD8,599,838 (RM27,248,587) <sup>(1)</sup>
- Locomotive and railway related equipment	Transportation of raw material (tallow) and finished products via railroad connecting the plant located in Quincy and Braintree train station	USD333,881 (RM1,057,902) <sup>(1)</sup>
<b>Soybean and Canola Products (Plant located in Bécancour, Québec)</b>		
- Utilities related equipment etc.	Boiler, cooling, electrical entry etc.	CAD18,370,000 (RM57,044,361) <sup>(2)</sup>
- Seed receiving and loadout	Handling equipment for reception and expedition	CAD7,733,000 (RM24,013,285) <sup>(2)</sup>
- Seed preparation	Preparing seed for crushing and crushing seed	CAD13,750,000 (RM42,697,875) <sup>(2)</sup>
- Extraction	Extraction residual oil in meal	CAD10,620,000 (RM32,978,286) <sup>(2)</sup>
- Meal handling	Handling equipment for storage of meal	CAD1,803,000 (RM5,598,856) <sup>(2)</sup>

## 11. MATERIAL PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)

Plant and equipment	Description of use	Audited NBV as at 31 December 2011 (RM unless otherwise stated)
- Oil Refinery	Refining crude oil into degummed and RBD Oil	CAD8,878,000 (RM27,568,853) <sup>(2)</sup>
- Oil Handling	Storage of degummed and RBD Oil	CAD3,660,000 (RM11,365,398) <sup>(2)</sup>
- Wastewater Treatment	Treating water used in processing before discharging outside the plant	CAD2,043,000 (RM6,344,128) <sup>(2)</sup>
- Laboratory	Conducting all testing and analysis for the raw material and products	CAD287,000 (RM891,221) <sup>(2)</sup>
- Rail track related equipment	Transportation of seeds and finished product via railroad connecting the plant located in Bécancour to/from Canadian National Railway rail track	CAD1,500,000 (RM4,657,950) <sup>(2)</sup>
<b>Total</b>		<b>469,910,902</b>

**Notes:**

(1) Based on the rate of USD1 = RM3.1685, being the closing rate as published by Bank Negara Malaysia as at 31 December 2011.

(2) Based on the rate of CAD1 = RM3.1053, being the closing rate as published by Bank Negara Malaysia as at 31 December 2011.

For further information on the relevant capacities of our plant and equipments, please refer to Sections 7.7 and 7.9 of this Prospectus, respectively.

FHB's subsidiaries have their own material plant and equipments for their upstream, downstream and domestic businesses operations.

**11. MATERIAL PROPERTIES AND MATERIAL EQUIPMENTS (Cont'd)**

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**11.4 REGULATORY REQUIREMENT AND ENVIRONMENTAL ISSUES**

Save as disclosed in Sections 7.17, 7.21 and 10 of this Prospectus, respectively, our Directors are not aware of any regulatory requirement or environmental issue which may materially affect our operations and utilisation of our assets.

Save as disclosed in Section 11.1 and 11.2 above in relation to the CCCs, none of our properties owned or tenanted are in breach of any land use conditions and / or are in non-compliance with current statutory requirements, land rules or building regulations which will have a material adverse impact on our operations or the utilisation of our assets on the said properties.

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## **12. INFORMATION ON OUR GROUP**

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### **12.1 HISTORY AND BACKGROUND**

#### **12.1.1 History and business**

Our Company was incorporated in Malaysia under the Act on 19 December 2007 as a private limited company under the name of Felda Global Ventures Holdings Sdn Bhd. On 18 January 2012, our Company was converted into a public limited company and assumed our present name. We commenced business on 19 December 2007.

Our principal activity is to carry on the business of an investment holding company whilst our Group is principally engaged in plantations business, downstream business and sugar business.

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**12. INFORMATION ON OUR GROUP (Cont'd)****12.1.2 Share capital**

Our authorised share capital is RM4,000,000,001 comprising 4,000,000,000 Shares and 1 Special Share and our issued and paid-up share capital is RM2,668,151,501 comprising 2,668,151,500 Shares and 1 Special Share.

The changes in our issued and paid-up share capital and RCPS and RCCPS for the past three years preceding the date of this Prospectus are as follows:

**(i) Shares**

<u>Date of allotment / conversion</u>	<u>No. of share</u>	<u>Par value</u> <u>RM</u>	<u>Consideration</u>	<u>Cumulative issued and paid-up share capital</u> <u>RM</u>
11 November 2009	1,567,612,000	1.00	Cash	1,767,612,000
17 May 2012	900,539,500	1.00	N/A*	2,668,151,500

**(ii) Special Share**

<u>Date of allotment</u>	<u>No. of share</u>	<u>Par value</u> <u>RM</u>	<u>Consideration</u>	<u>Cumulative issued and paid-up share capital</u> <u>RM</u>
21 May 2012	1	1.00	Cash	1

**(iii) RCPS and RCCPS**

<u>Date of allotment / redemption / conversion</u>	<u>No. of RCPS/RCCPS</u>	<u>Nominal value</u> <u>RM</u>	<u>Consideration</u>	<u>Cumulative issued and paid-up RCPS and RCCPS</u> <u>RM</u>
30 August 2010	Issuance of 252,460,000 RCPS A, 77,489,500 RCPS B, 164,030,000 RCCPS A, 300,470,000 RCCPS B, 69,970,000 RCCPS C, 36,120,000 RCCPS D, 94,358,206 RCCPS E and 10,297,032 RCCPS F	0.01	Conversion of debt	10,051,947

**12. INFORMATION ON OUR GROUP (Cont'd)**

<b>Date of allotment / redemption / conversion</b>	<b>No. of RCPS/RCCPS</b>	<b>Nominal value RM</b>	<b>Consideration</b>	<b>Cumulative issued and paid-up RCPS and RCCPS RM</b>
30 December 2011	Redemption of 94,358,206 RCCPS E and 10,297,032 RCCPS F	N/A	N/A	9,005,395
17 May 2012	Conversion of 252,460,000 RCPS A, 77,489,500 RCPS B, 164,030,000 RCCPS A, 300,470,000 RCCPS B, 69,970,000 RCCPS C, 36,120,000 RCCPS D	N/A	N/A	-

\* FELDA had converted all of its outstanding 329,949,500 RCPS and 570,590,000 RCCPS in our Company into 900,539,500 new FGVH Shares on 17 May 2012.

After the conversion of RCPS and RCCPS and allotment of the Special Share, our issued and paid-up share capital has increased from 1,767,612,000 FGVH Shares to 2,668,151,501 comprising 2,668,151,500 Shares and 1 Special Share.

**12.2 SUBSIDIARIES, JOINTLY-CONTROLLED ENTITIES AND ASSOCIATES****12.2.1 Our material Subsidiaries, material Jointly-Controlled Entities and material Associates as at the Latest Practicable Date****12.2.1.1 Our material Subsidiaries****(i) FGV Plantations Malaysia (Company No.: 974143-H)**

FGV Plantations Malaysia was incorporated in Malaysia under the Act on 6 January 2012 as a private limited company under its present name. FGV Plantations Malaysia is principally involved in investment holding and commenced its business on 6 January 2012.

The authorised share capital of FGV Plantations Malaysia is RM300,000,000 comprising 300,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of FGV Plantations Malaysia is RM150,000,000 comprising 150,000,000 ordinary shares of RM1.00 each.

**12. INFORMATION ON OUR GROUP (Cont'd)**

Save as disclosed below, there has been no change in the issued and paid-up share capital of FGV Plantations Malaysia since its incorporation:

<u>Date of allotment</u>	<u>No. of shares allotted</u>	<u>Par value RM</u>	<u>Consideration</u>	<u>Cumulative issued and paid-up share capital RM</u>
6 January 2012	2	1.00	Cash	2
28 February 2012	99,999,998	1.00	Cash	100,000,000
16 March 2012	50,000,000	1.00	Cash	150,000,000

FGV Plantations Malaysia is a wholly-owned subsidiary of FGV Plantations which in turn is a wholly-owned subsidiary of our Company. The details of the subsidiary of FGV Plantations Malaysia as at the Latest Practicable Date are set out in Section 12.2.2 of this Prospectus.

**(ii) MSM (Company No.: 003573-D)**

MSM was incorporated in Malaysia under the Companies Ordinances, 1940 to 1946 on 6 October 1959 as a limited company under the name of Malayan Sugar Manufacturing Company Limited. On 15 April 1966, Malayan Sugar Manufacturing Company Limited changed its name to Malayan Sugar Manufacturing Company Sdn Bhd and subsequently on 7 December 1974, Malayan Sugar Manufacturing Company Sdn Bhd was converted into a public company and changed to its present name. MSM is principally involved in the sugar refinery business and is also an investment holding company, and commenced its business on 8 August 1964.

The authorised share capital of MSM is RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of MSM is RM36,360,000 comprising 36,360,000 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of MSM for the past three years preceding the Latest Practicable Date.

MSM is a wholly-owned subsidiary of MSM Holdings, a company listed on the Main Market of Bursa Securities. Our Company has 10.97% shareholding in MSM Holdings and 40.03% indirect interest in MSM Holdings through our shareholding in FGV Sugar. The details of the subsidiaries of MSM as at the Latest Practicable Date are set out in Section 12.2.2 of this Prospectus.

**12. INFORMATION ON OUR GROUP (Cont'd)****(iii) KGFP (Company No.: 10776-K)**

KGFP was incorporated in Malaysia under the Act on 26 May 1971 as a private limited company under its present name. KGFP is principally involved in cane milling and sugar refining, importer of raw sugar and material in connection with milling and refining sugar and supplier, distributor and exporter of sugar and sugar products, and commenced its business on 11 March 1973.

The authorised share capital of KGFP is RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of KGFP is RM37,354,500 comprising 37,354,500 ordinary shares of RM1.00 each.

Save as disclosed below, there has been no change in the issued and paid-up share capital of KGFP for the past three years preceding the Latest Practicable Date:

<u>Date of allotment</u>	<u>No. of shares allotted</u>	<u>Par value</u> <u>RM</u>	<u>Consideration</u>	<u>Cumulative issued and paid-up share capital</u> <u>RM</u>
20 May 2011	25,354,500	1.00	Other than cash	37,354,500

KGFP is a wholly-owned subsidiary of MSM Holdings, a company listed on the Main Market of Bursa Securities. Our Company has 10.97% shareholding in MSM Holdings and 40.03% indirect interest in MSM Holdings through our shareholding in FGV Sugar. As at the Latest Practicable Date, KGFP does not have any subsidiaries or associates.

**(iv) TRT Holdings (Company No.: 26-0842660)**

TRT Holdings was incorporated in the State of Delaware, USA on 15 August 2007 as a corporation under its present name. TRT Holdings is a holding company for the USA and Canadian subsidiaries of TRT Holdings' group of companies, through TRT US and its subsidiary, TRT-ETGO Inc and their subsidiaries, where TRT US is principally involved in the business of producing and distributing whole cut and split fraction fatty acids while TRT-ETGO Inc operates an oilseed crushing facility and a food-grade oil refinery, and commenced its business on 15 August 2007.

The authorised share capital of TRT Holdings is 250,000 shares of common stock, comprising 130,000 shares of Class A common stock and 120,000 shares of Class B common stock. Both classes of common stock have a par value of USD0.0001 per share. As at 15 March 2012, 117,646 Class A common stocks and 80,000 Class B common stocks were issued and outstanding.

**12. INFORMATION ON OUR GROUP (Cont'd)**

The shares of Class B common stock were issued on 15 December 2010 as part of the TRT US loan restructuring. The shares of Class B common stock provide for the accrual of dividends at the rate of 5% per annum of the shares of Class B original issue price, which has been established at USD500.00 per share. The shares of Class B common stock dividends accrue from the date of issuance, whether or not declared, on a cumulative basis. The shares of Class B common stock dividends are payable only when declared by the board of directors of TRT Holdings, or upon the liquidation, dissolution or winding up of TRT Holdings or upon the sale or transfer of the shares of Class B common stocks by the holder.

The substantial shareholder of TRT Holdings and its shareholdings in TRT Holdings as at the Latest Practicable Date are as follows:

Shareholder	No. of shares	%
FGV North America	117,646 Class A common stocks and 80,000 Class B common stocks	100.0

TRT Holdings is a wholly-owned subsidiary of FGV North America which is a wholly-owned subsidiary of FGV Downstream which in turn a wholly-owned subsidiary of our Company. The details of the subsidiaries of TRT Holdings as at the Latest Practicable Date are set out in Section 12.2.2 of this Prospectus.

**(v) TRT-ETGO Inc (Company No.: 84207 5954)**

TRT-ETGO Inc was incorporated in Nova Scotia, Canada under the Nova Scotia Companies Act on 27 September 2007 as an unlimited liability company under the name of Big 1 Holdings Ulc and changed its name to Twin Rivers Technologies Ulc on 29 October 2007. Twin Rivers Technologies Ulc subsequently changed its name to Twin Rivers Technologies Entreprises de Transformation de Graines Oléagineuses du Québec Ulc on 2 January 2008 and to Twin Rivers Technologies Entreprises de Transformation de Graines Oléagineuses du Québec Ulc on 4 June 2008. It was converted to a limited liability company under the name Twin Rivers Technologies Entreprises de Transformation de Graines Oléagineuses du Québec Inc on 19 June 2008 and then changed its name to its current name on 3 September 2009. TRT-ETGO Inc is principally involved in the business of operating an oilseed crushing facility and a food-grade oil refinery in Becancour, Québec, Canada, and commenced its business on 1 May 2010.

The authorised share capital of TRT-ETGO Inc consists of 100,000 common shares without par value and 75,500,000 Class A preferred shares without par value, which are redeemable and entitles each holder thereof to a cumulative dividend of 8% per annum and 100,000 exchangeable shares. 10,000 common shares and 73,053,223 Class A preferred shares and 58.82 exchangeable shares are issued, outstanding and paid-up.

**12. INFORMATION ON OUR GROUP (Cont'd)**

TRT-ETGO Inc is a wholly-owned subsidiary of TRT Holdings ETGO Inc. TRT Holdings ETGO Inc is a wholly-owned subsidiary of TRT Holdings, which is a wholly-owned subsidiary of FGV North America, which is a wholly-owned subsidiary of FGV Downstream. FGV Downstream is a wholly-owned subsidiary of our Company.

The details of the jointly-controlled entities of TRT-ETGO as at the Latest Practicable Date are set out in Section 12.2.2 of this Prospectus.

**12.2.1.2 Our material Jointly-Controlled Entities****(i) Felda IFFCO (Company No.: 756204-H)**

Felda IFFCO was incorporated in Malaysia under the Act on 13 December 2006 as a private limited company under its present name. Felda IFFCO is principally involved in the business of investment holding and refining and packing of palm oil and palm kernel based products and commenced its business on 13 December 2006.

The authorised share capital of Felda IFFCO is RM500,000,000 comprising 500,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Felda IFFCO is RM317,320,000 comprising 317,320,000 ordinary shares of RM1.00 each.

Save as disclosed below, there has been no change in the issued and paid-up share capital of Felda IFFCO for the past three years preceding the Latest Practicable Date:

<u>Date of allotment</u>	<u>No. of shares allotted</u>	<u>Par value RM</u>	<u>Consideration</u>	<u>Cumulative issued and paid-up share capital RM</u>
2 March 2009	73,580,000	1.00	Cash	108,580,000
3 April 2009	36,380,000	1.00	Cash	144,960,000
18 June 2009	141,000,000	1.00	Cash	285,960,000
10 December 2010	31,360,000	1.00	Cash	317,320,000

The substantial shareholders of Felda IFFCO and their shareholdings in Felda IFFCO as at the Latest Practicable Date are as follows:

<u>Shareholders</u>	<u>No. of ordinary shares</u>	<u>%</u>
FGVH*	158,660,000	50.0
IFFCO Oil Holdings Limited	89,922,500	28.3
Middle East Oils and Grains Free Zone Company	68,737,500	21.7

\* 158,660,000 shares held by FGVH representing 50% interest in Felda IFFCO will be transferred to FGV Downstream prior to the Listing.

**12. INFORMATION ON OUR GROUP (Cont'd)**

The details of the jointly-controlled entities of Felda IFFCO as at the Latest Practicable Date are set out in Section 12.2.2 of this Prospectus.

**(ii) Trurich (Company No.: 420003-M)**

Trurich was incorporated in Malaysia under the Act on 19 February 1997 as a private limited company under its present name. Trurich is principally involved in the business of investment holding. The company commenced its business in the oil palm plantation development in 1999 and had ceased operations in 2004. Thereafter, Trurich became dormant and in 2008, it became an investment holding company.

The authorised share capital of Trurich is RM500,000,000 comprising 500,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Trurich is RM350,622,422 comprising 350,622,422 ordinary shares of RM1.00 each.

Save as disclosed below, there has been no change in the issued and paid-up share capital of Trurich for the past three years preceding the Latest Practicable Date:

<u>Date of allotment</u>	<u>No. of shares allotted</u>	<u>Par value RM</u>	<u>Consideration</u>	<u>Cumulative issued and paid-up share capital RM</u>
5 February 2009	11,774,331	1.00	Cash	23,259,495
12 March 2009	51,381,402	1.00	Cash	74,640,897
4 May 2009	75,949,335	1.00	Cash	150,590,232
2 June 2009	39,591,686	1.00	Cash	190,181,918
10 September 2009	14,356,947	1.00	Cash	204,538,865
28 October 2009	1	1.00	Cash	204,538,866
7 May 2010	67,943,556	1.00	Cash	272,482,422
30 December 2010	78,140,000	1.00	Cash	350,622,422



**12. INFORMATION ON OUR GROUP (Cont'd)**

The substantial shareholders of Trurich and their shareholdings in Trurich as at the Latest Practicable Date are as follows:

Shareholders	No. of ordinary shares	%
FGV Kalimantan	175,311,211	50.0
Lembaga Tabung Haji	175,311,211	50.0

Trurich is a jointly controlled entity of FGV Kalimantan and Lembaga Tabung Haji. FGV Kalimantan is a wholly-owned subsidiary of FGV Plantations, which in turn is a wholly-owned subsidiary of our Company.

The details of the jointly-controlled entities of Trurich as at the Latest Practicable Date are set out in Section 12.2.2 of this Prospectus.

**12.2.1.3 Our material Associates****(i) FHB (Company No.: 358158-V)**

Under Section 42 of the Land Development Act, FELDA is empowered, subject to the approval of the Minister of Land and Co-operative Development of Malaysia, to carry out and conduct and manage any project, scheme or enterprise planned or undertaken by FELDA in the discharge of its functions. FELDA Corporate Services Corporation, the predecessor entity of FHB, was established on 28 April 1988 pursuant to Section 42 of the Land Development Act.

As part of the Corporatisation Master Plan of the Government of Malaysia, FELDA Corporate Services Corporation was dissolved and replaced with Felda Holdings Sdn Bhd, a private limited company incorporated under the Act on 6 September 1995 pursuant to the FELDA Corporate Services Corporation (Winding Up and Dissolution) Order 1996 ("**Corporatisation**"). The Corporatisation effected the transfer of all the functions and vesting of all the assets and liabilities of FELDA Corporate Services Corporation in FHB. In addition to FELDA Corporate Services Corporation, 11 other corporations of FELDA were replaced with companies as part of the Corporatisation. These 11 other companies are currently subsidiary companies of FHB.

As the successor entities of the FELDA corporations, FHB Group has continued to carry out the activities which had previously been undertaken by the FELDA corporations. These corporations were established to engage in business activities that would complement or support the initiatives of FELDA, including the enhancement of the welfare of settlers, the provision of social benefits and public infrastructure in the settlements. While FELDA's primary purpose is broadly of a social nature, the implementation of FELDA's functions, to the extent undertaken by FHB Group through its business activities, is conducted on a commercial basis.

FHB was converted to a public limited company on 3 October 2003 and assumed its current name. FHB is principally involved in the business of an investment holding, assisting, planning, controlling, managing and providing shared services to FELDA and all companies associated to it, and commenced its business on 6 September 1995.

**12. INFORMATION ON OUR GROUP (Cont'd)**

The authorised share capital of FHB is RM5,000,000,000 comprising 4,999,999,999 ordinary shares of RM1.00 each and 1 special share of RM1.00. The issued and paid-up share capital of FHB is RM220,000,000 comprising 219,999,999 ordinary shares of RM1.00 each and 1 special share of RM1.00.

There has been no change in the issued and paid-up share capital of FHB for the past three years preceding the Latest Practicable Date.

The substantial shareholders of FHB and their shareholdings in FHB as at the Latest Practicable Date are as follows:

Shareholders	No. of ordinary shares	%
KPF	112,199,999	51.0
FGVH	107,800,000	49.0

In addition, the Government, through the MOF, Inc, holds a special share in FHB that gives it the right to appoint one director to FHB's board of directors and certain actions of FHB are only effective with its consent. These actions include certain material acquisitions or disposals by FHB or a winding-up or dissolution of FHB.

The details of the subsidiaries, jointly-controlled entities and associates of FHB as at the Latest Practicable Date are set out in Section 12.2.3 of this Prospectus.

**(ii) Tradewinds (Company No.: 19123-K)**

Tradewinds was incorporated in Malaysia on 19 June 1974 under the Act as a private limited company under the name of Tradewinds (M) Sdn Bhd. It was converted to a public limited company on 28 September 1987 and assumed its current name. Tradewinds is principally involved in the business of management services and investment holding. Tradewind's subsidiaries are involved in the cultivation of oil palm, the production of crude palm oil, purchasing and milling of paddy, importing and distribution of rice and sugar refining and distribution.

The authorised share capital of Tradewinds is RM500,000,000 comprising 500,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Tradewinds is RM296,470,484 comprising 296,470,484 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of Tradewinds for the past three years preceding the Latest Practicable Date is as announced on the Bursa Securities' website.

The substantial shareholders of Tradewinds and their shareholdings in Tradewinds as at the Latest Practicable Date are as follows:

Shareholders	No. of ordinary shares	%
FGVH	59,294,097	20.0
Perspective Lane (M) Sdn Bhd	89,048,663	30.0

## 12. INFORMATION ON OUR GROUP (Cont'd)

## 12.2.2 Our other subsidiaries, other jointly-controlled entities and other associates as at the Latest Practicable Date are as follows:

Name	Company No.	Date and place of incorporation	Authorised share capital	Issued and paid-up share capital RM (unless otherwise stated)	Equity interest held %	Principal activities
<b>Our other subsidiaries</b>						
FGV India	872503-M	16 September 2009 Malaysia	100,000 ordinary shares of RM1.00 each	2	100.0	Investment holding
FGV USA Properties Inc	83-0513595	5 June 2008 USA	275,000 common shares, USD0.01 par value per share	USD2,750 <sup>1</sup>	100.0	Owner of residential real estate located in Massachusetts, US
FGV Livestock	891881-X	5 March 2010 Malaysia	100,000 ordinary shares of RM1.00 each	2	100.0	Investment holding
FGV Plantations	974146-W	6 January 2012 Malaysia	500,000,000 ordinary shares of RM1.00 each	100,000,000	100.0	Investment holding
FGV Downstream	974151-U	6 January 2012 Malaysia	100,000 ordinary shares of RM1.00 each	2	100.0	Investment holding
FGV Indonesia	781856-D	20 July 2007 Malaysia	10,000,000 ordinary shares of RM1.00 each	5,000,000	100.0	Investment holding
FGV Sugar	829994-X	20 August 2008 Malaysia	100,000 ordinary shares of RM1.00 each and 1,500,000,000 RCPS of RM0.01 each	12,211,649 <sup>2</sup>	100.0	Investment holding
FGV Perlis	877293-A	30 October 2009 Malaysia	1,000,000 ordinary shares of RM1.00 each	500,002	100.0	Investment holding
MSM Holdings (listed on the Main Market of Bursa Securities)	935722-K	10 March 2011 Malaysia	1,000,000,000 ordinary shares of RM0.50 each	351,490,000	51.0 <sup>3</sup>	Investment and/or holding company and for that purpose to purchase, subscribe for or otherwise acquire and hold shares, stocks, debentures, bonds, obligations and securities issued by or guaranteed by any company or legal entity whether constituted in Malaysia or elsewhere
FGV Shared Services	978609-P	17 February 2012 Malaysia	100,000 ordinary shares of RM1.00 each	2	100.0	To operate as a shared services hub for FGVH Group and other affiliated entities and to carry on business as concessionaries and merchants. To undertake, execute and carry on all kinds of commercial trading and other operations

<sup>1</sup> 275,000 common shares USD0.01 par value per share were issued and outstanding.

<sup>2</sup> Comprising 2 ordinary shares of RM1.00 each and 1,221,164,700 RCPS of RM0.01 each.

<sup>3</sup> 40.03% interest is directly held by FGV Sugar (a wholly-owned subsidiary of our Company) while the remaining 10.97% interest is directly held by us.

**12. INFORMATION ON OUR GROUP (Cont'd)**

Name	Company No.	Date and place of incorporation	Authorised share capital	Issued and paid-up share capital RM (unless otherwise stated)	Equity interest held %	Principal activities
<b>Other subsidiary of FGV Plantations*</b>						
FGV Kalimantan	838183-V	11 November 2008 Malaysia	100,000 ordinary shares of RM1.00 each and 10,990,000,000 RCPS of RM0.01 each	80,266,987 <sup>4</sup>	100.0	Investment holding
<i>* FGV Plantations is the shareholder of FGV Kalimantan pursuant to the transfer of 2 ordinary shares from our Company to FGV Plantations on 9 May 2012.</i>						
<b>Subsidiary of FGV Kalimantan</b>						
PT Citra Niaga	140215200106	13 June 2007 Indonesia	5,000,000 shares of IDR1,000 each	IDR2,000,000,000	95.0	Plantation business
<b>Other subsidiary of FGV Downstream*</b>						
FGV North America	659466-A	14 July 2004 Malaysia	50,000,000 ordinary shares of RM1.00 each, 350,000,000 RCPS A of RM0.01 each, 600,000,000 RCCPS A of RM0.01 each and 350,000,000 RCCPS B of RM0.01 each	62,225,969 <sup>5</sup>	100.0	Investment holding
<i>* FGV Downstream is the shareholder of FGV North America pursuant to the transfer of 50,000,000 ordinary shares from our Company to FGV Downstream on 9 May 2012.</i>						
<b>Subsidiary of FGV North America</b>						
FGV US LLC	27-0452569	19 June 2009 USA	Nil <sup>6</sup>	Nil	100.0	Holds debt in TRT US
<b>Subsidiaries of MSM</b>						
MSM Properties	365077-D	27 October 1995 Malaysia	100,000 ordinary shares of RM1.00 each	2	100.0	In liquidation
Astakonas	208409-P	23 November 1990 Malaysia	5,000,000 ordinary shares of RM1.00 each	1,500,000	100.0	Lorry transport
<b>Subsidiaries of TRT Holdings</b>						
TRT Holdings ETGO Inc	84190 4154	28 September 2007 Canada	10,000 common shares without par value and 75,500,000 Class A preferred shares	6,882 common shares and CAD73,053,223 (issued at CAD1 per Class A preferred shares)	100.0	Investment holding

<sup>4</sup> Comprising 2 ordinary shares of RM1.00 each and 8,026,698,500 RCPS of RM0.01 each.

<sup>5</sup> Comprising 50,000,000 ordinary shares of RM1.00 each, 329,949,500 RCPS A of RM0.01 each, 570,590,000 RCCPS A of RM0.01 each and 322,057,400 RCCPS B of RM0.01 each.

<sup>6</sup> No authorised share capital. FGV North America owns 100% of the beneficial interest in FGV US LLC.

## 12. INFORMATION ON OUR GROUP (Cont'd)

Name	Company No.	Date and place of incorporation	Authorised share capital	Issued and paid-up share capital RM (unless otherwise stated) USD19.77 <sup>7</sup>	Equity interest held %	Principal activities
TRT US	26-0843076	15 August 2007 USA	250,000 common shares, USD0.0001 par value; comprising 130,000 Class A common shares, USD0.0001 par value per share; and 120,000 common stocks Class B common shares, of USD0.0001 par value per share		100.0	Investment holding
<b>Subsidiary of TRT US</b>						
TRTMC	04-3432336	17 July 1998 USA	10,000 common shares, USD0.0001 par value per share	USD0.0001 <sup>8</sup>	100.0	Owner and operator of fatty acids and glycerine production and distribution facility
<b>Subsidiary of TRTMC</b>						
FRTC	04-3562990	24 May 2001 USA	200,000 common shares, USD0.01 par value per share	USD10 <sup>9</sup>	100.0	Operation and management of shortline freight railroad
<b>Subsidiary of FI Inc</b>						
FI LLC	N/A	12 April 2002 USA	Nil <sup>10</sup>	Nil	100.0	Manufacturer of high-functioning natural fats and oils based on oleo technologies
<b>Subsidiaries of Trurich</b>						
PT Teknik	17.14.3.51.0012 5 <sup>11</sup>	10 June 2003 Indonesia	1,000,000 shares of IDR10,000 each	IDR 5,100,000,000	93.0	Palm oil plantation and palm oil industry (CPO and PKO)
PT Satria	09.05.1.51.27.78 0 <sup>11</sup>	29 December 1993 Indonesia	30,000 shares of IDR 1,000,000 each	IDR 7,857,000,000	93.0	Palm oil plantation and palm oil industry (CPO and PKO)
PT Gemareksa	15.09.1.01.0029 1 <sup>11</sup>	29 December 1993 Indonesia	1,000,000 shares of IDR1,000,000 each	IDR 289,714,000,000	93.0	Oil palm plantation and vegetable crude oil (cooking oil) industry
PT TH Felda	09.05.1.51.6395 8 <sup>11</sup>	3 September 2009 Indonesia	1,000 shares of IDR1,000,000 each	IDR 1,000,000,000	93.0	Business management consultation services
PT Usaha	17.14.3.51.0012 4 <sup>11</sup>	22 January 2007 Indonesia	1,000 shares of IDR1,000,000 each	IDR 260,000,000	93.0	Palm oil plantation and palm oil processing industry (CPO and PKO)
PT Anugerah	17.14.3.51.0012 3 <sup>11</sup>	21 June 2004 Indonesia	2,000 shares of IDR1,000,000 each	IDR 500,000,000	93.0	Palm oil plantation and palm oil industry (CPO and PKO)

<sup>7</sup> 117,646 shares of Class A common shares, USD0.0001 par value per share and 80,000 shares of Class B common shares, USD0.0001 par value per share were issued and outstanding.

<sup>8</sup> 1 common share, USD0.01 par value per share were issued and outstanding.

<sup>9</sup> 1,000 common shares, USD0.01 par value per share were issued and outstanding.

<sup>10</sup> No authorised share capital. FI Inc owns 100% of the beneficial interest in FI LLC.

<sup>11</sup> Company registration certificate number.

## 12. INFORMATION ON OUR GROUP (Cont'd)

Name	Company No.	Date and place of incorporation	Authorised share capital	Issued and paid-up share capital RM (unless otherwise stated)	Equity interest held %	Principal activities
<b>Subsidiary of F IFFCO Africa</b>						
F IFFCO Bridge Ind	1996/000460/07	17 January 1996 South Africa	1,000 ordinary shares of ZAR1.00 each	ZAR200	100.0	Dormant
<b>Subsidiaries of Felda IFFCO</b>						
Felda IFFCO China	4419004001041 10 <sup>12</sup>	10 February 2009 China	USD50,000,000	USD 50,000,000 <sup>13</sup>	97.0	Manufacture and sale of palm oil and palm related products (including man-made cream, shortening oil and cocoa butter substitute, exclusive of the products which are restricted or subject to the certificates) and warehousing business of edible oil
F IFFCO Africa	1996/011560/07	28 August 1996 South Africa	105,903,461 ordinary shares of ZAR1.00 each	ZAR 102,203,461	99.0	Refining of oil palm
IPCSB	852497-W	6 April 2009 Malaysia	100,000 ordinary shares of RM1.00 each	2	100.0	Investment company
Felda IFFCO Trading	920555-W	2 November 2010 Malaysia	100,000,000 ordinary shares of RM1.00 each	36,000,000	100.0	To carry on and execute the activities and business of trading of vegetable oil and other related vegetable oil for the company or on behalf of any company, corporation, body or person
Felda IFFCO Gida	145450	12 May 2008 Turkey	40,500,000 shares of TL 1.00 each	TL40,500,000	99.0	Production and manufacturing of specialised blends
FI Inc	N/A	4 June 2009 USA	1,000 common shares, USD0.01 par value per share	USD10 <sup>14</sup>	100.0	Investment holding
F IFFCO France	513 611 285	June 2009 France	38,000 shares of EUR1.00 each	EUR38,000	100.0	Brokerage and intermediation of palm oil purchase and selling
Felda IFFCO Oil Products	24499-V	27 October 1975 Malaysia	24,000,000 ordinary shares of RM1.00 each	20,000,000	74.9	Refining of oil palm and marketing of palm oil and by-products
<b>Jointly-controlled entity of Felda IFFCO</b>						
PT SON	N/A	28 March 2006 Indonesia	178,948,000 shares of IDR1,000 each	IDR 178,948,000,000	50.0	Processing industry, crude vegetable oil industry, filtering, manufacturing, packing, selling and marketing of oils and fats
<b>Jointly-controlled entity of FGV Livestock</b>						
Felda IFFCOAllana	1000134-D	29 April 2010 Malaysia	100,000 ordinary shares of RM1.00 each	2	50.0	Dormant

<sup>12</sup> Business Licence Number of Felda IFFCO China.<sup>13</sup> Registered capital of the Felda IFFCO China.<sup>14</sup> 1,000 common shares, USD0.01 par value per share were issued and outstanding.

**12. INFORMATION ON OUR GROUP (Cont'd)**

Name	Company No.	Date and place of incorporation	Authorised share capital	Issued and paid-up share capital RM (unless otherwise stated)	Equity interest held %	Principal activities
<b>Jointly-controlled entities of TRT-ETGO Inc</b>						
Bunge ETGO Inc	1167711515	7 October 2011 Canada <sup>15</sup>	Unlimited number of one class of common shares	CAD100.00 <sup>16</sup>	49.0	Bunge ETGO Inc is the sole general partner of Bunge ETGO.
Bunge ETGO	211090493	17 October 2011 Canada <sup>17</sup>	Unlimited number of Class A and Class B Units	CAD 50,000,000	49.0	Business of originating oilseeds, causing such oilseeds to be processed and marketing the resulting oil, meals, hulls and other by-products from such processing

Save as disclosed above, our Group does not have any outstanding warrants, options, convertible securities or uncalled capital as at the date of this Prospectus.

As at the Latest Practicable Date, neither our Company nor our Subsidiaries are involved in any bankruptcy, receivership or similar proceedings.

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<sup>15</sup> Incorporated under the laws of the Province of Québec.

<sup>16</sup> For the issuance of 50,000,000 common shares.

<sup>17</sup> Partnership established under the Partnership Act (Ontario).

## 12. INFORMATION ON OUR GROUP (Cont'd)

## 12.2.3 FHB's subsidiaries, jointly-controlled entities and associates as at the Latest Practicable Date

Name	Company No.	Date and place of incorporation	Authorised share capital	Issued and paid-up share capital RM (unless otherwise stated)	Equity interest held %	Principal activities
<b>Subsidiaries of FHB</b>						
F Technoplant	700736-W	22 June 2005 Malaysia	40,000,000 ordinary shares of RM1.00 each	20,000,000	100.0	Providing administration and management services to the settlers for their replanting programmes
F Enterprises	229222-K	19 November 1991 Malaysia	120,000,000 ordinary shares of RM1.00 each	1,000,000	100.0	Dormant
MCM	65675-T	18 December 1980 Malaysia	25,000,000 ordinary shares of RM1.00 each	24,000,000	100.0	Manufacturing and selling of cocoa powder and cocoa butter
F Security	357789-M	4 September 1995 Malaysia	5,000,000 ordinary shares of RM1.00 each	2,880,000	51.0	Security services, selling of security appliances, selling and provision of services of fire protection equipment, pest control and training services
FWQ	K-08192/2000-01 (CUIN-042022)	17 January 2001 Pakistan	100,000,000 shares of PKR10 each	PKR 808,800,000	65.0	To provide handling storage services for liquid cargoes of non-petroleum products including edible oil, tallow, molasses, chemicals and other products / cargoes and for these purposes to construct, establish and to set up liquid cargo terminal / jetty / vessels and for handling, loading and un-loading of bulk liquid cargoes at any port of Pakistan
F Prodata	353944-K	4 August 1995 Malaysia	50,000,000 ordinary shares of RM1.00 each	12,500,000	80.0	Providing information technology solutions, selling of computer hardware, software and equipment and system support services
F Travel	100395-K	25 April 1983 Malaysia	5,000,000 ordinary shares of RM1.00 each	2,500,000	100.0	Travelling, acting as tour agent and management of resorts
F Plantations	232400-U	13 January 1992 Malaysia	45,000,000 ordinary shares of RM1.00 each	30,000,000	51.0	Assisting, planning, controlling and providing field management
F Palm Industries	359584-V	14 September 1995 Malaysia	202,000,000 ordinary shares of RM1.00 each	202,000,000	72.0	Investment holding and purchase of FFB, processing and sale of its finished products
F Agricultural	353791-M	3 August 1995 Malaysia	100,000,000 ordinary shares of RM1.00 each	65,000,000	76.9	Producing and selling FFB, rat bait, fertiliser and palm oil seeds and the provision of foliar and soil analysis and agricultural services to FELDA and other related companies
F Johore Bulkors	20547-U	9 October 1974 Malaysia	50,000,000 ordinary shares of RM1.00 each	50,000,000	72.7	Storing and handling of vegetable oil
F Transport	357718-K	4 September 1995 Malaysia	50,000,000 ordinary shares of RM1.00 each	30,000,000	51.0	Transporting liquid and general cargo, courier, forwarding and jetty operations



**12. INFORMATION ON OUR GROUP (Cont'd)**

Name	Company No.	Date and place of incorporation	Authorised share capital	Issued and paid-up share capital	Equity interest held	Principal activities
				RM (unless otherwise stated)	%	
F Rubber Industries	357896-U	5 September 1995 Malaysia	50,000,000 ordinary shares of RM1.00 each	42,000,000	71.4	Processing of raw latex to concentrated latex and SMR, manufacturing and distributing rubber related products
FPM	25952-H	31 December 1975 Malaysia	100,000,000 ordinary shares of RM1.00 each	50,000,000	100.0	Manufacturing and selling of granulated compound fertilisers
F Engineering	299557-X	11 May 1994 Malaysia	20,000,000 ordinary shares of RM1.00 each	10,000,000	51.0	Providing engineering services including project management, selling of industrial equipment and property management
<b>Subsidiary of F Plantations</b>						
F Farm	354339-P	7 August 1995 Malaysia	10,000,000 ordinary shares of RM1.00 each	10,000,000	100.0	Breeding and trading of biological assets, animal food production, fresh meat and farm related activities
<b>Subsidiaries of F Palm Industries</b>						
FNI	881900-M	8 December 2009 Malaysia	20,000,000 ordinary shares of RM1.00 each	6,500,000	59.0	Manufacturing of biomass fuel palm oil from empty fruit bunches
Sutrajaya	480236-T	5 April 1999 Malaysia	100,000,000 ordinary shares of RM1.00 each	100,000,000	100.0	Dormant
F Marketing	353807-M	3 August 1995 Malaysia	25,000,000 ordinary shares of RM1.00 each	17,000,000	51.0	Marketing of FHB Group commodity products and collection of revenues on its behalf and physical trading of CPO and CPKO
F Kernel	353786-A	3 August 1995 Malaysia	24,000,000 ordinary shares of RM1.00 each	24,000,000	83.3	Buying and processing oil palm kernels and selling its products
DOP	23120-H	15 May 1975 Malaysia	50,000,000 ordinary shares of RM1.00 each	33,000,000	100.0	Processing, packaging and distribution of finished consumer and industrial palm oil products
F Vegetable	353930-K	3 August 1995 Malaysia	100,000,000 ordinary shares of RM1.00 each	75,000,000	66.7	Processing and sale of refined palm oil products
<b>Subsidiary of F Vegetable</b>						
FS Oils	67044-U	28 January 1981 Malaysia	25,000,000 ordinary shares of RM1.00 each	5,000,000	100.0	Dormant
<b>Subsidiary of F Agricultural</b>						
P Resorts	514497-X	16 May 2000 Malaysia	1,000,000 ordinary shares of RM1.00 each	250,000	100.0	Dormant
<b>Subsidiaries of F Rubber Industries</b>						
F Rubber Products	521712-W	26 July 2000 Malaysia	10,000,000 ordinary shares of RM1.00 each	10,000,000	100.0	Dormant
Feltex	0905538001093	25 April 1995 Thailand	20,000,000 ordinary shares of THB10 each	THB 200,000,000	51.0	To manufacture concentrate latex for domestic sale and export to foreign countries

**12. INFORMATION ON OUR GROUP (Cont'd)**

Name	Company No.	Date and place of incorporation	Authorised share capital	Issued and paid-up share capital RM (unless otherwise stated)	Equity interest held %	Principal activities
PT F Indo	C-20326 HT.01.1.TH.200 5	22 July 2005 Indonesia	USD5,000,000	USD1,750,000	90.0	Processing and marketing of latex
<b>Subsidiaries of F Johore Bulkurs</b>						
F Bulkurs	353793-T	3 August 1995 Malaysia	17,000,000 ordinary shares of RM1.00 each	17,000,000	51.0 <sup>18</sup>	Provision of installation services for storage and export of crude and refined palm oil, oleochemical products, PKO and PKE, tank and warehouse rentals
PT Patisindo	SH No.217	December 1996 Indonesia	45,000 shares comprising of 16,500 class A ordinary shares of IDR1,000,000 each and 27,518 class B RPS of IDR1,000,000 each	IDR 44,018,000,000	99.9	Bulk storage tanks and handling CPO
Langsat Bulkurs	727470-K	21 March 2006 Malaysia	50,000,000 ordinary shares of RM1.00 each	34,000,000	100.0	Bulking installation for business by handling, storing and transshipping bio diesel, biofuel, palm oil products, oleochemicals, soft oils and other vegetables oils
<b>Subsidiary of F Bulkurs</b>						
F Grains Terminal	160939-D	18 April 1987 Malaysia	5,000,000 ordinary shares of RM1.00 each	2,000,000	51.0 <sup>19</sup>	Handling, storing, transporting, mixing and blending palm kernel meal and grains
<b>Subsidiaries of F Engineering</b>						
F Construction	360025-D	18 September 1995 Malaysia	4,000,000 ordinary shares of RM1.00 each	4,000,000	100.0	Construction services
F Properties	353987-X	4 August 1995 Malaysia	5,000,000 ordinary shares of RM1.00 each	2,600,000	100.0	Property development and management of FELDA projects
Allied Engineering	236756-D	21 March 1992 Malaysia	500,000 ordinary shares of RM1.00 each	102,032	100.0	Provide engineering consultancy services
<b>Jointly-controlled entities of F Palm Industries</b>						
FTJ Bio Power	842898-P	31 December 2008 Malaysia	5,000,000 ordinary shares of RM1.00 each	2,000,000	60.0	Has yet to commence business. The intended business of the company is to develop, construct, operate and maintain power plant which uses EFB as its fuel and selling electricity
SRFV	952435-T	12 July 2011 Malaysia	100,000 ordinary shares of RM1.00 each	100,000	51.0	Develop, construct, operate and maintain a power plant to produce bio oil by way of conversion of biomass, in particular EFB into bio oil for subsequent sale and distribution

<sup>18</sup> 49.0% interest is also directly owned by FHB.<sup>19</sup> 36.0% interest is also directly held by F Johore Bulkurs.

**12. INFORMATION ON OUR GROUP (Cont'd)**

Name	Company No.	Date and place of incorporation	Authorised share capital	Issued and paid-up share capital RM (unless otherwise stated)	Equity interest held %	Principal activities
<b>Jointly-controlled entity of F Prodata</b>						
ProXcel	905210-P	21 June 2010 Malaysia	2,000,000 ordinary shares of RM1.00 each	1,000,000	50.0	Consulting, technology training, management and outsourcing services
<b>Associates of FHB</b>						
FPG	184896-U	29 July 1989 Malaysia	40,000,000 ordinary class A shares, 40,000,000 ordinary class B shares, 500,000 redeemable preference class A shares and 500,000 redeemable preference class B shares, all of RM1.00 each	80,000,000 <sup>20</sup>	50.0	Manufacturing and sale of methyl ester fatty alcohol and glycerine
Voray Holding	446269	24 August 1993 Hong Kong	HKD 24,500,000 ordinary shares  HKD49,140 RPS nominal value of HKD1.00 each	HKD 24,500,000  HKD49,140	45.0	Investment holding
MAPAK	255972-A	12 January 1993 Malaysia	25,000,000 ordinary shares of RM1.00 each	12,000,000	37.5	Investment holding
MEO	N/A	15 June 1995 Pakistan	N/A	PKR 39,270,000	30.0	To construct, establish and set-up liquid cargo terminal / jetty / berth facilities for berthing of ships and for handling / loading and unloading of bulk liquid cargoes at any port in Pakistan
MEO Trading	786542-A	30 August 2007 Malaysia	5,000,000 ordinary shares of RM1.00 each	5,000,000	30.0	To carry on all forms of hedging activities
Paragon	646265-P	22 March 2004 Malaysia	140,000,000 ordinary shares of RM1.00 each	21,250,000 <sup>21</sup>	30.0	Investment holding
Nilai Education	307215-P	11 July 1994 Malaysia	100,000,000 ordinary shares of RM1.00 each	80,000,000	30.0	Provision of education services

<sup>20</sup> Comprising 40,000,000 ordinary class A shares of RM1.00 each and 40,000,000 ordinary class B shares of RM1.00 each.  
<sup>21</sup> Comprising 2,500,000 ordinary shares of RM1.00 each and 37,500,000 preference shares of RM0.50 each.

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS

#### 13.1 BOARD OF DIRECTORS

Our Board acknowledges and takes cognisance of the Malaysian Code of Corporate Governance 2012 ("**MCCG 2012**"), which contains recommendations to improve upon or to enhance corporate governance as an integral part of the business dealings and culture of such companies. The MCCG 2012 applies to all listed companies on Bursa Securities, and listed companies with financial year ending 31 December 2012 onwards will be required to report on the adoption of the principles and recommendations of MCCG 2012 in their annual reports.

In connection with the above, as at the date of this Prospectus, our Company has yet to adopt the recommendations under MCCG 2012 to establish a nominating committee comprising exclusively of non-executive directors, a majority of whom must be independent and to have a Board comprising a majority of independent directors, in the case where the chairman is not an independent director.

Our Board believes that our current Board composition provides the appropriate balance in terms of skills, knowledge and experience to promote the interests of all shareholders and to govern our Group effectively. Our Board is also committed to achieving and sustaining high standards of corporate governance. In regards to the above, our Board will use its best endeavour to comply with the MCCG 2012 once it becomes effective and will provide a statement on the extent of compliance with the MCCG 2012 in our annual report for the year ending 31 December 2012.

Within the limits set by our Articles, our Board is responsible for the governance and management of our Company. To ensure the effective discharge of its functions, our Board endeavours to follow the MCCG 2012, which sets out the following responsibilities:

- (i) to review, challenge and approve our annual corporate plan, which includes our overall corporate strategy, marketing plan, human resources plan, information technology plan, financial plan, budget, regulations plan and risk management plan;
- (ii) to oversee the conduct of our businesses and to determine whether the businesses are being properly managed;
- (iii) to identify principal risks and ensure the implementation of appropriate internal controls and mitigation risks to effectively monitor and manage these risks;
- (iv) to oversee the development and implementation of a shareholder communications policy for our Company;
- (v) to review the adequacy and integrity of our management information and internal controls systems, including systems for compliance with applicable laws, regulations, rules, directives, and guidelines (including Bursa Securities LR, securities laws and the Act);
- (vi) to review and approve our financial statements;
- (vii) to review and approve our Audit Committee Report at the end of each financial year;
- (viii) to review and approve our annual report; and
- (ix) to prepare a corporate governance statement in compliance with the MCCG 2012 and an internal control statement for our annual report.

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

In accordance with Article 88 of our Articles, at each annual general meeting, one-third of our Directors for the time being, or if their number is not a multiple of three, the number nearest to one-third with a minimum of one, shall retire from office and an election of Directors shall take place PROVIDED ALWAYS that each Director shall retire at least once in every three years but shall be eligible for re-election. The Directors to retire in every year shall be those who, being subject to retirement by rotation, have been longest in office since their last election or appointment. A retiring Director shall be eligible for re-election.

The number of Directors shall not be less than two but not more than 12. At least two of our Directors or one-third of our Board, whichever is higher, must also at all times be Independent Directors. As at the date of this Prospectus, our Board consists of seven Directors, three of whom are Independent Directors.

The details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in that office as at the Latest Practicable Date are as follows:

Directors	Age	Date of appointment	Date of expiration of the current term of office	No. of years and months in office as at the Latest Practicable Date
YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad	62	1 January 2011	31 December 2012	1 year 3 months
Dato' Sabri Ahmad	64	12 January 2010	31 December 2012	2 years 3 months
Dr. Mohd Emir Mavani Abdullah	48	11 July 2011	31 December 2012	9 months
Datuk Dr. Omar Salim	54	27 September 2010	31 December 2012	1 year and 7 months
Dato' Yahaya Abd Jabar	59	18 January 2012	31 December 2012	3 months
Dato' Shahril Ridza Ridzuan	41	18 January 2012	31 December 2012	3 months
Dato' Abdul Rahman Ahmad	42	18 January 2012	31 December 2012	3 months

#### 13.1.1 Profiles of our Directors

##### (i) YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad

**YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad** is our Non-Independent Non-Executive Chairman. He graduated with a Bachelor of Arts from Universiti Malaya in 1971.

He began his career in politics in 1974 as the Deputy of the United Malays National Organization (UMNO) Youth of Teluk Kemang. He has held the positions of Chief UMNO Youth of Teluk Kemang, Chief UMNO of Teluk Kemang (a position held until now), State Assemblyman of Linggi and Negeri Sembilan State Executive Committee. He was previously the Chief Minister of Negeri Sembilan from 1982 to 2004, Member of Parliament of Jempol, Minister of the Federal Territories and former Vice President of UMNO. He is presently the Chairman of FELDA. Currently, he sits on various boards of private limited companies within our Group.

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

#### (ii) **Dato' Sabri Ahmad**

**Dato' Sabri Ahmad** is our Non-Independent Executive Director. He graduated with a Bachelor of Science (Agriculture) from Universiti Malaya in 1970 and a Master of Science (Agricultural Economics) from the University of London, England in 1972. He further pursued an Advance Diploma in International Studies from the University of Rhode Island, USA in 1980 and an Advance Diploma in Management from the University of Oxford, England in 1996.

He started his career in 1970 with the Ministry of Agriculture and in 1973 he pursued his career with the Fisheries Development Authority as the Deputy Director General. He joined Harrisons Malaysian Plantations Berhad in 1985 until 1989 where he worked in various capacities. He became the Director in charge of marketing for Golden Hope Plantations Berhad in 1990 and was appointed its Group Chief Executive Officer and Director in 2004. He was the Chairman of MPOB for three years from 2007 to 2010.

He is presently our Group President and Director and Managing Director of FHB. He oversees the management of the respective divisions within our Group and FHB, comprising amongst others, palm oil and rubber plantations, production of palm oil based products and rubber products, olechemicals, sugar production and logistical services such as bulking and transportation.

#### (iii) **Dr. Mohd Emir Mavani Abdullah**

**Dr. Mohd Emir Mavani Abdullah** is our Non-Independent Non-Executive Director. He graduated with a chemistry degree from Universiti Kebangsaan Malaysia in 1987 and obtained his Masters of Engineering Management from Warwick University, United Kingdom in 2000. He further obtained his Doctorate in Government Reforms from Warrnborough University, United Kingdom in 2008. He had also completed various executive education programmes in institutions such as Harvard and Yale in 2002 and 2003, respectively.

Currently he is the Director of Oil, Gas & Energy and Financial Services in the Performance Management and Delivery Unit ("PEMANDU"), and also the Chief Executive Officer of Malaysia Petroleum Resource Corporation, the Prime Minister's Department. He served on the board of Malaysia Nuclear Power Corporation from 2011 to date. Prior to this, he served as a Senior Advisor to United Nations Development Program on various projects in the Middle East and North African region between 1998 to 2004. He was also the Organization for Economic Cooperation and Development coordinator for Good Governance for the Arab region between 2002 to 2004. He was the Advisor to the Minister of Finance in the United Arab Emirates for five years from 2002 to 2007 advising on various policies. He also advised on the development of the first United Arab Emirates Agriculture Strategy in 2002 and helped in developing policies for the Abu Dhabi Food Control Authority in 2007. His last position prior to PEMANDU was as a strategic advisor to the Executive Council of Abu Dhabi for the period of 2008 to 2010 where he played a pivotal role in developing the overall strategy of the state - Abu Dhabi Policy Agenda 2030. While in this position, he helped develop the first "innovation index" for Natural Resource Economy which was widely accepted by the United Nations.

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

#### (iv) **Datuk Dr. Omar Salim**

**Datuk Dr. Omar Salim** is our Non-Independent Non-Executive Director. He graduated with a Bachelor in Arts from Universiti Malaya in 1981. He obtained his Diploma in Management and Diploma in Management Science both from the National Institute of Public Administration (INTAN) in 1982 and 1990, respectively. He further obtained his Master of Business Administration from the University of Birmingham, United Kingdom in 1995 and a Doctorate in Business Administration from Universiti Kebangsaan Malaysia in 2004.

He started his career in 1983 with the Public Services Commission as Assistant Secretary. He then moved to the Prime Minister's Office for the period of 1986 to 1989. He was appointed as Assistant Director in Public Services Department from 1991 until 1993. From 1993 to 1995, he was in the United Kingdom to pursue his Master of Business Administration under the British Government Scholarship. From 1995 to 1996, he was appointed as the Assistant Secretary at Telekom Malaysia Berhad. He held the position as a Director of Malaysia Administrative Modernisation and Management Planning Unit (MAMPU) from 1996 until 1999. In 2000, he took leave from the civil service in order to pursue his Doctorate in Business Administration Programme at Universiti Kebangsaan Malaysia. After he received his doctorate, he continued his service as Deputy Secretary in the Finance Ministry where he held that post from 2004 to 2006. Subsequently, from 2006 to 2008, he served as the Director in Internal Audit and Inspection at Malaysia Maritime Enforcement Agency. In March 2008, he was appointed as Head of Unit in *Unit Kawal Selia FELDA* of the Prime Minister's Department, a position which he holds until now.

#### (v) **Dato' Yahaya Abd Jabar**

**Dato' Yahaya Abd Jabar** is our Independent Non-Executive Director. He graduated with a Bachelor of Arts (Honours) in International Relations from Universiti Malaya in 1975. He began his career in the Ministry of Foreign Affairs in 1975 with the Administrative and Diplomatic Service of Malaysia. While abroad he served in a number of Malaysian Missions including in Saudi Arabia, Indonesia, Italy and Thailand and became an Ambassador in 1999.

He served as the Ambassador to Uzbekistan from 1999 to 2003 and High Commissioner to South Africa, Mozambique, Botswana, Lesotho, Swaziland and Madagascar from 2004 to 2008. While serving as the Malaysian Ambassador to Uzbekistan, he was chosen to become the alternate member of the Malaysian delegation to the 56<sup>th</sup> General Assembly of the United Nations in New York in 2001. From 2003 to 2004 he was the Chief Protocol at the Ministry of Foreign Affairs where he was involved with the OIC Summit of Heads of States and Government hosted by Malaysia in 2003. His last post was as the Ambassador of Malaysia to the United Arab Emirates from 2008 to 2011. He retired from the Diplomatic Service of Malaysia on 25 December 2011 after spending 36 years in various positions, both in and outside of Malaysia.

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

#### (vi) Dato' Shahril Ridza Ridzuan

**Dato' Shahril Ridza Ridzuan** is our Independent Non-Executive Director. He graduated with a Bachelor of Civil Law from Oxford University, England in 1992 and Master of Arts from Cambridge University, United Kingdom in 1993 and has been called to the Malaysian Bar and the Bar of England and Wales.

He began his career as a Legal Assistant at Zain & Co. from 1994 to 1996. From 1997 to 1998, he was the Special Assistant to the Executive Chairman of Trenergy (M) Berhad/Turnaround Managers Inc (M) Sdn Bhd. He subsequently joined Pengurusan Danaharta Nasional Berhad in 1998 to 1999. From 1999 to August 2001, he was the Executive Director of SSR Associates Sdn Bhd. He was the Group Managing Director of Malaysian Resources Corporation Berhad from 2003 to 2009 and is currently the Deputy Chief Executive Officer (Investment) of Employees Provident Fund Board since 1 December 2009. Presently, he also sits on the boards of Media Prima Berhad, Pengurusan Danaharta Nasional Berhad, Malaysian Resources Corporation Berhad and Malaysian Building Society Berhad.

#### (vii) Dato' Abdul Rahman Ahmad

**Dato' Abdul Rahman Ahmad** is our Independent Non-Executive Director. He graduated with a Master of Arts in Economics from Cambridge University, United Kingdom in 1992 and is a member of the Institute of Chartered Accountants in England and Wales.

He began his career in 1992 as an assistant manager at Arthur Andersen, London. From 1996 to 1999, he was the Special Assistant to the Executive Chairman of Trenergy (M) Berhad/Turnaround Managers Inc (M) Sdn Bhd. He subsequently joined Pengurusan Danaharta Nasional Berhad from 1999 to 2000. From 1999 to 2001, he was the Executive Director of SSR Associates Sdn Bhd. He also held the posts of Chief Executive Officer of Malaysian Resources Corporation Berhad, as well as an Executive Director of Sistem Televisyen Malaysia Berhad between 2001 and 2003. Soon after that, he assumed the position of Group Managing Director and Chief Executive Officer of Media Prima Berhad from 2003 to 2009. He is currently a Director and Chief Executive Officer of Ekuiti Nasional Berhad since 2009 and a Director of Malaysian Resources Corporation Berhad since 2001.

Our Directors also hold directorships in other companies, as disclosed in Section 13.1.3 of this Prospectus.

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### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

#### 13.1.2 Directors' shareholding

The following table sets forth the direct and indirect shareholding of our Directors before and after the IPO based on our Register of Directors' Shareholdings (assuming full subscription of the Shares allocated to the Eligible Employees) as at the date of this Prospectus:

Directors	Before the IPO				After the IPO <sup>(1)</sup>			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad	-	-	-	-	180,000	*	-	-
Dato' Sabri Ahmad	-	-	-	-	180,000	*	-	-
Dr. Mohd Emir Mavani Abdullah	-	-	-	-	150,000	*	-	-
Datuk Dr. Omar Salim	-	-	-	-	150,000	*	-	-
Dato' Yahaya Abd Jabar	-	-	-	-	150,000	*	-	-
Dato' Shahril Ridza Ridzuan	-	-	-	-	150,000	*	-	-
Dato' Abdul Rahman Ahmad	-	-	-	-	150,000	*	-	-

**Note:**

\* *Negligible*

(1) *Excludes Shares they may subscribe under the Retail Offering.*

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### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

#### 13.1.3 Principal business activities performed outside our Group in the past five years

Save as disclosed below, none of our Directors have performed any principal business activities outside our Group.

The directorships of our Directors outside our Group at present and in the last five years preceding the Latest Practicable Date are as follows:

Name	Directorships	Involvement in business activities other than as a director
YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>• Negeri Sembilan Holdings Bhd</li> <li>• Amanah Saham Negeri Sembilan Berhad</li> <li>• Achievers Debts Busters Sdn Bhd</li> <li>• FELDA</li> <li>• KPF</li> <li>• FAHC</li> <li>• F Prodata</li> <li>• F Technoplant</li> <li>• F Travel</li> <li>• F Agricultural</li> <li>• F Properties</li> <li>• FHB</li> <li>• F Security</li> <li>• ProXcel</li> <li>• F Plantations</li> <li>• F Engineering</li> <li>• F Palm Industries</li> <li>• DOP</li> <li>• F Vegetable</li> <li>• F Transport</li> </ul> <p><i>Previous directorship:</i> Nil</p>	Nil
Dato' Sabri Ahmad	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>• CocoaHouse Processing Sdn Bhd</li> <li>• Castlefield (Klang) Rubber Estate Plc</li> <li>• Wangsa Mujur Sdn Bhd</li> <li>• Fhamiliyas Sdn Bhd</li> <li>• FELDA</li> <li>• SRFV</li> <li>• F Prodata</li> <li>• F Marketing</li> <li>• F Palm Industries</li> <li>• F Technoplant</li> <li>• DOP</li> <li>• FHB</li> <li>• F Vegetable</li> <li>• F Plantations</li> <li>• F Engineering</li> <li>• F Transport</li> <li>• FPM</li> <li>• F Agricultural</li> </ul>	<ul style="list-style-type: none"> <li>• Group Managing Director of FHB</li> </ul>

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

Name	Directorships	Involvement in business activities other than as a director
Dato' Sabri Ahmad (Cont'd)	<p><i>Present directorships (Cont'd):</i></p> <ul style="list-style-type: none"> <li>• F Properties</li> <li>• FGV Middle East Sdn Bhd</li> <li>• MAPAK</li> <li>• FPG</li> <li>• Felda IFFCO</li> <li>• Felda IFFCO Trading</li> <li>• Felda IFFCO Oil Products</li> <li>• Felda IFFCOAllana</li> <li>• FI Inc</li> <li>• Trurich</li> </ul> <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> <li>• Mostyn Development Sdn Bhd (resigned on 5 October 2010)</li> <li>• Markmore Biofuels Sdn Bhd (resigned on 25 January 2010)</li> <li>• Greentech Trading Sdn Bhd (resigned on 25 January 2010)</li> <li>• Malaysian Palm Oil Council (resigned on 27 June 2008)</li> <li>• Golden Hope Plantations Berhad (resigned on 9 June 2008)</li> <li>• Mentakab Rubber Company (Malaya) Berhad (resigned on 9 June 2008)</li> <li>• Sime Darby Livestock Sdn Bhd (resigned on 25 April 2008)</li> <li>• Negara Properties (M) Berhad (resigned on 31 December 2007)</li> <li>• Emery Oleochemicals (M) Sdn Bhd (resigned on 18 December 2007)</li> <li>• Seriemas Development Sdn Berhad (resigned on 6 December 2007)</li> <li>• Saha Enterprise Sdn Bhd (resigned on 27 November 2007)</li> <li>• Sime Darby Builders Sdn Bhd (resigned on 27 November 2007)</li> <li>• Impian Golf Resort Berhad (resigned on 27 November 2007)</li> <li>• Golden Hope Overseas Sdn Bhd (resigned on 27 November 2007)</li> <li>• Golden Hope Heritage SDn Bhd (resigned on 27 November 2007)</li> <li>• Sime Darby Plantation Indonesia Sdn Bhd (resigned on 27 November 2007)</li> <li>• Sime Darby Plantation Investment (Cameroon) Sdn Bhd (resigned on 27 November 2007)</li> <li>• Derawan Sdn Bhd (resigned on 27 November 2007)</li> </ul>	

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

Name	Directorships	Involvement in business activities other than as a director
Dato' Sabri Ahmad (Cont'd)	<p><i>Previous directorships (Cont'd):</i></p> <ul style="list-style-type: none"> <li>• Sime Darby Plantation (Peninsular) Sdn Bhd (<i>resigned on 27 November 2007</i>)</li> <li>• Sime Darby Jomalina Sdn Bhd (<i>resigned on 27 November 2007</i>)</li> <li>• Sime Darby Bukit Talang Sdn Bhd (<i>resigned on 27 November 2007</i>)</li> <li>• Sime Darby Biodiesel Sdn Bhd (<i>resigned on 27 November 2007</i>)</li> <li>• Sime Darby Austral Holdings Berhad (<i>resigned on 27 November 2007</i>)</li> <li>• Aspen Timur Sdn Bhd (<i>resigned on 27 November 2007</i>)</li> <li>• Sime Darby Austral Sdn Bhd (<i>resigned on 27 November 2007</i>)</li> <li>• Dongwha Malaysia Holdings Sdn Bhd (<i>resigned on 27 November 2007</i>)</li> <li>• Sime Darby Research Sdn Bhd (<i>resigned on 27 November 2007</i>)</li> <li>• Sime Darby Properties (Sabah) Sdn Bhd (<i>resigned on 27 November 2007</i>)</li> </ul>	
Dr. Mohd Emir Mavani Abdullah	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>• PEMANDU</li> <li>• Malaysia Nuclear Power Corporation</li> <li>• Malaysia Petroleum Resources Corporation</li> <li>• Mega-Wan International Sdn Bhd</li> <li>• Sterling Advisory Services Sdn Bhd</li> <li>• Sanjung Impian Sdn Bhd</li> <li>• QPIC-Botree Technologies Sdn Bhd</li> <li>• E.I.M. Systems Sdn Bhd</li> <li>• E &amp; H Consulting Sdn Bhd</li> <li>• FAHC</li> </ul> <p><i>Previous directorship:</i></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>	<ul style="list-style-type: none"> <li>• Chief Executive Officer of Malaysia Petroleum Resource Corporation, Prime Minister's Department</li> </ul>
Datuk Dr. Omar Salim	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>• Sinergi Perdana Sdn Bhd</li> <li>• FELDA</li> <li>• FAHC</li> <li>• FHB</li> <li>• Felda IFFCOAllana</li> </ul> <p><i>Previous directorship:</i></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>	<ul style="list-style-type: none"> <li>• Head of Unit in <i>Unit Kawal Selia FELDA</i> of the Prime Minister's Department</li> </ul>

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

Name	Directorships	Involvement in business activities other than as a director
Dato' Yahaya Abd Jabar	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>• Gryphon Energy (M) Sdn Bhd</li> <li>• Linsun Holdings Sdn Bhd</li> </ul> <p><i>Previous directorship:</i></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>	Nil
Dato' Shahril Ridza Ridzuan	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>• MRCB Foundation</li> <li>• Malaysia Property Incorporated</li> <li>• Plus Malaysia Berhad</li> <li>• Pengurusan Danaharta Nasional Berhad</li> <li>• SSR Associates Sdn Bhd</li> <li>• Malaysian Resources Corporation Berhad</li> <li>• Gabungan Kesturi Sdn Bhd</li> <li>• Media Prima Berhad</li> <li>• Malaysia Building Society Berhad</li> </ul> <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> <li>• The New Straits Times Press (Malaysia) Bhd (<i>resigned on 8 April 2011</i>)</li> <li>• Konsortium KOP-HG-MRCB-ISOPLAS JV Sdn Bhd (<i>resigned on 3 July 2010</i>)</li> <li>• Big Tree Outdoor Sdn Bhd (<i>resigned 24 February 2010</i>)</li> <li>• Nu Sentral Sdn Bhd (<i>resigned on 4 January 2010</i>)</li> <li>• Suasana Sentral Two Sdn Bhd (<i>resigned on 4 January 2010</i>)</li> <li>• Prema Bonanza Sdn Bhd (<i>resigned on 21 December 2009</i>)</li> <li>• MRCB Lingkaran Selatan Sdn Bhd (<i>resigned on 21 December 2009</i>)</li> <li>• Kuala Lumpur Sentral Sdn Bhd (<i>resigned on 31 December 2009</i>)</li> <li>• MRCB Environmental Services Sdn Bhd (<i>resigned on 21 December 2009</i>)</li> <li>• Seri Iskandar Development Corporation Sdn Bhd (<i>resigned on 21 December 2009</i>)</li> <li>• Dynahall (M) Sdn Bhd (<i>resigned on 28 August 2009</i>)</li> <li>• Malay Mail Sdn Bhd (<i>resigned on 28 August 2009</i>)</li> <li>• Semasa Sentral Sdn Bhd (<i>resigned on 7 August 2008</i>)</li> <li>• Uda Holdings Berhad (<i>resigned on 26 June 2008</i>)</li> <li>• CH-9 Media Sdn Bhd (<i>resigned on 29 May 2007</i>)</li> </ul>	<ul style="list-style-type: none"> <li>• Deputy Chief Executive Officer (Investment) of Employees Provident Fund Board</li> </ul>

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

Name	Directorships	Involvement in business activities other than as a director
Dato' Abdul Rahman Ahmad	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>• Kota Bayu Ekuiti Sdn Bhd</li> <li>• Asia Pacific UCTI Sdn Bhd</li> <li>• Rancak Selera Sdn Bhd</li> <li>• APIIT Sdn Bhd</li> <li>• ACG International Sdn Bhd</li> <li>• Ekuiti Nasional Berhad</li> <li>• Malay Mail Sdn Bhd</li> <li>• Ontime Direction Sdn Bhd</li> <li>• Gabungan Kesturi Sdn Bhd</li> <li>• SSR Associates Sdn Bhd</li> <li>• Malaysian Resources Corporation Berhad</li> <li>• Ekuinas Capital Sdn Bhd</li> <li>• Dynahall (M) Sdn Bhd</li> <li>• E-Cap (Internal) One Sdn Bhd</li> <li>• Bendahara 1 Sdn Bhd</li> <li>• Lyndarahim Ventures Sdn Bhd</li> <li>• Cosmo Restaurants Sdn Bhd</li> </ul> <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> <li>• Tanjung Offshore Berhad (resigned on 23 April 2012)</li> <li>• Prinsip Lagenda Sdn Bhd (resigned on 31 January 2012)</li> <li>• Noble Temptation Sdn Bhd (resigned on 31 January 2012)</li> <li>• E-Cap (External) One Sdn Bhd (resigned on 31 January 2012)</li> <li>• CTRM Composites Engineering Sdn Bhd (resigned on 17 May 2011)</li> <li>• CTRM Aviation Sdn Bhd (resigned on 17 May 2011)</li> <li>• CTRM AERO Composites Sdn Bhd (resigned on 17 May 2011)</li> <li>• Composites Technology Research Malaysia Sdn Bhd (resigned on 17 May 2011)</li> <li>• Max-Airplay Sdn Bhd (resigned on 31 August 2009)</li> <li>• Merit Idea Sdn Bhd (resigned on 31 August 2009)</li> <li>• Metropolitan TV Sdn Bhd (resigned on 31 August 2009)</li> <li>• Star Crest Media Sdn Bhd (resigned on 31 August 2009)</li> <li>• Synchrosound Studio Sdn Bhd (resigned on 31 August 2009)</li> <li>• Natseven TV Sdn Bhd (resigned on 31 August 2009)</li> <li>• Alt Media Sdn Bhd (resigned on 31 August 2009)</li> <li>• Alternate Records Sdn Bhd (resigned on 31 August 2009)</li> <li>• The Talent Unit Sdn Bhd (resigned on 31 August 2009)</li> </ul>	<ul style="list-style-type: none"> <li>• Chief Executive Officer of Ekuiti Nasional Berhad</li> </ul>

**13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)**

Name	Directorships	Involvement in business activities other than as a director
Dato' Abdul Rahman Ahmad (Cont'd)	<p><i>Previous directorships (Cont'd):</i></p> <ul style="list-style-type: none"> <li>• Big Tree Outdoor Sdn Bhd (resigned on 31 August 2009)</li> <li>• CH-9 Media Sdn Bhd (resigned on 31 August 2009)</li> <li>• Perintis Layar Sdn Bhd (resigned on 31 August 2009)</li> <li>• Sistem Televisyen Malaysia Berhad (resigned on 31 August 2009)</li> <li>• The New Straits Times Press (Malaysia) Bhd (resigned on 31 August 2009)</li> <li>• Lazim Juta Sdn Bhd (resigned on 31 August 2009)</li> <li>• Uniteers Outdoor Advertising Sdn Bhd (resigned on 31 August 2009)</li> <li>• Media Prima Berhad (resigned on 31 August 2009)</li> <li>• UPD Sdn Bhd (resigned on 29 May 2007)</li> <li>• The Right Channel Sdn Bhd (resigned on 29 May 2007)</li> <li>• Media Master Industries (M) Sdn Bhd (resigned on 29 May 2007)</li> <li>• MMC – AD Sdn Bhd (resigned on 29 May 2007)</li> <li>• Utusan Sinar Media Sdn Bhd (resigned on 29 May 2007)</li> </ul>	

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### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

#### 13.1.4 Involvement of our Executive Directors in other businesses/corporations

Save as disclosed in Section 13.1.3 above, none of our Executive Directors are involved in the management and day-to-day operations of other businesses and/or corporations as at the Latest Practicable Date. Dato' Sabri Ahmad is our Non-Independent Executive Director and he is also a director and Managing Director of FHB. His involvement in FHB is not expected to affect his contribution to our Group. He oversees the respective divisions as disclosed in Section 13.1.1 above.

#### 13.1.5 Involvement in other businesses or corporations which carry on a similar trade as that of our Group or which are customers and/or suppliers to our Group

Save as disclosed in Section 13.1.3 above, none of our Directors has any interest, direct or indirect, in other businesses and corporations which are carrying on a similar trade as that of our Group or are customers of and/or suppliers to our Group.

Our Directors are of the view that the interests held by them in other businesses or corporations which carry on a similar trade as our Group do not affect their contribution to our Company as these transactions are carried out on an arm's length basis and on usual business terms.

The interests held by our Directors in the businesses and corporations mentioned in Section 13.1.3 above may give rise to a conflict of interests situation with our businesses. On matters or transactions requiring the approval of our Board, Directors who are deemed interested or conflicted in such matters shall be required to abstain from deliberations and voting on the resolutions relating to these matters or transactions.

#### 13.1.6 Audit Committee

Our Audit Committee was formed by our Board pursuant to its meeting on 25 March 2010. Our Audit Committee comprises mainly of the Independent Non-Executive Directors. The main function of the Audit Committee is to assist our Board in performing its duties and discharging its responsibilities in evaluating our Company's financial statements, internal controls and the audit process.

Our Audit Committee currently comprises the following members:

Name	Position	Directorship
Dato' Shahril Ridza Ridzuan	Chairman	Independent Non-Executive Director
Datuk Dr. Omar Salim	Member	Non Independent Non-Executive Director
Dato' Abdul Rahman Ahmad	Member	Independent Non-Executive Director



### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS *(Cont'd)*

The duties and functions of our Audit Committee are:

#### (i) External Audit

- (a) To review, in consultation with our Company's auditors, the plan and scope of the annual audit, the internal accounting control system and the financial and audit reports;
- (b) To review the findings of our Company's auditors and recommend the appropriate course of actions to be taken by our Management; and
- (c) To evaluate the performance of our Company's auditors and to recommend to our Board the re-appointment, payment of auditors fees and termination of service of our Company's auditors;

#### (ii) Internal Audit

- (a) To review and recommend the appointment of key personnel of our Group internal audit department;
- (b) To review, evaluate and approve the scope of the internal audit programme;
- (c) To monitor the implementation of the internal audit programme to ensure sufficient scope is covered during the audit;
- (d) To evaluate the competencies and capabilities of our Group internal audit's personnel in performing their duties taking into account the qualification and experience of the auditor, level of independence with the auditee, and the ability to freely communicate between the head internal auditor and senior management;
- (e) To review the internal audit findings including its investigations and the recommended course of actions to be taken by our Management; and
- (f) To endorse the disciplinary action to be taken against any employee involved in any misconduct as reported by the internal audit;

#### (iii) Coordination

- (a) To ensure appropriate coordination between the audit plans of our Company's auditors and the scope of the group internal audit programme;

#### (iv) Remediation Plan

- (a) To review our Management's remediation plans on the inadequacies highlighted in the internal and external audit reports;

#### (v) Internal Control

- (a) To evaluate internal controls and assist our Management in setting up the appropriate procedures and internal controls;

#### (vi) Financial Reporting Review

- (a) To review the annual financial report for our Board's approval;

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

#### (vii) Other Matters

- (a) To review material related party transaction and conflict of interest situations that may arise within our Group including any transaction, procedure or cause of conduct that raises question of management integrity and recurrent related party transactions;
- (b) To execute the request by our Board to conduct investigation into any issue pertaining to the management of our Company;
- (c) To review our Company's code of ethics and monitor the compliance thereof;
- (d) To review sensitive payments, if any, made by our Company;
- (e) To review compliance with relevant laws and regulations, generally;
- (f) To implement other necessary duties as mutually agreed by the committee and our Board or any other authorities which is empowered by law or regulated by any Government Authority; and
- (g) To review and update the terms of reference of the committee from time to time.

#### 13.1.7 Nomination Committee and Remuneration Committee

Initially both our Nomination Committee and Remuneration Committee were established under one committee on 25 March 2009. On 20 January 2012, the committees were separated into two committees, namely the Nomination Committee and the Remuneration Committee.

Our Nomination Committee currently comprises the following members:

Name	Designation	Directorship
YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad	Chairman	Non-Independent Non-Executive Chairman
Datuk Dr. Omar Salim	Member	Non-Independent Non-Executive Director
Dato' Yahaya Abd Jabar	Member	Independent Non-Executive Director

Our Nomination Committee undertakes, amongst others, the following functions:

- (i) To evaluate composition, membership vacancy, identify candidates and recommend to our Board in relation to any changes of our Board for effective contribution to our Group;
- (ii) To evaluate the balance of expertise, knowledge, experience and criteria needed for the appointment of our Directors;
- (iii) To request our Management to prepare "succession planning" for our Board especially for the candidates to be appointed as Chief Executive and senior management of our Company and also to inform issues in relation to strategy and commercial changes which would influence our Group's activities, for their review;

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

- (iv) To make annual evaluation for re-appointment/extension of service for Chief Executive/Non-Executive Director and Director after expiry of service period or reach the limit of retirement age subject to performance and service effectiveness contributed and also to report it to our Board;
- (v) To recommend to our Board on any matter relating to extension of service for any directors including cease or termination of service of any Chief Executive as our Company's staff to regulations and service contract;
- (vi) To recommend the membership of the audit committee to our Board based on the view of Audit Committee chairman;
- (vii) To choose, appoint and prepare terms for external consultant/advisor in giving advice regarding Director's remuneration and to consider the eligible candidates from various background and merit to meet the criteria which has been determined to the committee; and
- (viii) To execute other related functions to achieve the objective of the establishment of the Nomination Committee.

#### Remuneration Committee

Our Remuneration Committee currently comprises the following members:

Name	Designation	Directorship
Datuk Dr. Omar Salim	Chairman	Non-Independent Non-Executive Director
Dato' Yahaya Abd Jabar	Member	Independent Non-Executive Director
Dato' Abdul Rahman Ahmad	Member	Independent Non-Executive Director

Our Remuneration Committee undertakes, amongst others, the following functions:

- (i) To recommend to our Board, remuneration policies and principles together with guidelines and framework for Chief Executive and senior management of our Company;
- (ii) To consider the remuneration package of our Directors, Chairman and senior management including bonus, gratuity, etc.;
- (iii) To receive and consider recommendation by our Chairman or Chief Executive Officer in relation to the determination of remuneration for our staff;
- (iv) To consider, evaluate and approve, planned and proposed bonus, incentive for our Chief Executive Officer and senior management and also to approve cash bonus or incentives under any scheme based on performance of individual or related companies; and
- (v) To execute other related functions to achieve the objectives of the Remuneration Committee.

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

#### 13.1.8 Service contracts with Directors

As at the date of this Prospectus, we do not have any existing or proposed service contracts with our Directors.

#### 13.1.9 Remuneration of Directors

The aggregate remuneration and benefits paid or proposed to be paid to our Directors for services rendered to us in all capacities was approximately RM2.3 million for the year ended 31 December 2011 and is estimated at RM2.5 million for the year ending 31 December 2012.

The remuneration of our Directors, which includes Directors' salaries, bonus, fees and allowances as well as other benefits, must be considered and recommended by the Remuneration Committee and subsequently approved by our Board. Our Directors' remuneration must be further approved / endorsed by our shareholders at a general meeting.

The remuneration and benefits paid/estimated to be paid to our Directors are as follows:

Directors	Remuneration band of our Directors		
	For the period from 31 January 2010 to 31 December 2010 <sup>(1)</sup>	For the year ended 31 December 2011	For the year ending 31 December 2012
	(Actual)	(Actual)	(Forecast)
YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad	-	between RM350,001 and RM400,000	between RM500,001 to RM550,000
Dato' Sabri Ahmad	between RM450,001 and RM500,000	between RM1,450,001 and RM1,500,000	between RM1,750,001 and RM1,800,000
Dr. Mohd Emir Mavani Abdullah	-	between RM1 to RM50,000	between RM50,001 to RM100,000
Datuk Dr. Omar Salim	between RM1 to RM50,000	between RM1 to RM50,000	between RM50,001 to RM100,000
Dato' Yahaya Abd Jabar	-	-	between RM50,001 to RM100,000
Dato' Shahril Ridza Ridzuan	-	-	between RM50,001 to RM100,000
Dato' Abdul Rahman Ahmad	-	-	between RM50,001 to RM100,000

**Note:**

(1) Two years preceding the Latest Practicable Date.

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

Save as disclosed above, no other amounts or benefits has been paid or intended to be paid to our Directors within the two years preceding the date of this Prospectus, except, for remuneration received by our Directors in the course of their employment and Directors' fees, and dividends paid to our shareholders. No remuneration was paid by our Company to our Independent Non-Executive Directors for the two years ended 31 December 2010 as our Independent Non-Executive Directors were only appointed to our Board in January 2012.

#### 13.2 KEY MANAGEMENT

Our key management is responsible for our day-to-day management and operations. Our key management consists of experienced personnel in charge of matters related to plant production, human resource, marketing, business development, strategic planning, risk management, legal and corporate secretariat, finance and administration.

The members of our key management as at the date of this Prospectus are set out below:

Name	Nationality	Age	Designation
Dato' Sabri Ahmad	Malaysian	64	Group President and Chief Executive Officer
Ramli Putih	Malaysian	58	Head of Management Advisory Council
Dr. Suzana Idayu Wati Osman	Malaysian	43	Chief Strategy Officer
Abdul Halim Ahmad	Malaysian	56	Head of Manufacturing, Logistics and Others
Chua Say Sin	Malaysian	65	Head of Sugar Business
Palaniappan Swaminathan	Malaysian	57	Head of Research and Development
Nik Mustapha Nik Mohamed	Malaysian	55	Head of Group Human Resource and Corporate Services
Martin Rushworth	British	59	Head of Downstream Business
Fairuz Ismail	Malaysian	49	Head of Global Plantations
Ahmad Tifli Dato' Hj Mohd Talha	Malaysian	46	Chief Financial Officer
Norzaimah Maarof	Malaysian	42	Chief Counsel

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

#### 13.2.1 Profiles of our key management

##### (i) **Dato' Sabri Ahmad**

**Dato' Sabri Ahmad** is our Group President and Chief Executive Officer. For details of Dato' Sabri Ahmad's profile, refer to Section 13.1.1(ii) of this Prospectus.

##### (ii) **Ramli Putih**

**Ramli Putih** is our Head of Management Advisory Council. He graduated with a Diploma of Agriculture and a Bachelor of Science from Universiti Putra Malaysia in 1974 and 1988, respectively.

He started his career as a Manager for several of FELDA's lands, namely FELDA Jengka 06, Jengka 12, Umas, Sahabat and Tembangau, from 1974 to 1984. He then took a study leave for four years to pursue his studies on a full-time basis at Universiti Putra Malaysia and obtained his degree in Bachelor of Science in 1988. In 1988, he was transferred to FELDA Palong, holding the same position. In the same year, he was attached to F Rubber Industries from 1988 to 2001 where he held various positions before assuming the post of Senior General Manager. In 2002, he was promoted as the Chief Executive Officer of MCM. He held this position for two years before moving to Felda Trading Sdn Bhd also as a Chief Executive Officer in 2004. In 2006, he was appointed as the Deputy Managing Director of FHB and he held this position for three years until 2009. In 2010, he joined our Company as Executive Vice President, Head of Multicrop.

##### (iii) **Dr. Suzana Idayu Wati Osman**

**Dr. Suzana Idayu Wati Osman** is our Chief Strategy Officer. She obtained her BA (Hons) in Business Studies from the University of Huddersfield, England in 1992, and MBA (Finance) and Doctorate in Finance from Universiti Putra Malaysia in 2004 and 2011, respectively. She has also attended the Advanced Management Program at Harvard Business School, Harvard University, USA in 2009.

Her working experience started in 1990, as an Audit and Accounting Assistant for the London Borough of Barking and Dagenham, United Kingdom. In 1993, she worked as Sales Administration Officer with Metroplex Berhad and then as a Finance and Administration Manager in a manufacturing company. She then joined Bank of Tokyo-Mitsubishi in 1994 as an Assistant Vice President in Forex and Fund Department and subsequently she joined Sime Bank in 1998 as a Foreign Exchange Dealer in International Banking Department. She first joined FELDA in 1998 as an Investment Analyst and progressed to the position of Head of Investment, a position she last held prior to joining our Company in 2008 as a Deputy Group Chief Executive Officer. In 2010, our Group undertook a reorganisation and restructuring exercise resulting in FGVH becoming the parent company of certain commercial entities within FELDA group of companies. In the enlarged entity of our Company, she was promoted to be the Executive Vice President and assumed her current position.

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

(iv) **Abdul Halim Ahmad**

**Abdul Halim Ahmad** is our Head of Manufacturing, Logistics and Others. He obtained his Diploma in Mechanical Engineering from Universiti Teknologi Malaysia in 1977. He is also a Certified Steam Engineer Grade 2 from *Jabatan Kilang & Jentera* which he obtained in 1986. He also attended various courses held at the Asian Institute of Management, Manila, Philippines and Harvard University, USA and courses organised by Harvard Business School, Harvard University.

He started his career with FELDA in 1977 as an Assistant Manager. He was appointed as Manager in 1978 and General Manager in 2000. He also served as Chief Executive Officer in various FHB's subsidiaries such as Felda Oil Product Sdn Bhd, F Vegetable and F Palm Industries. He was promoted to be the Executive Director of F Vegetable in 2005 and further promoted to be the Senior Executive Director of F Palm Industries in 2007. In 2010, he was transferred to our Company as Senior Vice President holding various positions as Head of Manufacturing, Biomass, Downstream & Oleochemicals. He is also involved in various committees including as the Chairman of Technical Research, the Committee of Malaysian Palm Oil Association and is currently a member of Program Advisory Council to the MPOB. He is now the Head of Manufacturing, Logistics & Others.

(v) **Chua Say Sin**

**Chua Say Sin** is our Head of Sugar Business. He graduated with a Bachelor in Electrical Engineering from the University of New South Wales, Australia and a Master of Engineering Science from the University of Sydney, Australia. He is currently a registered Professional Engineer (PE). He is also a Member of the Institution of Engineers, Malaysia (MIEM).

He started his career in the container port of the Port of Singapore Authority, Singapore in 1973. He began his career with MSM as an Instrument Manager in 1974, where he was primarily responsible for the implementation of automatic/computer control and mechanisation of sugar refinery operations. He rose through the ranks of MSM and was appointed as the Factory Manager in 1988 before he was seconded to another subsidiary of PBB group, ChemQuest Sdn Bhd, holding the post of the Managing Director. Since 1999 until present, he is the Managing Director of MSM. He has over 30 years of experience in the sugar industry. He is currently the Chief Executive Officer of MSM Holdings.

(vi) **Palaniappan Swaminathan**

**Palaniappan Swaminathan** is our Head of Research and Development. He obtained his Bachelor of Science (Honours) and Master of Science both from Universiti Malaya in 1978 and 1982, respectively. In 1993, he obtained his ACCA Certified Diploma in Accounting and Finance. He obtained a certificate in plant breeding from the International Agricultural Centre, Wageningen, Netherlands.

He joined Perbadanan Khidmat Pertanian Felda (now known as F Agricultural) in 1978 as a Research Officer. He was appointed as the General Manager of Research and Development in 2004 and in 2006 as the Chief Executive Officer of F Agricultural. His research activities covers agronomy, breeding and processing of oil palm, cocoa, coconut, coffee, tropical fruits and tropical herbs crops. He is also involved in various committees including the Main Research and Development Committee of Malaysian Palm Oil Association (MPOA). He was also a member of the Advisory Committee for

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

Biotechnology and Molecular Science, Universiti Putra Malaysia and was a member of the board of advisors for the proposed Kuliyah of Agricultural Science and National Resources, International Islamic University Malaysia. In 2012, he was appointed as Senior Vice President, Head of Research and Development. He is currently the Chief Executive Officer of F Agricultural.

**(vii) Nik Mustapha bin Nik Mohamed**

**Nik Mustapha bin Nik Mohamed** is our Head of Group Human Resource and Corporate Services. He obtained his Bachelor of Science and Master of Science both from Northern Illinois University Dekalb, Illinois, USA in 1978 and 1980, respectively. He also obtained a Diploma in Education from Universiti Kebangsaan Malaysia in 1983. In 1990, he obtained his Master of Business Administration from Cranfield University, United Kingdom.

His working experience started in 1978 where he was a Research Assistant in his university. From 1981 to 1984, he was a Development Officer and Lecturer in Education and Training Division of Majlis Amanah Rakyat (MARA) where he became a lecturer in MARA Junior Science College of Kota Bharu, Kelantan. In 1984, he moved to Rank Xerox Ltd. Malaysia where he worked as Senior Personnel Executive/ Human Resource Manager. In 1987, he was appointed as Personnel Manager and Human Resource Director in Sterling Drug Malaysia and Singapore for about seven years before he moved to Permodalan Nasional Berhad as General Manager of Human Resource & Corporate Affairs Division in 1995. His last job since 2000 before joining our Company was with Unilever Malaysia and Singapore where he held the position of Human Resource and Corporate Relations Director. In 2011, he joined our Company as Senior Vice President, Chief Human Resource Officer.

**(viii) Martin Rushworth**

**Martin Rushworth** is our Head of Downstream Business. He obtained his Bachelor of Engineering Science from Durham University, England in 1974. He also received his Manufacturing Technology Diploma from Colchester Technical College and attended Business Education Programmes at London Business School and Bradford Business School, United Kingdom in 1977.

He started his career in 1974 as a Management Trainee with Unilever UK and in 1981, he was appointed as a Manufacturing Manager in Lever Brothers (Unilever) Zimbabwe and then from 1983 to 1987, he was the Chief Engineer in Marsavco Zaire (Unilever Congo). From 1987 to 1990, he was also appointed International Manufacturing Engineer in Unilever Research Vlaardingen in the Netherlands. From 1990 to 1993, he was Technical Director in Lever Brothers (Unilever) Malawi. From 1993 to 1997, he was Vice Chairman and Operations Director of Unilever Cote d'Ivoire. He was appointed Chairman and Managing Director of Unilever Congo for the period from 1998 until 2001. He then joined Pamol Plantations Sdn Bhd, Unilever's oil palm business in Malaysia, as Chairman and Managing Director from 2001 to 2004 and during this period undertook the sale of Pamol Plantations Sdn Bhd to IOI Group. From 2004 to 2011, he set up his own business that included palm oil consulting and was Chairman and Managing Director of Clearwind Sdn Bhd. He subsequently sold his business but retained the shareholdings of the non-active companies. He joined our Company in 2011 as Senior Vice President, Head of Oil and Fats.



### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS *(Cont'd)*

**(ix) Fairuz Ismail**

**Fairuz Ismail** is our Head of Global Plantations. He has a Diploma in Planting and Industry Management from the Universiti Teknologi MARA in 1984. He is an Exco member of Malaysian Palm Oil Association (MPOA) and also a member of professional bodies namely Asian Institute of Management (AIM) and Incorporated Society of Planters (ISP).

He started his career in 1985 at Golden Hope Plantations Berhad and where he served within the group for 22 years. His last position was the Head of Plantation, Indonesia. After the merger between Golden Hope Plantations Berhad, Kumpulan Guthrie Berhad and Sime Darby Berhad in 2007, he was appointed as Region Head of Estates Operations in East Malaysia in the new entity, Sime Darby Plantations Sdn Bhd. He then continued his service as Head of New Projects in Liberia, Sabah and Sarawak. His last position at Sime Darby Plantations Sdn Bhd was as Head of Plantations, Africa. In 2010, he joined our Company as Senior Vice President, Head of Transformation and Management Office.

**(x) Ahmad Tifli Dato' Haji Mohd Talha**

**Ahmad Tifli Dato' Haji Mohd Talha** is our Chief Financial Officer. He completed his Foundation Course in Accounting at Trent University, Nottingham, United Kingdom in 1985 after which, he pursued and completed his professional articleship training and became a member of the Institute of Chartered Accountants in England and Wales (ICAEW) in 1989. He is also a member of the Malaysian Institute of Accountants (MIA).

He started his career in 1985 in Hobson Phillips & Sharpe Chartered Accountants, Nottingham, England. In 1991, he joined Price Waterhouse Kuala Lumpur as an audit senior. He then moved to Perbadanan Usahawan Nasional Berhad as an Accountant in 1993. He later joined Boustead Trading Sdn Bhd as Financial Controller from 1994 to 1995. From 1995 until 2002, he was the Group Financial Controller as well as the Chief Operating Officer of Kumpulan Mofaz Sdn Bhd. He then continued expanding his career by joining PROTON Berhad in 2003 until 2007 where he held positions as Deputy General Manager in Strategy, Chief Executive Officer of a subsidiary of PROTON Berhad, and finally as Head of International Sales & Services Division, PROTON Berhad. From 2007 to 2008, he was involved in a motorsports project as Chief Operating Officer of Motorsports Knights (M) Sdn Bhd before he moved to Scomi Group as a Head of Scomi Coach in 2008. In 2011, he joined our Company as Senior Vice President and assumed his current position.

**(xi) Norzaimah Maarof**

**Norzaimah Maarof** is our Chief Counsel. She graduated with a Bachelor of Laws from the University of Southampton, United Kingdom in 1992. She was called to the Bar of England and Wales in 1993.

She started her career as a Legal Researcher in 1990 with Messrs. SK Tay & Co. From 1994 until 2000, she was an Assistant Manager at General Lumber Fabricators & Builders Sdn Bhd. She then moved to Phillips Malaysia Sdn Bhd as Senior Legal Counsel from 2000 to 2003. She joined Pfizer Malaysia Sdn Bhd in 2003 where she was first appointed as Legal Director for Malaysia, Singapore and Brunei and then seconded to Pfizer Headquarters in New York in 2006. She was later appointed as Legal Director for Asia research and development where she provided core research and development legal support and counsel for Pfizer Global Research and

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

Development activities in Asia and support and counsel for international clinical trials. In 2009, she joined our Group as Vice President and assumed her current position.

#### 13.2.2 Key management's shareholding

The following table sets forth the direct and indirect shareholding of each member of our key management before and after the IPO (assuming full subscription of the Shares allocated to the Eligible Employees):

	Before the IPO				After the IPO <sup>(1)</sup>			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Sabri Ahmad	-	-	-	-	180,000	*	-	-
Ramli Putih	-	-	-	-	110,000	*	-	-
Dr. Suzana Idayu Wati Osman	-	-	-	-	150,000	*	-	-
Abdul Halim Ahmad	-	-	-	-	110,000	*	-	-
Chua Say Sin	-	-	-	-	150,000	*	-	-
Palaniappan Swaminathan	-	-	-	-	110,000	*	-	-
Nik Mustapha Nik Mohamed	-	-	-	-	150,000	*	-	-
Martin Rushworth	-	-	-	-	150,000	*	-	-
Fairuz Ismail	-	-	-	-	150,000	*	-	-
Ahmad Tifli Dato' Hj Mohd Talha	-	-	-	-	150,000	*	-	-
Norzaimah Maarof	-	-	-	-	70,000	*	-	-

**Note:**

\* Negligible

(1) Excludes Shares they may subscribe under the Retail Offering.

#### 13.2.3 Service contracts with key management

As at the date of this Prospectus, we do not have any existing or proposed service contracts with our key management personnel.

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

#### 13.2.4 Involvement of our key management in other businesses/corporations

Save as disclosed below in Section 13.1.4 of this Prospectus, none of our key management is involved in the management and day-to-day operations of other businesses and/or corporations as at the Latest Practicable Date. The involvement of our key management personnel in other businesses as highlighted below is not expected to affect their contribution to us, save for the management services provided to FHB Group pursuant to the shared management services between us and FHB Group as disclosed in Section 13.2.5 below.

Name	Directorships	Involvement in business activities other than as a director
Dato' Sabri Ahmad	<i>Refer to Section 13.1.3 of this Prospectus</i>	<i>Refer to Section 13.1.3 of this Prospectus</i>
Ramli Putih	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>• Central Sugars Refinery Sdn Bhd</li> <li>• AXA Affin General Insurance Berhad</li> <li>• Title Winner Sdn Bhd</li> <li>• F Vegetable</li> <li>• P Resorts</li> <li>• F Rubber Industries</li> <li>• F Marketing</li> <li>• F Security</li> <li>• Cadbury Confectionery Sales (M) Sdn Bhd</li> <li>• Kao Trading (Malaysia) Sdn Bhd</li> <li>• Kao (Malaysia) Sdn Bhd</li> <li>• Trebor (Malaysia) Sdn Bhd</li> <li>• Felda D'Saji Sdn Bhd</li> <li>• F Enterprises</li> <li>• F Rubber Products</li> <li>• F Bulkiers</li> <li>• IPCSB</li> <li>• F Johore Bulkiers</li> <li>• MCM</li> </ul> <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> <li>• Felda IFFCO (resigned on 20 January 2012)</li> <li>• Trurich (resigned on 21 February 2012)</li> <li>• AXA Management Services Bhd (resigned on 16 June 2011)</li> <li>• Malaysian Palm Oil Council (resigned on 26 May 2010)</li> <li>• F Prodata (resigned on 31 December 2009)</li> <li>• F Travel (resigned on 31 December 2009)</li> <li>• Sutrajaya (resigned on 3 March 2008)</li> <li>• Felda Trading Sdn Bhd (resigned on 18 February 2008)</li> </ul>	<ul style="list-style-type: none"> <li>• Head of Management Advisory Council of FHB group of companies</li> </ul>

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

Name	Directorships	Involvement in business activities other than as a director
Dr. Suzana Idayu Wati Osman	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>Felda IFFCO</li> <li>Felda IFFCOAllana</li> <li>FI Inc</li> <li>F IFFCO Gida</li> <li>FPG</li> </ul> <p><i>Previous directorship:</i></p> <ul style="list-style-type: none"> <li>Felda Construction Sdn Bhd (resigned on 31 December 2009)</li> </ul>	<ul style="list-style-type: none"> <li>Chief Strategy Officer of FHB group of companies</li> </ul>
Abdul Halim Ahmad	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>F Kernel Products</li> <li>F Vegetable</li> <li>MCM</li> </ul> <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> <li>Felda IFFCO Oil Products (resigned on 20 January 2012)</li> <li>FTJ Biopower (resigned on 21 February 2012)</li> <li>FNI Biofuel (resigned on 21 February 2012)</li> </ul>	<ul style="list-style-type: none"> <li>Deputy Group Managing Director of FHB</li> </ul>
Chua Say Sin	<p><i>Present directorship:</i></p> <ul style="list-style-type: none"> <li>Malaysian Food Agencies Sdn Bhd</li> </ul> <p><i>Previous directorship:</i></p> <ul style="list-style-type: none"> <li>Tego Sendirian Berhad (resigned on 3 June 2010)</li> </ul>	Nil
Palaniappan Swaminathan	<p><i>Present directorship:</i></p> <ul style="list-style-type: none"> <li>Kuala Muda Estate (Owners Committee)</li> </ul> <p><i>Previous directorship:</i></p> <p>Nil</p>	<ul style="list-style-type: none"> <li>Head of Research and Development of FHB</li> <li>Chief Executive Officer of F Agricultural</li> </ul>
Nik Mustapha Nik Mohamed	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>Unilever (Malaysia) Holdings Sdn Bhd</li> <li>Unilever Malaysia Aviance Sdn Bhd</li> <li>General Diesel (Malaysia) Sdn Bhd</li> <li>Bunge ETGO</li> </ul> <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> <li>Unilever Foods (Malaysia) Sdn Bhd (resigned on 28 September 2009)</li> <li>Unilever (Malaysia) Services Sdn Bhd (resigned on 28 September 2009)</li> </ul>	<ul style="list-style-type: none"> <li>Head of Group Human Resource and Corporate Services of FHB</li> </ul>

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

Name	Directorships	Involvement in business activities other than as a director
Martin Rushworth	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>• William Martins Sdn Bhd</li> <li>• Clearwind Sdn Bhd</li> <li>• FPG</li> <li>• Felda IFFCO</li> </ul> <p><i>Previous directorship:</i> Nil</p>	<ul style="list-style-type: none"> <li>• Chairman for Board of Trustees for the International School of Kuala Lumpur</li> <li>• Head of Downstream Business of FHB</li> </ul>
Fairuz Ismail	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>• Dian Persada Sdn Bhd</li> <li>• Benua Marine Sdn Bhd</li> <li>• Plus Tradelink Sdn Bhd</li> <li>• Kingston Dynasty Sdn Bhd</li> <li>• Trurich</li> </ul> <p><i>Previous directorship:</i> Nil</p>	Nil
Ahmad Tifli Dato' Hj Mohd Talha	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>• Auto Compound and Distributive Centre Sdn Bhd</li> <li>• Cash Alliance Asset Management Sdn Bhd</li> <li>• Tarkib Holdings Sdn Bhd</li> <li>• Haluan Fokus Sdn Bhd</li> <li>• Trurich</li> </ul> <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> <li>• Motorsports Knights (M) Sdn Bhd (resigned on 24 April 2008)</li> <li>• Proton Marketing Sdn Bhd (resigned on 2 November 2007)</li> </ul>	<ul style="list-style-type: none"> <li>• Chief Financial Officer of FHB group of companies</li> </ul>
Norzaimah Maarof	<p><i>Present /previous directorship:</i> Nil</p>	<ul style="list-style-type: none"> <li>• Chief Counsel of FHB group of companies</li> </ul>

#### 13.2.5 Shared management services between our Group and FHB Group

On 21 May 2012 we have entered into an arrangement for provision of management services between our Group and FHB Group whereby we have agreed to provide management services to FHB Group and to appoint FHB Group to provide to our Group management support services, for the period commencing from 1 April 2012 until 31 March 2013 and the renewal of the agreement will be at the option of both our Board and FHB Group's board of directors. The terms of the arrangements shall be subject to the quarterly review of the terms of the management services by the respective board of directors of FGVH and FHB. This arrangement is entered between FHB and us at arm's length for the mutual benefit of both our Group and FHB Group.

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

FGVH Services includes (i) advisory services to various department within FHB Group, (ii) advise on improvements and modifications to the organisational and management structures for all the companies within FHB Group (iii) advise on management principles and corporate culture (iv) advise on FHB's group-wide collaboration and management development efforts; and (v) to provide any other management services, legal and company secretarial services as may be required by FHB Group from time to time.

FHB Services includes support and professional advice to the middle and top management of our Group, which includes providing support to our Group and the various companies within our Group on matter which includes (but not limited to) administrative and human resource matters, financial management, accounting issues and taxation matters, management of internal risk control system and all other matters where required by our Group.

The provisions of management services from FHB allow us to consolidate one or more back-office operations used by the various departments in the respective companies of our Group such as finance, information technology, human resource, etc in respect of our operations. The current management arrangement allows us to improve efficiency through standardising business processes in order to provide support for multiple business units, reduce personnel and improve the speed and quality of service.

#### 13.2.6 Involvement in other businesses or corporations which carry on a similar trade as that of our Group or which are our customers of or suppliers to our Group

Save as disclosed in Sections 13.2.4 and 13.2.5 above, none of our key management has any interest, direct or indirect, in other businesses and corporations which are carrying on a similar trade as that of our Group or are customers of and/or suppliers to our Group.

#### 13.2.7 Management succession plan

We recognise the importance of ensuring continuity in our management in order to maintain our competitive edge over our competitors. Our Board believes that our continued success depends on, among other factors, the support and dedication of our management personnel. We have in place human resource strategies which include suitable compensation packages and structured succession planning. Our initiatives on succession planning include:

- (i) identifying key competencies and requirements for managers and higher positions and developing job and candidate profiles for management positions in line with our business goals, strategies and culture; and
- (ii) taking a proactive approach towards addressing talent management to ensure that we have talent readily available to undertake leadership positions throughout our Group.

In addition, our middle management are constantly exposed to various aspects of our business activities in order to ensure that they have a full understanding of the responsibilities and the decision making process and are equipped with the knowledge necessary for them to advance to senior management positions.

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

#### 13.3 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

##### 13.3.1 Shareholdings

As at the date of this Prospectus, our Promoters and substantial shareholders and their interest in our Shares before and after the IPO are as follows:

	Before the IPO				After the IPO			
	Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%
FELDA	2,047,965,700	76.8	620,185,800 <sup>(2)</sup>	23.2	839,074,800 <sup>(1)</sup>	23.0	620,185,800 <sup>(2)</sup>	17.00
FAHC	620,185,800	23.2	-	-	620,185,800	17.0	-	-

**Notes:**

(1) Assuming the Over-allotment Option is not exercised.

(2) Deemed interest by virtue of its shareholding in FAHC pursuant to Section 6A of the Act.

Save as disclosed above, we are not aware of any other person who directly or indirectly, jointly or severally, exercises control over us.

##### 13.3.2 Profile of our Promoters and substantial shareholders

The profile of our Promoters who are also our substantial shareholders are set out below:

##### FELDA

FELDA was established as a statutory body on 1 July 1956 under the Land Development Ordinance (Land Development Act), 1956. FELDA's historical mission has been to carry out land development and settlement in new areas with the objective of creating prosperous farming communities with economically viable agricultural holdings. From 1959 to 1990, which marked the end of Malaysia's large-scale settlement period, FELDA assisted in the resettlement of 114,400 households. By 1990, a total of 853,313 hectares had been brought under cultivation through FELDA's operations, comprising 317 settlement schemes and 152 estates overall, with schemes and estates in 12 out of the 13 Malaysian states.

A FELDA settlement scheme typically comprises 1,400 to 2,500 hectares. FELDA estimates the number of settlers' households currently stands at 112,635. The majority of the settlers' estates are devoted to the cultivation of oil palm. FELDA has constructed infrastructure installations necessary for the harvesting and processing of the crops, including storage facilities, palm oil mills and PK crushing plants, for cooperative use by the settlers. In addition, FELDA has provided certain basic amenities and facilities in the settlers' villages that are necessary for new communities that are being settled in fairly isolated and new environments. These amenities and facilities include retail stores, petrol kiosks, police stations, schools, mosques and places of worship, community halls, shrub-lined roads, cooperatives shops, markets, bus stations, fire stations, health clinics, woman's associations, public libraries, government reserves, youth clubs and public playgrounds. For further information on FELDA, refer to Section 7.4.1 of this Prospectus.

### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS (Cont'd)

#### FAHC

FAHC was incorporated in Malaysia under the Act on 27 March 2012 as an investment holding company. FAHC is wholly-owned by FELDA.

As at the date of this Prospectus, the members of the board of directors of FELDA and FAHC and their respective shareholdings in FELDA and FAHC are as follows:

Directors	Direct		Indirect	
	No. of shares	%	No. of shares	%
<b>FELDA</b>				
YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad	-	-	-	-
Dato' Dzulkifli Abd Wahab	-	-	-	-
Tan Sri Dr. Wan Abdul Aziz Wan Abdullah	-	-	-	-
Shamsudin Othman	-	-	-	-
Datuk Dr. Omar Salim	-	-	-	-
YB Dato' Haji Tan Mohd Aminuddin Haji Ishak	-	-	-	-
YB Datuk Mohd Suhaili Said	-	-	-	-
YB Tuan Ir. Haji Hamim Haji Samuri	-	-	-	-
YB Dato' Haji Ismail Haji Abd Muttalib	-	-	-	-
Dato' Sabri Ahmad	-	-	-	-
Datuk Dr. Rahamat Bivi Yusoff	-	-	-	-
Dato' Azlin Alias	-	-	-	-
Datuk Nozirah Bahari	-	-	-	-
<b>FAHC</b>				
YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad	-	-	-	-
Datuk Dr. Omar Salim	-	-	-	-
Datuk Nozirah Bahari	-	-	-	-
Dato' Azlin Alias	-	-	-	-
Dr. Mohd Emir Mavani Abdullah	-	-	-	-



### 13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS *(Cont'd)*

#### 13.3.3 Changes in Promoters' and substantial shareholders' shareholdings in our Company for the past three years

Save for the issuance of FGVH Shares to FELDA pursuant to the conversion of RCPS and RCCPS as set out in Section 12.1.2 of this Prospectus and the transfer of 620,185,800 FGVH Shares held by FELDA to FAHC on 18 May 2012, there has been no change in the Promoters' and substantial shareholders' shareholdings in our Company for the past three years preceding the Latest Practicable Date.

#### 13.3.4 Involvement in other businesses or corporations which carry on a similar trade as that of our Group or which are customers of or suppliers to our Group

As at the Latest Practicable Date, our substantial shareholders do not have any interest, direct or indirect, in other businesses and corporations which are carrying on a similar trade as that of our Group or are customers of and/or suppliers to our Group.

### 13.4 RELATIONSHIPS OR ASSOCIATIONS BETWEEN OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS

There are no family relationships/associations between our Directors, key management, substantial shareholders and Promoters.

### 13.5 DECLARATION BY OUR DIRECTORS, KEY MANAGEMENT AND PROMOTERS

Save as disclosed below, none of our Directors, key management or Promoters is or has been involved in the following events (whether in or outside Malaysia):

- (i) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (ii) disqualified from acting as a director of any corporation or from taking part, directly or indirectly, in the management of any corporation;
- (iii) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) any judgment was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (v) the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

## 14. APPROVALS AND CONDITIONS

### 14.1 APPROVALS AND CONDITIONS

The SC has, via its letter dated 15 May 2012, approved our IPO under Section 212(5) of the CMSA and equity requirement for public companies, subject to the compliance with the following condition:

Details of condition imposed	Status of compliance
(i) CIMB/Maybank IB and FGVH must comply with the relevant requirements pertaining to the implementation of the proposed listing as stipulated under the Equity Guidelines and Prospectus Guidelines.	Noted

The SAC of the SC has, via its letter dated 9 May 2012, classified our Shares as Shariah-compliant.

The SC has, via its letters dated 15 May 2012 and 29 May 2012, approved the waivers sought from having to comply with certain requirements under the Equity Guidelines and Prospectus Guidelines. The details of the waivers sought and the corresponding conditions imposed by the SC are as follows:

Reference	Details of waivers sought	Conditions imposed (if any)	Status of compliance of conditions (if any)
<b>Equity Guidelines</b> Item 2 (f) of Appendix I	Waiver to allow a modified confirmation such that any disclosures on non-compliances, if any, are made only with respect to the breach of any relevant laws, regulations, rules and requirements which may have a material adverse impact on the business operations and/or financial position of our Group.	Nil	N/A

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**14. APPROVALS AND CONDITIONS (Cont'd)**

<b>Reference</b>	<b>Details of waivers sought</b>	<b>Conditions imposed (if any)</b>	<b>Status of compliance of conditions (if any)</b>
Items 4 (a), (b) and (d) of Appendix I and Paragraphs 8.01 (a) to (d) of the Prospectus Guidelines	<p>Waiver from having to disclose detailed information on all the Subsidiaries and Associates (including the joint venture companies) in the application to the SC ("<b>Application</b>") and this Prospectus save and except for the following information:</p> <ul style="list-style-type: none"> <li>(i) date and place of incorporation;</li> <li>(ii) registration number;</li> <li>(iii) principal activities;</li> <li>(iv) percentage of effective interest held/to be held by FGVH;</li> <li>(v) authorised, issued and paid-up capital; and</li> <li>(vi) list of subsidiaries, associates and joint venture companies of the subsidiary, associate and joint venture company.</li> </ul>	Nil	N/A
<b>Prospectus Guidelines</b> Paragraph 1.07	<p>Waiver from having to disclose information in relation to MSM Holdings which are not publicly available, in the event we do not receive the consent from MSM Holdings. The information on MSM Holdings disclosed in the Application and in this Prospectus will be limited to those available from public sources and / or information agreed to be provided by MSM Holdings.</p>	Approved subject to publicly available information on MSM Holdings.	Complied

**14. APPROVALS AND CONDITIONS (Cont'd)**

<b>Reference</b>	<b>Details of waivers sought</b>	<b>Conditions imposed (if any)</b>	<b>Status of compliance of conditions (if any)</b>
Paragraphs 8.02 (m) and 18.01 (c)	Waiver from having to disclose the sensitive terms of the Land Lease Agreement, the tenancy agreements in relations to the FELDA-leased Land and the supply and delivery agreement for the supply and delivery of FFB by FGV Plantations Malaysia to F Palm Industries' mills and supply and delivery of CPO from F Palm Industries to FGV Plantations Malaysia in the Prospectus and also to have redacted versions of the agreements available for inspection by the public, subject to the consent received from all the respective parties to the agreements.	To disclose the terms in Clauses 5.1 (a), 11 and 16.1 of the Land Lease Agreement.	Complied
Paragraphs 8.02 (m) and 18.01 (c)	Waiver from having to disclose the terms of the raw sugar supply agreement between the sugar manufacturers and the government which is subject to confidentiality clause in the Prospectus and also to have a redacted agreement available for inspection by the public subject to the consent received by the respective parties to the agreement	Nil	N/A
Paragraph 8.02 (l)	Waiver from disclosing all brand names, patents, trademarks, licences, technical assistance agreements, franchises and other intellectual property rights and salient terms of those rights in the Prospectus.	To disclose the material brand names, patents, trademarks, licences, technical assistance agreements, franchises and other intellectual property rights and salient terms of those rights in the Prospectus.	Complied

**14. APPROVALS AND CONDITIONS (Cont'd)**

<b>Reference</b>	<b>Details of waivers sought</b>	<b>Conditions imposed (if any)</b>	<b>Status of compliance of conditions (if any)</b>
Paragraph 13.10	Waiver from disclosing the auditors' report in the Prospectus in respect of the financial years under review. The Accountants' Reports for FGVH, FHB and carved-out plantation estates owned by FELDA already contain a statement which is similar to and reflects the opinion issued by the auditors in the audit reports accompanying the audited financial statements.	Nil	N/A

The SC has via its letter dated 15 May 2012, noted that the effective equity structure relating to Bumiputera, non-Bumiputera and foreign shareholdings in our Company would change arising from the Listing as follows:

<b>Category of Shareholders</b>	<b>Before IPO (%)</b>	<b>After IPO (%)</b>	<b>Assuming exercise of Over-allotment Option (%)</b>
Bumiputera			
FELDA	76.8	23.0	20.0
FAHC	23.2	17.0	17.0
Public investors	-	1.0 <sup>(1)</sup>	1.0 <sup>(1)</sup>
MITI approved investors	-	11.5 <sup>(1)</sup>	11.5 <sup>(1)</sup>
	100.0	52.5	49.5
Non-Bumiputera/ Foreigners	-	47.5 <sup>(2)</sup>	50.5 <sup>(2)(3)</sup>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Notes:**

- (1) Assumes that all the FGVH Shares allocated to Bumiputera public investors and Bumiputera investors approved by the MITI are fully subscribed.
- (2) Assumes that all FGVH Shares allocated to Malaysian public investors (excluding the FGVH Shares allocated to Bumiputera public investors) and other institutional investors pursuant to Institutional Offering, are fully subscribed.
- (3) Assumes that the over-allotted FGVH Shares are fully subscribed by Malaysian institutional investors and/or foreign institutional investors.

CIMB / Maybank IB / FGVH must inform the SC upon the completion of the proposal.

The MITI has, via its letter dated 9 May 2012, stated that it has no objection to the IPO.

The MITI has also, via its letter dated 15 May 2012, approved our application to remove all the equity conditions stipulated under Licence No. 000626, Serial No.: A029603 of the manufacturing licence held by Felda IFFCO Oil Products and Licence No. 015993, Serial No. A024725 of the manufacturing licence held by Felda IFFCO.

**14. APPROVALS AND CONDITIONS (Cont'd)**

Bursa Securities has, via its letter dated 17 May 2012, approved the admission of our Company to the Official List of Bursa Securities and listing of and quotation for the entire issued and paid-up share capital of our Company on the Main Market of Bursa Securities.

**14.2 MORATORIUM ON THE SALE OF SHARES**

Pursuant to the Equity Guidelines, the Shares held by our Promoters amounting to 1,459,260,600 Shares or 40% of our issued and paid-up share capital at the date of admission of our Company to the Official List of the Main Market of Bursa Securities are to be placed under moratorium. In this respect, the Shares that are subject to moratorium are set out below:

Promoter	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
FELDA	839,074,800 <sup>(1)</sup>	23.00	620,185,800 <sup>(2)</sup>	17.00
FAHC	620,185,800	17.00	-	-

**Notes:**

(1) Assuming the Over-allotment Option is not exercised.

(2) Deemed interest by virtue of its shareholding in FAHC pursuant to Section 6A of the Act.

Our Promoters have fully accepted the moratorium. Our Promoters will not be permitted to sell, transfer or assign any part of their interest in the Shares under moratorium for a six-month period beginning from the date of our admission to the Official List of the Main Market of Bursa Securities.

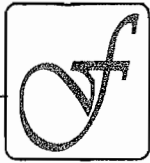
The above moratorium restrictions are specifically endorsed on the share certificates representing the Shares held by our Promoters which are under moratorium to ensure that our Company's share registrar does not register any transfer that contravenes such restrictions.

Pursuant to the Equity Guidelines, FELDA as the shareholder of FAHC has undertaken not to sell, transfer or assign its entire shareholding in FAHC for a six-month period beginning from the date of our admission to the Official List of the Main Market of Bursa Securities.

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15. DIRECTORS' REPORT

(Prepared for inclusion in this Prospectus)



**FELDA GLOBAL VENTURES HOLDINGS BERHAD**  
(800165-P)

28 MAY 2012

**Registered Office:**

Level 3, Balai Felda  
Jalan Gurney 1  
54000 Kuala Lumpur  
Wilayah Persekutuan  
Malaysia

The Shareholders

**Felda Global Ventures Holdings Berhad**

Dear Sir/Madam,

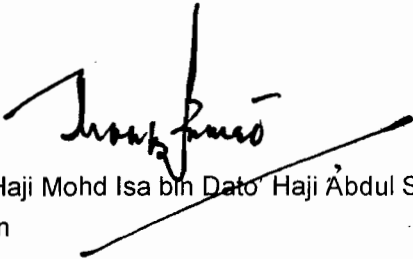
On behalf of the Directors of Felda Global Ventures Holdings Berhad ("FGVH"), we wish to report after due inquiry that during the period from 31 December 2011 (being the date to which the last audited financial statements of FGVH and its subsidiaries ("FGVH Group") have been made up) to the date herein (being a date not earlier than 14 days before the issue of this Prospectus):

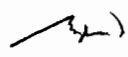
- (a) the business of FGVH Group has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited financial statements of FGVH Group which have adversely affected the trading or the values of the assets of the FGVH Group;
- (c) the current assets of FGVH Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in this Prospectus, there are no contingent liabilities by reason of any guarantees or indemnities given by FGVH Group;
- (e) there has been no default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums in relation to any borrowings since the last audited financial statements of FGVH Group; and
- (f) save as disclosed in this Prospectus, there has been no material change in the published reserves or any unusual factors affecting the profits of FGVH Group.

Yours faithfully

For and on behalf of the Board of Directors

**FELDA GLOBAL VENTURES HOLDINGS BERHAD**

  
Tan Sri Haji Mohd Isa bin Dato' Haji Abdul Samad  
Chairman

  
Dato' Sabri bin Ahmad  
Group President/Chief Executive Officer

## 16. UNDERWRITING FOR THE RETAIL OFFERING

We and the Selling Shareholder had, on 28 May 2012 entered into the Retail Underwriting Agreement with the Joint Managing Underwriters and Joint Underwriters to underwrite 273,611,000 Issue Shares to be issued under the Retail Offering, subject to clawback and reallocation provisions set out in Section 4.3.4 of this Prospectus, at the underwriting commission set out in Section 4.6 of this Prospectus.

Below are the salient terms of the Retail Underwriting Agreement:

The underwriting obligations of our Joint Underwriters are subject to certain conditions precedent which must be satisfied on or prior to 3 Market Days after the closing date of the Retail Offering which in any case shall not be later than 5 July 2012 or such later date as consented to in writing. In addition, our Joint Managing Underwriter may, by notice in writing given to us and the Selling Shareholder at any time before the date of our Listing, terminate, cancel and withdraw their underwriting commitment under the Retail Underwriting Agreement upon the occurrence of any one of the following events:

- (a) there is any breach by our Company or the Selling Shareholder of any of the representations, warranties or undertaking set out in the Retail Underwriting Agreement in any respect;
- (b) our Company or the Selling Shareholders withhold any material information from the Joint Managing Underwriters and the Joint Underwriters, which, in the opinion of the Joint Managing Underwriters and the Joint Underwriters, would have or is reasonably likely to, have a **Material Adverse Effect**. A "**Material Adverse Effect**" means, any material adverse effect, whether individually or in the aggregate, and whether or not arising in the ordinary course of business:
  - (i) on the condition (financial or otherwise), general affairs, business, assets, liquidity, liabilities, prospects, properties or results of operations of our Company or our Group, taken as a whole;
  - (ii) on the ability of our Company and the Selling Shareholder to perform in any respect its obligations under or with respect to, or to consummate the transactions contemplated by, the Prospectus, the Placement Agreement or the Retail Underwriting Agreement;
  - (iii) on the ability of our Company or our Group to conduct its businesses and to own or lease its assets and properties as described in the Prospectus; or
  - (iv) on the IPO.

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**16. UNDERWRITING FOR THE RETAIL OFFERING (Cont'd)**

- (c) there shall have occurred, happened or come into effect any event or series of events beyond the reasonable control of the Joint Managing Underwriters and the Joint Underwriters by reason of Force Majeure which would have or can reasonably be expected to have, a Material Adverse Effect on the business, operations, financial condition or prospects of our Group or the success of the IPO or which would have or or is reasonably likely to have the effect of making any material obligation under the Retail Underwriting Agreement incapable of performance in accordance with its terms. "Force Majeure" means causes which are unpredictable and beyond the reasonable control of the party claiming Force Majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation including but not limited to:
- (i) war, acts of warfare, sabotages, hostilities, invasion, incursion by armed forces, act of hostile army, nation or enemy, civil war or commotion, hijacking, terrorism;
  - (ii) riot, uprising against constituted authority, civil commotion, disorder, rebellion, organised armed resistance to the government, insurrection, revolt, military or usurped power; or
  - (iii) natural catastrophe including but not limited to earthquakes, floods, fire, storm, lightning, tempest, explosions, accident, epidemics or other acts of God;
- (d) any government requisition or other occurrence of any nature whatsoever which would have a Material Adverse Effect on the business, operations, financial condition or prospects of our Group or the success of the IPO;
- (e) any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political or economic conditions or exchange control or currency exchange rates which in the opinion of the Joint Managing Underwriters would have or is reasonably likely to, have a Material Adverse Effect (whether in the primary market or in respect of dealings in the secondary market). For the avoidance of doubt, if the FTSE Bursa Malaysia KLCI ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:
- (i) on or after the date of the Retail Underwriting Agreement; and
  - (ii) prior to the Closing Date,
- lower than 85% of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Retail Underwriting Agreement and remains at or below that level for at least 3 consecutive Market Days, it shall be deemed a material adverse change in the stock market condition;
- (f) trading of all securities on Bursa Securities has been suspended or other material form of general restriction in trading for 3 consecutive Market Days or more;
- (g) any new law or regulation or change in law, regulation, directive, policy or ruling in any jurisdiction which in the opinion of the Joint Managing Underwriters and the Joint Underwriters may prejudice the success of the Listing or which would have or is reasonably likely to have the effect of making it impracticable to enforce contracts to allot and/or transfer the Shares or making any obligation under the Retail Underwriting Agreement incapable of performance in accordance with its terms;

**16. UNDERWRITING FOR THE RETAIL OFFERING (Cont'd)**

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- (h) the Institutional Offering and/or the Retail Offering is stopped or delayed by our Company, the Selling Shareholder or the regulatory authorities for any reason whatsoever (unless such delay has been approved by the Joint Managing Underwriters and the Joint Underwriters);
- (i) the Listing does not take place by 5 July 2012 or such other extended date as may be agreed by the Joint Managing Underwriters;
- (j) any commencement of legal proceedings or action against any member of our Group or the Selling Shareholder or any of their directors, which in the opinion of the Joint Managing Underwriters and the Joint Underwriters, would have or is reasonably likely to have a Material Adverse Effect or make it impracticable to enforce contracts to allot and/or transfer the Shares;
- (k) the Placement Agreement shall have been terminated or rescinded in accordance with the terms; and
- (l) any of the approvals from Bursa Securities approving the Listing and such approval and all the approvals in relation to the Initial Public Offering and all other authorisations, orders, consents and waiver required in relation to the Initial Public Offering and/or listing of and quotation for the entire issued and paid-up share capital of FGVH is revoked, suspended or ceases to have any effect whatsoever, or is varied or supplemented upon terms that would have or is reasonably likely to have a Material Adverse Effect.

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**17. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS****17.1 RELATED PARTY TRANSACTIONS**

Under the Bursa Securities LR, a “related party transaction” is a transaction entered into by a listed issuer or its subsidiaries that involves the interests, direct or indirect, of a related party. A “related party” of a listed issuer (not being a special purpose acquisition company) is:

- (i) a director having the meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding six months of the date on which the terms of the transaction were agreed upon, a director of the listed issuer, its subsidiary or holding company or a chief executive of the listed issuer, its subsidiary or holding company; or
- (ii) a major shareholder includes any person who is or was within the preceding six months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer or its subsidiaries or holding company, and has or had an interest or interests in one or more voting shares in a corporation and the nominal amount of that share or the aggregate of the nominal amounts of those shares is:
  - (a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation; or
  - (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation,or
- (iii) a person connected with such director or major shareholder.

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## 17. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

## 17.1.1 Non-recurrent related party transactions

Save as disclosed below, there are no existing or potential non-recurrent related party transactions for the past three years ended 31 December 2011 and proposed for the year ending 31 December 2012 that we have entered into in respect of which rights and obligations are subsisting and/or proposed as at the date of this Prospectus.

Transacting Parties	Nature of relationship	Nature of transaction	Transaction value RM
FELDA and our Company	<u>Interested major shareholder</u>	(i) Sale of assets to FELDA pursuant to a Bai'Inah Financing Facility;	1,835,000,000
	FELDA	(ii) Subscription of RCPS A, RCPS B and RCCPS A, RCCPS B, RCCPS C, RCCPS D, RCCPS E and RCCPS F in our Company;	1,005,194,738
	<u>Interested Directors</u>	(iii) Share purchase of 100% interest in Felda Global Ventures Middle East Sdn Bhd from FELDA and redemption of RCCPS E and RCCPS F in FGVH held by FELDA;	104,655,238
	<ul style="list-style-type: none"> <li>YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad</li> <li>Dato' Sabri Ahmad</li> <li>Datuk Dr. Omar Salim</li> </ul>	(iv) Share purchase of 49% interest in FHB from FELDA; and	1,567,612,000
		(v) Redemption of RCPS and RCCPS.	900,539,500

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## 17. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)

Transacting Parties	Nature of relationship	Nature of transaction	Transaction value
FELDA and FGV Plantations Malaysia	<u>Interested major shareholder</u> FELDA	Implementation of the tenancies, further to the Land Lease Agreement in relation to the FELDA-leased Land and management by FGV Plantations Malaysia of the Sarawak plantation lands held by FELDA and purchase of FFB by FGV Plantations Malaysia from FELDA in respect of the Sarawak plantation lands pursuant to the Sarawak Land Management Agreement	RM 248,481,322 per annum <sup>(1)</sup>
	<u>Interested Directors</u>		
	<ul style="list-style-type: none"> <li>YB Tan Sri Haji Mohd Isa Dato' Haji Abdul Samad</li> <li>Dato' Sabri Ahmad</li> </ul>		

**Note:**

(1) In addition there will be a further variable payment of 15% of yearly plantation operating profit attributable to the FELDA-Leased and Managed Land.

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**17. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)****17.1.2 Recurrent related party transactions**

Our Group has not entered into and is not involved in any existing or potential recurrent related party transaction which is material to our Group that involves the interests, direct or indirect, of our Directors, substantial shareholders and/or persons connected with them (as defined in the Bursa Securities LR) for the past three years ended 31 December 2011 and we do not anticipate to enter into and/or to be involved in any material recurrent related party transaction for the year ending 31 December 2012.

There is no other recurrent related party transaction involving recurrent transactions entered into by our Company or our Group for the past three years ended 31 December 2011.

**17.1.3 Transactions entered into that are unusual in their nature or conditions**

There are no unusual transactions in their nature or conditions, involving goods, services, tangible or intangible assets to which we were a party in respect of the past three years ended 31 December 2011.

**17.1.4 Outstanding loans and guarantees**

There are no outstanding loans (including guarantees of any kind) made by our Company and/or any of our Subsidiaries to or for the benefit of our related parties in respect of the past three years ended 31 December 2011 and subsequent financial periods thereof, immediately preceding the date of this Prospectus.

**17.2 CONFLICT OF INTERESTS****17.2.1 Audit Committee review**

The Audit Committee reviews any related party transaction and conflict of interests that may arise within our Group. The Audit Committee periodically reviews the procedures set by our Company to monitor related party transactions to ensure that these transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to the third parties dealing at arm's length and are not to the detriment of our Company's minority shareholders. All reviews by the Audit Committee are reported to our Board for its further action.

**17.2.2 Monitoring and oversight of related party transactions and conflicts of interest**

The related party transactions disclosed herein, by their very nature, involve a conflict of interests between our Group and the related parties with whom our Group has entered into such transactions. Some of the officers of our Group and the Directors are also officers, directors and in some cases, shareholders of the related parties of our Group, as disclosed herein and, with respect to these related party transactions, may individually and in aggregate have conflict of interests. It is the policy of companies within our Group not to enter into transactions with related parties unless these transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to third parties dealing at arm's length with our Group and are not to the detriment of our Company's minority shareholders.

**17. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)****17.3 DECLARATION BY ADVISERS ON CONFLICT OF INTERESTS****17.3.1 Declaration by CIMB**

CIMB is not aware of any circumstances that exist or are likely to give rise to a possible conflict of interest situation in relation to its capacity as a Joint Principal Adviser to our Company for the IPO, as a Joint Global Coordinator and a Joint Bookrunner in relation to the Institutional Offering as well as a Joint Managing Underwriter and a Joint Underwriter in relation to the Retail Offering.

CIMB, its related and associated companies (the "**CIMB Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction service businesses. The CIMB Group has engaged and may in the future, engage in transactions with and perform services for our Company and/or our affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with our Company and/or our affiliates, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of our Company and/or our affiliates. This is a result of the businesses of CIMB Group generally acting independently of each other and accordingly, there may be situations where parts of the CIMB Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interests of our Company.

CIMB Group has, in the ordinary course of their banking business, granted credit facilities to our Group (including Associates and joint ventures).

CIMB is of the view that the aforementioned extension of credit facilities does not result in conflict of interest situations as the credit facilities are not material when compared to the audited total assets of the CIMB Group as at 31 December 2011. Furthermore, the extension of credit facilities arose in the ordinary course of business of the CIMB Group in view of the CIMB Group's extensive participation in the ASEAN banking industry.

**17.3.2 Declaration by Maybank IB**

Maybank IB and its related and associated companies ("**Maybank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and fund management and credit transaction services businesses. The Maybank Group has engaged and may in the future, engaged in transactions with and perform services for our Company and/or our affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the Maybank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group or any other entity or transactions for its own account or the account of its customers in debt or equity securities or senior loans. This is a result of the business of the Maybank Group generally acting independent of each other, and accordingly, there may be situations where parts of the Maybank Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of our Group. Nonetheless, the Maybank Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require amongst others, segregation between dealing and advisory activities and Chinese wall between different business divisions.

**17. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)**

As at the Latest Practicable Date, our Group has existing credit facilities with the Maybank Group. The said credit facilities have been extended by the Maybank Group in its ordinary course of business.

Notwithstanding this, Maybank IB is of the opinion that the aforesaid lending relationship is not significant and that it would not give rise to a conflict of interest in its capacity as a Joint Principal Adviser to our Company for the IPO, as a Joint Global Coordinator and a Joint Bookrunner in relation to the Institutional Offering as well as a Joint Managing Underwriter and a Joint Underwriter to the Retail Offering.

Save as disclosed above, Maybank IB confirms that as at the Latest Practicable Date, it is not aware of any circumstance that exists or is likely to exist that may give rise to a possible conflict of interest in its capacity as a Joint Principal Adviser to our Company for the IPO, as a Joint Global Coordinator and a Joint Bookrunner in relation to the Institutional Offering as well as a Joint Managing Underwriter and a Joint Underwriter to the Retail Offering.

**17.3.3 Declaration by Morgan Stanley**

Morgan Stanley confirms that there is no conflict of interest in its capacity as a Joint Global Coordinator and a Joint Bookrunner in relation to the Institutional Offering outside Malaysia. Morgan Stanley and/or its affiliates may in the ordinary course of business engage in any one or more of the following:

- (i) perform investment banking transactions with or provide services to our Company for which they have received, or may in the future receive, customary compensation;
- (ii) acquire shares where legally permissible in the IPO other than as a Joint Global Coordinator and a Joint Bookrunner for the Institutional Offering outside Malaysia; and
- (iii) trade the securities of our Company for its own account and for the accounts of its customers, and may at any time hold a long or short position in such securities.

**17.3.4 Declaration by PricewaterhouseCoopers**

PricewaterhouseCoopers confirms that there is no conflict of interest in its capacity as the Auditors and Reporting Accountants for our Company in relation to the IPO.

**17.3.5 Declaration by Deutsche Bank**

Deutsche Bank, together with its affiliates, branches and subsidiaries (together, the "**Deutsche Bank Group**"), is a full service securities firm engaged in securities trading and brokerage activities as well as investment banking and financial advisory services. In the ordinary course of its trading and brokerage activities, members of the Deutsche Bank Group may hold position, for their own account or the accounts of customers, in equity, debt or other securities of members of our Group and/or our shareholders. In addition, members of the Deutsche Bank Group have provided, and may in future provide investment banking services to our Group and/or our shareholders, for which members of the Deutsche Bank Group have received or may receive compensation.

Deutsche Bank is of the view that notwithstanding the above, it does not have a conflict of interest which prevents it from acting in its capacity as a Joint Bookrunner for the Institutional Offering outside Malaysia.



**17. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)****17.3.6 Declaration by J.P. Morgan**

J.P. Morgan confirms that there is no conflict of interest in its capacity as a Joint Bookrunner in relation to the Institutional Offering outside Malaysia.

**17.3.7 Declaration by Albar & Partners**

Albar & Partners confirms that there is no conflict of interest in its capacity as the Legal Adviser to our Company as to Malaysian law and for the IPO.

**17.3.8 Declaration by Cleary Gottlieb Steen & Hamilton LLP**

Cleary Gottlieb Steen & Hamilton LLP confirms that there is no conflict of interest in its capacity as the Legal Adviser to our Company as to United States and English law, in relation to the IPO.

**17.3.9 Declaration by Azmi & Associates**

Azmi & Associates confirms that there is no conflict of interest in its capacity as the Legal Adviser to our Company for the due diligence solicitors for the Lands and Licences.

**17.3.10 Declaration by Adnan Sundra & Low**

Adnan Sundra & Low confirms that there is no conflict of interest in its capacity as the Legal Adviser to the Joint Global Coordinators and Joint Bookrunners as to Malaysian law.

**17.3.11 Declaration by Linklaters Singapore Pte. Ltd.**

Linklaters Singapore Pte. Ltd. confirms that there is no conflict of interest in its capacity as the Legal Adviser to the Joint Global Coordinators and Joint Bookrunners as to United States and English law.

**17.3.12 Declaration by Frost & Sullivan**

Frost & Sullivan confirms that there is no conflict of interest in its capacity as the Independent Market Research Consultant in relation to the IPO.

**17.3.13 Declaration by Affin Investment Bank Berhad**

Affin Investment Bank Berhad confirms that there is no conflict of interest in its capacity as a Joint Underwriter for the Retail Offering.

**17.3.14 Declaration by Alliance Investment Bank Berhad**

Alliance Investment Bank Berhad confirms that there is no conflict of interest in its capacity as a Joint Underwriter for the Retail Offering.

**17. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS (Cont'd)****17.3.15 Declaration by AmlInvestment Bank Berhad**

AmlInvestment Bank Berhad confirms that there is no conflict of interest in its capacity as a Joint Underwriter for the Retail Offering.

**17.3.16 Declaration by Bank Muamalat Malaysia Berhad**

Bank Muamalat Malaysia Berhad confirms that there is no conflict of interest in its capacity as a Joint Underwriter for the Retail Offering.

**17.3.17 Declaration by BIMB Securities Sdn Bhd**

BIMB Securities Sdn Bhd confirms that there is no conflict of interest in its capacity as a Joint Underwriter for the Retail Offering.

**17.3.18 Declaration by Hong Leong Investment Bank Berhad**

Hong Leong Investment Bank Berhad confirms that there is no conflict of interest in its capacity as a Joint Underwriter for the Retail Offering.

**17.3.19 Declaration by HwangDBS Investment Bank Berhad**

HwangDBS Investment Bank Berhad confirms that there is no conflict of interest in its capacity as a Joint Underwriter for the Retail Offering.

**17.3.20 Declaration by KAF Investment Bank Berhad**

KAF Investment Bank Berhad confirms that there is no conflict of interest in its capacity as a Joint Underwriter for the Retail Offering.

**17.3.21 Declaration by Kenanga Investment Bank Berhad**

Kenanga Investment Bank Berhad confirms that there is no conflict of interest in its capacity as a Joint Underwriter for the Retail Offering.

**17.3.22 Declaration by MIDF Amanah Investment Bank Berhad**

MIDF Amanah Investment Bank Berhad confirms that there is no conflict of interest in its capacity as a Joint Underwriter for the Retail Offering.

**17.3.23 Declaration by OSK Investment Bank Berhad**

OSK Investment Bank Berhad confirms that there is no conflict of interest in its capacity as a Joint Underwriter for the Retail Offering.

**17.3.24 Declaration by Public Investment Bank Berhad**

Public Investment Bank Berhad confirms that there is no conflict of interest in its capacity as a Joint Underwriter for the Retail Offering.

**17.3.25 Declaration by RHB Investment Bank Berhad**

RHB Investment Bank Berhad confirms that there is no conflict of interest in its capacity as a Joint Underwriter for the Retail Offering.

## 18. ADDITIONAL INFORMATION

### 18.1 SHARE CAPITAL

- (i) Except as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than 12 months after the date of the issue of this Prospectus.
- (ii) We have no founder, management or deferred shares. As at the date of this Prospectus, we have only two classes of shares in our Company, namely the ordinary shares of RM1.00 each, all of which rank equally with one another and one special rights redeemable preference share of RM1.00.
- (iii) Except as disclosed in Sections 4.3 and 12.1.2 of this Prospectus, respectively, we have not issued or proposed to issue any shares, stocks or debentures as fully or partly paid-up in cash or otherwise, within the two preceding years from the date of this Prospectus.
- (iv) Except for our IPO, no person has been or is entitled to be given an option to subscribe for any of our Shares, stocks or debentures and we do not have and we have not agreed conditionally or unconditionally to put any of our share capital under option.
- (v) Except for the Issue Shares reserved for the Eligible Employees, Eligible FELDA Settlers and persons who have contributed to the success of our Group as disclosed in Section 4.3.5 of this Prospectus, subject to our Listing, there is currently no other scheme involving our employees and Directors in our capital.
- (vi) Except as disclosed in Section 12.2.2 of this Prospectus, neither we nor our Subsidiaries have any outstanding convertible debt securities.
- (vii) Except as disclosed in this Prospectus, and save as provided under our Articles and the Act, there are no other restrictions upon the holding or voting or transfer of our Shares or the interests in any of our Company or our Subsidiaries or upon the declaration or payment of any dividend or distribution thereon.

### 18.2 EXTRACTS OF ARTICLES

The following provisions are reproduced from our Articles and are qualified in its entirety by the provisions of our Articles and by applicable law:

- (i) Transfer of Shares

#### **“29. Transfer of securities**

Subject to these Articles, the Rules and except as may be required by law, there shall be no restriction on the transfer of fully paid-up Listed Securities in the Company. The transfers of any Listed Securities or class of Listed Securities in the Company shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding Sections 103 and 104 of the Act, but subject to Subsection 107C (2) of the Act and any exemptions that may be made from compliance with Section 107C (1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed Securities.

**18. ADDITIONAL INFORMATION (Cont'd)****32. Refusal to register transfers etc**

- (1) Subject to these Articles, the Act, the Central Depositories Act and the Rules (with respect to the transfer of Deposited Securities), the Directors may in their absolute discretion and without assigning any reason there for, decline to register any transfer of shares which are not Deposited Securities. The registration of any transfer shall be suspended when the Register of Transfers (as described in Article 33) is closed pursuant to Article 34.
- (2) Subject to the provisions of the Act, the Central Depositories Act and the Rules, all dealings in respect of Deposited Securities shall only be effected by the beneficial owners of such Deposited Securities or an authorised nominee, as the case may be. A Depositor shall not withdraw the Securities which have been deposited with the Central Depository except in such manner as may be specified in the Rules.
- (3) The Directors shall decline to register an instrument of transfer where the Directors are aware or have reason to believe that the registration of such transfer would result in the contravention of or a failure to comply with any provision of the laws of Malaysia.
- (4) All instruments of transfer which are registered may be retained by the Company.
- (5) If the Directors decline to register any transfer of instrument, they shall within ten (10) Market Days after the date on which the instrument of transfer was lodged with the Company, send to the transferor, lodging broker and to the transferee written notice of refusal and the precise reasons thereof. Any instrument of transfer which the Directors have declined to register shall be returned to the person who tendered the same for registration save and except in cases where the Directors suspect fraud.

**34. Closing of Register of Transfers**

The Register of Transfers may be closed at such time and for such period as the Directors may from time to time determine Provided Always that it shall not be closed for more than thirty (30) days in any year. At least ten (10) clear Market Days' notice (or such shorter notice as may be allowed or permitted by the Stock Exchange) of the intention to close the Register of Transfers shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange stating the purpose of such closure. At least three (3) Market Days' prior notice shall also be given to the Central Depository to prepare the appropriate Record of Depositors.

**35. Non-liability for the Company's Directors and officer in respect of transfer**

Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of listed securities although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers, be legally inoperative or insufficient to pass the property in the Listed Securities proposed or professed to be transferred, and although the transfer may, as between the transferor and the transferee, be liable to be set aside. In every such case, the person registered as transferee, his executors, administrators and assignees, subject to compliance with the Act, the Central Depositories Act and the Rules, alone shall be entitled to be recognised as the holder of such listed securities and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

**18. ADDITIONAL INFORMATION (Cont'd)****(ii) Remuneration of the Directors****“81. Directors’ remuneration**

Fees of Directors shall from time to time be determined by the Company in general meeting, and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine PROVIDED ALWAYS that:-

- (a) fees payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover. Salaries payable to executive directors may not include a commission on or percentage of turnover;
- (b) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting; and
- (c) any fee paid to an alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

**82. Reimbursement of expenses**

- (1) The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending Board Meetings of the Company.
- (2) If any Director whether he holds an executive or non executive position in the Company, being willing shall be called upon to perform extra services or to make any special arrangements in going or residing away from his country of domicile or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing if he holds an executive position in the Company, either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) and if he holds a non-executive position in the Company, either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of profits or turnover) and such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the Directors.

**85. Remuneration of Managing Director / Chief Executive Officer**

Managing Director / Chief Executive Officer shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration as the Directors may from time to time determine. The remuneration of the Managing Director and/or Chief Executive Officer may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover.”

**18. ADDITIONAL INFORMATION (Cont'd)****(iii) Voting and Borrowing Powers of the Directors****“107. Borrowing powers of Directors**

Subject to Article 108, the Directors may from time to time at their discretion raise or borrow for the purpose of the Company such sums of money as they think proper and may also raise or secure the payment of such money in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of debentures or debenture stock of the Company, charged upon all or any part of the property of the Company (both present and future) including uncalled capital, or by means of charges, mortgages, bonds and dispositions in security or bonds or cash deposit, with or without power of sale, and upon such other terms and conditions as the Directors shall think fit. The Directors may exercise all the powers of the Company to guarantee and give guarantees or indemnities for payment of money, the performance of contracts or obligations or for the benefit or interest of the Company or its subsidiaries.

**108. Borrowings for unrelated third parties prohibited**

The Directors shall not borrow any money or mortgage or charge any of the Company or its subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of any unrelated third party unless it is permitted by the Listing Requirements.

**109. Debentures may be assignable**

Debentures, debenture stock or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

**116. (1) Declaration of interest and restriction of voting**

A Director who is in any way, whether directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of his interest in accordance with the provisions of the Act. A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly, an interest, and if he does so vote, his vote shall not be counted.”

**(iv) Changes in capital and variation of class rights****“3. Share Capital and Variation of Rights**

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of these Articles, to the Act and to the provisions of any resolution of the Company, shares in the Company shall be at the disposal of the Directors who may allot, issue, grant options over or otherwise dispose of such shares to such persons on such terms and conditions and at such times as the Directors may determine, but the Directors in making any such allotment or disposal or granting any such option of shares shall comply with the following conditions:-

- (1) No shares shall be issued at a discount except in compliance with the provisions of Section 59 of the Act;

**18. ADDITIONAL INFORMATION** *(Cont'd)*

- (2) In the case of shares offered to the public for subscription, the amount payable on application on each share shall not be less than five per cent (5%) of the nominal amount of the share;
- (3) The rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same;
- (4) No Director shall participate in a share issuance scheme of the Company unless the Members in general meeting have approved of the specific allotment to be made to such Director; and
- (5) Subject to any direction to the contrary that may be given by the Company in general meeting, any shares or other convertible Securities proposed to be issued shall before they are issued be offered to such persons as are at the date of the offer entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or convertible Securities offered and limiting a time within which the offer, if not accepted, will be deemed so to be and, after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or convertible Securities offered, the Directors may dispose of those shares or convertible Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or convertible Securities which (by reason of the ratio which the new shares or convertible Securities bear to shares or Securities held by the persons entitled to an offer of new shares or convertible Securities) cannot, in the opinion of the Directors, be conveniently offered under this subArticle (5).
- (6) All new issue of Securities for which listing on the Exchange is sought shall be made by way of crediting the Securities Account of the allottees with such Securities save and except where the Company is specifically exempted from compliance with Section 38 of the Depositories Act, in which event it shall so similarly be exempted from compliance with this Article. The Company shall notify the Depository of the names of the allottees and all such other particulars as are required by the Depository to enable the Depository to make the appropriate entries in the Securities Accounts of such allottees.
- (7) Notwithstanding anything to the contrary in these Articles, the Company shall comply with the provisions of the Depositories Act in respect of all matters relating to Securities which are required to be deposited with the Depository pursuant to the Depositories Act.
- (8) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any shares in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine."

## 18. ADDITIONAL INFORMATION (Cont'd)

## 3A. Special Share

- (1) The Special Share may be held only by or transferred only to the Minister of Finance (Incorporated) or its successor or any Minister, representative or any person authorised by the Government of Malaysia to act on its behalf.
- (2) The Special Shareholder shall have the right from time to time to appoint any existing Director to be a Government Appointed Director so that there shall not be more than three (3) Government Appointed Director at any one time and such Government Appointed Directors shall hold the position of the Chairman of the Board of Directors, Managing Director/Chief Executive Officer and one (1) Director.
- (3) 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 the Company, but the Special Share shall carry no right to vote nor any other rights at any such meeting.
- (4) The Special Shareholder may, subject to the provisions of the Acts, require the Company to redeem the Special Share at par at any time by serving written notice upon the Company and delivering the relevant share certificate.
- (5) In a distribution of capital in a winding up of the Company, 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 the Company.
- (6) Each of the following matters shall be deemed to be a variation of the rights attaching to the Special Share and shall accordingly only be effective with the consent in writing of the Special Shareholder:-
  - (a) The variation of the rights attached to the Special Share as stated in this Articles of Association or the amendment, or removal, or alteration of the effect of all or any of the following Articles:  
  
Article 2 - definitions of "share", "Special Share" and "Special Shareholder", Article 3A and Article 80.
  - (b) A proposal for the winding-up or dissolution of the Company.
  - (c) The creation or issue of any shares ("Proposed New Shares") in the capital of the Company with voting rights attached thereto being shares with rights identical to those attaching to ordinary shares of the Company, and which when aggregated with all other existing issued shares, the Proposed New Shares will carry the rights to cast on a poll more than 10% of the total voting rights of all members having the right to vote at general meetings of the Company.
  - (d) Any disposal by any Company in the Group (which expression in this Articles means the Company and its subsidiaries for the time being) which, alone or when aggregated with any other disposal or disposals forming part of, or connected with the same or a connected transaction, constitutes a disposal of the



**18. ADDITIONAL INFORMATION (Cont'd)**

whole or a material part of the assets of the Group. A part of the Group's assets shall only be deemed to be material if:

- (i) the aggregate book value of the asset disposed or the aggregate value of the total consideration to be received on its disposal is more than 20% of the book value of the Group net tangible assets (excluding goodwill and other intangibles and after deducting loan capital, long term borrowings, minority interest and amounts set aside for future taxation) represented by such shareholders' fund of the Group;
- (ii) the average profits attributable to it are more than 20% of the average profits of the Group.

For this purpose, the expression "average profits" means the average of the profits before taxation excluding interest payable and similar charges and extraordinary items, for the last three (3) financial years for which audited consolidated accounts of the Group have been published, calculated by reference to the profits for the financial year or years for which audited consolidated accounts of the Group have been Prepared.

- (e) Any take-over, merger or change in the business carried on by the Company, which because carried on by the Company, which because of its significance is required by the Act, the Bursa Securities or any other Exchange on which the Company's shares are listed to be subject to approval by the Company in general meeting.

**9. Variation of class rights**

Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may, either with the consent in writing of the holders of three-fourths (3/4) of the issued shares of the class or; with a sanction of a special resolution passed at a separate meeting of such holders (but not otherwise), be modified or abrogated, and may be so modified or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up. To every such separate meeting all the provisions of these Articles relating to general meetings or to the proceedings thereat shall, *mutatis mutandis*, apply, except that the necessary quorum shall be two (2) persons at least holding or representing by proxy one-third (1/3) in nominal amount of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those persons who are present shall be a quorum) and that the holders of shares of the class shall, on a poll, have one (1) vote for every share of the class held by them respectively."

**18. ADDITIONAL INFORMATION (Cont'd)****18.3 LIMITATION ON THE RIGHT TO HOLD SECURITIES AND/OR EXERCISE VOTING RIGHTS**

As our Shares are proposed for quotation on the Official List of the Main Market of Bursa Securities, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer his Shares to MOF, Inc and such Shares may not be traded on Bursa Securities.

Dealing in Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository ("**Depositor**") by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of the Shares shall be deemed to be a shareholder of our Company and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

**18.4 DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND PROMOTERS**

- (i) The names, addresses and occupations of our Directors are set out in Section 2 of this Prospectus.
- (ii) Our Directors are not required to hold any qualification share in us unless otherwise so fixed by us at a general meeting.
- (iii) We do not have any existing or proposed service agreements (other than employment contracts) with our Directors or key management.
- (iv) Except as disclosed in Section 13.1.9 of this Prospectus, none of our Directors have been paid or intended to be paid remuneration and benefits within the two years preceding the date of this Prospectus, except for remuneration received in the course of employment and directors' fees.
- (v) Except as disclosed in Section 13.1.9 of this Prospectus and dividends paid to our shareholders, no other amounts or benefits has been paid or intended to be paid to our substantial shareholders and Promoters within the two years preceding the date of this Prospectus.
- (vi) Except as disclosed in Section 17.1 of this Prospectus, none of our Directors or substantial shareholders have any interest, direct or indirect, in the promotion of, or in any material assets which have been, within the past three years ended 31 December 2011 and up to the Latest Practicable Date, acquired or disposed of by or leased to our Company or proposed to be acquired, disposed of by or leased to our Company.
- (vii) Except as disclosed in Sections 13.1.2 and 13.3.1 of this Prospectus, respectively, none of our Directors, substantial shareholders and Promoters have any direct or indirect interests in our Company, before and after our IPO.
- (viii) Except as disclosed in Section 7.22 of this Prospectus, none of our Directors or substantial shareholders have any interest in any contract, agreement or arrangement which is significant in relation to the businesses of our Group as at the date of this Prospectus.
- (ix) Except as disclosed in Sections 5 and 15 of this Prospectus, respectively, none of our Directors are aware of any material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Company.

**18. ADDITIONAL INFORMATION (Cont'd)****18.5 GENERAL INFORMATION**

- (i) The nature of our business is disclosed in Section 7 of this Prospectus.
- (ii) Save for the companies within our Group as disclosed in Section 12 of this Prospectus, our Company has not established any other place of business outside Malaysia.
- (iii) Save for MSM Holdings, our subsidiary company which is listed on the Main Market of Bursa Securities, our Company is not listed on any stock exchange.
- (iv) The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section 19 of this Prospectus.
- (v) The date and time of the opening and closing of the application of the Retail Offering are set out in Sections 4.1 and 19 of this Prospectus, respectively.
- (vi) Shares under the Retail Offering are payable in full at the Retail Price upon application. The Institutional Offering investors shall pay the Institutional Price for the Shares under the Institutional Offering.
- (vii) Except as disclosed in Section 4.6 of this Prospectus, no commissions, discounts, brokerages or other special terms have been paid or is payable by our Company within the two years immediately preceding the date of this Prospectus for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or debentures of our Company and in connection with the issue or sale of any capital of our Company and no Director or Promoters or expert is or are entitled to receive any such payment or any other benefits.
- (viii) During the last financial year up to the date of this Prospectus, there were no:
  - (a) public take-over offers by third parties in respect of our Shares; and
  - (b) public take-over offers by our Company in respect of other companies' shares.
- (ix) Except as disclosed in Section 13.3 of this Prospectus, there is no person, so far as known to us, who directly or indirectly, jointly or severally, exercise control over us.
- (x) Save for withholding tax which is applicable to foreign Subsidiaries in USA and Canada, there are no governmental laws, decree, regulations or other legislation that may affect the repatriation of capital and the remittance of profits of foreign Subsidiaries to Malaysia.

**18.6 MATERIAL LITIGATION**

Our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Directors have no knowledge of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect our financial or business position as at the Latest Practicable Date, save as disclosed in Sections 18.6.1 and 18.6.2, respectively, below to which our Group is a party to and in Sections 18.6.3 to 18.6.8, respectively, below to which our relevant Associates are parties to.

**18.6.1 Kuala Lumpur High Court (Civil Suit No. S-21NCVC-27-2011) brought by FELDA and our Company ("Plaintiffs") against Dr. Tan Kee Kwong ("Defendant"); Court of Appeal (Civil Appeal No. W-01(IM)(NCVC)-547-09/2011)**

By a writ of summons dated 27 January 2011, FELDA and our Company had commenced the above legal proceedings against Dr. Tan Kee Kwong for damages in the sum of RM200 million including aggravated and/or exemplary damages for

**18. ADDITIONAL INFORMATION (Cont'd)**

allegedly defaming FELDA and our Company during an interview given by Dr. Tan Kee Kwong to the Suara Keadilan newspaper.

Trial commenced on 7 July 2011 where the Defendant raised preliminary issue on whether the Plaintiffs have legal capacity to maintain their action in defamation against the Defendant. The High Court dismissed the Defendant's preliminary objection on 11 July 2011 and held that the Plaintiffs have legal capacity to maintain their action in defamation against the Defendant.

After trial on 16 August 2011, the High Court dismissed FELDA and our Company's claim against Dr. Tan Kee Kwong with costs amounting to RM70,000.00. Both FELDA and our Company have on 6 September 2011 filed a Notice to Appeal to the Court of Appeal against the whole of the High Court's decision. On hearing the appeal on 28 March 2012, the Court of Appeal upheld the decision of the High Court and was of the view that (a) the words complained of were defamatory of FELDA and our Company as it attacks the matter in which it manages its affairs; (b) FELDA and our Company had failed to prove that the defamatory words were uttered by Dr. Tan Kee Kwong. On a unanimous decision, Dr. Tan Kee Kwong's cross-appeal was also dismissed and the Court of Appeal unanimously upheld the decision of the High Court Judge in holding that FELDA and our Company had the capacity to sue as it is not a government body/democratically elected body. The Court of Appeal also ordered that each party bears its own costs.

FELDA and FGVH are in the midst of filing their application for leave to Appeal to Federal Court.

**18.6.2 Kuala Lumpur High Court (Civil Suit No. S-21-208-2010) brought by FELDA and our Company ("Plaintiffs") against Datuk Seri Dr. Wan Azizah Binti Wan Ismail and 5 Others ("Defendants")**

On 16 August 2010, FELDA and our Company had commenced the above legal proceedings against Datuk Seri Dr. Wan Azizah Binti Wan Ismail as the office bearer of Parti Keadilan Rakyat, which is the publisher of Suara Keadilan and 5 others for damages in the sum of RM200 million including aggravated and/or exemplary damages for libel and/or malicious or injurious falsehood in publishing two alleged defamatory articles concerning FELDA and our Company in the Suara Keadilan newspaper.

FELDA and our Company had entered judgment in default against Pelita Koridor Sdn Bhd (the 3<sup>rd</sup> Defendant) and Percetakan NPK Sdn Bhd (the 4<sup>th</sup> Defendant) in October 2010.

The Defendants had applied to consolidate this suit with the Civil Suit No. S-21NCVC-27-2011 but the application for consolidation was dismissed by the High Court on 27 June 2011 with costs of RM2,000.00 awarded in favour of FELDA and our Company.

Upon direction of the High Court, the Plaintiffs have filed the Bundle of Pleadings, Plaintiffs' Bundle of Documents, Common Agreed Bundle of Documents, Statement of Agreed Facts, Statement of Issues to be Tried and Witness Statements. The matter has now been fixed for case management on 12 July 2012 where the High Court will fix a trial date for the matter to be tried and for parties to file their list of witnesses.

The solicitors acting for FELDA and our Company in the above suit are of the view that FELDA and our Company have a probable chance of success in the above matter.

**18. ADDITIONAL INFORMATION (Cont'd)****18.6.3 Johor Bahru High Court (Civil Suit No. MT3-22-453-2009) brought by Rahman Bin Jamri and 644 Others ("Plaintiffs" or "645 Settlers") against FELDA and F Palm Industries**

By a writ of summons dated 12 June 2009, the Plaintiffs who are 645 settlers had commenced the above legal proceedings against FELDA as the 1<sup>st</sup> Defendant and F Palm Industries as the 2<sup>nd</sup> Defendant for, amongst others, the sum of RM71,842,680.00 and general damages for losses purportedly due to alleged fraud and conspiracy by FELDA and F Palm Industries in manipulating the oil extraction rate for the Plaintiffs' harvest of oil palm fruits from the Scheme Rancangan Felda Maokil over a period of 17 years from 1991 to February 2008. FELDA and F Palm Industries are vigorously contesting the claim.

Both FELDA and F Palm Industries have on 16 December 2009 filed their Memorandum of Conditional Appearance and subsequently on 1 January 2010 applied under Section 10 of the Arbitration Act, 2005 for a stay of proceedings and that the matter to be referred to arbitration on the basis of the arbitration clause in the settlers' agreements ("**Settlers' Agreements**"). The stay application and reference to arbitration was heard and refused by the High Court on 28 April 2010.

FELDA and F Palm Industries have since filed an appeal against the High Court's decision to the Court of Appeal in Civil Appeal No. J-01-285-10. Both FELDA and F Palm Industries have on 20 August 2010 also filed their Statement of Defence at the High Court because both FELDA's and F Palm Industries' application for interim stay of proceedings pending the outcome of the appeal to the Court of Appeal was refused by the High Court on 18 August 2010.

On 30 November 2011, the Court of Appeal heard full submissions and arguments and allowed FELDA's and F Palm Industries' appeal. The Court of Appeal had allowed FELDA's and F Palm Industries' Application for Stay of the High Court proceedings in Civil Suit No. MT3-22-453-2009 and has referred the parties to arbitration.

The 645 Settlers have on 29 December 2011 filed an Originating Motion to the Federal Court for Leave to Appeal against the Court of Appeal's said decision. A hearing date for the said Originating Motion has yet to be fixed by the Federal Court. The High Court fixed 29 August 2012 for case management of the suit in the High Court and for the Defendants to report on the status of their application for Leave to Appeal to the Federal Court.

The solicitors acting for FELDA and F Palm Industries in relation to the above suit are of the opinion that on the merits of the claim by the 645 Settlers, FELDA and F Palm Industries have a very good chance in opposing the claim, primarily because the 645 Settlers have agreed in the Settlers' Agreements to accept the valuation by FELDA and F Palm Industries of the oil extraction rate for their oil palm fruits without challenge or interference by the FELDA Settlers. Additionally, the Plaintiffs' claim is time barred under Section 6 of the Limitation Act, 1953 which states that any claim against F Palm Industries must be commenced within six years from the date of the cause of action. Also on the facts, the Plaintiffs' claim against FELDA is also time barred under Section 2(A) of the Public Authorities Protection Act 1948, which states that any claim against FELDA must be commenced within three years from the date of the cause of action. The date of the alleged cause of action as pleaded in the Plaintiffs' Statement of Claim is 1991 and as such, the relevant period of limitation would have set in 1997 for F Palm Industries and in 1994 for FELDA.

**18. ADDITIONAL INFORMATION (Cont'd)****18.6.4 Seremban High Court (Civil Suit No. S7-22-219-2010) brought by Karip Bin Mohd Salleh ("1st Plaintiff") and 765 Others ("Plaintiffs" or "766 Settlers") against FELDA and F Palm Industries ("Defendants")**

By a writ of summons and Statement of Claim, both filed on 9 September 2010, 766 settlers ("766 Settlers") had commenced the above legal proceedings against FELDA as the 1<sup>st</sup> Defendant and F Palm Industries as the 2<sup>nd</sup> Defendant for, amongst others, special damages for the losses alleged by the 766 Settlers from 1995 onwards in which the estimated losses for 2008 is RM15,349,912.00, general damages and exemplary damages together with interest and costs for losses purportedly due to alleged fraud and conspiracy by FELDA and F Palm Industries particularly in relation to the ascertainment of the quality of FFB wherein a lower Graded Extraction Rate (Kadar Perahan Gred) of between 16% to 19% is normally provided by FELDA and F Palm Industries as opposed to the higher Graded Extraction Rate previously provided by the MPOB and as result giving lower returns for the Plaintiffs.

Both FELDA and F Palm Industries have on 11 November 2011 filed their Statement of Defence at the High Court, wherein, amongst others, FELDA and F Palm Industries have raised the following in their defence:-

- (i) denied the claim of the Plaintiffs and put them to strict proof thereof;
- (ii) the claim of the Plaintiffs against FELDA is time barred as FELDA is a statutory authority; and
- (iii) the claim of the Plaintiffs against the Defendants ought to be referred to arbitration pursuant to the agreements between the parties.

The High Court has on 26 March 2012 given directions that the parties finalise issues and agreed facts, the Defendants to file a supplementary bundle of document including the MPOB Statistic booklets and for the parties to inform the High Court on the progress of the withdrawal of suit by 80 Plaintiffs who have written letters indicating that they wish to withdraw the suit. On 23 April 2012, the High Court had directed the Plaintiffs to file a Summons In Chamber to remove 77 Plaintiffs. The High Court has fixed 9 May 2012 for mediation proceedings and will fix a further case management date on that day. The mediation was not a success as the Plaintiffs informed the Court that the matter could be settled if the Defendants paid the Plaintiffs monetary compensation. The Defendants are not willing to pay any monies at all in light of the serious allegations which are completely baseless. The High Court has now fixed 26 July 2012 for further case management and for parties to file all documents.

The solicitors acting for FELDA and F Palm Industries in the above suit are of the view that FELDA and F Palm Industries have a reasonable prospect of defending the suit, subject to the Defendants adducing all necessary evidence required to defend the claim.

**18.6.5 Temerloh High Court (Civil Suit No. 22-23-06-2011) brought by Mohamad Razali Bin Ithnan and 710 Others ("Plaintiffs" or "711 Settlers") against FELDA and F Palm Industries ("Defendants")**

By a writ of summons dated 16 June 2011, 711 settlers had commenced the above legal proceedings against FELDA as the 1<sup>st</sup> Defendant and F Palm Industries as the 2<sup>nd</sup> Defendant on allegations that the Defendants had, inter alia, defrauded the 711 Settlers and/or conspired to defraud them with regard to the sale of oil palm fruits cultivated by the settlers by way of the weighing system of the palm fruits and the grading system of the Graded Extraction Rate. The Plaintiffs are attempting to claim for damages from 1995 to date, and has estimated losses for 2008 alone to be approximately RM22.9 million.

**18. ADDITIONAL INFORMATION (Cont'd)**

Both FELDA and F Palm Industries have filed their Statement of Defence and an application to strike out the suit against certain of the Plaintiffs at the High Court. Pursuant to the High Court's directions, the Defendants have on 3 April 2012 filed written submission for the application to strike out. The Court has on 24 April 2012 allowed order in terms for the application by FELDA and F Palm Industries to strike out to 42 Plaintiffs with costs in the cause. The Court also fixed the matter for further case management on 24 May 2012 with directions that the parties are to file the Bundle of Pleadings, Bundle of Documents, Statement of Issues to be Tried and the Statement of Agreed Facts.

The solicitors acting for FELDA and F Palm Industries in the above suit are of the view that the 711 Settlers do not have a strong case against FELDA and F Palm Industries and FELDA and F Palm Industries have a reasonable prospect of defending the suit, subject to the Defendants adducing all necessary evidence required to defend the claim.

**18.6.6 Temerloh High Court (Civil Suit No. 22NCVC-40-09-2011) brought by Abdullah Bin Arshad and 364 Others ("Plaintiffs" or "365 Settlers") against FELDA and F Palm Industries ("Defendants")**

By a writ of summons dated 29 September 2011, 365 settlers had commenced the above legal proceedings against FELDA as the 1<sup>st</sup> Defendant and F Palm Industries as the 2<sup>nd</sup> Defendant on allegations that the Defendants had, inter alia, defrauded the 365 Settlers and/or conspired to defraud them with regard to the sale of oil palm fruits cultivated by the settlers by way of the weighing system of the palm fruits and the grading system of the Graded Extraction Rate. The Plaintiffs are attempting to claim for damages from 1995 to date, and has estimated losses for 2008 alone to be approximately RM11.77 million.

Both FELDA and F Palm Industries have filed their Statement of Defence at the High Court and an application to strike out the suit against certain of the Plaintiffs. FELDA and F Palm Industries have also filed an application to strike out the suit against certain Plaintiffs. The High Court has directed the parties to file a written submission for the application to strike out by 12 April 2012. The Court has on 19 April 2012 allowed order in terms for the application by FELDA and F Palm Industries to strike out 20 Plaintiffs with costs in the cause. The High Court has also fixed the matter for further case management on 24 May 2012 for parties to file their Bundle of Pleadings, Bundle of Documents, Statement of Issues to be Tried and Statement of Agreed Facts.

The solicitors acting for FELDA and F Palm Industries in the above suit are of the view that the 365 Settlers do not have a strong case against FELDA and F Palm Industries and FELDA and F Palm Industries have a reasonable prospect of defending the suit, subject to the Defendants adducing all necessary evidence required to defend the claim.

**18.6.7 Temerloh High Court (Civil Suit No. 22NCVC-39-09-2011) brought by Mat Napi Bin Saaid & 549 Others ("550 Settlers") against FELDA and F Palm Industries ("Defendants")**

By a writ of summons dated 20 September 2011, 550 settlers had commenced the above legal proceedings against FELDA as the 1<sup>st</sup> Defendant and F Palm Industries as the 2<sup>nd</sup> Defendant on allegations that the Defendants had, inter alia, defrauded the 550 Settlers and/or conspired to defraud them with regard to the sale of palm fruits cultivated by the Plaintiffs by way of the grading system of the Graded Extraction Rate and by giving a much better price and terms for palm fruits received from FFB suppliers outside of the FELDA scheme. The 550 Settlers have also alleged that they have not received any payments for palm kernels and other products acquired from the process of the palm kernels such as fertilisers and sludge.



**18. ADDITIONAL INFORMATION (Cont'd)**

The 550 Settlers are attempting to claim for damages from 1995 to date, and has estimated that the loss in year 2008 alone is approximately RM19.19 million.

Both FELDA and F Palm Industries have filed their Statement of Defence and an application to strike out the suit against certain of the Plaintiffs at High Court. The Court has directed the parties to file a written submission for the application to strike out by 12 April 2012. The Court has on 19 April 2012 allowed order in terms for the application by FELDA and F Palm Industries to strike out 17 Plaintiffs with costs in the cause. The Court has also fixed the matter for further case management on 24 May 2012 for parties to file their Bundle of Pleadings, Bundle of Documents, Statement of Issues to be Tried and the Statement of Agreed Facts.

The solicitors acting for FELDA and F Palm Industries in the above suit are of the view that the 550 Settlers do not have a strong case against FELDA and F Palm Industries and FELDA and F Palm Industries have a reasonable prospect of defending the suit, subject to the Defendants adducing all necessary evidence required to defend the claim.

**18.6.8 Kuantan High Court (Civil Suit No. 22 NCVC-104/4/2012) brought by Mohd Saleh Bin Ishak & 769 Others ("770 Settlers") against FELDA and F Palm Industries ("Defendants")**

By a writ of summons dated 26 April 2012, 770 settlers in Rancangan Felda Chini 1 – 5 and Rancangan Felda Chini Timur 1 – 3 in Pahang had commenced the above legal proceedings against FELDA as the 1<sup>st</sup> Defendant and F Palm Industries as the 2<sup>nd</sup> Defendant on allegations that the Defendants had, inter alia, defrauded them and/or conspired to defraud them with regard to the sale of oil palm fruits cultivated by the settlers by the grading system of the Graded Extraction Rate and the weighing system of the palm fruits to reduce the Graded Extraction Rate. The Plaintiffs are also alleging breach of trust.

The 770 Settlers are attempting to claim for damages from 1995 to date, and has estimated that the loss in year 2008 alone is approximately RM24.8 million.

The writ of summons dated 26 April 2012 and the Statement of Claim were served on the Defendants on 10 May 2012. Both FELDA and F Palm Industries have filed their memorandum of appearance on 16 May 2012 and the matter was fixed for the first case management on 21 May 2012. On 21 May 2012, the Court directed that the Defence be filed by 4 June 2012 and the matter was fixed for further case management on 15 June 2012. The Defendants are currently in the midst of preparing their Statements of Defence.

**18.7 MATERIAL CONTRACTS**

Except as disclosed below, we have not entered into any material contracts that are not entered into in the ordinary course of business during the two years preceding the date of this Prospectus:

**18.7.1 Business Transfer Agreement dated 21 March 2011 in relation to the business of FGV Perlis**

Agreement dated 21 March 2011 between FGV Perlis and KGFP whereby KGFP agreed to purchase the business of FGV Perlis excluding certain assets and liabilities as specified in the business transfer agreement for a net purchase consideration of RM76,824,047 upon such terms and subject to the conditions contained therein to be satisfied by the issuance of 25,354,500 new ordinary shares of RM1.00 each issued and credited as fully paid up in the share capital of KGFP at an issue price of approximately RM3.03 per share to our Company, as the nominee of FGV Perlis.



**18. ADDITIONAL INFORMATION (Cont'd)****18.7.2 Share Purchase Agreement dated 1 April 2011**

Agreement dated 1 April 2011 between FGV Sugar, KPF and MSM Holdings whereby FGV Sugar and KPF agreed to sell and MSM Holdings agreed to purchase 36,360,000 ordinary shares of RM1.00 each and representing 100% of the issued and paid-up share capital in MSM at a total purchase consideration of RM175,856,000 upon such terms and subject to conditions therein contained, to be satisfied by the issuance of 351,712,000 new ordinary shares of RM0.50 each issued and credited as fully paid-up in the share capital of MSM Holdings to FGV Sugar and KPF.

**18.7.3 Share Purchase Agreement dated 1 April 2011**

Agreement dated 1 April 2011 between our Company, FHB and MSM Holdings whereby our Company and FHB agreed to sell and MSM Holdings agreed to purchase 37,354,500 ordinary shares of RM1.00 each and representing 100% of the issued and paid-up share capital in KGFP at a total purchase consideration of RM113,133,900 upon such terms and subject to conditions therein contained, to be satisfied by the issuance of 226,267,800 new ordinary shares of RM0.50 each issued and credited as fully paid-up in the share capital of MSM Holdings to our Company and FHB.

**18.7.4 Retail Underwriting Agreement dated 23 May 2011**

Agreement dated 23 May 2011 between MSM Holdings, our Company, CIMB and Maybank IB (collectively as the joint managing underwriters), AmlInvestment Bank Berhad, HwangDBS Investment Bank Berhad, MIDF Amanah Investment Bank Berhad, OSK Investment Bank Berhad and RHB Investment Bank Berhad (collectively as the joint underwriters) to underwrite the retail offering shares comprising of 28,120,000 new ordinary shares of RM0.50 each in MSM Holdings, issued under the retail offering in conjunction with the listing of MSM Holdings on the Main Market of Bursa Securities ("**MSM Holdings Retail Offering**"), at a managing underwriting and underwriting commission of 0.5% and 1.2%, respectively based on the value of the MSM Holdings Retail Offering (being the number of underwritten shares multiplied by the retail price of RM3.38).

**18.7.5 Lock-up Agreements dated 20 May 2011**

MSM Holdings, our Company, KPF and FGV Sugar respectively had on 20 May 2011 entered into separate lock-up agreements with CIMB (as the sole global coordinator and joint bookrunner) and Maybank IB (as joint bookrunner) whereby MSM Holdings acting as the lock-up party, had agreed to the lock-up restrictions imposed on the MSM Holdings shares to be listed vide the initial public offering of up to 234,564,700 ordinary shares of RM0.50 each (or any interest therein) for the period commencing from the date of the lock-up agreements until the date falling 180 days after the date of the listing of MSM Holdings.

**18.7.6 Placement Agreement dated 15 June 2011**

MSM Holdings and our Company had on 15 June 2011 entered into a placement agreement with CIMB and Maybank IB (collectively as the joint bookrunners) in relation to the placement of 206,444,700 ordinary shares of RM0.50 each in MSM Holdings under the institutional offering in conjunction with the listing of MSM Holdings on the Main Market of Bursa Securities to institutional investors at the institutional price of RM3.50 at an agreed placement and discretionary fee.

**18. ADDITIONAL INFORMATION (Cont'd)****18.7.7 Share Lending Agreement dated 15 June 2011 ("Share Lending Agreement")**

Our Company had on 15 June 2011 entered into a share lending agreement with CIMB, to lend to CIMB as the stabilising manager 21,089,400 ordinary shares of RM0.50 each in MSM Holdings on the terms and subject to all applicable laws and regulation (including the CMSA and its applicable regulations) and the conditions contained in the Share Lending Agreement to cover over-allotments or effect price stabilisation activities by CIMB in connection with the initial public offering of up to 234,564,700 ordinary shares of RM0.50 each in MSM Holdings.

**18.7.8 Retail Underwriting Agreement dated 28 May 2012**

Agreement dated 28 May 2012 between our Company, the Selling Shareholder, the Joint Managing Underwriters and the Joint Underwriters for the underwriting of the 273,611,000 Issue Shares under the Retail Offering at a managing underwriting and underwriting commission of 1.65% of the value of the Retail Offering (being the number of underwritten Issue Shares multiplied by the Retail Price).

**18.7.9 Master Cornerstone Placing Agreements both dated 25 May 2012**

Agreements both dated 25 May 2012 (for the domestic and international cornerstone process, respectively) between our Company, the Selling Shareholder and the Joint Bookrunners on the one part and Asia Fountain Investment Company Limited, FIL Investment Management (Hong Kong) Limited acting as professional fiduciary for certain accounts, Guoline Capital Limited, Qatar Holding LLC, certain investment or collective investment(s) and/or managed account(s) managed or advised by Value Partners Hong Kong Limited or its subsidiary, Employees Provident Fund Board, Permodalan Nasional Berhad, Lembaga Tabung Haji, Kumpulan Wang Persaraan (Diperbadankan), American International Assurance Bhd, CMY Capital Sdn Bhd and Hong Leong Foundation on the other part, under which the Cornerstone Investors agree to purchase an aggregate of 723,500,000 Shares, representing approximately 19.83% of the issued and paid-up share capital of our Company, pursuant to the Institutional Offering at RM4.65 per Share or the Institutional Price, whichever is lower.

**18.7.10 JV Partner Conditional Investment Agreement dated 14 May 2012**

Agreement dated 14 May 2012 between our Company, the Selling Shareholder and Louis Dreyfus Commodities Asia under which Louis Dreyfus Commodities Asia agrees to purchase such number of Offer Shares representing 2.5% of our Company's enlarged issued and paid-up share capital immediately following the IPO and Admission at the Institutional Price. This Agreement is conditional upon the terms and conditions in the agreement, including the execution of the transaction documents in relation to the Trading JV and the Downstream Framework.

**18.7.11 Undertaking letters and lock-up letters with the respective State governments**

The respective State governments as set out in Section 4.3.1 of this Prospectus have agreed to subscribe for an aggregate of 395,609,641 Shares representing 10.84% of the enlarged issued and paid-up share capital of the Company offered as part of the Institutional Offering at the Institutional Price. Further details on the irrevocable undertaking and the lock-up restrictions are set out in Sections 4.3.1 and 4.7.3 of this Prospectus.

**18. ADDITIONAL INFORMATION (Cont'd)****18.8 CONSENTS**

The written consents of the Joint Principal Advisers, Joint Managing Underwriters, Joint Underwriters, Joint Global Coordinators, Joint Bookrunners, Legal Advisers, Principal Bankers, Company Secretary, Share Registrar and Issuing House as set out in the Corporate Directory of this Prospectus to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants to the inclusion of its name, Accountants' Report, and Reporting Accountants' letter on the Pro Forma Consolidated Financial Information as at 31 December 2011 in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of Frost & Sullivan to the inclusion of its name, the Executive Summary of the Independent Market Research Report ("IMRR") and its letter dated 28 May 2012 in the form and context in which they are contained on this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

**18.9 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected at our registered office during office hours for a period of 12 months from the date of this Prospectus:

- (i) Our Memorandum and Articles;
- (ii) The material contracts and agreements which our Group is dependent on referred to in Sections 18.7 and 7.22 of this Prospectus, respectively;
- (iii) Our audited consolidated financial statements for the three years ended 31 December 2009, 31 December 2010 and 31 December 2011;
- (iv) FHB Group's audited financial statements for the three years ended 31 December 2009, 31 December 2010 and 31 December 2011;
- (v) Audited carve-out financial statements of the plantation operations of FELDA for the three years ended 31 December 2009, 31 December 2010 and 31 December 2011;
- (vi) Audited financial statements of each individual Subsidiaries for the three years ended 31 December 2009, 31 December 2010 and 31 December 2011;
- (vii) Management accounts of FGVH Group for the three months ended 31 March 2012;
- (viii) The Reporting Accountants' Letter on the Pro Forma Consolidated Financial Information as referred to in Section 8.10 of this Prospectus;
- (ix) The Accountants' Report as referred to in Section 9 of this Prospectus;
- (x) The Directors' Report as referred to in Section 15 of this Prospectus;
- (xi) The IMRR and the Executive Summary of the IMRR as prepared by Frost & Sullivan on the Oil Palm, Sugar and Rubber; and Selected Key End-User Industries as referred to in Section 6 of this Prospectus;
- (xii) The letters of consent as referred to in Section 18.8 of this Prospectus; and
- (xiii) Cause papers in relation to the material litigation as referred to in Section 18.6 of this Prospectus.

**18. ADDITIONAL INFORMATION (Cont'd)**

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**18.10 RESPONSIBILITY STATEMENT**

Our Directors, the Promoters and the Selling Shareholder have reviewed and approved this Prospectus and they collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and confirm that, after making all reasonable enquiries and, to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in this Prospectus false or misleading.

CIMB and Maybank IB, both as the Joint Principal Advisers, the Joint Global Coordinators and the Joint Bookrunners for the Institutional Offering in relation to our IPO, acknowledge that, based on all available information and to the best of their knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts on our IPO.

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## 19. PROCEDURES FOR APPLICATION

### 19.1 OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE RETAIL OFFERING: 10:00 a.m., 31 May 2012

CLOSING OF THE RETAIL OFFERING: 5:00 p.m., 12 June 2012

Our Directors and the Joint Managing Underwriters, may decide in their absolute discretion to extend the closing time and date for applications to any later time(s) and/or date(s). If they decide to extend the closing date and/or time for the applications, the Price Determination Date and dates for the balloting and allotment of the Issue Shares and the transfer of the Offer Shares and our Listing will be extended accordingly. We will announce any extension in a widely circulated Bahasa Malaysia and English language daily newspaper within Malaysia.

Late applications will not be accepted.

### 19.2 METHODS OF APPLICATION AND CATEGORY OF INVESTORS

#### 19.2.1 Application for Issue Shares under the Retail Offering

Applications for the Issue Shares pursuant to the Retail Offering may be made using either of the following:

Type of Application Form	Category of Investor
WHITE Application Form or Electronic Share Application <sup>(1)</sup> or Internet Share Application <sup>(2)</sup>	Malaysian Public (for individuals)
WHITE Application Form only	Malaysian Public (for non individuals, e.g. corporations, institutions, etc.)
PINK Application Form only	Eligible Employees and persons who have contributed to the success of our Group
BLUE Application Form only	Eligible FELDA Settlers

#### Notes:

(1) The following surcharge per Electronic Share Application will be charged by the Participating Financial Institutions:

- Affin Bank Berhad – No fees will be charged for application by their account holders;
- AmBank (M) Berhad – RM1.00;
- CIMB Bank Berhad - RM2.50;
- HSBC Bank Malaysia Berhad - RM2.50;
- Malayan Banking Berhad - RM1.00;
- Public Bank Berhad – RM2.00;
- RHB Bank Berhad - RM2.50; and
- Standard Chartered Bank Malaysia Berhad (at selected branches only) - RM2.50.

**19. PROCEDURES FOR APPLICATION (Cont'd)**

- (2) *The following processing fee per Internet Share Application will be charged by the respective Internet Participating Financial Institutions:*
- (i) *CIMB ([www.eipocimb.com](http://www.eipocimb.com)) – RM2.00 for payment via CIMB Bank Berhad or Malayan Banking Berhad;*
  - (ii) *CIMB Bank Berhad ([www.cimbclicks.com.my](http://www.cimbclicks.com.my)) – RM2.00 for applicants with CDS accounts held with CIMB and RM2.50 for applicants with CDS accounts with other ADAs;*
  - (iii) *Malayan Banking Berhad ([www.maybank2u.com.my](http://www.maybank2u.com.my)) – RM1.00;*
  - (iv) *Affin Bank Berhad ([www.affinOnline.com](http://www.affinOnline.com)) – No fees will be charged for application by their account holders;*
  - (v) *RHB Bank Berhad ([www.rhb.com.my](http://www.rhb.com.my)) - RM2.50; and*
  - (vi) *Public Bank Berhad ([www.pbebank.com](http://www.pbebank.com)) – RM2.00.*

Eligible Employees and persons who have contributed to the success of our Group who have made applications using PINK Application Forms and Eligible FELDA Settlers who have made applications using BLUE Application Forms may still apply for the Issue Shares offered to the Malaysian Public using the WHITE Application Form, Electronic Share Application or Internet Share Application.

However, applicants using the WHITE, PINK and BLUE Application Forms are not allowed to submit multiple applications in the same category of application. Further, applicants who have submitted their applications using WHITE Application Forms are not allowed to make additional applications using the Electronic Share Applications and Internet Share Applications, and vice versa.

**19.2.2 Application by institutional investors and selected investors under the Institutional Offering**

Institutional investors and selected investors being allocated the IPO Shares under the Institutional Offering (other than the Bumiputera institutional investors approved by the MITI) will be contacted directly by the respective Joint Global Coordinators and Joint Bookrunners and shall follow the instructions as communicated by the respective Joint Global Coordinators and Joint Bookrunners. Bumiputera institutional investors approved by the MITI who have been allocated IPO Shares will be contacted directly by the MITI and should follow the instructions as communicated through the MITI.

**19.3 PROCEDURES FOR APPLICATION AND ACCEPTANCE**

**19.3.1 Application by the Eligible Employees and persons who have contributed to the success of our Group (PINK Application Forms)**

Eligible Employees and persons who have contributed to the success of our Group will be provided separately with PINK Application Forms and letters from us detailing their respective allocations. The applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus.

## 19. PROCEDURES FOR APPLICATION *(Cont'd)*

### 19.3.2 Application by the Eligible FELDA Settlers (BLUE Application Forms)

Eligible FELDA Settlers will be provided separately with BLUE Application Forms and letters from us detailing their respective allocations. The applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus.

### 19.3.3 Application by the Malaysian Public under the Retail Offering (WHITE Application Forms, Electronic Share Applications or Internet Share Applications)

#### Eligibility

You can only apply for the Issue Shares if you meet the following requirements:

- (i) You must have a CDS account. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs listed in Section 20 of this Prospectus;
- (ii) You must be one of the following:
  - (a) a Malaysian citizen who is at least 18 years old as at the closing date of the Retail Offering with a Malaysian address; or
  - (b) a corporation/institution incorporated in Malaysia where, there is a majority of Malaysian citizens on your board of directors/ trustee and if you have a share capital, more than half of your issued share capital, excluding preference share capital, is held by Malaysian citizens; or
  - (c) a superannuation, co-operative, foundation, provident or pension fund established or operating in Malaysia.

We will not accept applications from trustees, persons under 18 years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations / institutions referred to in item (ii) (b) or (c) above or the trustees thereof; and
- (iii) You are not a director or employee of the Issuing House or their immediate family members.

## 19.4 PROCEDURES FOR APPLICATION BY WAY OF AN APPLICATION FORM

Each application for the Issue Shares under the Retail Offering must be made on the correct Application Form for the relevant category of investors issued together with this Prospectus and must be completed in accordance with the notes and instructions contained therein in the respective category of Application Form. The Application Form together with the notes and instructions contained therein shall constitute an integral part of this Prospectus. Applications which do not conform **STRICTLY** to the terms of this Prospectus or the respective category of Application Form or notes and instructions or which are illegible may not be accepted at the absolute discretion of our Directors.

**Full instructions for the application for the Issue Shares offered and the procedures to be followed are set out in the Application Forms. All applicants are advised to read the Application Forms and the notes and instructions therein carefully.**

**19. PROCEDURES FOR APPLICATION (Cont'd)**

Malaysian Public should follow the following procedures in making their applications under the Retail Offering:

**Step 1: Obtain application documents**

Obtain the relevant Application Form together with the Official "A" and "B" envelopes and this Prospectus.

The **WHITE** Application Forms can be obtained subject to availability from the following parties:

- (i) CIMB;
- (ii) Maybank IB;
- (iii) Participating organisation of Bursa Securities;
- (iv) Members of the Association of Banks in Malaysia;
- (v) Members of the Malaysian Investment Banking Association;
- (vi) Issuing House; and
- (vii) Our Company.

**Step 2: Read this Prospectus**

In accordance with Section 232(2) of the CMA, the Application Forms are accompanied by this Prospectus. You are advised to read and understand this Prospectus before making your application.

**Step 3: Complete the relevant Application Forms**

Complete the relevant Application Form legibly and **STRICTLY** in accordance with the notes and instructions contained therein and in this Prospectus.

**(i) Personal particulars**

You must ensure that your personal particulars submitted in your application are identical with the records maintained by Bursa Depository. Please inform Bursa Depository promptly of any changes to your personal particulars.

If you are an individual and you are not a member of the armed forces or police, the name and national registration identity card ("**NRIC**") number must be the same as:

- your NRIC;
- any valid temporary identity document issued by the National Registration Department from time to time; or
- your "Resit Pengenalan Sementara (JPN KP 09)" issued pursuant to Peraturan 5(5), Peraturan-peraturan Pendaftaran Negara 1990.

If you are a member of the armed forces or police, your name and your armed forces or police personnel number, as the case may be, must be exactly as that stated in your authority card.

For corporations/institutions, the name and certificate of incorporation number must be the same as that stated in the certificate of incorporation or the certificate of change of name, where applicable.



**19. PROCEDURES FOR APPLICATION (Cont'd)****(ii) CDS account number**

You must state your CDS account number in the space provided in the Application Form. Invalid or nominee or third party CDS accounts will **not** be accepted.

**(iii) Details of payment**

You must state the details of your payment in the appropriate boxes provided in the Application Form.

**(iv) Number of Issue Shares Applied**

Applications must be for at least 100 Issue Shares or multiples of 100 Issue Shares for applicants using the PINK, BLUE and WHITE Application Forms.

**Step 4: Prepare Appropriate Form of Payment**

Prepare the correct form of payment in RM for the FULL amount payable for the Issue Shares based on the Retail Price, which is RM4.55 per Issue Share.

Payment must be made out in favour of **"MIH SHARE ISSUE ACCOUNT NO. 528"** and crossed **"A/C PAYEE ONLY"** (excluding ATM statements) and endorsed on the reverse side with your name and address. We only accept the following forms of payment:

- (i) banker's draft or cashier's order purchased within Malaysia only and drawn on a bank in Kuala Lumpur (differentiated by a special red band for Bumiputera applicants);
- (ii) money order or postal order (for applicants from Sabah and Sarawak only);
- (iii) Guaranteed Giro Order ("**GGO**") from Bank Simpanan Nasional Malaysia Berhad (differentiated by a special red band for Bumiputera applicants); or
- (iv) ATM statement obtained only from any of the following:
  - Affin Bank Berhad;
  - Alliance Bank Malaysia Berhad;
  - AmBank (M) Berhad;
  - CIMB Bank Berhad;
  - Malayan Banking Berhad; or
  - RHB Bank Berhad.

We will not accept applications with excess or insufficient remittances or inappropriate forms of payment.

**Step 5: Finalise application**

Insert the relevant Application Form together with payment and a legible photocopy of your identification document (NRIC/ valid temporary identity document issued by the National Registration Department/ "Resit Pengenalan Sementara (JPN KP 09)"/ authority card for armed forces or police personnel/ certificate of incorporation or certificate of change of name for corporate or institutional applicant or passport (where applicable)) into the Official "A" envelope and seal it. Write your name and address on the outside of the Official "A" and "B" envelopes. The name and address written must be identical to your name and address as per your NRIC/"Resit Pengenalan Sementara (JPN KP 09)"/ valid temporary identity document issued by the National Registration Department/ authority card for armed forces or police personnel/ certificate of incorporation or the certificate of change of name, where applicable.

**19. PROCEDURES FOR APPLICATION (Cont'd)**

Affix an 80 sen stamp on the Official "A" envelope and insert the Official "A" envelope into the Official "B" envelope.

**Step 6: Submit application**

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents can be submitted using one of the following methods:

- (i) despatched by **ORDINARY POST** in the official envelopes provided, to the following address:

*Malaysian Issuing House Sdn Bhd  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
P.O.Box 8269  
Pejabat Pos Kelana Jaya  
46785 Petaling Jaya*

- (ii) **DELIVERED BY HAND AND DEPOSITED** in the Drop-In Boxes provided at the front portion of Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan,

so as to arrive not later than 5:00 p.m. on 12 June 2012, or such later date or dates as the Directors and the Joint Managing Underwriters in their absolute discretion may decide.

**19.5 PROCEDURES FOR APPLICATION BY WAY OF AN ELECTRONIC SHARE APPLICATION**

Only Malaysian individuals may use the Electronic Share Application to apply for the Issue Shares made available for application by the Malaysian Public.

**19.5.1 Steps for Electronic Share Application through a Participating Financial Institution's ATM**

- (a) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for the Issue Shares at an ATM belonging to other Participating Financial Institutions;
- (b) You **must have a CDS account**;
- (c) The applicant is advised to read and understand this Prospectus before making the application; and
- (d) You shall apply for the Issue Shares via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application are set out in Section 19.5.3 of this Prospectus. You shall enter at least the following information through the ATM where the instructions on the ATM screen at which you enter your Electronic Share Application requires you to do so:
  - Personal Identification Number (PIN);
  - MIH Share Issue Account No. 528;
  - CDS account number;

## 19. PROCEDURES FOR APPLICATION (Cont'd)

- Number of Issue Shares applied for and/or the RM amount to be debited from the account; and
- Confirmation of several mandatory statements.

### 19.5.2 Participating Financial Institutions

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches:

- Affin Bank Berhad;
- AmBank (M) Berhad;
- CIMB Bank Berhad;
- HSBC Bank Malaysia Berhad;
- Malayan Banking Berhad;
- Public Bank Berhad
- RHB Bank Berhad; or
- Standard Chartered Bank Malaysia Berhad (at selected branches only).

### 19.5.3 Terms and Conditions of Electronic Share Applications

The procedures for Electronic Share Applications at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions ("**Steps**"). For illustration purposes, the procedures for Electronic Share Applications at ATMs are set out in "**Steps for Electronic Share Application through a Participating Financial Institution's ATM**" in Section 19.5.1 of this Prospectus. The Steps set out the actions that the applicant must take at the ATM to complete an Electronic Share Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Applications set out below before making an Electronic Share Application.

You must have a CDS account to be eligible to use the Electronic Share Applications. The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted.

Upon the completion of your Electronic Share Application transaction, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or the Issuing House. The Transaction Record is for your records and should not be submitted with any Application Form.

Upon the closing of the Retail Offering on 12 June 2012 at 5:00 p.m. ("**Closing Date and Time**"), the Participating Financial Institutions shall submit a magnetic tape containing their respective customers' applications for the Issue Shares to the Issuing House as soon as practicable but not later than 12:00 p.m. of the second business day after the Closing Date and Time.

You will be allowed to make only one (1) application and shall not make any other application for the Issue Shares under the Retail Offering to the Malaysian Public, whether at the ATMs of any Participating Financial Institution or using the WHITE Application Forms.

**19. PROCEDURES FOR APPLICATION (Cont'd)**

**You must ensure that you use your own CDS account number when making an Electronic Share Application. If you operate a joint account with any Participating Financial Institution, you must ensure that you enter your own CDS account number when using an ATM card issued to you in your name. Your application will be rejected if you fail to comply with the foregoing.**

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below:

- (i) The Electronic Share Application shall be made in relation with and subject to the terms of this Prospectus and our Memorandum and Articles.
- (ii) You are required to confirm the following statements (by pressing predesignated keys (or buttons) on the ATM keyboard) and undertake that the following information given are true and correct:
  - You have attained 18 years of age as at the Closing Date and Time;
  - You are a Malaysian citizen residing in Malaysia;
  - You have read this Prospectus and understood and agreed with the terms and conditions of the application;
  - This is the only application that you are submitting; and
  - You hereby give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to the Issuing House and other relevant authorities.

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institution. By doing so, you shall be deemed to have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 97 of the Banking and Financial Institutions Act, 1989 and Section 45 of the SICDA to the disclosure by the relevant Participating Financial Institution or Bursa Depository, as the case may be, of any of your particulars to the Issuing House, or any relevant regulatory bodies.

- (iii) **You confirm that you are not applying for the Issue Shares as a nominee of any other person and that any Electronic Share Application that you make is made by you as the beneficial owner. You shall only make one Electronic Share Application and shall not make any other application for the Issue Shares, whether at the ATMs of any Participating Financial Institution or on the prescribed Application Forms.**
- (iv) You must have sufficient funds in your account with the relevant Participating Financial Institution at the time you make your Electronic Share Application, failing which your Electronic Share Application will not be completed. Any Electronic Share Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made will be rejected.

**19. PROCEDURES FOR APPLICATION (Cont'd)**

- (v) You agree and undertake to subscribe for or purchase and to accept the number of Issue Shares applied for as stated on the Transaction Record or any lesser number of Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot or allocate any lesser number of such Shares or not to allot or allocate any Shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation (by your action of pressing the predesignated keys (or buttons) on the ATM) of the number of Shares applied for shall signify, and shall be treated as, your acceptance of the number of Shares that may be allotted or allocated to you and to be bound by our Memorandum and Articles.
- (vi) We reserve the right not to accept any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the Issue Shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares.
- (vii) Where an Electronic Share Application is not successful or successful in part only, the relevant Participating Financial Institution will be informed of the non-successful or partially successful applications. If your Electronic Share Application is not successful, the relevant Participating Financial Institution will credit the full amount of the application monies without interest into your account with that Participating Financial Institution within two Market Days after the receipt of confirmation from the Issuing House. The Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful applications within two Market Days after the balloting date. You may check your account on the fifth Market Day from the balloting date.

If your Electronic Share Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest into your account with the Participating Financial Institution within two Market Days after the receipt of confirmation from the Issuing House. A number of applications will, however, be held in reserve to replace any successfully balloted applications, which are subsequently rejected. For such applications, which are subsequently rejected, the application monies without interest will be refunded to applicants by the Issuing House by crediting into your account with the Participating Financial Institution not later than two Market Days after the receipt of confirmation from the Issuing House.

Should you encounter any problems in your application, you may refer to the Participating Financial Institutions.

- (viii) You request and authorise us:
  - (a) To credit the Issue Shares allocated to you into your CDS account; and
  - (b) To issue share certificate(s) representing such shares allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.

**19. PROCEDURES FOR APPLICATION (Cont'd)**

- (ix) You acknowledge that your Electronic Share Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond our control, the Issuing House or the Participating Financial Institution and irrevocably agree that if:
- (a) Our Company or the Issuing House does not receive your Electronic Share Application; and
  - (b) Data relating to your Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to us or the Issuing House,
- you shall be deemed not to have made an Electronic Share Application and you shall not make any claim whatsoever against our Company, the Issuing House or the Participating Financial Institution for the Issue Shares applied for or for any compensation, loss or damage.
- (x) All of your particulars in the records of the relevant Participating Financial Institution at the time you make your Electronic Share Application shall be true and correct, and we, the Issuing House and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (xi) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Share Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your registered address last maintained with Bursa Depository.
- (xii) By making and completing an Electronic Share Application, you agree that:
- (a) In consideration of us agreeing to allow and accept the application for Shares via the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;
  - (b) We, the Participating Financial Institutions, Bursa Depository and the Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application to our Company due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;
  - (c) Notwithstanding the receipt of any payment by or on our behalf, the notice of successful allocation for prescribed securities issued in respect of the Issue Shares for which your Electronic Share Application has been successfully completed is the only confirmation for the acceptance of your offer to subscribe for and purchase the said Issue Shares;
  - (d) You irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue of the Issue Shares allocated to you; and

**19. PROCEDURES FOR APPLICATION (Cont'd)**

- (e) You agree that in relation to any legal action or proceedings arising out of or in relation with the contract between the parties and/or the Electronic Share Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (xiii) If you are successful in your application, our Directors reserve the right to require you to appear in person at the registered office of the Issuing House within 14 days of the date of the notice issued to you to ascertain your application is genuine and valid. Our Directors shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.
- (xiv) The Issuing House, on the authority of our Directors, reserves the right to reject applications which do not conform to these instructions.

**19.6 PROCEDURES FOR APPLICATION BY WAY OF AN INTERNET SHARE APPLICATION**

Only Malaysian individuals may apply for our Issue Shares by way of Internet Share Application.

Please read carefully and follow the terms of this Prospectus, the procedures, terms and conditions for Internet Share Application and the procedures set out on the Internet financial services website of the Internet Participating Financial Institution before making an Internet Share Application.

**Step 1: Set up of account**

Before making an application by way of Internet Share Application, you **must have all** of the following:

- (i) an existing account with access to internet financial services with **CIMB** at [www.eipocimb.com](http://www.eipocimb.com) or **CIMB Bank Berhad** at [www.cimbclicks.com.my](http://www.cimbclicks.com.my) or **Malayan Banking Berhad** at [www.maybank2u.com.my](http://www.maybank2u.com.my) or **RHB Bank Berhad** at [www.rhb.com.my](http://www.rhb.com.my) or **Affin Bank Berhad** at [www.affinOnline.com](http://www.affinOnline.com) or **Public Bank Berhad** at [www.pbebank.com](http://www.pbebank.com). You need to have your user identification and PIN/password for the Internet financial services facility; and
- (ii) an individual CDS account registered in your name (and not in a nominee's name) and in the case of a joint account an individual CDS account registered in your name which is to be used for the purpose of the application if you are making the application instead of a CDS account registered in the joint account holder's name.

**Step 2: Read this Prospectus**

You are advised to read and understand this Prospectus before making your application.

**Step 3: Apply through Internet**

***We have set out possible steps for an application of the Issue Shares via Internet Share Application below for illustration purposes only.***

**Please note that the actual steps for Internet Share Applications through the internet financial services website of a particular Internet Participating Financial Institution may differ from the steps outlined below.**

**19. PROCEDURES FOR APPLICATION (Cont'd)**

- (i) Connect to the internet financial services website of the Internet Participating Financial Institution with which you have an account;
- (ii) Log in to the Internet financial services facility by entering your user identification and PIN/password;
- (iii) Navigate to the section of the website on applications in respect of the IPO;
- (iv) Select the counter in respect of the Issue Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application;
- (v) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions;
- (vi) At the next screen, complete the online application form;
- (vii) Check that the information contained in the online application form, such as the share counter, NRIC number, CDS account number, number of Issue Shares applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form.

After selecting the designated hyperlink on the screen, you will have to confirm and undertake that the following mandatory statements are true and correct:

- (a) You are at least 18 years of age as at the Closing Date and Time;
- (b) You are a Malaysian citizen residing in Malaysia;
- (c) You have, prior to making the Internet Share Application, received and/or have had access to a printed/electronic copy of this Prospectus, the contents of which you have read and understood;
- (d) You agree to all the terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus, before making the Internet Share Application;
- (e) The Internet Share Application is the only application that you are submitting for the Issue Shares under the Retail Offering;
- (f) You authorise the financial institution with whom you have an account to deduct the full amount payable for the Shares from your account with the said financial institution ("**Authorised Financial Institution**");
- (g) You give express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 99 of the Banking and Financial Institutions Act, 1989 and Section 45 of SICDA) for the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or the Depository, as the case may be, of information pertaining to you, the Internet Share Application made by you or your account with the Internet Participating Financial Institution, to the Issuing House and the Authorised Financial Institution, the SC and any other relevant authority;
- (h) You are not applying for the Issue Shares as a nominee of any other person and the application is made in your own name, as beneficial owner and subject to the risks referred to in this Prospectus; and
- (i) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with



**19. PROCEDURES FOR APPLICATION (Cont'd)**

the IPO, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with the IPO. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services.

- (viii) Upon submission of the online application form, you will be linked to the website of the Authorised Financial Institution to effect the online payment of your money for the IPO;
- (ix) You must pay for the Issue Shares through the website of the Authorised Financial Institution, failing which the Internet Share Application is **not completed**, despite the display of the Confirmation Screen. "**Confirmation Screen**" refers to the screen which appears or is displayed on the Internet financial services website, which confirms that the Internet Share Application has been completed and states the details of your Internet Share Application, including the number of Issue Shares applied for, which can be printed out by you for your records;
- (x) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment for the Issue Shares is being made. Subsequently, the Internet Participating Financial Institution shall confirm that the Internet Share Application has been completed, via the Confirmation Screen on its website; and
- (xi) You are advised to print out the Confirmation Screen for reference and records.

**19.7 TERMS AND CONDITIONS**

THE TERMS AND CONDITIONS OUTLINED BELOW SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATION CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION. PLEASE REFER TO THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION FOR THE EXACT TERMS AND CONDITIONS AND INSTRUCTIONS.

- (i) You are required to pay the Retail Price of RM4.55 for each Issue Share you have applied for.
- (ii) You can submit only one application for the Issue Shares offered to the Malaysian Public. For example, if you submit an application using the WHITE Application Form, you cannot submit an Electronic Share Application or Internet Share Application.

However, if you have made an application under the PINK or BLUE Application Form, you can still apply for the Issue Shares offered to the Malaysian Public using the WHITE Application Form, Electronic Share Application or Internet Share Application.

The Issuing House, acting under the authority of our Directors, has the discretion to reject applications that appears to be multiple applications.

**We wish to caution you that if you submit more than one application in your own name or by using the name of others, with or without their consent, you will be committing an offence under Section 179 of the CMSA and may be punished with a minimum fine of RM1,000,000 and a jail term of up to 10 years under Section 182 of the CMSA.**

**19. PROCEDURES FOR APPLICATION (Cont'd)**

- (iii) Each application under the PINK, BLUE and WHITE Application Forms, Electronic Share Application and Internet Share Application must be for at least 100 Issue Shares or multiples of 100 Issue Shares.
- (iv) Your application must be made in connection with and subject to this Prospectus and our Memorandum and Articles. You agree to be bound by our Memorandum and Articles should you be allotted any Shares.
- (v) Your submission of an application does not necessarily mean that your application will be successful. Any submission of application is irrevocable.
- (vi) We or the Issuing House will not issue any acknowledgement of the receipt of your application or application monies.
- (vii) You must ensure that your personal particulars submitted in your application and/or your personal particulars as recorded by the Internet Participating Financial Institution are correct and accurate and identical with the records maintained by Bursa Depository. Otherwise, your application will be rejected. Bursa Depository will have to be promptly notified of any change in your address failing which the notification letter of successful allocation will be sent to your registered/correspondence address last maintained with Bursa Depository.
- (viii) Your remittances having presented for payment shall not signify that your application has been accepted.

Our acceptance of your application to subscribe for or purchase the Issue Shares shall be constituted by the issue of notices of allotment for the Issue Shares to you.

- (ix) Submission of your CDS account number in your application includes your authority/consent in accordance with Malaysian laws of Bursa Depository and the Participating Financial Institution (as the case may be) to disclose information pertaining to your CDS account and other relevant information to us or the Issuing House and any relevant regulatory bodies (as the case may be).

**You agree to accept our decision as final should we decide not to allot any Shares to you.**

- (x) Additional terms and conditions for Electronic Share Applications are as follows:
  - (a) You agree and undertake to subscribe for or purchase and to accept the number of Issue Shares applied for as stated in the Transaction Record or any lesser amount that may be allotted or allocated to you.
  - (b) Your confirmation by pressing the key or button on the ATM shall be treated as your acceptance of the number of Issue Shares allotted or allocated to you.
  - (c) Should you be allotted any Issue Shares, you shall be bound by our Memorandum and Articles.
  - (d) You confirm that you are not applying for Issue Shares as a nominee of other persons and that your Electronic Share Application is made on your own account as a beneficial owner.
  - (e) You request and authorise us to credit the Issue Shares allotted to you into your CDS account and to Issue Share certificate(s) representing those Shares allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send them to Bursa Depository.

**19. PROCEDURES FOR APPLICATION (Cont'd)**

- (f) You acknowledge that your application is subject to electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events which are not in our control, or the control of the Issuing House, the Participating Financial Institution or Bursa Depository. You irrevocably agree that you are deemed not to have made an application if we or the Issuing House do not receive your application or your application data is wholly or partially lost, corrupted or inaccessible to us or the Issuing House. You shall not make any claim whatsoever against us, the Issuing House, the Participating Financial Institution or Bursa Depository.
- (g) You irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounce any instrument of transfer and/or other documents required for the issue of our Issue Shares allocated to you.
- (h) You agree that in the event of legal disputes arising from the use of Electronic Share Applications, our mutual rights, obligations and liabilities shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.
- (xi) Additional terms and conditions for Internet Share Application are as follows:
  - (a) Your application will not be successfully completed and cannot be recorded as a completed application unless you have completed all relevant application steps and procedures for the Internet Share Application which would result in the internet financial services website displaying the Confirmation Screen. You are required to complete your Internet Share Application by the close of the Retail Offering mentioned in Section 19.1 of this Prospectus.
  - (b) You irrevocably agree and undertake to subscribe for and to accept the number of Issue Shares applied for as stated on the Confirmation Screen or any lesser amount that may be allotted or allocated to you. Your confirmation by clicking the designated hyperlink on the relevant screen of the website shall be treated as your acceptance of the number of Issue Shares allotted or allocated to you.
  - (c) You request and authorise us to credit the Issue Shares allotted to you into your CDS account and to Issue Share certificate(s) representing those Shares allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send them to Bursa Depository.
  - (d) You irrevocably agree and acknowledge that the Internet Share Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond our control and the control of the Issuing House, the Internet Participating Financial Institution and/or the Authorised Financial Institution. If, in any such event, we, the Selling Shareholder, the Issuing House and/or the Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive your Internet Share Application and/or payment, or in the event that any data relating to the Internet Share Application or the tape or any other devices containing such data is wholly or partially lost, corrupted, destroyed or otherwise not accessible for any reason, you shall be deemed not to have made an Internet Share Application and you shall have no claim whatsoever against us, the Issuing House or the Internet Participating Financial Institution and the Authorised Financial Institution.

**19. PROCEDURES FOR APPLICATION (Cont'd)**

- (e) You irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounce any instrument of transfer and/or other documents required for the issue of our Issue Shares allocated to you.
- (f) You agree that in the event of legal disputes arising from the use of Internet Share Application, our mutual rights, obligations and liabilities shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.
- (g) You shall hold the Internet Participating Financial Institution harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of your Internet Share Application by us, the Issuing House and/or the Internet Participating Financial Institution for reasons of multiple applications, suspected multiple applications, inaccurate and/or incomplete details provided by the applicant, or any other cause beyond the control of the Internet Participating Financial Institution.
- (h) You are not entitled to exercise any remedy of rescission for misrepresentation at any time after we have accepted your Internet Share Application.
- (i) In making the Internet Share Application, you have relied solely on the information contained in this Prospectus. We, the Joint Managing Underwriters and Joint Underwriters, the Joint Principal Advisers and any other person involved in the Retail Offering shall not be liable for any information not contained in this Prospectus which may have been relied by you in making the Internet Share Application.

**19.8 AUTHORITY OF OUR DIRECTORS AND THE ISSUING HOUSE**

If you are successful in your application, our Directors reserve the right to require you to appear in person at the registered office of the Issuing House within 14 days of the date of the notice issued to you to ascertain your application is genuine and valid. Our Directors are not responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

Applicants will be selected in a manner to be determined by our Directors. Due consideration will be given to the desirability of allotting or allocating our Issue Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

The Issuing House, on the authority of our Directors, reserves the right to:

- (i) reject applications which do not conform to the instructions in this Prospectus or are illegible, incomplete or inaccurate;
- (ii) reject or accept any application, in whole or in part, on a non-discriminatory basis without giving any reason; and
- (iii) bank in all application monies from unsuccessful/partially successful applicants which would subsequently be refunded without interest by registered post.

**19.9 OVER/UNDER-SUBSCRIPTION**

In the event of over-subscription in the Retail Offering, the Issuing House will conduct a ballot in the manner approved by our Directors to determine acceptance of applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of distributing the Issue Shares to a reasonable number of applicants for the purpose of broadening our shareholding base and establishing an adequate market in the

**19. PROCEDURES FOR APPLICATION (Cont'd)**

trading of our Shares. Pursuant to the Bursa Securities LR, we need to have a minimum number of 1,000 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event that the above requirement is not met, we may not be allowed to proceed with the Listing. In the event thereof, monies paid in respect of all applications will be refunded without interest.

In the event of an under-subscription subject to the clawback and reallocation as set out in Section 4.3.3 of this Prospectus, all the Issue Shares not applied for under the Retail Offering will be subscribed by the Joint Managing Underwriters and Joint Underwriters pursuant to the Retail Underwriting Agreement.

Where your successfully balloted application is subsequently rejected, the full amount of your application monies, will be refunded without interest to you within ten Market Days from the date of the final ballot of the application list to your address registered with Bursa Depository.

Where your successfully balloted application under Electronic Share Application or Internet Share Application is subsequently rejected, the full amount of your application monies, will be refunded without interest to you by crediting your account with the Participating Financial Institution or Internet Participating Financial Institution, respectively.

**19.10 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS**

If you are unsuccessful/partially successful in your application, we will refund your application monies without interest in the following manner.

**19.10.1 For applications by way of WHITE Application Form**

- (i) The application monies or the balance of it, as the case may be, will be refunded to you via the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by registered post to your last address maintained with Bursa Depository (for partially successful applications) within ten Market Days from the date of the final ballot.
- (ii) If your application was rejected because you did not provide a CDS account number, your application monies will be sent to the address stated in the NRIC or "Resit Pengenalan Sementara (JPN KP 09)" or any valid temporary identity document issued by the National Registration Department from time to time at your own risk.
- (iii) The Issuing House reserves the right to bank in all application monies from unsuccessful applicants. These monies will be refunded by registered post to your last address maintained with Bursa Depository or as per item (ii) above (as the case may be) within ten Market Days from the date of the final ballot.

**19.10.2 For applications by way of Electronic Share Application**

- (i) The Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful application within two Market Days after the balloting date. The application monies or the balance of it will be credited into your account with the Participating Financial Institution without interest within two Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the fifth Market Day from the balloting date.
- (iii) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by the

**19. PROCEDURES FOR APPLICATION (Cont'd)**

Issuing House by crediting into your account with the Participating Financial Institution not later than ten Market Days from the date of the final ballot. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Participating Financial Institution will credit the application monies (or any part thereof) without interest within two Market Days after the receipt of confirmation from the Issuing House.

**19.10.3 For applications by way of Internet Share Application**

- (i) The Issuing House shall inform the Internet Participating Financial Institutions of the non-successful or partially successful application within two Market Days after the balloting date. The Internet Participating Financial Institution will arrange with the Authorised Financial Institution to refund the application monies or the balance of it into your account without interest or other benefit arising therefrom with the Authorised Financial Institution within two Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the fifth Market Day from the balloting date.
- (iii) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by the Issuing House by crediting into your account with the Internet Participating Financial Institution not later than ten Market Days from the date of the final ballot. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Internet Participating Financial Institution will credit the application monies (or any part thereof) without interest within two Market Days after the receipt of confirmation from the Issuing House.

**19.11 SUCCESSFUL APPLICANTS**

If you are successful in your application:

- (i) The Issue Shares allocated to you will be credited into your CDS account. We will not be issuing any physical share certificates to you. You shall not be entitled to withdraw any deposited securities held by Bursa Depository or its nominee as long as the Shares are listed on Bursa Securities.
- (ii) A notice of allotment will be dispatched to you at the address last maintained with Bursa Depository where you have an existing CDS account at your own risk prior to our Listing. This is your only acknowledgement of acceptance of the application.
- (iii) In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded without any interest thereon. The refund in the form of cheques will be despatched by ordinary post to the address maintained with Bursa Depository for applications made via WHITE Application Form or by crediting into your account with the Participating Financial Institution for applications made via the Electronic Share Application or by crediting into your account with the Internet Participating Financial Institution for applications made via the Internet Share Application, within ten Market Days from the date of final ballot, at your own risk.

**19. PROCEDURES FOR APPLICATION (Cont'd)**

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**19.12 ENQUIRIES**

You may contact the Issuing House if you have any queries on the WHITE Application Form at telephone no. +603 7841 8000 or +603 7841 8289. If you have any enquiry with regards to your Electronic Share Application, you may refer to the relevant Participating Financial Institution. If you have any enquiry with regards to your Internet Share Application, you may refer to the relevant Internet Participating Financial Institution and Authorised Financial Institution.

If you are applying for the Issue Shares as a member of the Malaysian Public, you may check the status of your application by logging onto the Issuing House's website at [www.mih.com.my](http://www.mih.com.my), or by calling the Issuing House at +603 7841 8000 or +603 7841 8289 or your ADA at the telephone number as stated in Section 20 of this Prospectus between five to ten Market Days (during office hours only) after the balloting date.

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**20. LIST OF ADAS**

The list of ADAs and their respective addresses, telephone numbers and broker codes are as follows:

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>KUALA LUMPUR</b>		
A.A. ANTHONY SECURITIES SDN BHD	N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel. No.: +603 6201 1155	078-004
AFFIN INVESTMENT BANK BERHAD	Ground Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel. No. : +603 2143 8668	028-001
ALLIANCE INVESTMENT BANK BERHAD	17th Floor, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel. No.: +603 2697 6333	076-001
AMINVESTMENT BANK BERHAD	15th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: +603 2078 2788	086-001
BIMB SECURITIES SDN BHD	32nd Floor, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel. No.: +603 2691 8887	024-001
CIMB INVESTMENT BANK BERHAD	9th Floor, Commerce Square Jalan Semantan, Damansara Heights 50490 Kuala Lumpur Tel. No.: +603 2084 9999	065-001
ECM LIBRA INVESTMENT BANK BERHAD	1st Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel. No.: +603 2178 1133	052-009
ECM LIBRA INVESTMENT BANK BERHAD	ECM Libra Building 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel. No.: +603 2089 1888	052-001
HONG LEONG INVESTMENT BANK BERHAD	Level 8, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel. No.: +603 2168 1168	066-001



**20. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>KUALA LUMPUR (Cont'd)</b>		
HWANGDBS INVESTMENT BANK BERHAD	2nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel. No.: +603 7710 6688	068-009
HWANGDBS INVESTMENT BANK BERHAD	7th, 22nd, 23rd & 23A Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel. No.: +603 2711 6888	068-014
HWANGDBS INVESTMENT BANK BERHAD	No. 57-10 Level 10 The Boulevard, Mid Valley City Lingkar Syed Putra 59000 Kuala Lumpur Tel. No.: +603 2287 2273	068-017
INTER-PACIFIC SECURITIES SDN BHD	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel. No.: +603 2117 1888	054-001
INTER-PACIFIC SECURITIES SDN BHD	Ground Floor, 7-0-8 Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Tel. No.: +603 7984 7796	054-003
INTER-PACIFIC SECURITIES SDN BHD	Stesyen Minyak SHELL Jalan 1/116B, Off Jalan Kuchai Lama Kuchai Entrepreneur Park 58200 Kuala Lumpur Tel. No.: +603 7981 8811	054-005
JUPITER SECURITIES SDN BHD	7th-9th Floor, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: +603 2034 1888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	11th-14th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel. No.: +603 2168 8800	053-001
KENANGA INVESTMENT BANK BERHAD	8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel. No.: +603 2164 9080	073-001
MAYBANK INVESTMENT BANK BERHAD	5-13 Floor, Maybanlife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel. No.: +603 2297 8888	098-001

**20. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>KUALA LUMPUR (Cont'd)</b>		
M & A SECURITIES SDN BHD	Level 1-3, No. 45 & 47 The Boulevard, Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel. No.: +603 2282 1820	057-002
MERCURY SECURITIES SDN BHD	L-7-2, No. 2 Jalan Solaris Solaris Mont Kiara 50480 Kuala Lumpur Tel. No.: +603 6203 7227	093-002
MIDF AMANAH INVESTMENT BANK BERHAD	11th & 12th Floor, Menara MIDF 82 Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: +603 2173 8888	026-001
MIMB INVESTMENT BANK BERHAD	Level 18-21, Menara EON Bank 288, Jalan Raja Laut 50350 Kuala Lumpur Tel. No.: +603 2691 0200	061-001
OSK INVESTMENT BANK BERHAD	20th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel. No.: +603 2333 8333	056-001
OSK INVESTMENT BANK BERHAD	No. 62 & 64, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel. No.: +603 6257 5869	056-028
OSK INVESTMENT BANK BERHAD	Ground Floor No. M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel. No.: +603 4280 4798	056-054
OSK INVESTMENT BANK BERHAD	Ground, 1st, 2nd & 3rd Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel. No.: +603 9058 7222	056-058
PM SECURITIES SDN BHD	Ground, Mezzanine, 1st & 10th Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel. No.: +603 2146 3000	064-001

**20. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>KUALA LUMPUR (Cont'd)</b>		
PUBLIC INVESTMENT BANK BERHAD	27th Floor, Public Bank Building No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel. No.: +603 2031 3011	051-001
RHB INVESTMENT BANK BERHAD	Level 9, Tower Three RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: +603 9287 3888	087-001
TA SECURITIES HOLDINGS BERHAD	Floor 13-16, 23, 28-30, 34 & 35 Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel. No.: +603 2072 1277	058-003
<b>SELANGOR DARUL EHSAN</b>		
AFFIN INVESTMENT BANK BERHAD	2nd, 3rd & 4th Floor Wisma Amsteel Securities No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel. No.: +603 3343 9999	028-002
AFFIN INVESTMENT BANK BERHAD	Lot 229, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7729 8016	028-003
AMINVESTMENT BANK BERHAD	4th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7710 6613	086-003
CIMB INVESTMENT BANK BERHAD	Level G & Level 1 Tropicana City Office Tower No. 3, Jalan SS 20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7717 3388	065-009
ECM LIBRA INVESTMENT BANK BERHAD	35 (Ground & 1st Floor) Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel. No.: +603 3348 8080	052-015

**20. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>SELANGOR DARUL EHSAN (Cont'd)</b>		
HONG LEONG INVESTMENT BANK BERHAD	Level 10 1 First Avenue Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7724 6888	066-002
HWANGDBS INVESTMENT BANK BERHAD	16th, 18th-20th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel. No.: +603 5513 3288	068-002
HWANGDBS INVESTMENT BANK BERHAD	East Wing & Centre Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel. No.: +603 5635 6688	068-010
JF APEX SECURITIES BERHAD	6th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel. No.: +603 8736 1118	079-001
JF APEX SECURITIES BERHAD	15th & 16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7620 1118	079-002
KENANGA INVESTMENT BANK BERHAD	Ground – Fifth Floor East Wing, Quattro West No.4, Lorong Persiaran Barat 46200 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7862 6200	073-005
KENANGA INVESTMENT BANK BERHAD	1st Floor, Wisma UEP Pusat Perniagaan USJ 10 Jalan USJ 10/1A 47620 Subang Jaya Selangor Darul Ehsan Tel. No.: +603 8024 1682	073-006
KENANGA INVESTMENT BANK BERHAD	Suite 7.02, Level 7, Menara ING Intan Millennium Square No. 68, Jalan Batai Laut 4 Taman Intan 41300 Klang Selangor Darul Ehsan Tel. No.: +606 3005 7550	073-007

**20. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>SELANGOR DARUL EHSAN (Cont'd)</b>		
KENANGA INVESTMENT BANK BERHAD	Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiarra Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7725 9095	073-016
OSK INVESTMENT BANK BERHAD	24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS 2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7873 6366	056-011
OSK INVESTMENT BANK BERHAD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel. No.: +603 8736 3378	056-045
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Tel. No.: +603 6092 8916	056-047
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel. No.: +603 3343 9180	056-048
OSK INVESTMENT BANK BERHAD	3rd Floor, 1A-D Jalan USJ 10/1A Pusat Perniagaan USJ 10 47610 UEP Subang Jaya Selangor Darul Ehsan Tel. No.: +603 8023 6518	056-063
OSK INVESTMENT BANK BERHAD	11-1, Jalan PJU 5/12 Dataran Sunway Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 6148 3361	056-065
OSK INVESTMENT BANK BERHAD	Ground Floor and First Floor No.13, Jalan Kenari 3 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel. No.: +603 8070 6899	056-066

**20. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>SELANGOR DARUL EHSAN (Cont'd)</b>		
PM SECURITIES SDN BHD	No. 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel. No.: +603 8070 0773	064-003
PM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel. No.: +603 3341 5300	064-007
SJ SECURITIES SDN BHD	Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22 40000 Shah Alam Selangor Darul Ehsan Tel. No.: +603 5192 0202	096-001
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel. No.: +603 8025 1880	058-005
TA SECURITIES HOLDINGS BERHAD	2nd Floor, Wisma TA No.1A, Jalan SS 20/1 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7729 5713	058-007
<b>MELAKA</b>		
CIMB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel. No. : +606 2898 800	065-006
ECM LIBRA INVESTMENT BANK BERHAD	71(A&B) & 73(A&B), Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel. No.: +606 2881 720	052-008
ECM LIBRA INVESTMENT BANK BERHAD	22A & 22A-1 and 26 & 26-1 Jalan MP 10 Taman Merdeka Permai 75350 Batu Berendam Melaka Tel. No.: +606 3372 550	052-016

**20. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>MELAKA (Cont'd)</b>		
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang, P. O. Box 248 75250 Melaka Tel. No.: +606 3371 533	012-001
MERCURY SECURITIES SDN BHD	No. 81-B & 83-B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel. No.: +606 2921 898	093-003
OSK INVESTMENT BANK BERHAD	579, 580 & 581 Taman Melaka Raya 75000 Melaka Tel. No.: +606 2825 211	056-003
PM SECURITIES SDN BHD	No. 11 & 13, Jalan PM2 Plaza Mahkota 75000 Melaka Tel. No.: +606 2866 008	064-006
RHB INVESTMENT BANK BERHAD	No.19, 21 & 23 Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel. No.: +606 2833 622	087-002
<b>PERAK DARUL RIDZUAN</b>		
A.A. ANTHONY SECURITIES SDN BHD	29G, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel. No. : +605 6216 010	078-009
CIMB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> Floor No.8, 8A – 8C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel. No.:+605 2088 688	065-010
ECM LIBRA INVESTMENT BANK BERHAD	No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel. No.: +605 2422 828	052-002
ECM LIBRA INVESTMENT BANK BERHAD	No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Tel. No.: +605 6222 828	052-006

**20. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>PERAK DARUL RIDZUAN (Cont'd)</b>		
ECM LIBRA INVESTMENT BANK BERHAD	Ground Floor No.25 & 25A Jalan Jaya2, Medan Jaya 32000 Sitiawan Perak Darul Ridzuan Tel. No.: +605 6939 828	052-014
HWANGDBS INVESTMENT BANK BERHAD	Ground, Level 1, 2 & 3 21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel. No.: +605 8066 688	068-003
HWANGDBS INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel. No.: +605 2559 988	068-015
HONG LEONG INVESTMENT BANK BERHAD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel. No.: +605 2530 888	066-003
MAYBANK INVESTMENT BANK BERHAD	B-G-04 (Ground Floor), Level 1 & 2 No.42 Persiaran Greentown 1 Pusat Perdagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel. No.: +605 2453 400	098-002
M & A SECURITIES SDN BHD	M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel. No.: +605 2419 800	057-001
OSK INVESTMENT BANK BERHAD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel. No.: +605 2415 100	056-002
OSK INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor No. 17, Jalan Intan 2, Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel. No.: +605 6236 498	056-014
OSK INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel. No.: +605 6921 228	056-016



**20. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>PERAK DARUL RIDZUAN (Cont'd)</b>		
OSK INVESTMENT BANK BERHAD	Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel. No.: +605 8088 229	056-034
OSK INVESTMENT BANK BERHAD	72, Ground Floor Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel. No.: +605 4651 261	056-044
OSK INVESTMENT BANK BERHAD	Ground Floor No. 2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Tel. No.: +605 7170 888	056-052
TA SECURITIES HOLDINGS BERHAD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel. No.: +605 2531 313	058-001
<b>PULAU PINANG</b>		
A.A. ANTHONY SECURITIES SDN BHD	1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Floor Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Tel. No.: +604 2299 318	078-002
A.A. ANTHONY SECURITIES SDN BHD	Ground & 1 <sup>st</sup> Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Tel. No.: +604 5541 388	078-003
ALLIANCE INVESTMENT BANK BERHAD	Suite 2.1 & 2.4, Level 2 Wisma Great Eastern No. 25, Lebuh Light 10200 Penang Tel. No.: +604 2611 688	076-015
AMINVESTMENT BANK BERHAD	Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel. No.: +604 2261 818	086-004

**20. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>PULAU PINANG (Cont'd)</b>		
AMINVESTMENT BANK BERHAD	Level 3 No. 15, Lebuhr Pantai 10300 Pulau Pinang Tel. No.: +604 2618 688	086-007
CIMB INVESTMENT BANK BERHAD	Ground Floor Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel. No.: +604 2385 900	065-003
ECM LIBRA INVESTMENT BANK BERHAD	7 <sup>th</sup> , 8 <sup>th</sup> & 16 <sup>th</sup> Floor, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel. No.: +604 2283 355	052-003
HWANGDBS INVESTMENT BANK BERHAD	Level 2, 3, 4, 7 & 8, Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel. No.: +604 2636 996	068-001
HWANGDBS INVESTMENT BANK BERHAD	No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Tel. No.: +604 5372 882	068-006
INTER-PACIFIC SECURITIES SDN BHD	Ground, Mezzanine & 8 <sup>th</sup> Floor Bangunan Mayban Trust No. 3, Penang Street 10200 Pulau Pinang Tel. No.: +604 2690 888	054-002
KENANGA INVESTMENT BANK BERHAD	Lot 1.02, Level 1, Menara KWSP 38, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel. No.: +604 2106 666	073-013
MERCURY SECURITIES SDN BHD	Ground, 1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Pulau Pinang Tel. No.: +604 3322 123	093-001
MERCURY SECURITIES SDN BHD	2 <sup>nd</sup> Floor, Standard Chartered Bank Chambers 2 Lebuhr Pantai 10300 Pulau Pinang Tel. No.: +604 2639 118	093-004

**20. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>PULAU PINANG (Cont'd)</b>		
M&A SECURITIES SDN BHD	332H-1 & 332G-2 Harmony Square Jalan Perak 11600 Georgetown Pulau Pinang Tel. No.: +604 2817 611	057-002
OSK INVESTMENT BANK BERHAD	64 & 64-D Tingkat Bawah – Tingkat 3 & 5 – Tingkat 8 Lebuh Bishop Tel. No.: +604 2634 222	056-004
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Pulau Pinang Tel. No.: +604 3900 022	056-005
OSK INVESTMENT BANK BERHAD	Ground & Upper Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Tel. No.: +604 5402 888	056-015
OSK INVESTMENT BANK BERHAD	834, Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Tel. No.: +604 5831 888	056-032
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5 & 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Tel. No.: +604 6404 888	056-042
OSK INVESTMENT BANK BERHAD	41-A, 41-B and 41-C Lintang Angsana Bandar Baru Air Itam 11500 Pulau Pinang Tel. No.: +604 8352 988	056-064
PM SECURITIES SDN BHD	Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel. No.: +604 2273 000	064-004

**20. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>PERLIS INDRA KAYANGAN</b>		
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Podium Block KWSP Building 01000 Kangar Perlis Indra Kayangan Tel. No.: +604 9765 200	076-003
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indra Kayangan Tel. No.: +604 9793 888	056-061
<b>KEDAH DARUL AMAN</b>		
A.A. ANTHONY SECURITIES SDN BHD	Lot 4, 5 & 5A 1st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel. No.: +604 7322 111	078-007
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel. No.: +604 7317 088	076-004
HWANGDBS INVESTMENT BANK BERHAD	No. 70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel. No.: +604 4256 666	068-011
OSK INVESTMENT BANK BERHAD	No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel. No.: +604 4204 888	056-017
OSK INVESTMENT BANK BERHAD	35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Tel. No.: +604 4964 888	056-019
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel. No.: +604 7209 888	056-021

**20. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>NEGERI SEMBILAN DARUL KHUSUS</b>		
ECM LIBRA INVESTMENT BANK BERHAD	1C-1 & 1D-1, First Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: +606 7655 998	052-013
HWANGDBS INVESTMENT BANK BERHAD	Ground & 1st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: +606 7612 288	068-007
HWANGDBS INVESTMENT BANK BERHAD	No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel. No.: +606 4553 188	068-013
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: +606 7641 641	056-024
OSK INVESTMENT BANK BERHAD	1st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel. No.: +606 4421 000	056-037
OSK INVESTMENT BANK BERHAD	1st & 2nd Floor No. 168, Jalan Mewah (Pusat Perniagaan UMNO Bahagian Jempol) 72100 Bahau Negeri Sembilan Darul Khusus Tel. No.: +606 4553 014	056-040
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 346 & 347, Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel. No.: +606 6461 234	056-046
PM SECURITIES SDN BHD	1st, 2nd & 3rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: +606 7623 131	064-002

**20. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>JOHOR DARUL TAKZIM</b>		
A.A. ANTHONY SECURITIES SDN BHD	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel. No.: +607 3332 000	078-001
A.A. ANTHONY SECURITIES SDN BHD	42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel. No.: +607 6637 398	078-005
A.A. ANTHONY SECURITIES SDN BHD	No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel. No.: +607 3513 218	078-006
A.A. ANTHONY SECURITIES SDN BHD	No. 171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Tel. No.: +607 5121 633	078-008
ALLIANCE INVESTMENT BANK BERHAD	No. 73, Ground & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel. No.: +607 7717 922	076-006
AMINVESTMENT BANK BERHAD	2nd & 3rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel. No.: +607 4342 282	086-002
AMINVESTMENT BANK BERHAD	18th & 31st Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel. No.: +607 3343 855	086-006
ECM LIBRA INVESTMENT BANK BERHAD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel. No.: +606 9532 222	052-004
ECM LIBRA INVESTMENT BANK BERHAD	Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel. No.: +607 4678 885	052-005

**20. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>JOHOR DARUL TAKZIM (Cont'd)</b>		
HWANGDBS INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel. No.: +607 2222 692	068-004
INTER-PACIFIC SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel. No.: +607 2231 211	054-004
KENANGA INVESTMENT BANK BERHAD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel. No.: +607 3333 600	073-004
KENANGA INVESTMENT BANK BERHAD	No. 31, Lorong Dato' Ahmad Jalan Khalidi 84000 Muar Johor Darul Takzim Tel. No.: +606 9542 711	073-008
KENANGA INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 34 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel. No.: +607 9333 515	073-009
KENANGA INVESTMENT BANK BERHAD	No. 33 & 35 (Ground & 1st Floor A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel. No.: +607 7771 161	073-010
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel. No.: +606 9782 292	073-011
M&A SECURITIES SDN BHD	Suite 5.3A, Level 5 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel. No.: +607 3381 233	057-003
M&A SECURITIES SDN BHD	26, Jalan Indah 16/5 Taman Bukit Indah 81200 Johor Bahru Johor Darul Takzim Tel. No.: +607 2366 288	057-006

**20. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>JOHOR DARUL TAKZIM (Cont'd)</b>		
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel. No.: +607 3316 992	093-005
MIMB INVESTMENT BANK BERHAD	Suite 25.02, Level 25 Johor Bahru City Square (Office Tower) No. 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel. No.: +607 2227 388	061-002
MIMB INVESTMENT BANK BERHAD	1st Floor, No.9 Jalan Kundang Taman Bukit Pasir 83000 Batu Pahat Johor Darul Takzim Tel. No.: +607 4313 688	061-003
OSK INVESTMENT BANK BERHAD	6th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel. No.: +607 2788 821	056-006
OSK INVESTMENT BANK BERHAD	53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel. No.: +607 4380 288	056-009
OSK INVESTMENT BANK BERHAD	No. 33-1, 1st & 2nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel. No.: +606 9538 262	056-025
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel. No.: +607 5577 628	056-029
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel. No.: +607 9321 543	056-030



**20. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>JOHOR DARUL TAKZIM (Cont'd)</b>		
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 17, Jalan Manggis 86000 Kluang Johor Darul Takzim Tel. No.: +607 7769 655	056-031
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel. No.: +607 6626 288	056-035
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Tel. No.: +606 9787 180	056-038
OSK INVESTMENT BANK BERHAD	1st Floor, No. 2 & 4 Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Tel. No.: +607 9256 881	056-039
OSK INVESTMENT BANK BERHAD	Ground & 1st & 2nd Floor Nos. 21 & 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel. No.: +607 3522 293	056-043
PM SECURITIES SDN BHD	No. 41, Jalan Molek 2/4 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel. No.: +607 3513 232	064-005
PM SECURITIES SDN BHD	Ground & 1st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Tel. No.: +607 4333 608	064-008
<b>PAHANG DARUL MAKMUR</b>		
ALLIANCE INVESTMENT BANK BERHAD	A-397, A-399 & A-401 Taman Sri Kuantan III, Jalan Beserah 25300 Kuantan Pahang Darul Makmur Tel. No.: +609 5660 800	076-002

**20. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>PAHANG DARUL MAKMUR (Cont'd)</b>		
CIMB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. A-27 (Aras G, 1 & 2) Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel. No. : +609 5057 800	065-007
ECM LIBRA INVESTMENT BANK BERHAD	A15, A17 & A19, Ground Floor Jalan Tun Ismail 2, Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel. No.: +609 5171 698	052-007
OSK INVESTMENT BANK BERHAD	B2 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel. No.: +609 5173 811	056-007
OSK INVESTMENT BANK BERHAD	Ground Floor 98 Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel. No.: +609 2234 943	056-022
OSK INVESTMENT BANK BERHAD	Ground Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel. No.: +605 4914 913	056-041
<b>KELANTAN DARUL NAIM</b>		
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel. No.: +609 7430 077	056-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel. No.: +609 7432 288	058-004
<b>TERENGGANU DARUL IMAN</b>		
ALLIANCE INVESTMENT BANK BERHAD	No. 1D, Ground & Mezzanine No. 1E, Ground, Mezzanine 1st & 2nd Floor, Jalan Air Jerneh 20300 Kuala Terengganu Terengganu Darul Iman Tel. No.: +609 6317 922	076-009

**20. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>TERENGGANU DARUL IMAN (Cont'd)</b>		
FA SECURITIES SDN BHD	No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel. No.: +609 6238 128	021-001
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel. No.: +609 8583 109	056-027
OSK INVESTMENT BANK BERHAD	31A, Ground Floor 31A & 31B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel. No.: +609 6261 816	056-055
<b>SARAWAK</b>		
AMINVESTMENT BANK BERHAD	No. 164, 166 & 168 1st, 2nd & 3rd Floor Jalan Abell 93100 Kuching Sarawak Tel. No.: +6082 244 791	086-005
CIMB INVESTMENT BANK BERHAD	Level 1, Wisma STA 26, Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel. No.: +6082 358 606	065-004
CIMB INVESTMENT BANK BERHAD	No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibu Sarawak Tel. No.: +6084 367 700	065-008
HWANGDBS INVESTMENT BANK BERHAD	Lot 328, Jalan Abell 93100 Kuching Sarawak Tel. No.: +6082 236 999	068-005
HWANGDBS INVESTMENT BANK BERHAD	No. 282, 1st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel. No.: +6086 330 008	068-016

**20. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>SARAWAK (Cont'd)</b>		
KENANGA INVESTMENT BANK BERHAD	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel. No.: +6085 435 577	073-002
KENANGA INVESTMENT BANK BERHAD	Level 5, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel. No.: +6082 338 000	073-003
KENANGA INVESTMENT BANK BERHAD	No. 11-12 (Ground & 1st Floor) Lorong Kampung Datu 3 96000 Sibul Sarawak Tel. No.: +6084 313 855	073-012
OSK INVESTMENT BANK BERHAD	Ground, 1st & 6th Floor Wisma Chinese Chambers Lot 357, Section 47, K.T.L.D. Jalan Bukit Mata Kuching 93100 Kuching Sarawak Tel. No.: +6082 422 252	056-008
OSK INVESTMENT BANK BERHAD	Lot 1268, 1st & 2nd Floor Lot 1269, 2nd Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel. No.: +6085 422 788	056-012
OSK INVESTMENT BANK BERHAD	101 & 102, Pusat Pedada Jalan Pedada 96000 Sibul Sarawak Tel. No.: +6084 329 100	056-013
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Tel. No.: +6084 654 100	056-050
OSK INVESTMENT BANK BERHAD	Ground Floor No. 221, Parkcity Commercial Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel. No.: +6086 311 770	056-053

**20. LIST OF ADAS (Cont'd)**

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>SARAWAK (Cont'd)</b>		
TA SECURITIES HOLDINGS BERHAD	12G, H & I Jalan Kampong Datu 96000 Sibu Sarawak Tel. No.: +6084 319 998	058-002
TA SECURITIES HOLDINGS BERHAD	2nd Floor, (Bahagian Hadapan) Bangunan Binamas, Lot 138 Section 54, Jalan Pandung 93100 Kuching Sarawak Tel. No.: +6082 236 333	058-006
<b>SABAH</b>		
CIMB INVESTMENT BANK BERHAD	1st & 2nd Floor Central Building No.28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel. No.: +6088 328 878	065-005
ECM LIBRA INVESTMENT BANK BERHAD	Aras 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel. No.: +6088 236 188	052-012
HWANGDBS INVESTMENT BANK BERHAD	Suite 1-9-E1, 9th Floor, CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel. No.: +6088 311 688	068-008
INNOSABAH SECURITIES BERHAD	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel. No.: +6088 234 090	020-001
OSK INVESTMENT BANK BERHAD	5th Floor, Wisma BSN Sabah Jalan Kemajuan, Karamunsing 88000 Kota Kinabalu Sabah Tel. No.: +6088 269 788	056-010
OSK INVESTMENT BANK BERHAD	Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah, Mile 4 North Road 91000 Sandakan Sabah Tel. No.: +6089 229 286	056-057

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2012**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT**

**On consolidated results for the first quarter ended 31 March 2012**

The Directors are pleased to announce the following:

**Unaudited Condensed Consolidated Statement of Comprehensive Income  
Amounts in RM thousand unless otherwise stated**

	Note	Quarter ended 31 March 2012	Quarter ended 31 March 2011
Revenue		1,719,997	1,688,481
Cost of sales		<u>(1,330,223)</u>	<u>(1,036,756)</u>
Gross profit		389,774	651,725
Other operating income		1,038	3,702
Selling and distribution costs		(30,926)	(38,036)
Administrative expenses		(56,831)	(44,408)
Other operating expenses		-	(9,490)
Other (losses)/gains-net		(213)	(16,907)
Fair value changes in Land Lease Agreement ('LLA') liability		<u>(47,552)</u>	<u>-</u>
Operating profit	15	255,290	546,586
Finance income		11,147	4,073
Finance costs		<u>(27,777)</u>	<u>(27,039)</u>
Finance costs-net		(16,630)	(22,966)
Share of results from associates		35,014	(11,185)
Share of results from jointly controlled entities		<u>7,132</u>	<u>(17,151)</u>
<b>Profit before taxation</b>		280,806	495,284
Taxation	16	<u>(57,594)</u>	<u>(145,126)</u>
<b>Profit for the financial period</b>		<u>223,212</u>	<u>350,158</u>

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**On consolidated results for the first quarter ended 31 March 2012 (continued)**

**Unaudited Condensed Consolidated Statement of Comprehensive Income (continued)**  
**Amounts in RM thousand unless otherwise stated**

	Note	Quarter ended 31 March 2012	Quarter ended 31 March 2011
<b>Profit for the financial period</b>		223,212	350,158
<b>Other comprehensive income/(loss)</b>			
Share of other comprehensive income of associates		7,192	9,305
Share of other comprehensive (loss)/income of jointly controlled entities		(10,630)	12,145
Currency translation differences		(8,049)	(1,518)
Other comprehensive (loss)/income for the financial period, net of tax		(11,487)	19,932
<b>Total comprehensive income for the financial period</b>		<u>211,725</u>	<u>370,090</u>
<b>Profit/(loss) attributable to:</b>			
- Owners of the Company		192,165	359,048
- Non-controlling interests		<u>31,047</u>	<u>(8,890)</u>
<b>Profit for the financial period</b>		<u>223,212</u>	<u>350,158</u>
<b>Total comprehensive income attributable to:</b>			
- Owners of the Company		180,678	379,141
- Non-controlling interests		<u>31,047</u>	<u>(9,051)</u>
<b>Total comprehensive income for the financial period</b>		<u>211,725</u>	<u>370,090</u>
Basic EPS (sen)	22	10.9	20.3
Diluted EPS (sen)	22	7.2	12.9

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the interim financial report and the audited financial statements for the financial year ended 31 December 2011 included in the Prospectus.

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS  
ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**On consolidated results for the first quarter ended 31 March 2012 (continued)**

**Unaudited Condensed Consolidated Statement of Financial Position**

**Amounts in RM thousand unless otherwise stated**

	<b>Note</b>	<b>Unaudited As at 31 March 2012</b>	<b>Audited As at 31 December 2011 (restated)</b>
<b><u>Non-current assets</u></b>			
Property, plant and equipment		1,699,704	1,697,026
Goodwill and intangible assets		674,314	662,686
Interests in associates		2,434,590	2,388,197
Interests in jointly controlled entities		345,855	349,353
Biological assets		1,861,123	1,858,842
Prepaid lease payments		768	786
Loan due from other related company		17,069	17,090
Amounts due from jointly controlled entity		75,306	45,520
Deferred tax assets		1,509,979	41,998
		<u>8,618,708</u>	<u>7,061,498</u>
<b><u>Current assets</u></b>			
Inventories		635,895	464,117
Biological assets		4,103	11,198
Receivables		358,795	403,580
Amounts due from other related companies		767,947	4,118
Amounts due from an associate		2,641	-
Tax recoverable		36,347	21,729
Loan due from other related company		10,481	10,836
Derivative financial assets	19	977	2,842
Cash and cash equivalents		1,674,180	1,778,130
		<u>3,491,366</u>	<u>2,696,550</u>
<b>Total assets</b>		<u>12,110,074</u>	<u>9,758,048</u>
<b><u>Equity</u></b>			
Share capital		1,767,612	1,767,612
Redeemable preference shares		9,005	9,005
Share premium		881,783	881,783
Foreign exchanges reserve		(75,608)	(60,608)
Reorganisation reserve		(2,088,969)	2,347,742
Other reserves		71,701	68,188
Retained earnings		793,706	601,541
<b>Equity attributable to owners of the Company</b>		<u>1,359,230</u>	<u>5,615,263</u>
Non-controlling interests		854,409	823,362
<b>Total equity</b>		<u>2,213,639</u>	<u>6,438,625</u>
<b><u>Non-current liabilities</u></b>			
Borrowings	18	35,732	40,518
Loan due to ultimate holding body	18	1,835,000	1,835,000
LLA liability		5,220,066	-
Provision for liabilities		4,346	7,398
Provision for defined benefit plan		342	492
Deferred tax liabilities		154,396	154,782
		<u>7,249,882</u>	<u>2,038,190</u>



**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**On consolidated results for the first quarter ended 31 March 2012 (continued)**

**Unaudited Condensed Consolidated Statement of Financial Position (continued)**  
**Amounts in RM thousand unless otherwise stated**

	<b>Note</b>	<b>Unaudited As at 31 March 2012</b>	<b>Audited As at 31 December 2011 (restated)</b>
<b><u>Current liabilities</u></b>			
Payables		413,682	244,984
Loan due to ultimate holding body	18	19,736	5,448
Amount due to ultimate holding body		54,926	-
Amount due to an associate		2,695	21
Amount due to jointly controlled entity		-	35,092
Amounts due to other related companies		948,433	217,698
Borrowings	18	535,979	761,974
Provision for other liabilities		1,081	1,738
LLA liability		608,060	-
Current tax liabilities		61,961	14,278
		<u>2,646,553</u>	<u>1,281,233</u>
<b>Total liabilities</b>		<u>9,896,435</u>	<u>3,319,423</u>
<b>Total equity and liabilities</b>		<u>12,110,074</u>	<u>9,758,048</u>
	<b>Note</b>	<b>As at 31 March 2012</b>	<b>As at 31 December 2011</b>
Net assets per share attributable to owners of the Company		<u>0.77</u>	<u>3.18</u>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial report and the audited financial statements for the financial year ended 31 December 2011 included in the Prospectus.

## ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2012 (Cont'd)

## FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

## QUARTERLY REPORT (CONTINUED)

Unaudited Condensed Consolidated Statement of Changes in Equity  
Amounts in RM thousand unless otherwise stated

Quarter ended 31 March 2012	Note	Share capital	Redeem-able preference shares	Share premium	Foreign exchange reserve	Re- organisation reserve	Available for sale reserve	Capital redemption reserve	Other reserves	Retained earnings	Total	Non- controlling interests	Total equity
At 1 January 2012 (Audited)		1,767,612	9,005	881,783	(60,608)	-	33,526	1,047	33,615	601,541	3,267,521	823,362	4,090,883
Effects of acquisition of Plantation Estates	24	-	-	-	-	2,347,742	-	-	-	-	2,347,742	-	2,347,742
As restated		1,767,612	9,005	881,783	(60,608)	2,347,742	33,526	1,047	33,615	601,541	5,615,263	823,362	6,438,625
Effects of LLA and LLA Addendum	1	-	-	-	-	(4,436,711)	-	-	-	-	(4,436,711)	-	(4,436,711)
Total transactions with owner		-	-	-	-	(4,436,711)	-	-	-	-	(4,436,711)	-	(4,436,711)
Profit for the financial period		-	-	-	-	-	-	-	-	192,165	192,165	31,047	223,212
Other comprehensive income for the financial period, net of tax :		-	-	-	-	-	-	-	-	-	-	-	-
- currency translation differences		-	-	-	(8,049)	-	-	-	-	-	(8,049)	-	(8,049)
- share of other comprehensive income of associates		-	-	-	286	-	6,906	-	-	-	7,192	-	7,192
- share of other comprehensive income of jointly controlled entities		-	-	-	(7,237)	-	(3,393)	-	-	-	(10,630)	-	(10,630)
Total comprehensive income for the financial period		-	-	-	(15,000)	-	3,513	-	-	-	(11,487)	-	(11,487)
At 31 March 2012		1,767,612	9,005	881,783	(75,608)	(2,088,969)	37,039	1,047	33,615	793,706	1,359,230	854,409	2,213,639

## ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2012 (Cont'd)

## FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

## QUARTERLY REPORT (CONTINUED)

Unaudited Condensed Consolidated Statement of Changes in Equity (continued)  
Amounts in RM thousand unless otherwise stated

Quarter ended 31 March 2011	Note	Share capital	Redeemable preference shares	Share premium	Foreign exchange reserve	Re-organisation reserve	Available for sale reserve	Others	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2011 (Audited)		1,767,612	10,052	984,342	(58,034)	-	17,901	33,343	202,489	2,957,705	45,335	3,003,040
Effects of acquisition of Plantation Estates		-	-	-	-	2,400,784	-	-	-	2,400,784	-	2,400,784
As restated		1,767,612	10,052	984,342	(58,034)	2,400,784	17,901	33,343	202,489	5,358,489	45,335	5,403,824
Profit for the financial period		-	-	-	-	347,613	-	-	11,435	359,048	(8,890)	350,158
Other comprehensive income		-	-	-	-	-	-	-	-	-	-	-
for the financial period, net of tax :		-	-	-	(1,357)	-	-	-	-	(1,357)	(161)	(1,518)
- currency translation differences		-	-	-	(1,000)	-	10,305	-	-	9,305	-	9,305
- share of other comprehensive income of associates		-	-	-	-	-	-	-	-	-	-	-
- share of other comprehensive income of jointly controlled entities		-	-	-	(2,484)	-	14,172	457	-	12,145	-	12,145
Total comprehensive income for the financial period		-	-	-	(4,841)	-	24,477	457	-	20,093	(161)	19,932
Capital contribution to FELDA		-	-	-	(4,841)	347,613	24,477	457	11,435	379,141	(9,051)	370,090
Dilution of interest in subsidiaries		-	-	-	-	(356,633)	-	-	-	(356,633)	-	(356,633)
Total transactions with owner		-	-	-	-	(356,633)	-	-	109,349	109,349	159,741	269,090
At 31 March 2011		1,767,612	10,052	984,342	(62,875)	2,391,764	42,378	33,800	323,273	5,490,346	196,025	5,686,371

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial report and the audited financial statements for the financial year ended 31 December 2011 included in the Prospectus.

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS  
ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Unaudited Condensed Consolidated Statement of Cash Flows**  
**Amounts in RM thousand unless otherwise stated**

	<b>Note</b>	<b>Quarter ended 31 March</b>	
		<b>2012</b>	<b>2011</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit for the financial period</b>		223,212	350,158
Adjustments for non-cash items		108,942	247,252
<b>Operating profit before working capital changes</b>		332,154	597,410
Changes in working capital		(41,911)	(32,416)
<b>Cash generated from operations</b>		290,243	564,994
Finance income received		10,613	3,385
Taxation paid		(30,128)	(30,605)
Retirement benefits paid		(157)	(459)
<b>Net cash generated from operating activities</b>		270,571	537,315
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(30,305)	(32,166)
Acquisition of intangible assets		(13,318)	-
Proceeds from disposal of property, plant and equipment		23	90
Proceeds from dilution of interest in investment in a subsidiary		-	269,090
Dividend received from associate		-	8,894
<b>Net cash (used in)/ generated from investing activities</b>		(43,600)	245,908

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS  
ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Unaudited Condensed Consolidated Statement of Cash Flows (continued)**  
**Amounts in RM thousand unless otherwise stated**

		<b>Quarter ended 31 March</b>	
	<b>Note</b>	<b>2012</b>	<b>2011</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Drawdown of borrowings		-	64,001
Repayment of borrowings		(124,880)	-
Net (repayment)/proceeds from bankers acceptances		(105,900)	(67,700)
Repayment of LLA liability		(62,120)	-
Payment for capital lease		-	(461)
Finance costs paid		(27,777)	(27,039)
Net capital contribution to FELDA	1	-	(356,633)
Decrease in fixed deposits pledged for bank guarantee		76,062	-
<b>Net cash used in financing activities</b>		<u>(244,615)</u>	<u>(387,832)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(17,644)	395,391
Effect of foreign exchange rate changes		(10,242)	(10,674)
Cash and cash equivalents at beginning of the financial period		1,457,483	417,033
<b>Cash and cash equivalents at end of the financial period</b>		<u>1,429,597</u>	<u>801,750</u>
For the purpose of the statement of cash flows, cash and cash equivalents comprised the following:			
Bank balances, deposits and cash		1,674,180	836,198
Fixed deposits pledged		<u>(244,583)</u>	<u>(34,448)</u>
Cash and cash equivalents at end of the period		<u>1,429,597</u>	<u>801,750</u>

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial report and the audited financial statements for the financial year ended 31 December 2011 included in the Prospectus.

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS  
ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012  
Amounts in RM thousand unless otherwise stated**

This interim financial information of Felda Global Ventures Holdings Berhad ('FGVH') is prepared in accordance with the requirements of paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and complies with the requirements of the Financial Reporting Standard ('FRS') No. 134 – Interim Financial Reporting and other FRS issued by the Malaysian Accounting Standards Board. The interim financial report is unaudited and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 included in the Prospectus.

**1. Basis of Preparation**

**(a) General**

- (i) The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the annual financial statements for the financial year ended 31 December 2011, except as disclosed in Note 1(a)(ii) and 1(b) below.

On 19 November 2011, the Malaysian Accounting Standards Board ('MASB') issued the Malaysian Financial Reporting Framework (MFRS Framework). This IFRS-compliant framework is applicable for all non-private entities for annual periods beginning on or after 1 January 2012, other than Transitioning Entities ('TEs'), which may defer adoption by one year in view of potential changes on the horizon which may change current accounting treatment.

TEs are non-private entities within the scope of MFRS 141 'Agriculture' and IC Interpretation 15 'Agreements for the Construction of Real Estate', including their parent, significant investor and venturer.

FGVH has elected to be a TE and therefore, will adopt the MFRS Framework with effect from the financial year beginning 1 January 2013.

- (ii) FGVH entered into an agreement with FELDA on 1 November 2011 to lease (i) lands with individual land titles issued to FELDA as the registered owner (ii) existing lands granted to FELDA for development but where individual land titles have not been issued to FELDA and (iii) other lands to be alienated or to be acquired by FELDA in the future.

The LLA will commence on 1 January 2012 or upon fulfilment of statutory approvals, whichever is later, which includes consent by the relevant State Authorities in which the lands are situated.

On 2 January 2012, FGVH entered into an addendum to the LLA ('LLA Addendum') to acquire certain assets and liabilities of the Plantation Estates ('Plantation Estates') owned by FELDA and operated by Felda Plantations Sdn. Bhd. ('FPSB') for a purchase consideration equivalent to the carrying values of the assets and liabilities acquired as at 31 December 2011.

On 6 January 2012, as part of its restructuring process, FELDA, FGVH and Felda Global Ventures Plantations (Malaysia) Sdn. Bhd. ('FGVPM') had entered into a Novation Agreement whereby all benefits, rights, title, interest, obligations, undertakings, covenants and liabilities of FGVH under the Land Lease Agreement ('LLA') shall be transferred by FGVH to FGVPM from 1 January 2012 and FELDA has consented to the transfer of all of FGVH's benefits, rights, title, interest, obligations, undertakings, covenants and liabilities to FGVPM subject to the terms and conditions of the Novation Agreement.

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS  
ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**

**Amounts in RM thousand unless otherwise stated**

**1. Basis of Preparation (continued)**

**(a) General (continued)**

- (ii) As FGVPM applies the predecessor method of accounting, the carve-out financial statements of the Plantation Estates owned by FELDA ('Plantation Estates') and operated by Felda Plantations Sdn. Bhd. ('FPSB') have been incorporated in the condensed consolidated interim financial information from the date the Plantation Estates first came under common control of the controlling party, FELDA. Accordingly, the statement of comprehensive income and statement of cash flows for the period ended 31 March 2011 were prepared as if this structure of FGVH had been existence throughout the period presented. The net cash flows arising from the operation of the Plantation Estates for the comparative period is deemed to be a net capital contribution to FELDA. The statement of financial position as at 31 December 2011 was prepared to present the assets and liabilities of FGVH as if the above structure had been in existence at that date.

The results of the Plantation Estates that have been accounted for in the statement of comprehensive income under the predecessor method of accounting are as follows:

	<b>Quarter ended 31 March 2011</b>
Revenue	775,396
Cost of sales	<u>(283,305)</u>
Gross profit	492,091
Other operating income	1,230
Administrative expenses	(25,327)
Other operating expenses	(4,509)
Taxation	<u>(115,871)</u>
Profit for the financial period	<u>347,614</u>

The assets and liabilities contributed by the Plantation Estates included in the statement of financial position under the predecessor method of accounting are as follows:

	<b>As at 31 December 2011</b>
Property, plant and equipment	695,262
Biological assets	1,858,220
Inventories	57,488
Receivables	8,102
Cash and cash equivalents	306
Payables	(123,969)
Amounts due to other related companies	(129,793)
Deferred tax liabilities	<u>(17,874)</u>
	<u>2,347,742</u>

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS  
ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**  
**Amounts in RM thousand unless otherwise stated**

**1. Basis of Preparation (continued)**

(a) General (continued)

- (ii) The LLA is deemed to be effective from 1 January 2012 pursuant to the contractual arrangements of the LLA and the effects are as follows:

	<b>As at 1 January 2012</b>
LLA liability	5,842,694
Amount due to the ultimate holding body	54,690
Deferred tax assets	<u>(1,460,673)</u>
Reorganisation reserve	<u>4,436,711</u>

(b) FRSs applicable in 2012

Financial reporting standards under the existing FRS Framework that are adopted by FGVH as of 1 January 2012 in preparing this interim financial report are disclosed below.

- (i) **Revised FRS 124 – Related Party Disclosures**  
Revised FRS 124 simplifies the definition of a related party and provides for reduced disclosures for transactions with government-related entities. The impact of the additional disclosures is described in Note 8.
- (ii) **Amendments to FRS 7 – Financial Instruments : Disclosures**  
Amendments to FRS 7 stipulate the disclosure requirements for all transferred financial assets that are not derecognised and also for any continuing involvement in a transferred financial asset.
- (iii) **Amendments to FRS 112 – Income Taxes**  
Amendments to FRS 112 clarifies that deferred tax on investment property measured using fair value model should be based on the tax rate applicable to taxable amount derived from sale unless the objective is to consume substantially all of the economic benefits embodied in the investment property over time. If the objective is to consume the economic benefits over time, deferred tax should reflect the tax consequences of recovering the carrying amount of the investment property through usage.
- (iv) **IC Interpretation 14 – FRS 119 – The Limit on a Defined Benefit Assets, minimum funding Requirements and their Interaction**  
ICI 14 permits an entity to recognize the prepayments of contributions as an asset, rather than an expense in circumstances when the entity is subject to a minimum funding requirement and makes an early payment of contributions to meet those requirements.
- (v) **IC Interpretation 19 – Extinguishing Financial Liabilities with Equity Instruments**  
ICI 19 provides clarification when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. A gain or loss, being the difference between the carrying value of the financial liability and the fair value of the equity instruments issued, shall be recognised in profit or loss. Entities are no longer permitted to reclassify the carrying value of the existing financial liability into equity with no gain or loss recognised in profit or loss.



**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS  
ENDED 31 MARCH 2012 (Cont'd)**

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**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**

**Amounts in RM thousand unless otherwise stated**

**1. Basis of Preparation (continued)**

**(b) FRSs applicable in 2012 (continued)**

The adoption did not result in any changes to FGVH accounting policies, results and financial position, other than additional disclosures required by 1(b)(i) above

**(c) FRSs applicable from 2013**

New and revised standards and interpretations that will be effective for annual periods beginning on or after 1 January 2013:

**(i) MFRS 1 – First Time Adoption of Malaysian Financial Reporting Standards ('MFRS')**

In the financial year beginning 1 January 2013, FGVH will be adopting the new IFRS-compliant framework, Malaysia Financial Reporting Standards ('MFRS'). MFRS 1 First-time Adoption of MFRS provides for certain optional exemptions and certain mandatory exceptions for first-time MFRS adopters.

**(ii) MFRS 10 - Consolidated Financial Statements**

MFRS 10 outlines the changes in the definition of control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. It establishes control as the basis for determining which entities are consolidated in the consolidated financial statements and sets out the accounting requirements for the preparation of consolidated financial statements. It replaces all the guidance on control and consolidation in MFRS 127 'Consolidated and separate financial statements' and IC Interpretation 112 'Consolidation – special purpose entities'.

**(iii) MFRS 11 - Joint Arrangements**

MFRS 11 requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations arising from the arrangement, rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.

**(iv) MFRS 12 - Disclosures of Interests In Other Entities**

MFRS 12 sets out the required disclosures for entities reporting under the two new standards, MFRS 10 and MFRS 11, and replaces the disclosure requirements currently found in MFRS 128 'Investments in associates'. It requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS  
ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**

**Amounts in RM thousand unless otherwise stated**

**1. Basis of Preparation (continued)**

**(c) FRSs applicable from 2013 (continued)**

New and revised standards and interpretations that will be effective for annual periods beginning on or after 1 January 2013 (continued)

**(v) MFRS 13 - Fair Value Measurement**

MFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across MFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhanced disclosure requirements are similar to those in MFRS 7 'Financial instruments: Disclosures', but apply to all assets and liabilities measured at fair value, not just financial ones.

**(vi) MFRS 141 - Agriculture**

MFRS 141 requires biological assets and agricultural produce at the point of harvest to be measured at fair value less costs to sell. Upon adoption, the biological assets of FGVH will be fair valued and the impact of the fair value adjustment will be accounted for retrospectively by adjusting retained earnings. Subsequent changes in fair value after that date of the biological assets shall be included in profit or loss in the period in which the changes arise.

Upon adoption of MFRS 141 on 1 January 2013, the biological assets of FGVH will be fair valued and the impact of the fair value adjustment will be accounted for retrospectively by adjusting retained earnings. Subsequent changes in fair value after that date of the biological assets shall be included in profit or loss in the period in which the changes arise.

**(vii) Amendment to MFRS 7 - Financial instruments: Disclosures**

MFRS 7 requires more extensive disclosures focusing on quantitative information about recognised financial instruments that are offset in the statement of financial position and those that are subject to master netting or similar arrangements irrespective of whether they are offset.

**(viii) Amendment to MFRS 101 Presentation of Items of Other Comprehensive Income**

Amendment to MFRS 101 requires entities to separate items presented in 'other comprehensive income' ('OCI') in the statement of comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. The amendments do not address which items are presented in OCI.

**(ix) Amendment to Revised MFRS 119 - Employee Benefits**

Revised MFRS 119 makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. Actuarial gains and losses will no longer be deferred using the corridor approach. MFRS 119 shall be withdrawn on application of this amendment.

Upon adoption of Revised MFRS 119, FGVH will no longer apply the corridor approach as an accounting policy.

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS  
ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**  
**Amounts in RM thousand unless otherwise stated**

**1. Basis of Preparation (continued)**

(c) FRSs applicable from 2013 (continued)

New and revised standards and interpretations that will be effective for annual periods beginning on or after 1 January 2013 (continued)

(x) **Revised MFRS 127 - Separate Financial Statements**

Revised MFRS 127 includes the provisions on separate financial statements that are left after the control provisions of MFRS 127 have been included in the new MFRS 10.

(xi) **Revised MFRS 128 - Investments in Associates and Joint Ventures**

Revised MFRS 128 includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of MFRS 11.

(xii) **Amendment to MFRS 1 –Government Loans**

A first-time adopter shall classify all government loans received as a financial liability or an equity instrument in accordance with MFRS 132 *Financial Instruments: Presentation*. This is applied prospectively to government loans existing at the date of transition to MFRSs and shall not recognise the corresponding benefit of the government loan at a below-market rate of interest as a government grant. Consequently, if a first-time adopter did not, under its previous accounting treatment, recognise and measure a government loan at a below-market rate of interest on a basis consistent with MFRS requirements, it shall use its previous carrying amount of the loan at the date of transition to MFRSs as the carrying amount of the loan in the opening MFRS statement of financial position. An entity shall apply MFRS 9 to the measurement of such loans after the date of transition to MFRSs.

(d) FRSs applicable from 2014

New and revised standards and interpretation that will be effective for annual periods beginning on or after 1 January 2014:

(i) **Amendment to MFRS 132 - Financial instruments: Presentation**

Amendments to MFRS 132 clarifies the meaning of 'currently has a legally enforceable right of set-off' that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS  
ENDED 31 MARCH 2012 (Cont'd)**

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**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**  
**Amounts in RM thousand unless otherwise stated**

**1. Basis of Preparation (continued)**

(e) FRSs applicable from 2015

New and revised standards and interpretations that will be effective for annual periods beginning on or after 1 January 2015:

**(i) MFRS 9 - Financial Instruments - Classification and Measurement of Financial Assets and Financial Liabilities**

MFRS 9 replaces the multiple classification and measurement models in MFRS 139 with a single model that has only two classification categories: amortised cost and fair value. The basis of classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The accounting and presentation for financial liabilities and for de-recognising financial instruments has been relocated from MFRS 139, without change, except for financial liabilities that are designated at fair value through profit or loss ('FVTPL'). Entities with financial liabilities designated at FVTPL recognise changes in the fair value due to changes in the issuer's credit risk directly in other comprehensive income ('OCI'). There is no subsequent recycling of the amounts in OCI to profit or loss, but accumulated gains or losses may be transferred within equity.

The financial impact of these FRSs is pending assessment by the Directors.

**2. Seasonal or Cyclical Factors**

FGVH's operations are not materially affected by seasonal or cyclical factors except for the rubber tapping process during monsoon season in November until March and production of fresh fruit bunches ('FFB') may also be affected by the vagaries of weather and cropping patterns. The harvest of FFB in our palm oil plantations tends to increase in the second half of the financial year as a result of rainfall pattern in Malaysia, which typically leads to a greater supply of CPO and PK during the second half of the financial year as FFB is processed following its harvest.

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS  
ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**  
**Amounts in RM thousand unless otherwise stated**

**3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no material unusual items affecting FGVH's assets, liabilities, equity, net income or cash flows during the financial period under review except for the impact of the following agreements:

- (a) The LLA dated 1 November 2011 between FGVH and Lembaga Kemajuan Tanah Persekutuan ('FELDA'), the ultimate holding body of FGVH came into effect on 1 January 2012. The effects are as detailed in Note 1 (a)(ii) to the Report;
- (b) The Supply and Delivery Agreement ('SDA') signed between FGVPM, a wholly-owned subsidiary of FGVH and Felda Palm Industries Sdn. Bhd. ('FPISB'), a subsidiary of Felda Holdings Bhd, an associate of FGVH.

As the SDA only came into effect on 1 March 2012, any related transactions, including the purchase and sale of crude palm oil ('CPO') under the arrangement, are not presented in the condensed consolidated interim financial information for the three months ended 31 March 2011, and the consolidated interim financial information for the three months ended 31 March 2012 reflects only CPO sales for one month of that three-month period.

Prior to entering into SDA, no revenue from CPO sales and no cost of sales relating to CPO purchases were recognised by FGVH.

In the condensed consolidated interim financial information for the three months ended 2012, FGVPM recognised revenue from sales of FFB to FPISB for the first two months of the three-month period, but with the effectiveness of the SDA, FGVPM no longer recognises revenue from the sales of FFB that FGVPM makes to FPISB, which comprises substantially all of their FFB sales. For periods after 1 March 2012, FGVPM recognises revenue from sales of CPO that FPISB produces using the FFB that is supplied by FGVPM. In respect of these CPO sales, FGVPM recognises as cost of sales the costs relating to the production of this FFB, including replanting, harvesting and cultivation costs.

In addition to the revenue FGVPM recognises from the sale of CPO that FPISB produces using the FFB that FGVPM supplies to it, FGVPM also recognises revenue from resale of CPO that FPISB produces from FFB it sources from other suppliers. The cost of this additional CPO that was purchased from FPISB is recognised as cost of sales.

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2012 (Cont'd)****FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')****QUARTERLY REPORT (CONTINUED)****Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**  
**Amounts in RM thousand unless otherwise stated****3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows (continued)**

- (c) The tolling agreement between Twin Rivers Technologies Enterprise de Transformation De Graines Oleagineuses Du Quebec Inc ('TRT ETGO'), a subsidiary of FGVH and Bunge ETGO, on 9 December 2011, pursuant to which Bunge ETGO provides TRT ETGO with soybeans and canola seeds, which TRT ETGO processes into soy and canola products that Bunge ETGO markets and sells.

Prior to entering into the tolling agreement, FGVH recognised revenue from the sale of soy and canola products and cost of sales from the purchase of soybeans and canola seeds. Following the effectiveness of the tolling agreement, however, FGVH no longer recognises such revenue and cost of sales, and recognises revenue only from tolling fees that Bunge ETGO pays to process the soybeans and canola seeds that it provides and the cost of sales related to the processing arrangements. Accordingly, the condensed consolidated interim financial information for the three months ended 31 March 2012 does not reflect revenue from the sale of soy and canola products or cost of sales from the purchase of soybeans and canola seeds, while the condensed consolidated interim financial information for the corresponding period in 2011 reflects such revenue and cost of sales. Since 9 December 2011, a share of Bunge ETGO's results of operations is included in the condensed consolidated financial information under share of results of jointly controlled entities.

**4. Material Changes in Estimates**

There were no material changes in the estimates of amounts reported in the prior interim periods of the current financial year or the previous financial years that have a material effect on the results for the current quarter under review.

**5. Dividend**

There were no dividends paid and declared during the first quarter ended 31 March 2012.

# ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2012 (Cont'd)

## FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

### QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)  
Amounts in RM thousand unless otherwise stated

#### 6. Segment Information

The segment information provided to the Management Committee ('MC') for the reportable segments of FGVH for the financial period is as follows:

##### Quarter ended 31 March 2012

	Plantation	Sugar	Downstream	Logistics and services	Investment holding	Others	Reconciliation	Total
Total segment revenue	4,174,746	533,215	1,952,463	185,043	22,996	1,425	(5,149,891)	1,719,997
Less : Inter-segment revenue	(1,008,402)	(1,455)	(64,094)	(82,693)	(14,741)	(453)	1,171,838	-
Revenue from external customers	3,166,344	531,760	1,888,369	102,350	8,255	972	(3,978,053)	1,719,997
Finance income	4,390	3,588	1,341	1,175	6,005	-	(5,352)	11,147
Finance costs	(4,753)	(619)	(6,823)	(117)	(24,077)	(177)	8,789	(27,777)
Depreciation and amortisation	(33,781)	(17,472)	(13,953)	(12,593)	(253)	(84)	52,796	(25,340)
Share of results of jointly controlled entities	1,660	-	5,472	-	-	-	-	7,132
Share of results of associates	15,027	-	-	-	-	-	19,987	35,014
Profit/(loss) before taxation for the financial period	264,773	87,628	(12,119)	34,193	(30,603)	562	(63,628)	280,806
Taxation							(57,594)	
Profit after taxation for the financial period								223,212
The analysis of external revenue by segment:								
FGVH and its subsidiaries	971,498	531,760	211,336	-	5,291	112	-	1,719,997
Associates - FHB	2,194,846	-	1,677,033	102,350	2,964	860	(3,978,053)	-
Revenue from external customers	3,166,344	531,760	1,888,369	102,350	8,255	972	(3,978,053)	1,719,997
The analysis of profit before taxation by segment:								
FGVH and its subsidiaries	196,207	87,628	(4,362)	-	(37,194)	(26)	18,566	260,819
Associates - FHB	68,566	-	(7,757)	34,193	6,591	588	(82,194)	19,987
Profit/(loss) before taxation	264,773	87,628	(12,119)	34,193	(30,603)	562	(63,628)	280,806

## ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2012 (Cont'd)

## FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')

## QUARTERLY REPORT (CONTINUED)

Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)  
Amounts in RM thousand unless otherwise stated

## 6. Segment Information (continued)

## Quarter ended 31 March 2011

	Plantation	Sugar	Downstream	Logistics and services	Investment holding	Others	Reconciliation	Total
Total segment revenue	4,128,140	521,035	2,382,840	165,976	22,079	5,573	(5,537,162)	1,688,481
Less : Inter-segment revenue	(1,450,716)	(17,863)	(60,353)	(65,119)	(19,374)	(2,455)	1,615,880	-
Revenue from external customers	2,677,424	503,172	2,322,487	100,857	2,705	3,118	(3,921,282)	1,688,481
Finance income	3,338	1,019	690	439	2,364	-	(3,777)	4,073
Finance costs	(6,383)	(783)	(5,047)	-	(24,351)	(310)	9,835	(27,039)
Depreciation and amortisation	(43,997)	(8,865)	(16,597)	(11,690)	(499)	(132)	54,415	(27,365)
Share of results of jointly controlled entities	(1,064)	-	(16,087)	-	-	-	(17,151)	(17,151)
Share of results of associates	19,315	-	-	-	-	-	(30,500)	(11,185)
Profit/(loss) before taxation for the financial period	451,508	94,887	(25,595)	32,344	23,384	(331)	(80,913)	495,284
Taxation							(145,126)	
Profit after taxation for the financial period								350,158
The analysis of external revenue by segment :								
FGVH and its subsidiaries	775,396	503,172	408,076	-	1,391	446	-	1,688,481
Associates - FHB	1,902,028	-	1,914,411	100,857	1,314	2,672	(3,921,282)	-
Revenue from external customers	2,677,424	503,172	2,322,487	100,857	2,705	3,118	(3,921,282)	1,688,481
The analysis of profit before taxation by segment:								
FGVH and its subsidiaries	463,484	94,887	(2,697)	-	22,329	(540)	(52,211)	525,252
Associates - FHB	(11,976)	-	(22,898)	32,344	1,055	209	(28,702)	(29,968)
Profit/(loss) before taxation	451,508	94,887	(25,595)	32,344	23,384	(331)	(80,913)	495,284



**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS  
ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**  
**Amounts in RM thousand unless otherwise stated**

**7. Capital Commitments**

Authorised capital expenditure not provided for in the interim financial report are as follows:

	<b>As at 31 March 2012</b>	<b>As at 31 December 2011</b>
Property, plant and equipment:		
- contracted	56,096	20,105
- not contracted	241,854	85,161
	<u>297,950</u>	<u>105,266</u>
Biological asset:		
- not contracted	<u>9,500</u>	<u>-</u>

**8. Significant Related Party Transactions**

(I) Related party transactions during the quarters ended 31 March 2012 and 31 March 2011 are as follows:

a. Sales of goods and services

	<b>Quarter ended 31 March 2012</b>	<b>2011</b>
<b>(i) Transactions with jointly controlled entities</b>		
Tolling fees income from Bunge ETGO	16,919	-
Sales of Crude Palm Oil ('CPO') by FGVPM to Felda Iffco Sdn. Bhd. Group (FISB)	155,170	-
Interest income earned from Felda Iffco, Inc	535	727
<b>(ii) Transactions with associate</b>		
Management fees charged to Felda Holdings Bhd ('FHB')	2,433	45
<b>(iii) Transactions with subsidiaries of FHB</b>		
Sales of fresh fruit bunches ('FFB') by FGVPM to FPISB	460,786	-
Sales of cup lumps and latex by FGVPM to Felda Rubber Industries Sdn. Bhd. ('FRISB')	14,907	-
Sales of CPO by FGVPM to Felda Vegetable Oil Sdn. Bhd. ('FVOP') and Delima Oil Products Sdn. Bhd. ('DOP')	207,425	-
Sales of palm kernel ('PK') by FGVPM to Felda Kernel Products Sdn. Bhd. ('FKPSB')	121,455	-
Management fees charged	2,858	744

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**

**Amounts in RM thousand unless otherwise stated**

**8. Significant Related Party Transactions (continued)**

- (I) Related party transactions during the quarters ended 31 March 2012 and 31 March 2011 are as follows (continued):

- a. Sales of goods and services (continued)

**Quarter ended 31 March**  
**2012                      2011**

**(iv) Transactions with subsidiary of KPF, the holding company of FHB**

Sales of refined sugar to Felda Trading Sdn. Bhd. ('FTSB')

4,031                      5,747

- b. Purchase of goods and services

**Quarter ended 31 March**  
**2012                      2011**

**(i) Transactions with associate**  
Management fees charged by FHB

75,284                      116,711

**(ii) Transactions with subsidiaries of FHB**  
Purchase of coconut oil and other palm oil products by Twin River Technologies US, Inc ('TRT US') from Felda Marketing Services Sdn. Bhd. ('FELMA')

72,029                      119,434

Purchase of fertilizer by FGVP from FPM Sdn. Bhd. ('FPM') and Felda Agricultural Services Sdn. Bhd. ('FASSB')

144,092                      18

Purchase of CPO by FGVP from FPISB

235,748                      -

Purchase of IT services from Felda Prodata Services Sdn. Bhd. ('FPSSB')

8,044                      147

Tolling fee charged by FPISB

17,100                      -

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**  
**Amounts in RM thousand unless otherwise stated**

**8. Significant Related Party Transactions (continued)**

(I) Related party transactions during the quarters ended 31 March 2012 and 31 March 2011 are as follows (continued):

b. Purchase of goods and services (continued)

	<b>Quarter ended 31 March</b>	
	<b>2012</b>	<b>2011</b>
<b>(ii) Transactions with subsidiaries of FHB (continued)</b>		
Transportation services rendered by Felda Transport Services Sdn. Bhd. ('FTSSB')	817	2
Purchase of security services by Felda Security Services Sdn. Bhd. ('FSSSB')	11,717	15
Purchase of travel services by Felda Travel Sdn. Bhd. ('Felda Travel')	2,905	463
Engineering works rendered by Felda Engineering Services Sdn. Bhd. ('FESSB')	198	213
<b>(iii) Transactions with subsidiaries of KPF, the holding company of FHB</b>		
Catering services rendered by Felda D'Saji Sdn. Bhd. ('FDSB')	106	37
Insurance commissions charged by FTSB	84	1
<b>(iv) Transactions between subsidiaries and FELDA</b>		
Building rental charges by FELDA	134	134
Interest expense charged by FELDA	21,346	21,379
Term loan owing by FGVH to FELDA	1,835,000	1,835,000
LLA liability by FGVPM to FELDA	5,828,126	-
Repayment of LLA Liability by FGVPM to FELDA	62,120	-
<b>(v) Transactions with companies having common directors</b>		
Donation by FGVH to Media Prima Berhad	26	-
Interest received from Malaysia Building Society Berhad ('MBSB')	-	1,394

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**  
**Amounts in RM thousand unless otherwise stated**

**8. Significant Related Party Transactions (continued)**

- (II) Related party transactions with government and government-related entities during the quarters ended 31 March 2012 and 31 March 2011 are as follows:

	<b>Quarter ended 31 March</b>	
	<b>2012</b>	<b>2011</b>
<b>(i) Transactions between subsidiaries and Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan</b>		
Sugar subsidy received	24,386	13,557
<b>(ii) Transactions between subsidiaries and government-related financial institutions</b>		
Interest expense from bankers acceptances	222	2,924
Interest income from fixed deposits and cash balances	6,458	2,854
	<b>31 March</b>	<b>As at</b>
	<b>2012</b>	<b>31 December</b>
		<b>2011</b>
<b>(iii) Balances between subsidiaries and Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan</b>		
Sugar subsidy receivable	49,927	21,477
<b>(iv) Balances between subsidiaries and government related financial institutions</b>		
Bankers acceptances	60,000	130,000
Fixed deposits and cash balances	1,183,280	694,003

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**

**Amounts in RM thousand unless otherwise stated**

**9. Effect of Significant Changes in the Composition of FGVH**

- (i) On 6 January 2012, FGVH incorporated Felda Global Ventures Plantations Sdn. Bhd. ('FGV Plantations'), a private limited liability company, incorporated and operating in Malaysia. The paid up capital for FGV Plantation is 2 ordinary shares of RM1 each.
- (ii) On 6 January 2012, FGVH incorporated Felda Global Ventures Downstream Sdn. Bhd. ('FGV Downstream'), a private limited liability company, incorporated and operating in Malaysia. The paid up capital for FGV Downstream is 2 ordinary shares of RM1 each.
- (iii) On 6 January 2012, FGV Plantations incorporated Felda Global Ventures Plantations (Malaysia) Sdn. Bhd. ('FGVPM'), a private limited liability company, incorporated and operating in Malaysia. The paid up capital for FGVPM is 2 ordinary shares of RM1 each.
- (iv) On 17 February 2012, FGVH incorporated Pakatan Mastiara Sdn. Bhd., a private limited liability company, incorporated and operating in Malaysia. On 28 March 2012, the company changed its name to Felda Global Ventures Shared Services Centre Sdn. Bhd. ('FGV SSC'). The paid up capital for FGV SSC is 2 ordinary shares of RM1 each.
- (v) On 9 January 2012, the board of directors of FELDA approved the conversion of RCPS and RCCPS into ordinary shares. The number of RCPS and RCCPS to be converted is 329,949,500 and 570,590,000 respectively, at a nominal value of RM0.01 and a premium of RM0.99 per share. The RCPS and RCCPS conversion has been completed as at 17 May 2012, resulting in an increase in the issued and paid share capital of FGVH from RM1,767,612,000 to RM2,668,151,500.
- (vi) In the prior financial year, Felda Global Ventures Kalimantan Sdn. Bhd. ('FGVK'), a subsidiary of FGVH, entered into an agreement to acquire 95% interest in PT Citra Niaga Perkasa from Joko Sintrajaya for a total consideration of RM16.5 million, to be completed upon the receipt of relevant regulatory approvals in Indonesia. The acquisition was completed on 27 February 2012. The impact of acquisition to the financial results to FGVH for the period to 31 March 2012 is not material. The purchase price allocation is currently being determined as of the date of this report
- (vii) On 28 February 2012, FGVPM issued new ordinary shares of RM1.00 each at an issue price of RM1.00 per ordinary share amounting to RM99,999,998. FGV Plantations has fully subscribed for the shares and maintained its effective equity interest of 100% in FGVPM.
- (vii) On 12 April 2012, FGV Downstream entered into a Sale and Purchase Agreement with FGVH to acquire 100% interest in the ordinary shares in Felda Global Ventures North America Sdn. Bhd. ('FGVNA'). The transaction was completed on 9 May 2012.
- (ix) On 12 April 2012, FGV Plantations entered into a Sale and Purchase Agreement with FGVH to acquire 100% interest in the ordinary shares in FGVK. The transaction was completed on 9 May 2012.

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**  
**Amounts in RM thousand unless otherwise stated**

**9. Effect of Significant Changes in the Composition of FGVH (continued)**

- (x) On 14 May 2012, FGV Downstream entered into a Memorandum of Understanding with Louis Dreyfus Commodities Asia Pte. Ltd. ('LDC') with a view of exploring and evaluating the potential opportunities available to collaborate and enter into a joint venture arrangement in the trading and marketing business and also downstream assets joint venture in the oil palm industry.

On the same date, FGVH, FELDA and LDC entered into Joint Venture Partner Investment Agreement whereby LDC has agreed to acquire the Offer Shares from FELDA, subject to the terms of the JV Partner Investment Agreement, representing 2.5% of the enlarged issued and paid-up share capital immediately following the Admission at the Institutional Price. This agreement is conditional upon the terms and condition as stipulated therein the agreement.

- (xi) On 15 May 2012, FGVH entered into a Memorandum of Understanding with Vitol, S.A. to consider and discuss further the feasibility of collaboration on the supply, international trading and marketing, international logistical operations, hedging and derivatives on commodities other than oils and fats and to serve as a basis for a potential joint venture between the parties.
- (xii) On 16 May 2012, FGVH's authorised share capital was increased from RM2,012,500,000 comprising 2,012,500,000 ordinary shares of RM1 each to RM4,000,000,000 comprising 4,000,000,000 ordinary shares of RM1 each and 1 special share of RM1 each.

**10. Contingent Liabilities and Material Litigation**

- (a) An associate of FGVH, Felda Holdings Bhd, has the following contingent liabilities, of which FGVH is not jointly or severally liable:
- (i) On 12 June 2009, FPISB and FELDA were sued by 645 settlers of Felda Maokil Scheme in Johor for alleged fraud and manipulation of the extraction rate of palm oil. The claim amounted to RM71.8 million. The Putrajaya Court of Appeal had on 30 November 2011 decided that the case shall be heard before an arbitration proceeding based on section 10 of the Arbitration Act 2005 and original agreement between the settlers and FELDA which mentioned that if any dispute arises, the dispute shall be heard before an arbitration proceeding. On 7 December 2011, FPISB's counsel had filed the order from the Court of Appeal before the Senior Assistant Registrar ('SAR') of Johor Bahru High Court and on 22 February 2012, the plaintiffs informed the SAR that the application for appeal before the Federal Court is pending judgment order from the Court of Appeal. The SAR then instructed that if the appeal is not allowed then the onus to initiate arbitration proceedings will be on the plaintiffs and not on the defendants. The SAR then gave a new mention date on 29 August 2012 for both parties to update the status of appeal and arbitration.

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**  
**Amounts in RM thousand unless otherwise stated**

**10. Contingent Liabilities and Material Litigation (continued)**

- (a) An associate of FGVH, Felda Holdings Bhd, has the following contingent liabilities of which FGVH is not jointly or severally liable (continued):
- (ii) On 3 September 2010, FPISB and FELDA were sued by 514 settlers of Felda Serting Scheme and 252 settlers of Felda Gugusan Raja Alias Scheme in Jempol, Negeri Sembilan for alleged fraud and manipulation of the extraction rate for palm oil. The claim amounted to RM15.4 million for year 2008 only. FPISB filed Pleading and Statement of Defence ('SOD') in the Seremban High Court on 22 December 2011 together with confirmation of documents which was filed by the Plaintiffs. On 22 December 2011, the SAR informed that the judge has instructed the case to go through mediation process before undergoing full trial. On 7 March 2012, the SAR directed both parties to file pleading, documents and issues to be tried. Further, on 26 March 2012 the SAR informed both parties to file supplementary documents/evidence for mediation on 9 April 2012. The date for mediation proceedings was scheduled for 9 May 2012. The mediation failed and the Court fixed a case management date of 26 July 2012 for further instructions.
  - (iii) On 12 July 2011, FPISB and FELDA were sued by 711 settlers of Felda Jengka 1 to 25 and Felda Sg. Tekam in Temerloh, Pahang for alleged fraud and manipulation of the extraction rate of palm oil. The claim amounted to RM22.9 million. FPISB has filed SOD in the Temerloh High Court on 9 September 2011 and the plaintiffs had filed their reply on 9 November 2011. The case has gone through the case management before the SAR on 10 November 2011. FPISB has filed an affidavit in reply to the Statement of Reply of SOD on 20 December 2011 as well as application to strike out Plaintiffs' claim. On 3 April 2012 both parties have filed written submissions for the application to Strike-Out Ground on Plaintiffs' claims. The Court has on 24 April 2012 allowed order in terms for application by FELDA and FPISB to strike out 42 Plaintiffs with cost on the cause. The Court also fixed the matter for further case management on 24 May 2012 with directions that the parties are to file Bundle of Pleadings, Bundle of Documents, Statement of Issues to be Tried and Statement of Agreed Facts.
  - (iv) On 10 November 2011, FPISB and FELDA were sued by 365 settlers of Felda Jengka 1 to 7, 10, 13 to 19, 23 to 24, Felda Ulu Jempol and Felda Sg. Tekam Utara for alleged fraud and manipulation of the extraction rate of palm oil. The claim amounted to RM11.7 million for year 2008 only. FPISB has filed Memorandum of Appearance in Temerloh High Court on 15 November 2011. FPISB has filed a SOD on 27 December 2011. Defendants had also filed an application to Strike-Out Ground on Plaintiffs' claims on 9 February 2012. During the latest case management on 22 February 2012, the SAR instructed Plaintiffs to reply to the Application to Strike-Out Ground on 8 March 2012 and 22 March 2012 for Defendants to reply to the Plaintiffs' reply. Further, both parties have filed written submissions on the Strike-Out Ground issue. The Court has on 19 April 2012 allowed order in terms for application by FELDA and FPISB to strike out 20 Plaintiffs with cost on the cause. The Court also fixed the matter for further case management on 24 May 2012 with directions that the parties are to file Bundle of Pleadings, Bundle of Documents, Statement of Issues to be Tried and Statement of Agreed Facts.

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**  
**Amounts in RM thousand unless otherwise stated**

**10. Contingent Liabilities and Material Litigation (continued)**

- (a) An associate of FGVH, Felda Holdings Bhd, has the following contingent liabilities as of which FGVH is not jointly or severally liable (continued):
- (v) On 20 September 2011, FPISB and FELDA were sued by 550 settlers of Gugusan Bera for alleged fraud and manipulation of the extraction rate of palm oil. The plaintiffs are claiming for a share from the sale of kernel, burn ash and sludge oil which was derived from their FFB consignments sold to FPISB's mills. The claim amounted to RM19.2 million for year 2008 only. FPISB has filed Memorandum of Appearance in High Court on 15 November. FPISB has filed a SOD on 3 January 2012. On 25 January 2012, Plaintiffs have filed the reply to the SOD and Defendants have filed a reply to it on 9 February 2012. Defendants also have filed an application to Strike-Out Ground on Plaintiffs' claims on the same date. During the latest case management on 22 February 2012, the SAR instructed Plaintiffs to reply to the Application to Strike-Out Ground on 8 March 2012 and 22 March 2012 for Defendants to reply to the Plaintiffs' reply. Further, both parties have filed written submissions on the Strike-Out Ground issue. The Court has on 19 April 2012 allowed order in terms for application by FELDA and FPISB to strike out 20 Plaintiffs with cost on the cause. The Court also fixed the matter for further case management on 24 May 2012 with directions that the parties are to file Bundle of Pleadings, Bundle of Documents, Statement of Issues to be Tried and Statement of Agreed Facts.
  - (vi) On 10 May 2012, FPISB and FELDA were sued by 770 settlers of Rancangan Felda Chini 1 to 5 and Rancangan Felda Chini Timur 1 to 3 in Pahang for alleged fraud and manipulation of the extraction rate of palm oil. The claim amounted to RM24.8 million for year 2008 only. FPISB has filed Memorandum of Appearance in High Court on 16 May 2012. The case is fixed for first Case Management on 21 May 2012. The Defendants are currently in the midst of preparing the Defence.



**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**  
**Amounts in RM thousand unless otherwise stated**

**10. Contingent Liabilities and Material Litigation (continued)**

- (b) An associate of FGVH, Tradewinds (M) Bhd, has the following contingent liabilities, of which FGVH is not jointly or severally liable:

- (i) On 5 May 2006, Padiberas Nasional Berhad ('Bernas'), have received a Writ of Summons and Statement of Claim initiated by A Halim Bin Hamzah & 291 others ('the Plaintiffs'). The civil suit was brought by the Plaintiffs against Bernas and 24 others ('the Defendants') claiming that the year 2000 Voluntary Separation Scheme initiated by Bernas is void and of no effect. In relation to this suit, Bernas had filed Summons in Chambers for the Writ and Statement of Claim as against the said Defendants be struck out.

The Court had granted Order In Terms for the Bernas' Application to strike out the 21st Defendant with cost payable to Bernas but dismissed Bernas' Application to strike out the 2nd to 12 Defendants on 3 September 2007. On 3 March 2008, the Court dismissed Bernas' Application to strike out the 2nd to 12th Defendants from being the party to the suit. Bernas' solicitors had on 17 April 2008, filed Statements of Defence for the 2nd to 12th Defendants. The matter is fixed for hearing on 12 to 16 March 2012. The Court has fixed 30 April 2012 for decision of the said matter. On 30 April 2012, The Court dismissed the Plaintiffs' claims with no order as to cost.

- (ii) On 6 June 2006, Bernas was served with a sealed copy of Originating Summons and Affidavit in Support ('the Plaintiffs Application') for and on behalf of the 690 others ('the Plaintiffs') claiming that the Plaintiffs as employees of Bernas whose service of employment have been terminated before attaining the age of 55 due to reasons other than that of compulsory retirement, optional retirement, death or a disability are entitled to the Retirement/Termination Benefits Provision. They demand for the Termination Benefit to be paid with 8% interest per annum from 1 January 2004, together with their Employee Provident Fund contribution until the date of the Order, with costs to be paid by Bernas.

Plaintiffs through their solicitors had filed an application on 7 March 2011 for leave to appeal to the Federal Court against the entire decision of the Court of Appeal given on 7 February 2011. Plaintiffs' application for leave to appeal at the Federal Court has been allowed. The Court has fixed the matter for decision on 4 June 2012.

- (iii) On 4 January 2010, Bernas was served with a sealed copy of Originating Summons and Affidavit in Support ('the Plaintiffs Application') for and on behalf of 242 others ('the Plaintiffs') claiming that the Plaintiffs as employees of Bernas whose service of employment have been terminated before attaining the age of 55 due to reasons other than that of compulsory retirement, optional retirement, death or a disability, are entitled to the Retirement/Termination Benefits Provision. They demand for the Termination Benefit to be paid with 8% interest per annum from 1 January 2004, together with their Employee Provident Fund contribution until the date of the Order, with costs to be paid by Bernas. The case has been fixed for mention on 6 June 2012.

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS  
ENDED 31 MARCH 2012 (Cont'd)****FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')****QUARTERLY REPORT (CONTINUED)****Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**  
**Amounts in RM thousand unless otherwise stated****10. Contingent Liabilities and Material Litigation (continued)**

- (b) An associate of FGVH, Tradewinds (M) Bhd, has the following contingent liabilities, of which FGVH is not jointly or severally liable: (continued)
- (iv) A claim filed against Mardec Yala Co. Ltd., for the alleged wrongful transfer of shares and the claim for compensation of Thai Baht (THB) 110.0 million (approximately RM11.039 million). On 3 December 2007, the Court had dismissed the claim and issued a written judgment. However, the claimant has filed an appeal against the judgment of which the Court has dismissed the claims. The claimant has filed a second appeal to the Supreme Court on 30 July 2010. The outcome of the second appeal is expected to be given by the end of 2013.

Based on available information and on the legal advice received, the Directors are of the view that there is a reasonable chance of defending all the above claims and therefore, no provision has been made in the financial statements.

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**  
**Amounts in RM thousand unless otherwise stated**

**11. Review of Group Performance**

	<b>Quarter ended 31 March</b>		<b>%</b>
	<b>2012</b>	<b>2011</b>	<b>+ / (-)</b>
Revenue	1,719,997	1,688,481	1.9
Plantation	264,773	451,508	(41.4)
Sugar	87,628	94,887	(7.6)
Downstream	(12,119)	(25,595)	52.7
Logistics and services	34,193	32,344	5.7
Investment holdings	(30,603)	23,384	<100
Others	562	(331)	>100
Segment results	344,434	576,197	(40.2)
Intercompany transactions and reconciliation	(63,628)	(80,913)	
Profit before taxation	280,806	495,284	(43.3)
Tax expense	(57,594)	(145,126)	
Profit for the financial period	223,212	350,158	(36.3)
Profit/(loss) attributable to:	192,165	359,048	
Owners of the Company	31,047	(8,890)	
Non-controlling interests			
Profit after tax and non-controlling interests	223,212	350,158	

**Overall**

FGVH's revenue increased by 1.9% to RM1,720.0 million for the three months ended 31 March 2012 from RM1,688.5 million for the three months ended 31 March 2011. This increase primarily reflects the sales of CPO and PK by FGVPM beginning on 1 March 2012, offset in part by a decrease in revenue from the downstream segment as a result of tolling agreement following which sales of soy and canola products is no longer recorded. For the month of March 2012 only, revenues of FGVPM included sales of PK, but for periods after 31 March 2012, its revenue will not include PK sales. Revenues of FGVPM for the three months ended 31 March 2011 only comprised sales of FFB.

As a result of the above, the profit before taxation for the three months ended 31 March 2012 decreased to RM280.8 million, compared to RM495.3 million for the corresponding period in 2011. The profit before taxation margin decreased to 16.3% for the three months ended 31 March 2012, compared to 29.3% for the corresponding period in 2011, primarily reflecting the increase in cost of sales and administrative expenses as well as the incurrence of fair value changes in the Land Lease Agreement liability for the three months ended 31 March 2012.

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**  
**Amounts in RM thousand unless otherwise stated**

**11. Review of Group Performance (continued)**

**Segment**

**(a) Plantation**

Plantation segment's results were affected by the significant increase in its cost of sales for the three months ended 31 March 2012. The increase was primarily due to the cost of purchasing CPO and PK in the month of March 2012 and higher costs relating to replanting and manuring costs, primarily reflecting higher volume of fertilizer used as well as higher fertilizer prices. In addition, cost of sales for the plantations segment in the first three months of 2012 was also higher as a result of new incentive payments to plantation workers effective November 2011.

**(b) Sugar**

Sugar segment's revenue increased for the three months ended 31 March 2012 primarily as a result of higher export sales volume and an increase in selling prices of refined sugar products. The profit before taxation, however, decreased primarily due to an increase in raw sugar costs as the purchase price for the raw sugar under the current long-term raw sugar supply contract was higher than that under the long-term raw sugar supply contract in effect in 2011.

**(c) Downstream**

The improvement of downstream segment's results primarily reflects the tolling agreement with FGVH's joint-venture, Bunge ETGO, entered into in December 2011, following which revenue from the sale of soy and canola products is no longer recognized. Following the effectiveness of the tolling agreement, the soy and canola business only recognises as revenue the tolling fees that Bunge ETGO pays it pursuant to the tolling agreement, which amounted to RM16.9 million for the three months ended 31 March 2012.

**(d) Logistics and services\***

Logistics and services segment's revenue and profit before tax remained relatively stable with slight increases in both revenue and profit before tax.

**(e) Investment holdings\***

Investment holdings segment recorded a loss of RM30.6 million compared to profit of RM23.4 million primarily from increased administrative expenses relating to the listing of FGVH.

**(f) Others\***

Others segment comprises non-core businesses within FGVH that generated profit from interest income, rental income and other ancillary income.

*\* Non-core segments*

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**  
**Amounts in RM thousand unless otherwise stated**

**12. Material Changes In The Quarterly Results Compared to Preceding Quarter**

	<b>2012 Quarter 1</b>	<b>2011 Quarter 4</b>	<b>Variance %</b>
Revenue	1,719,997	1,770,727	2.9
Profit before taxation	280,806	(89,447)	>100

Revenue in quarter under review was 2.9% lower compared to the preceding quarter due to no revenue from the sale of soy and canola in the current quarter and also lower sales in sugar segment.

Meanwhile, profit before taxation was higher compared to preceding quarter mainly due to impairment loss on property, plant and equipment and goodwill of RM164.7 million and RM42.8 million, respectively during the preceding quarter.

**13. Prospects**

The results of our operations for the financial year ended 31 December 2012 are expected to be primarily influenced by the following factors:

- (a) our ability to maintain our market share and grow our sales;
- (b) the state of the Malaysian and global economy and expectations of economic recovery;
- (c) our ability to manage our operating costs;
- (d) impact of the incurrence of indebtedness, including as a result of any change in interest charges on the indebtedness.

Except as disclosed above, to the best of our Board's knowledge and belief, there are no other known trends, factors, demands, commitments, events or uncertainties that are reasonably likely to have a material effect on our financial condition and results of operations, and our Board expects our performance for the financial year ended 31 December 2012 to be satisfactory.

**14. Variance of Actual Profit from Profit Forecast or Profit Guarantee**

Not applicable as there was no profit forecast or profit guarantee issued.

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**

**Amounts in RM thousand unless otherwise stated**

**15. Operating Profit**

	<b>Quarter ended 31 March</b>	
	<b>2012</b>	<b>2011</b>
Included in operating profit are:		
Amortisation of intangible assets	1,458	2,758
Amortisation of prepaid lease payments	17	329
Depreciation of property, plant and equipment	23,865	24,278
Impairment loss of prepaid lease payments	-	3,024
Property, plant and equipment written off	102	-
Loss on disposal of property, plant and equipment	23	170
Fair value changes in LLA	47,552	-
Net foreign exchange loss/(gain)	<u>3,563</u>	<u>(1,164)</u>

**16. Taxation**

	<b>Quarter ended 31 March</b>	
	<b>2012</b>	<b>2011</b>
<b>Malaysian income tax</b>		
Current financial year	(60,441)	(149,000)
Prior financial year	-	(1,917)
	<u>(60,441)</u>	<u>(150,917)</u>
<b>Foreign income tax</b>		
Current financial year	(1,420)	(2,727)
<b>Deferred tax</b>	<u>4,267</u>	<u>8,518</u>
	<u>(57,594)</u>	<u>(145,126)</u>

The effective tax rate of 24% after adjusting for share of results of associates and jointly controlled entities for the quarter under review approximates the Malaysian income tax rate of 25%.

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**

**Amounts in RM thousand unless otherwise stated**

**17. Status of Corporate Proposals**

The following corporate proposals are pending as of the date of this report:

FGVH will undertake the Initial Public Offering ('IPO') which consists of an Institutional Offering and a Retail Offering, totalling up to 2,188,890,900 IPO Shares comprising:

Offer for Sale of 1,208,890,900 shares ('Offer Shares') by (i) FELDA ('the Selling Shareholder') and (ii) the offering of 980,000,000 new shares ('Issue Shares'):

**(a) Institutional Offering**

Institutional Offering of up to 1,915,279,900 IPO Shares, representing 52.5% of the enlarged issued and paid-up share capital of FGVH, at the Institutional Price, subject to clawback and reallocation provisions, to be allocated in the following manner:

- (i) Up to 1,208,890,900 Offer Shares and 286,852,000 Issue Shares to Malaysian institutional and selected investors and foreign institutional and selected investors at the Institutional Price; and
- (ii) 419,537,000 Issue Shares to Bumiputera institutional and selected investors approved by the MITI at the Institutional Price.

**(b) Retail Offering**

Retail Offering of 273,611,000 Issue Shares, representing 7.5% of the enlarged issued and paid-up share capital of FGVH, at the Retail Price, subject to clawback and reallocation provisions, to be allocated in the following manner:

- (i) 200,648,000 Issue Shares made available to the Eligible Employees, Eligible FELDA Settlers and persons who have contributed to the success of FGVH; and
- (ii) 72,963,000 Issue Shares made available to the Malaysian Public.

The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date, and will be equal to the lower of:

- (a) the Retail Price; and
- (b) 98% of the Institutional Price, subject to rounding to the nearest sen.

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**

**Amounts in RM thousand unless otherwise stated**

**17. Status of Corporate Proposals (continued)**

(c) Listing

Upon completion of the IPO, FGVH will seek the listing of and quotation for its entire enlarged issued and paid-up share capital comprising 3,648,151,500 Shares at the illustrated price of RM4.55 per share ('IPO Price') on the Main Market of Bursa Securities ('Main Market'). The final IPO Price will be determined after the Institutional Price is fixed on the price determination date pursuant to a book building exercise. The IPO expenses to be borne by FGVH, which are expected to comprise brokerage, underwriting commission and placement fees relating to new issuance of shares are estimated to be RM108 million. These are set-off against share premium. The remaining professional fees and miscellaneous expenses of RM52 million will be expensed off.

Approvals have been obtained from Securities Commission on 15 May 2012 and Ministry of International Trade and Industry ('MITI') on 9 May 2012 for the IPO.

**18. Borrowings**

<u>Long-term borrowings</u>	<b>As at 31 March 2012</b>		<b>Total</b>
	<b>Secured</b>	<b>Unsecured</b>	
Term loan-ultimate holding body	-	1,835,000	1,835,000
Term loan-financial institution	35,732	-	35,732
	<u>35,732</u>	<u>1,835,000</u>	<u>1,870,732</u>
<u>Short-term borrowings</u>			
Revolving credit	331,934	-	331,934
Term loan-ultimate holding body	-	19,736	19,736
Term loan-financial institution	11,645	-	11,645
Bankers acceptance	-	192,400	192,400
	<u>343,579</u>	<u>212,136</u>	<u>555,715</u>
Total borrowings	<u>379,311</u>	<u>2,047,136</u>	<u>2,426,447</u>

FGVH borrowings in RM equivalent analysed by currencies in which the borrowings are denominated are as follows:

Ringgit Malaysia	2,047,136
United States Dollar	55,774
Canadian Dollar	323,537
Total borrowings	<u>2,426,447</u>

Certain borrowings are secured by fixed deposits pledged to financial institution and a letter of credit from ultimate holding body.



**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**  
**Amounts in RM thousand unless otherwise stated**

**19. Derivative Financial Instruments**

FGVH uses forward foreign exchange contracts and commodity contracts to manage its exposure to various financial risks. The fair values of these derivatives as at 31 March 2012 are as follows:

	Contract/ Notional Amount	Fair Value	
		Assets	Liabilities
Foreign currency forward contracts	37,622	96	-
Sugar future contracts	30,743	881	-
	68,365	977	-

There is no change to the type of derivative financial contracts entered into, cash requirements of the derivatives, risk associated with the derivatives and the risk management objectives and policies to mitigate these risks since the last financial year ended 31 December 2011. The maturity periods of the above derivatives are less than one year.

**20. Fair Value Changes of Financial Liabilities**

Other than derivatives which are classified as liabilities only when they are at a loss position as at the end of the reporting period after being fair valued and the LLA liability, FGVH does not remeasure its financial liabilities at fair value after the initial recognition.

Fair value changes for the land lease liability has been measured based on assumptions made on discount rate, crude palm oil prices, fresh fruit bunches average yield, inflation rate and total area and planted oil palm and rubber area amongst others on an annual basis.

Subsequent to the initial measurement, certain assumptions used in the basis of calculation were changed. The changes to the assumptions used in the relevant calculation are (i) the payments made in respect of the financial liability under the LLA are now assumed to be made on a quarterly basis and (ii) the proportion of the annual FFB production reflected in each quarter is varied to take into account variations in FFB production.

The recalculation of the fair value of the LLA liability as at 31 March 2012 using the revised assumptions discussed above resulted in one-time adjustments that affected the first quarter of 2012, and fair value changes of RM47.6 million for the three months ended 31 March 2012.

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS  
ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**  
**Amounts in RM thousand unless otherwise stated**

**21. Realised and Unrealised Profits or Losses**

The breakdown of realised and unrealised retained earnings of FGVH is as follows:

	<b>As at 31 March 2012</b>
Total retained earnings of the Company and its subsidiaries	
- realised	(679,171)
- unrealised	(68,089)
	<u>(747,260)</u>
Total share of retained earnings from jointly controlled entities	
- realised	(66,938)
- unrealised	10,128
	<u>(56,810)</u>
Total share of retained earnings from associates	
- realised	2,058,420
- unrealised	10,128
	<u>2,068,548</u>
Less: consolidation adjustments	(470,772)
Total retained earnings of FGVH	<u><u>793,706</u></u>

The unrealised profits are determined in accordance with the Guidance on Special Matter No. 1 (GSM1) issued by the Malaysian Institute of Accountants. In arriving at the unrealised profits, we have also included the following which are deemed in the GSM1 as unrealised:

- (a) Credits or charges relating to the recognition of deferred tax,
- (b) Cumulative net gains (but not net losses) from the remeasurement of assets or liabilities at fair value through profit or loss,
- (c) Provision of liabilities in respect of present obligations where resources are only consumed upon settlement of the obligation, and
- (d) Translation gains or losses of monetary items denominated in a currency other than the functional currency.

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS  
ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**  
**Amounts in RM thousand unless otherwise stated**

**22. Earnings Per Share**

(a) Basic earnings per share

	<b>Quarter ended 31 March</b>	
	<b>2012</b>	<b>2011</b>
Basic earnings per share are computed as follows:		
Profit for the period attributable to owners of the Company (RM'ooo)	<u>192,165</u>	<u>359,048</u>
Weighted average number of ordinary shares in issue (thousands)	<u>1,767,612</u>	<u>1,767,612</u>
Basic earnings per share (sen)	<u>10.9</u>	<u>20.3</u>

(b) Diluted earnings per share

	<b>Quarter ended 31 March</b>	
	<b>2012</b>	<b>2011</b>
Diluted earnings per share are computed as follows:		
Profit for the period attributable to Owners of the Company (RM'ooo)	<u>192,165</u>	<u>359,048</u>
Weighted average number of ordinary shares in issue (thousands)	<u>1,767,612</u>	<u>1,767,612</u>
Adjustment for:		
Assumed conversion of RCPS/RCCPS (thousands)	<u>900,540</u>	<u>1,005,195</u>
Weighted average number of ordinary shares (thousands)	<u>2,668,152</u>	<u>2,772,807</u>
Diluted earnings per share (sen)	<u>7.2</u>	<u>12.9</u>

**23. Material events after the Reporting Period**

There were no material events after the reporting period other than as disclosed in Note 9.

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS  
ENDED 31 MARCH 2012 (Cont'd)**

**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**

**Amounts in RM thousand unless otherwise stated**

**24. Restatement of comparatives due to the LLA**

The following comparatives have been restated to reflect the impact of predecessor accounting arising from the LLA as disclosed in Note 1(a)(ii):

	<b>As previously reported</b>	<b>Impact of predecessor accounting</b>	<b>As restated</b>
Statement of financial position as at 31 December 2011			
Property, plant & equipment	1,001,764	695,262	1,697,026
Biological assets	622	1,858,220	1,858,842
Inventories	406,629	57,488	464,117
Receivables	395,478	8,102	403,580
Cash and bank	1,777,824	306	1,778,130
Payables	121,015	123,969	244,984
Amount due to other related companies	87,905	129,793	217,698
Reorganisation reserve	-	2,347,742	2,347,742
Deferred tax liabilities	136,908	17,874	154,782

**ANNEXURE A: MANAGEMENT ACCOUNTS OF FGVH GROUP FOR THE THREE MONTHS  
ENDED 31 MARCH 2012 (Cont'd)**

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**FELDA GLOBAL VENTURES HOLDINGS BERHAD ('FGVH')**

**QUARTERLY REPORT (CONTINUED)**

**Explanatory Notes on the Quarterly Report – 31 March 2012 (continued)**  
**Amounts in RM thousand unless otherwise stated**

**25. Authorisation for issue**

This interim financial information has been approved for issue in accordance with resolution of the Board of Directors dated 18 May 2012.

On behalf of the Board



\_\_\_\_\_  
Dato' Sabri Ahmad  
Director



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Dr. Mohd Emir Mavani Abdullah  
Director

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