FGV HOLDINGS BERHAD
200701042133 (800165-P)

QUARTERLY REPORT

Condensed Consolidated Financial Statements
For The Financial Period Ended 30 September 2024

FGV HOLDINGS BERHAD

Unaudited Condensed Consolidated Statement of Comprehensive Income for the Quarter ended 30 September 2024

	Note	Quarter ended 30 September 2024 RM'000	Quarter ended 30 September 2023 RM'000	% +/(-)	Year to date ended 30 September 2024 RM'000	Year to date ended 30 September 2023 RM'000	% +/(-)
Revenue		6,175,157	4,907,048	*25.8*	16,235,430	13,994,484	*16.0*
Cost of sales		(5,610,239)	(4,467,585)		(14,792,906)	(12,961,203)	
Gross profit		**564,918**	**439,463**	*28.5*	**1,442,524**	**1,033,281**	*39.6*
Other operating income		32,469	27,532		78,408	113,041	
Selling and distribution costs		(85,327)	(68,185)		(167,395)	(172,657)	
Administrative expenses		(254,403)	(227,568)		(729,744)	(631,856)	
(Impairment of)/reversal of impairment financial assets (net)		(2,503)	1,011		(13,684)	2,677	
Other operating expenses		(1,550)	(7,638)		(10,897)	(15,430)	
Commodity gains - net		30,054	18,452		73,285	21,379	
Operating profit		**283,658**	**183,067**	*54.9*	**672,497**	**350,435**	*91.9*
Fair value changes in Land Lease Agreement ("LLA") liability		(104,528)	(67,121)		(257,245)	(126,789)	
Operating profit after LLA	15	**179,130**	**115,946**	*54.5*	**415,252**	**223,646**	*85.7*
Finance income		10,171	7,880		30,556	22,910	
Finance costs		(41,593)	(30,448)		(110,362)	(90,617)	
Share of results from associates		(1,439)	(1,058)		(2,288)	(1,912)	
Share of results from joint ventures		10,363	(9,552)		13,869	2,995	
Profit before zakat and taxation		**156,632**	**82,768**	*89.2*	**347,027**	**157,022**	*>100*
Zakat		(8,790)	(17,595)		(10,745)	(18,372)	
Taxation	16	(74,649)	(41,812)		(175,035)	(125,451)	
Profit for the financial period		**73,193**	**23,361**	*>100*	**161,247**	**13,199**	*>100*
Profit/(loss) attributable to:							
- Owners of the Company		87,161	31,982	*>100*	160,046	31,177	*>100*
- Non-controlling interests		(13,968)	(8,621)		1,201	(17,978)	
		73,193	**23,361**	*>100*	**161,247**	**13,199**	*>100*
Other comprehensive income/(loss)							
Actuarial gain/(loss) on defined benefit plan		56	(104)		220	87	
Fair value changes of financial assets at fair value through other comprehensive income ("FVOCI")		181	(3,644)		425	(546)	
Share of other comprehensive loss of joint ventures		(9,616)	(44)		(7,957)	(308)	
Realisation of forex exchange reserve upon disposal of a foreign operation in joint venture		-	29,783		-	29,783	
Realisation of forex exchange reserve upon liquidation of a subsidiary		-	-		-	970	
Currency translation differences		(150,018)	7,771		(111,488)	41,466	
Cash flow hedges		-	81		27	163	
Other comprehensive (loss)/income for the financial period, net of tax		(159,397)	33,843		(118,773)	71,615	
Total comprehensive income for the financial period		**(86,204)**	**57,204**	*<100*	**42,474**	**84,814**	*-49.9*
Total comprehensive income/(loss) attributable to:							
- Owners of the Company		(70,138)	64,962	*<100*	41,262	109,044	*-62.2*
- Non-controlling interests		(16,066)	(7,758)		1,212	(24,230)	
Total comprehensive income for the financial period		**(86,204)**	**57,204**	*<100*	**42,474**	**84,814**	*-49.9*
Earnings per share for profit attributable to the Owners of the Company:							
Basic (sen)		2.39	0.88		4.39	0.85	

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to this quarterly report and the audited financial statements for the financial year ended 31 December 2023.

FGV HOLDINGS BERHAD

Unaudited Condensed Consolidated Statement of Financial Position as at 30 September 2024

	Note	Unaudited As at 30 September 2024 RM'000	Audited As at 31 December 2023 RM'000
Non-current assets			
Property, plant and equipment		7,984,480	7,908,289
Right-of-use assets		2,137,169	2,195,949
Investment properties		60,806	66,074
Intangible assets		887,949	889,593
Interests in associates		54,379	58,060
Interests in joint ventures		594,711	593,623
Deposit and other receivables		142,853	159,511
Deferred tax assets		196,643	237,429
Financial assets at fair value through profit or loss	19	2,403	5,340
Financial assets through other comprehensive income	19	150,501	160,973
Biological assets		4,295	4,717
Tax recoverable		53,287	52,960
		12,269,476	12,332,518
Current assets			
Inventories		2,027,450	1,626,911
Receivables		1,520,557	1,333,653
Biological assets		116,970	65,087
Amount due from ultimate holding company		33,207	32,329
Amounts due from joint ventures		147,994	134,876
Amount due from an associate		38	38
Amounts due from related companies		242,878	62,037
Tax recoverable		36,574	44,139
Financial assets at fair value through profit or loss	19	98,786	89,857
Derivative financial assets	18	37,149	11,935
Contract assets		39,953	26,139
Deposits, cash and bank balances		1,199,259	1,523,234
		5,500,815	4,950,235
Total assets		**17,770,291**	**17,282,753**
Equity			
Share capital		7,029,889	7,029,889
Reserves		(3,069,727)	(2,950,842)
Retained earnings		1,943,428	1,892,868
Equity attributable to owners of the Company		**5,903,590**	**5,971,915**
Non-controlling interests		1,483,195	1,610,065
Total equity		**7,386,785**	**7,581,980**

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Unaudited Condensed Consolidated Statement of Financial Position as at 30 September 2024 (continued)

	Note	Unaudited As at 30 September 2024 RM'000	Audited As at 31 December 2023 RM'000
Non-current liabilities			
Borrowings	17	1,383,165	1,163,357
LLA liability		3,297,583	3,257,842
Derivative financial liabilities	18	-	11
Provision for asset retirement		29,961	32,674
Provision for defined benefit plan		60,818	62,072
Lease liability		321,233	351,888
Deferred tax liabilities		582,239	591,523
		5,674,999	5,459,367
Current liabilities			
Payables		1,824,350	1,296,536
Amount due to ultimate holding company		227,570	276,663
Amounts due to joint ventures		2,042	506
Amounts due to associates		525	331
Amounts due to related companies		3,735	5,950
Borrowings	17	2,171,977	2,269,445
Derivative financial liabilities	18	9,926	403
Provision for asset retirement		660	734
Lease liability		37,174	30,637
LLA liability		292,616	255,971
Contract liabilities		102,285	91,661
Current tax liabilities		35,647	12,569
		4,708,507	4,241,406
Total liabilities		10,383,506	9,700,773
Total equity and liabilities		**17,770,291**	**17,282,753**
Net assets per share attributable to owners of the Company		1.62	1.64

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to this quarterly report and the audited financial statements for the financial year ended 31 December 2023.

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Unaudited Condensed Consolidated Statement of Changes in Equity

	Share capital RM'000	Foreign exchange reserve RM'000	Re-organisation reserve RM'000	Other reserves RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
Year to date ended 30 September 2024								
At 1 January 2024	7,029,889	116,727	(3,089,497)	21,928	1,892,868	5,971,915	1,610,065	7,581,980
Profit for the financial period	-	-	-	-	160,046	160,046	1,201	161,247
Other comprehensive income/(loss) for the financial period, net of tax:								
Items that will not be reclassified to profit or loss								
- actuarial gain on defined benefit plan	-	-	-	-	101	101	119	220
- fair value changes in financial assets at FVOCI	-	-	-	425	-	425	-	425
Items that will be subsequently reclassified to profit or loss								
- share of other comprehensive loss of joint ventures	-	(7,957)	-	-	-	(7,957)	-	(7,957)
- currency translation differences	-	(111,367)	-	-	-	(111,367)	(121)	(111,488)
- cash flow hedge reserves	-	-	-	14	-	14	13	27
		(119,324)		14	-	(119,310)	(108)	(119,418)
Total other comprehensive (loss)/income for the financial period	**-**	**(119,324)**	**-**	**439**	**160,147**	**41,262**	**1,212**	**42,474**
Transactions with owners								
Accretion of interest in a subsidiary	-	-	-	-	(142)	(142)	(1,258)	(1,400)
Dividend paid for the financial year ended 31 December 2023 (final)	-	-	-	-	(109,445)	(109,445)	-	(109,445)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	(126,824)	(126,824)
Total transactions with owners	-	-	-	-	(109,587)	(109,587)	(128,082)	(237,669)
At 30 September 2024	**7,029,889***	**(2,597)**	**(3,089,497)**	**22,367**	**1,943,428**	**5,903,590**	**1,483,195**	**7,386,785**

FGV HOLDINGS BERHAD

Unaudited Condensed Consolidated Statement of Changes in Equity (continued)

	Share capital RM'000	Foreign exchange reserve RM'000	Re-organisation reserve RM'000	Other reserves RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
Year to date ended 30 September 2023								
At 1 January 2023	7,029,889	68,156	(3,089,497)	29,495	2,193,614	6,231,657	1,653,028	7,884,685
Profit/(loss) for the financial period	-	-	-	-	31,177	31,177	(17,978)	13,199
Other comprehensive income/(loss) for the financial period, net of tax:								
Items that will not be reclassified to profit or loss								
- actuarial gain on defined benefit plan	-	-	-	-	87	87	-	87
- fair value changes in financial assets at FVOCI	-	-	-	(521)	-	(521)	(25)	(546)
Items that will be subsequently reclassified to profit or loss								
- share of other comprehensive loss of joint ventures	-	(308)	-	-	-	(308)	-	(308)
- realisation of forex exchange reserve upon disposal of a foreign operation in joint venture	-	29,783	-	-	-	29,783	-	29,783
- realisation of foreign exchange reserve upon liquidation of a subsidiary	-	970	-	-	-	970	-	970
- currency translation differences	-	47,773	-	-	-	47,773	(6,307)	41,466
- cash flow hedge reserves	-	-	-	83	-	83	80	163
		78,218		83		78,301	(6,227)	72,074
Total other comprehensive income/(loss) for the financial period	**-**	**78,218**	**-**	**(438)**	**31,264**	**109,044**	**(24,230)**	**84,814**
Transactions with owners								
Liquidation of a subsidiary	-	-	-	-	-	-	(1,061)	(1,061)
Dividend paid for the financial year ended 31 December 2022 (final)	-	-	-	-	(401,297)	(401,297)	-	(401,297)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	(29,668)	(29,668)
Total transactions with owners	-	-	-	-	(401,297)	(401,297)	(30,729)	(432,026)
At 30 September 2023	**7,029,889***	**146,374**	**(3,089,497)**	**29,057**	**1,823,581**	**5,939,404**	**1,598,069**	**7,537,473**

** Includes 1 Special Share of RM1.00 held by Minister of Finance (Incorporated).*

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to this quarterly report and the audited financial statements for the financial year ended 31 December 2023.

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Unaudited Condensed Consolidated Statement of Cash Flows

	Year to date ended 30 September	
	2024 RM'000	**2023** RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial period	161,247	13,199
Adjustments for non-cash items	1,147,492	933,842
Operating profit before working capital changes	**1,308,739**	**947,041**
Changes in working capital	(330,065)	109,102
Cash generated from operations	**978,674**	**1,056,143**
Interest received	30,556	22,910
Taxation paid, net	(102,308)	(342,153)
Zakat paid	(10,745)	(18,372)
Retirement benefits paid	(3,508)	(860)
Net cash generated from operating activities	**892,669**	**717,668**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(684,698)	(668,094)
Purchase of intangible asset	(6,412)	(4,088)
Proceeds from disposal of assets held for sale	-	25,113
Proceeds from disposal of property, plant and equipment	1,634	229
Proceed from disposal of financial assets at fair value through profit or loss	96,214	383,161
Net cash outflow from liquidation of subsidiary	-	(526)
Cash outflow from additional investment in a subsidiary	(1,400)	-
Additions of financial assets at fair value through profit or loss	(102,471)	(397,750)
Additions of financial assets at fair value through other comprehensive income	(1,595)	(2,053)
Dividend received from an associate	1,393	1,689
Dividend received from joint ventures	5,403	2,324
Net cash used in investing activities	**(691,932)**	**(659,995)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	7,398,161	6,260,008
Repayment of borrowings	(7,272,862)	(5,528,025)
Repayment of LLA liability	(180,859)	(236,931)
Dividend paid to shareholders	(109,445)	(401,297)
Dividend paid to non-controlling interests	(126,824)	(29,668)
Finance costs paid	(140,461)	(115,790)
Repayment of loans due to ultimate shareholder	-	(108,908)
Payments of lease liabilities	(31,806)	(61,460)
Net cash used in financing activities	**(464,096)**	**(222,071)**
Net decrease in cash and cash equivalents	**(263,359)**	**(164,398)**
Effect of foreign exchange rate changes	(60,616)	29,113
Cash and cash equivalents at beginning of the financial period	1,523,234	1,397,106
Cash and cash equivalents at end of the financial period	**1,199,259**	**1,261,821**
Cash and cash equivalents at end of the financial period comprise of:		
Deposits, cash and bank balances	1,199,259	1,240,280
Cash and cash equivalents included under assets held for sale	-	21,541
Cash and cash equivalents at end of the financial period	**1,199,259**	**1,261,821**

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to this quarterly report and the audited financial statements for the financial year ended 31 December 2023.

FGV HOLDINGS BERHAD

Explanatory Notes on the Quarterly Report – 30 September 2024

This interim financial information of FGV Holdings Berhad ('FGV' or 'Group') 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 Malaysian Financial Reporting Standard ('MFRS') No. 134 – Interim Financial Reporting.

The Unaudited Condensed Consolidated Interim Financial Information should be read in conjunction with FGV audited financial statements for the financial year ended 31 December 2023. These explanatory notes attached to the Unaudited Condensed Consolidated Interim Financial Information provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2023.

1. Basis of Preparation

The financial statements of the Group have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The accounting policies and presentation adopted for this Unaudited Condensed Consolidated Interim Financial Information are mainly consistent with those of the Group's audited financial statements for the financial year ended 31 December 2023.

(i) Amendments to existing standards and other accounting pronouncements that are not expected to have any significant impact on the financial statements of the Group:

Effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 101 'Classification of liabilities as current or non-current' ('2020 amendments') and 'Non-current Liabilities with Covenants' ('2022 amendments')
- Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback'
- Amendments to MFRS 107 and MFRS 7 'Supplier Finance Arrangements'

(ii) Amendments to existing standards that are not yet effective and have not been early adopted by the Group:

Effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121 on 'Lack of Exchangeability'

The accounting pronouncements that are not yet effective are not expected to have any significant impact on the financial statements of the Group.

2. Seasonal or Cyclical Factors

Global sales of oils and fats products follow a similar pattern where sales increases ahead of festivities due to increased consumer demand. In addition, the harvest of fresh fruit bunches ("FFB") at palm oil plantations tends to increase in the second half of the financial year as a result of the rainfall pattern in Malaysia, which leads to a greater supply of CPO and PK during the second half of the financial year as FFB is immediately processed following its harvest.

Sales of refined oils and sugar products in Malaysia typically increase slightly during the months leading up to major holidays and festivals in Malaysia, especially Hari Raya and Chinese New Year, due to increased consumer demand for cooking oil and refined sugar.

3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no other material or unusual items affecting FGV's assets, liabilities, equity, net income or cash flows during the financial period under review.

4. Material Changes in Estimates

There were no other material changes in the estimates of amounts reported in the prior interim period of the current financial year or the interim period of the previous financial year that have a material effect on the results for the current quarter under review.

5. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period under review.

6. Dividends

No dividend has been paid during the quarter ended 30 September 2024.

7. Segment Information

Operating segments are reported in a manner consistent with the internal management reporting provided to the chief operating decision maker ("CODM"), which is the Group Management Committee ("GMC").

The GMC considers the business by product related activities. The reportable segments for the financial period ended 30 September 2024 have been identified as follows:

- Plantation Division - Plantation estates and mill activities including cultivation, harvesting and production of fresh fruit bunches ("FFB") and processing of FFB into crude palm oil ("CPO") and palm kernel ("PK"), research and development activities, fertilisers processing, rubber processing and production, sale of planting materials and security.

- Oils and Fats Division -Trading of CPO, refining of CPO, fractionation of refined bleached deodorised palm oil ("RBDPO") and Palm Olein ("PO"), crushing of PK, production of oleochemicals namely fatty acid and glycerine, processing and sales of biodiesel products, production of consumer bulk and packed products.

- Sugar Division - Sugar refining, sales and marketing of refined sugar and molasses.

- Logistics and Support Division - Bulking and transportation facilities and services, information technology and travel.

Corporate HQ, Others and Elimination mainly relates to the inclusion of investment holding companies within the Group and Group consolidation adjustments, which are not part of the operating segments.

The reportable segments and the entities included in the respective segments have been changed from the financial year ended 31 December 2023 due to the changes in the internal reporting structure to the CODM. Commencing January 2024, certain businesses activities and trading of CPO, which were previously part of Plantation Division, have now been included under Oils and Fats Division. Comparatives have been restated to conform to the revised reportable segments.

The GMC assesses the performance of the operating segments based on profit before zakat and taxation.

7. Segment Information (continued)

The segment information provided to the Group's Chief Operating Decision Maker which is defined as Group Management Committee for the reportable segments of FGV for the financial year is as follows:

		Plantation RM'000	Oils and Fats RM'000	Sugar RM'000	Logistics and Support RM'000	Corporate HQ, Others and Elimination RM'000	Total RM'000
Year to date ended 30 September 2024							
Total segment revenue		4,825,084	14,652,467	2,816,472	698,620	228,615	23,221,258
Less: Inter-segment revenue		(3,807,082)	(2,460,076)	(215,684)	(295,058)	(207,928)	(6,985,828)
Revenue from external customers		**1,018,002**	**12,192,391**	**2,600,788**	**403,562**	**20,687**	**16,235,430**
Finance income		5,201	13,794	6,017	2,896	2,648	30,556
Finance costs		(10,447)	(27,563)	(34,032)	(2,315)	(36,005)	(110,362)
Depreciation and amortisation		(386,064)	(51,528)	(49,207)	(56,930)	(13,417)	(557,146)
Fair value changes in LLA liability		(257,245)	-	-	-	-	(257,245)
(Impairment of)/reversal of impairment of:							
- financial assets		(15,942)	(715)	1,137	1,836	-	(13,684)
- non-financials assets		(117,533)	-	-	-	(2,003)	(119,536)
Share of results of joint ventures		-	13,869	-	-	-	13,869
Share of results of associates		(120)	-	-	-	(2,168)	(2,288)
Profit/(loss) before zakat and taxation for the financial period		**134,360**	**188,990**	**(17,426)**	**116,639**	**(75,536)**	**347,027**
Disaggregation of the Group's revenue is as follows:	Timing of revenue recognition						
Sales of Palm Oil Products	At a point in time	14,827	11,069,518	-	-	-	11,084,345
Sales of Refined Sugar	At a point in time	-	-	2,600,788	-	-	2,600,788
Others	At a point in time/over time	1,003,175	1,122,873	-	403,562	20,687	2,550,297
		1,018,002	**12,192,391**	**2,600,788**	**403,562**	**20,687**	**16,235,430**

7. Segment Information (continued)

The segment information provided to the Group's Chief Operating Decision Maker which is defined as Group Management Committee for the reportable segments of FGV for the financial year is as follows: (continued)

		Plantation RM'000	Oils and Fats RM'000	Sugar RM'000	Logistics and Support RM'000	Corporate HQ, Others and Elimination RM'000	Total RM'000
Year to date ended 30 September 2023							
Total segment revenue		4,334,487	12,625,632	2,252,108	589,562	253,323	20,055,112
Less: Inter-segment revenue		(3,359,783)	(2,106,335)	(110,828)	(256,991)	(226,691)	(6,060,628)
Revenue from external customers		**974,704**	**10,519,297**	**2,141,280**	**332,571**	**26,632**	**13,994,484**
Finance income		5,821	8,776	5,815	2,104	895	22,910
Finance costs		442	(24,083)	(33,029)	(1,835)	(32,112)	(90,617)
Depreciation and amortisation		(377,628)	(52,630)	(59,592)	(60,791)	(12,397)	(563,038)
Fair value changes in LLA liability		(126,789)	-	-	-	-	(126,789)
Reversal of impairment/(impairment of):							
- financial assets		4,211	(1,184)	(80)	(270)	-	2,677
- non-financials assets		(56,373)	(2,560)	-	-	(7,622)	(66,555)
Share of results of joint ventures		-	2,995	-	-	-	2,995
Share of results of associates		502	-	-	-	(2,414)	(1,912)
(Loss)/profit before zakat and taxation for the financial period		**(4,000)**	**192,924**	**(77,421)**	**102,584**	**(57,065)**	**157,022**
Disaggregation of the Group's revenue is as follows:	Timing of revenue recognition						
Sales of Palm Oil Products	At a point in time	30,062	9,482,495	-	-	-	9,512,557
Sales of Refined Sugar	At a point in time	-	-	2,141,280	-	-	2,141,280
Others	At a point in time/ over time	944,642	1,036,802	-	332,571	26,632	2,340,647
		974,704	**10,519,297**	**2,141,280**	**332,571**	**26,632**	**13,994,484**

8. Capital Commitments

	As at 30 September 2024 RM'000	As at 31 December 2023 RM'000
Capital expenditure approved and contracted for:		
- Property, plant and equipment	425,033	510,620
- Intangible asset	216	-
	425,249	**510,620**

9. Significant Related Party Transactions

(I) Related party transactions for the financial year ended 30 September 2024 and 30 September 2023 are as follows:

(a) Sales of goods and services

	Year to date ended 30 September 2024 RM'000	Year to date ended 30 September 2023 RM'000
(i) Transactions with joint ventures		
Sales of CPO by FGV Trading Sdn. Bhd. ("FGVT") to FGV Iffco Sdn. Bhd. Group ("FISB Group")	811,546	746,382
Sales of Crude Palm Kernel Oil ("CPKO") by FGV Kernel Products Sdn. Bhd. ("FKPSB") to FISB Group	142,956	142,186
Sales of CPKO by FKPSB to FPG Oleochemicals Sdn. Bhd. ("FPG")	41,629	-
Sales of CPO and refined bleached deodorised ("RBD") products by FGVT to MAPAK Edible Oil Pvt. Ltd. ("MAPAK")	86,666	92,246
(ii) Transactions with Federal Land Development Authority ("FELDA") and its subsidiaries		
Sales of fertiliser by FGV Fertiliser Sdn. Bhd. ("FGVFSB")	348,659	381,189
IT services rendered by FGV Prodata Systems Sdn. Bhd ("Prodata")	35,360	38,974
Security services rendered by FGV Security Services Sdn. Bhd ("FSSSB")	15,398	16,237

9. Significant Related Party Transactions (continued)

(i) Related party transactions for the financial year ended 30 September 2024 and 30 September 2023 are as follows: (continued)

(b) Purchase of goods and services

	Year to date ended 30 September	
	2024 RM'000	2023 RM'000
Transactions with FELDA and its subsidiaries:		
LLA liability paid by FGV Plantations (Malaysia) Sdn. Bhd. ("FGVPM")	180,859	236,931
Interest expense charged by FELDA	-	11,490
Purchase of cup lump by FGV Rubber Industries Sdn. Bhd. ("FRISB")	109,558	94,731
Purchase of FFB by FGVT	3,811,052	2,922,781
Joint Consultative Committee payment by FGVT	13,827	11,266

(c) Transactions with Government related entities

	2024 RM'000	2023 RM'000
Transactions between subsidiaries and other government agencies:		
Cooking oil subsidy and Joint Industry incentive for sugar received/receivable from Kementerian Perdagangan Dalam Negeri dan Kos Sara Hidup	326,346	120,475
Windfall tax paid/payable to Royal Malaysian Custom Department	73,290	53,733
CESS payment to Malaysia Palm Oil Board	35,097	29,710
Provision of IT solutions to Suruhanjaya Komunikasi dan Multimedia Malaysia	16,056	20,665
Provision of IT solutions to Lembaga Hasil Dalam Negeri Malaysia	83,134	8,454

10. Effect of Significant Changes in the Composition of FGV

There were no changes in the composition of the Group for the current financial period under review.

11. Contingent Liabilities and Material Litigation

(i) On 18 May 2021, FGV Prodata System Sdn. Bhd. ("Prodata" or "the 1st Defendant") an indirect subsidiary of the Company, was served with a sealed Writ of Summons dated 12 May 2021 ("the Writ") by VDSL Technology Sdn. Bhd. ("VDSL" or "the Plaintiff").

The Plaintiff claimed for compensation and damages amounting RM170,707,600 due to the 1st Defendant and FELDA's ("2nd Defendant") alleged breaches on various arrangements agreed upon by the parties with regard to the Felda Broadband Initiative Project.

On 1 November 2021, VDSL has filed amended statement of claim and case management was held on the same day for the main suit, Prodata's application for security cost and VDSL's application for protective order. Pursuant to the hearing on 19 January 2022, the Judge directed the case be fixed for mediation for parties to explore and discuss a possible amicable settlement, while the court proceedings to continue to run its course. On 11 May 2022, the Mediator acknowledged that the mediation was unsuccessful. No further mediation is fixed.

On 9 November 2022, Prodata informed the Judge that Prodata is not agreeable to record a consent order on VDSL's protective order application. On 16 December 2022, the Judge recorded the consent order between VDSL and Felda in respect of both VDSL's protective order application and Felda's discovery application.

The Judge dismissed the security for costs applications filed by Prodata and Felda respectively, with costs of RM5,000 (subject to allocator fee of RM200, therefore totaling RM5,200) payable by each of Prodata and Felda to VDSL.

On 9 January 2023, Prodata filed an appeal to Court of Appeal against the High Court's dismissal of Prodata's application for security for costs. On 18 January 2023, during the case management, parties were informed as follows:
(i) Both Felda & Prodata are appealing the High Court's decision on the Security for Costs applications;
(ii) Felda also filed an appeal on the High Court's decision on Felda's Striking Out application;
(iii) VDSL would like to file an application to amend its Amended Statement of Claim.

On 10 August 2023, the Court of Appeal has granted the application for security for costs by Prodata and Felda and directed VDSL to pay a sum of RM100,000 as security for costs each to the respective solicitors for Prodata and Felda respectively within 21 days from 10 August 2023. The Court of Appeal also has ordered VDSL to pay a sum of RM10,000 as costs (subject to allocatur fee) each to Prodata and Felda respectively. On 29 August 2023, the solicitors have received the payment of RM100,000 from VDSL as security for costs which the solicitors are holding as stakeholder pursuant to the Court of Appeal Order dated 10 August 2023.

On 14 March 2023, the High Court was informed that FGV Prodata and FELDA would like to oppose VDSL's application to amend the statement of claim. On 12 September 2023 the High Court granted VDSL's amendment application on the statement of claim. Prodata has filed Re-Amended Defence on 2 November 2023.

The Court Registrar has fixed 2 July 2024 for parties to file in the Common Bundle of Documents and the list of witnesses. The Court also has fixed 16 to 19 June 2025 (4 days) for a full trial. On 19 September 2025, the Court has fixed next case management on 25 November 2024 to update on the bundle of documents.

Based on legal opinion, there is a fair chance of Prodata succeeding in defending the claim from VDSL. Accordingly, no provision has been recognised as the cash outflow is not probable.

11. Contingent Liabilities and Material Litigation (continued)

(ii) On 12 February 2019, all Defendants to the suit filed by the Company on 23 November 2018 against its former members of the Board of Directors and former employees on the acquisition of APL ("Company suit") had filed their respective Defences except for one, who was directed by the High Court to file his Defence on or before 4 March 2019.

On 11 February 2019, certain Defendants to the Company suit had filed a counterclaim ("the Counterclaim") against the Company and the previous members of the Board of Directors of the Company ("Counterclaim Defendants"). The Counterclaim seeks reliefs, jointly and severally, against the Company and the Counterclaim Defendants for declaration that the Company and the Counterclaim Defendants were liable for the loss of RM514 million (in the Company's suit) and for any damages, general damages and interest at 5% per annum to be indemnified by the Company and Counterclaim Defendants.

On 8 November 2019, the Counterclaim Defendants filed an application to strike out the Counterclaim. The High Court after hearing both parties, had struck out the Counterclaim and dismissed the 10th to 14th Defendants' claim with costs. The High Court also directed the Defendants to file and serve their Amended Defence. On 13 January 2020, the Solicitors of 8th Defendant updated the Court that they had filed an application to amend their Defence. On 6 September 2021, the Court of Appeal heard and allowed the 10th to 14th Defendants' appeal and reversed the decision of the High Court. The Company filed an application for leave to appeal to the Federal Court ('Leave Application"). The Court had on 8 September 2022 informed that the case would be transferred to NCvC 12 (new civil court) and no official letter of the direction from the new judge.

On 5 October 2022, the Federal Court did not allow the Plaintiff's application for Leave to Appeal and therefore, the Main Action and the Counterclaim will proceed to trial in the High Court. The Court has fixed new trial dates on 17 to 19 April 2023 and fixed for a case management and hearing for 10th to 14th Defendants amendment application on the counter claim on 22 February 2023.

On 22 February 2023, the Judge indicated that this case would be more suitable to be heard in a Commercial Court (the case was filed in a Civil Court). Hence, the case management and hearing of 10th to 14th Defendants amendment application on the counter claim could not proceed. Additionally, the 1st Defendant has filed an application to amend his defence.

The case has been transferred to the Commercial Court. On 31 March 2023, the Court has fixed the 1st Defendant's Amendment Application and 10th to 14th Defendants Amendment Application for Hearing on 27 November 2023. On 27 November 2023, the Court has allowed both Applications with costs of RM5,000 to be borne by the 1st Defendant and 10th to 14th Defendants.

On 2 July 2024, the outcome of the Hearing were as follows:

(i) The Court allowed the Plaintiff's application to amend the Reply to the 8th Defendant Defence with costs of RM5,000;
(ii) The Court allowed 8th Defendant's application to file a rejoinder and for the Plaintiff to file a surrejoinder;
(iii) The Court recorded that 2nd to 5th Defendants consented to the Plaintiff's amendment application subject to the filing of rejoinder and then for the Plaintiff to file a surrejoinder.

The Court has fixed trial dates on 2 to 4, 17 to 19 and 22 to 26 September 2025. The Court has fixed the next Case Management on 9 December 2024.

No provision has been recognised as the filing of the pleadings has yet to be completed.

11. Contingent Liabilities and Material Litigation (continued)

(iii) On 10 April 2023, Sri Kehuma Sdn. Bhd. and Yapidmas Plantation Sdn. Bhd., indirect subsidiaries of the Company, ("the Defendants") had been served with a sealed Writ of Summons dated 13 March 2023 ("the Writ") by Euggne Kousai ("the Plaintiff").

The plantiff, among others, is claiming for damages amounting to RM24,924,000 due to the Defendants' alleged fraudulent transaction and the continuing trespass of forty one (41) parcels of lands under Native Title, which are under lease agreements, which the Plaintiff claims to be the registered owner.

The Plaintiff had further filed an application under Order 14A of the Rules of Court 2012 to request the Court to dispose the suit without the need for full trial.

The hearing before the Judge has fixed on 5 October 2023. During the e-review on 20 September 2023, the Plaintiff has agreed to withdraw the Order 14A application. Therefore, Plaintiff's Order 14A Application has been struck out by the Court with costs of RM1,000 only. Hence the hearing date on 5 October 2023 has been vacated.

The application by the Defendants to amend the Defence (to plead new defences of limitation and res judicata/and or cause of action estoppel) was allowed on 18 September 2023 by the Court.

The solicitors have filed the Notice of Application to strike out the Plaintiff's claim (based on time limitation and res judicata/and or cause of action estoppel) on 31 October 2023. On 22 February 2024, the Court has been informed that that parties have exchanged their submissions for the striking out application. On 17 May 2024, the High Court had allowed Defendant's striking out application with costs of RM2,000.

The Plaintiff dissatisfied with the High Court's decision and filed an appeal with the Court of Appeal on 14 June 2024. On 21 October 2024, the Court of Appeal has fixed a Hearing date on 12 November 2025. A Case Management date also has been fixed on 15 November 2025.

The Directors believe the Group has a reasonable chance of succeeding in the application to strike out the claim. Accordingly, no provision has been recognised as the cash outflow is not probable.

(iv) A claim by the Euggne Kousai ("the Plaintiff") that the sub-leases dated 16.09.1997 and 06.07.1999 in respect of (17) parcels of land were tainted with fraud and legality. The Plaintiff also claims that there is continuing trespass by the Ladang Kluang Sdn. Bhd., an indirect subsidiary of the Company, ("the Defendant").

The Plaintiff seeks a declaration that the sub-leases are illegal and void as well as damages for the amount of RM10,310,000.

On 25 January 2024, the High Court has allowed the Defendant's application to set aside the Judgement in Default dated 13 September 2023. On 8 February 2024, the Defendant filed its Defence. The solicitors have informed the Court that the pleadings have closed. On 18 September 2024, the High Court had allowed the Defendant's striking out application with costs of RM10,000.00 to be paid by the Plaintiff to Defendant subject to allocatur fees. Plaintiff did not file an appeal against the High Court's decision. The window to file an appeal has closed. Thus, this concludes the matter.

The Directors believe the Group has a reasonable chance of succeeding in the application to strike out the claim. Accordingly, no provision has been recognised as the cash outflow is not probable.

11. Contingent Liabilities and Material Litigation (continued)

(v) On 4 November 2024, FGV Bulkers Sdn. Bhd. ("FGVB"), an indirect subsidiary of the Company ("the Defendant"), has been served with a Writ of Summon by South Asian International Distribution Sdn. Bhd. ("the Plaintiff").

FGVB has received the above Suit which among others contends that FGVB has breached the Supply and Delivery Agreement ("SDA") dated 28 February 2023 for the supply and delivery of Palm Kernel Shells ("PKS"). Based on the alleged breach, the Plaintiff has now filed the Suit against the Defendant.

The particulars of the claims among others are a) A declaration that any agreement (whether expressly or impliedly made by the Plaintiff) to the increase of price of PKS within the 6-month period under Clause 5.1 of the SDA shall be null and void; b) Damages in the sum of RM4,443,859.70, being losses pleaded in paragraph 17 of the Statement of Claim ("SOC"); c) Damages in the sum of RM86,399,575, being losses pleaded in paragraph 24 of the SOC; d) Further and/or alternatively, general damages to be awarded pursuant to the findings of this Honourable Court; e) Pre-judgment interest pursuant to Section 11 of the Civil Law Act 1956; f) Post-judgment interest; g) Cost; and h) such further and/or other reliefs that this Honourable Court deems just and proper.

FGVB is required to enter an appearance within fourteen (14) days hereof and case management has been fixed on 20 November 2024. FGVB is currently seeking legal advice and will make further announcement on any material development in the Suit in due course. FGVB to file its Statement of Defence by 4 December 2024. Plaintiff to file its Reply to Defence by 18 December 2024. Any interlocutory application(s) (if any) to be filed by 2 January 2025 and the next Case Management for pre-trial directions is fixed on 13 January 2025.

The Plaintiff had on 25 November 2024 served on FGVB with a Notice of Application and Affidavit in Support ("Plaintiff's Summary Judgment Application").

The Plaintiff is seeking for the following reliefs summarily under Order 14, rule 1 & 2 and Order 92, rule 4 of the Rules of Court 2012 through the Plaintiff's Summary Judgment Application:

(a) a declaration in favour of the Plaintiff that any agreement (whether expressly or impliedly made by the Plaintiff) to the increase of price of PKS within the 6-month period under Clause 5.1 of the SDA shall be null and void;
(b) the Defendant to pay to the Plaintiff a sum of RM4,443,859.70;
(c) alternatively, general damages to be assessed;
(d) pre-judgment interest pursuant to Section 11 of the Civil Law Act 1956;
(e) post-judgment interest to the judgment debt at the rate of 5% per annum from the date of judgment until the date of full settlement;
(f) cost; and
(g) such further and/or other reliefs that this Honourable Court deems just and proper.

The Court has fixed the next Case Management on 19 December 2024 and the next Case Management initially fixed on 13 January 2025 is vacated.

Based on legal opinion, there is a good chance of FGVB in defending the claim by Plaintiff. Accordingly, no provision has been recognised as the cash outflow is not probable.

The remaining claims are not material to be disclosed in the financial statements and deemed remote by the Directors.

FGV HOLDINGS BERHAD

Explanatory Notes on the Quarterly Report – 30 September 2024 (continued)

12. Review of Group Performance

	Quarter ended 30 September			Quarter ended 30 June		Year to date ended 30 September		
	2024 RM'000	**2023** RM'000	% +/(-)	**2024** RM'000	% +/(-)	**2024** RM'000	**2023** RM'000	% +/(-)
Revenue	**6,175,157**	**4,907,048**	**25.8**	**5,515,701**	**12.0**	**16,235,430**	**13,994,484**	**16.0**
Plantation	95,944	(681)	>100	100,555	(4.6)	134,360	(4,000)	>100
Oils and Fats	94,811	111,383	(14.9)	67,532	40.4	188,990	192,924	(2.0)
Sugar	(54,244)	(31,945)	(69.8)	(30,348)	78.7	(17,426)	(77,421)	77.5
Logistics and Support	46,545	41,723	11.6	37,509	24.1	116,639	102,584	13.7
Division profits	**183,056**	**120,480**	**51.9**	**175,248**	**4.5**	**422,563**	**214,087**	**97.4**
Corporate HQ, Others and Elimination	(26,424)	(37,712)		(34,519)		(75,536)	(57,065)	
Profit before zakat and taxation	**156,632**	**82,768**	**89.2**	**140,729**	**11.3**	**347,027**	**157,022**	**>100**
Zakat	(8,790)	(17,595)		(1,483)		(10,745)	(18,372)	
Taxation	(74,649)	(41,812)		(54,456)		(175,035)	(125,451)	
Profit for the financial period	**73,193**	**23,361**	**>100**	**84,790**	**(13.7)**	**161,247**	**13,199**	**>100**
Profit/(loss) attributable to:								
Owners of the Company	**87,161**	**31,982**	**>100**	**86,379**	**0.9**	**160,046**	**31,177**	**>100**
Non-controlling interests	(13,968)	(8,621)		(1,589)		1,201	(17,978)	
Profit for the financial period	**73,193**	**23,361**	**>100**	**84,790**	**(13.7)**	**161,247**	**13,199**	**>100**

12. Review of Group Performance (continued)

(A) Current Quarter Ended 30 September 2024 against Previous Year's Corresponding Quarter Ended 30 September 2023

<u>Overall</u>

The Group's revenue grew by 26% to RM6.18 billion, fueled by higher yields that increased CPO sales volume, along with an improved average CPO price realised of RM3,980 per MT this quarter, compared to RM3,879 per MT in the corresponding quarter of the previous year. The Group's profit before zakat and taxation rose to RM156.63 million, compared to RM82.77 million in the corresponding quarter of the previous year, primarily driven by stronger performance in the Plantation and Logistics and Support Divisions.

(a) **Plantation Division**

The Plantation Division registered a profit of RM95.94 million, a significant improvement from the loss of RM0.68 million in the same quarter last year. The profit was primarily driven by a 20% rise in FFB production, which grew to 1.20 million MT from 1.00 million MT in the corresponding quarter of the previous year, thus resulted in a higher yield of 4.72 MT per hectare compared to 3.73 MT per hectare in the corresponding quarter of the previous year. Additionally, the FFB price increased by 6.4% to RM817 per MT, while estate operational costs were reduced by 18%. The fair value charge on the LLA rose to RM104.53 million, up from RM67.12 million in the same quarter of the previous year.

The Division's profit also driven by improvements in the R&D segment and higher profit margins as well as increased sales volume in the fertiliser business. The OER for the current quarter decreased to 20.71% from 20.89% in the same quarter of the previous year.

On the downside, the rubber segment registered higher losses due to increased production costs, despite higher commodity prices and sales volume. As a result of lower rubber production and decrease in FFB productive hectarage in certain areas, the Division recognised an impairment loss of RM114.93 million in non-current assets (Q3 2023: RM16.90 million).

(b) **Oils & Fats Division**

The Oils & Fats Division reported a lower profit of RM94.81 million, down from RM111.38 million in the corresponding quarter of the previous year. This decline was primarily due to reduced margins in the bulk commodities segment. The division's performance was also affected by tighter margins in the edible oils segment stemming from intense competition in the domestic market.

Correspondingly, the impact of the lower profit was mitigated by the strengthening of Ringgit against the USD, which resulted in forex gains compared to forex losses in the previous year. The share of profit in joint ventures was RM10.36 million, an improvement from a share of loss of RM9.55 million in the same quarter last year.

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12. Review of Group Performance (continued)

(A) Current Quarter Ended 30 September 2024 against Previous Year's Corresponding Quarter Ended 30 September 2023 (continued)

(c) Sugar Division

The Sugar Division reported higher losses of RM54.24 million, compared to RM31.95 million in the corresponding quarter of the previous year. Despite higher revenue this quarter, driven by increased average selling prices and incentives received for certain packed sugar sold in the domestic market, the losses were primarily attributed to forex loss as a result of rapid appreciation of Ringgit Malaysia (RM) against US Dollar (USD).

(d) Logistics and Support Division

The Logistic and Support Division reported a profit of RM46.55 million, an increase from RM41.72 million in the corresponding quarter of the previous year. This growth was primarily driven by a 7% rise in profits from the Logistics segment, attributed to higher throughput handled and increased handling rate in bulking operations, as well as higher tonnage handled in the transport business. Additionally, the division's profit was further helped by higher contributions from the IT segment.

(B) Current Financial Period Ended 30 September 2024 against the Previous Financial Period Ended 30 September 2023

Overall

The Group's revenue increased by 16% to RM16.24 billion compared to the corresponding financial period last year, driven by a higher average CPO price realised of RM4,004 per MT, up from RM3,948 per MT in the previous financial period, as well as improved revenue from the Sugar Division. Profit before zakat and taxation rose to RM347.03 million, up from RM157.02 million in the previous financial period, with all Divisions reporting improvements except for Oils & Fats, which reported a 2% decline in profit.

(a) Plantation Division

The Plantation Division registered a profit of RM134.36 million, a significant turnaround from a loss of RM4.00 million in the previous financial period. This improvement was primarily driven by a 12% increase in FFB production, which reached 2.90 million MT compared to 2.60 million MT in the same period last year, resulted in a higher yield of 11.39 MT per hectare, up from 9.68 MT per hectare in the corresponding previous financial period. Additionally, estate operational costs decreased by 8% and the OER improved to 20.60% from 20.52% in the corresponding period of the previous financial year. The Division's profit was further strengthened by increased margin and higher sales volume in fertiliser business.

Nonetheless, the higher profit was partially offset by an increase in the fair value charge on LLA, which rose to RM257.25 million from RM126.79 million in the previous financial period as well as an impairment loss of RM117.53 million in non-current assets (YTD Q3 2023: RM56.37 million) in relation to plantation and rubber estates and factories. Included in the result of the corresponding financial period of the previous year was an impairment loss of RM47.97 million for Indonesian plantation assets.

12. Review of Group Performance (continued)

(B) Current Financial Period Ended 30 September 2024 against the Previous Financial Period Ended 30 September 2023 (continued)

(b) **Oils & Fats Division**

The Oils & Fats Division recorded a lower profit of RM188.99 million, down from RM192.92 million in the previous financial period mainly attributed to reduced margins in the bulk commodities segment. The division's performance was further impacted by reduced margins in the chemical segment, due to lower glycerin prices. The Division experienced tighter margins in the edible oils segment, as a result of price competition in the overseas market.

Additionally, the share of profit from joint ventures rose significantly to RM13.87 million from RM3.00 million in the previous financial period.

(c) **Sugar Division**

The Sugar Division reported a reduced loss of RM17.43 million, improved from the RM77.42 million loss in the previous corresponding financial period. The lower loss was driven by higher overall average selling prices, increased sales volume and incentives received for certain packed sugar sold in the domestic market as well as better capacity utilization.

(d) **Logistics and Support Division**

The Logistics and Support Division reported a profit of RM116.64 million, higher than the RM102.58 million in the same period last year. This growth was attributed by a 10% increase in the Logistics segment's profit, supported by higher handling rates and tonnage handled in both the bulking and transport businesses, as well as higher income from Multi-modal Transport Operator operations. Additionally, profit from IT business in the current financial period has also contributed to the Division's increased profit.

13. Material Changes in the Quarterly Results Compared to Preceding Quarter

Overall

The Group reported a 12% increase in revenue to RM6.18 billion, with profit before zakat and taxation rising to RM174.13 million, compared to RM156.63 million in the preceding quarter. This profit increase was primarily due to higher contributions from Oils & Fats and Logistics and Support Divisions.

(a) Plantation Division

The Plantation Division reported a lower profit of RM95.94 million, compared to RM100.56 million in the preceding quarter. This decline was primarily due to an impairment loss of RM114.93 million in non-current assets, reduced margins in the Rubber segment and an increase in the fair value charge on LLA to RM104.53 million from RM66.68 million in the preceding quarter

Excluding the impairment, the Division's profit for the current quarter was higher, driven by a 25% increase in FFB production to 1.20 million MT from 0.96 million MT. This resulted in an improved yield of 4.72 MT per hectare compared to 3.76 MT per hectare in the preceding quarter. The profit was further supported by a 15% reduction in estate operational costs. The OER achieved for the current quarter also increased to 20.71% from 20.48% in the preceding quarter.

Additional support for the Division's profit came from the R&D segment, which benefited from higher margins and increased sales volume in the fertiliser business.

(b) Oils & Fats Division

The Oils & Fats Division reported a higher profit of RM94.81 million, up from RM67.53 million in the preceding quarter. This increase was mainly due to higher sales volume in the bulk commodities segment and net forex gains recognised, despite lower margins compared to the previous quarter. Additionally, the share of profit from joint ventures rose significantly to RM10.36 million from RM0.28 million in the preceding quarter, driven by a higher unrealised gain on derivatives contracts in the joint venture.

However, the chemicals segment reported lower shipment volumes compared to the previous quarter, whereas the edible oils segment experienced lower losses due to improved margins.

(c) Sugar Division

The Sugar Division incurred a larger loss of RM54.24 million, compared to RM30.35 million in the preceding quarter. Despite higher revenue in the current quarter driven by increased sales volume, the loss was mainly due to forex loss as a result of rapid appreciation of RM against USD.

(d) Logistics and Support Division

The Logistics and Support Division recorded a higher profit of RM46.55 million, up from RM37.51 million in the preceding quarter. The increase was primarily driven by a 17% improvement in profitability within the Logistics segment, due to higher throughput and increased tonnage volume in both the transport and bulking businesses. Additionally, a stronger contribution from the travel business this quarter, supported by the hajj travels further enhanced the Division's profit.

14. Variance of Actual Profit from Profit Forecast or Profit Guarantee

Not applicable as there was no profit forecast or profit guarantee issued.

15. Operating profit after LLA

	Year to date ended 30 September	
	2024 RM'000	2023 RM'000
Included in operating profit after LLA are:		
Depreciation of property, plant and equipment	484,514	492,619
Depreciation of right-of-use assets	59,343	55,615
Depreciation of investment properties	5,261	5,755
Property, plant and equipment written off	4,720	6,999
Amortisation of intangible assets	8,028	8,791
Gain on disposal of asset held for sale	-	(8,332)
Impairment loss on property, plant and equipment - net	110,516	18,415
Impairment loss on right-of-use assets	9,020	-
Impairment loss on intangible asset	-	44,686
Impairment loss on biological asset	-	1,082
Impairment loss on asset held for sale	-	2,372
Net unrealised foreign exchange loss/(gain) - net	8,028	(12,570)

16. Taxation

	Quarter Ended 30 September		Year to date Ended 30 September	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Malaysian income tax				
Current financial period	(41,648)	(46,736)	(132,624)	(104,006)
Foreign income tax				
Current financial period	(4,057)	(7,999)	(10,908)	(16,228)
Deferred tax	(28,943)	12,923	(31,502)	(5,217)
	(74,649)	**(41,812)**	**(175,035)**	**(125,451)**

The effective tax rate for the financial period ended 30 September 2024 is 54%, higher than the Malaysian income tax rate of 24% due to certain expenses and impairment loss which are not allowable, deferred tax assets not recognised on losses in certain subsidiaries.

17. Borrowings

	As at 30 September 2024					
	Long term		Short term		Total borrowings	
	Foreign currency	RM'000 Equivalent	Foreign currency	RM'000 Equivalent	Foreign currency	RM'000 Equivalent
Secured						
Islamic term loans	-	187,779	-	121,084	-	308,863
Short term trade financing						
- Thai Baht	-	-	45,803	5,889	45,803	5,889
Sukuk	-	348,608	-	55,504	-	404,112
Unsecured						
Islamic short term trade financing						
- Ringgit Malaysia	-	-	-	1,395,422	-	1,395,422
- United States Dollar	-	-	26,236	108,146	26,236	108,146
Short term trade financing	-	-	-	434,914	-	434,914
Sukuk	-	753,549	-	50,611	-	804,160
Hire purchase	-	93,229	-	407	-	93,636
Total borrowings		**1,383,165**		**2,171,977**		**3,555,142**

Exchanges rates applied as at 30 September 2024	
United States Dollar	4.1220
Thai Baht	12.8032

As at 30 September 2024, certain short term trade financing is secured over certain property, plant and equipment, benefits of an insurance covering finished goods, and guaranteed by some of the Directors and/or shareholders of certain subsidiary companies. Islamic term loans are secured against a leasehold land, debenture and certain bank balances of the Group. Certain Sukuk is secured against a land of a subsidiary company.

MSM Malaysia Holdings Berhad ("MSMH"), a subsidiary of the Group, is required to comply with three financial covenants i.e. (i) consolidated net debt and financing to equity ratio, (ii) consolidated net debt and financing to earnings before interest, tax, depreciation and amortisation ("EBITDA") ratio and (iii) consolidated finance payment cover ratio (collectively known as "financial covenants"). The financial covenants are to be complied with annually.

MSMH continues to review and monitor the relevant financial covenants of its debts with financial institutions. MSMH expects that it will not be able to meet the financial covenant (ii) consolidated net debt and financing to EBITDA ratio, when it is subject to compliance testing requirement within 6 months after the reporting period. Based on past experience, MSMH has managed to obtain a waiver or letter of indulgence when required.

18. Derivative Financial Instruments

FGV uses forward foreign exchange contracts and commodity contracts to manage its exposure to various financial risks. The outstanding contractual/notional amounts and fair values of these derivatives as at 30 September 2024 are as follows:

	Contractual/ Notional Amount RM'000	Fair Value Assets RM'000	Fair Value Liabilities RM'000
Current			
Foreign currency forwards	978,008	37,149	5,899
Palm oil futures	90,326	-	916
Brent crude oil option	802	-	3,111
	1,069,136	37,149	9,926

19. Fair Value Changes of Financial Instruments

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 2023. The maturity periods of the above derivatives are less than one year. The following table presents the Group's assets and liabilities that are measured at fair value at 30 September 2024.

30 September 2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets at fair value through profit or loss:				
- Derivatives	-	37,149	-	37,149
- Trading securities	101,189	-	-	101,189
Financial assets at FVOCI	3,811	-	146,690	150,501
Total assets	105,000	37,149	146,690	288,839
Liabilities				
Financial liabilities at fair value through profit or loss:				
- LLA liability	-	-	3,590,199	3,590,199
- Derivatives	4,026	5,900	-	9,926
Total liabilities	4,026	5,900	3,590,199	3,600,125

The following table presents the changes in Level 3 instruments during the financial year:

	Year to date ended 30 September 2024 RM'000	Financial year ended 31 December 2023 RM'000
LLA liability		
1 January	3,513,813	3,680,354
Fair value changes charged to profit or loss	257,245	133,706
Repayment during the financial period/year:		
- Fixed lease payments	(182,239)	(243,507)
- Share of profits	(9,313)	(56,740)
- Over provision of share of profits in prior financial year	10,693	-
31 December	3,590,199	3,513,813
Financial assets at FVOCI		
1 January	157,716	159,407
Addition	1,595	1,997
Fair value changes	-	(7,670)
Currency translation differences	(12,621)	3,982
31 December	146,690	157,716

19. Fair Value Changes of Financial Instruments (continued)

Fair value changes for the LLA liability has been measured based on assumptions made on discount rate, crude palm oil prices, fresh fruit bunches prices, palm kernel prices, average yield of fresh fruit bunches, inflation rate, total acreage of planted oil palm and rubber, estate replanting fixed cost and capital expenditure; amongst others, on a periodic basis.

The Group adopted the most recent estimated changes then in arriving at the fair value. The key assumptions incorporating the most recent developments, other parameters such as commodity prices have been updated as at 30 September 2024.

20. Earnings Per Share

	Quarter ended 30 September		Year to date ended 30 September	
	2024	**2023**	**2024**	**2023**
Profit for the financial period attributable to Owners of the Company (RM'000)	87,161	31,982	160,046	31,177
Weighted average number of ordinary shares in issue (thousands)	3,648,152	3,648,152	3,648,152	3,648,152
Basic earnings per share (sen)	**2.39**	**0.88**	**4.39**	**0.85**

21. Status of Corporate Proposals

There was no corporate proposal entered into during the financial period under review.

22. Significant Events

(i) In the previous financial year, the Board of Directors of FGV and Maybank Investment Bank Berhad announced that the Company proposes to undertake the following:

a) proposed bonus issue of up to 364,815,150 new Islamic redeemable preference shares in FGV (**"**FGV RPS-i**"**) on the basis of one (1) FGV RPS-i for every ten (10) existing ordinary shares held in FGV on an entitlement date to be determined later ("Proposed Bonus Issue"). The FGV RPS-i will be issued at RM0.10 per FGV RPS-i ("Issue Price"); and

b) proposed amendments to the Constitution of FGV ("Proposed Amendments").

(collectively referred to as "Proposals")

On 21 February 2024, FGV announced that Bursa Securities had, vide its letter dated 20 February 2024, resolved to grant FGV a further extension of time until 13 August 2024 to issue the circular in relation to the Proposals ("Circular") to comply with Paragraph 9.33(1)(b) of the Listing Requirements.

On 13 August 2024, the Company announced that FELDA in its letter to the Company dated 26 July 2024, updated that it is still seeking directions from the Ministry of Finance (MOF) and the Prime Minister's Department on the Proposals. However, Bursa Securities' approval for the listing and quotation of the FGV RPS-i on the Main Market of Bursa Securities had lapsed on 10 April 2024 and Bursa Securities' approval for the extension of time to issue the circular in relation to the Proposals ("Circular") is valid until 13 August 2024.

22. Significant Events (continued)

The extension of time has lapsed on 14 August 2024, FGV would only take the necessary steps to resume the implementation of the Proposals and re-apply for the listing and quotation of the FGV RPS-i as well as submit the draft Circular for Bursa Securities' perusal after FELDA has obtained the necessary consents, subject to approval from the Board.

(ii) On 19 March 2024, FGV announced that the Bursa Securities, vide its letter dated 18 March 2024, granted the Company an extension of time to comply with the public shareholding spread requirement for a further six (6) months from 3 March 2024 until the expiration of the extension on 2 September 2024 after taking into consideration of all circumstances of the matter.

On 13 September 2024, FGV announced that the Bursa Securities, vide its letter dated on the same day, granted the Company an extension of time to comply with the public shareholding spread requirement for a further six (6) months from 3 September 2024 up to 2 March 2025 after taking into consideration of all circumstances of the matter.

23. Material events after reporting period

There were no material events after reporting financial period under review.

24. Prospects

CPO production reached its peak in the third quarter, driven by improved palm productivity. Meanwhile, CPO prices remained elevated, bolstered by rising crude oil prices and concerns over reduced output from Malaysia and Indonesia in the fourth quarter of the year. Against this backdrop, our Plantation Division is intensifying its yield enhancement efforts, focusing on efficient crop recovery, loose fruit collection, and estate mechanisation.

The Sugar Division continues to face pressure from higher input costs, including global freight and natural gas prices. Despite these challenges, it remains focused on reinforcing its domestic and export markets, while exploring other regional market opportunities. The raw sugar price outlook in the fourth quarter is expected to be lower and translate into lower production costs. The Division continues to engage the government towards a sustainable pricing mechanism for the long-term stability of the industry.

The Logistics and Support Division remains steadfast in delivering strong performance premised upon high-quality logistics services, timely customer feedback as well as digital transformation that boosts efficiency and reduces cost.

On the sustainability front, FGV will continue its efforts to enhance labour rights and uphold responsible practices, in alignment with the ESG agenda.

Barring any unforeseen circumstances, the Board anticipates that the Group's financial performance will be satisfactory.

By Order of the Board

Azni Ariffin
Company Secretary

27 November 2024