



FGV HOLDINGS BERHAD

200701042133 (800165-P)

QUARTERLY REPORT

**Condensed Consolidated Financial Statements
For The Financial Year Ended 31 December 2024**



FGV HOLDINGS BERHAD

Unaudited Condensed Consolidated Statement of Comprehensive Income for the Quarter ended 31 December 2024

Note	Quarter ended 31 December			Year to date ended 31 December		
	2024 RM'000	2023 RM'000	% + / (-)	2024 RM'000	2023 RM'000	% + / (-)
Revenue	5,920,173	5,364,702	10.4	22,155,603	19,359,186	14.4
Cost of sales	(5,240,369)	(4,824,445)		(20,033,275)	(17,785,648)	
Gross profit	679,804	540,257	25.8	2,122,328	1,573,538	34.9
Other operating income	48,130	8,153		126,538	121,194	
Selling and distribution costs	(71,148)	(77,336)		(238,543)	(249,993)	
Administrative expenses	(280,506)	(270,220)		(1,010,250)	(902,076)	
Reversal of impairment/(impairment of) financial assets (net)	12,913	14,945		(771)	17,622	
Other operating expenses	(2,963)	(7,097)		(13,860)	(22,527)	
Commodity (losses)/gains - net	(7,484)	(22,296)		65,801	(917)	
Operating profit	378,746	186,406	>100	1,051,243	536,841	95.8
Fair value changes in Land Lease Agreement ("LLA") liability	(166,690)	(6,917)		(423,935)	(133,706)	
Operating profit after LLA	212,056	179,489	18.1	627,308	403,135	55.6
Finance income	11,699	12,213		42,255	35,123	
Finance costs	(23,177)	(34,537)		(133,539)	(125,154)	
Share of results from associates	385	414		(1,903)	(1,498)	
Share of results from joint ventures	17,812	21,841		31,681	24,836	
Profit before zakat and taxation	218,775	179,420	21.9	565,802	336,442	68.2
Zakat	(729)	(15,790)		(11,474)	(34,162)	
Taxation	(55,526)	(64,387)		(230,561)	(189,838)	
Profit for the financial period/year	162,520	99,243	63.8	323,767	112,442	>100
Profit attributable to:						
- Owners of the Company	116,206	70,441	65.0	276,252	101,618	>100
- Non-controlling interests	46,314	28,802		47,515	10,824	
	162,520	99,243	63.8	323,767	112,442	>100
Other comprehensive (loss)/income						
Actuarial loss on defined benefit plan	(499)	(1,426)		(279)	(1,339)	
Fair value changes of financial assets at fair value through other comprehensive income ("FVOCI")	(25,836)	(7,130)		(25,411)	(7,676)	
Share of other comprehensive income/(loss) of associates	325	(1,353)		325	(1,353)	
Share of other comprehensive income/(loss) of joint ventures	10,075	(15,914)		2,118	(16,222)	
Realisation of forex exchange reserve upon disposal of a foreign operation in joint venture	-	(77)		-	29,706	
Realisation of forex exchange reserve upon liquidation of a subsidiary	-	-		-	970	
Realisation of forex exchange reserve upon disposal of subsidiaries	-	6,362		-	6,362	
Currency translation differences	101,665	(17,348)		(9,823)	24,118	
Cash flow hedges	1	50		28	213	
Other comprehensive income/(loss) for the financial period/year, net of tax	85,731	(36,836)		(33,042)	34,779	
Total comprehensive income for the financial period/year	248,251	62,407	>100	290,725	147,221	97.5
Total comprehensive income attributable to:						
- Owners of the Company	200,698	32,511	>100	241,960	141,555	70.9
- Non-controlling interests	47,553	29,896		48,765	5,666	
Total comprehensive income for the financial period/year	248,251	62,407	>100	290,725	147,221	97.5
Earnings per share for profit attributable to the Owners of the Company:						
Basic (sen)	3.19	1.93		7.57	2.79	

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.



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Unaudited Condensed Consolidated Statement of Financial Position as at 31 December 2024

	Note	Unaudited As at 31 December 2024 RM'000	Audited As at 31 December 2023 RM'000
<u>Non-current assets</u>			
Property, plant and equipment		8,110,363	7,908,289
Right-of-use assets		2,100,188	2,195,949
Investment properties		58,999	66,074
Intangible assets		933,154	889,593
Interests in associates		53,086	58,060
Interests in joint ventures		602,325	593,623
Deposit and other receivables		164,816	159,511
Deferred tax assets		183,108	237,429
Financial assets at fair value through profit or loss	19	2,533	5,340
Financial assets through other comprehensive income	19	148,541	160,973
Biological assets		1,919	4,717
Tax recoverable		61,786	52,960
		12,420,818	12,332,518
<u>Current assets</u>			
Inventories		2,318,850	1,626,911
Receivables		1,254,676	1,333,653
Biological assets		110,920	65,087
Amount due from ultimate holding company		39,595	32,329
Amounts due from joint ventures		288,040	134,876
Amount due from an associate		38	38
Amounts due from related companies		194,067	62,037
Tax recoverable		19,625	44,139
Financial assets at fair value through profit or loss	19	105,414	89,857
Derivative financial assets	18	1,697	11,935
Contract assets		15,272	26,139
Deposits, cash and bank balances		1,728,363	1,523,234
		6,076,557	4,950,235
Total assets		18,497,375	17,282,753
<u>Equity</u>			
Share capital		7,029,889	7,029,889
Reserves		(2,984,997)	(2,950,842)
Retained earnings		2,059,396	1,892,868
Equity attributable to owners of the Company		6,104,288	5,971,915
Non-controlling interests		1,511,506	1,610,065
Total equity		7,615,794	7,581,980



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Unaudited Condensed Consolidated Statement of Financial Position as at 31 December 2024 (continued)

	Note	Unaudited As at 31 December 2024 RM'000	Audited As at 31 December 2023 RM'000
<u>Non-current liabilities</u>			
Borrowings	17	1,441,623	1,163,357
LLA liability		3,338,956	3,257,842
Derivative financial liabilities	18	-	11
Provision for asset retirement		31,026	32,674
Provision for defined benefit plan		62,103	62,072
Lease liability		327,763	351,888
Deferred tax liabilities		549,822	591,523
		5,751,293	5,459,367
<u>Current liabilities</u>			
Payables		2,075,256	1,296,536
Amount due to ultimate holding company		224,972	276,663
Amounts due to joint ventures		238	506
Amounts due to associates		539	331
Amounts due to related companies		5,572	5,950
Borrowings	17	2,304,660	2,269,445
Derivative financial liabilities	18	7,485	403
Provision for asset retirement		716	734
Lease liability		40,919	30,637
LLA liability		324,531	255,971
Contract liabilities		108,623	91,661
Current tax liabilities		36,777	12,569
		5,130,288	4,241,406
Total liabilities		10,881,581	9,700,773
Total equity and liabilities		18,497,375	17,282,753
Net assets per share attributable to owners of the Company		1.67	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 31 December 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 year	-	-	-	-	276,252	276,252	47,515	323,767
Other comprehensive (loss)/income for the financial year, net of tax:								
<u>Items that will not be reclassified to profit or loss</u>								
- actuarial loss on defined benefit plan	-	-	-	-	(137)	(137)	(142)	(279)
- fair value changes in financial assets at FVOCI	-	-	-	(25,549)	-	(25,549)	138	(25,411)
<u>Items that will be subsequently reclassified to profit or loss</u>								
- share of other comprehensive income of an associate	-	325	-	-	-	325	-	325
- share of other comprehensive income of joint ventures	-	2,118	-	-	-	2,118	-	2,118
- currency translation differences	-	(11,063)	-	-	-	(11,063)	1,240	(9,823)
- cash flow hedge reserves	-	-	-	14	-	14	14	28
		(8,620)		14	-	(8,606)	1,254	(7,352)
Total other comprehensive (loss)/income for the financial year	-	(8,620)	-	(25,535)	276,115	241,960	48,765	290,725
<u>Transactions with owners</u>								
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	-	-	-	-	-	-	(146,066)	(146,066)
Total transactions with owners	-	-	-	-	(109,587)	(109,587)	(147,324)	(256,911)
At 31 December 2024	7,029,889*	108,107	(3,089,497)	(3,607)	2,059,396	6,104,288	1,511,506	7,615,794



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Audited 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 31 December 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 for the financial year	-	-	-	-	101,618	101,618	10,824	112,442
Other comprehensive (loss)/income for the financial year, net of tax:								
<u>Items that will not be reclassified to profit or loss</u>								
- actuarial loss on defined benefit plan	-	-	-	-	(1,067)	(1,067)	(272)	(1,339)
- fair value changes in financial assets at FVOCI	-	-	-	(7,676)	-	(7,676)	-	(7,676)
<u>Items that will be subsequently reclassified to profit or loss</u>								
- share of other comprehensive loss of an associate	-	(1,353)	-	-	-	(1,353)	-	(1,353)
- share of other comprehensive loss of joint ventures	-	(16,222)	-	-	-	(16,222)	-	(16,222)
- realisation of forex exchange reserve upon disposal of a foreign operation in joint venture	-	29,706	-	-	-	29,706	-	29,706
- realisation of foreign exchange reserve upon liquidation of a subsidiary	-	970	-	-	-	970	-	970
- realisation of foreign exchange reserve upon disposal of subsidiaries	-	6,362	-	-	-	6,362	-	6,362
- currency translation differences	-	29,108	-	-	-	29,108	(4,990)	24,118
- cash flow hedge reserves	-	-	-	109	-	109	104	213
		48,571		109		48,680	(4,886)	43,794
Total other comprehensive income for the financial year	-	48,571	-	(7,567)	100,551	141,555	5,666	147,221
<u>Transactions with owners</u>								
Accretion of interest in a subsidiary	-	-	-	-	-	-	1,400	1,400
Liquidation of a subsidiary	-	-	-	-	-	-	(1,061)	(1,061)
Disposal of subsidiaries	-	-	-	-	-	-	2,258	2,258
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	-	-	-	-	-	-	(51,226)	(51,226)
Total transactions with owners	-	-	-	-	(401,297)	(401,297)	(48,629)	(449,926)
At 31 December 2023	7,029,889*	116,727	(3,089,497)	21,928	1,892,868	5,971,915	1,610,065	7,581,980

* Includes 1 Special Share of RM1.00 held by the 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 31 December	
	2024 RM'000	2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	323,767	112,442
Adjustments for non-cash items	1,577,616	1,326,200
Operating profit before working capital changes	1,901,383	1,438,642
Changes in working capital	(150,495)	514,078
Cash generated from operations	1,750,888	1,952,720
Interest received	42,255	35,123
Taxation paid, net	(161,447)	(397,823)
Zakat paid	(11,474)	(34,162)
Retirement benefits paid	(6,754)	(5,235)
Net cash generated from operating activities	1,613,468	1,550,623
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(974,758)	(969,822)
Purchase of biological assets	-	(2,993)
Purchase of intangible asset	(15,500)	(10,349)
Purchase of right-of-use assets	-	(25,193)
Addition of investment properties	(28)	-
Proceeds from disposal of assets held for sale	-	25,063
Proceeds from disposal of property, plant and equipment	2,838	11,800
Proceed from disposal of financial assets at fair value through profit or loss	174,082	467,223
Proceed from sales of biological assets	-	649
Net cash outflow from liquidation of subsidiary	-	(526)
Net cash inflow from disposal in subsidiaries	-	103,636
Cash (outflow)/inflow from additional investment in a subsidiary	(1,400)	1,400
Additions of financial assets at fair value through profit or loss	(174,169)	(483,674)
Additions of financial assets at fair value through other comprehensive income	(1,595)	(1,997)
Payment for asset retirement	-	(317)
Dividend received from financial assets FVOCI	75	3,258
Dividend received from an associate	3,397	2,719
Dividend received from joint ventures	25,454	12,325
Net cash used in investing activities	(961,604)	(866,798)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	10,855,075	10,676,667
Repayment of borrowings	(10,543,868)	(9,969,836)
Repayment of LLA liability	(274,261)	(300,247)
Dividend paid to shareholders	(109,445)	(401,297)
Dividend paid to non-controlling interests	(146,066)	(51,226)
Finance costs paid	(182,864)	(144,345)
Repayment of loans due to ultimate shareholder	-	(331,665)
Payments of lease liabilities	(39,322)	(57,624)
Net cash used in financing activities	(440,751)	(579,573)
Net increase in cash and cash equivalents	211,113	104,252
Effect of foreign exchange rate changes	(5,984)	21,876
Cash and cash equivalents at beginning of the financial year	1,523,234	1,397,106
Cash and cash equivalents at end of the financial year	1,728,363	1,523,234

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.



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Explanatory Notes on the Quarterly Report – 31 December 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 and Company.

Accounting pronouncements that are currently being assessed by the Group:

Effective annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9 and MFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to MFRS Accounting Standards for enhanced consistency

Effective annual periods beginning on or after 1 January 2027

- MFRS 18 "Presentation and Disclosures in Financial Statements"
- MFRS 19 "Subsidiaries without Public Accountability: Disclosures"

The Directors are currently assessing the impact of the above pronouncements on the financial statements of the Group and Company.



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Explanatory Notes on the Quarterly Report – 31 December 2024

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 31 December 2024.

The Board of Directors has agreed to declare a final dividend payment of 5.0 sen per share on 3,648,151,500 ordinary shares under the single-tier system which approximates RM182.41 million for the financial year ended 31 December 2024.



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Explanatory Notes on the Quarterly Report – 31 December 2024 (continued)

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 year ended 31 December 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.



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Explanatory Notes on the Quarterly Report – 31 December 2024 (continued)

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 31 December 2024						
Total segment revenue	6,610,787	20,125,140	3,790,333	931,131	308,742	31,766,133
Less: Inter-segment revenue	(5,261,257)	(3,420,730)	(246,081)	(402,531)	(279,931)	(9,610,530)
Revenue from external customers	1,349,530	16,704,410	3,544,252	528,600	28,811	22,155,603
Finance income	8,960	18,205	7,112	3,438	4,540	42,255
Finance costs	(3,926)	(38,270)	(44,312)	(3,316)	(43,715)	(133,539)
Depreciation and amortisation	(512,268)	(72,333)	(59,520)	(75,103)	(18,432)	(737,656)
Fair value changes in LLA liability	(423,935)	-	-	-	-	(423,935)
(Impairment of)/reversal of impairment of:						
- financial assets	(4,032)	-	1,587	1,674	-	(771)
- non-financials assets	(154,852)	882	-	-	(9,296)	(163,267)
Share of results of joint ventures	-	31,057	-	624	-	31,681
Share of results of associates	126	-	-	-	(2,029)	(1,903)
Profit/(loss) before zakat and taxation for the financial year	260,655	205,261	79,334	157,013	(136,461)	565,802
Disaggregation of the Group's revenue is as follows:	<u>Timing of revenue recognition</u>					
Sales of Palm Oil Products	22,560	15,218,254	-	-	-	15,240,814
Sales of Refined Sugar	-	-	3,544,252	-	-	3,544,252
Others	1,326,970	1,486,156	-	528,600	28,811	3,370,537
	1,349,530	16,704,410	3,544,252	528,600	28,811	22,155,603



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Explanatory Notes on the Quarterly Report – 31 December 2024 (continued)

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 31 December 2023						
Total segment revenue	5,829,037	17,391,423	3,300,710	833,089	336,041	27,690,300
Less: Inter-segment revenue	(4,628,928)	(2,837,084)	(209,569)	(353,630)	(301,903)	(8,331,114)
Revenue from external customers	1,200,109	14,554,339	3,091,141	479,459	34,138	19,359,186
Finance income	7,730	14,921	7,967	3,301	1,214	35,123
Finance costs	3,714	(34,579)	(33,029)	(3,943)	(42,586)	(125,154)
Depreciation and amortisation	(506,709)	(71,803)	(59,592)	(78,310)	(21,521)	(762,075)
Fair value changes in LLA liability	(133,706)	-	-	-	-	(133,706)
Reversal of impairment/(impairment of):						
- financial assets	16,519	(1,219)	514	1,809	-	17,623
- non-financials assets	(111,025)	(7,371)	-	-	(7,103)	(125,500)
Share of results of joint ventures	-	24,237	-	599	-	24,836
Share of results of associates	449	-	-	-	(1,947)	(1,498)
Profit/(loss) before zakat and taxation for the financial year	38,718	267,093	(23,145)	149,130	(95,354)	336,442
Disaggregation of the Group's revenue is as follows:						
Sales of Palm Oil Products	36,788	13,226,040	-	-	-	13,262,828
Sales of Refined Sugar	-	-	3,091,141	-	-	3,091,141
Others	1,163,321	1,328,299	-	479,459	34,138	3,005,217
	1,200,109	14,554,339	3,091,141	479,459	34,138	19,359,186

Timing of
revenue
recognition

At a point in time
At a point in time
At a point in time/
over time



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Explanatory Notes on the Quarterly Report – 31 December 2024 (continued)

8. Capital Commitments

	As at 31 December 2024 RM'000	As at 31 December 2023 RM'000
Capital expenditure approved and contracted for:		
- Property, plant and equipment	589,953	510,620
	589,953	510,620

9. Significant Related Party Transactions

(l) Related party transactions for the financial year ended 31 December 2024 and 31 December 2023 are as follows:

(a) Sales of goods and services

	Year to date ended 31 December	
	2024 RM'000	2023 RM'000
(i) Transactions with joint ventures		
Sales of CPO and refined bleached deodorised (“RBD”) products by FGV Trading Sdn. Bhd. (“FGVT”) to FGV Iffco Sdn. Bhd. Group (“FISB Group”)	1,133,363	1,075,410
Sales of Crude Palm Kernel Oil (“CPKO”) by FGV Kernel Products Sdn. Bhd. (“FKPSB”) to FISB Group	217,657	175,539
Sales of CPKO by FKPSB to FPG Oleochemicals Sdn. Bhd. (“FPG”)	123,454	-
Sales of CPO and RBD products by FGVT to MAPAK Edible Oil Pvt. Ltd. (“MAPAK”)	104,537	100,299
(ii) Transactions with Federal Land Development Authority (“FELDA”) and its subsidiaries		
Sales of fertiliser by FGV Fertiliser Sdn. Bhd. (“FGVFSB”)	402,107	425,833
IT services rendered by FGV Prodata Systems Sdn. Bhd (“Prodata”)	52,265	47,907
Security services rendered by FGV Security Services Sdn. Bhd (“FSSSB”)	20,649	21,458



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Explanatory Notes on the Quarterly Report – 31 December 2024 (continued)

9. Significant Related Party Transactions (continued)

(i) Related party transactions for the financial year ended 31 December 2024 and 31 December 2023 are as follows: (continued)

(b) Purchase of goods and services

	Year to date ended 31 December	
	2024 RM'000	2023 RM'000
Transactions with FELDA and its subsidiaries:		
LLA liability paid by FGV Plantations (Malaysia) Sdn. Bhd. ("FGVPM")	274,261	300,247
Interest expense charged by FELDA	-	12,987
Purchase of cup lump by FGV Rubber Industries Sdn. Bhd. ("FRISB")	151,846	133,412
Purchase of FFB by FGVT	5,331,714	4,070,083
Joint Consultative Committee payment by FGVT	18,282	15,926

(c) Transactions with Government related entities

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	455,553	202,932
Windfall tax paid/payable to Royal Malaysian Custom Department	125,956	69,446
CESS payment to Malaysia Palm Oil Board	46,765	42,556
Provision of IT solutions to Kementerian Pendidikan Malaysia	5,434	32,187
Provision of IT solutions to Suruhanjaya Komunikasi dan Multimedia Malaysia	20,068	29,915
Provision of IT solutions to Lembaga Hasil Dalam Negeri Malaysia	95,141	8,886

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.



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Explanatory Notes on the Quarterly Report – 31 December 2024 (continued)

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 the 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 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 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 25 November 2024, the Court directed Prodata to submit its expert report and rebuttal report by 24 March 2025. The Court has fixed 10 April 2025 for next case management.

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.



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Explanatory Notes on the Quarterly Report – 31 December 2024 (continued)

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. On 9 December 2024, the Court was informed that the Solicitors for Fifth Defendant have filed and served the application for discharge on their client.

On 9 January 2025, the Court has allowed both First Defendant and Fifth Defendant applications to discharge themselves as solicitors. The Court has fixed another Case Management on 25 February 2025 for 1st Defendant and 5th Defendant to appoint new solicitors and to update the Court on the status of compliance with Pre-Trial Case Management directions.

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



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Explanatory Notes on the Quarterly Report – 31 December 2024 (continued)

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 plaintiff, 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.



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Explanatory Notes on the Quarterly Report – 31 December 2024 (continued)

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. The Court has fixed the case management for the main suit on 25 August 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 hearing of the Plaintiff’s Summary Judgment Application is fixed on 25 August 2025.

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 – 31 December 2024 (continued)

12. Review of Group Performance

	Quarter ended 31 December			Quarter ended 30 September		Year to date ended 31 December		
	2024 RM'000	2023 RM'000	% + / (-)	2024 RM'000	% + / (-)	2024 RM'000	2023 RM'000	% + / (-)
Revenue	5,920,173	5,364,702	10.4	6,175,157	(4.1)	22,155,603	19,359,186	14.4
Plantation	126,295	42,718	>100	95,944	31.6	260,655	38,718	>100
Oils and Fats	16,271	74,169	(78.1)	94,811	(82.8)	205,261	267,093	(23.1)
Sugar	96,760	54,276	78.3	(54,244)	>100	79,334	(23,145)	>100
Logistics and Support	40,374	46,546	(13.3)	46,545	(13.3)	157,013	149,130	5.3
Division profits	279,700	217,709	28.5	183,056	52.8	702,263	431,796	62.6
Corporate HQ, Others and Elimination	(60,925)	(38,289)		(26,424)		(136,461)	(95,354)	
Profit before zakat and taxation	218,775	179,420	21.9	156,632	39.7	565,802	336,442	68.2
Zakat	(729)	(15,790)		(8,790)		(11,474)	(34,162)	
Taxation	(55,526)	(64,387)		(74,649)		(230,561)	(189,838)	
Profit for the financial period/year	162,520	99,243	63.8	73,193	>100	323,767	112,442	>100
Profit attributable to:								
Owners of the Company	116,206	70,441	65.0	87,161	33.3	276,252	101,618	>100
Non-controlling interests	46,314	28,802		(13,968)		47,515	10,824	
Profit for the financial period/year	162,520	99,243	63.8	73,193	>100	323,767	112,442	>100



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Explanatory Notes on the Quarterly Report – 31 December 2024 (continued)

12. Review of Group Performance (continued)

(A) Current Quarter Ended 31 December 2024 against Previous Year's Corresponding Quarter Ended 31 December 2023

Overall

The Group's revenue grew by 10% to RM5.92 billion, driven by improved average CPO price realised of RM4,344 per MT this quarter, compared to RM3,789 per MT in the same quarter last year. The Group's profit before zakat and taxation increased to RM218.78 million from RM179.42 million, primarily due to higher profits in the Plantation and Sugar Divisions.

(a) Plantation Division

The Plantation Division registered a higher profit of RM126.30 million compared to RM42.72 million in the same quarter last year. This increase was primarily driven by a 2% rise in FFB production, which grew to 1.06 million MT from 1.05 million MT in the corresponding quarter of the previous year, resulting in a higher yield of 4.18 MT per hectare compared to 3.91 MT per hectare. Additionally, the FFB price increased by 24.9% to RM932 per MT, while estate operational costs were reduced by 10%. The OER for the current quarter decreased to 20.65% from 21.07% in the same quarter of the previous year.

The Division's profit was also supported by improvements in the R&D segment, higher profit margins, and increased sales volume in the fertiliser business. Furthermore, the Division recorded a lower impairment loss of RM37.32 million in non-financial assets, primarily related to rubber plantation estates (Q4 2023 total impairment: RM54.65 million).

However, the Division's profit was significantly impacted by an increase in the fair value charge on the LLA, which rose to RM166.69 million from RM6.92 million in the same quarter of the previous year.

(b) Oils & Fats Division

The Oils & Fats Division recorded a reduced profit of RM16.27 million, compared to RM74.17 million in the corresponding quarter of the previous year. This decline was primarily driven by lower margins in the bulk commodities segment, forex exchange losses and a drop in CPO and PPO delivered volume. Meanwhile, the chemicals and edible oils segment registered a twofold increase in profit for the current quarter, supported by higher margins and increased sales volume.



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Explanatory Notes on the Quarterly Report – 31 December 2024 (continued)

12. Review of Group Performance (continued)

(A) Current Quarter Ended 31 December 2024 against Previous Year's Corresponding Quarter Ended 31 December 2023 (continued)

(c) Sugar Division

The Sugar Division posted a higher profit of RM96.76 million, up from RM54.28 million in the corresponding quarter of the previous year. Despite an increase in sales volume, revenue registered a slight decline due to a lower average selling price. Nevertheless, profit for the period grew, driven by enhanced efficiency resulting from higher capacity utilisation, improved yield and better energy consumption.

(d) Logistics and Support Division

The Logistic and Support Division reported a lower profit of RM40.37 million, compared to RM46.55 million in the corresponding quarter of the previous year. The decline was mainly due to reduced profit from the IT segment in the current quarter.

(B) Current Financial Year Ended 31 December 2024 against the Previous Financial Year Ended 31 December 2023

Overall

The Group's revenue grew by 14% to RM22.16 billion compared to the previous financial year, driven by a higher average CPO price realised of RM4,102 per MT, up from RM3,901 per MT, along with higher sales volume and increased contributions from the Sugar Division. Profits before zakat and taxation rose to RM565.80 million from RM336.44 million, with all Divisions reporting improvements except for Oils & Fats.

(a) Plantation Division

The Plantation Division recorded a significantly higher profit of RM260.66 million, compared to RM38.72 million in the previous financial year. This growth was primarily driven by a 9% increase in FFB production, which rose to 3.97 million MT from 3.62 million MT, resulting in a higher yield of 15.56 MT per hectare, up from 13.59 MT per hectare. Additionally, estate operational costs decreased by 8%. However, OER declined to 20.61% from 20.68% in the previous financial year. The Division's profit was further supported by improved margins and higher sales volume in the fertiliser business.

Despite the strong performance, the higher profit was partially offset by an increase in the fair value charge on LLA, which surged to RM423.94 million from RM133.71 million, as well as an impairment loss of RM154.85 million in non-financial assets (2023: RM111.03 million) related to plantation and rubber estates and factories. Included in the result of the previous financial year was also an impairment loss of RM47.97 million for Indonesian plantation assets.



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Explanatory Notes on the Quarterly Report – 31 December 2024 (continued)

12. Review of Group Performance (continued)

(B) Current Financial Year Ended 31 December 2024 against the Previous Financial Year Ended 31 December 2023 (continued)

(b) Oils & Fats Division

The Oils & Fats Division recorded a lower profit of RM205.26 million, down from RM267.09 million in the previous financial period mainly attributed to reduced margins in the bulk commodities segment despite higher sales volume. The division's performance was further impacted by narrower margins resulting from intensified price competition in the overseas edible oils market.

Additionally, the share of profit from joint ventures increased to RM31.06 million from RM24.24 million in the previous financial period.

(c) Sugar Division

The Sugar Division reported a profit of RM79.33 million, a significant improvement from the loss of RM23.15 million in the previous financial year. The profit was driven by improved margin from higher average selling prices, increased sales volume, incentives received for certain packed sugar sold in the domestic market and better capacity utilisation.

(d) Logistics and Support Division

The Logistics and Support Division reported a higher profit of RM157.01 million, up from RM148.31 million in the previous financial year. This growth was driven by an 8% increase in the Logistics segment's profit and higher income from the IT segment.



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Explanatory Notes on the Quarterly Report – 31 December 2024 (continued)

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

Overall

The Group reported a 4% decline in revenue to RM5.92 billion, primarily due to a 23% drop in CPO and PPO sales volume during the current quarter, despite a higher realised CPO price of RM4,344 per MT, up from RM3,980 per MT. Nevertheless, profit before zakat and taxation increased to RM218.78 million from RM156.63 million in the preceding quarter, mainly driven by higher contributions from the Sugar Divisions.

(a) **Plantation Division**

The Plantation Division reported a higher profit of RM126.30 million, an increase from RM95.94 million in the preceding quarter, primarily due to a lower impairment loss on non-financial assets of RM37.32 million compared to RM114.93 million.

Excluding these impairment losses, the division's profit stood at RM163.62 million, down from RM210.87 million in the preceding quarter. This decline was mainly due to a 12% decrease in FFB production to 1.06 million MT from 1.20 million MT, resulting in a lower yield of 4.18 MT per hectare compared to 4.72 MT per hectare. Furthermore, the OER achieved for the current quarter decreased to 20.65% from 20.71% in the preceding quarter.

The R&D segment also recorded a lower profit due to a reduced profit margin and lower sales volume while the fair value charge on LLA rose to RM166.69 million from RM104.53 million in the preceding quarter.

(b) **Oils & Fats Division**

The Oils & Fats Division reported a lower profit of RM16.27 million this quarter, down from RM94.81 million in the preceding quarter. This decline was mainly due to lower margins in the bulk commodities segment, reduced sales volume and net forex losses, in contrast to net forex gains recorded in the preceding quarter. The chemicals segment reported lower shipment volumes despite improved margins, while the edible oils segment experienced lower margins due to intense competition in the domestic market and imposed price ceilings amid rising CPO prices.

(c) **Sugar Division**

The Sugar Division reported a profit of RM96.76 million, a significant turnaround from the loss of RM54.24 million in the preceding quarter. Despite lower average selling prices, the profit increase was mainly driven by higher sales volume and reduced production costs, supported by better capacity utilisation, improved yield and more efficient energy consumption.

(d) **Logistics and Support Division**

The Logistics and Support Division recorded a lower profit of RM40.37 million, down from RM46.55 million in the preceding quarter. The decline in profit was primarily due to reduced profits from a decrease performance in the travel business, as the preceding quarter had benefitted from income related to the Hajj season.



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Explanatory Notes on the Quarterly Report – 31 December 2024 (continued)

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 31 December	
	2024 RM'000	2023 RM'000
Included in operating profit after LLA are:		
Depreciation of property, plant and equipment	633,904	661,503
Depreciation of right-of-use assets	82,208	80,318
Depreciation of investment properties	7,103	7,705
Property, plant and equipment written off	5,821	9,674
Amortisation of intangible assets	14,441	12,549
Gain on disposal of asset held for sale	-	(8,381)
Impairment loss on property, plant and equipment - net	122,641	81,308
Impairment loss/(reversal of impairment) on right-of-use assets	38,322	(491)
Impairment loss on intangible asset	-	44,683
Impairment loss on biological asset	2,304	-
Net unrealised foreign exchange (gain)/loss - net	(8,749)	2,668

16. Taxation

	Quarter Ended 31 December		Year to date Ended 31 December	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Malaysian income tax				
Current financial period/year	(68,718)	(46,590)	(201,343)	(150,596)
Prior financial period/year	-	(8,328)	-	(8,328)
Foreign income tax				
Current financial period/year	(5,690)	(6,976)	(16,598)	(23,204)
Deferred tax				
	18,882	(2,493)	(12,620)	(7,710)
	(55,526)	(64,387)	(230,561)	(189,838)

The effective tax rate for the financial year ended 31 December 2024 is 44%, 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.



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Explanatory Notes on the Quarterly Report – 31 December 2024 (continued)

17. Borrowings

	As at 31 December 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	-	162,478	-	107,843	-	270,321
Short term trade financing						
- Thai Baht	-	-	46,744	6,010	46,744	6,010
Sukuk	-	298,884	-	50,000	-	348,321
Unsecured						
Islamic short term trade financing						
- Ringgit Malaysia	-	-	-	1,589,137	-	1,589,137
- United States Dollar	-	-	23,962	107,240	23,962	107,240
Short term trade financing	-	-	-	376,682	-	376,682
Sukuk	-	899,550	-	51,474	-	951,024
Hire purchase	-	80,711	-	16,274	-	96,985
Total borrowings		1,441,623		2,304,660		3,746,283

Exchanges rates applied as at 31 December 2024

United States Dollar	4.4755
Thai Baht	13.0662

As at 31 December 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.

On 18 December 2024, CIMB has issued a Supplemental Letter, informing MSMH that the Bank has agreed to waive one of the three financial covenants i.e. consolidated net debt and financing to EBITDA ratio for the financial year ended 31 December 2024. Therefore, MSMH was not required to meet this covenant and has complied with other two covenants for the financial year ended 31 December 2024.



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Explanatory Notes on the Quarterly Report – 31 December 2024 (continued)

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 31 December 2024 are as follows:

	Contractual/ Notional Amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000
<u>Current</u>			
Foreign currency forwards	590,075	655	2,406
Palm oil futures	54,398	-	5,079
Brent crude oil option	8,765	1,042	-
	653,238	1,697	7,485

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 31 December 2024.

<u>31 December 2024</u>	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
<u>Assets</u>				
Financial assets at fair value through profit or loss:				
- Derivatives	1,042	655	-	1,697
- Trading securities	107,947	-	-	107,947
Financial assets at FVOCI	3,927	-	144,614	148,541
Total assets	<u>112,916</u>	<u>655</u>	<u>144,614</u>	<u>258,185</u>
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss:				
- LLA liability	-	-	3,663,487	3,663,487
- Derivatives	5,079	2,406	-	7,485
Total liabilities	<u>5,079</u>	<u>2,406</u>	<u>3,663,487</u>	<u>3,670,972</u>



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Explanatory Notes on the Quarterly Report – 31 December 2024 (continued)

19. Fair Value Changes of Financial Instruments (continued)

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

	Financial year ended 31 December 2024 RM'000	Financial year ended 31 December 2023 RM'000
<u>LLA liability</u>		
1 January	3,513,813	3,680,354
Fair value changes charged to profit or loss	423,935	133,706
Repayment during the financial period/year:		
- Fixed lease payments	(242,863)	(243,507)
- Share of profits	(42,091)	(56,740)
- Over provision of share of profits in prior financial year	10,693	-
31 December	<u>3,663,487</u>	<u>3,513,813</u>
<u>Financial assets at FVOCI</u>		
1 January	157,716	159,407
Addition	1,595	1,997
Fair value changes	(26,006)	(7,670)
Currency translation differences	11,309	3,982
31 December	<u>144,614</u>	<u>157,716</u>

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 31 December 2024.

20. Earnings Per Share

	Quarter ended 31 December		Year to date ended 31 December	
	2024	2023	2024	2023
Profit for the financial period/year attributable to Owners of the Company (RM'000)	<u>116,206</u>	<u>70,441</u>	<u>276,252</u>	<u>101,618</u>
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)	<u>3.19</u>	<u>1.93</u>	<u>7.57</u>	<u>2.79</u>

21. Status of Corporate Proposals

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



FGV HOLDINGS BERHAD

Explanatory Notes on the Quarterly Report – 31 December 2024 (continued)

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.

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.



FGV HOLDINGS BERHAD

Explanatory Notes on the Quarterly Report – 31 December 2024 (continued)

24. Prospects

CPO prices are expected to remain elevated in the first half of 2025 following the late year-end rally that continues into the new year. This is due to seasonally lower FFB output, the rise in Indonesia's biodiesel mandate and tighter supplies of vegetable oils. Our Plantation Division is expected to strengthen its operations to achieve the Group's yield and OER targets.

Our Sugar Division is strengthening its domestic and export markets presence while exploring regional opportunities. It continues to engage with the government on a sustainable pricing mechanism for industry stability.

Meanwhile, the Logistics and Support Division is enhancing capacity and reliability to meet demand for high-value products while focusing on cost optimisation, partnerships, and network expansion to drive growth.

The Group remains committed to responsible operations, guided by its enhanced sustainability framework.

Barring any unforeseen circumstances, the Board anticipates that the Group's performance will improve in the current financial year.

By Order of the Board

Azni Ariffin
Company Secretary

28 February 2025