

Mahathir backs FGVH listing, says it's a 'great opportunity'

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The listing of Felda Global Ventures Holding (FGVH) offers the land authority a "great opportunity" to expand its business, said former prime minister Dr Mahathir Mohamad, as the settlers' do not have enough cash to support the expansion.

"The opportunity offered by listing is so great that they can expand their business and actually it is a new business which will involve other owners," he said at the Offshore Support Vessels (OSV) Malaysia's launch in Kuala Lumpur today.

However, he expressed confidence that the government will moot a mechanism to ensure "some reserve" as ownership of shares will be guaranteed to the settlers.

"I'm quite sure (the government) will make sure there is some reserve as to the ownership of shares," said Mahathir.

The former premier was responding to concerns raised by veteran Umno MP Tengku Razaleigh Hamzah who said yesterday that the listing could pose a threat to settlers' future.

Tengku Razaleigh, who served as a finance minister under Mahathir, told PAS party organ Harakahdaily that upon FGVH's listing, assets and land belonging to settlers could be exposed to the open market.

In turn, the shares could be transferred to anyone including foreigners who could buy the shares at whatever price, Razaleigh had said.

More capital, same dividends

Mahathir explained that the scheme was good because the settlers themselves could not afford to buy shares and expand the company.

"It is a way to get more capital, more investment. In the end the settlers will get the same amount of dividends," he said.

Critics have claimed that by listing FGVH will be detrimental to Felda settlers who are currently enjoying 15 percent dividends annually.

FGVH is wholly-owned by Felda. Under the current structure, FGVH has a 49 percent stake in Felda Holdings Berhad while Koperasi Permodalan Felda (KPF) owns the remaining 51 percent.

The proposed new structure will see Felda owning 40 percent, KPF holding 60 percent stakes in FGVH, while the company in turn holds a 100 percent stake in Felda Holdings Berhad.

Last week, KPF cancelled its extraordinary general meeting (EGM) after a group of settlers served an injunction barring it from discussing the listing of FGVH.

A special purpose vehicle (SPV) was then set up by Felda to take the majority stake in FGVH, promising that the settlers' will not be short-changed in the process.