

**Government says will list FELDA with or without settlers**  
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**By Shannon Teoh**

KUALA LUMPUR, March 14 — Putrajaya will move ahead with the proposed listing of FELDA Global Ventures Holdings Berhad (FGVH), with or without the 51 per cent stake in commercial arm FELDA Holdings held by settlers of the federal land development scheme.

A group of eight settlers had last month won a temporary court order blocking the transfer of shares from their FELDA Investment Co-operative (KPF) to FGVH, a crucial step in the plan to list the plantation firm.

But Deputy Minister in the Prime Minister's Department Datuk Ahmad Maslan told a press conference today the government will not delay the listing beyond June as it wanted to capitalise on high crude palm oil (CPO) prices.

He said that the listing will go ahead whether or not the settlers are successful in winning an injunction against the share transfer when the matter is heard in court on March 22.

"If we cannot set the injunction aside or if they appeal, we still have to go ahead. We have to capitalise while CPO prices are high.

"That is the main factor for why we want to list in May, but now it will probably be in June. But we will go ahead without KPF," the Pontian MP said.

However, he said that the settlers "can still be involved later on but it will be at a higher price, not the initial public offering price."

The government previously insisted it has the backing of "the majority of settlers", despite reports of widespread opposition.

FELDA chairman Tan Sri Isa Samad had announced a special purpose vehicle (SPV), after the court blocked the share transfer, to cater for the welfare of some 112,000 settlers.

Isa said that as any potential proceeds from the proposed listing would not be channelled through KPF, the SPV would assume this role and ensure that settlers would benefit directly from the listing and participate fully in any potential growth.

But PKR charged that the SPV would only lower FGVH's listing value, adding that this decision was a direct snub of the co-operative.

KPF has approximately 220,000 members, of which 112,635 are FELDA settlers. The rest are FELDA employees and children of settlers.

Reuters reported last month that Putrajaya could delay FGVH's listing due to settlers' opposition, saying the deal risks undermining Barisan Nasional's (BN) support from voters long considered the ruling pact's vote bank.

Prime Minister Datuk Seri Najib Razak had recently said the listing of FGVH, announced in Budget 2012, is expected to take place in April instead of the middle of the year as was earlier planned.

But critics contend that the proposed listing, which will see loss-making FGVH assume control of KPF, will short-change smallholders and saddle FELDA with up to RM1.5 billion in yearly deficits.

FGVH subsidiaries such as FELDA Iffco Sdn Bhd, FELDA Global Technologies, FELDA Global Ventures Middle East and FELDA Global Ventures Arabia are reported to have chalked up accumulated losses of around RM500 million up to last year.

However, Ahmad told Parliament today FGVH recorded pre-tax profits of RM203 million and RM366 million in 2009 and 2010 respectively.

The profitable FELDA Holdings has a workforce of some 19,000 employees, with a labour force of 46,795 workers at 300 estates, 70 palm oil mills, seven refineries, four kernel-crushing plants, 13 rubber factories, manufacturing plants and several logistic and bulking installations spread throughout Malaysia and several locations overseas.

The government has said the move will result in a RM5.9 billion lump-sum payment to settlers but the National FELDA Settlers' Children's Association (ANAK) has insisted it will not be in cash but shares in FGVH.

Former finance minister Tengku Razaleigh Hamzah has also criticised the move, saying it would expose land belonging to 200,000 smallholders to the open market.

But former PM Tun Dr Mahathir Mohamad recently defended the planned listing of FGVH as a "great opportunity" for FELDA to expand.

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