

**FGV Will Benefit From Proposed Equity Acquisition In Eagle High, Says Najib  
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PEKAN, July 12 (Bernama) -- Felda Global Ventures Holdings Bhd (FGV)'s proposed plan to acquire a 37 per cent stake in Indonesia's PT Eagle High Plantations (EHP) from the Rajawali Group is expected to accrue long-term benefits to the plantation group, says Prime Minister Datuk Seri Najib Tun Razak.

He said the acquisition was not only necessary to strengthen FGV's business in oil palm plantations but also to increase company revenue.

The premier said the investment in Indonesia was viewed as sensible, given its close proximity to Malaysia, while the land there was more fertile and the climate, more conducive when compared with other countries.

"FGV has ambitious plans, as such, it must have vast plantation land.

"Right now in Malaysia, FGV is currently facing a shortage of land to open new plantations.

"If we purchase land in Kalimantan and Papua New Guinea, the land there is fertile and the company can reap high-quality yield which will bring in handsome returns," Najib said when breaking fast at Majid Felda Chini 5 here Sunday night.

Besides, the prime minister said, FGV would also accrue additional revenue from the sale of sugar in Indonesia as it fetched a better price there than at home.

"Just imagine, if we can sell sugar to Indonesia's more than 200 million population. FGV will not only earn significant returns from this venture but also establish upstream activities there," he said.

FGV signed a Heads of Agreement with Rajawali Group to acquire a 37 per cent stake in EHP for US\$680 million (RM2.55 billion) in cash and stocks.

In addition, FGV had proposed to also acquire between a 93 per cent and 95 per cent stake in Rajawali Group's sugar project for US\$67 million.

Najib also assured that the government would not rush the decision to acquire the equity in Eagle High Plantations but study the proposal in depth before finalising the purchase.

"We will not act in haste. We will first sign a memorandum of understanding and then obtain the approval of settlers, Permodalan Nasional Bhd and the Employees Provident Fund. We will only finalise the deal after all three parties agree unanimously," he said.

Currently, EHP owned 425,000 hectares of oil palm plantations, out of which 67 per cent were in Kalimantan and the rest spread over Papua New Guinea (nine per cent), Sulawesi

(19 per cent) and Sumatra (five per cent).

Meanwhile, Najib also reminded the people not to believe everything uploaded in the social media without verifying its authenticity.

"We cannot believe everything we read in the social media as the absolute truth.

"Don't be so naive and take things at surface value. You have to do your own analysis as it is important if we want to preserve peace and unity in the community," Najib added.

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