

KERATAN AKHBAR

TARIKH : 1 MAC 2022
AKHBAR : THE STAR
MUKA SURAT : 2

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KUALA LUMPUR: FGV Holdings Bhd's net profit for the financial year ended Dec 31, 2021 (FY21) soared to RM1.17bil from RM146.16mil a year ago.

Revenue jumped by 39% to RM19.58bil from RM14.08bil previously, it said in a filing with Bursa Malaysia yesterday.

"The significant improvement in performance was mainly attributable to higher crude palm oil (CPO) price, coupled with the

improvement from all sectors and lower fair value charge on the land lease agreement in the current financial year," it said.

FGV has projected CPO to trade at RM3,500 per tonne throughout this year.

Group chief executive officer Mohd Nazrul Izam Mansor said CPO prices are sustainable given the supply dynamics had normalised.

"We feel that once the supply dynamics had

normalised, which include free-flow entry of labour and with the global pandemic easing, we should be able to see a decrease in prices but, of course, right now with the Ukraine-Russia war – this has significantly affected the price level," he told a virtual media briefing yesterday.

Explaining further, he said CPO prices almost touched RM6,500 per tonne sometime last week.

"So this is a typical reaction from demand-and-supply perspective and on a range of palm oil prices, we expect it to trade at RM3,000 to RM5,000 per tonne," he said.

While uncertainties surrounding labour supply may continue to persist, the group expects the situation to recover in the third quarter of this year.

The plantation operation registered a higher profit of RM1.60bil in FY21. — Bernama