

MSWG positive on new FGV appointments

Shares in FGV close at a near 2-month high on news of the management revamp

by ALIFAH ZAINUDDIN

THE Minority Shareholders Watch Group (MSWG) is optimistic that the appointment of Datuk Haris Fadzi-lah Hassan as FGV Holdings Bhd's new group-CEO will be able to turn things around for the loss-making planter.

Based on their respective qualifications and exposure, MSWG CEO Devanesan Evanson said the new team has the requisite knowledge and expertise needed to improve FGV.

However, Devanesan said the challenge for them would be their ability to work together cohesively, as many members of the senior management team are new.

"This is where chairman (Datuk Azhar Abdul Hamid) will have to



Pic by Muhd Amin Natarul
Devanesan says the challenge for FGV's new management team would be their ability to work together cohesively

play an important role. He himself, having also doubled up as the CEO in the recent past, will be able to see things from a better perspective.

"We have no reasons to doubt his ability to play that inspirational leadership role to build a performing team. We remain impressed by his recent enlightening and forthright 'letter' to the shareholders on the state of affairs of FGV and future prospects," Devanesan told *The Malaysian Reserve*.

FGV recently announced Haris — who was former commercial and land management director at Mass Rapid Transit Corp Sdn Bhd — as its new chief along with two new additions to the team: Mazri Abdul Rahim as its new chief human resources officer and Dr Christina Ooi Su Siang as chief procurement officer.

Shares in FGV rose on news of the management revamp, as it closed at a near two-month high of RM1.06 last Friday.

Its market capitalisation has improved by about RM472.5 million to RM3.87 billion in the last two days, but whether the price will continue to improve remains to be seen.

FGV shares have traded under RM1 since Nov 28 last year, after the company took legal actions against its former management and board members over the acquisition of Asian Plantations Ltd.

The company could pursue similar legal recourse on other dubious investments made by the previous management.

Internal investigations at FGV last year had also included transactions involving FGV Cambridge Nanosystems Ltd and its purchase of a luxury condominium at The Troika in Kuala Lumpur.

Rumours of a privatisation to take the company away from the public eye have been rife after its shares fell below RM1 in November last year.

This is further fuelled by the government's alleged plan for a major revamp at FGV and the Federal Land Development Authority (Felda). Felda is a major shareholder of FGV.

Devanesan said any decision to

privatise FGV will depend on major shareholders.

He said one of the main advantages of privatisation is that there will not be a plethora of listing requirements to comply with in relation to announcements.

"This will enable the company to turn around faster, at least in theory, since they do not have the listing requirements obligations. The downside is that it costs money to privatise FGV.

"Based on past experience, mere privatisation is not a guaranteed cure and some national public-listed companies which were privatised many years ago continue to languish in the doldrums," he said.

Economic Affairs Minister Datuk Seri Mohamed Azmin Ali had previously said FGV needed a major revamp because its current performance directly affects Felda and its settlers.

Azmin said Felda's management board is currently evaluating several proposals to restructure FGV.