POISED & FUTURE-READY

Poised & Future-Ready, IOI is resolute and committed to reach further heights as a global integrated palm oil player. This year's cover depicts our future-ready focus through unfurling wings that depict the Group's steady progression anchored by global aspirations at the core.

IOI's palm oil supply chain extends across the top horizon through icons that depict upstream to downstream business activities. The Group's long-term business strategies ensure resilience, growth and a sustainable future through continued improvements in Research & Development ("R&D"), Plantation, Refinery, Oleochemical and Renewable Energy. Corporate blue tones are used to reflect synergy unleashed across all business operations.

Together the left and right wings represent the pairing of this Annual Report with a corresponding Sustainability Report, forming our Integrated Report for the year.

IOI CORPORATION BERHAD
196901000607 (9027-W)
IOI City Tower 2, Lebuh IRC, IOI Resort City,
62502 Putrajaya, Malaysia

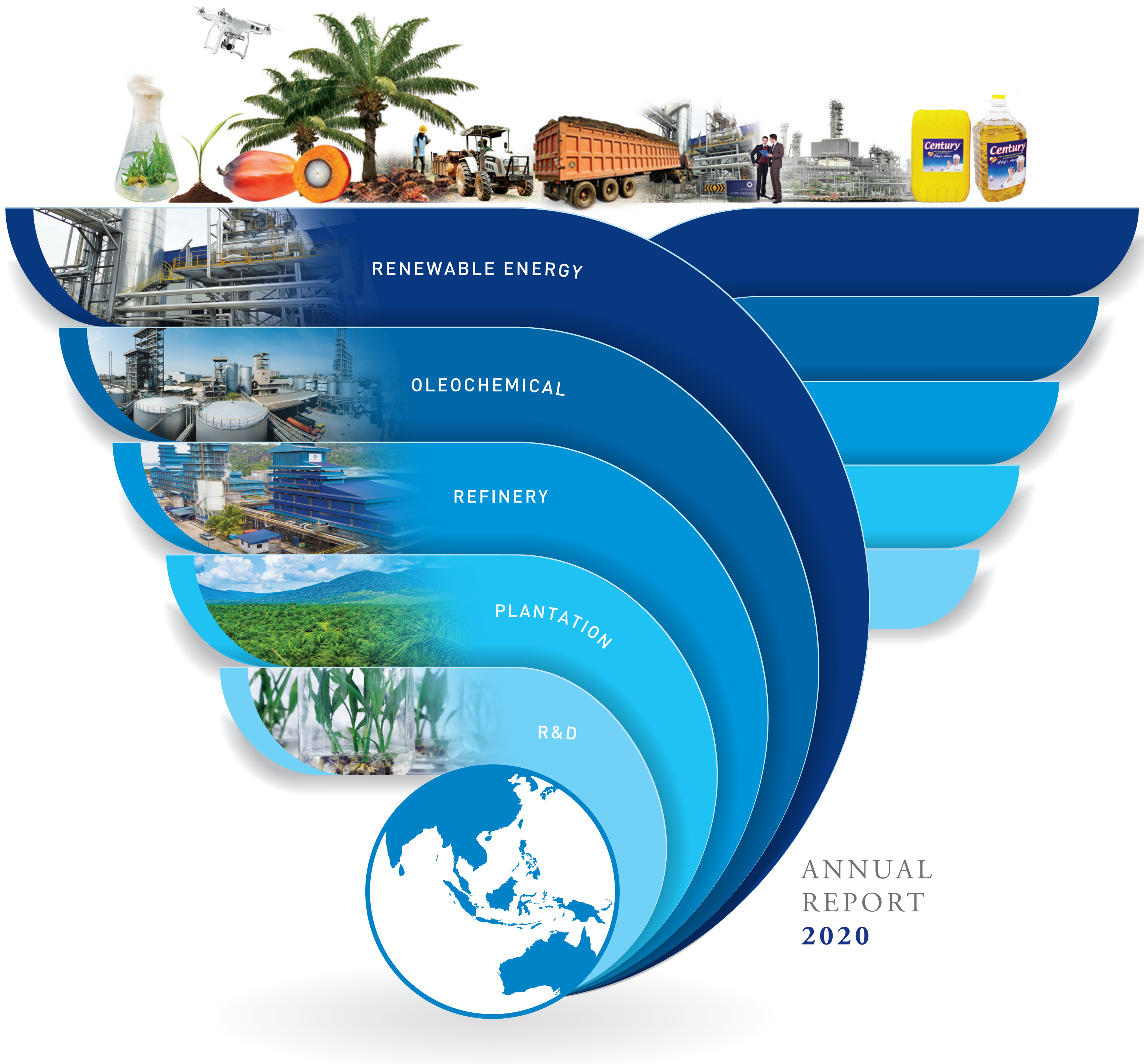
www.ioigroup.com

IOI CORPORATION BERHAD 196901000607 (9027-W)

ANNUAL REPORT 2020

IOI GROUP

Poised & FUTURE-READY



ANNUAL REPORT 2020

WHAT'S INSIDE

Introduction

How We Create Value

51st Annual General Meeting for IOI Corporation Berhad

LIVE

Virtual Meeting through live streaming from the Broadcast Venue at Millennium Ballroom 1 (Level 1)
Le Méridien Putrajaya
Lebuh IRC, IOI Resort City
62502 Putrajaya, Malaysia

Friday
30 October 2020

10:00 am

Note:
The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of Meeting to be present at the main venue. **No shareholders/proxy(ies) from the public shall be physically present at nor admitted to the Broadcast Venue.**

Risks & Opportunities

Strategic Direction: Poised & Future-Ready

Performance Review

Governance

Additional Information

This report showcases our value creation proposition and delivery, as well as our approach towards exemplary governance.

ANNUAL REPORT

Poised & Future-Ready

Poised & Future-Ready, IOI is resolute and committed to reach further heights as a global integrated palm oil player. This year's cover depicts our future-ready focus through unfurling wings that depict the Group's steady progression anchored by global aspirations at the core.

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About Our Report

The Focus of This Report

IOI Corporation Berhad ("IOI" or "the Group") has embarked on an integrated reporting journey since last year. This is our second Integrated Report ("Report") representing a clear and comprehensive corporate reporting to better meet the needs of various stakeholders and achieve greater business benefits. We aim to explain how we create value for all our stakeholders and provide details of our successes and challenges in realising value, as well as our strategic direction going forward.

Our Report consists of an Annual Report, Financial Report and Sustainability Report to provide further details and clarity on our performance on these fronts.

This report provides detailed accounting of the year's financial performance.

FINANCIAL REPORT

This report details our efforts and commitment towards ensuring holistic and sustainable growth through the long-term.

SUSTAINABILITY REPORT

Reporting Period, Scope and Boundary

This Report covers our financial and non-financial performance during the period of 1 July 2019 to 30 June 2020.

The scope of this Report covers all of IOI's businesses in Malaysia and other countries we operate in. This includes operations for which we have full control, subsidiaries, associate companies and joint venture. It excludes detailed information on investments in which the Group holds a minority stake.

The boundary of the Report beyond financial reporting and includes non-financial performance, risks, opportunities and outcomes attributable to or associated with our key stakeholders that have a significant influence on our ability to create value.

For a holistic view of our business, this Report should be read in conjunction with the information available on our website at www.ioigroup.com.

Reporting Framework

This Report has been prepared in accordance with the International Framework set by the International Integrated Reporting <IR> Council ("IIRC"), Global Reporting Initiative ("GRI"): Core Option and GRI Sector Disclosures as well as the Main Market Listing Requirements of Bursa Malaysia.

The financial report is aligned with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

Assurance

The Board has applied its collective mind to present IOI's Report and acknowledge its responsibility to ensure the integrity of this Report, through good governance practices and internal reporting procedures. This Report was approved by the Board on 15 September 2020.

Tan Sri Peter Chin Fah Kui
Independent Non-Executive Chairman

Dato' Lee Yeow Chor
Group Managing Director and Chief Executive

Forward-looking Statements

This Report contains certain forward-looking statements with respect to IOI's future performance and prospects. While these statements represent our judgements and future expectations at the time of preparing this Report, a number of emerging risks, uncertainties and other important factors could cause actual results to differ materially from our expectation. These include factors that could adversely affect our business and financial performance. We would like to clarify that the Group makes no express or implied representation or warranty that the results targeted by these forward-looking statements will be achieved.

Navigation Icon

Our Strategic Priorities

- Increase Yield
- Increase the Non-CPO Segment
- Optimise Workforce
- Grow the Oleochemical Segment
- Diversify Crops

Our Six Capitals

- Human
- Manufactured
- Natural
- Social & Relationship
- Financial
- Intellectual

Our Key Stakeholder Groups

- Employees
- Regulators
- Customers
- Shareholders & Investors
- Communities
- Industry Association/ Civil Society
- Suppliers

Our Risks & Opportunities

- Human Capital & Talent
- Volatility in Demand and Commodity Prices
- Supply Chain Compliance
- Responsible & Sustainable Agricultural Practices
- Reliance on Manual Labour
- Demand for Renewable and Sustainable Products
- Environmental Sustainability
- Product Regulatory Requirements
- Business Resilience
- Growing Customer Interest in Ethical Labour Practices

Our Material Matters

- Occupational Safety and Health
- Transparent Grievance Resolution and Communication
- Climate Change
- Anti-Corruption and Governance
- Fire Management
- Deforestation
- Fair and Decent Wage
- Human Rights and Social Exploitation
- Sustainability Certifications
- New Technology and Innovation
- Responsible Sourcing and Traceability
- Equal Opportunity and Women Empowerment
- Regulatory Compliance

IOI GROUP

Feedback & Comments

We welcome any constructive feedback from you. Please email us at corporatecommunications@ioigroup.com

This Annual Report is available at https://www.ioigroup.com/Content/IR/IR_Reports

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors ("the Board") of IOI Corporation Berhad ("IOI" or "the Group"), I am pleased to present to you the Annual Report of the Group for the financial year ended 30 June 2020 ("FY2020").

Tan Sri Peter Chin Fah Kui
Independent Non-Executive Chairman

OPERATING ENVIRONMENT

During the period under review, the COVID-19 pandemic triggered an unprecedented global crisis during a point when the global economy is already fragile and weakened by the prolonged United States ("US")–China trade war. The World Bank and the International Monetary Fund are respectively expecting the world economy to shrink by 5.2% and 4.9% this year.

On the local front, the domestic economy was severely affected by the movement control order ("MCO") and the necessary actions taken to contain the COVID-19 outbreak. The Group was fortunate that most of its operations were allowed to operate during the MCO period as the palm oil industry is considered an essential sector. Malaysia's Gross Domestic Product ("GDP") is projected to decline by between 3.5% to 5.5% in 2020, after growing 4.3% in 2019. Similar restrictions undertaken by governments globally led to major disruptions in the oils and gas sector and the eventual collapse of crude oil prices in March this year, which affected the country's income.

After a period of low price lasting about 18 months, crude palm oil ("CPO") price increased sharply since November 2019 to reach RM3,100 per metric tonne ("MT") level in January this year. However, the onset of the COVID-19 pandemic and the resultant lockdown measures introduced by governments globally caused a sharp decline in CPO price to around RM2,100 per MT level in May this year. Subsequently, restocking activities undertaken by major consuming countries such as India and China coupled with lower production due to unusually wet weather led to a surge in CPO price to around RM2,700 – RM2,800 per MT level in August this year.

The US Dollar-Ringgit exchange rate was volatile during the period under review ranging from 4.05 to 4.45, and was at 4.28 level in end June 2020. The US Dollar has weakened since then to below 4.20 in August this year.

REVIEW OF RESULTS

For the 30 June 2020 financial year under review, the Group's profit before tax ("PBT") of RM826.7 million was 5.2% lower as compared to the PBT of RM872.6 million reported for financial year ended 30 June 2019 ("FY2019"). The lower PBT was due mainly to lower contribution from the resource-based manufacturing segment and the higher net foreign currency translation loss on foreign currency denominated borrowings and deposits of RM207.9 million (FY2019 net forex loss of RM102.1 million) which was mitigated by the higher results of the plantation segment.

Excluding the net foreign currency translation loss on foreign currency denominated borrowings and deposits as well as fair value gain on derivative financial instruments from the resource-based manufacturing segment, the underlying PBT of RM1,030.8 million for FY2020 was 9% higher than the underlying PBT of RM945.8 million for FY2019. Overall, the Group reported a net profit of RM601.7 million for FY2020 which was RM15.9 million or 2.6% lower as compared to RM617.6 million for FY2019.

For our plantation segment, the higher profit of RM701.5 million for FY2020 as compared to FY2019 of RM483.9 million was mainly due to higher CPO price realised as well as improved crude palm oil extraction rate which offset the lower FFB production. Overall average CPO price realised for FY2020 are RM2,314 per MT (FY2019 – RM2,025 per MT). FFB production for FY2020 was lower at 3.1 million MT as compared to 3.4 million MT for FY2019 mainly due to aggressive replanting and delayed effects of the long dry spells in 2018 and 2019.

On the other hand, our resource-based manufacturing segment was adversely affected by the higher palm oil price which has resulted in lower margins. The COVID-19 pandemic which started since March 2020 in Malaysia and is still a concern for many countries, has affected overall sales volume especially during the MCO period. The resource-based manufacturing segment's profit of RM385.1 million for FY2020 was 30.4% lower than the profit of RM553.4 million reported in FY2019 with lower operational contributions from the oleochemical and refining sub-segments, as well as lower share of associate results from Bunge Loders Croklaan Group B.V. ("Bunge Loders") arising from the COVID-19 pandemic as well as a one-off debt write-down in the European operation.

Over 10,000 hectares of ageing trees were replanted during FY2020 with higher yielding oil palm planting materials.

The Group's Business Review is further detailed on pages 58–69 of this Annual Report.

MAJOR CAPITAL EXPENDITURE

As mentioned last year, the Group's plantation segment accelerated its replanting programme to replace ageing oil palms and over 10,000 hectares of ageing trees were replanted during FY2020 with higher yielding oil palm planting materials. The Group has also completed new planting of about 2,400 hectares of oil palm on its last concession area in Kalimantan, Indonesia. A balance of approximately 900 hectares of remaining unplanted area will be fully planted by FY2021.

As for the oleochemical segment, our new 110,000 MT/year capacity oleochemical plant in Prai, Penang is estimated to complete by end of 2021. The Group is also upgrading and modernising the warehouses in Prai with orbital racking and full automation functionalities to improve efficiency.

The total capital expenditure for FY2020 was RM413.0 million, of which RM296.0 million was incurred by the plantation segment and RM98.5 million was incurred by the resource-based manufacturing segment.

DIVIDENDS AND CAPITAL MANAGEMENT

An interim single tier dividend at 4 sen per ordinary share amounting to a total amount of approximately RM251.4 million was paid during the year under review. For FY2020, the Board has declared a second interim single tier dividend of 4 sen on 25 August 2020. The total dividend payout as mentioned above represents approximately RM502.1 million or 57.6% of the Group's net cash flow generated from operating activities in FY2020.

Profit before Interest and Taxation

RM1.14 Billion

During the year, the Company bought back 18,220,000 ordinary shares of the Company from the open market at an average price of RM3.74 per share, representing 0.3% of the issued and paid-up share capital of the Company.

The Group remains poised and flexible with a low net gearing ratio of 0.29 at the end of FY2020. Cash and cash equivalents at the end of FY2020 stood at RM2.3 billion, which puts the Group in a strong liquidity position.

ACKNOWLEDGEMENTS

The ongoing COVID-19 pandemic has affected most economic sectors in the country and presented many operational challenges. Despite the pandemic and the global disruption arising from economic lockdowns, the Group managed to produce a commendable result in FY2020.

For this, I wish to record my sincere appreciation to the management and employees for their resilience, commitment and dedication during this pandemic period. I also would like to express my gratitude to all our stakeholders, namely our customers, bankers, business partners, governmental authorities, non-governmental organisations, and our shareholders for their continued support and confidence in our Group during these challenging times.

Please stay safe and keep well. Thank you.

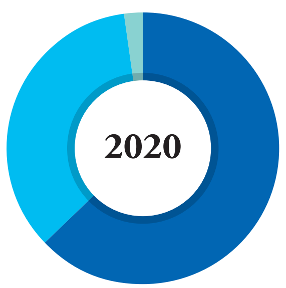
Tan Sri Peter Chin Fah Kui
Independent Non-Executive Chairman

Group Managing Director and Chief Executive's Statement

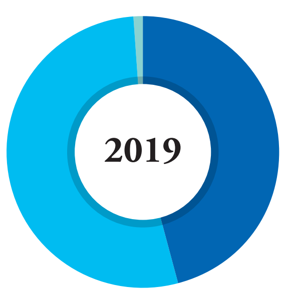
Dear Shareholders,

I am pleased to present this inaugural Group Managing Director and Chief Executive's Statement which sets out our key focus areas, challenges and implementation of new plans during the financial year 2020 ("FY2020") as well as the prospects for FY2021.

Contribution to Segment Results



Plantation	63%
Resource-based Manufacturing	35%
Others	2%



Plantation	46%
Resource-based Manufacturing	53%
Others	1%

The ongoing COVID-19 pandemic and wide-ranging control measures undertaken by governments globally to contain the outbreak contributed to lower investments, reduced employment, global trade disruption and the ensuing credit crunch. However, many countries have provided large-scale macroeconomic support to alleviate the economic blow, which has led to stabilisation in the financial markets.

IOI VISION, MISSION AND CORE VALUES

IOI Vision and Core Values, first introduced 25 years ago in 1995 were refreshed and relaunched earlier this year. This was done with a clear objective to build and strengthen a values-centric culture that works towards a purpose driven organisation.

Despite the challenges posed by the pandemic, the Group has embarked on its vision to be a leading and sustainable corporation with global presence; with its mission to achieve responsible and sustainable commercial success by addressing the interests of all our stakeholders, caring for the community and the environment, and adopting best practices to be globally competitive.

IOI GROUP'S FIVE-YEAR PLAN

The management embarked on a Five-Year Plan which was introduced in March this year to provide a clear direction for the Group to progress from a cost competitive palm oil producer to a high value-added diversified palm-based products producer which will increase its resilience and competitiveness in the future.

This plan is driven by five strategic priorities from years 2020 to 2024. Firstly, the Group aims to increase plantation oil yield by at least 15% through utilising our high-yielding planting materials which includes clonal palms as well as employing best agricultural and labour management practices.

Secondly, the Group seeks to reduce dependency on manual labour and optimise the plantation workers' productivity through the implementation of various estate mechanisation and plantation digitalisation programmes. The Group started its **revitalised estate mechanisation programme** two years ago and is aiming at completing mechanisation across all its Malaysian estates within three years.

The plantation digitalisation programme is anchored by the SAP ERP system which is implemented in all its Malaysian plantation operating units. In July this year, we have implemented the SAP system to approximately 75% of the operating units and we expect to complete the implementation by October 2020.

Thirdly, the Group aims to diversify planting of crops away from full reliance on oil palm to other crops such as coconut and kenaf to limit the Group's exposure to palm oil price volatility. Correspondingly, the fourth priority is to increase the non-crude palm oil ("CPO") income by converting oil palm by-products and processing waste into value-added products at competitive cost. Besides installing eight biogas power plants in our mills, the Group has recently started a venture to convert oil palm trunks into wood blocks for furniture and building materials.

Dato' Lee Yeow Chor
Group Managing Director and Chief Executive

Finally, the Group seeks to increase the oleochemical sub-segment's profit contribution by RM100 million through organic expansion and new products applications. The new 110,000 MT per annual capacity oleochemical plant in Prai, Penang which commenced construction during the second half of 2019 will spearhead our organic expansion.

The Group's Strategic Priorities are further detailed on pages 38–43 of this Annual Report.

Revenue
RM7.80 Billion

Our 5 Strategic Priorities

- Increase Yield
- Optimise Workforce
- Diversify Crops
- Increase the Non-CPO Segment
- Grow the Oleochemical Segment

Group Managing Director and Chief Executive's Statement

IOI Vision and Core Values were refreshed and relaunched by Dato' Lee Yeow Chor on 11 March 2020.

CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY

We continue to put the safety and health of all employees and stakeholders as paramount especially amid the COVID-19 pandemic. In May this year, the Group revised its Sustainable Palm Oil Policy where we establish clear environmental management guidelines concerning wildlife, peatland and deforestation as well as formulate rigorous guidelines on building a more traceable and sustainable supply chain. These guidelines together with greenhouse gas ("GHG") reduction measures across the Group's operations are integral to the Group's holistic approach towards climate change action.

Yayasan Tan Sri Lee Shin Cheng ("Yayasan TSLSC") which undertakes corporate social responsibility activities for the Group, has awarded more than 280 students with university scholarships and adopted more than 1,000 students under its Student Adoption Programme. Yayasan TSLSC also operates a social enterprise called Bargain Basement which sells good quality used items in its two outlets in Putrajaya and Selangor. A third outlet will be opened at Universiti Tunku Abdul Rahman ("UTAR") in Perak in a collaboration with the students there.

Our new commitments, progress and initiatives on sustainability are further detailed in our Annual Sustainability Report 2020 which is based on the Global Reporting Initiative ("GRI") standards.

OUTLOOK AND PROSPECTS

Going forward, the ongoing pandemic is expected to cause recessions in many countries globally and possibly the deepest global recession since the Great Depression. The reduced social and economic activities on a global scale as a result of control measures worldwide will continue to dampen global consumption and investment activity in the aftermath of economic lockdowns.

Nevertheless, the COVID-19 pandemic seems to be adequately controlled in Malaysia compared to other countries and the government has begun gradual easing of the movement control order ("MCO") by allowing more economic sectors to operate since early May 2020. The country's effective public health response, proactive macroeconomic policy and strong banking system will support recovery of the domestic economy going forward.

Demand for palm oil has recovered from the lows during the early days of the COVID-19 pandemic. Higher exports were mainly led by improved demand from India and China. The Malaysian palm oil inventory dropped to 1.70 million metric tonnes ("MT") in July 2020, the lowest in three years as a result of lower supply affected by heavy rain. This situation coupled with higher exports have increased palm oil price significantly from around RM2,100 per MT in May to above RM2,800 per MT in August this year.

Oil palm crop production is likely to increase gradually from September to November this year while the demand is expected to taper off from the high restocking activity in the major importing countries. Therefore, we foresee palm oil price may decline slightly towards the end of this year from its current strong level.

> The Group has intensified its estate mechanisation and plantation digitalisation programmes which will alleviate the labour shortage problem in the medium to long term.

IOI's estate mechanisation helps to reduce dependency on manual labour.

The plantation sector is facing an increasingly serious problem of labour shortage as a result of the Malaysian government's freeze on new foreign workers until the end of this year. Our effort to recruit local estate workers in response to the government's direction has yielded limited results. The Group has intensified its estate mechanisation and plantation digitalisation programmes which will alleviate the labour shortage problem in the medium to long term.

As for our resource-based manufacturing segment, the prospect of the oleochemical sub-segment remains positive despite the challenging environment due to the COVID-19 pandemic. Higher demand from the personal hygiene and pharmaceutical sectors is likely to offset the lower demand from other sectors such as automotive and plastics. The overall sales margin is expected to be stable, resulting in an expected satisfactory performance from the oleochemical sub-segment in FY2021.

Our specialty fats sub-segment, which comprises our associate company Bunge Loders Croklaan Group B.V. ("Bunge Loders"), has been affected by lower sales volume in Europe and parts of Asia due to the COVID-19 pandemic. Going forward, sales volume is likely to recover gradually amid some uncertainties relating to the on-going pandemic but with sales margin pressured by the higher raw material price. Bunge Loders is poised to expand their product offering in the nutrition category, from infant nutrition to sports and elderly nutrition.

For our refining sub-segment, sales volume has improved albeit constrained by the tight supply of CPO in the current environment. The refining and fractionation margins are expected to remain volatile and depressed until the end of this year partly due to the suspension of CPO export duty until December 2020. The Group is focusing on improving the quality and food safety aspect of its refined palm oil to address the 3-MCPD and hydrocarbon contaminant issues in Europe.

The Group's Business Review is further detailed on pages 58–69 of this Annual Report.

CLOSING REMARKS

IOI was established in the early 1980s, and had survived and thrived through several economic crisis in 1987, 1997 and 2007. Our enduring resilience is built on the platform of sustainable growth which encompasses innovation to maintain our competitive advantage, people development to empower talents, and prudent risk and capital management to withstand external shocks such as the present COVID-19 pandemic.

In our pursuit of the above, IOI team has been upholding the six IOI Core Values namely integrity, commitment, team spirit, cost efficiency, innovation and excellence in execution to achieve our vision of becoming a leading and sustainable Malaysian business corporation with global presence.

I am confident that with the solid foundation built earlier, the Group is poised to expand and emerge from this pandemic-induced economic recession bigger and stronger.

Dato' Lee Yeow Chor
Group Managing Director and Chief Executive

IOI is focusing on improving the quality and food safety aspect of its refined palm oil to address the 3-MCPD and hydrocarbon contaminant issues in Europe.

Business and Financial Highlights

100% MSPO-Certified

84 estates

14 mills

Owner of **14 Patents** and **4 more** in the process for pharmaceutical application, via IOI Oleo GmbH, Germany

Market Capitalisation
RM27.20 billion

Global Presence
16 countries

Total Employees
≈30,000 worldwide

Yayasan Tan Sri Lee Shin Cheng
CSR contribution
RM1.6 million

Developed over 30 formulations
for personal care and cosmetic applications

Successfully rolled out the **SAP System** to approximately 75% of our plantation's operating units

1st Company in Sabah to achieve Level 5 in Systematic Occupational Health Enhancement Level Programme ("SoHELP")

Commissioned a **Liquid Lipid Filling Line** to expand the Active Pharmaceutical Ingredient ("API") business at IOI Oleo GmbH, Germany

Commissioned a 6.5 MW Cogeneration Plant
(combined heat and power)
at IOI Pan-Century Oleochemicals Sdn Bhd, Malaysia

100% ePMS ("Electronic Plantation Monitoring System") ongoing digital and paperless in our operations

Pledged RM500,000 to Malaysia's Ministry of Health
via the Malaysian Palm Oil Association to fight COVID-19

Revenue
RM7.80 billion

Profit before Interest and Taxation
RM1.14 billion

Net Profit Attributable to Owners of the Parent
RM600.9 million

Share Price
RM4.34

Organisational Overview

Who We Are

IOI Corporation Berhad (“IOI”), listed on the Main Market of Bursa Malaysia Securities Berhad, is a leading global integrated and sustainable palm oil player. Employing about 30,000 people in several countries, we are a fully integrated company that undertakes the plantation and resource-based manufacturing businesses. Our plantation business covers Malaysia and Indonesia while our downstream resource-based manufacturing business includes refining of palm oil as well as manufacturing of oleochemical and specialty oils and fats, with strong presence in Asia, Europe and USA.

Vision

Our Vision is to be a leading and sustainable Malaysian business corporation with global presence.

Mission

Our Mission is to achieve responsible and sustainable commercial success by addressing the interests of all our stakeholders, caring for the community and the environment, and adopting best practices to be globally competitive.

Core Values

- Integrity
- Cost Efficiency
- Commitment
- Innovation
- Team Spirit
- Excellence in Execution

Plantation

Contribution to Segment Results
63%

FFB Yield (Per Hectares)
21.24 MT

Total Planted Area (Hectares)#
178,068
Excludes area owned by associate company

OER
21.83%

Total FFB Production (Million MT)
3.1

Resource-Based Manufacturing

Contribution to Segment Results
35%

Manufacturing Facilities*
6
* Excludes associate companies

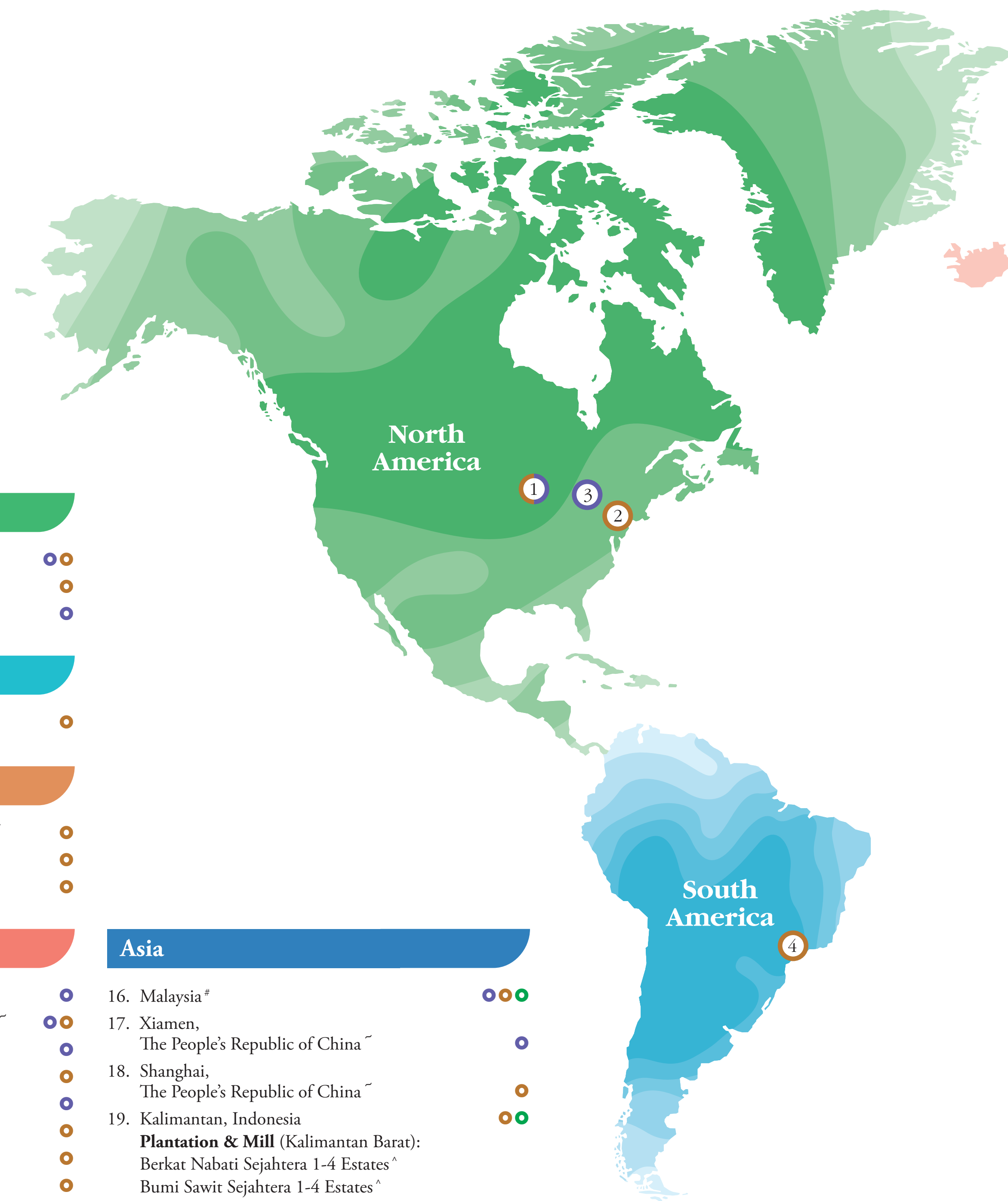
Combined Annual Refining Capacity (Million MT)
1.8

Combined Annual Oleochemical Capacity (MT)*
780,000
* Excludes associate companies

Export to over
80
countries worldwide

• FFB: Fresh Fruit Bunches
• OER: Oil Extraction Rate

Global Presence



North America

1. Channahon, USA˜
2. New Jersey, USA
3. Toronto, Canada˜

South America

4. Sao Paulo, Brazil˜

Africa

5. Bobo Dioulasso, Burkina Faso˜
6. Tema, Ghana˜
7. Cairo, Egypt˜

Europe

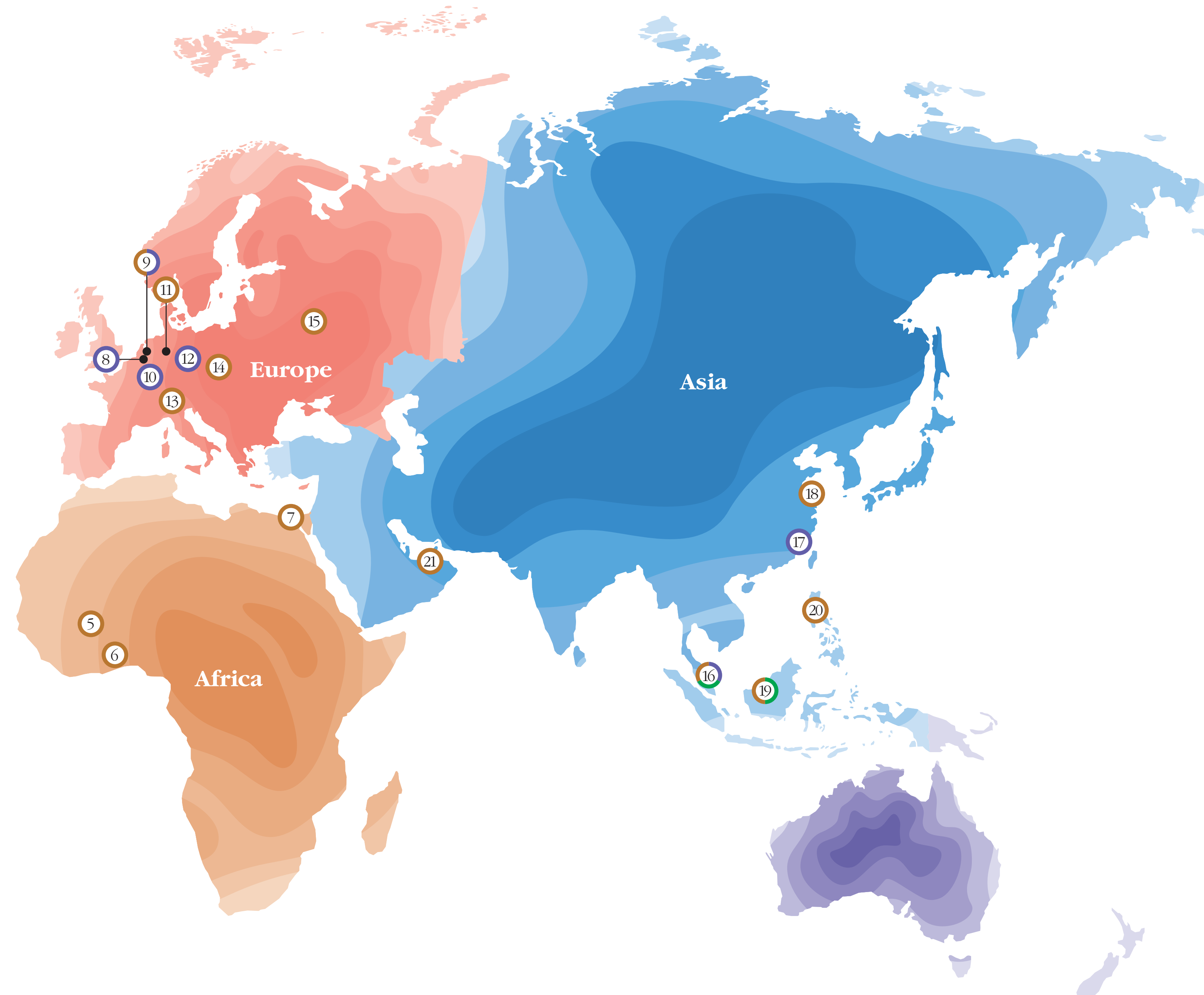
8. Rotterdam, The Netherlands˜
9. Wormerveer, The Netherlands˜
10. Witten, Germany
11. Hamburg, Germany
12. Wittenberge, Germany
13. Varese, Italy˜
14. Warsaw, Poland˜
15. Moscow, Russia˜

Asia

16. Malaysia#
17. Xiamen,
    The People's Republic of China˜
18. Shanghai,
    The People's Republic of China˜
19. Kalimantan, Indonesia
    Plantation & Mill (Kalimantan Barat):
    Berkat Nabati Sejahtera 1-4 Estates^
    Bumi Sawit Sejahtera 1-4 Estates^
    Kalimantan Prima Agro Mandiri 1-4 Estates^
    Sukses Karya Sawit 1-3 Estates^ & Palm Oil Mill
20. Manila, The Philippines˜
21. Dubai, United Arab Emirates˜

Plantation & Mill | Resource-Based Manufacturing | Sales/Procurement/Regional Office

˜ Associate (Bunge Loders)
Includes associate companies
^ Includes plasma estates
+ Includes sales of palm kernel expellers



Exports by Regions (Oleochemical)

Asia	Africa	Europe	North America	South America
80%	3%	12%	4%	1%

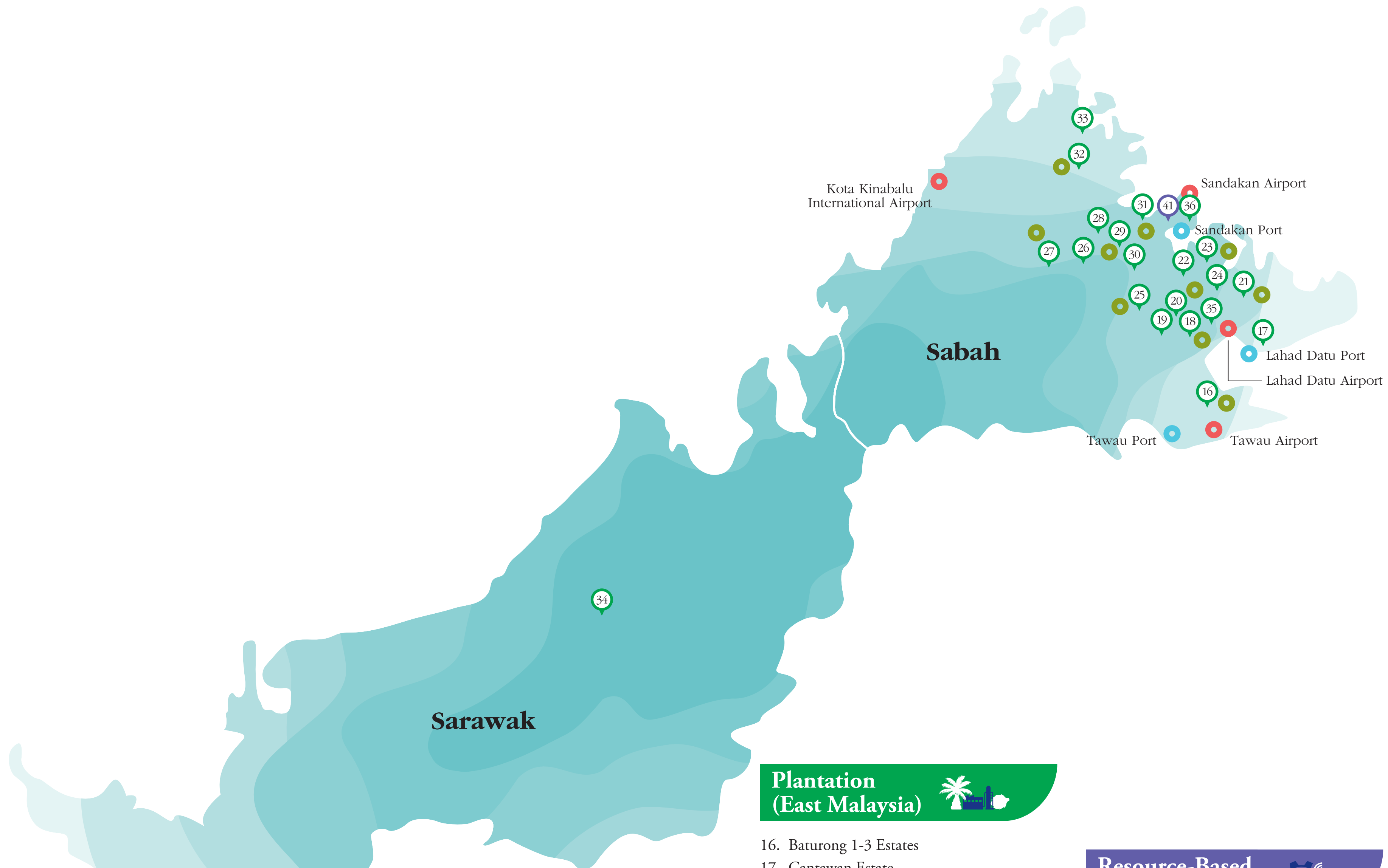
Exports by Regions (Commodity)+

Asia	Africa	Europe	North America	ROW (Rest of the World)
33.5%	4.6%	49%	11.1%	1.8%

Local Presence

Main Airport
Palm Oil Mill
Main Port
North-South Expressway
East Coast Expressway

^ Associate (Bunge Loders)



Plantation (Peninsular)

1. IOI Palm Biotech
2. Bukit Dinding Estate
3. Detas Estate
4. Bukit Leelau Estate
5. Leepang A Estate & Laukin A Estate
6. Mekassar Estate & Merchong Estate
7. Pukin Estate
8. Shahzan IOI 1 Estate & Shahzan IOI 2 Estate
9. Bahau Estate & Kuala Jelei Estate
10. IOI Research Centre & Regent Estate
11. Gomali Estate, Paya Lang Estate & Tambang Estate
12. Bukit Serampang Estate & Sagil Estate
13. Segamat Estate
14. Kahang Estate
15. Pamol Barat Estate, Pamol Timur Estate, Mamor Estate, Unijaya Estate & Pamol Research Centre (Kluang)

Plantation (East Malaysia)

16. Baturong 1-3 Estates
17. Cantawan Estate
18. Unico 6 Estate
19. Halusah Estate
20. Tas Estate
21. Unico 1-5 Estates
22. Morisem 1-5 Estates
23. Leepang 1-5 Estates
24. Permodalan 1-4 Estates
25. Syarimo 1-9 Estates
26. Bimbingan 1-2 Estates
27. Mayvin 1-2 & 5-6 Estates & Tangkulap Estate
28. Laukin Estate
29. Ladang Sabah Estates, IOI Research Centre & Sandakan Regional Office
30. Linbar 1-2 Estates
31. Sakilan Estate
32. Pamol Sabah Estates & Pamol Sabah Research Centre
33. Sugut Estate
34. Sejap Estate & Tegai Estate
35. Lahad Datu Regional Office
36. Sandakan Regional Town Office

Resource-Based Manufacturing

37. IOI Oleochemical Operations
38. IOI Pan-Century Oleochemical & Refinery Operations
39. Lipid Enzymtec Plant^
40. Palm Oil Refinery & Specialty Fats Operations^
41. IOI Palm Oil Refinery & Kernel Crushing Plant

Awards and Achievements

1. **Highest Return in Equity Over Three Years (Plantation Sector)**
   IOI Corporation Berhad
   (The Edge Billion Ringgit Club Corporate Awards 2019)

2. **Highest Growth in Profit After Tax Over Three Years**
   IOI Corporation Berhad
   (The Edge Billion Ringgit Club Corporate Awards 2019)

3. **Best CR Initiatives for Big Cap Companies 2019**
   (for companies with RM10 to 40 billion in market capitalisation)
   IOI Corporation Berhad
   (The Edge Billion Ringgit Club Corporate Awards 2019)

4. **Most Outstanding Company in Malaysia (Plantation Sector)**
   IOI Corporation Berhad
   (Asiamoney Asia)

5. **Special Mention Award for Leadership Trust 2019**
   IOI Corporation Berhad
   (PwC Malaysia's Building Trust Awards 2019)

6. **Winner of the National Council for Occupational Safety and Health Awards 2019 (Agriculture Industry)**
   Baturong 1 Estate (Lahad Datu), Sabah

7. **Environmental, Social and Governance (ESG) Rating: 2.9**
   IOI Corporation Berhad

8. **Highly Commended Palm Oil Industry Award on Waste Heat Recovery**
   IOI Acidchem Sdn Bhd
   (Institution of Chemical Engineers (IChemE) Malaysia Awards 2019)

9. **Rated Baa2 by Moody's Credit Rating**
   IOI Corporation Berhad

10. **Ranked 13th with overall score of 71.9%**
    IOI Corporation Berhad

11. **Scored Silver in EcoVadis Sustainability Rating**
    IOI Corporation Berhad

12. **Responded to Climate Change, Forests (Palm Oil) and Water Security**
    IOI Corporation Berhad

At IOI, we strive to establish and sustain a global palm oil supply chain which is reliable, traceable and sustainable. Our integrated business model enhances synergies across our business operations, delivers shared values to our stakeholders and provides long-term economic, social and environmental benefits. We focus on five strategic priorities which are in line with our **Poised & Future-Ready** theme.

Our Value Creation Model

Our Vision is to be a leading and sustainable Malaysian business corporation with global presence.

Capital Inputs

Human
- Strong leadership and governance
- ≈30,000 talented and diverse people
- Succession and business continuity planning

Natural
- 96 estates
- 206,567 hectares of landbank
- Seeds, plants and healthy soil to cultivate oil palm trees and other crops

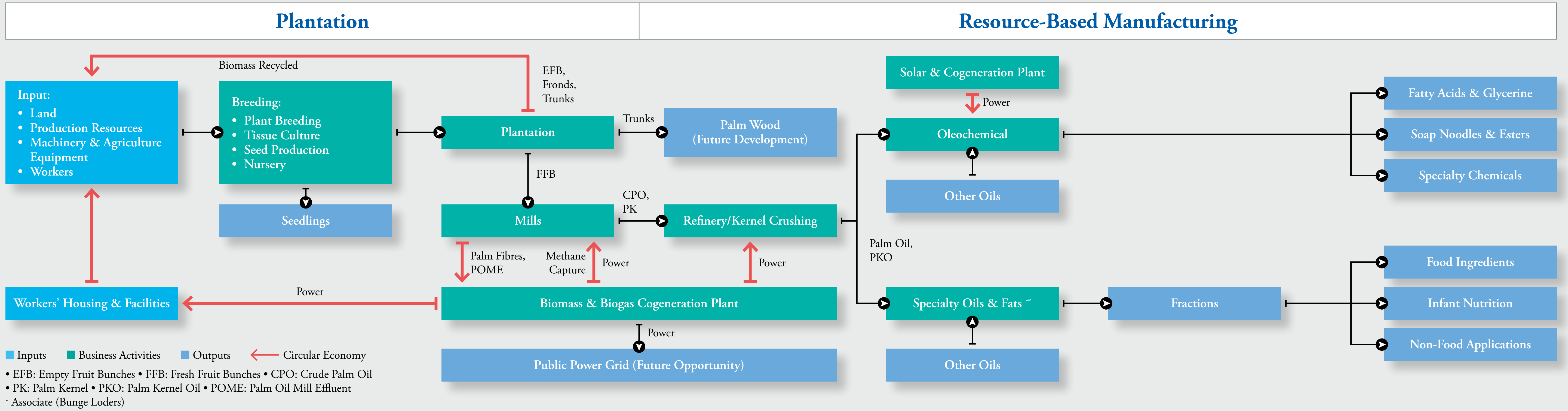
Financial
- Access to capital for investments in future success
- RM16.7 billion of assets
- RM9.3 billion of shareholders' equity

Manufactured
- 15 mills
- 2 refineries
- 4 oleochemical plants/complexes
- 1 biotech centre
- 4 Research and Development ("R&D") centres

Social & Relationship
- Strong long-term relationships with shareholders, customers, suppliers, bankers, non-governmental organisations ("NGOs"), regulators and communities to create shared value

Intellectual
- R&D capabilities and intellectual property
- Brand and reputation
- Best agronomy practice and estate management practices

Business Activities: IOI Value Chain, Key Products & Services



• EFB: Empty Fruit Bunches • FFB: Fresh Fruit Bunches • CPO: Crude Palm Oil
• PK: Palm Kernel • PKO: Palm Kernel Oil • POME: Palm Oil Mill Effluent
^ Associate (Bunge Loders)

Strategy

3 Enablers
- **Human Capital Development & Culture:** Empowering Our People
- **Sustainability:** Developing Responsible Global Palm Oil Supply Chain
- **Technology & Digitalisation:** Strengthening R&D and Innovation Culture

5 Strategic Priorities
- Increase Yield
- Optimise Workforce
- Diversify Crops
- Increase the Non-CPO Segment
- Grow the Oleochemical Segment

Refer to pages 38-46 for detailed review.

Risks & Opportunities

External Environment
- Volatility in Demand & Commodity Price
- Responsible & Sustainable Agricultural Practices
- Demand for Renewable & Sustainable Products
- Product Regulatory Requirements
- Growing Customer Interest in Ethical Labour Practices

Risks
- Human Capital & Talent
- Supply Chain Compliance
- Reliance on Manual Labour
- Environmental Sustainability
- Business Resilience

Refer to pages 24-31 for detailed review.

Capital Outputs & UN SDGs' Impacts

Human
- Training and upskilling opportunities to develop employees
- Fair and decent wage
- Healthy and safe workforce

Natural
- Sustainable palm oil practices support climate action and maintain ecosystem health
- 14 mills: RSPO and MSPO-certified
- No deforestation and protection of High Carbon Stock Forests and High Conservation Value Areas

Financial
- Sustainable and profitable growth
- Green and responsible investment
- Better economies of scale for vendors

Manufactured
- State-of-the-art, certified and accredited manufacturing facilities
- Significant operational efficiencies and synergies

Social & Relationship
- Quality products at competitive cost for customers to support quality of life and provide nutrition
- Improve livelihoods and uphold land rights of local communities
- Create economies of scale for suppliers

Intellectual
- High-yielding germplasm
- Developed over 30 formulations for personal care and cosmetic applications
- Filed 14 patents for pharmaceutical applications
- ONE IOI Integrated Platform

• RSPO: Roundtable on Sustainable Palm Oil • MSPO: Malaysian Sustainable Palm Oil

In alignment with our three pillars of sustainability (People, Planet, Prosperity) + Partnership, together with the six adopted relevant United Nations Sustainable Development Goals ("UN SDGs").

Poised & Future Responsive

IOI is mindful of macro trends, external factors and stakeholder expectations which will impact our ability to create value. Based on these, the Group actively identifies, analyses emerging risks and opportunities and fortifies a robust risk management framework to build resilience and ensure business continuity through challenging times.

- Growing Customer Interest in Ethical Labour Practices
- Product Regulatory Requirements
- Demand for Renewable and Sustainable Products
- Responsible & Sustainable Agricultural Practices
- Volatility in Demand and Commodity Price
- Business Resilience
- Environmental Sustainability
- Reliance on Manual Labour
- Supply Chain Compliance
- Human Capital & Talent

External Environment

IOI has identified the following key trends that are expected to impact our businesses, stakeholders and markets over the short, medium and long term.

Our strategy positions our businesses to seize opportunities presented by these trends.

Trend & Description	Potential Impact	How IOI is Responding	IOI Outlook	Connection
Volatility in Demand & Commodity Price Fluctuations in demand and pricing of palm oil due to geopolitical and socioeconomic factors.	Trade wars and rising protectionism have disrupted traditional pricing mechanisms, leading to price fluctuation of approximately 64% in the previous financial year. The COVID-19 pandemic has significantly impacted the global hospitality and travel industries, leading to reduced palm oil demand. The proposed European Union ("EU") plan to phase out palm oil for transport fuel by 2030 is affecting palm oil demand for biofuels.	A fully integrated business model, with upstream and downstream businesses to mitigate the impact of commodity price fluctuations. Sales are diversified to more than 80 countries to mitigate our exposure to localised risks in particular markets. Strategic presence in Malaysia and overseas allows us to cater to different market segments. Continuous improvement of the market information system, enhance monitoring and risk management through hedging activities. Develop and adopt better strategies to improve resilience to unexpected price swings. *Refer to pages 20–21 for detailed review.*	Trade protectionism is expected to stay in the near term and IOI continues to monitor macroeconomic developments. Recovery from the impact of the COVID-19 pandemic will be gradual, with economic activities resuming alongside the emergence of new localised outbreaks. Palm oil-producing countries including Malaysia and Indonesia are expected to increase its domestic consumption of vegetable oils and biofuels to offset the slowdown in demand for palm oil exports. *Refer to page 66 for detailed review.*	**Strategic Priorities** **Six Capitals** **Material Matters**
Responsible & Sustainable Agricultural Practices Corporations must adopt responsible and sustainable practices to positively impact the economy and address environmental challenges.	Climate change and environmental degradation present significant risks to both the global economy and business environment. Corporations are expected to increase their positive impacts on the economy, social development and the environment. Increased focus on sustainable agricultural practices to minimise carbon emissions and reduce air pollution, and to protect biodiversity, forests, water and soil.	Committed to adopt and implement sustainable agricultural practices into our plantation and resource-based manufacturing businesses. Adopted internationally recognised voluntary sustainability standards, including the Roundtable on Sustainable Palm Oil ("RSPO") and the International Sustainability and Carbon Certification ("ISCC"), as well as the mandatory Malaysian Sustainable Palm Oil ("MSPO"). Committed to the No Deforestation, No Peat and No Exploitation ("NDPE") and protection of High Conservation Value and High Carbon Stock areas. Drive sustainable practices, conduct tracing and supply chain monitoring, and engage with suppliers through digital tools. *Refer to our Sustainability Report 2020 for detailed review.*	Responsible palm oil production and sustainable agricultural practices are integral to conducting business. IOI will continue its close collaborations with stakeholders to meet their expectations and requirements. *Refer to pages 32–33 for detailed review.*	**Strategic Priorities** **Six Capitals** **Material Matters**
Demand for Renewable & Sustainable Products Growing demand from downstream customers and consumers for traceable and RSPO-certified palm oil products.	The successful development of RSPO Supply Chain Certification Systems will require uptake from product manufacturers and will be driven by customer demand. The complexity of downstream processes and the need for segregation may increase cost and logistics requirements.	Our refineries are capable of producing both RSPO Mass Balance ("MB") and Segregated ("SG") grades products. All oleochemical products are available in the RSPO MB grade. Serve as Chair of the ASEAN Oleochemical Manufacturers Group's RSPO Work Group since its inception eight years ago. Leverage on our integrated supply chain and in-depth knowledge of RSPO Supply Chain Certification Systems to promote and assist customers to use our RSPO-certified products. We collaborate with key fast-moving consumer goods ("FMCG") customers who have interest in RSPO SG grade and traceable raw material supply. Develop innovations such as production flexibility and formulations to support the manufacturing of RSPO SG grade products in a more practical and efficient manner.	IOI is confident that the demand for RSPO MB and SG grades products will continue to grow in both food and non-food sectors. Demand will shift from RSPO certifications with lower premiums, such as RSPO MB grade, to higher prospects such as RSPO SG or Identity Preserved grades. Production facilities of the RSPO SG grade products will support IOI to meet growing customer demand, achieve economies of scale and improve our market position.	**Strategic Priorities** **Six Capitals** **Material Matters**

Link to Our Strategic Priorities

- Increase Yield
- Increase the Non-CPO Segment
- Optimise Workforce
- Grow the Oleochemical Segment
- Diversify Crops

Link to Our Six Capitals

- Human
- Manufactured
- Natural
- Social & Relationship
- Financial
- Intellectual

Link to Our Material Matters

- Occupational Safety and Health
- Transparent Grievance Resolution and Communication
- Climate Change
- Anti-Corruption and Governance
- Fire Management
- Deforestation
- Fair and Decent Wage
- Human Rights and Social Exploitation
- Sustainability Certifications
- New Technology and Innovation
- Responsible Sourcing and Traceability
- Equal Opportunity and Women Empowerment
- Regulatory Compliance

External Environment

Trend & Description	Potential Impact	How IOI is Responding	IOI Outlook	Connection
Product Regulatory Requirements Regulatory changes in key markets create new compliance requirements.	Obligation to register products in export countries to meet customer's demand. Product registration requires significant resource, cost and regulatory expertise. The regulatory environments in export markets continue to evolve, notably in the premium nutrition, health and supplement sectors.	Market Intelligence Team to continually monitor the regulatory landscape for early identification of registration requirements. Technical Task Force to oversee the development of products to comply with registration and regulation, e.g. premium baby nutrition products. Investment in state-of-the-art analytical instruments to cater for current requirements and address anticipated future specifications.	Expected baby boom following the COVID-19 pandemic is likely to increase demand for infant nutrition products, in which several of IOI's low 3-MCPD and Glycidyl Esters products are included. Recent EU legislation on undesirable substances and food safety has raised both formulators and public awareness, with the expected tightening of requirements. This increases the demand for premium and safer products.	**Strategic Priorities** **Six Capitals** **Material Matters**
Growing Customer Interest in Ethical Labour Practices Customer expectations for the implementation of fair labour practices and audits.	Downstream multinational customers encourage audits, such as Sedex Members Ethical Trade Audit ("SMETA") and EcoVadis Site Verification, to ensure that suppliers implement ethical labour practices concerning freedom of association, working time, workplace conditions, fair wages and vulnerability of migrant workers to improve labour welfare and human rights. The need to comply with customers' audit requirements to retain a position on customers' supplier list.	Subscription to relevant audit programmes to monitor and disclose our business practices, which are globally recognised by our partners and customers. Communicate and provide insights into our strengths through scorecards, which can be easily communicated to customers. Develop action plans to close existing gaps in our practices to meet audit requirements and to ensure fair and decent working conditions for our labours. Conduct Corporate Social Responsibility activities, including health and educational programmes for community well-being to complement our business practices.	Audits support greater transparency, systematically share reports with participating customers and encourage suppliers to take corrective actions to address labour rights risk. IOI will continue to utilise the audit process and findings to improve working conditions in line with our contribution to the United Nations' Sustainable Development Goals.	**Strategic Priorities** **Six Capitals** **Material Matters**

Link to Our Strategic Priorities

- Increase Yield
- Increase the Non-CPO Segment
- Optimise Workforce
- Grow the Oleochemical Segment
- Diversify Crops

Link to Our Six Capitals

- Human
- Manufactured
- Natural
- Social & Relationship
- Financial
- Intellectual

Link to Our Material Matters

- Occupational Safety and Health
- Transparent Grievance Resolution and Communication
- Climate Change
- Anti-Corruption and Governance
- Fire Management
- Deforestation
- Fair and Decent Wage
- Human Rights and Social Exploitation
- Sustainability Certifications
- New Technology and Innovation
- Responsible Sourcing and Traceability
- Equal Opportunity and Women Empowerment
- Regulatory Compliance

Risk Management

IOI identifies the principal risks affecting the company's ability to create value through our strategic objectives. Here we present a summary of the key business risks.

Further information on IOI risk management can be found in the Statement of Risk Management and Internal Control on pages 104–108.

Risk	Description	How IOI Manages this Risk	Connection
Human Capital & Talent	A skilled workforce is essential to deliver our business strategy. IOI needs to be able to attract, develop and retain the right talent. Our workforce needs to be equipped with the skills for the changing nature of work.	Our vision is to provide a rewarding career for our people. Our talent management system provides engaging training and coaching programmes to cultivate a culture for employees to deliver their best and stay motivated at the workplace. Offering scholarships and career opportunities to outstanding students through Yayasan Tan Sri Lee Shin Cheng bring new skills and perspectives into our business.	Six Capitals Material Matters Key Stakeholder Groups
Supply Chain Compliance	IOI needs to comply with the requirements of palm oil buyers. Risk of non-compliance with international supply chain standards such as Roundtable on Sustainable Palm Oil ("RSPO") or International Sustainability and Carbon Certification ("ISCC"). Risk of IOI supply chain not meeting the No Deforestation, No Peat and No Exploitation ("NDPE") policy.	The online Tools for Transformation platform provides engagements, assessments and support for our supply chain to meet our sustainability commitments. Our Palm Oil Dashboard allows IOI to monitor its supply chain by regularly updating information on certified volumes, traceability numbers, risk assessment and mill coordinates.	Six Capitals Material Matters Key Stakeholder Groups
Reliance on Manual Labour	The agricultural sector, including palm oil, is heavily reliant on manual labour, which makes the industry vulnerable to shortages of labour. Labour shortage causes loss in revenues and limits IOI future growth.	Mechanisation, automation and digitalisation of our estates reduce our reliance on manual labour as well as support increased yield and productivity. Committing to capacity building and upholding high welfare standards for manual workers in our operations and supply chain.	Six Capitals Material Matters Key Stakeholder Groups
Environmental Sustainability	Challenges in reducing climate change impact in our plantation and to reduce greenhouse gas emissions. Fire during the dry season that can result in a transboundary haze. Challenges in maintaining and upholding sustainability certifications.	Execution of sustainability strategy especially on climate change action. Carry out external greenhouse gas emissions calculation and external reporting for our plantations in Malaysia. Adhere to our Group-wide Fire Management Guidelines. Collaborations with relevant parties in developing and implementing various landscape approaches towards effective fire prevention.	Six Capitals Material Matters Key Stakeholder Groups
Business Resilience	Challenges to remain resilient in the wake of new global challenges e.g. pandemic, palm oil alternative, anti-palm oil movement, etc. which disrupt our global operation.	Implement Business Continuity Management System and develop strategic continuity measures during crises. Throughout the COVID-19 crisis, we maintain our focus on long-term sustainability goals to ensure future resilience. We work with RSPO to make sustainable palm oil the norm and demonstrate the potential for positive impact on the environment and communities. Our grievance process provides a channel for all stakeholders to communicate any concerns relating to IOI's operational impacts.	Six Capitals Material Matters Key Stakeholder Groups

Link to Our Six Capitals

- Human
- Manufactured
- Natural
- Social & Relationship
- Financial
- Intellectual

Link to Our Key Stakeholder Groups

- Employees
- Regulators
- Customers
- Shareholders & Investors
- Communities
- Industry Association/ Civil Society
- Suppliers

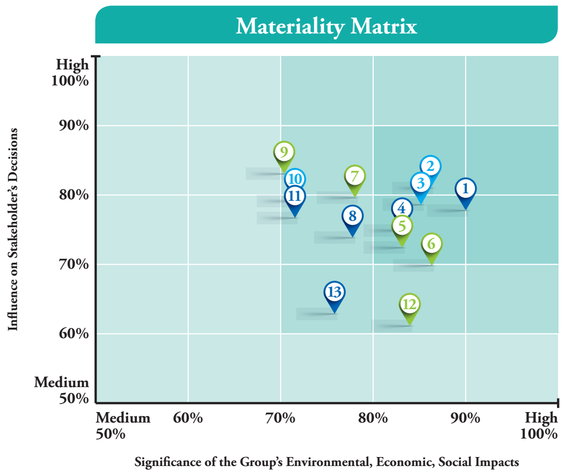
Link to Our Material Matters

- Occupational Safety and Health
- Transparent Grievance Resolution and Communication
- Climate Change
- Anti-Corruption and Governance
- Fire Management
- Deforestation
- Fair and Decent Wage
- Human Rights and Social Exploitation
- Sustainability Certifications
- New Technology and Innovation
- Responsible Sourcing and Traceability
- Equal Opportunity and Women Empowerment
- Regulatory Compliance

Material Matters

We have identified, reviewed and analysed 13 most material issues based on our business strategies as well as social, environmental and corporate commitments.

Our Board of Directors ("BOD") and Group Managing Director and Chief Executive ("GMD") have validated these 13 issues, with the first six issues being charted 'High' in the materiality index, carrying notable impacts and of high concern to our stakeholders.



Order of Significance	Material Matters
1	Occupational Safety and Health
2	Climate change
3	Fire management
4	Fair and decent wage
5	Sustainability certifications
6	Responsible sourcing and traceability
7	Regulatory compliance
8	Transparent grievance resolution and communication
9	Anti-corruption and governance
10	Deforestation
11	Human rights and social exploitation
12	New technology and innovation
13	Equal opportunity and women empowerment

Environmental | Economic | Social

Refer to pages 11–15 of our Sustainability Report 2020 for detailed review.

First Six Material Matters	Why is this topic important to us?	Our Response
Occupational Safety and Health	Human loss is immeasurable. Keeping our people safe is critical in ensuring business continuity.	We implement top-notch occupational safety and health practices throughout our operations and supply chain. One prominent example is how we managed through the COVID-19 pandemic.
Climate Change	Extreme weather patterns and water scarcity affect our productivity which can cause direct disruption to our supply chain.	Our best-in-class practices through advanced agricultural science and technology and investment in renewable energy are aimed at reducing carbon pollution.
Fire Management	Without proper fire prevention management, both plantation and manufacturing segments (including our people and buildings) are exposed to productivity and safety risks.	Our existing Fire Management Guidelines is strengthened and revised periodically, and ongoing collaboration with other stakeholders including neighbouring communities, government bodies, civil societies and industry associations are crucial in our fire prevention efforts.
Fair and Decent Wage	Our people are IOI's valuable assets and our key business success.	Our strong core businesses define increased job security to our workforce, building a solid foundation of prosperity to many.

First Six Material Matters	Why is this topic important to us?	Our Response
Sustainability Certifications	Our sustainable certifications present business opportunities to venture into new markets as well as in delivering high-quality products to our customers.	We strictly comply to local and internationally-recognised sustainability certifications and standards. We also aid third-party suppliers in their verification, reflecting our commitments as a sustainable company. Updates are consistently found on our company website.
Responsible Sourcing and Traceability	We build our solid traceable supply chain in accordance to our No Deforestation, No Peat, No Exploitation ("NDPE") requirements, and this also minimises our exposure to sourcing from unsustainable suppliers.	We adhere responsible and traceable best practices in creating a sustainable palm oil commodity and its by-products.

Other Material Matters	Why is this topic important to us?
Regulatory Compliance	Our enabling regulatory framework is an important prerequisite to our sustainable business growth and IOI brand.
Transparent Grievance Resolution and Communication	Our open engagement and active communication towards creating effective resolution and fair remedies is sustained by our credibility as a just and participatory company.
Anti-Corruption and Governance	Our commitment in combating corruption renders towards our uncompromising dedication in practising high governance standards.
Deforestation	As a founding member of the Roundtable on Sustainable Palm Oil, we are responsible in assuring our supply chain is NDPE-compliant.
Human Rights and Social Exploitation	Our diverse and inclusive IOI culture is built upon our utmost respect to the inherent dignity of all persons.
New Technology and Innovation	We continually innovate through adopting cutting-edge technologies that improve our competitive edge as well as increasing our efficiency and profitability.
Equal Opportunity and Women Empowerment	We endeavour to empower the next generation of female employees in order to unlock the full potential of our workforce.

Link to Our Six Capitals
- Human
- Natural
- Financial
- Manufactured
- Social & Relationship
- Intellectual

Link to Our Key Stakeholder Groups
- Employees
- Customers
- Communities
- Suppliers
- Regulators
- Shareholders & Investors
- Industry Association/ Civil Society

Link to Our Strategic Priorities
- Increase Yield
- Optimise Workforce
- Diversify Crops
- Increase the Non-CPO Segment
- Grow the Oleochemical Segment

Stakeholder Engagement

Our success and growth lies in our ongoing commitment and shared understanding in each stakeholder group's diverse insights, expectations and concerns, aimed at delivering business continuity and sustainable value creation.

Refer to pages 22–25 of our Sustainability Report 2020 for detailed review.

Stakeholders Group	Key Concerns	Our Response	Value Created for Stakeholders	Value Created for IOI
Employees **Why We Engage:** Our employees are IOI's valuable assets and key business success.	• Fair communication and remuneration; • Health and well-being benefits; and • Engaging company culture.	We employ flexible work arrangements and embrace communication technologies; putting employee well-being (physical, mental, social) at its utmost importance.	We honour our employees with competitive remuneration and equal opportunities in learning and development through training programmes.	Our positive company culture elevates employee enthusiasm and encourages better productivity and this leads to better company performance.
Customers **Why We Engage:** Our business growth depends on our customers who support our products.	• Environmental, social and governance standards; • Adherence to Fair Dealing principles (pricing, quality, consistency, reliability, credit); and • Technical support.	Ongoing routine meetings and dialogue sessions, open feedback channels, and annual trade forums and exhibitions have led us to cater our customers better, which also led to the creation of innovative products such as additive-free soap, chemical-free processing of glycerine, oleic acid and low 3-MCPD products.	Our proven track record in production resilience and timely product delivery signify our high ease of doing business, earning our customers' trust and brand loyalty.	Our satisfied customers bring forth greater market access, steady profit growth and market share as well as encourage continuous innovation towards value-added premium products.
Communities **Why We Engage:** Our business provides measurable support to the communities where we operate.	• Respectful, sustainable and equitable practices; • Implementation of any project or programme development; and • Provision of relief and assistance.	We improve rural livelihoods through job opportunities, proactive community investments (road repairs, landfilling, etc.), and financial as well as medical assistance (education, human capital development, etc.)	Our deep fostered collaboration improves rural livelihoods, making a lasting contribution to socio-economic development and imperative systemic change along our entire supply chain.	Our aspiration is to not only enrich everyday lives and the liveability of communities where we operate in, but to also help shape and envision a community's future; allowing wider societal change as well as global impact.
Suppliers **Why We Engage:** Our suppliers provide critical inputs for our business to function.	• Transparent and ethical production and procurement processes; and • Safety and health practices.	Digital engagement tools, dynamic focus group sessions and conducive workshops has helped establish effective solutions to address gaps and identify target areas for improvement. Updates are consistently found on our company website.	As a leading global integrated palm oil player, we are able to create economies of scale as well as support our suppliers in building a sound supply chain management system in order to cater to wider market access.	Our aim is to increase sustainability values into our supply chain while ensuring our suppliers meeting our high standards in terms of quality, working conditions and environmental protection.
Regulators **Why We Engage:** An enabling framework is paramount to our business.	• Statutory reporting and filling matters as well as regulatory compliances in relations to Listing Requirements, Companies Act, Corporate Governance Code and their practice notes or guidelines.	In supporting the development of Listing Requirements, Companies Act and guidelines, we actively participate in focus group meetings, dialogue sessions, and tasks.	Our practical views and feedback based on our long-time commercial expertise administer to current and future policies and regulatory frameworks as we are a role model in adhering to good governance practices.	Our regulatory policies and guidelines system allow us to keep risk in check and assure our sound and stable business operations.
Shareholders & Investors **Why We Engage:** Steady financial capital input indicates confidence in the IOI brand.	• Financial performance such as return on investment and earning outlook of the company, future expansion plans and corporate strategies and sustainability material matters.	To provide meaningful disclosure to our shareholders and investors, we respond accordingly to enquiries on matters pertaining to our operational performance and financial management.	Our business strategies are geared towards creating sustained values for both shareholders and investors such as stable returns via dividend payout, as we uphold operational excellence through agronomy, sustainability and good agriculture practices.	Our shareholders and investors provide the financial capital which also supports our strategic investments, ensuring our business continuity and growth.
Industry Association/ Civil Society **Why We Engage:** Our registered affiliations guarantee the delivery of environmentally superior products in our business.	• Responsible and traceable best practices; and • Opportunities for communication and collaboration on industry-wide challenges.	We regularly partner and form alliances with industry associations and civil societies to drive change, leading to positive impacts in the palm oil industry.	To improve the reputation of the oil palm industry and in creating a sustainable palm oil commodity, we endeavour to create value through open engagement and active participation with all our stakeholders.	Our position in industry associations and civil societies catalyse common interests and involvement among government agencies and NGOs, in order to create greater weight in forming effective policies and best practices application.

Poised & Future-Ready

Strategic Direction

IOI is focused on sustainable growth and expansion in its upstream and downstream businesses. Towards this end, the Group commits to five strategic priorities as part of its 2020 to 2024 strategic plan. The priorities are to: Increase Yield, Optimise Workforce, Diversify Crops, Increase the Non-CPO Segment and Grow the Oleochemical Segment.

Strategic Foundation

Our strategic foundation is built on the platforms of Sustainable Growth, Driving Innovations, People Development and Economies of Scale.

STRATEGIC CASE STUDIES

In 2019, we highlighted three strategic case studies that evidenced IOI's purpose and value creation. Our combined efforts to maximise our oil yields, enhance our operational efficiency and expand our value delivery provided the roadmap for our 5-Year Strategic Priorities for 2020 to 2024. We aim to increase yield, optimise workforce, diversify crops, increase the non-CPO segment and grow the oleochemical segment.

≥24% OER for mills of estates planted with 25% to 53% of clonal palms.

Innovating to Maximise Yields

We continue to improve our planting materials through agronomy and biotechnological research. Planting high-yielding clonal palms improves the yield and oil extraction rate ("OER"), as reported from mills that received fresh fruit bunches ("FFB") from estates planted with 25% to 53% of clonal palms. Two palm oil mills in Peninsular Malaysia continuously achieved an average OER of ≥24%. To date, clonal palms contribute 25% to 50% of planting materials in our annual replanting programme, with more planting in the pipeline. We expect the OER to further increase as more of these clonal palms come into maturity. Our goal is to increase our plantation oil yields by 15%, leading to Strategic Priority 1 – Increase Yield which prioritises the activities and resources for us to maximise our yield.

Refer to pages 38–39 for detailed review.

Approximately 75% of our plantation's operating units have implemented the SAP system.

Innovating to Enhance Operational Efficiency

Since September 2019, we have implemented the SAP system, and now we have successfully rolled out to approximately 75% of our plantation's operating units. The full migration from the legacy system to the new state-of-the-art digital ecosystem is targeted to complete in October 2020, integrating 82 estates, 14 mills and four research centres in Malaysia under a single platform. As part of our work innovation culture, we are introducing the cluster administrative system to our Malaysian operating units, which will provide savings in plantation operations' support services. To further enhance estate operational efficiency, we expanded the FFB Main Line Evacuation to about 20% of our total estates, implemented the Mechanical Assisted In-Field Collection to reduce labour dependency and employed motorised tools for more efficient harvesting and manuring work. We also applied various digital solutions, including the full deployment of the Electronic Plantation Monitoring System ("ePMS") and a cashless payment system. Further to it, we utilise the Geographical Information System to assess field performance and drones to monitor our plantation. Our goal is to enhance operational efficiency and optimise our workforce through a Group-wide technological integration, leading to Strategic Priority 2 – Optimise Workforce to improve productivity and reduce our dependency on labour.

Refer to pages 40–41 for detailed review.

14 patent filings with applications in pharmaceuticals.

Innovating to Expand Value Delivery

We continue to pursue new endeavour to create new values for our customers. In the downstream segment, we installed a pilot plant in Witten, Germany for upscaling Polyglycerine esters and underwent successful United States Food and Drug Administration ("FDA") audit. At the Wittenberge site, we completed the Tankfarm West 4 and implemented a significant capacity increase of the deodoriser for special esters. We have filed four patents for Polyglycerine esters and ten patents for Keto esters with key applications in the pharmaceutical industry, and potential use in nutritional and personal care applications. A further four patentable developments are in our pipeline. Our German subsidiary, IOI Oleo GmbH supplies the Active Pharmaceutical Ingredient Triheptanoin Ultrapure® to treat Long-chain Fatty Acid Oxidation Disorders while our CARE Studio in Hamburg has developed more than 30 formulations for personal care and cosmetic applications. Our goal is to expand value delivery for our global customers, leading to Strategic Priority 5 – Grow the Oleochemical Segment.

Refer to pages 42–43 for detailed review.

Strategic Priorities

Looking forward, to maintain our focus on sustainable value creation for all our stakeholders, we have identified five strategic priorities for 2020–2024.

This focused approach ensures that we are on track to deliver sustainable growth and provide our stakeholders with valuable returns over the short, medium and long-term time frame. We have in place a resource allocation plan to execute the strategy within our strategic pillars and its focus areas.

Each strategic pillar draws on specified capital inputs, as identified in our business model on pages 20–21. In sustaining our strategy, we depend on the availability of these resources.

As we work towards our new 2020–2024 strategy, we will closely monitor the performance of each strategic pillar including its current key activities, against assigned Key Performance Indicators ("KPIs") and activities planned for the future.

Strategic Priority 1

Increase Yield

Oil palm planting remains the most essential upstream activity in our integrated palm oil business model, which directly impacts the performance of our downstream businesses.

We strive to achieve consistently high yield through improved planting materials and increased efficiency in crop evacuation to optimise business returns, and maintain IOI's competitiveness locally and globally.

Our Key Initiatives

We aim to produce palm oil sustainably to meet our market demand.

1. **Improved Planting Materials:** Produce more high-yielding and superior clonal planting materials for high yields and high returns.
2. **Mechanisation:** Expand mechanisation projects and adopt best management practices throughout our operations to increase operational efficiency.
3. **Agricultural and Field Management Practices:** Employ best agricultural practices, improve field conditions and optimise land usage in our oil palm plantations.
4. **Digital Tools:** Employ digital tracking system throughout our plantation operations.

LINK TO KEY METRICS/KPIs	
1.	Increase Plantation Oil Yields by 15% by 2024.
2.	Utilise Clonal Palms in 50% of Our Replanting Materials.
3.	Target High Early Yields from Young Mature Palm Age.

Priorities for 2021

Improved Planting Materials
- Utilise high-yielding planting materials for field planting.
- Plant semi-clonal palms derived from the crossing of elite clonal Dura with selected AVROS pisifera in a larger scale throughout our commercial fields.
- Release the third-generation hybrids from our conventional breeding programme of Deli dura and AVROS pisifera.
- Identify suitable areas and terrain for planting clonal palms.

Mechanisation
- Expand mechanisation projects and implement block harvesting.

Agricultural and Field Management Practices
- Execute good agricultural practices for replanting.
- Adhere to Standard Operating Procedure and Good Agricultural Practice's guide on planting pattern, distance, drainage and terracing for replanting.
- Manage pest and diseases with active input from Research and Development ("R&D") department and implement timely fertiliser application and weed management systems with increased mechanisation.
- Early declaration to maturity for performing fields.
- Carry out ablation after 12 months from field planting at low rainfall areas.
- Ensure water management through conservation/drainage and Closed Ended Conservation Trench.
- Improve road for all weather accessibility and prompt evacuation.

Digital Tools
- Utilise Geographical Information System technology to assess field performance.
- Utilise drones with digital imaging capabilities to monitor our plantation.
- Implement Electronic Plantation Monitoring System and integrate into the SAP system for yield-tracking and identification of progeny.

Connection

Key Stakeholder Groups

Six Capitals

Risks & Opportunities

Material Matters

Link to Our Key Stakeholder Groups

Employees, Suppliers, Industry Association/ Civil Society, Customers, Regulators, Communities, Shareholders & Investors

Link to Our Six Capitals

Human, Manufactured, Natural, Social & Relationship, Financial, Intellectual

Link to Our Risks & Opportunities

Human Capital & Talent, Environmental Sustainability, Demand for Renewable and Sustainable Products, Supply Chain Compliance, Business Resilience, Product Regulatory Requirements, Reliance on Manual Labour, Volatility in Demand and Commodity Prices, Growing Customer Interest in Ethical Labour Practices, Resposible & Sustainable Agricultural Practices

Link to Our Material Matters

Occupational Safety and Health, Fair and Decent Wage, Regulatory Compliance, Deforestation, Equal Opportunity and Women Empowerment, Climate Change, Sustainability Certifications, Transparent Grievance Resolution and Communication, Human Rights and Social Exploitation, Fire Management, Responsible Sourcing and Traceability, Anti-Corruption and Governance, New Technology and Innovation

Strategic Priorities

Strategic Priority 2

Optimise Workforce

The plantation industry is heavily dependent on manual labour. IOI seeks to implement initiatives to modernise our upstream business.

With this, we can address the issue of labour shortage and reduce our dependency on manual and foreign labour in the long run.

Our Key Initiatives

We will optimise our plantation workforce by increasing land to labour ratio through the implementation of various estate mechanisation and digitalisation programmes.

1. **Training:** Plan and improve training provision to estate personnel to improve productivity.
2. **Harvesting Methods:** Streamline estates' harvesting method and restructure harvesting work process.
3. **Upgrade Fresh Fruit Bunches ("FFB") Main Line Evacuation:** Implement and expand the FFB Main Line Evacuation.
4. **Mechanisation:** Mechanise in-field FFB collection and expand usage of motorised tools such as mechanical buffalos and power wheelbarrows for harvesting and manuring to increase workers' productivity.

LINK TO KEY METRICS/KPIs	
1.	Reduce Workforce by 20% by 2024.
2.	Increase Plantation Workers' Productivity by 3% Every Year.
3.	Implement FFB Main Line Evacuation to All Malaysian Estates by 2023.

Priorities for 2021

Training
- Provide training and briefing to estates' personnel.

Harvesting Methods
- Create skilled workers with modified division of labour.

Upgrade FFB Main Line Evacuation
- Expand the FFB Main Line Evacuation, utilising tractors with grabbers to load and unload FFB into bins.
- Integrate the FFB Main Line Evacuation with the Mechanical Assisted In-field Collection, to assist estates to better manage the harvesting intervals.

Mechanisation
- Embark on mechanising in-field FFB evacuation by using mechanical buffalos (small tractor to replace buffalos) to collect in-field FFB onto the platform.
- Employ motorised tools such as power wheelbarrow for harvesting and manuring work at difficult terrain.
- Explore new technologies such as mechanical fertiliser spreader with Global Positioning System technology and working drones for pesticides application.

Connection

Key Stakeholder Groups

Six Capitals

Risks & Opportunities

Material Matters

Strategic Priority 3

Diversify Crops

Crop diversification brings a range of benefits. As part of our diversification strategy, we are exploring the potential of other profitable crops to be planted.

Diversifying our cropping operation will provide good returns and help limit our exposure to palm oil price volatility.

Our Key Initiatives

We aim to diversify our planting of crops from 99% reliance on oil palm to other crops. Our broad initiatives are:

1. **Planting Materials:** Identify and acquire planting materials for coconut and kenaf cultivation.
2. **Coconut Breeding:** Identify and acquire coconut germplasm material (dwarf, tall and hybrid) for coconut breeding.
3. **Crop Cultivation:** Implement best cultivation practice for coconut, kenaf and other crops (durian, pineapple, avocado and banana). Introduce intercropping to multi-fold our productivity on a hectarage basis, as compared to monoculture of oil palm.
4. **Land Utilisation:** Optimise land utilisation for other crops.

LINK TO KEY METRICS/KPIs	
1.	Plant 5,000 Hectares of Coconut, 300 Hectares of Kenaf and 200 Hectares of Durian Equivalent to 4% of Our Malaysian Plantations.
2.	Plant Three Types of Fast Growing and High Value Fruit Crops as Intercrop with Coconut.

Priorities for 2021

Planting Materials
- Source good planting materials for coconut expansion.

Coconut Breeding
- Produce varieties with desirable characteristics for propagation, through mass selection and biotechnological techniques.

Crop Cultivation
- Conduct a feasibility study on market demand for other crops. Identify profitable cash crops with high market demand.
- Develop and train manpower for planting and managing the crops.
- Identify wholesaler, initiate online marketing to market and promote the crops.
- Explore post-harvest processing technologies for the handling and treatment of crops after harvest to maintain quality and extend the shelf life associated with other crops for the premium-priced export market. Apply new technology to improve yield and reduce the production cost.

Land Utilisation
- Identify areas to be converted from oil palm to other crops (coconut, kenaf, durian, pineapple, avocado and banana).
- Introduce fertigation system to increase crops yield.
- Explore mechanisation for establishing, maintaining and harvesting of other crops to reduce the dependency on manual labour.

Connection

Key Stakeholder Groups

Six Capitals

Risks & Opportunities

Material Matters

Link to Our Key Stakeholder Groups

Employees, Suppliers, Industry Association/ Civil Society, Customers, Regulators, Communities, Shareholders & Investors

Link to Our Six Capitals

Human, Manufactured, Natural, Social & Relationship, Financial, Intellectual

Link to Our Risks & Opportunities

Human Capital & Talent, Environmental Sustainability, Demand for Renewable and Sustainable Products, Supply Chain Compliance, Business Resilience, Product Regulatory Requirements, Reliance on Manual Labour, Volatility in Demand and Commodity Prices, Growing Customer Interest in Ethical Labour Practices, Resposible & Sustainable Agricultural Practices

Link to Our Material Matters

Occupational Safety and Health, Fair and Decent Wage, Regulatory Compliance, Deforestation, Equal Opportunity and Women Empowerment, Climate Change, Sustainability Certifications, Transparent Grievance Resolution and Communication, Human Rights and Social Exploitation, Fire Management, Responsible Sourcing and Traceability, Anti-Corruption and Governance, New Technology and Innovation

Strategic Priorities

Strategic Priority 4

Increase the Non-Crude Palm Oil ("CPO") Segment

Oil palm by-products such as empty fruit bunches ("EFB") and oil palm trunk ("OPT") are an ideal source for cellulose-based natural fibres. Oil palm processing waste such as palm oil mill effluent ("POME"), and others are a good source of bio-based raw materials.

Globally, there is a growing demand from consumers for environmentally friendly products and a shift towards sustainable production.

The non-CPO segment acts as a stimulus to moderate the impact of palm oil price volatility and provide an added advantage to our overall diversification strategy.

Our Key Initiatives

We aim to convert oil palm by-products and processing waste into value-added products at a competitive cost.

1. Below are some of the applications of oil palm by-products and processing waste which IOI is exploring:

WASTES	USAGE
OPT	Produce palm wood, which are high-performance timber equivalent.
EFB	Xylose and Xylitol sugars, both widely used as diabetic sweeteners in food and beverage.

Other applications including:

- Energy production.
- Manure for oil palm and soil health.
- Green products namely high-performance panel and building component.

LINK TO KEY METRICS/KPIs	
1.	Derive Revenue from Oil Palm By-Products and Processing Waste.
2.	Commence Production of High-Performance Palm Wood by February 2022.
3.	Establish OPT R&D and Technology Transfer.
4.	Scale-Up Business and Establish a Leading Market Position in OPT Products.

Priorities for 2021

Prepare, Develop and Explore
- Conduct feasibility and marketability studies to assess and prioritise potential non-CPO products.
- Explore the usage of our sustainable but underutilised oil palm biomass through further downstream processing into higher value products.
- Develop a viable business model for non-CPO products.
- Invest and develop new conversion technologies.
- Develop supporting infrastructures such as collection centre and processing/conversion plants.
- Explore R&D collaboration and partnerships with technology partners and/or providers.

Connection

Key Stakeholder Groups

Six Capitals

Risks & Opportunities

Material Matters

Strategic Priority 5

Grow the Oleochemical Segment

In our integrated palm oil business model, the resource-based manufacturing segment helps to stabilise IOI's income during volatile CPO price cycles.

Therefore, our strategy focuses on expanding the downstream manufacturing capacity and exploring new high-margin oleo-derivative products and applications to generate profitable growth.

Our Key Initiatives

We aim to increase our downstream oleochemical sub-segment revenue contribution through organic growth through the following initiatives:

1. **Expand Capacity:** Expand manufacturing capacity by expanding existing, and commissioning new manufacturing facilities respectively.
2. **Improve Efficiency:** Enhance cost efficiency through automation.
3. **New Product Applications and Markets:** Manufacture new products and formulations. Employ diversification strategy to enter and/or capture new markets. Drive growth outside Europe into other regions.
4. **Focus on High-Value Products:** Realign business model to focus on high-margin products.

LINK TO KEY METRICS/KPIs	
1.	Increase Oleochemical Segment's Sales Volume by 15%.
2.	Derive Energy, Cost and Operational Efficiency Savings of 6%.
3.	Improve the Oleochemical Division's Profitability by 25%.

Priorities for 2021

Expand Capacity
- Oversee expansion of the 110,000 MT/year capacity oleochemical plant in Prai, Penang, which commenced construction at the end of calendar year 2019.

Improve Efficiency
- Implement process automation and continuous improvement/Kaizen initiatives to improve operational efficiency.

New Product Applications and Markets
- Develop and launch new product/formulation to targeted business segments.
- Explore new markets for diversification and growth.

Focus on High-Value Products
- Develop more products with key applications in the pharmaceutical, nutritional, cosmetic and personal care segments.

Connection

Key Stakeholder Groups

Six Capitals

Risks & Opportunities

Material Matters

Link to Our Key Stakeholder Groups

Employees; Suppliers; Industry Association/Civil Society; Customers; Regulators; Communities; Shareholders & Investors

Link to Our Six Capitals

Human; Manufactured; Natural; Social & Relationship; Financial; Intellectual

Link to Our Risks & Opportunities

Human Capital & Talent; Environmental Sustainability; Demand for Renewable and Sustainable Products; Supply Chain Compliance; Business Resilience; Product Regulatory Requirements; Reliance on Manual Labour; Volatility in Demand and Commodity Prices; Growing Customer Interest in Ethical Labour Practices; Resposible & Sustainable Agricultural Practices

Link to Our Material Matters

Occupational Safety and Health; Fair and Decent Wage; Regulatory Compliance; Deforestation; Equal Opportunity and Women Empowerment; Climate Change; Sustainability Certifications; Transparent Grievance Resolution and Communication; Human Rights and Social Exploitation; Fire Management; Responsible Sourcing and Traceability; Anti-Corruption and Governance; New Technology and Innovation

Strategic Enablers

Enabler 1

Human Capital Development & Culture

Connection

Key Stakeholder Groups
- Employees
- Shareholders & Investors

Six Capitals
- Human
- Financial
- Social & Relationship

Risks & Opportunities
- Human Capital & Talent
- Business Resilience

Importance for IOI

Our employees are an invaluable asset who facilitate business growth and drive organisational excellence. We are committed to developing a world-class company that is built upon the strengths of its people. In doing so, we continue to nurture, develop and engage our employees to gain and keep a competitive advantage for the organisation. It is critical to equip our workforce with the required skills to deliver our five strategic priorities.

Our Approach

1. Retaining high performance workforce.
2. Managing employer branding.
3. Enhancing human resource ("HR") digitalisation.

Key Initiatives

1. Cultivate operational excellence work culture and create a highly disciplined and competent workforce.
2. Enhance Group HR structure and function to provide strategic roles based on insights and analysis.
3. Transform HR's delivery of services with technology.
4. Nurture Yayasan Tan Sri Lee Shin Cheng's ("Yayasan TSLSC") scholars.

Key Highlights

1. Revised IOI Vision, IOI Mission and IOI Core Values in March 2020.
2. Implemented a new HR Management System ("Orisoft") with Employee Self Service ("ESS") feature in August 2019.
3. Put in place a Business Continuity Plan ("BCP") i.e. remote desktop services, and relevant Standard Operating Procedure ("SOP") during the Movement Control Order ("MCO") period brought about by the COVID-19 pandemic.

Focus for FY2021

1. Ensure diversity in the workplace through the provision of fair and equal employment opportunities.
2. Nurture young talents through Yayasan TSLSC's scholarship programme and internship.
3. Engage employees through townhall meetings, team building programmes, annual dinner, IOI Family Day, Kelab Keluarga IOI's activities and other employee-affiliated programmes.
4. Recruit and retain talents by fostering a conducive work environment and encourage personal development and learning engagement activities.
5. Develop talent and build capacity through training, coaching and skill-sharing to fill performance gap.
6. Strengthen and uphold health, safety and security practices.

Enabler 2

Sustainability

Connection

Key Stakeholder Groups
- Employees
- Customers
- Communities
- Suppliers
- Shareholders & Investors
- Industry Association/ Civil Society

Six Capitals
- Manufactured
- Social & Relationship
- Intellectual

Risks & Opportunities
- Human Capital & Talent
- Reliance on Manual Labour
- Business Resilience

Refer to our Sustainability Report 2020 for detailed review.

Importance for IOI

Our sustainability culture is embedded within the Sustainability Vision and further articulated in the Sustainable Palm Oil Policy. As we grow and diversify our business through the five strategic priorities, we uphold our commitments to create sustainable values for our stakeholders. We balance growth and development with the protection of the environment in which we operate and provide sustainable profit for shareholders through sustainable palm oil production. In doing so, we explore strategic partnerships that will help us to meet these commitments.

Our Approach

1. Defining sustainability and its approach within IOI.
2. Engaging with all our stakeholders.
3. Setting sustainability goals and commitments.
4. Establishing proper systems and processes to track progress, communicate actions and meet stakeholders' expectations.
5. Embracing six of the 17 United Nations' Sustainable Development Goals ("UN SDGs") which are most relevant to our business operations.

Key Initiatives

1. Commit to the Roundtable on Sustainable Palm Oil ("RSPO"), No Deforestation, No Peat and No Exploitation ("NDPE") and Zero Burning Policy in our plantations.
2. Practise the highest level of transparency and wider stakeholder engagement.
3. Eliminate all forms of illegal, forced, bonded, compulsory or child labour in our operations and supply chain.
4. Protect High Conservation Value ("HCV") and High Carbon Stock ("HCS") areas in our plantations.
5. Ensure that our plantations are RSPO-certified and our Malaysian plantations are Malaysian Sustainable Palm Oil ("MSPO") certified.

Key Highlights

1. 170,384.4 hectares of RSPO-certified and 174,653.5 hectares of MSPO-certified areas.
2. 3,655.4 hectares of HCV area and 11,509 hectares of other conservation areas.
3. 10 biogas plants, a new 6.5 MW capacity cogeneration plant at IOI Pan-Century Oleochemicals Sdn Bhd in Pasir Gudang, Johor and expansion of 90 kW capacity photovoltaic solar panels at IOI Oleochemical Industries Berhad in Prai, Penang.
4. Liquified Natural Gas system to produce steam and 100% of effluent treated water for refinery usage at IOI Edible Oils Sdn Bhd in Sandakan, Sabah.

Focus for FY2021

1. Collaborate with governments, civil societies and academia. Empower smallholders and enhance community development.
2. Optimise agricultural land use and improve yield through palm biotechnology.
3. Reduce greenhouse gas emissions and protect the ecosystem through the rehabilitation of biodiversity and land management. Strengthen capacity building and uphold human rights, health and safety in the workplace.
4. Innovate and drive digital integration in operations. Commit to sustainability certifications and ensure sustainable, transparent and traceable supply chain.

Strategic Enablers

Enabler 3

Technology & Digitalisation

Connection

Key Stakeholder Groups

- Employees
- Customers
- Suppliers
- Shareholders & Investors

Six Capitals

- Human
- Financial
- Manufactured
- Social & Relationship
- Intellectual

Risks & Opportunities

- Human Capital & Talent
- Reliance on Manual Labour
- Business Resilience

Importance for IOI

In the age of the Fourth Industrial Revolution, we are adopting more technological innovations to enhance our business operations. Our five strategic priorities are underpinned by technologies, from digital tools to mechanisation equipment. Digitalisation and automation enable us to execute our strategy more effectively and efficiently so we can remain competitive and propel the organisation to the digital core era. We also implemented a revitalised mechanisation plan in our estates and adopted novel technologies to modernise the upstream business and reduce dependency on manual labour.

Our Approach

1. Ensure the standardisation of business processes within our core business segments, and bring various analytical and transactional capabilities from a plethora of systems to the SAP system.
2. Enhance our estates' operational efficiency and cost savings through mechanisation.

Key Initiatives

1. **Digitalisation:** Ensure proper management of the complexity of software and services offered and full utilisation of the SAP system platform. Improve decision-making process and performance by allowing users to plan, execute, analyse and report based on live data. Provide savings in plantation operations' support services based on the SAP system and other digital solutions. Integrate other digital solutions into SAP, including business intelligence, data analytics and Robotic Process Automation ("RPA"). Deploy and implement other digitalisation initiatives including electronic salary payment and enhance mobile network connectivity in the estates.
2. **Mechanisation:** Reduce labour dependency in estate operations to optimise workforce productivity.

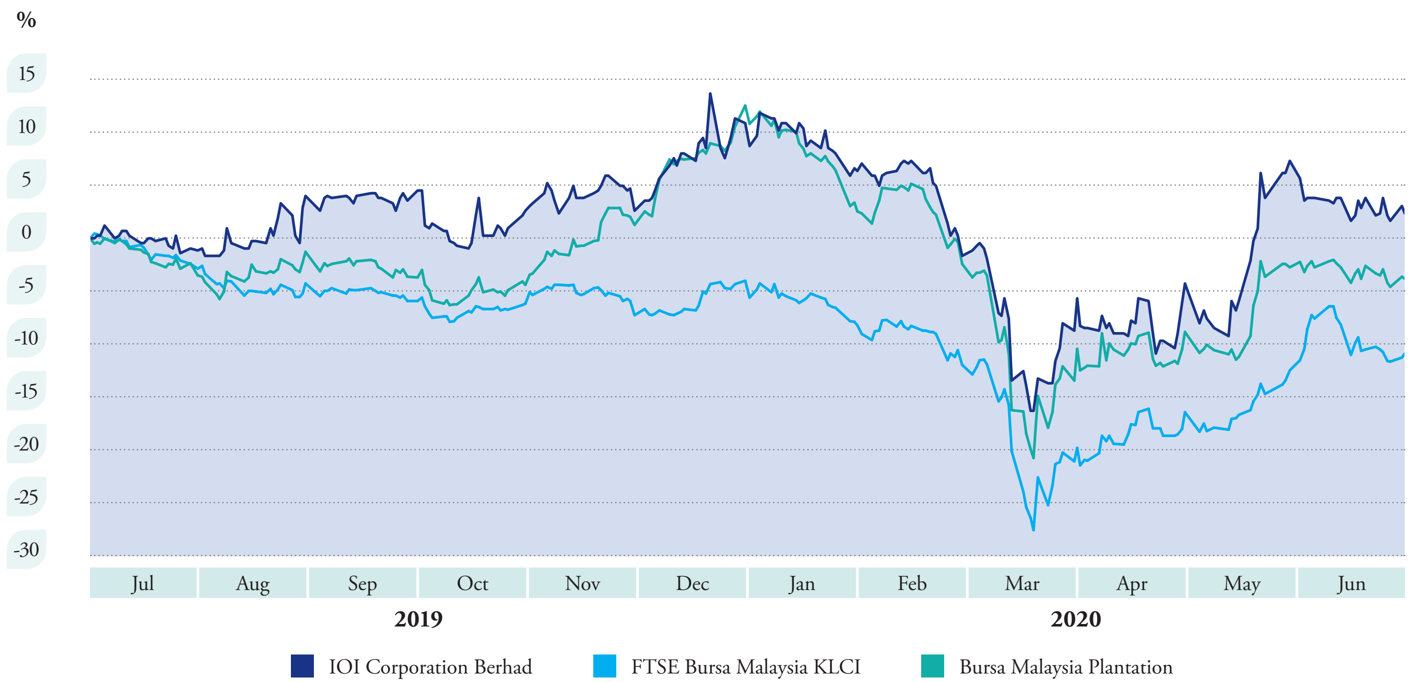
Key Highlights

1. **ONE IOI Integrated Platform:** Implemented to approximately 75% of our plantation operating units.
2. **Fresh Fruit Bunches ("FFB") Main Line Evacuation:** Implemented in 17 estates, which equates to about 20% of our total estates across Peninsular Malaysia, Sabah and Indonesia as at end of FY2020.
3. **Digital & Cashless:** Deployed e-Wallet Merchantrade to our plantation operating units to automate and simplify salary payment to workers.
4. **Digitalisation & Automation:** Implemented two digitalisation projects namely Real-Time Production Organiser ("RPO") and Energy Monitoring System ("EnMS") and two automation projects which are Warehouse Automated Storage & Retrieval System ("ASRS") and Robotics Automation for packing plants.

Focus for FY2021

1. **Digitalisation:** Complete full implementation of SAP system by October 2020. Explore RPA and its integration into the SAP system to allow for better control over business operations and provide greater simplicity and flexibility to the business. Implement RPO, EnMS and ASRS at oleochemical manufacturing plants. Expand e-Wallet Merchantrade to all plantation operating units.
2. **Mechanisation:** Expand the FFB Main Line Evacuation and integrate it with the Mechanical Assisted In-field Collection for better management of estates' harvesting interval.

Key Indicators



In RM million unless otherwise stated	2020	2019	2018	2017	2016
FINANCIAL					
Profit before interest and taxation	**1,137.9**	1,076.8	1,380.6	1,401.4	1,459.6
Profit attributable to owners of the parent	**600.9**	631.7	3,060.5	743.2	629.7
Equity attributable to owners of the parent	**9,296.2**	9,299.6	9,156.3	7,457.4	7,138.1
Return on average shareholders' equity (%)	**6.46**	6.85	36.84	10.18	8.86
Basic earnings per share (sen)	**9.57**	10.05	48.70	11.82	9.99
Dividend per share (sen)	**8.0**	8.0	20.5	9.5	8.0
PLANTATION					
FFB production (MT)	**3,097,262**	3,398,847	3,514,857	3,155,628	3,145,317
Total oil palm area (Ha)	**176,909**	176,156	174,234	174,396	179,271
MANUFACTURING					
Oleochemical					
Plant utilisation (%)	**77**	82	83	80	82
Sales (MT)	**669,854**	714,131	714,024	697,421	745,100
Refinery					
Plant utilisation (%)	**69**	65	69	63	62
Sales (MT)	**1,973,792**	1,917,195	2,152,800[1]	2,414,773	2,427,326

Note:
[1] The sales (MT) of FY2018 includes eight (8) months' results of discontinued operations.

Five-Year Financial Highlights

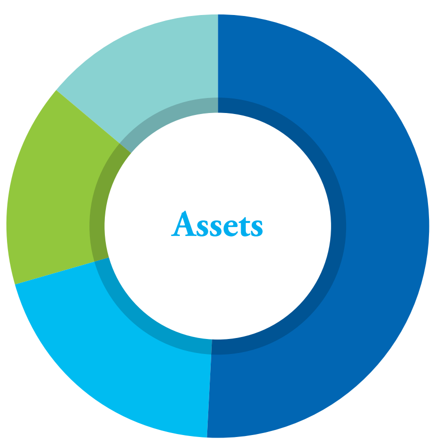
In RM million unless otherwise stated	2020	2019	2018	2017	2016
RESULTS					
Continuing operations					
Revenue	**7,802.2**	7,385.6	7,417.6	7,249.3	11,739.3
Profit before interest and taxation	**1,137.9**	1,076.8	1,380.6	1,401.4	1,459.6
Net foreign currency translation (loss)/gain on foreign currency denominated borrowings and deposits	**(207.9)**	(102.1)	318.3	(273.8)	(328.5)
Net interest expenses	**(103.3)**	(102.1)	(128.2)	(144.6)	(165.3)
Profit before taxation	**826.7**	872.6	1,570.7	983.0	965.8
Taxation	**(225.0)**	(255.0)	(334.0)	(292.7)	(319.5)
Profit for the financial year from continuing operations	**601.7**	617.6	1,236.7	690.3	646.3
Discontinued operations					
Profit for the financial year from discontinued operations	**–**	–	1,831.6	75.8	–
Profit for the financial year	**601.7**	617.6	3,068.3	766.1	646.3
Attributable to:					
Owners of the parent	**600.9**	631.7	3,060.5	743.2	629.7
Non-controlling interests	**0.8**	(14.1)	7.8	22.9	16.6
ASSETS[1]					
Property, plant and equipment	**8,531.8**	8,472.9	8,411.2	10,086.9	9,999.3
Investments in associates	**2,727.0**	2,610.1	2,491.1	1,121.1	937.5
Other non-current assets	**582.7**	622.3	616.6	781.7	767.7
	11,841.5	11,705.3	11,518.9	11,989.7	11,704.5
Current assets	**4,890.1**	4,794.9	5,223.7	6,035.0	5,851.6
	16,731.6	16,500.2	16,742.6	18,024.7	17,556.1
EQUITY AND LIABILITIES					
Share capital	**790.2**	788.1	786.7	783.8	646.2
Reserves	**8,506.0**	8,511.5	8,369.6	6,673.6	6,491.9
	9,296.2	9,299.6	9,156.3	7,457.4	7,138.1
Non-controlling interests	**274.5**	211.1	259.4	261.3	278.9
Total equity	**9,570.7**	9,510.7	9,415.7	7,718.7	7,417.0
Non-current liabilities	**5,319.6**	5,766.9	5,544.5	6,666.4	6,314.7
Current liabilities	**1,841.3**	1,222.6	1,782.4	3,639.6	3,824.4
Total liabilities	**7,160.9**	6,989.5	7,326.9	10,306.0	10,139.1
	16,731.6	16,500.2	16,742.6	18,024.7	17,556.1
Net operating profit after tax ("NOPAT")	**732.1**	750.9	1,545.0	917.8	812.4
Average shareholders' equity	**9,297.9**	9,228.0	8,306.9	7,297.8	7,103.6
Average capital employed[2]	**15,752.7**	15,774.0	16,140.1	16,335.6	15,802.9
FINANCIAL STATISTICS					
Basic earnings per share (sen)	**9.57**	10.05	48.70	11.82	9.99
Dividend per share (sen)	**8.0**	8.0	20.5	9.5	8.0
Net assets per share (sen)	**148**	148	146	119	114
Return on average shareholders' equity (%)	**6.46**	6.85	36.84	10.18	8.86
Return on average capital employed (%)	**4.65**	4.76	9.57	5.62	5.14
Net debt/Equity (%)[3]	**28.62**	24.81	26.37	78.07	76.25
SHARE PERFORMANCE					
Market share price (RM):					
– Highest	**4.82**	4.74	4.88	4.81	5.04
– Lowest	**3.41**	4.10	4.31	4.21	3.70
– Closing	**4.34**	4.25	4.54	4.45	4.34
Trading volume (million)	**842**	563	1,032	1,111	1,584
Market capitalisation	**27,198.0**	26,709.7	28,531.2	27,963.2	27,290.8

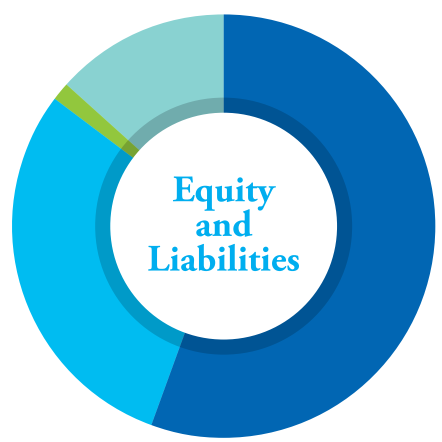
Notes:
[1] The Assets of FY2016 include Assets of disposal group held for sale.
[2] Average capital employed comprises shareholders' equity, non-controlling interests, long term liabilities, short term borrowings, lease liabilities and deferred taxation.
[3] Net debt represents total borrowings and lease liabilities less short term funds, deposits with financial institutions and cash and bank balances.

Group Financial Overview

Cash flow for the financial year ended 30 June 2020 *RM million*	
Net operating cash flow	872.3
Capital expenditure, net of disposal	(405.6)
Free cash flow from operation	466.7
Dividends received from investments	81.6
Proceeds from issuance of shares	1.7
Acquisitions of additional interest in subsidiaries	(0.2)
Additions to other investments	(8.5)
Repayment to an associate	(16.3)
Repurchase of shares	(68.1)
Net interest paid	(95.7)
Dividend payments	
– Shareholders of the Company	(534.2)
– Shareholders of subsidiaries	(8.2)
Cash outflow in net borrowings	(181.2)
Transaction cost of borrowings	(0.1)
Accretion of borrowings	(2.6)
Lease interest expenses	(2.8)
Reassessments and modifications of leases	(0.4)
Additions to lease liabilities	(8.5)
Increase in net borrowings	(195.6)
Net borrowings as at 30 June 2019	(2,307.1)
Translation difference	(157.8)
Net borrowings as at 30 June 2020	(2,660.5)

STATEMENT OF FINANCIAL POSITION
as at 30 June 2020 *(RM million)*





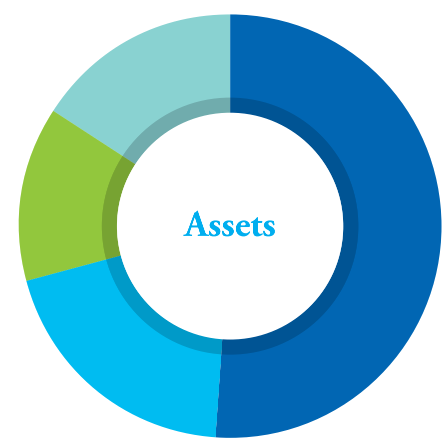
Property, plant and equipment	8,531.8
Other long term assets	3,309.7
Other short term assets	2,577.1
Cash and cash equivalents (A)	2,313.0

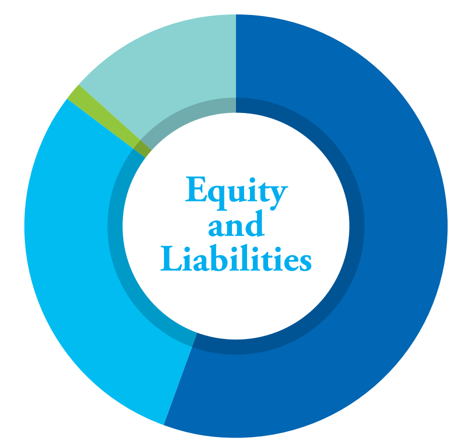
Equity	9,296.2
Borrowings (B)	4,973.5
Non-controlling interests	274.5
Other liabilities	2,187.4

Net Borrowings = (B) – (A) = **RM2,660.5 million** Net Gearing = **28.6%**

Retained earnings for the financial year ended 30 June 2020 *RM million*	
Segment results	1,105.6
Unallocated corporate net income	32.3
Profit before interest and taxation	1,137.9
Net foreign currency translation loss on foreign currency denominated borrowings and deposits	(207.9)
Net interest expenses	(103.3)
Profit before taxation	826.7
Taxation	(225.0)
Profit for the financial year	601.7
Other comprehensive loss	(2.2)
Total comprehensive income	599.5
Attributable to non-controlling interests	(0.8)
Total comprehensive income attributable to owners of the parent	598.7
Dividends paid	(534.2)
ESOS Lapsed	0.5
Changes in equity interest in subsidiaries	(72.9)
Retained earnings for the financial year	(7.9)
Retained earnings as at 30 June 2019	8,476.9
Retained earnings as at 30 June 2020	8,469.0

STATEMENT OF FINANCIAL POSITION
as at 30 June 2019 *(RM million)*





Property, plant and equipment	8,472.9
Other long term assets	3,232.4
Other short term assets	2,196.3
Cash and cash equivalents (C)	2,598.6

Equity	9,299.6
Borrowings (D)	4,905.7
Non-controlling interests	211.1
Other liabilities	2,083.8

Net Borrowings = (D) – (C) = **RM2,307.1 million** Net Gearing = **24.8%**

Group Performance Highlights

In RM million unless otherwise stated	2020	2019	+/(-)%
FINANCIAL PERFORMANCE			
Revenue	**7,802.2**	7,385.6	6
Profit before interest and taxation	**1,137.9**	1,076.8	6
Profit before taxation	**826.7**	872.6	(5)
Net operating profit after taxation ("NOPAT")	**732.1**	750.9	(2)
Net profit attributable to owners of the parent	**600.9**	631.7	(5)
Average shareholders' equity	**9,297.9**	9,228.0	1
Average capital employed	**15,752.7**	15,774.0	–
Operating margin (%)	**12.75**	12.31	4
Return on average shareholders' equity (%)	**6.46**	6.85	(6)
Return on average capital employed (%)	**4.65**	4.76	(2)
Basic earnings per share (sen)	**9.57**	10.05	(5)
Dividend per share (sen)	**8.0**	8.0	–
Net assets per share (sen)	**148**	148	–
Dividend cover (number of times)	**1.12**	1.26	(10)
Interest cover (number of times)	**5.82**	5.97	(3)
PLANTATION PERFORMANCE			
FFB production (MT)	**3,097,262**	3,398,847	(9)
Yield per mature hectare (MT)	**21.24**	23.00	(8)
Mill production (MT)			
Crude palm oil	**708,212**	756,596	(6)
Palm kernel	**151,473**	166,716	(9)
Oil extraction rate (%)			
Crude palm oil	**21.83**	21.44	2
Palm kernel	**4.67**	4.72	(1)
Average selling price (RM/MT)			
Crude palm oil	**2,314**	2,025	14
Palm kernel	**1,375**	1,390	(1)
MANUFACTURING PERFORMANCE			
Oleochemical			
Plant utilisation (%)	**77**	82	(6)
Sales (MT)	**669,854**	714,131	(6)
Refinery			
Plant utilisation (%)	**69**	65	6
Sales (MT)	**1,973,792**	1,917,195	3

Group Quarterly Results

In RM million unless otherwise stated	1st Quarter	%	2nd Quarter	%	3rd Quarter	%	4th Quarter	%	2020	%
Revenue	1,775.5	23	1,955.2	25	2,033.9	26	2,037.6	26	**7,802.2**	**100**
Operating profit	237.7	24	144.4	14	316.0	32	296.5	30	**994.6**	**100**
Share of results of associates	42.3	29	62.3	43	2.1	2	37.8	26	**144.5**	**100**
Share of result of a joint venture	(0.3)	25	(0.1)	8	(0.3)	25	(0.5)	42	**(1.2)**	**100**
Profit before interest and taxation	279.7	25	206.6	18	317.8	28	333.8	29	**1,137.9**	**100**
Interest income	17.7	26	19.1	28	16.3	24	15.1	22	**68.2**	**100**
Finance costs	(42.9)	25	(42.2)	25	(45.1)	26	(41.3)	24	**(171.5)**	**100**
Net foreign currency translation(loss)/gain on foreign currency denominated borrowings and deposits	(55.9)	27	85.8	(41)	(236.4)	113	(1.4)	1	**(207.9)**	**100**
Profit before taxation	198.6	24	269.3	33	52.6	6	306.2	37	**826.7**	**100**
Taxation	(50.9)	22	(55.4)	25	(49.7)	22	(69.0)	31	**(225.0)**	**100**
Profit after taxation	147.7	25	213.9	36	2.9	–	237.2	39	**601.7**	**100**
Attributable to:										
Owners of the parent	149.0	25	213.5	35	0.1	–	238.3	40	**600.9**	**100**
Non-controlling interests	(1.3)	(162)	0.4	50	2.8	350	(1.1)	(138)	**0.8**	**100**
	147.7	25	213.9	36	2.9	–	237.2	39	**601.7**	**100**
Basic/Diluted earnings per share(sen)	2.37		3.40		–		3.80		**9.57**	
Profit before interest and taxation on segmental basis										
Plantation	126.6	18	175.3	25	165.4	24	234.2	33	**701.5**	**100**
Resource-based manufacturing	136.5	35	29.9	8	119.1	31	99.6	26	**385.1**	**100**
Other operations	2.3	12	2.1	11	0.2	1	14.4	76	**19.0**	**100**
	265.4	24	207.3	19	284.7	26	348.2	31	**1,105.6**	**100**
Unallocated corporate net income/ (expenses)	14.3	44	(0.7)	(2)	33.1	102	(14.4)	(44)	**32.3**	**100**
	279.7	25	206.6	18	317.8	28	333.8	29	**1,137.9**	**100**

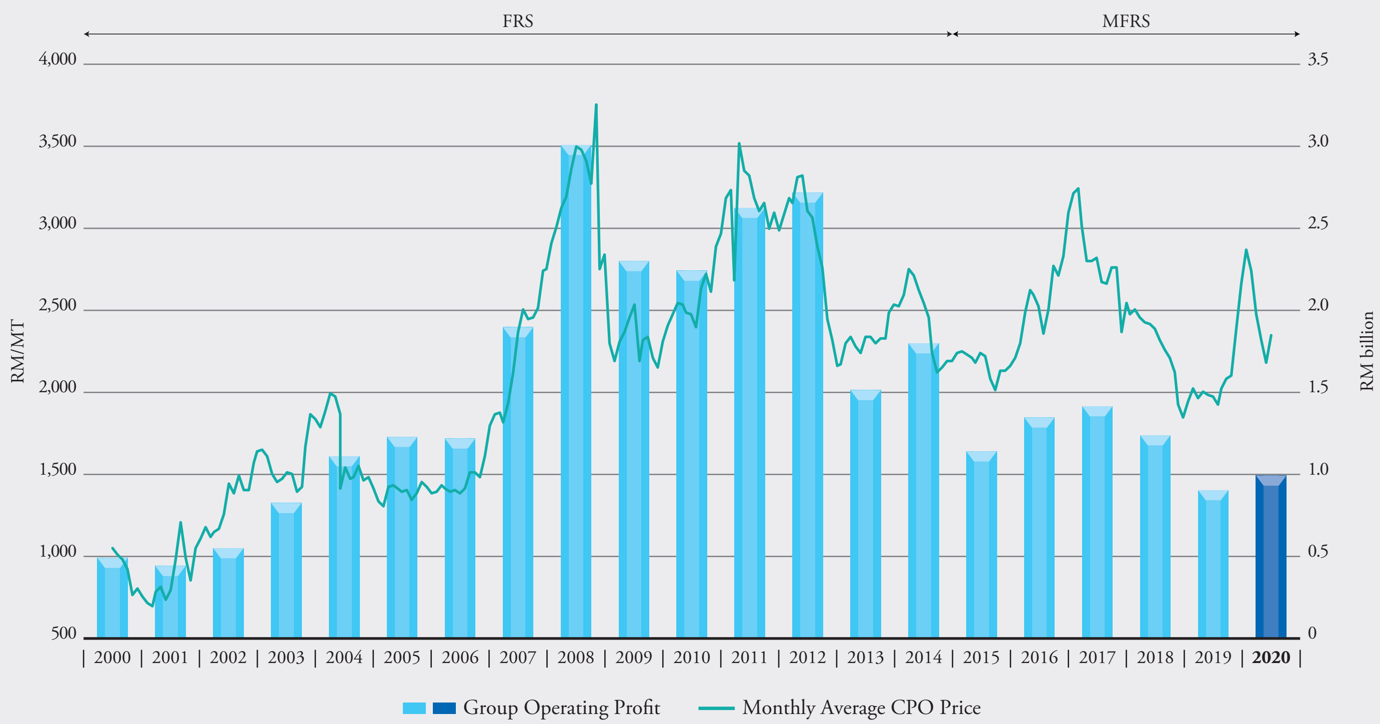
Financial Calendar

FINANCIAL YEAR END	30 JUNE 2020
ANNOUNCEMENT OF RESULTS	
1st Quarter	26 November 2019
2nd Quarter	18 February 2020
3rd Quarter	27 May 2020
4th Quarter	25 August 2020
Notice of Annual General Meeting	1 October 2020
Annual General Meeting	30 October 2020

PAYMENT OF DIVIDENDS		
1st Interim	Declaration	18 February 2020
	Entitlement	4 March 2020
	Payment	13 March 2020
2nd Interim	Declaration	25 August 2020
	Entitlement	10 September 2020
	Payment	18 September 2020

Group Financial Review

Growing Through the Cycle



Note:
In conjunction with the adoption of Malaysian Financial Reporting Standards ("MFRS") framework by the Group, the above information from FY2015 to FY2020 have been prepared in accordance with MFRS, whereas information from FY2000 to FY2014 have been prepared in accordance with Financial Reporting Standards ("FRS").

INTRODUCTION

The purpose of this review is to highlight and provide brief insights on key financial and operating information at Group level. A more detailed commentary on operating performance is covered under the respective business segment reports.

KEY FINANCIAL INDICATORS

		2020	2019	Change %
Earnings before interest and taxation ("EBIT")	RM million	**1,137.9**	1,076.8	6
Pre-tax earnings	RM million	**826.7**	872.6	(5)
Net earnings	RM million	**600.9**	631.7	(5)
Return on average shareholders' equity ("ROE")	%	**6.46**	6.85	(6)
Return on average capital employed ("ROCE")	%	**4.65**	4.76	(2)
Net operating profit after taxation ("NOPAT")	RM million	**732.1**	750.9	(2)
Total returns to shareholders				
– Capital appreciation per share	RM	**0.09**	(0.29)	nm
– Dividend per share	sen	**8.0**	8.0	–
Net cash flow generated from operation	RM million	**872.3**	1,212.7	(28)
Net gearing	%	**28.6**	24.8	15

Note:
nm = not meaningful

FINANCIAL HIGHLIGHTS AND INSIGHTS

- The Group's revenue for FY2020 increased by 5.6% to RM7.80 billion as compared to RM7.39 billion in FY2019 from all segments.
- At Group level, the results for FY2020 versus FY2019 are best compared and explained at three (3) levels, mainly, EBIT, Pre-tax and Net Earnings, as different factors affected the changes between the two (2) fiscal years at the respective levels.
- Looking at **EBIT**, contributions from the segments are as follows:

	2020 RM million	Mix %	2019 RM million	Mix %	Change %
Plantation	**701.5**	**62**	483.9	45	45
Resource-based manufacturing	**385.1**	**34**	553.4	51	(30)
Total	**1,086.6**	**96**	1,037.3	96	5
Others including unallocated corporate income	**51.3**	**4**	39.5	4	30
EBIT	**1,137.9**	**100**	1,076.8	100	6

- The plantation segment's EBIT increased by 45% to RM701.5 million, due mainly to higher CPO price realised as well as improved crude palm oil extraction rate offset by lower FFB production.
- The resource-based manufacturing segment's EBIT decreased by 30% to RM385.1 million. The lower profit is due mainly to lower operational contribution from all sub-segments and lower share of associates' results.
- **Pre-tax Earnings** decreased by 5% over the last financial year, mainly due to total net foreign currency translation loss on foreign currency denominated borrowings and deposits amounted to RM207.9 million (FY2019 – RM102.1 million) mitigated by higher EBIT generated.
- At the **Net Earnings level**, profit attributable to owners of the parent decreased to RM600.9 million. The decrease of the net earnings is due mainly to lower Pre-tax Earnings as explained in the foregoing paragraphs.
- The Group's **Interest Cover** was 5.8 times (FY2019 – 6.0 times).
- With the decrease of net earnings, the Group recorded a **ROE** of 6.46% for FY2020 based on an average shareholders' equity of RM9,297.9 million (FY2019 – RM9,228.0 million), as compared to 6.85% recorded in the previous financial year.
- With the decrease of NOPAT, the **ROCE** decreased from 4.76% for FY2019 to 4.65% for FY2020.
- The Group strives to enhance ROE and ROCE by continuous improvement in operating performance and by active management of its capital structure. Initiatives undertaken by the Group include maintaining dividend pay-outs, share buy-back (and cancellation) programme and a continuous review and adjustment of the Group's debt gearing ratio having regard to maintaining stable credit ratings.

Group Financial Review

FINANCIAL HIGHLIGHTS AND INSIGHTS (continued)

The equity reduction for purpose of capital management includes the following:

	2020 RM million	2019 RM million
Cash dividend	**534.2**	502.8
Share buy-back	**68.1**	–
Total equity repayments	**602.3**	502.8

- The Group generated an **Operating Cash Flow** of RM872.3 million for FY2020 against RM1,212.7 million for FY2019. Similarly, **Free Cash Flow** decreased from RM800.6 million to RM466.7 million due mainly to increase in net working capital.
- The inventory turnover days for FY2020 has increased to 53 days, as compared to inventory days of 51 days for FY2019.
- The trade receivables turnover days of 28 days for FY2020 is in line with the trade receivables turnover days of 27 days for FY2019.
- As for the cash and cash equivalents, it decreased from RM2.6 billion reported in FY2019 to RM2.3 billion reported in FY2020, due mainly to decrease in net cash from operating activities.
- The net gearing ratio of the Group was increased from 24.8% in FY2019 to 28.6% in FY2020.
- The Group's **Shareholders' Equity** as at 30 June 2020 stood at RM9.3 billion. The movement during the financial year included net earnings of RM0.6 billion, offset by total dividend payment of RM0.5 billion and share buy-back of RM68.1 million.
- For FY2020, the Group spent a total of RM413.0 million (FY2019 – RM424.7 million) for **Capital Expenditure** ("**Capex**").

RETURNS TO SHAREHOLDERS

Two interim cash dividends totalling 8.0 sen per ordinary share amounting to a total payout of RM502.1 million were declared for FY2020.

If a shareholder had bought 1,000 ordinary shares in the Company ("IOIC Shares") when it was listed in 1980 and assuming the shareholder had subscribed/accepted for all rights issues and offer for sale to date and had not sold any of the shares, he would have as at 30 June 2020, 76,000 IOIC Shares worth RM329,840 based on IOIC Share price of RM4.34 and 55,417 IOI Properties Group Berhad Shares ("IOIPG Shares") worth RM54,308 based on IOIPG Share price of RM0.98. The appreciation in value together with the dividends and IOIPG Shares received less capital outlay translates to a remarkable compounded annual rate of return of 16.8% for each of the 40 years since the Company was listed.

The Company continues to manage its capital in a proactive manner to provide value to shareholders, optimise gearing levels and provide for funding requirements. The Group also continues to maintain a healthy cash and bank balance, which as at 30 June 2020 stood at RM2.3 billion, and a net gearing ratio of 28.6%.

Group Business Review

Plantation

Who We Are & What We Do

Plantation is one of the core businesses of IOI Corporation Berhad ("IOI"), which is engaged in the cultivation of oil palm and processing of palm oil with operations in seed breeding, cultivation and crop oil extraction. Today, we have 96 estates, 15 palm oil mills, and four research and development ("R&D") centres across Malaysia and Indonesia, with a workforce of more than 23,000. Our current total planted area (including subsidiary companies) stands at 178,068 hectares (FY2019: 177,279 hectares) and our associate company stands at 132,578 hectares (as at 30.6.2020). Our total planted area is 99% oil palm and 83% is classified as mature. The weighted average palm age is 13 years. Our current annual milling capacity is 4.6 million MT of fresh fruit bunches ("FFB").

Key Focus Areas

During FY2020, we continued to focus on four main strategic priorities to strive for operational excellence:

- Innovating to produce high-yielding planting materials
- Reduce dependency on labour via mechanisation, increase productivity and operational efficiency
- Digitalisation and automation of business process
- Diversifying crops and exploring other profitable crops

Top 5 Largest Companies
in Plantation Sector
* Listed in Bursa Malaysia

Total Planted Area
178,068 Hectares
* Excludes area owned by associate company

Total Oil Palm Estates
96
* Located in Malaysia and Indonesia

170,384 Hectares & 14 Malaysian Mills
RSPO*-Certified
* Roundtable on Sustainable Palm Oil

Key Business Highlights

The total FFB production for the Group is 3.1 million MT in FY2020 as compared to 3.4 million MT in FY2019. The FFB yield recorded in the reporting year is 21.24 MT per hectare as compared to 23.00 MT per hectare in the previous year. The lower FFB yield is primarily impacted by the ongoing acceleration in the replanting activities in the Sabah region, unfavourable dry weather and the Movement Control Order ("MCO") restriction due to the COVID-19 pandemic. Despite the decrease in the total FFB production output by 8.9%, the Group's operations recorded a higher oil extraction rate ("OER") of 21.83% as compared to 21.44% in FY2019 due to IOI's high-yielding planting materials that boost the oil yields and productivity.

In Indonesia, the Group recorded a 17% growth in FFB production as a result of an increase of immature palms maturing into young palms. Crude palm oil ("CPO") prices were on a downward trend in the first half of 2020 due to subdued demand and higher than expected production output. The prices started to recover in the second quarter of FY2020 and surged in the fourth quarter on the back of higher demand.

Financial Highlights

The Group's plantation segment's profit improved by 45% to RM701.5 million as compared to RM483.9 million in the previous year, due to the average realised CPO price, which was higher by RM289 per MT as compared to the previous year. The revenue of RM1.90 billion in FY2020 was 7% higher year-on-year as compared to RM1.77 billion in the previous year.

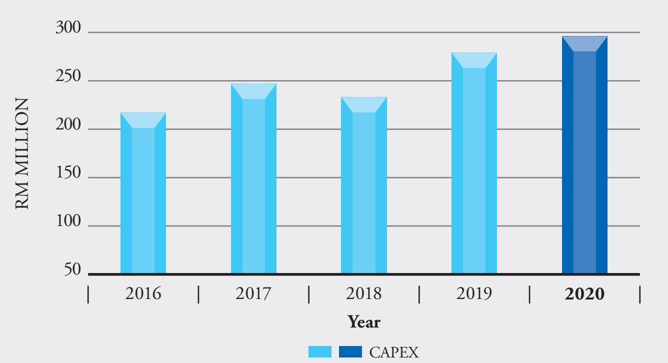
The operating expenses were lower than the prior year, due to lower estate upkeep and harvesting costs and mill processing expenditures as well as a reduction in the amortisation of bearer plants. The general charges also marginally increased due to the higher minimum wages and high recruitment costs. However, they were cushioned by the higher OER which improved by 0.39% from 21.44% to 21.83% in the current year.

The segment spent a total of RM296.0 million in capital expenditure ("Capex") in FY2020 as compared to RM279.1 million in FY2019. This was primarily due to increased replantings in Sabah and new plantings in Indonesia, improvement of our infrastructure in Indonesia as well as mill expansion. Over the next four years, we plan to carry out a large-scale replanting programme in the Sabah region, which we target to complete by FY2024.

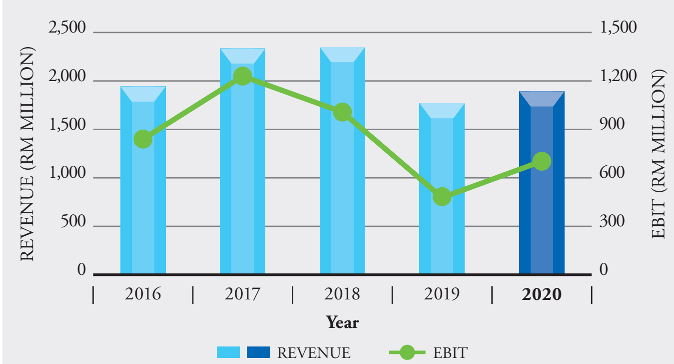
Group Business Review

Plantation

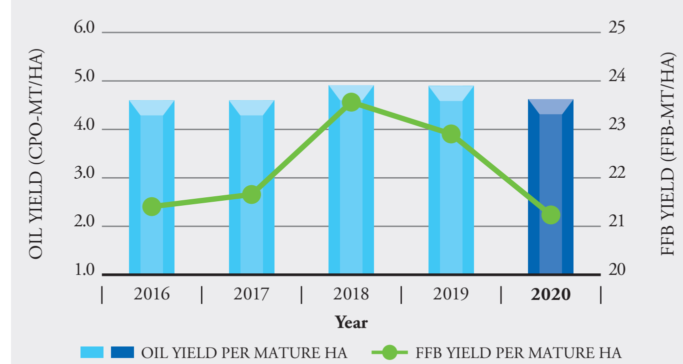
Capex



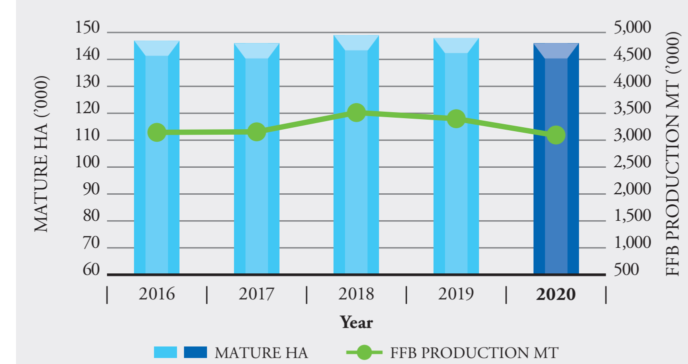
Revenue and Earnings before Interest and Tax ("EBIT")



Oil Yields and FFB Yields



Average Mature Oil Palm Area Harvested and FFB Production



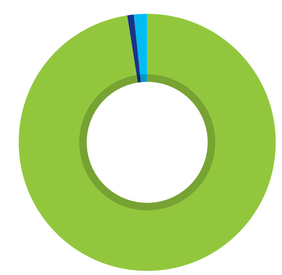
5-Year Plantation Performance Statistics

CROP STATEMENT	2020	2019	2018	2017	2016
OIL PALM					
Average mature area harvested (Ha)	**145,802**	147,770	148,934	145,704	146,912
FFB production (MT)	**3,097,262**	3,398,847	3,514,857	3,155,628	3,145,317
Yield per mature hectare (MT)	**21.24**	23.00	23.60	21.66	21.41
Mill production (MT)					
Crude palm oil	**708,212**	756,596	757,949	691,184	697,334
Palm kernel	**151,473**	166,716	175,937	155,426	163,520
Oil extraction rate (%)					
Crude palm oil	**21.83**	21.44	20.90	21.28	21.55
Palm kernel	**4.67**	4.72	4.85	4.79	5.05
Average Selling Price (RM per MT)					
Crude palm oil	**2,314**	2,025	2,549	2,766	2,249
Palm kernel	**1,375**	1,390	2,252	2,691	1,740

AREA STATEMENT *In Hectares*	2020	2019	2018	2017	2016
OIL PALM					
Mature	**146,856**	147,995	154,613	149,714	148,166
Immature	**30,053**	28,161	19,621	24,682	31,105
	176,909	176,156	174,234	174,396	179,271
RUBBER					
Mature	**457**	415	415	415	282
Immature	**18**	60	60	55	188
	475	475	475	470	470
Others	**684**	648	581	581	581
Total planted area	**178,068**	177,279	175,290	175,447	180,322
Nursery	**248**	206	229	142	143
Estate under development	**836**	8,382	8,382	8,582	9,263
Labour lines, building sites and others	**27,415**	32,070	34,018	33,746	28,189
Total area	**206,567**	217,937	217,919	217,917	217,917

Plantation Statistics

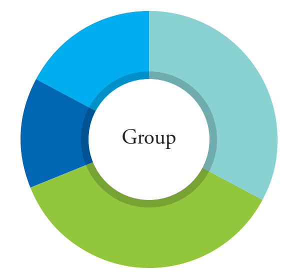
Crop Mix



Oil Palm	99.3%
Rubber	0.3%
Others	0.4%

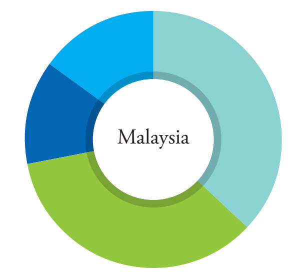
Total Planted Area = 178,068 Ha

Oil Palm Hectarage by Age



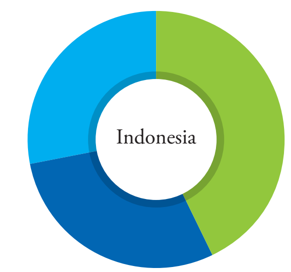
Past Prime	33%
Prime	36%
Young	14%
Immature	17%

Total Oil Palm Planted Area = 176,909 Ha



Past Prime	37%
Prime	35%
Young	13%
Immature	15%

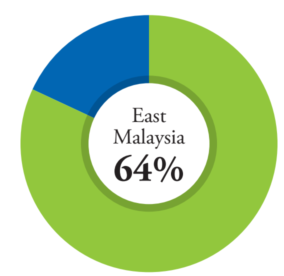
Total Oil Palm Planted Area = 156,185 Ha



Prime	43%
Young	29%
Immature	28%

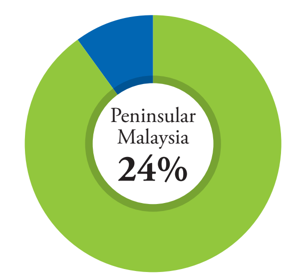
Total Oil Palm Planted Area = 20,724 Ha

Oil Palm Hectarage by Region



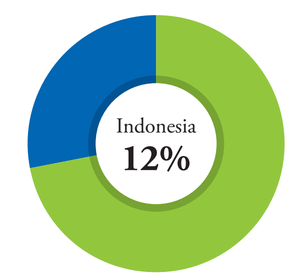
Mature	93,138 Ha	82%
Immature	20,024 Ha	18%

Total Oil Palm Area = 113,162 Ha



Mature	38,839 Ha	90%
Immature	4,184 Ha	10%

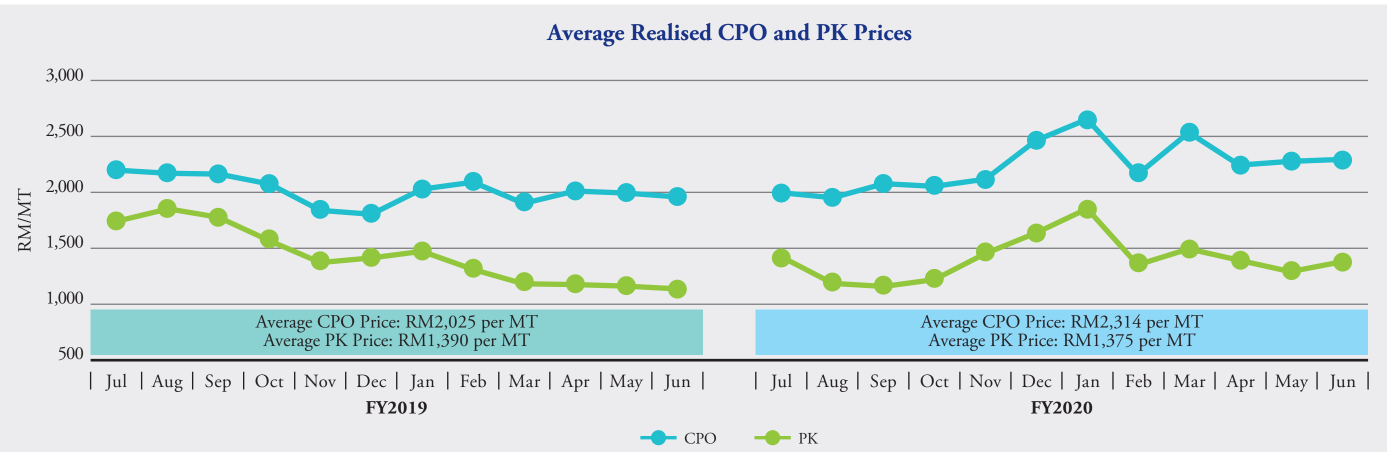
Total Oil Palm Area = 43,023 Ha



Mature	14,879 Ha	72%
Immature	5,845 Ha	28%

Total Oil Palm Area = 20,724 Ha

Group Business Review
Plantation



Business Performance Review 2020

Strategic Objectives

- Innovating to produce high-yielding planting materials
- Reduce dependency on labour via mechanisation, increase productivity and operational efficiency
- Digitalisation and automation of business process
- Diversifying crops and exploring other profitable crops

Key Initiatives

- Digitalisation
- Mechanisation
- Developing work system and breakthrough formulations
- Continued investment in R&D
- Empowering employees towards positive changes
- Driving to maximise oil yields through innovating with high-yielding clones, superior planting materials and achieving high early yields from young mature palms
- Optimise land utilisation for other crops

Achievements in FY2020

1) Achieved the highest OERs among the mills of all plantation companies in the country as a result of FFB crops of estates that are planted with superior high-yielding planting materials:

MILL	OER
a) Bukit Leelau Mill (Peninsular)	24.09%
b) Pamol Kluang Mill (Peninsular)	23.96%
c) Baturong Mill (Sabah)	23.41%

2) Continued to attain high yields (as indicated by our top three best performing estates):

ESTATE	YIELD
a) Kahang Estate	7.19 MT of CPO per hectare
b) Morisem 1 Estate	6.84 MT of CPO per hectare
c) Merchong Estate	6.83 MT of CPO per hectare

3) Gained positive results of our ongoing digital transformation:

   a) Approximately 75% of the plantation's operating units are integrated with the SAP system, and are equipped with the full spectrum of the SAP modules (Finance & Controlling, Estate Management, Checkroll, Production, Plant Maintenance, Investment Management, Sales & Fund Management). IOI targets to complete the SAP migration for all operating units by October 2020.

   b) IOI has successfully deployed the Electronic Plantation Monitoring System ("ePMS") to go paperless and digital in 100% of our operations. We have fully integrated the ePMS with our SAP system with the objective of improving operational efficiency and creating value for our stakeholders.

4) Sourced good planting materials for coconut expansion.

Challenges/Risks	Mitigation Actions
Prolonged dry and hot periods, which impact crop productivity.	1) Carry out ablation after 12 months from planting at low rainfall areas. 2) Employ water conservation practices such as Closed Ended Conservation Trench in flat areas to retain water. 3) Construct drainage and irrigation systems to retain moisture in fields.
The outbreak of insects and vertebrate pests (such as bagworms and rats) and diseases such as *Ganoderma* infection, which impact palms and crops negatively.	1) Apply integrated pest management approach that prioritises the use of biological controls over pesticides. 2) Agronomically adopt deep ploughing and clean land preparation prior to replanting to reduce and delay *Ganoderma* infestation in replanted field.
A sizable proportion of palm in Sabah will be due for replanting in the next four years.	1) Accelerate replanting programme by planting superior planting materials to achieve early and high yields from a young mature palm age. 2) Release the third-generation Limited Breeding Programme ("LBP") materials crossed with valid progeny-tested AVROS pisifera, which have the potential of generating more than 33.0 MT of FFB per hectare and 8.4 MT of CPO per hectare in the 7th year and above, as demonstrated through trials. 3) Adopt best agricultural field practices to maximise FFB production.
The risk of the global pandemic of COVID-19 that caused the lockdown of six districts in Sabah (from 25 March till 2 April 2020), which has still not been completely overcome.	1) Implement strict Standard Operating Procedures and guidelines to control the movement of workers and provide sufficient Personal Protective Equipment to staff and workers. 2) Initiate Business Continuity Plan and cost efficiency measures to mitigate any adverse operation and financial impact to the company's bottom line.
The volatility of CPO prices caused by the ongoing trade friction between US and China, higher import duty by India, European Union's aversion to palm oil and uncertainty in the market due to the COVID-19 outbreak.	1) Continuously improve operational efficiencies and productivity by implementing cost efficiency initiatives as well as mechanisation and digitalisation efforts in order to reduce dependency on foreign workers and mitigate the volatility of CPO prices. 2) Diversify to other crops to mitigate the risk of sole reliance on palm oil. 3) Utilise palm by-products by creating value-added products.

Outlook & Prospects

Palm oil prices are in the recovery phase and the price outlook is expected to be bullish in the second half of 2020 due to the increase in global consumption and restocking activities after the outbreak of the COVID-19 pandemic. Prices remain sensitive to the recovery of the COVID-19, crude oil prices and world economy as a whole, with the US-China trade war being the driving factor.

The FFB production volume is expected to be flat or slightly lower in FY2021, due to the aggressive replanting programme carried out in Sabah, offset by the increased crop production from our young plantings in Indonesia. We also expect that once the government eases the travel restrictions, allowing those with expired work permits to return home, there may be a labour shortage due to the uncertainty of the incoming of workers.

With the limited land for oil palm usage and labour shortage, boosting production yield is one of the Group's key initiatives through the use of high quality planting materials, digitalisation and mechanisation to increase palm oil yields and enhance our competitiveness as a global player while also ensuring sustainability in the palm oil industry.

Group Business Review

Resource-Based Manufacturing

Who We Are & What We Do

The Group's global resource-based manufacturing business, comprising our refining, oleochemical and specialty oils and fats sub-segments, plays an important role in fortifying our integrated palm value chain. It consists of downstream activities such as refining of crude palm oil and palm kernel oil, and processing of refined palm oil and palm kernel oil into oleochemical as well as specialty oils and fats products. With our local and international manufacturing facilities, we are well-equipped to meet the needs of our customers domestically and internationally.

Financial Highlights

The Group's resource-based manufacturing segment's profit of RM385.1 million for FY2020 is 30% lower than the profit of RM553.4 reported for FY2019. Excluding the fair value gain on derivative financial instruments, the underlying profit of RM381.3 million for FY2020 is 27% lower than the profit of RM524.5 million for FY2019. The lower profit is due mainly to lower operational contributions from our refining and oleochemical sub-segments with reduction in margins. The share of our associates' results is also lower due to lower sales arising from the COVID-19 pandemic as well as a one-off debt write-down in the European operation.

REFINING

The Group has two wholly-owned refineries in Malaysia with a combined annual capacity of about 1.8 million MT. They are located in Pasir Gudang, Johor and in Sandakan, Sabah. Both refineries are closely located to our plantations and mills, and along major shipping routes with direct port access. These refineries produce palm and palm kernel oil fractions for domestic and export markets as well as feedstock for the Group's downstream activities.

Key Focus Areas

- Optimise refineries' processing capacity and efficiency
- Supply consistently high-quality palm oil products
- Market and expand certified sustainable palm oil products markets
- Maximise consumer packing capacities
- Ensure supply chain efficiency
- Drive innovation and promote sustainable development

Manufacturing Facilities
2

Combined Annual Refining Capacity
1.8 million MT

Sales of Total Certified Refined Products
277,000 MT

Key Business Highlights

- The sales volume of our certified refined products has increased as we continue on focusing to expand our sustainable value-added markets.
- Our lauric division managed to perform better with positive margins in most of the segments.
- Despite an overall poorer performance that is mainly due to lower Malaysian crude palm oil ("CPO") production and slowdown during the Movement Control Order ("MCO") period, our various strategic initiatives are in line to improve our refinery utilisation and efficiency.

Group Business Review

Resource-Based Manufacturing

Business Performance Review 2020

Strategic Objectives	Key Initiatives	Achievements in FY2020
Market more certified sustainable products with added value Maximise consumer packing capacities Drive innovation and promote sustainable development	• Focusing and expanding our markets for certified and sustainable palm oil. • Increasing consumer pack plant output of small-sized products (0.5L to 5L). • Continue to work closely with customers to build strategic partnerships. • Utilisation of oil palm biomass from palm oil mills to reduce greenhouse gas emissions and contribute towards sustainable oil palm in the entire supply chain. • Installed CPO Washing Plant with our customised solutions to produce low 3-MCPD content in processed oils.	1) Increased sales of total certified refined products from 234,000 MT in FY2019 to 277,000 MT in FY2020. 2) Developed 500ml PET bottles and successfully started sales with the completion of the fully automated packing Line 4 in IOI Pan-Century Edible Oils Sdn Bhd in September 2019. 3) Participated in the United Nations World Food Programme tender and successfully completed shipments in small packs during the MCO period. 4) Initiated a new venture for consumer products with a prominent food products company for Middle Eastern markets. 5) Completed new biomass boiler in Sandakan, Sabah that generates up to 60tph steam and cogenerates up to 6 MW power. 6) Produced low 3-MCPD palm and lauric oil products.

Challenges/Risks	Mitigation Actions
Trade wars and rising protectionism have disrupted the traditional pricing mechanism leading to price fluctuation of about 64% in the financial year.	1) IOI is a fully integrated company which helps to mitigate the volatile price fluctuations.
The COVID-19 pandemic has impacted the demand in the hotel, restaurant and catering ("HORECA") sector which leads to reduced demand in palm oil.	1) As a company with a global footprint, our sales are well diversified to many countries and different market segments which help mitigate the risk of over-dependence on any particular market or segment.
Volatile crude oil prices and the Palm Oil-Gas Oil spread with palm oil trading at a premium are discouraging the production of biofuel. The proposed European Union ban on palm oil for energy use starting from 2030 are affecting the biofuel demands which also impact the palm oil demand.	1) Our sales are mainly for the food sectors. 2) Many producing countries like Indonesia and Malaysia are increasing the domestic consumption of vegetable oils blending into biodiesels which will offset the slowdown in offtake from importing countries.
Poor industry refining margins are forecasted due to poor demand and tightness of CPO supply. The impact of dry weather is expected to take effect in FY2021 coupled with replanting activities and labour shortages, which are also expected to reduce production in the coming months.	1) Refineries are continuously looking for opportunities to secure CPO in the coming months and hedge into derivatives when necessary. 2) We are also exploring opportunities to market more certified oil products with our own certified CPO for better added values.

Outlook & Prospects

Palm oil commodity prices are expected to remain volatile in the new financial year. The market is influenced by both domestic fundamentals as well as uncertainties in the global macroeconomies. The effects of the COVID-19 pandemic at the beginning of this year are still lingering and transforming the world economies. The impacts are more apparent in the HORECA sector, and to some extent the crude oil prices. These directly and indirectly have resulted in the loss of demand from many major consuming countries. Concerns over trade tensions between the US and China, and more trade protectionism in the worldwide economies have increased the probability of price fluctuations.

We are keeping a positive outlook for the next financial year with our Group's fully integrated supply chain business model and continuous drive to explore opportunities to increase value in every level of our operations. Demand is expected to recover gradually as more countries are easing their lockdown and businesses are starting to resume their operations. Palm oil production is expected to remain subdued in the coming year due to dry weather, progressive replanting activities by many farmers and the inherent labour shortage issues. The low stockpiles at destination markets are also seeing many countries starting to replenish their inventories partly for food security purposes.

OLEOCHEMICAL

The principal activities of the Group's oleochemical sub-segment are manufacturing and sales of fatty acids, glycerine, soap noodles and downstream oleochemical products such as fatty esters and specialty derivatives. These versatile products are used in a wide variety of applications from industrial sectors such as automotive, construction and plastic to food, nutrition, pharmaceutical and cosmetic. Our oleochemical products are exported to more than 80 countries worldwide. Our main customers are located in Japan, China, Europe and the United States ("US"), which include some of the world's most esteemed and well-known multinational corporations.

The Group undertakes oleochemical manufacturing activities in four manufacturing facilities. Two of the manufacturing facilities are located in Peninsular Malaysia while the other two facilities are in Germany. Our total combined production capacity is about 780,000 MT per annum. The Penang and Johor plants are exclusively based on palm oil whereas the Germany plants use mainly palm oil supplemented by other vegetable oils such as coconut oil, rapeseed oil and sunflower oil. These plants complement and add value to each other through technical know-how collaborations and application of basic oleochemicals into niche derivatives.

Our manufacturing facilities are certified and accredited by globally recognised bodies in various aspects of quality and international standards compliance. On top of the ISO 9001, ISO 14001 and ISO 50001 certifications, the Penang, Johor and Wittenberge sites have received the Food Safety System Certification ("FSSC") 22000 on food safety management, and the Witten site is certified by the European Union-Good Manufacturing Practice ("EU-GMP") for the production of Active Pharmaceutical Ingredients ("API").

Key Focus Areas

- Drive business growth by increasing sales and expanding new market segments
- Enhance cost efficiency by optimising plant capacity and improving operational efficiency
- Develop niche markets by exploring new product applications and launching new products

Manufacturing Facilities
4

Export to Over
80 Countries Worldwide

Combined Annual Oleochemical Capacity
780,000 MT

Group Business Review

Resource-Based Manufacturing

Key Business Highlights

- Our fatty acids business unit delivered a commendable performance albeit lower than previous year despite the many external challenges. The business was strong in the first half of FY2020. However, our business dropped in the second half of FY2020 due to the US-China trade war and the COVID-19 pandemic.
- The imposition of MCO in Malaysia in March 2020 has affected the plant operations and the supply chain functions. As a result, some delayed deliveries and loss of orders were faced in March and April this year. This was also due to the export market's country lockdown and restrictions. Subsequently, the business normalised in May and fully recovered in June 2020.
- Our soap business unit performed better than the previous year. The business was affected by the same external factors as the fatty acids business. However, the COVID-19 pandemic has a positive impact on the demand for soap products through increased awareness on personal hygiene via hand washing. The increased demand was seen in the last quarter of FY2020.
- Our ester business unit showed a good performance albeit slightly lower than previous year. Generally, business was lower due to the US-China trade war and the COVID-19 pandemic. The main business in North East Asian region, mainly China and South Korea, was impacted. This was partially compensated by new businesses in the Americas, namely the Latin America countries.
- Our German business performed well during the financial year. Profitability was significantly higher than the previous year with only a small increase in sales volume. This was due to the higher sales of high margin pharmaceutical products notably the API product group. The COVID-19 pandemic had contributed some positive impact to our business as the demand for our pharmaceutical products has increased. This has positively improved our pharma business unit.

Business Performance Review 2020

Strategic Objectives	Key Initiatives	Achievements in FY2020
Drive business growth Enhance cost and plant efficiency Develop new products/ formulations	• Optimising plant manufacturing capacity. • Enhancing cost efficiency and reducing labour dependency through plant automation. • Embarking on energy efficiency and water recycling projects. • Revamping aging plants. • Embarking on new plant expansions. • Filing patents for new product applications. • Developing new product formulations in CARE Studio.	1) Increment in specialty plants' achievable capacity. 2) Reduction in overall energy cost. 3) Improvement in fatty acids' fractionation efficiency and product quality. 4) Embarked on new fatty acid plant expansion since end of 2019 and expect to be commissioned by end of 2021. 5) Filed 14 patents for pharmaceutical applications, four patents for polyglycerine esters and 10 patents for keto esters. 6) Developed more than 30 formulations for personal care and cosmetic applications.

Challenges/Risks	Mitigation Actions
The COVID-19 pandemic resulted in operational disruption during the MCO period.	Initiate enhanced Business Continuity Plan to minimise operational disruption.
Our reliance on foreign labour for manual work was worsened by the COVID-19 pandemic which caused labour shortage.	We have introduced plant automation and process improvement to reduce dependency on foreign labour and enhance cost efficiency.
The ongoing US-China trade war has dampened demand from affected markets.	Our Group has diversified sales in more than 80 countries that mitigates our exposure to localised risks in particular markets.
The heightened corporate credit risks due to COVID-19 has impacted some businesses.	We are continuously developing new markets and exploring new export markets for diversification and growth.

Outlook & Prospects

Despite the uncertainty of the COVID-19 pandemic and its ongoing impact on the global economy, the market outlook for the oleochemical business is still positive. We market our oleochemical products globally as well as to a very wide ranging and diverse industry and application sectors.

The increasing demand from the pharmaceutical, cleaning products, food and nutrition sectors has mitigated the negative impact of the COVID-19 pandemic. Coupled with our continual focus on operational excellence and cost efficiency across all our plants and operations, we will strive to maintain our overall profitability.

SPECIALTY OILS & FATS

The Group's 30%-owned associate company, Bunge Loders Croklaan Group B.V. ("Bunge Loders") is a leading producer of specialty oils and fats for the food manufacturing and food service industry globally, and its products are used in a variety of applications from bakery and confectionery to culinary and human nutrition.

Bunge Loders' refineries in Europe are also producing fully mitigated palm oil and palm derivatives on a large scale which enables the company to deliver their products with low Glycidyl Esters levels and also low 3-MCPD levels.

Our continuing business collaboration and synergy with Bunge Limited ("Bunge") to build Bunge Loders into a leading food ingredients business has culminated to its unmatched global presence, with differentiated and comprehensive product offerings based on tropical and seed oils and world class formulation and application capabilities. Bunge Loders is well-positioned to capture the growing global market for blended oils and is poised to tap into new markets via Bunge's extensive network and to expand their product range in the nutrition category.

Like most businesses around the world, Bunge Loders' business has been affected by the COVID-19 pandemic, but sales volumes are expected to recover gradually.

Corporate Information

BOARD OF DIRECTORS

Tan Sri Peter Chin Fah Kui
Independent Non-Executive Chairman

Dato' Lee Yeow Chor
Group Managing Director and Chief Executive

Lee Yeow Seng
Non-Independent Non-Executive Director

Tan Sri Dr Rahamat Bivi binti Yusoff
Independent Non-Executive Director

Datuk Karownakaran @ Karunakaran a/l Ramasamy
Independent Non-Executive Director

Cheah Tek Kuang
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Datuk Karownakaran @ Karunakaran a/l Ramasamy*
Chairman

Tan Sri Dr Rahamat Bivi binti Yusoff *

Cheah Tek Kuang*

GOVERNANCE, NOMINATING AND REMUNERATION COMMITTEE

Tan Sri Peter Chin Fah Kui*
Chairman

Datuk Karownakaran @ Karunakaran a/l Ramasamy*

Cheah Tek Kuang*

EXECUTIVE SHARE OPTION SCHEME COMMITTEE

Tan Sri Peter Chin Fah Kui*
Chairman

Dato' Lee Yeow Chor

Lee Yeow Seng^

* Independent Non-Executive Director
^ Non-Independent Non-Executive Director

COMPANY SECRETARY

Tan Choong Khiang
(SSM PC No. 201908000048)
(MAICSA 7018448)

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 29, IOI City Tower 2
Lebuh IRC, IOI Resort City
62502 Putrajaya
Wilayah Persekutuan (Putrajaya)
Tel +60 3 8947 8888
Fax +60 3 8947 8909

AUDITORS

BDO PLT
Chartered Accountants
Level 8
BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel +60 3 2616 2888
Fax +60 3 2616 3190

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel +60 3 2783 9299
Fax +60 3 2783 9222

THE ADMINISTRATION AND POLLING AGENT

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel +60 3 7890 4700
Fax +60 3 7890 4670

LEGAL FORM AND DOMICILE

Public Limited Liability Company
Incorporated and Domiciled in Malaysia

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK CODE

1961

WEBSITES

www.ioigroup.com
www.ioioleo.com

EMAIL ADDRESS

corp@ioigroup.com

Board of Directors

Tan Sri Peter Chin Fah Kui
Independent Non-Executive Chairman

Dato' Lee Yeow Chor
Group Managing Director and Chief Executive

Lee Yeow Seng
Non-Independent Non-Executive Director

Tan Sri Dr Rahamat Bivi binti Yusoff
Independent Non-Executive Director

Datuk Karownakaran @ Karunakaran a/l Ramasamy
Independent Non-Executive Director

Cheah Tek Kuang
Independent Non-Executive Director

Profiles of the Board of Directors

Tan Sri Peter Chin Fah Kui

Independent Non-Executive Chairman

G E

Age	Gender	Nationality
75	Male	Malaysian

Date of Appointment
1 December 2014

6/6
Board Meeting Attendance for the Financial Year Ended 2020

Qualification
- Barrister-at-Law from Gray's Inn, London

Relevant Experience
- Held various senior appointments in the Malaysian Government Administration from 1986 until his retirement in May 2013 (including the positions of Federal Minister, Federal Deputy Minister and Federal Parliament Secretary for the Ministry of Energy, Green Technology and Water, Ministry of Plantation Industries and Commodities, Ministry of Housing and Local Government, Ministry of Science, Technology and the Environment and Ministry of Welfare Services respectively)
- Chairman for Miri Municipal Council in 1984
- Member of Parliament for Lambir and Miri constituencies in Sarawak from 1986 to 2013
- Special Advisor to Malaysian Green Technology and Climate Change Centre ("MGTC")
- Chairman of MGTC from 7 April 2015 to 6 April 2018

Directorship of other Listed Issuers/Public Companies
- Other Listed Issuer
  – None
- Non-Profit Public Company
  – Trustee of Yayasan Tan Sri Lee Shin Cheng

Committee Membership Key

A Audit and Risk Management
G Governance, Nominating and Remuneration
E Executive Share Option Scheme
Committee Chairman
Committee Member

Dato' Lee Yeow Chor

Group Managing Director and Chief Executive

E

Age	Gender	Nationality
54	Male	Malaysian

Date of Appointment
25 April 1996

6/6
Board Meeting Attendance for the Financial Year Ended 2020

Qualification
- LLB (Honours), King's College, London
- Bar Finals, Gray's Inn, London
- Postgraduate Diploma in Finance and Accounting, London School of Economics

Relevant Experience
- Chairman of the Malaysian Palm Oil Association ("MPOA")
- Chairman of the Malaysian Palm Oil Council ("MPOC") from 2009 to March 2020
- Served in the Malaysia Attorney General's Chambers and the Malaysia Judiciary Service for four (4) years from 1990 to 1994, last posting was as a Magistrate
- Board member of Central Bank of Malaysia from 2015 to 2018
- Board member of Malaysian Green Technology Corporation from 2011 to 2013
- Served on the National Council of the Real Estate and Housing Developers' Association ("REHDA") Malaysia as its Secretary General from 2002 to 2006

Directorship of other Listed Issuers/Public Companies
- Other Listed Issuers
  – Non-Independent Non-Executive Director of IOI Properties Group Berhad
  – Non-Independent Non-Executive Director of Bumitama Agri Ltd
- Non-Profit Public Company
  – Trustee of Yayasan Tan Sri Lee Shin Cheng
- Public Companies
  – Non-Executive Director of IOI Properties Berhad
  – Director of IOI Oleochemical Industries Berhad
  – Director of Unico-Desa Plantations Berhad
  – Director of Dynamic Plantations Berhad

Profiles of the Board of Directors

Lee Yeow Seng

Non-Independent Non-Executive Director

E

Age	Gender	Nationality
42	Male	Malaysian

Date of Appointment
3 June 2008

Board Meeting Attendance for the Financial Year Ended 2020 6/6

Qualification
- LLB (Honours), King's College, London
- Barrister-at-law from Bar of England & Wales, Inner Temple

Relevant Experience
- Involved in corporate affairs and general management within IOI Group prior to the demerger and listing of IOI Properties Group Berhad
- Served at the London and Singapore offices of a leading international financial services group for approximately two (2) years

Directorship of other Listed Issuers/Public Companies
- Other Listed Issuer
  - Executive Vice Chairman of IOI Properties Group Berhad
- Public Companies
  - Executive Director of IOI Properties Berhad
  - Director of Resort Villa Golf Course Berhad
  - Director of Property Village Berhad

Tan Sri Dr Rahamat Bivi binti Yusoff

Independent Non-Executive Director

A

Age	Gender	Nationality
63	Female	Malaysian

Date of Appointment
15 August 2017

Board Meeting Attendance for the Financial Year Ended 2020 6/6

Qualification
- Ph.D. in Political Science and International Relation, Australian National University
- Master of Economics, University of Western Michigan, USA
- Bachelor of Social Science (Economics) (Honours) degree, Universiti Sains Malaysia
- Diploma in Public Administration, the Institute of Public Administration (INTAN), Malaysia

Relevant Experience
- Co-Chairperson of Malaysia-Thailand Joint Authority
- Chairman of Perbadanan Insurans Deposit Malaysia
- Chairman of Malaysia Nuclear Power Corporation
- Member of the Advisory Council of Asian Development Bank Institute
- Assistant Secretary (Tax, Contract and Supply Divisions) in the Ministry of Finance ("MOF") from 1981 to 1988
- Project Officer in Institute of Public Administration from 1988 to 1991
- Assistant Director, Macroeconomic and Evaluation Section of Economic Planning Unit ("EPU") in Prime Minister's Department from 1991 to 1993. Promoted to the position of Principal Assistant Director, Macroeconomic and Evaluation in 1994 and held the position until 2000
- Served as Principal Assistant Director, Section Industry and Services in 2001 and seconded to the Energy Commission as Director in June 2002
- Under Secretary of Economic Division of MOF in 2006 and promoted to Director, Budget Division of MOF in 2008 and Deputy Secretary General (Systems & Controls) of MOF in 2011
- Director General of EPU from 2011 to June 2017

Directorship of other Listed Issuers/Public Companies
- Other Listed Issuer
  - None
- Public Companies
  - Independent Non-Executive Director of Ekuiti Nasional Berhad
  - Independent Non-Executive Director of Bank Pembangunan Malaysia Berhad

Committee Membership Key

A Audit and Risk Management
G Governance, Nominating and Remuneration
E Executive Share Option Scheme
Committee Chairman
Committee Member

Profiles of the Board of Directors

Datuk Karownakaran @ Karunakaran a/l Ramasamy

Independent Non-Executive Director

A G

Age	Gender	Nationality
70	Male	Malaysian

Date of Appointment
17 January 2011

6/6
Board Meeting Attendance for the Financial Year Ended 2020

Qualification
- Bachelor of Economics (Accounting) (Honours) degree, University of Malaya
- Post Graduate Course in Industrial Project Planning, University of Bradford, UK

Relevant Experience
- Joined the Malaysian Investment Development Authority [formerly known as Malaysian Industrial Development Authority ("MIDA")] in August 1972 and served in various positions including Director and Director-General until his retirement in 2008
- Served as a member of the Cabinet Committee on Investment
- Chairman of Etiqa International Holdings Sdn Bhd
- Chairman of Etiqa Life Insurance Berhad from January to December 2018
- Chairman of Etiqa General Insurance Berhad from March 2016 to December 2018
- Chairman of Etiqa Family Takaful Berhad from March 2016 to December 2017
- Director of Sime Darby Motors Sdn Bhd from December 2012 to October 2017
- Director of Maybank (Cambodia) Plc from October 2012 to October 2017
- Chairman/Director of Maybank Private Equity Sdn Bhd from May 2013 to December 2016
- Director of Maybank Asset Management Group Berhad from 2012 to 2016
- Dirctor of Chemical Company of Malaysia Berhad from 2011 to 2014
- Director of Maybank Investment Bank Berhad from 2009 to 2014

Directorship of other Listed Issuers/Public Companies
- Other Listed Issuers
  - Chairman of Integrated Logistics Berhad
  - Independent Non-Executive Director of Malayan Banking Berhad
  - Independent Non-Executive Director of Bursa Malaysia Berhad
- Public Companies
  - Chairman of Maybank Ageas Holdings Berhad
  - Chairman of Maybank Singapore Limited

Committee Membership Key

A Audit and Risk Management
G Governance, Nominating and Remuneration
E Executive Share Option Scheme
Committee Chairman
Committee Member

Cheah Tek Kuang

Independent Non-Executive Director

A G

Age	Gender	Nationality
73	Male	Malaysian

Date of Appointment
22 August 2012

4/6
Board Meeting Attendance for the Financial Year Ended 2020

Qualification
- Bachelor of Economics degree, University of Malaya
- Fellow of The Asian Institute of Chartered Bankers

Relevant Experience
- Member of the Appeals Committee of Bursa Malaysia Securities Berhad
- Director of Bursa Malaysia Berhad from 2004 to 2012
- Member of Kumpulan Wang Persaraan (Diperbadankan)'s Investment Panel from 2007 to 2016
- Board member of Employees' Provident Fund from 1996 to 2007 and served in its Investment Panel from 2007 to 2009
- Joined Malaysian Industrial Development Authority in 1970
- Joined AmInvestment Bank Berhad in 1978 and was promoted to Managing Director in 1994
- Appointed as Group Managing Director of AMMB Holdings Berhad on 1 January 2005 till his retirement in April 2012
- Director of Velesto Energy Berhad from May 2013 to May 2019

Directorship of other Listed Issuers/Public Companies
- Other Listed Issuers
  - Independent Non-Executive Director of Eco World International Berhad
  - Independent Non-Executive Director of UPA Corporation Berhad
- Public Company
  - Independent Non-Executive Director of Berjaya Golf Resort Berhad
- Non-Profit Public Companies
  - Director of Malaysian Institute of Art
  - Governor of Yayasan Bursa Malaysia

Notes:
1. Dato' Lee Yeow Chor and Lee Yeow Seng are members of the immediate family.
2. Save as disclosed in item (1), none of the Directors has:-
   (a) any family relationship with any directors/major shareholders of the Company;
   (b) any conflict of interest with the Company;
   (c) any conviction for offences (other than traffic offences, if any) within the past five (5) years; and
   (d) any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2020.

Senior Management Team

DATO' LEE YEOW CHOR
Group Managing Director
and Chief Executive

LEE TUAN MENG
Group Chief Financial Officer

SUDHAKARAN A/L NOTTATH BHASKARAN
Plantation Director

LIM JIT UEI
Group Head of
Commodity Marketing

TAN KEAN HUA
Executive Director

CORPORATE

Lee Tuan Meng
Group Chief Financial Officer

Farah Suhanah Ahmad Sarji
Group Legal Counsel

Dr Surina binti Ismail
Group Head of Sustainability

Tan Choong Khiang
Company Secretary

Alvin Lee Chin Huat
Head of Business Systems and Information Technology

Ling Kea Ang
Head of Group Internal Audit

PLANTATION

Sudhakaran a/l Nottath Bhaskaran
Plantation Director

Ragupathy a/l Selvaraj
Senior General Manager, Plantation

Subramaniam a/l Arumugam
Head of Plantations, Indonesia

COMMODITY MARKETING

Lim Jit Uei
Group Head of Commodity Marketing

REFINERY

Shyam a/l M. K. Lakshmanan
General Manager

OLEOCHEMICAL

Tan Kean Hua
Executive Director

Koo Ping Wui
Chief Operating Officer, Johor

Lai Choon Wah
Chief Operating Officer, Penang

Thomas Kummer
Chief Operating Officer, Germany

The management team is headed by the Group Managing Director and Chief Executive, Dato' Lee Yeow Chor. He is assisted by the following senior management team:

CORPORATE

Lee Tuan Meng
Group Chief Financial Officer
Malaysian • Age 60 • Male

Date of Appointment
15 September 2017

Skills and Experience
Mr Lee Tuan Meng is a Chartered Accountant and a member of the Malaysian Institute of Certified Public Accountants ("MICPA") and Malaysian Institute of Accountants ("MIA"). He has more than thirty-five (35) years of experience in accounting, taxation, treasury, auditing as well as business information systems, operational strategy and project management. He has held various senior positions in multinational companies and acquired broad experience in managing the financial affairs of large companies with billion dollar revenue and net profits. Prior to joining IOI Group, he was the Senior General Manager (Group Account, Finance and Corporate Planning) in a large Japanese automotive group.

Farah Suhanah Ahmad Sarji
Group Legal Counsel
Malaysian • Age 55 • Female

Date of Appointment
5 May 2015

Skills and Experience
Ms Farah Suhanah obtained a Bachelor of Arts in Law (Honours) from the University of Kent at Canterbury, is a Barrister-at-Law of the Middle Temple, UK, and has been called to the Malaysian Bar. She brings with her more than twenty-five (25) years of experience in legal practice in the areas of privatisation of infrastructure and services, conveyancing of property and real estate, joint venture transactions and arrangements, corporate and commercial transactions, the satellite communications industry as well as regulatory compliance. Prior to joining IOI Group, she was in private legal practice and has also held various senior positions in public listed companies.

Dr Surina binti Ismail
Group Head of Sustainability
Malaysian • Age 60 • Female

Date of Appointment
1 March 2016

Skills and Experience
Dr Surina binti Ismail obtained her Bachelor of Science (Honours) in Chemistry from Indiana University, MSc. in Polymer Organic Chemistry from University of Massachusetts and a Ph.D. in Bioorganic Polymer from University of Akron, USA. She has more than twenty (20) years of experience working in several multinational and large Malaysian corporations. She brings with her diverse experience in intellectual property management, research and development, corporate strategy & planning and sustainability. She has strong technical knowledge and experience in oleochemicals, palm oil, rubber products, UV coating and nanotechnology specifically in nanomaterials where she holds several international patents.

Senior Management Team

CORPORATE

Tan Choong Khiang
Company Secretary
Malaysian • Age 50 • Male

Date of Appointment
8 August 2011

Skills and Experience
Mr Tan Choong Khiang is a fellow member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). He is the Head of Corporate Secretarial in IOI Group and is responsible of monitoring and supervising the overall corporate secretarial functions of IOI Group. He has vast working experience in secretarial practice, corporate governance, corporate advisory and compliance, in various industries. Prior to joining IOI Group, he was an Associate Director – Corporate Services with Tricor Services (Malaysia) Sdn Bhd, where he was responsible for management and business development of their corporate secretarial and accounting service divisions.

He is curently Vice President of MAICSA and Deputy Chairman of the National Investigation Group. He is one of MAICSA representatives on the Corporate Practice Consultative Forum Accounting & Audit Sub-Committee set up by the Companies Commission of Malaysia. He is also the representative of MAICSA on the ASEAN Corporate Secretaries Network.

Alvin Lee Chin Huat
Head of Business Systems and Information
Malaysian • Age 46 • Male

Date of Appointment
18 June 2018

Skills and Experience
Mr Alvin Lee holds a Master of Science [Information Technology ("IT")] from Universiti Putra Malaysia. He has more than nineteen (19) years of experience in IT business application, with specialisation in network, systems, database and software project development in diverse exposures of different industries ranging from automative, machineries, retail, merchandising to manufacturing.

Ling Kea Ang
Head of Group Internal Audit
Malaysian • Age 53 • Male

Date of Appointment
1 July 2015

Skills and Experience
Mr Ling Kea Ang is a Chartered Accountant and holds The Association of Chartered Certified Accountants ("ACCA") qualification and is a member of the Malaysian Institute of Accountants ("MIA") and Institute of Internal Auditors Malaysia.

He has more than twenty-seven (27) years of experience in external and internal auditing. Prior to joining IOI Group, he was attached to one of the Big Four international accounting firms and had acquired broad experience in auditing, accounting and taxation of large publicly listed companies listed on the Bursa Malaysia Securities Berhad, large multinational corporations and privately owned businesses which were involved in various business sectors of the Malaysian economy. He was also assigned to carry out internal audit and Sarbanes-Oxley Section 404 audit of multinational corporations and was also involved in other special assignments like corporate listing and due diligence exercise.

PLANTATION

Sudhakaran a/l Nottath Bhaskaran
Plantation Director
Malaysian • Age 61 • Male

Date of Appointment
16 March 2003

Skills and Experience
Mr Sudhakaran a/l Nottath Bhaskaran holds an Honours Degree in Mechanical Engineering from University of Technology Malaysia and a Diploma in Palm Oil Mill Engineering from Malaysian Palm Oil Board ("MPOB"). He started his career in Felda Mills Corporation as a Mill Engineer and later joined Unilever Plantations where he held several positions as Mill Manager, Estate Manager and General Manager of Plantations. He joined IOI Group in 2003 as General Manager of Sandakan Refinery and later assumed the position of General Manager of Sandakan Plantations before his posting to Head Office as Senior General Manager, Plantations Division. He was subsequently promoted to Plantation Director on 1 July 2017.

Ragupathy a/l Selvaraj
Senior General Manager, Lahad Datu
Malaysian • Age 62 • Male

Date of Appointment
1 July 1989

Skills and Experience
Mr Ragupathy a/l Selvaraj holds a Bachelor of Science in Agriculture from Andhra Pradesh Agriculture University, Hyderabad, Andra Pradesh, India. Prior to joining IOI Group as an Assistant Manager in 1989, he was a Cadet Planter in Detas Estate (1988) which was later acquired by IOI Group in 1989.

Subramaniam a/l Arumugam
Head of Plantations, Indonesia
Malaysian • Age 56 • Male

Date of Appointment
1 March 2018

Skills and Experience
Mr Subramaniam a/l Arumugam holds a Bachelor of Science (Agribusiness) degree from the University Pertanian Malaysia. He has over thirty-one (31) years working experience in the plantation industry and held positions of General Manager as well as Regional Controller in various big plantation companies in Malaysia and Indonesia. Prior to joining IOI Group, he was the Regional Controller at Sinarmas (Golden Agri Resources).

Senior Management Team

COMMODITY MARKETING

Lim Jit Uei
Group Head of Commodity Marketing
Singaporean • Age 46 • Male

Date of Appointment
3 August 2015

Skills and Experience
Mr Lim Jit Uei obtained a Bachelor of Science in Real Estate (Honours) from the National University of Singapore. He has more than fifteen (15) years of experience in the trading of agricultural commodities with leading commodity companies. Prior to joining IOI Group, he was the Regional Procurement Manager (Commodities) for a global food ingredients manufacturer. He also sits on the Management Board of the Palm Oil Refiners Association of Malaysia ("PORAM").

Mr Lim Jit Uei is the brother-in-law of Dato' Lee Yeow Chor and Mr Lee Yeow Seng.

REFINERY

Shyam a/l M. K. Lakshmanan
General Manager
Malaysian • Age 57 • Male

Date of Appointment
1 February 2013

Skills and Experience
Mr Shyam a/l M.K. Lakshmanan holds a Master's Degree in Manufacturing Systems Engineering from the University of Warwick. He is a Chartered Chemical Engineer (UK), a Professional Engineer and a First Grade Steam Engineer. Prior to joining IOI Group, initially he worked as a Process Engineer in the edible oil industry and then moved to the chemical industry. His international experiences include handling mineral processing projects in China and Indonesia, and heading a mineral processing plant in Western Australia. As a Certified Energy Manager, he leads the energy and resources savings projects as well as environment conservation efforts. He is also a Chartered Scientist (UK) and guides the Research and Development being conducted at Sandakan Refinery to reduce 3-MCPD and GE in palm oil products.

OLEOCHEMICAL

Tan Kean Hua
Executive Director
Malaysian • Age 56 • Male

Date of Appointment
1 April 2011

Skills and Experience
Mr Tan Kean Hua holds a First Class Honours Degree in Chemical Engineering from University of Malaya and an Executive MBA Degree from the University of Bath – Malaysian Institute of Management. He is a Fellow of Institution of Chemical Engineers, UK (FIChemE) and Chartered Engineer of The Engineering Council, UK (Ceng). Prior to joining IOI Group in 2004, he held a senior marketing position in an oleochemicals multinational company. He was the Chairman of Malaysian Oleochemical Manufacturers Group ("MOMG") from March 2010 till March 2017. He also held the chair of the Asean Oleochemical Manufacturers Group ("AOMG") twice during his MOMG Chairmanship. He was the Board Member of the Board of MPOB for three (3) terms – from May 2010 until May 2017.

OLEOCHEMICAL

Koo Ping Wui
Chief Operating Officer, Johor
Malaysian • Age 56 • Male

Date of Appointment
3 February 2020

Skills and Experience
Mr Koo Ping Wui holds a Master Degree in Business Administration from Open University of Malaysia and Diploma in Marketing from the Marketing Confederation of Australia. Prior to joining IOI Oleochemicals Industries Berhad, he has worked in the pharmaceutical and medical supplies industry for 15 years. He joined IOI in 2003 and has headed sales and marketing teams in various subsidiaries within IOI Oleochemical Division. Before his appointment as Chief Operating Officer, Johor in 2020, he was the Chief Marketing Officer, IOI Oleo GmbH based in Hamburg, Germany since 2017.

Lai Choon Wah
Chief Operating Officer, Penang
Malaysian • Age 57 • Male

Date of Appointment
1 July 2016

Skills and Experience
Mr Lai Choon Wah holds a Degree in Chemical and Process Engineering from the National University of Malaysia and also a Master Degree in Business Administration from University Science Malaysia. He has extensive working experience in oleochemicals industry and has been working with IOI Group since 1997. Before his appointment as Chief Operating Officer in July 2016, he was the Senior General Manager.

Thomas Kummer
Chief Operating Officer, Germany
German • Age 51 • Male

Date of Appointment
16 February 2016

Skills and Experience
Mr Thomas Kummer holds a Bachelor of Chemical Production and Management. Prior to IOI Group taking over the business from the former owner in 2016, he held a senior operation position in the former organisation and has more than twenty (20) years of experience in the oleochemical business in different management positions.

Notes:
1. Lim Jit Uei has family relationship with Dato' Lee Yeow Chor and Lee Yeow Seng, both are Directors and major shareholders of the Company.
2. Save as disclosed in item (1), none of the above senior management team members has:
   (a) any directorship in public companies and listed issuers;
   (b) any family relationship with any directors and/or major shareholders of the Company;
   (c) any conflict of interest with the Company;
   (d) any conviction for offences (other than traffic offences, if any) within the past five (5) years;
   (e) any public sanction or penalty imposed by the relevant regulatory bodies during the financial year;
   (f) any shares in the Company (whether directly or indirectly) except below direct shareholding:-
      - Sudhakaran a/l Nottath Bhaskaran (75,600 shares)
      - Tan Kean Hua (2,400 shares)
      - Koo Ping Wui (12,000 shares)

Corporate Governance Overview Statement

We would like to take this opportunity to provide you with some insights into the corporate governance practices of IOI Group under the leadership of our Board of Directors (the "Board") during the financial year ended 30 June 2020 ("FY2020"). This Corporate Governance Overview Statement ("Statement") sets out the principles and features of IOI Group's corporate governance framework and highlights main areas of focus and priorities for the Board during 2020/2021.

At IOI Group, we continue to practise a governance framework that goes beyond an interest in governance for its own sake or the need to simply comply with regulatory requirements. In the same spirit, we do not see governance as just a matter for the Board. Good governance is also the responsibility of senior management. To ensure there is an integrated Group-wide approach towards upholding high governance standards, efforts have been made to strengthen the governance structures and processes of IOI Group's subsidiaries.

The cornerstone principles of corporate governance at IOI Group are guided by Vision IOI whereby responsible and balanced commercial success are to be achieved by addressing the interests of all stakeholders. A set of Core Values guides our employees at all levels in the conduct and management of the business and affairs of IOI Group. We believe that good corporate governance results in quantifiable and sustainable long-term success and value for shareholders as well as all other stakeholders, as reflected by our performance and track record over the years.

We will continue evaluating our governance practices in response to evolving best practices and the changing needs of IOI Group. The Board is pleased to present this Statement and explain how IOI Group has applied the following three (3) principles as set out in the Malaysian Code on Corporate Governance (the "CG Code"):

Board leadership and effectiveness

Effective audit and risk management

Integrity in corporate reporting and meaningful relationship with stakeholders

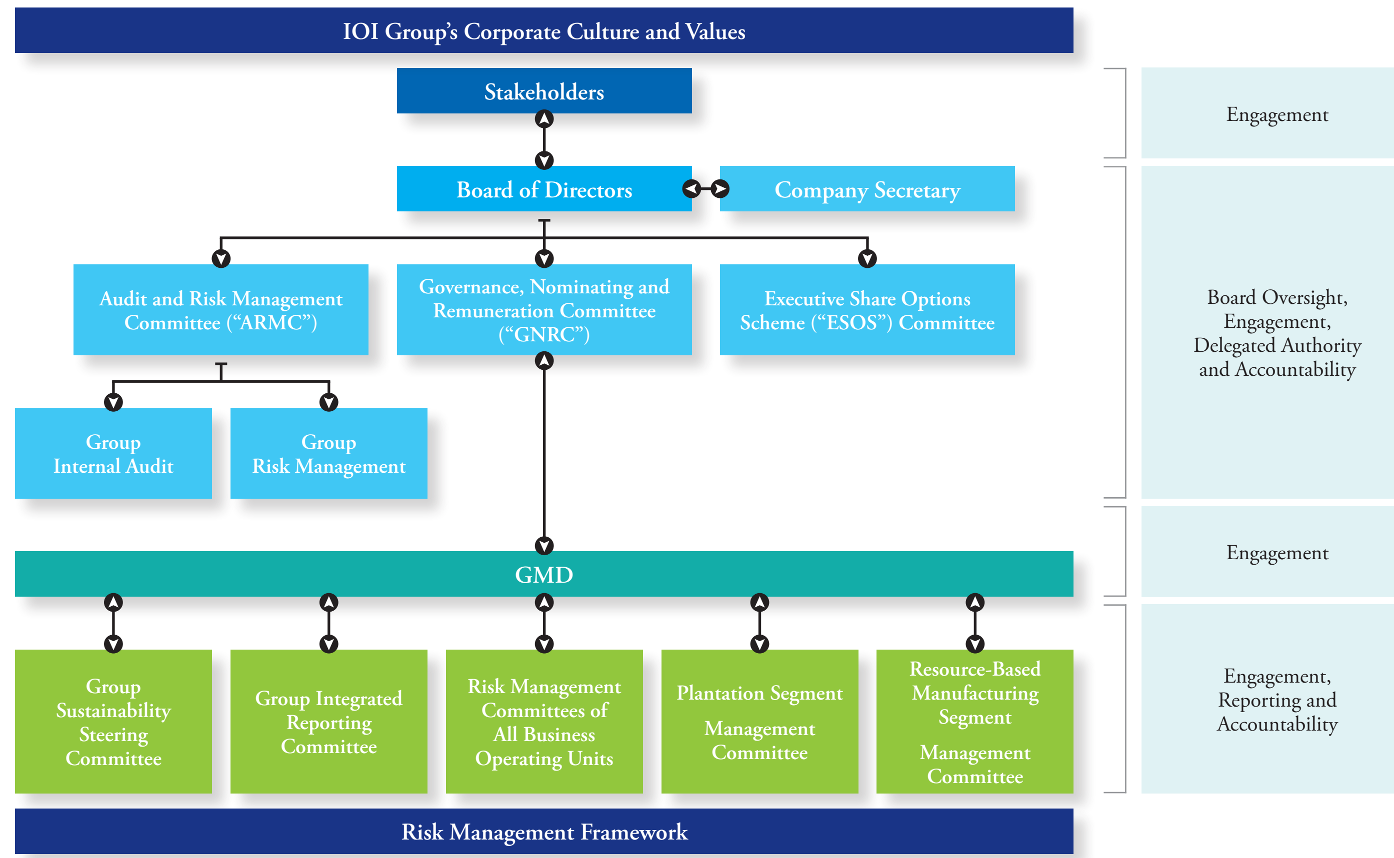
HOW OUR GOVERNANCE SUPPORTS THE DELIVERY OF OUR STRATEGY

All Directors are collectively responsible for the success of IOI Group. The Non-Executive Directors exercise independent, objective judgement in respect of Board decisions, and scrutinise and challenge management. They also have various responsibilities concerning the integrity of financial information, internal controls and risk management.

The Board is responsible for setting our strategy and policies, overseeing risk and corporate governance, and monitoring progress towards meeting our objectives and annual plans. It is accountable to our shareholders for the proper conduct of the business and our long-term success, and represents the interests of all stakeholders. The Board conducts a review of the Group's overall strategy. The Group Managing Director and Chief Executive ("GMD"), Group Chief Financial Officer ("CFO") and senior management team take the lead in developing our strategy, which is then reviewed, constructively challenged and approved by the Board.

The role of the Board is to create long-term sustainable value for the benefit of our shareholders and our wider stakeholders. To achieve this, it is vital that we have a robust corporate governance framework, which provides systems of checks and controls to ensure accountability and promotes sound decision-making. Our corporate governance framework is a value-based governance framework that takes into consideration the CG Code, Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), Vision IOI and IOI Group's corporate culture and values. The framework shows an interaction between the stakeholders and the Board, demonstrates how the Board Committee structure facilitates the interaction between the Board and the GMD, and also illustrates the flow of delegation from stakeholders. We have established a process to ensure the delegation flows through the Board and its committees to the GMD and management committees and into the organisation. At the same time, accountability flows back upwards from the Company to stakeholders.

GOVERNANCE FRAMEWORK



ADOPTION OF CG CODE

The Board considers that the Company has adopted the CG practices and applied the main principles of the CG Code for FY2020 except:

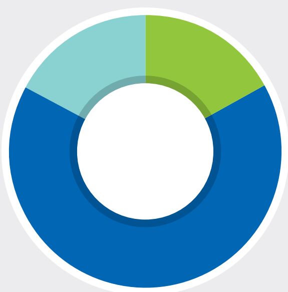
- Practice 4.5 *(The Board must have at least 30% women Directors)*
- Practice 7.2 *(The Board discloses on a named basis the top five (5) senior management's remuneration in bands of RM50,000)*
- Practice 12.3 *(Listed company with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate voting including voting in absentia and remote shareholders' participation at general meetings)*

Details of how we applied the CG Code principles and complied with its practice are set out in the Corporate Governance ("CG") Report which is available on the Company's website at www.ioigroup.com/Content/IR/IR_Reports. The explanation for departure is further disclosed in the CG Report.

Corporate Governance Overview Statement

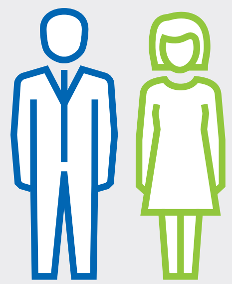
BOARD COMPOSITION

Board Composition
as at 28 August 2020



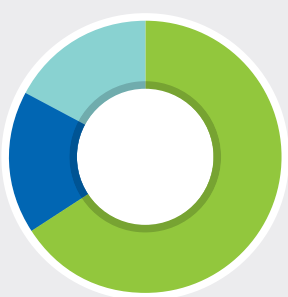
Executive Director	17%
Independent Non-Executive Directors	66%
Non-Independent Non-Executive Director	17%

Gender Diversity
as at 28 August 2020



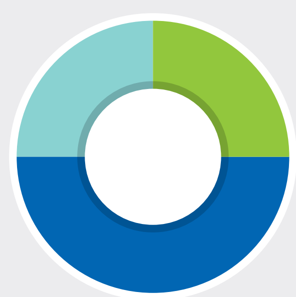
Male	83%
Female	17%

Ethnic Diversity
as at 28 August 2020



Chinese	66%
Bumiputra	17%
Indian	17%

Tenure of Independent Non-Executive Directors
as at 28 August 2020



0-5 years	25%
5-9 years	50%
9-12 years	25%

BOARD LEADERSHIP AND EFFECTIVENESS

Board Leadership, Roles and Responsibilities

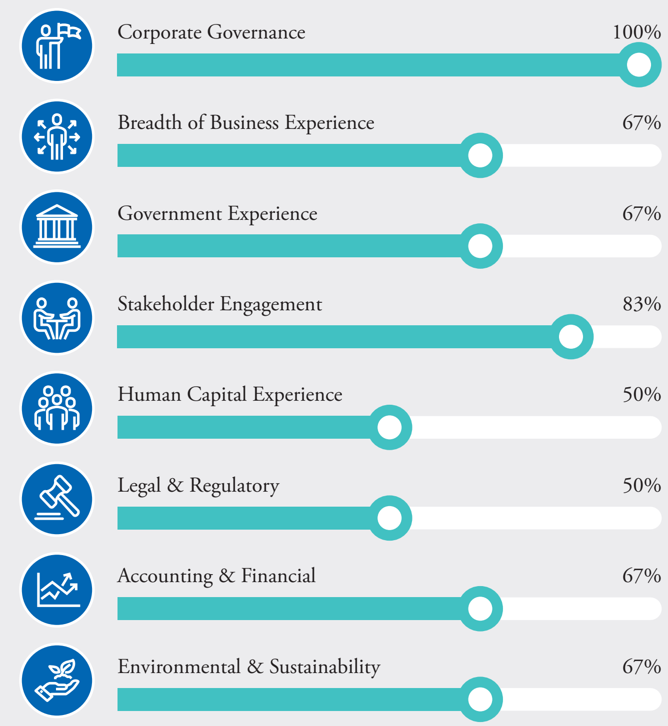
Our Board is responsible for the overall leadership of IOI Group, including establishing its purpose, values and strategy, and satisfying ourselves as to the alignment of IOI Group's culture to Group's purpose, values and strategy. An effective Board is key to the establishment and delivery of a company's strategy and we therefore continually seek to improve the effectiveness of our Board.

Effective management and good stewardship are led by the Board. Our Board is currently composed of an Independent Non-Executive Chairman, our GMD and four (4) Non-Executive Directors ("NEDs"). The composition of our Board ensures that no individual or small group of Directors can dominate the decision-making process and that the interests of shareholders are protected. Independent NEDs form a majority of our Board. The Board considers each of our current Independent NEDs to be independent in character and judgement. In reaching this determination of independence, the Board has concluded that each of them provides objective challenge to management, is willing to stand up and defend his or her own beliefs and viewpoints in order to support the ultimate good of the Company and that there are no business or other relationships likely to affect the judgement of the Independent NEDs.

The NEDs have a diverse range of skills and experience which enables them to provide effective oversight, strategic guidance and constructive challenge, examine proposals on strategy and empower the GMD to implement the strategy approved by the Board. The Independent Non-Executive Chairman acts as an intermediary for the other Directors when necessary and is available to shareholders if they have concerns that have not been addressed through the normal channels.

Directors' Core Areas of Expertise

The following sets out the composition of skills and experience of our Board:



Effective operation of the Board relies on clarity of the various roles and responsibilities of the individual Board members. In line with the principles of the CG Code, a clear division of responsibilities has been established. The Chairman is responsible for leading and managing the work of the Board, while responsibility for the day-to-day management of IOI Group has been delegated to the GMD. The GMD is supported in this role by the senior management team and has executive responsibility for running our business. The diligent way in which the Chairman of the Board Committees and their members carry out their Committee duties enables us to discharge our responsibilities efficiently and effectively.

The Board discharges its responsibilities through a programme of meetings that includes regular reviews of financial performance and critical business issues, annual budget and strategy review.

The Board has a schedule of matters specifically reserved to it for decision and has approved the written terms of reference of the various Committees to which it has delegated its authority in certain matters. Further detail on the work of the ARMC and GNRC are provided in the respective sections of this Statement and the ARMC Report. The terms of reference of each of the Board's Committees are also available on our website.

The Company Secretary ("CS"), through the Chairman, is responsible for advising the Board on all governance matters and for ensuring that Board procedures are followed, applicable rules and regulations are complied with, and that due account is taken of relevant codes of best practice. The CS is also responsible for ensuring effective communication flows between the Board and its Committees, and between senior management and NEDs. The CS also facilitates the communication of key decisions and policies between the Board, Board Committees and senior management. In ensuring the uniformity of Board conduct and effective boardroom practices throughout IOI Group, the CS has oversight on overall corporate secretarial functions of IOI Group, both in Malaysia and the regions where IOI Group operates.

Board Evaluation

Our Board conducted an internal Board evaluation during FY2020 which covered, among others:

- Performance of the Board and its Board Committees
- Processes which underpin the Board's effectiveness (including consideration of the balance of skills, experience, independence and knowledge of the Board members)
- Individual performance (giving consideration to whether each Director continues to contribute effectively and show commitment)

Board Evaluation Process

- Completion of questionnaires on effectiveness of the Board and its Committees and individual Directors
- Collation of results and preparation of findings and actions
- Deliberations in the GNRC and Board meetings
- Key areas identified and action plan prepared and approved by the Board

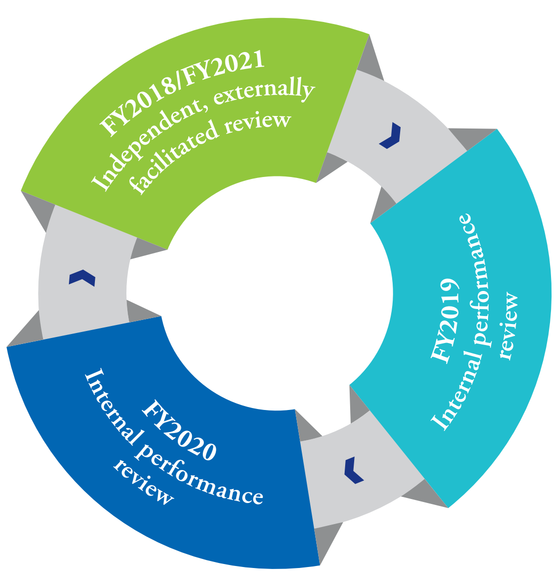
Corporate Governance Overview Statement

The results of the Board evaluation were presented to the Board in September 2020 where the Board noted the findings and areas that necessitated further improvements. Board members had provided feedback not only on the areas of assessment but also on areas that the Board could improve on moving forward. The Board was satisfied with the evaluation results which indicated that each of the Directors continues to discharge their respective duties and responsibilities effectively, and that the Board as a whole and its Committees have been effective in discharging their oversight responsibilities and continue to function effectively. As the average rating of the Board evaluation was relatively high, no apparent shortcoming had been identified. However, with the view to raise the bar on the performance of our Board and its Committees and given our Group's globalised business and its diversification into non-crude palm oil business, our Board agreed that notwithstanding the adequate composition, the potential inclusion of new Board members who possess broad exposure to various business and experience in international business could be considered. The findings of the Board evaluation also have recommended areas of focus by the Board, the salient points of which are as follows:

- strategic planning focusing on future investment, organic growth and diversification of the Group's commodity base
- long-term strategy to reduce dependency on foreign labour through ongoing automation programme
- sustainability and succession planning

In line with CG Code's best practice of having externally facilitated Board evaluation periodically by engaging professional independent consultant, the Board will continue with its three (3)-year External Board Effectiveness Review Cycle, depicted as follows:

Board Effectiveness Review Cycle



Appointment to the Board and Diversity

All appointments to our Board are based on merit and objective criteria, in the context of the strategy of the Group and the diversity of gender, social and ethnic backgrounds, cognitive and personal strengths, as well as skills, knowledge and experience required for the Board to be effective. Appointments are made following a formal and transparent Board selection process, the flow chart of which is accessible through the Company's website at www.ioigroup.com/Content/G/pdf/IOIC_Directors_Selection_Process_Flow_Chart.pdf.

All potential new Directors are required to disclose their significant commitments and to give an indication of the time spent on those commitments. The GNRC will take this into account when considering a proposed appointment on the basis that all Directors are expected to allocate sufficient time to their role on the Board in order to discharge their responsibilities effectively. Our Board is of the view that the current external directorships held by the Directors do not give rise to any conflict of interests nor impair their ability to discharge their duties effectively and that each of them had allocated sufficient time to his or her role in order to discharge their responsibilities effectively during FY2020.

On appointment to the Board, all Directors will receive an induction which is tailored to the new Director's individual requirements. On completion of the induction, Directors are expected to have sufficient knowledge and understanding of the nature of the business, and the opportunities and challenges facing the Group, to enable them to effectively contribute to strategic discussions and oversight of the Group.

The Group recognises and embraces the benefits of a diverse Board. The GNRC reviews the composition of the Board and the Board Committees. It frequently considers a skills matrix for the Board, which identifies the core competencies, skills, diversity and experience required for the Board to deliver its strategic aims and govern the Group effectively. This helps to determine a timeline for proposed appointments to the Board and continues to form the basis of our GNRC and Board discussions in FY2021 as we consider the make-up of the Board that will best support the Group's globalised business as it moves into the next stage of development.

We recognise that the Board sets the tone for inclusion and diversity across the Group and believe we should have a diverse leadership team to support good decision-making. Diversity is integrated across our Code of Business Conduct and Ethics and associated workforce policy, and we promote a culture of diversity, respect, and equal opportunity, where individual success depends only on personal ability and contribution. We strive to treat our employees with fairness, integrity, honesty, courtesy, consideration, respect, and dignity, regardless of gender, race, nationality, age, or other forms of diversity. Our Board is focused on creating an inclusive culture in line with IOI's Core Values, which we believe will lead to greater diversity throughout the Group.

DIVERSITY DISCLOSURE *

Gender Diversity

Employees

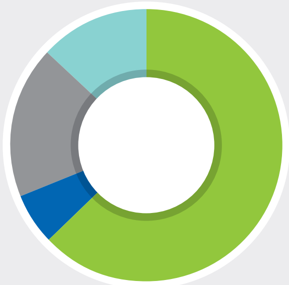
Male	69%
Female	31%

Management (managers & above)

Male	77%
Female	23%

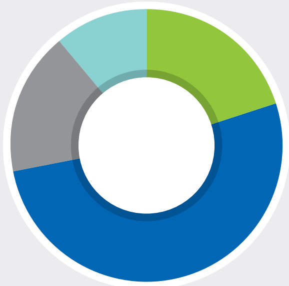
Ethnic Diversity

Employees



Bumiputra	63%
Chinese	8%
Indian	18%
Others	11%

Management (managers & above)



Bumiputra	20%
Chinese	54%
Indian	17%
Others	9%

Note:
* Excluding foreign workers

Board Committee Membership and Meeting Attendance in FY2020

Our Board and Board Committees members have discharged their roles and responsibilities in FY2020, through their attendance at the meetings as set out in the table below:

Name	Board	ARMC	GNRC
Number of meetings held in FY2020	6	6	1
Executive Director			
Dato' Lee Yeow Chor^	6/6 (100%)	6/6 (100%)	1/1 (100%)
Non-Executive Directors			
Tan Sri Peter Chin Fah Kui○*	6/6 (100%)	3/3 (100%)	1/1 (100%)
Tan Sri Dr Rahamat Bivi binti Yusoff **	6/6 (100%)	3/3 (100%)	1/1 (100%)
Datuk Karownakaran @ Karunakaran a/l Ramasamy○	6/6 (100%)	6/6 (100%)	1/1 (100%)
Cheah Tek Kuang	4/6 (67%)	4/6 (67%)	1/1 (100%)
Lee Yeow Seng	6/6 (100%)	–	–

○ Chairman or Committee Chairman
^ In his capacity as Director, and he attended (by invitation) all relevant Board and Committee meetings in his capacity as GMD.
* Resigned as ARMC member on 1 October 2019.
** Appointed as ARMC member and resigned as GNRC member, both on 1 October 2019.

All Directors have more than adequately complied with the minimum requirements on attendance at Board meetings as stipulated under the Listing Requirements. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Board and/or Board Committee members.

Corporate Governance Overview Statement

What the Board and GNRC Did During FY2020

Our Board has an agenda that ensures strategic, budget, sustainability, risk management and internal control, operational, financial performance and corporate governance matters are discussed at the appropriate time at Board meetings. Our Board debated and provided input to management on the execution of the overall strategy of the Group, and reflected on that strategy with longer-term views on what could be done to build our strengths as integrated plantation company, enhance financial resilience and deliver consistent and stronger returns through business cycles. Key highlights of our Board's FY2020 activities and priorities are summarised as follow:

Principal matters considered by the Board in FY2020		
Strategic Matters	**Governance, Assurance & Risk Management**	**Financial & Management Performance**
IOI Group's five-year strategy blueprint	Year-end corporate reports, Statement on Risk Management and Internal Control	Quarterly financial performance and results
Sustainability strategy	Annual Board evaluation and effectiveness findings	Expenditure approvals & revision of Approval Limit Policy
Succession planning	Board diversity	Group's annual budget, forecasts & key performance targets & indicators
Dividend decisions	Risk Reviews & Revision of Enterprise Risk Management Framework and Policies	Group's operational efficiency
Potential growth opportunities	Quarterly internal audit findings	
Group's ongoing SAP system implementation and digitalisation & mechanisation plan		
Revisited and refreshed IOI's vision, mission and core values		

Looking ahead to FY2021

During FY2021, our Board will:-

- Refine our strategic propositions
- Continue with Board and senior management succession planning
- Oversee the Group's digitalisation & mechanisation implementation
- Continue evaluating business diversification, mergers and acquisitions and exploring new business opportunities

The GNRC's terms of reference, which are listed on the Group's website, include all matters required by the CG Code. No changes were made to the terms of reference during FY2020. The GNRC believes that our Board continues to have the appropriate skills, knowledge and experience to oversee the effective delivery of our strategy. Throughout FY2020, Directors took opportunities to meet with senior management across the Group.

GNRC Activities & Focus in FY2020			
Strategic	**Governance**	**Remuneration**	**Nomination**
Oversight of management succession	Review Board evaluation and effectiveness	Review Board and senior management remuneration framework	Review and recommend Directors standing for re-election at the AGM
Review Board composition & dynamics	Review independence of Independent Directors	Review Directors' remuneration and benefits for shareholders' approval	Review and recommend the retention of Independent Directors for shareholders' approval

Looking ahead to FY2021

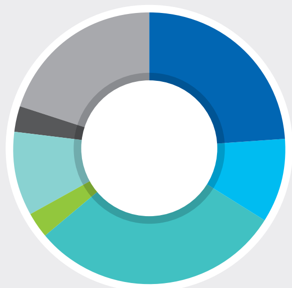
During FY2021, our GNRC will continue to focus on:-

- Monitoring Board and senior management succession planning
- Reviewing Board size, its composition and intensifying efforts in sourcing for suitable female candidate to meet the 30% women Directors target
- Engaging external independent consultant to facilitate the Board Effectiveness Evaluation, Board and Senior Management Remuneration Review

Board Development

In order to continue to contribute effectively to the Board and Board Committee meetings, Directors are regularly provided with the opportunity to take part in ongoing training and development and they can also request specific training that they may consider necessary or useful. The diagram shows the key learning areas/topics attended by the Directors. The details of training attended by our Directors in FY2020 can be found on our website at www.ioigroup.com/Content/G/G_Governance

Key Learning Areas/Topics



Corporate Governance	24%
Risk Management & Internal Control	10%
Economic, Finance & Business	30%
Trade, Investment & Commerce	3%
Sustainability	10%
Regulatory Compliance	3%
Leadership & Management	20%

Corporate Governance Overview Statement

Directors' Remuneration

The Company has in place a Remuneration Framework for Directors and senior management which sets out the criteria applied in recommending their remuneration packages.

The Board has delegated responsibility for the consideration and approval of the remuneration of the Chairman, GMD and NEDs to the GNRC. The Board as a whole considers the fees paid to NEDs.

Each of the Directors receives a base fixed Director's fee and meeting allowance for each Board, Board Committee and general meetings that they attend. The structure of the fees payable to Directors of the Company is as follows:

Appointment	Per Annum (RM)
Board of Directors	
Base fee	130,000
Chairman's fee	115,000
Audit and Risk Management Committee	
ARMC Chairman's fee	50,000
ARMC Member's fee	35,000
Governance, Nominating and Remuneration Committee	
GNRC Chairman's fee	30,000
GNRC Member's fee	20,000

The details of the remuneration of Directors of the Company comprising remuneration received/receivable from the Company and its subsidiaries during FY2020 are as follows:

	Company					Subsidiaries			
	Fees RM'000	Salaries & Bonus* RM'000	Benefits-In-Kind RM'000	Others^ RM'000	Company Total RM'000	Salaries & Bonus* RM'000	Others^ RM'000	Subsidiaries Total RM'000	Group Total RM'000
Executive Director									
Dato' Lee Yeow Chor (GMD)	130	13,228	35	60	**13,453**	–	–	–	**13,453**
Total	**130**	**13,228**	**35**	**60**	**13,453**	**–**	**–**	**–**	**13,453**
Non-Executive Directors									
Tan Sri Peter Chin Fah Kui (Chairman)	278	–	–	11	**289**	–	–	–	**289**
Tan Sri Dr Rahamat Bivi binti Yusoff	161	–	–	14	**175**	–	–	–	**175**
Datuk Karownakaran @ Karunakaran a/l Ramasamy	200	–	–	14	**214**	–	–	–	**214**
Lee Yeow Seng	130	–	–	8	**138**	–	–	–	**138**
Cheah Tek Kuang	185	–	–	10	**195**	–	–	–	**195**
Total	**954**	**–**	**–**	**57**	**1,011**	**–**	**–**	**–**	**1,011**

Notes:
* The salary (i.e. RM3.8 million) and bonus are inclusive of employer's provident fund contributions.
^ Comprises meeting allowances, social security welfare contributions and leave passages, where relevant.

The number of Directors whose remuneration falls under the following bands are:

	Number of Directors	
Range of Remuneration	**Executive**	**Non-Executive**
RM100,000 to RM150,000	–	1
RM150,001 to RM200,000	–	2
RM200,001 to RM250,000	–	1
RM250,001 to RM300,000	–	1
RM300,001 to RM13,450,000	–	–
RM13,450,001 to RM13,500,000	1	–

EFFECTIVE AUDIT, RISK MANAGEMENT AND INTERNAL CONTROL

The members of the ARMC possess the financial knowledge and commercial experience to meet the needs of the Board and the Group's business. Our ARMC assists the Board in overseeing, monitoring and assessing the reliability and quality of the Group's financial statements, management of financial risk processes, financial reporting practices and system of internal controls. This is to ensure that our Board dispenses its fiduciary responsibility to present to the shareholders, investors and stakeholders a clear, balanced and meaningful evaluation of the Group's financial position, performance and prospects.

Our Board acknowledges its overall responsibilities in maintaining a sound system of internal control and risk management that provides reasonable assurance of effective and efficient operations, compliance with laws and regulations, as well as internal procedures and guidelines. Our Group has a comprehensive system of internal controls in place, designed to ensure that risks are mitigated and that the Group's objectives are attained. The ARMC supports the Board by overseeing the Group's risk management framework and regularly assessing the framework to ascertain its adequacy and effectiveness.

During FY2020, our Board continued to review the effectiveness of our system of controls, risk management and high-level internal control processes. These reviews included an assessment of internal controls and, in particular, financial, operational and compliance controls, and risk management and their effectiveness, supported by management assurance of the maintenance of controls reports from the Group Internal Audit, Group Insurance & Risk Management Senior Manager as well as the external auditors on matters identified in the course of their statutory audit work. Our Board is of the view that the system of internal control and risk management in place are sound and sufficient to safeguard the Group's assets as well as shareholders' investments and the interests of stakeholders.

More information about the above activities and its effectiveness are set out in the ARMC Report and Statement on Risk Management and Internal Control.

Anti-Bribery and Corruption

Our core values and behaviours drive our culture and conduct throughout the Group. We have a zero-tolerance approach to misconduct of any kind and will take disciplinary action, up to and including dismissal, in the event of a breach. Our Business Ethics, Compliance, Anti-Corruption & Money Laundering Policy (the "Policy") is clear in our commitment not to tolerate bribery or corruption of any form. Our Policy is managed by the compliance office and our compliance manager oversees the progress of implementation and compliance of the Policy.

Directors' Responsibility for Preparing the Annual Audited Financial Statements

Our Directors are required by the Companies Act 2016 to ensure that financial statements prepared for each financial year give a true and fair view of IOI Group and of the Company's state of affairs, results and cash flows. Our Directors are of the opinion that IOI Group uses appropriate accounting policies that are consistently applied and supported by reasonable as well as prudent judgements and estimates, and that the financial statements have been prepared in accordance with Malaysian Financial Reporting Standards, the provisions of the Companies Act 2016 and the Listing Requirements of Bursa Malaysia.

Our Directors are satisfied that IOI Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of IOI Group and of the Company and enable proper financial statements to be prepared. They have also taken the necessary steps to ensure that appropriate systems are in place to safeguard the assets of IOI Group, and to detect and prevent fraud as well as other irregularities. The systems, by their nature can only provide reasonable and not absolute assurance against material misstatements, loss and fraud.

STAKEHOLDERS' ENGAGEMENT

We recognise the importance of listening to, and understanding the views of our stakeholders for the purpose of obtaining feedback that can be used for the Board's decision-making. Particular importance is accorded to groups formed primarily by shareholders and investors, communities, non-governmental organisations ("NGOs"), employees, regulators, suppliers, contractors and customers. This is due both to the influence they have on our business and their impact on our operations and organisational strategy.

A variety of engagement initiatives including direct meetings, workshops and dialogues with communities are constantly conducted to learn about their welfare needs. Our stakeholders and NGOs actively engaged with our GMD, Group Head of Sustainability, Head of Stakeholder Engagement and Group Head of Commodity Marketing in FY2020. For instance, in line with IOI Group's sustainability commitment, our Sustainability team held a meeting with Malaysian Palm Oil Board ("MPOB") in December 2019 to review the certification of 48 of our Group's external fresh fruit bunches suppliers to explore potential collaborations with MPOB. In November 2019, the South Ketapang Landscape Initiative, jointly led by IOI Group, Aidenvironment and Global Environment Centre, held its year-end South Ketapang Landscape Forum which was attended by more than 100 representatives of the relevant government agencies, companies operating within the landscape and local communities. At the forum, three (3) working groups, which were formed in the course of the initiative, shared their results and recommendations on how this public-private partnership, going forward, could effectively manage production-protection compacts in the areas of conservation, fire prevention and control, and village development.

We also actively seek solutions to grievances and disputes through an established grievance mechanism, negotiations and other due processes. These sets of handling procedures are developed to guide us through in our resolutions with the stakeholders involved:

- Boundary dispute handling
- Squatters dispute handling
- Social issues handling

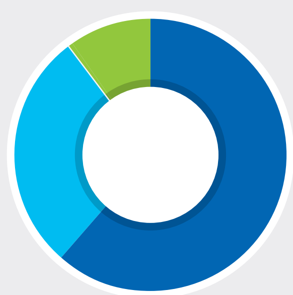
During FY2020, we have made further progress in addressing the longstanding land dispute with nine (9) communities located around IOI Pelita concession in Sarawak. Our Stakeholder Engagement team conducted socialisation sessions with the community leaders to inform them about the way the negotiations for the final settlement will be conducted.

In our quarterly, half-yearly and annual financial reports to shareholders and other interested parties, we aim to present a balanced and understandable assessment of our strategy, financial position and prospects. We make information about the Group available to shareholders through a range of media, including our corporate website at www.ioigroup.com, which contains a wide range of data of interest to institutional and private investors. We consider our website to be an important means of communication with our shareholders.

Our Investor Relations team acts as the main point of contact for investors throughout the year. We have frequent discussions with current and potential shareholders on a range of issues, including in response to individual ad hoc requests from shareholders and analysts. As a testament to our commitment in promoting effective investor relations practices, we were selected through an annual poll organised by Alpha Southern Asia Magazine, with votes collected from investors and analysts across the Asian Region.

Further details on stakeholders' engagement and partnership building are accessible in our Sustainability Report 2020.

Composition of Shareholders
as at 28 August 2020



Malaysian Substantial Shareholders	61.33%
Malaysian Bodies Corporate and Individuals	28.09%
Government and other Government-Related Agencies	Negligible
Foreigners	10.58%

Audit and Risk Management Committee Report

The Board of Directors (the "Board") of IOI Corporation Berhad is pleased to present the report on the Audit and Risk Management Committee of the Board for the financial year ended 30 June 2020 ("FY2020") ("ARMC Report").

Our Audit Committee was established on 24 March 1994 in line with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). Subsequently, on 6 September 2012, the Audit Committee was renamed as the Audit and Risk Management Committee ("ARMC") to better reflect the ARMC's role to support the Board in fulfilling its responsibility of overseeing the Group's risk management framework and policies.

A. MEMBERS

Our ARMC consists of three (3) members, all of whom are Independent Directors, and each satisfies the "independence" requirements contained in the Listing Requirements of Bursa Malaysia. The biography of each member of the ARMC is set out in the Profile of Directors section.

During FY2020, our AMRC comprised of the following members:

Datuk Karownakaran @ Karunakaran a/l Ramasamy
Chairman
Independent Non-Executive Director

Tan Sri Dr Rahamat Bivi binti Yusoff
(appointed on 1 October 2019)
Member
Independent Non-Executive Director

Cheah Tek Kuang
Member
Independent Non-Executive Director

Tan Sri Peter Chin Fah Kui
(resigned on 1 October 2019)
Member
Independent Non-Executive Chairman

Our ARMC considers that the ARMC Chairman and Cheah Tek Kuang have relevant financial experience.

Our Group Managing Director and Chief Executive, Group Chief Financial Officer, Head of Group Internal Audit, Group Insurance and Risk Management Senior Manager, certain senior management members and the Company's external auditors are normally invited to attend the ARMC meetings. There is a standing agenda item facilitating the opportunity for the Company's external auditors to meet without management being present. The Company Secretary acts as Secretary to the ARMC.

B. SUMMARY OF KEY SCOPE OF RESPONSIBILITIES

Our ARMC operates under a written Terms of Reference containing provisions that address requirements imposed by Bursa Malaysia.

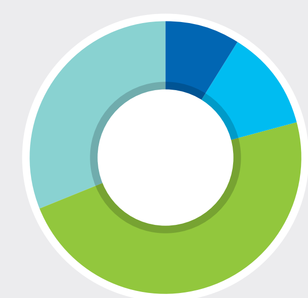
The full Terms of Reference of the ARMC is posted on the Corporate Governance section of the Company's website at www.ioigroup.com/Content/G/G_Governance or can be obtained from the Company Secretary.

The Terms of Reference prescribes the ARMC's oversight of financial compliance matters in addition to a number of other responsibilities that the ARMC performs. Those key responsibilities include, among others:

- Oversee the financial reporting process and integrity of the Group's financial statements
- Evaluate the independence of external auditors
- Review and evaluate the operation and effectiveness of the Company's internal audit function
- Oversee the Group's system of disclosure controls and system of internal controls that management and the Board have established
- Assess the Group's practices, processes and effectiveness of systems of risk management
- Review conflict of interest situations and related party transactions of the Group
- Review the appropriateness of accounting policies and significant financial reporting issues or significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed

C. HOW OUR ARMC SPENT ITS TIME DURING FY2020

The table below provides an overview of how our ARMC spent its time in FY2020:



Governance	9%
External Audit	12%
Internal Audit & Risk Management	48%
Financing Reporting	31%

Audit and Risk Management Committee Report

D. SUMMARY OF WORK OF OUR ARMC

This ARMC Report provides an overview of the work that our ARMC carried out during FY2020, including the significant issues considered in relation to the financial statements and how our ARMC assessed the effectiveness of the external auditors.

The ARMC has a responsibility to oversee the Group's internal control and risk management systems and continues to monitor and review the effectiveness of the Group's internal control and risk management systems with the support of the Group's Internal Audit and Risk Management functions.

The ARMC has an annual work plan, developed from its Terms of Reference, with standing items that the ARMC considers at each meeting, in addition to any matters that arise during the year.

The summary of work and the main matters that the ARMC considered during FY2020 are described below:

1. Financial statements and reporting

Our ARMC maintained its focus during FY2020 on monitoring the integrity of financial reporting and ensuring suitable accounting policies were adopted and applied consistently. The ARMC monitored the financial reporting processes for the Group, which included reviewing reports from, and discussing these with, management and the external auditors, BDO PLT to ensure compliance with financial reporting standards and clarity of disclosures. The ARMC has reviewed the unaudited quarterly financial results and audited financial statements of the Group before recommending them for our Board's approval.

The ARMC assessed whether appropriate accounting policies had been adopted throughout the accounting period and whether management had made appropriate estimates and judgements over the recognition, measurement and presentation of the financial results.

Our ARMC also took cognisance of the circular and communication note issued by Securities Commission Malaysia's Audit Oversight Board and Bursa Malaysia respectively, highlighting the importance of ensuring high quality of audit on financial reports of public interest entities in light of the challenges posed by the COVID-19 pandemic and the needs to provide fair and accurate disclosure in assessing the pandemic related impact on the listed companies' business operations. These disclosure guidance have been carefully considered by the ARMC and management in preparing the financial results to ensure quality and adequacy of information.

The following were the primary areas of financial reporting judgement and disclosure, among others, which were considered by the ARMC in relation to FY2020 financial statements:

(a) Impairment assessment of goodwill on consolidation and impairment assessment of other assets

Goodwill and other assets impairment assessment requires significant judgements and estimates on the future results and key assumptions applied to cash flow projections of the assets being assessed. These assumptions typically include projected growth in future revenues and profit margins, associated discount rates and growth rates. The ARMC received information on the nature of goodwill, and considered the factors that might give rise to an impairment of the Group's goodwill, and whether those factors had arisen during the reporting period. The ARMC constructively challenged the key assumptions used by management in the respective impairment assessments. Following the discussion, the ARMC was satisfied with the goodwill and other assets impairment assessment in FY2020.

(b) Valuation of put and call options

Management has adopted the Binomial option pricing model in deriving the fair values of the put and call options of the Group and BDO PLT has evaluated the appropriateness of the valuation model, as well as the key assumption used in the valuation model, such as the expected underlying share price, expected exercise price, expected dividend yield, risk-free interest rate and expected volatility. The ARMC was satisfied that the options were valued appropriately.

(c) Accounting for derivative financial instruments other than put and call options

Management has performed reasonableness test based on certain inputs from available market information or contracts and compared against the fair value provided by financial institutions before recording them in the financial statements. BDO PLT has discussed with management on the analysis of the contractual terms and evaluated the accounting treatment adopted by management, including the reasons for entering into derivative financial instruments as well as assessing the process of management to derive the fair value of derivative financial instruments. The ARMC was satisfied that the financial instruments were valued appropriately.

(d) Effects of the COVID-19 pandemic on financial reporting

The Group had considered and appropriately taken up the effects from the COVID-19 pandemic in respect of the judgements and assumptions used in the preparation of its FY2020 financial statements. Management also did not anticipate any significant supply chain, logistics and distribution disruptions arising from the pandemic during the reporting period. The ARMC was satisfied that the effects of the COVID-19 pandemic on financial reporting had been considered and appropriately taken up as well as disclosed in FY2020 financial statements.

The external auditors have reported that based on their audit work carried out, they did not identify any material exceptions. For all the above areas, the ARMC received input from management and external auditors prior to reaching its conclusion.

In addition to these reporting matters, the ARMC also received and considered regular updates from management on the status and implications for the Group on financial reporting developments, including updates on discussions by the Malaysian Accounting Standards Board on the development of the MFRSs.

Meeting discussions on audit plan, audit status, as well as findings on areas of significant external auditors' attention were held during and subsequent to FY2020. At the meetings, Key Audit Matters ("KAM") of the Group for FY2020 were presented by the external auditors and the ARMC reviewed and agreed that impairment assessment of the carrying amounts of goodwill and accounting for derivatives financial instruments would be considered as KAM, the details of which can be found in the auditors' report, mainly due to:

(a) It was material and involved significant judgements and estimates about the future results and key assumptions applied to cash flows projections of operating segments of the Group (i.e. plantation and resource-based manufacturing) in determining the recoverable amounts, including projected growth in future revenues and profit margins, growth rates and pre-tax discount rates as well as the effects of the COVID-19 pandemic; and

(b) It was material and involved significant judgement and estimates in arriving fair values as subjective variables need to be used in order to determine the fair value in accordance with MFRS 9 Financial instruments.

As part of the year-end reporting process, the ARMC reviewed the external auditors' reports on internal controls, accounting and reporting matters as well as recommendations in respect of control weaknesses noted in the course of their audit. In FY2020, the ARMC also received information on recommendation for improvement in the system of internal controls, which the external auditors have discussed with the respective estate or mill managers and Regional Senior Plantation Controllers or General Managers and communicated their findings for remedial actions. There were no other significant and unusual events or transactions highlighted by the management as well as by external auditors during the course of their audit during the financial year.

2. Going-concern assessment

The ARMC reviewed the going-concern basis for preparing the Group's consolidated financial statements, including the assumptions underlying the going-concern statement and the period of assessment. The ARMC's assessment was based on various analyses from management regarding the Group's capital and liquidity position prior to recommending to the Board that it could conclude that the financial statements should continue to be prepared on the going-concern basis. The ARMC also took note of the principal risks and uncertainties, the existing financial position, the Group's financial resources, and the expectations for future performance and capital expenditure.

3. Internal audit

The Internal Audit function provides independent and objective assurance and advisory services designed to add value and improve the operations of the Group. Its scope encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the Group's governance, risk management and internal control processes in relation to the Group's defined goals and objectives. The ARMC approved the Internal Audit function's charter, which sets out its role, scope, accountability and authority.

The Head of Group Internal Audit, who is a member of both the Malaysian Institute of Accountants and Institute of Internal Auditors Malaysia, reports functionally to the ARMC, and the ARMC reviewed and approved the annual Internal Audit plan and budget for activities to be undertaken during 2020/2021, taking into consideration such factors as the results of previous audits, both external and internal, the self-assessment questionnaire, system changes and the views of executive management. The ARMC also reviewed the adequacy of the scope, functions, competency and resources of the Internal Audit function during the year.

The Group's Internal Audit Department performs routine audit on and reviews all operating units within the Group, with emphasis on principal risk areas. Internal Audit adopts a risk-based approach towards planning and conduct of audits, which is partly guided by the Group's Enterprise Risk Management ("ERM") framework. Impact on Vision IOI is taken into consideration in determining the risk level as a holistic approach in contributing to the achievement of the Group's objectives and in enhancing shareholders' value.

Audit and Risk Management Committee Report

A total of 87 audit assignments (including eight (8) special audit assignments) were completed during the financial year on various operating units of the Group covering plantation and resource-based manufacturing segments. Audit reports were issued to the ARMC and Board quarterly incorporating findings, recommendations for improvement on the weaknesses noted in the course of the audits and management's comments on the findings. An established system has been put in place to ensure that all remedial actions have been taken on the agreed audit issues and recommendations highlighted in the audit reports. Certain significant issues and matters unsatisfactorily resolved by management had been highlighted to the ARMC and it was agreed that management would expedite resolving the outstanding audit issues.

At each meeting, the ARMC considered the results of the audits undertaken and considered the adequacy of management's response to matters raised, including time taken to resolve such matters. In certain instances, enquiries were made to both Head of Group Internal Audit and management over details of issues raised, root causes and the proposed corrective actions. The ARMC also challenged management as to what actions it was taking to try to minimise the chances of lapses and ensure that material findings are adequately addressed by management.

The tasks, responsibilities, and goals of the ARMC and internal auditing are closely intertwined in many ways. Certainly, as the magnitude of the "corporate accountability" issue increases, so does the significance of the internal auditing and ARMC relationship. Our ARMC has met two (2) times privately (without management presence) with the Head of Group Internal Audit during FY2020 in assuring that the mechanisms for corporate accountability are in place and functioning.

The total costs incurred for the Internal Audit function of the Group for FY2020 was RM3,510,821 (FY2019: RM3,617,865). The lower Internal Audit function cost incurred for FY2020 as compared with FY2019 was mainly due to reduction in staff costs.

4. Risk management

Our ARMC is responsible for assisting the Board by taking delegated responsibility for the ongoing monitoring of the effectiveness of the Group's systems of risk management and internal control. The Group maintains a risk register, which contains the key risks faced by the Group, including their likelihood and impact as well as the controls and procedures implemented to mitigate these risks. The ARMC receives regular Group key risk summary reports, prepared by the Risk Management team, tracking residual risk exposures which allows the ARMC to assess the appropriateness of management's action plans to ensure the Board's risk tolerance is not exceeded.

In FY2020, our ARMC continued its practice of evaluating key areas of risks by receiving direct presentations from management and Group functional heads. Key risks identified during the period under review were, amongst others, competition in downstream operations, reputation and sustainability, freeze in recruiting foreign labour, exposure to trade regulation on commodity products, Group financial reporting risk and impact from the COVID-19 pandemic. These direct reviews are important to the role of our ARMC as they allow ARMC members to meet the business leaders responsible for these areas of risk to scrutinise the key risks, identify emerging risks and define an adequate and practical mitigation action plan. Ensuring effective risk management in these core areas, within the Board's risk tolerance, will help to protect and enhance shareholders' value.

A bi-annual review of the effectiveness of risk management and internal control processes was carried out by the ARMC. The ARMC focused its review on the Company's risk mitigation and controls and the strategic and organisation-wide risks facing the Group. Our ARMC considered the current risk management process during FY2020 and deemed it effective in relation to identifying, assessing and monitoring our Group's risks. Risk management activities take place throughout the organisation to support the ARMC in its corporate governance responsibilities, working with the business to proactively and effectively manage risk. Our ARMC also met with the Group Insurance and Risk Management Senior Manager without the presence of management to address any issues and concerns arising from the course of the risk management assessment. The details relating to risk management are reported separately under the Statement on Risk Management and Internal Control on pages 104 to 108.

5. Assessing the effectiveness of external audit process

The ARMC places great importance on ensuring that there are high standards of quality and effectiveness in the external audit carried out by BDO PLT. Audit quality and the external auditors' independence are assessed by the ARMC throughout the year by reviewing and approving the annual audit plan to ensure that it is consistent with the scope of the audit engagement, as well as the provision of non-statutory audit services to the Group.

Our ARMC met with BDO PLT at various stages during the audit process, including without management presence, to discuss their remit and any issues arising from the audit to ensure they are able to operate effectively and to satisfy themselves that management is responsive to the audit findings and recommendations. During FY2020, our ARMC met two (2) times with BDO PLT privately without management presence.

BDO PLT's audit partners were present at the ARMC meetings to ensure full communication of audit related affairs and they remained fully apprised of all matters considered by the ARMC.

In reviewing the audit plan, the ARMC discussed the significant and elevated risk areas identified by BDO PLT that most likely to give rise to a material financial reporting error or those that are perceived to be of higher risk and requiring additional audit emphasis. Our ARMC also considered the audit scope and materiality threshold.

Our ARMC concluded that the effectiveness of the external audit process remains strong.

6. Auditors' re-appointment review

Our ARMC assesses annually the external auditors' qualifications, expertise, resources and the effectiveness of the audit process, including presentation on their own internal quality procedures. During FY2020, the ARMC assessed the effectiveness of BDO PLT as the external auditors. To assist the assessment, our ARMC considered:

- Quality of planning, delivery and execution of the audit plan and ability to meet deadlines and responding to issues in a timely manner
- Quality and knowledge of the audit team
- Effectiveness of communications between management and the audit team
- Robustness of the audit, including the audit team's ability to challenge management as well as demonstrate professional scepticism and independence
- Ability to identify risks or potential issues and provide constructive recommendations, observations and implications in areas requiring improvements particularly with regard to the internal control system relating to financial reporting of the Group
- Performance evaluation by management

(i) Auditor's effectiveness

The ARMC considered the quality of reports from BDO PLT and the additional insights provided by the audit team, particularly at partner level. The ARMC also considered how well the auditors assessed key accounting and audit judgements and the way they applied constructive challenge and professional scepticism in dealing with management.

Our ARMC remains satisfied with the effectiveness of BDO PLT based on improvements implemented following the previous year's statutory audit review, the quality of the presentations received, management commentary on the robustness of the challenge provided, their technical insight and their demonstration of a clear understanding of the Group's business, the industry in which the Group operates and its key risks.

(ii) Independence and objectivity

The ARMC reviews the work undertaken by BDO PLT and each year assesses its independence and objectivity. In doing so, it takes into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services. The ARMC also monitors BDO PLT's compliance with relevant regulatory, ethical and professional guidance on the rotation of partners.

The audit engagement partner is required to rotate every seven (7) years with cooling-off period of five (5) years as per BDO PLT's firm policy, which is in accordance with the by By-Laws (on professional ethics, conduct and practice) of the Malaysian Institute of Accountants ("MIA"). The current audit engagement partner was re-appointed in 2017. As part of the independence review process, BDO PLT has formally confirmed their independence to the ARMC. BDO PLT reported to the ARMC that it had considered its independence in relation to the audit and confirmed to the ARMC that it complies with professional requirements and that its objectivity is not compromised.

Our ARMC concluded that it continues to be satisfied with the performance of BDO PLT and that BDO PLT continues to be objective and independent in relation to the audit.

(iii) Non-audit work carried out by the external auditors during the period

Our Suitability and Independence of External Auditors Assessment Policy includes a clearly defined pre-approval process for provision of non-audit services to help protect external auditors' objectivity and independence. Pre-approval from our ARMC for non-audit services is required for non-audit fees exceeding pre-determined thresholds.

The ARMC reviews non-audit fees charged by BDO PLT and their affiliated companies or firms and reviews regularly, the limits for pre-approval of non-audit fees. Fees paid to BDO PLT for audit related and non-audit services during FY2020 are set out in Note 10 to the audited financial statements.

BDO PLT also provided in its engagement letter the specific safeguards put in place for each piece of non-audit work confirming that it was satisfied that neither the extent of the non-audit services provided nor the size of the fees charged had any impact on its independence as statutory auditors.

Audit and Risk Management Committee Report

The nature of the non-audit services rendered to the Group during FY2020 comprised mainly tax compliance and advisory services, the fees of which constituted approximately 20% of the total audit fees paid/payable to BDO PLT and their affiliates. The ARMC has carefully considered the non-audit services provided by BDO PLT and their affiliates and was satisfied that the provision of those non-audit services did not compromise the auditors' independence, to which in keeping with professional ethical standards, BDO PLT had also confirmed their independence to the ARMC. Given the external auditors' detailed knowledge of the Group, the ARMC believed that it is in the interest of the Group that BDO PLT and their affiliates performed those services.

The ARMC believes that the provision of non-audit services does not result in lower quality audits where necessary safeguards operate. The safeguards which currently exist as means of eliminating threats to BDO PLT's independence or reducing such threats "to an acceptable level" include, among others:

(i) Those who provide the non-audit services, which may impose a self-review threat, are not the members of the audit team;

(ii) The advisory services provided are one-off and transaction based and are not be expected to recur;

(iii) The external auditors should not provide services that are perceived to be materially in conflict with the role of auditors; and

(iv) The nature and scope of non-audit services provided to the Group are specifically not prohibited by the By-Laws of MIA or promulgations of the International Federation of Accountants.

The ARMC believes that the auditors undertaking the audit related services are best suited to perform or provide such services, which would enable BDO PLT to build a deeper understanding of the Group and further its insights. This also enhances professional scepticism, and the quality of the audit.

(iv) Audit fees

The ARMC is satisfied that the level of audit fees (on a group basis) payable in respect of the audit services provided by BDO PLT and their affiliates, being RM1,428,060 for FY2020 [FY2019: RM1,256,540] was appropriate and that an effective audit could be conducted for such a fee. The existing authority for the ARMC to determine the current remuneration of BDO PLT is derived from the shareholders' approval granted at the Company's Annual General Meeting ("AGM") in 2019.

Recommendation to re-appointment

The ARMC considers the re-appointment of external auditors each year and as part of this process, considers the independence of auditors and the effectiveness of the external audit process. Having reviewed the performance of BDO PLT in FY2020, our ARMC has decided to recommend to the Board that BDO PLT be re-appointed for FY2021 audit and a resolution to this effect will be put forward for shareholders' approval at the 2020 AGM.

7. Other matters considered by our ARMC

Our ARMC also:

(i) Reviewed whistleblowing activities to monitor the actions taken by the Group in respect of whistleblowing reports received.

(ii) Reviewed the Group's compliance with the relevant provisions set out under the Malaysian Code on Corporate Governance for the purpose of preparing the Statement on Risk Management and Internal Control pursuant to the Listing Requirements of Bursa Malaysia.

(iii) Reviewed the ARMC Report and Statement on Risk Management and Internal Control for inclusion in our Annual Report 2019.

(iv) Reviewed the Circular to Shareholders on the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

(v) Reviewed the internal audit report relating to related party transactions annually.

E. ATTENDANCE

Number of Meetings and Details of Attendance

Six (6) ARMC meetings were held during FY2020. The attendance record of each member was as follows:

Member	Total Number of Meetings	Number of Meetings Attended
Datuk Karownakaran @ Karunakaran a/l Ramasamy	6	6
Tan Sri Dr Rahamat Bivi binti Yusoff ^	3	3
Tan Sri Peter Chin Fah Kui*	3	3
Cheah Tek Kuang	6	4

^ Appointed on 1 October 2019
* Resigned on 1 October 2019

Three (3) ARMC meetings were held subsequent to the financial year end to the date of Directors' Report and were attended by the following members:

Member	Total Number of Meetings	Number of Meetings Attended
Datuk Karownakaran @ Karunakaran a/l Ramasamy	3	3
Tan Sri Dr Rahamat Bivi binti Yusoff	3	3
Cheah Tek Kuang	3	3

F. ANNUAL REVIEW AND PERFORMANCE EVALUATION

As required by its Terms of Reference, an annual performance evaluation was conducted on the composition, performance and effectiveness of the ARMC and its members in an effort to continuously improve its processes. The Board was satisfied that the ARMC and its members have effectively discharged their duties in accordance with the Terms of Reference.

Our ARMC had also conducted an annual evaluation of the performance and competency of our Group Internal Audit Department for FY2020 and was satisfied that the internal audit function had discharged its duties effectively.

The ARMC considers that it has adopted a balanced work approach during the year in terms of focus, objectives and means utilised to obtain the necessary assurance, believes that it has retained appropriate standing within the Company and has maintained appropriate relations with management and BDO PLT, while remaining independent at all times. In FY2020, the ARMC received the expected full support from the management, internal and external auditors of the Company, enabling it to discharge its responsibilities effectively.

Looking ahead to FY2021

In addition to the routine business, our ARMC has three (3) focus areas for FY2021:

- Independent external assessment of the Group's risk management framework
- Enhancing the analysis, management and reporting of key risks
- Internal controls, including financial reporting control framework and financial reporting developments

Statement on Risk Management and Internal Control

A. INTRODUCTION

The Board of Directors ("the Board") is cognisant of its overall responsibility to establish a sound risk management and internal control system, including its role in providing risk oversight, setting the tone and culture towards managing principal risks and risk that could impede the corporate objectives and strategies. The Board is pleased to present herewith the Statement on Risk Management and Internal Control of the Board during the year.

B. RESPONSIBILITIES AND ACCOUNTABILITIES

The Board

The Board affirms its overall responsibility in ensuring independent oversight of internal control and risk management. The Board continually articulates, reviews the adequacy and effectiveness of the Group's Enterprise Risk Management ("ERM") framework and internal controls, and ensures alignment with business objectives. However, it should be noted that internal controls are designed to manage and minimise rather than absolute assurance against material misstatement of management and financial information, financial losses, fraud and breaches of laws and regulation.

The ongoing risk management processes are established for identifying, evaluating, monitoring and managing the principal risks faced by the Group in its achievement of strategic objectives. This process has been in place for the year under review and up to the date of approval of this statement.

Audit and Risk Management Committee

The Audit and Risk Management Committee ("ARMC") is established by the Board. ARMC conducts bi-annual risk review with the respective division's Risk Management Committee. The ARMC also ensures the internal controls in place are adequate and effective to address the Group's principal risks.

Corporate Risk Management Department

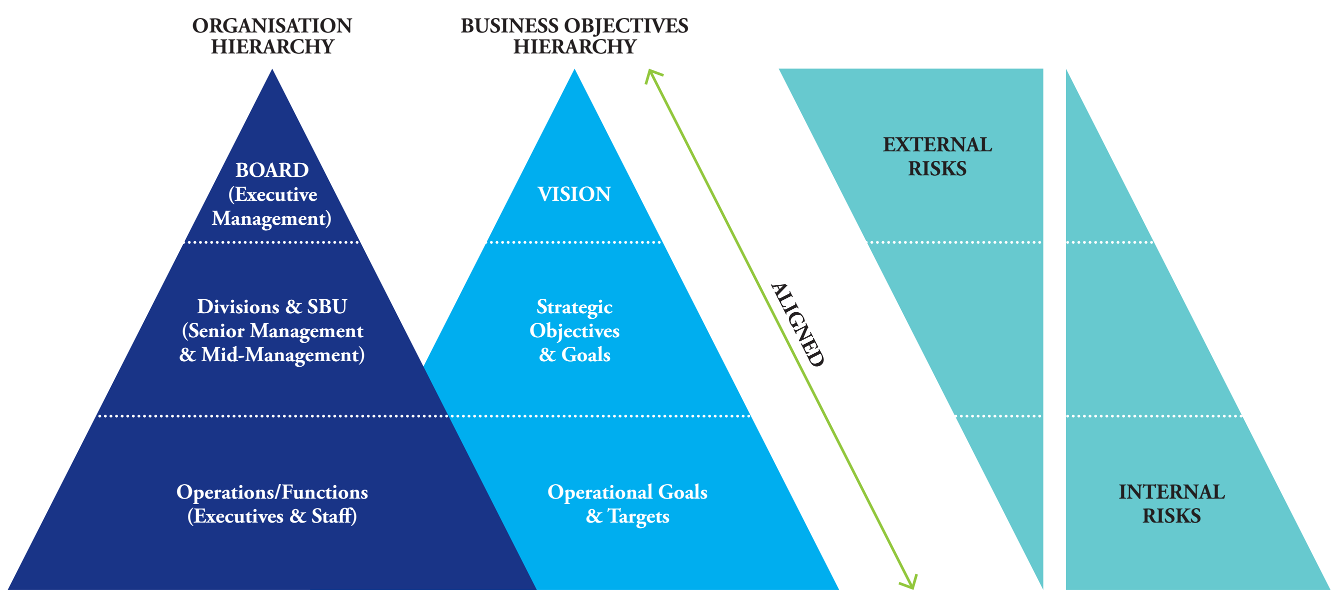
The Corporate Risk Management ("CRM") Department assists the Board and ARMC in discharging their risk management responsibilities. CRM is responsible for assisting the Board to develop a sound risk management framework, monitoring and reporting of principal risks as identified by the management and facilitating bi-annual risk review.

Group Internal Audit Department

The Group Internal Audit Department ("GIAD") is an integral part of the Group's internal control system, and reports directly to the ARMC. GIAD's primary role is to provide independent and objective assurance on the adequacy and effectiveness of governance, risk management and internal control processes by conducting regular audits and continuous assessments. The activities of the GIAD are carried out based on the Annual Audit Plan established on a risk-based approach which is reviewed and approved by the ARMC. Significant audit findings and recommendations for improvement are tabled quarterly to senior management and the ARMC, followed by periodic follow-up review of the implementation of corrective action plans.

Internal Audit Practice Manual has been established incorporating the mandatory elements of the International Professional Practices Framework ("IPPF").

Illustration on Frame of Reference



C. RISK MANAGEMENT FRAMEWORK

The Group adopts an ERM framework which was formalised in 2002. The framework has been revised in 2019 and adapted as reasonably practicable from the ISO 31000: 2018 Risk Management Guidelines.

The Group's ERM framework essentially links the Group's strategic objectives and goals (that are aligned to its vision) to principal risks; and the principal risks to controls and opportunities that are translated to actions and programme. The framework also outlines the Group's approach to its risk management principles:

i) Embrace risks that offer opportunities for superior returns

By linking risks to capital, the Group establishes risk-adjusted-return thresholds and targets that commensurate with varying risk levels assumed by its businesses. Superior risk management and other corporate governance practices are also promoted as contributing factors to lowering long-term cost of funds and boosting economic returns through an optimal balance between costs and benefits.

ii) Risk management as a collective responsibility

By engaging all the divisions as risk owners of their immediate sphere of risks (as shown in the illustration), the Group aims to approach risk management holistically. This is managed through an oversight structure involving the Board, ARMC, Internal Audit, Executive Management and division's Risk Management Committees.

iii) Risk forbearance shall not exceed capabilities and capacity to manage

Any business risk to be assumed shall be within the Group's core competencies to manage. Hence, the continuous effort in building risk management capabilities and capacity are key components of the Group's ERM effort. The Group's overall risk appetite is based on assessments of the Group's risk management capabilities and capacity.

Illustration on IOI Group's Enterprise Risk Management Framework

iv) Risk management as both a control and strategic tool

As a control tool, the Group ensures that the intensity and types of controls commensurate with assessed risk rankings. The Group also applies risk management as a strategic tool in scoping opportunities, investment and resource allocation, strategy formulation and performance measurement.

The Board through ARMC conducts periodic reviews on the adequacy and integrity of the Group's ERM framework and policies, particularly in relation to the mechanisms for risk assessment (principal risks identification, evaluation and treatment), communication, monitoring and review.

The Group's key risk areas are finance, strategic, operation, regulatory compliance, reputation, cyber security and sustainability risks. The Group's overall risk management objective is to ensure that the Group creates value for its shareholders whilst minimising potential adverse effects on its performance and positions. The Group operates within an established risk management framework and clearly defined policies and guidelines that are approved by the Board.

D. KEY RISK AREAS

Under the Group's ERM framework, the Group has relevant policies and guidelines on risk reporting and disclosure which cover the following principal risks:

i) Financial Risk

The Group is exposed to various financial risks relating to foreign currency exchange, interest rate, credit, liquidity and prices. The Group's risk management objectives and policies coupled with the required quantitative and qualitative disclosures relating to its financial risks are set out in Note 38 to the audited financial statements.

ii) Strategic Risk

The Group's vision is to be a leading and sustainable Malaysian business corporation with global presence. Senior management continually keeps abreast of strategic risk, international issues, business resilience, industry disruption, palm oil alternatives and respond to them appropriately.

iii) Operational Risk

The Group's policy is to assume operating risks that are within its core businesses and competencies to manage. Operating risk management ranges from managing strategic operating risks to managing diverse day-to-day operational risks.

Statement on Risk Management and Internal Control

The management of the Group's day-to-day operational risks is primarily decentralised at the division unit level and guided by approved standard operating procedures. This includes risks relating to supply chain, production, marketing and distribution, safety, health and environment, sustainability and compliance with laws, regulations, certifications and quality accreditations. Operational risks that cut across the organisation, including those relating to the enterprise resource planning system (which includes business information systems), treasury management, transfer pricing, group sustainability and reputation, are coordinated centrally.

iv) Compliance Risk

The Group operates in diverse geographical locations and as such, is governed by relevant local and international laws, regulations, standards, certifications and accreditations, including Roundtable on Sustainable Palm Oil ("RSPO") and International Sustainability and Carbon Certification ("ISCC") certifications.

The Group Legal Counsel provides legal advisory and litigation support while the Corporate Secretary assists the Board in ensuring that the governance practices of the Group are in line with the Malaysian Corporate Governance Code and also ensures compliance in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act 2016 and any relevant applicable securities laws in Malaysia.

The Group has in place "Business Ethics Compliance, Anti-Corruption, Anti-Money Laundering policy" to strengthen our fencing of the Group's ethics parameters, and to uphold Integrity which is one of our Group's Core Values.

v) Reputational Risk

As a palm oil producer, IOI constantly faces anti-palm oil sentiment and allegations from local and international non-governmental organisations ("NGOs"). Public misconception is that oil palm plantation drives deforestation and destruction of peatland areas. The Group will not only seek to ensure transparent and clear communication at all times in order to mitigate this risk and keep key stakeholders informed but will also follow up with clear action plans to address any grievances.

vi) Cyber Security Risk

The Group's business environment is exposed to cyber threats, such as malware, ransomware, unauthorised access, loss of information. To mitigate and defend against cyber threats, IOI undertakes a range of sustainable cybersecurity programmes to protect our internal IT assets and the information of our business partners. Our primary goals and objectives focus on the priorities of confidentiality, integrity and availability based on the criticality of the IT infrastructure and system. In addition, the enterprise network of IOI incorporates the concept of defence in depth, where multiple layers of security controls and defence are placed throughout our enterprise network for resiliency.

vii) Sustainability Risk

Sustainability is a significant aspect of IOI's operations as it becomes increasingly embedded within both IOI's plantation and resource-based manufacturing segments. To ensure that IOI continues to embed sustainability practices into its operations, the Sustainable Palm Oil Policy ("SPOP") has been continually revised to reflect the concerns of both our internal and external stakeholders. The SPOP, as the main guideline to address these concerns, has also been further strengthened in its commitments on human rights and workplace rights by introducing industry-leading labour policies after extensive engagement with external and internal stakeholders. The policies include:

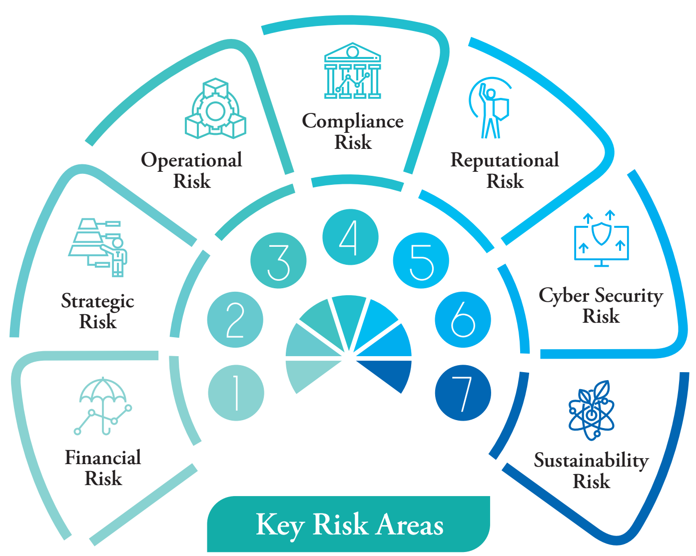
(i) Equal Opportunity Employment & Freedom of Association Policy,

(ii) Minimum Wages & Leave Pay Policies in Malaysia,

(iii) Foreign Workers Recruitment Guideline & Procedures in Malaysia, and

(iv) Environmental Management Guidelines which covers also Fire Management, Peatland Protection & Management, Agrochemical and Biodiversity & Conservation Guidelines

This is in response to NGOs' intensifying scrutiny on both upstream and downstream sectors, in relation to issues such as deforestation, peatland protection, communities' rights and labour practices. Other challenges related to the above, is the increased demand on traceability of palm oil and palm products, in particular the palm oil supply chain at various stages.



In terms of governance, IOI has established the Group Sustainability Steering Committee ("GSSC") to oversee the management of policies, processes and strategies designed to manage social, environmental and reputational risks. The GSSC comprises the Group Managing Director and Chief Executive ("GMD"), Group Chief Financial Officer ("CFO"), Heads of Operating Divisions, Group Head of Sustainability, and Senior Management from Group Support Functions.

IOI has also developed a Grievance Mechanism to provide a formal channel for full disclosure of grievance raised by any party. The Group believes in open dialogue, partnership and transparency and actively engages with stakeholders, especially the communities living in the vicinity of the Group's operations.

The Group has also introduced a public dashboard in 2017, called the "Palm Oil Dashboard" on its website. The Palm Oil Dashboard serves as a platform to provide information on IOI's palm oil operations such as traceability statistics, palm oil sources, production and uptake volumes, supplier engagement activities, and latest news.

As a member of the High Carbon Stock Approach ("HCSA") Steering Group, IOI subscribes to No Deforestation, No Peat and No Exploitation. The Group has also updated its Zero Burning Policy to further strengthen its commitment towards zero burning practices across its estates, as part of its efforts to proactively protect the environment and combat haze.

E. INTERNAL CONTROL SYSTEMS

The Group's Core Values

The Group's corporate culture is embedded in its core values of integrity, commitment, team spirit, cost efficiency, innovation, and excellence in execution to achieve the Group's vision and support its business objectives and goals.

Code of Business Conduct and Ethics

The Group communicates the Code of Business Conduct and Ethics to all employees upon their employment. The Code of Business Conduct and Ethics reinforces the Group's core value of integrity by providing guidance on moral and ethical behaviour that is expected from all employees in following the laws, policies, standards and procedures.

Whistleblowing Channel

The Group's Whistleblowing Policy was established in 2013 and further revised in October 2019. The policy provides a dedicated and confidential channel for employees and stakeholders to disclose or raise genuine concerns on possible improprieties, improper conduct or other malpractices within the Group, in a transparent and confidential manner. GIAD acts as the Whistleblowing Secretariat. The feedback and communications received through the whistleblowing channel are presented to the ARMC.

Internal Control

The Group manages its risks by implementing various internal control mechanisms. The key elements of the internal controls are as follows:

a) The Group has an organisational structure that is aligned with its business and operational requirements, with clearly defined roles, responsibilities and authority limits. Authority limits for acquisition and disposal of assets, awarding of contracts and approving operating expenditures are established.

b) The Group has in place well-established and documented business processes which are aligned with the strategic business objectives and goals.

c) The Group has established policies and procedures as well as rules relating to the delegation of authority and segregation of duties have been established for key business processes. The Group's policies and procedures are reviewed and revised periodically to meet changing business and operational needs and regulatory requirements.

d) The Group has in place an Enterprise Resource Planning ("ERP") System that captures, compiles, analyses and reports relevant data, which enables management to make business decisions in an accurate and timely manner.

e) Management and financial reports are generated monthly to facilitate the Group's management in performing financial and operating reviews of the various divisions.

f) Business strategies and operating and capital expenditure budgets are prepared by business and division's annually, and are approved by the Board. Actual performance and significant variances against budget are monitored on an ongoing basis.

g) Key result areas and key performance indicators are established and aligned with the strategic business objectives and goals. These are monitored on an ongoing basis.

h) Regular management and operation meetings are conducted by senior management which comprises the GMD and divisional heads.

i) Board meetings are held at least quarterly with a formal agenda on matters for discussion. The Board is kept updated on the Group's activities and operations on a timely and regular basis.

Statement on Risk Management and Internal Control

F. RISK REVIEW FOR THE FINANCIAL YEAR

A half-yearly review on the adequacy and effectiveness of the risk management and internal control system has been undertaken for the financial year under review. Each division, cutting across all geographic areas, via its respective Risk Management Committees and workgroups comprising personnel at all levels, carried out the following areas of work:

a) Conducted reviews and updates of profiles of principal risks and emerging risks both internal and external which could potentially derail the achievement of the business objectives and goals.

b) Evaluated the adequacy of key processes, systems, and internal controls in relation to the principal risks.

c) Carried out gap analysis and established strategic responses, actionable programmes and tasks to manage or eliminate performance gaps.

d) Ensured internal audit programmes covers identified principal risks. Audit findings throughout the financial period served as key feedback to validate the effectiveness of risk management activities and embedded internal controls.

e) Reviewed implementation progress of actionable programmes, and evaluated post-implementation effectiveness.

f) Reviewed the adequacy of all business resumption and contingency plans, and their readiness for rapid deployment.

The risk review includes the division's Internal Control Certification and Assessment Disclosure and the Questionnaire on Controls and Compliance. Adhering to the Corporate Governance Guide – Guidance on Effective Audit and Risk Management issued by Bursa Malaysia.

The ARMC and the Board review bi-annually the principal risks of all division's to ensure that appropriate mitigating measures are in place.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The external auditors, BDO PLT have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Group for the financial year ended 30 June 2020. Their review was conducted in accordance with Assurance Practice Guide 3 ("AAPG 3") Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants ("MIA"). AAPG 3 does not require the external auditors to, and they did not, consider whether this statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system. AAPG 3 also does not require the external auditors to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention which causes them to believe that this statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is it actually inaccurate.

CONCLUSION

The Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system. The Board has received assurance from the GMD and Group CFO that the Group's risk management and internal control system, in all material aspects, is operating adequately and effectively. For the financial year under review, there were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group. This Statement on Risk Management and Internal Control does not cover associates and jointly controlled entities where the internal control systems of these companies are managed by the respective management teams.
This statement has been reviewed and approved by the Board on 15 September 2020.

Statement of Directors' Interests

in the Company and its Related Corporations as at 28 August 2020 (Based on the Register of Directors' Shareholdings)

The Directors' interests in the Company are as follows:

	No. of Ordinary Shares #				
Name of Directors	**Direct**	**%**	**Indirect**	**%**	**No. of Share Options**
Tan Sri Peter Chin Fah Kui	–	–	20,000[1]	*	–
Dato' Lee Yeow Chor	9,818,800	0.16	3,020,149,480[2]	48.19	1,720,000
Lee Yeow Seng	–	–	3,020,019,480[3]	48.19	–
Tan Sri Dr Rahamat Bivi binti Yusoff	–	–	–	–	–
Datuk Karownakaran @ Karunakaran a/l Ramasamy	–	–	–	–	–
Cheah Tek Kuang	–	–	12,000[4]	*	–

By virtue of Dato' Lee Yeow Chor's and Lee Yeow Seng's interests in the ordinary shares of the Company, they are also deemed to be interested in the shares of all the subsidiaries of the Company to the extent that the Company has an interest.

Notes:
Net of 18,220,000 treasury shares.
1 Deemed interested by virtue of the interest in shares of his spouse, Puan Sri Ruby Wee Hui Kiang pursuant to Section 59(11)(c) of the Companies Act 2016 (the "**Act**").
2 Deemed interested by virtue of his interest in Progressive Holdings Sdn Bhd ("**PH**"), pursuant to Section 8 of the Act and also interest in share of his spouse, Datin Joanne Wong Su-Ching pursuant to Section 59(11)(c) of the Act.
3 Deemed interested by virtue of his interest in PH, pursuant to Section 8 of the Act.
4 Deemed interested by virtue of the interest in shares of his spouse, Ooi Siew Cheng pursuant to Section 59(11)(c) of the Act.
* Negligible

Other Information

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries which involved Directors' and major shareholders' interests either still subsisting at the end of the financial year ended 30 June 2020 or entered into since the end of the previous financial year.

EXECUTIVE SHARE OPTION SCHEME ("ESOS")

The ESOS was established on 28 January 2016 for the benefit of the eligible employees including Executives Directors of IOI Corporation Berhad ("IOIC") Group.

The total outstanding and movements of share options under the ESOS of the Company as at 30 June 2020 are set out in the table below:

		Number of Share Options				
Option Price (RM)	Date of Offer	As at 1 July 2019	Granted and Accepted	Exercised	Lapsed^	Outstanding as at 30 June 2020
4.42	12 October 2016	13,586,000	–	(395,000)	(420,000)	12,771,000
4.50	6 March 2019	5,920,000	–	–	(180,000)	5,740,000
		19,506,000	**–**	**(395,000)**	**(600,000)**	**18,511,000**

^ Due to resignation/retirement of employees during the financial year.

The total number of share options granted and accepted by the Group Managing Director and Chief Executive under the ESOS as at 30 June 2020 are set out in the table below:

		Number of Share Options			
	Option Price (RM)	As at 1 July 2019	Granted and Accepted	Exercised	Outstanding as at 30 June 2020
Group Managing Director and Chief Executive	4.42	1,270,000	–	–	1,270,000
	4.50	450,000	–	–	450,000

Percentage of share options applicable to the Directors and senior management under the ESOS are as follows:

Directors and Senior Management	During the Financial Year 2020 (%)	Since Commencement of the ESOS up to 30 June 2020 (%)
Aggregate maximum allocation	–	30.62
Actual granted and accepted	–	34.78

The Company did not grant any options over the ordinary share pursuant to the ESOS to the Non-Executive Directors.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

Recurrent related party transactions of a revenue nature of IOIC Group conducted pursuant to shareholders' mandate for the financial year ended 30 June 2020 are as follows:

Transacting Parties	Type of Recurrent Related Party Transactions	Interested Directors/Major Shareholders and Persons Connected	Value of Transactions (RM million)
Nice Frontier Sdn Bhd ("**NFSB**")[(1)]	Purchase of fresh fruit bunches ("**FFB**") by Pamol Plantations Sdn Bhd ("**PPSB**")[(1)]	• Vertical Capacity Sdn Bhd ("**VCSB**")[2] • Progressive Holdings Sdn Bhd ("**PHSB**")[3] • Dato' Lee Yeow Chor ("**Dato' Lee**")[4] • Lee Yeow Seng ("**LYS**")[5] • Lee Yoke Ling ("**LY Ling**")[6] • Lee Yoke Har ("**LY Har**")[6] • Lee Yoke Hean ("**LY Hean**")[6] • Lee Yoke Hui ("**LY Hui**")[6]	15.4
GLM Emerald Industrial Park (Jasin) Sdn Bhd ("**GLM**")[(1)]	Purchase of FFB by Dynamic Plantations Berhad ("**DPB**")[(1)]	• VCSB[7] • PHSB[8] • Dato' Lee[9] • LYS[10] • LY Ling[6] • LY Har[6] • LY Hean[6] • LY Hui[6]	14.0

Notes:

1 Details of the transacting parties

Name of Company	Effective Equity (%)	Principal Activities
NFSB, a subsidiary of IOI Properties Group Berhad ("**IOIPG**")	Not applicable	Property development, cultivation of plantation produce and property investment
PPSB, a subsidiary of IOIC	100.00	Cultivation of oil palm, processing of palm oil and investment holding
GLM, an associate company of IOIPG	Not applicable	Property development and operation of oil palm estate
DPB, a subsidiary of IOIC	100.00	Cultivation of oil palm and processing of palm oil

2 VCSB is the ultimate holding company of IOIPG and a deemed Major Shareholder of NFSB

3 PHSB is a Major Shareholder of IOIC and a deemed Major Shareholder of PPSB

4 Dato' Lee is the Group Managing Director and Chief Executive ("GMD") of IOIC and a Director of IOIPG and a deemed Major Shareholder of both IOIC and IOIPG. He is the brother of LYS. Dato' Lee is also a Director of PPSB

5 LYS is a Director of IOIC and the Executive Vice Chairman ("EVC") of IOIPG and a deemed Major Shareholder of both IOIC and IOIPG. He is the brother of Dato' Lee. LYS is also a Director of NFSB

6 LY Ling, LY Har, LY Hean and LY Hui are the sisters of Dato' Lee and LYS

7 VCSB is the ultimate holding company of IOIPG, which in turn owns 32% equity interest in GLM

8 PHSB is a Major Shareholder of IOIC and a deemed Major Shareholder of DPB

9 Dato' Lee is the GMD of IOIC and a Director of IOIPG and a deemed Major Shareholder of both IOIC and IOIPG. He is the brother of LYS. Dato' Lee is also a Director of DPB

10 LYS is a Director of IOIC and the EVC of IOIPG and a deemed Major Shareholder of both IOIC and IOIPG. He is the brother of Dato' Lee. LYS is also a Director of GLM

Other Information

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for services rendered by the external auditors, BDO PLT and their affiliated companies or firms to the Company and the Group for the financial year ended 30 June 2020 are as follows:

Fees	Company (RM)	Group (RM)
Audit Fees	258,500	1,428,060
Non-Audit Fees	8,000	286,104
Total	**266,500**	**1,714,164**

UTILISATION OF PROCEEDS

On 1 March 2018, the Group completed the disposal of 70% equity interest in Bunge Loders Croklaan Group B.V. with a preliminary disposal consideration of USD595.0 million plus EUR303.4 million (total approximately RM3,784.7 million). On 23 October 2018, the Group had received a net adjustment amount of EUR11.5 million (approximately RM55.0 million) upon finalisation of the intermediate disposal consideration in accordance with the terms of the sale and purchase agreement.

The status of the utilisation of proceeds as at 28 August 2020 is as follows:

Purpose	Proposed Utilisation (RM million)	Actual Utilisation (RM million)	Initial Timeframe	Revised Timeframe*
Future investment	959.9	27.6	Within 24 months	Within 42 months
Dividend to shareholders	767.9	767.9	Within 12 months	Within 30 months
Repayment of borrowings	1,919.9	1,919.9	Within 24 months	–
General working capital	182.4	182.4	Within 24 months	–
Transaction expenses	9.6	9.6	Immediate	–
Total	**3,839.7**	**2,907.4**		

* On 18 February 2020, the Board of Directors resolved and approved to extend the initial utilisation timeframe for an additional period of 18 months (revised timeframe) to utilise the remaining proceeds.

Group Properties

A. PLANTATION ESTATES

Location	Tenure	Area (Hectare)	Crop Planted	Factory/ Mill	Year of Acquisition	Net Carrying Amount as at 30 June 2020 RM million
Pahang Darul Makmur						
Bukit Dinding Estate, Bentong	Freehold	1,660	OP	–	1983	117.1
Pukin Estate, Pekan Rompin	Leasehold expiring 2071, 2074, 2077	2,428	OP	1	1985	134.1
Mekassar Estate, Pekan Rompin	Leasehold expiring 2075	1,209	OP	–	1985	60.4
Detas Estate, Pekan	Leasehold expiring 2081	2,226	OP	–	1989	132.6
Bukit Leelau Estate, Pekan	Leasehold expiring 2088	2,096	OP	1	1989	129.8
Merchong Estate, Pekan	Leasehold expiring 2075	1,952	OP	–	1990	90.1
Leepang A Estate, Rompin	Leasehold expiring 2067	2,404	OP	–	2000	106.8
Laukin A Estate, Rompin	Leasehold expiring 2067	1,620	OP	–	2000	71.5
Shahzan IOI Estate 1, Rompin	Leasehold expiring 2062	1,562	OP	–	2002	64.1
Shahzan IOI Estate 2, Rompin	Leasehold expiring 2062	1,640	OP	–	2002	47.1
Negeri Sembilan Darul Khusus						
Regent Estate, Tampin	Freehold	2,300	OP	–	1990	165.7
Bahau Estate, Kuala Pilah	Freehold	2,553	OP	–	1990	181.1
Kuala Jelei Estate, Kuala Pilah	Freehold	679	OP	–	1990	44.9
Johor Darul Takzim						
Gomali Estate, Segamat	Freehold	2,556	OP R	1	1990	186.4
Paya Lang Estate, Segamat	Freehold	2,446	OP R	–	1990	168.0
Tambang Estate, Segamat	Freehold	2,011	OP	–	1990	142.5
Bukit Serampang Estate, Tangkak	Freehold	2,564	OP	–	1990	173.3
Kahang Estate, Kluang	Leasehold expiring 2082	2,420	OP	–	1990	109.4
Sagil Estate, Tangkak	Freehold	2,539	OP	–	1990	184.1
Segamat Estate, Segamat	Freehold	1,340	OP	–	1990	100.3
Pamol Plantations Estate, Kluang	Freehold	8,088	OP	1	2003	598.2
Sabah						
Morisem 1 Estate, Kinabatangan	Leasehold expiring 2080	2,032	OP	–	1993	50.7
Morisem 2 Estate, Kinabatangan	Leasehold expiring 2038, 2087, 2090	2,042	OP	–	1993-2009	61.3
Morisem 3 Estate, Kinabatangan	Leasehold expiring 2087, 2088	2,014	OP	–	1993	60.4
Morisem 4 Estate, Kinabatangan	Leasehold expiring 2089	2,023	OP	–	1993	58.9
Morisem 5 Estate, Kinabatangan	Leasehold expiring 2078	1,878	OP	–	1993	44.5
Baturong 1-3 Estates, Kunak	Leasehold expiring 2081	7,485	OP	1	1991	248.6
Halusah Estate, Lahad Datu	Leasehold expiring 2076, 2078	813	OP	–	1991	25.4
Syarimo 1-9 Estates, Kinabatangan	Leasehold expiring 2035, 2077-2097, 2963-2990	18,417	OP	1	1985-2000	498.5

Group Properties

A. PLANTATION ESTATES (continued)

Location	Tenure	Area (Hectare)	Crop Planted	Factory/ Mill	Year of Acquisition	Net Carrying Amount as at 30 June 2020 RM million
Sabah (continued)						
Permodalan Estate, Kinabatangan	Leasehold expiring 2078	8,094	OP	–	1995	141.7
Laukin Estate, Sugut	Leasehold expiring 2077	2,128	OP	–	1996	59.0
Sakilan Estate, Sandakan	Leasehold expiring 2887	2,296	OP	1	1996	96.6
Ladang Sabah Estates, Labuk-Sugut	Leasehold expiring 2077, 2082, 2087, 2089	12,194	OP	1	1998-2003	379.9
Cantawan Estate, Lahad Datu	Leasehold expiring 2061, 2066, 2078-2080	1,452	OP	–	1998	37.3
Tas Estate, Kinabatangan	Leasehold expiring 2077	1,209	OP	–	1998	31.1
Tangkulap Estate, Labuk-Sugut	Leasehold expiring 2080-2086	2,277	OP	–	2001	125.8
Bimbingan Estate, Labuk-Sugut	Leasehold expiring 2083	3,893	OP	–	2001	155.6
Pamol Plantations, Labuk-Sugut	Leasehold expiring 2037, 2081, 2097	1,792	OP	–	2003-2007	46.7
Pamol Estates, Labuk-Sugut	Leasehold expiring 2888	8,186	OP	1	2003	383.0
Milik Berganda Estate, Labuk-Sugut	Leasehold expiring 2090	5,278	OP	–	2003	149.2
Linbar 1-2 Estates, Kinabatangan	Leasehold expiring 2081	4,840	OP	–	2003	174.8
Mayvin 1-2 Estates, Labuk-Sugut	Leasehold expiring 2079-2081, 2090, 2092	3,423	OP	1	2003	123.3
Mayvin 5-6 Estates, Kinabatangan	Leasehold expiring 2082	3,602	OP	–	2003	96.9
Leepang 1-5 Estates, Kinabatangan	Leasehold expiring 2030-2039, 2078-2102	10,031	OP	2	2003-2009	207.1
Unico 1-5 Estates, Kinabatangan	Leasehold expiring 2081-2101	11,396	OP	1	2013	488.1
Unico 6 Estate, Lahad Datu	Leasehold expiring 2074, 2077-2079	2,264	OP	1	2013	120.6
Sarawak						
Sejap Estate, Baram	Leasehold expiring 2058	4,960	OP	–	2002	16.0
Tegai Estate, Baram	Leasehold expiring 2067, 2095	4,038	OP	–	2002	6.1

OP Oil palm
R Rubber

B. INVESTMENT PROPERTY

Location	Tenure	Land Area	Net Lettable Area	Usage	Age of Building (Year)	Net Carrying Amount as at 30 June 2020 RM million
No. 7 Jalan Kenari 5 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan	Freehold	465 sq m	1,650 sq m	1 unit 3½ storey shop office	25	6.8

C. INDUSTRIAL PROPERTIES

Location	Tenure	Land Area	Usage	Age of Building (Year)	Year of Acquisition	Net Carrying Amount as at 30 June 2020 RM million
Country lease 075365632, 075376279 075376260 & 075469340 Sg Mowtas and Batu Sapi Sandakan Sabah	Leasehold expiring 2039, 2042, 2044	22 hectares	Palm oil refinery and palm based renewable energy	23	1995	74.0
Lorong Perusahaan Satu Prai Industrial Complex 13600 Prai Penang	Leasehold expiring between 2035-2071	180,263 sq m	Offices and factory sites	41	2001	62.9
			Factory site	5-19		31.7
Palmco Jaya Warehouse Bulk Cargo Terminal 13600 Prai Penang	Leasehold expiring 2025	13,491 sq m	Bulk cargo terminal	46	2001	0.1
Deep Water Wharves 12100 Butterworth Penang	Leasehold expiring 2030	8,615 sq m	Bulking installation	46	2001	–
PT 110296 & 216213 Jalan Pekeliling HS(D) 160988 PTD 89217 Mukim Plentong Pasir Gudang Johor Bahru Johor Darul Takzim	Leasehold expiring 2037, 2041, 2052	5.9 hectares	Factory complex and vacant industrial land	28-43	2007	16.9
PT 17368, Jalan Pekeliling PT 101373 & PT 80565, Jalan Timah PT 101367, Jalan Tembaga Pasir Gudang, Johor Bahru Johor Darul Takzim	Leasehold expiring 2038, 2047, 2051	8.3 hectares	Factory complex	29-42	2007	16.3

Group Properties

C. INDUSTRIAL PROPERTIES (continued)

Location	Tenure	Land Area	Usage	Age of Building (Year)	Year of Acquisition	Net Carrying Amount as at 30 June 2020 RM million
Dusun Arang-Arang Air Hitam Hulu Kecamatan Kendawangan Kabupaten Ketapang Kalimantan Barat, Indonesia	*	122,444 sq m	Palm oil mill	6	^	30.5
Zur Hafenspitze 15 19322 Wittenberge Germany	Freehold	60,000 sq m	Factory complex	19	2016	9.1
Arthur-Imhausen-Strasse 92 D-58453 Witten Germany	Perpetual lease	24,000 sq m	Factory complex	29	2016	38.3

Notes:
* Yet to be determined.
^ Self constructed and completed in year 2015.

D. OTHER PROPERTIES

Location	Tenure	Land/ Built Up Area	Usage	Age of Building (Year)	Year of Acquisition	Net Carrying Amount as at 30 June 2020 RM million
HS(D) 45890 PT 9427 Mukim Petaling Selangor Darul Ehsan	Freehold	1,803 sq m	Petrol station land	–	1992	–
Lot 40476 & 40480 Daerah Wilayah Persekutuan Kuala Lumpur	Freehold	3,018 sq m	Bungalow plots	–	1992	2.0
Geran 1341, Lot 12040 Mukim of Tangkak Johor Darul Takzim	Freehold	2 hectares	Vacant land	–	1998	0.1
Country lease 115325534 New Wharf Road Lahad Datu Sabah	Leasehold expiring 2914	2 hectares	Vacant land	–	1993	0.1
Country lease 115325543, 116179269 New Wharf Road Lahad Datu Sabah	Leasehold expiring 2058, 2914	5 hectares	Vacant land	–	1993	0.1

D. OTHER PROPERTIES (continued)

Location	Tenure	Land/ Built Up Area	Usage	Age of Building (Year)	Year of Acquisition	Net Carrying Amount as at 30 June 2020 RM million
Country lease 115310926 Jalan Segama Lahad Datu Sabah	Leasehold expiring 2932	1 hectare	Regional office	19	1993	–
Country lease 075349343, 075349352 Lot 34, Phase 7A Northern Ring Road Sandakan Sabah	Leasehold expiring 2882	417 sq m	3 storey shop/office	6	2015	1.3
HS(D) 41664 PT 1349 Mukim 01 Seberang Perai Tengah Penang	Leasehold expiring 2043	40,789 sq m	Vacant land	–	2020	25.6
302-H, Jalan Relau Desaria, 11900 Sg Ara Penang	Freehold	167 sq m	Shoplot	25	2001	0.2
Lot 8165, Mukim 12 Sg Ara Estate Penang	Freehold	1,799 sq m	Future development land	–	2001	0.2
Lots 429, 432 & 434 Bukit Sebukor Bukit Baru, Melaka Tengah Melaka	Freehold	19 hectares	Future development land	–	1990	1.2

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifty-First Annual General Meeting ("**51st AGM**") of the Company will be conducted virtually through live streaming from the broadcast venue at Millennium Ballroom 1 (Level 1), Le Méridien Putrajaya, Lebuh IRC, IOI Resort City, 62502 Putrajaya, Malaysia on Friday, 30 October 2020 at 10:00 am for the following purposes:

AGENDA

1 To receive the Audited Financial Statements for the financial year ended 30 June 2020 and the Reports of the Directors and Auditors thereon.

2 To re-elect the following Directors retiring by rotation pursuant to Article 91 of the Company's Constitution:

(i) Tan Sri Dr Rahamat Bivi binti Yusoff **Resolution 1**

(ii) Dato' Lee Yeow Chor **Resolution 2**

3 To approve the payment of Directors' fees (inclusive of Board Committees' fees) of RM1,085,000 for the financial year ending 30 June 2021 payable quarterly in arrears after each month of completed service of the Directors during the financial year. **Resolution 3**

4 To approve the payment of Directors' benefits (other than Directors' fees) of up to RM280,000 for the period from 30 October 2020 until the next Annual General Meeting. **Resolution 4**

5 To re-appoint BDO PLT, the retiring Auditors for the financial year ending 30 June 2021 and to authorise the Audit and Risk Management Committee to fix their remuneration. **Resolution 5**

6 As special business, to consider and if thought fit, to pass the following Ordinary Resolutions:

6.1 Continuation in Office as Independent Non-Executive Directors

"THAT authority be and is hereby given to Datuk Karownakaran @ Karunakaran a/l Ramasamy, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company." **Resolution 6**

"THAT authority be and is hereby given to Cheah Tek Kuang, who will be attaining a cumulative term of nine (9) years on 22 August 2021 as an Independent Non-Executive Director of the Company, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company." **Resolution 7**

6.2 Authority to Directors to allot and issue shares pursuant to Section 76 of the Companies Act 2016

"THAT pursuant to Section 76 of the Companies Act 2016, the Directors be and are hereby authorised with full powers to allot and issue shares in the Company from time to time and upon such terms and conditions and for such purposes as they may deem fit subject always to the approval of the relevant authorities being obtained for such issue and provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed five percent (5%) of the total number of issued shares of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued." **Resolution 8**

6.3 Proposed Renewal of Existing Share Buy-Back Authority

"THAT subject to compliance with applicable laws, regulations and the approval of all relevant authorities, approval be and is hereby given to the Company to utilise up to the aggregate of the Company's latest audited retained earnings, to purchase, from time to time during the validity of the approval and authority under this resolution, such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad ("**Bursa Securities**") upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares to be purchased and/or held by the Company pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company at the time of purchase ("**Proposed Purchase**");

THAT at the discretion of the Directors of the Company, the shares of the Company to be purchased are to be cancelled and/or retained as treasury shares which may be distributed as dividends and/or resold on Bursa Securities and/or be dealt with by the Directors in the manners allowed by the Companies Act 2016;

THAT the Directors of the Company be and are hereby empowered generally to do all acts and things to give effect to the Proposed Purchase with full powers to assent to any condition, modification, revaluation, variation and/or amendment (if any) as may be imposed by the relevant authorities and/or do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company;

AND THAT such authority shall commence immediately upon passing of this resolution until:

(i) the conclusion of the next Annual General Meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed either unconditionally or subject to conditions;

(ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or

(iii) revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting,

whichever is the earlier but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities or any other relevant authorities." **Resolution 9**

6.4 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

"THAT subject always to the provisions of the Companies Act 2016 (the "**Act**"), the Constitution of the Company, Main Market Listing Requirements of Bursa Malaysia Securities Berhad or other regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations involving the interests of Directors, major shareholders or persons connected to the Directors and/or major shareholders of the Company and its subsidiaries ("**Related Parties**"), as detailed in Part B, Section 4 of the Circular to Shareholders of the Company dated 1 October 2020 ("**Shareholders' Mandate**") subject to the following:

(i) the transactions are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and

(ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year.

Notice of Annual General Meeting

THAT the authority conferred by this resolution will commence immediately upon the passing of this resolution and shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless renewed by a resolution passed by the shareholders of the Company in a general meeting;

(ii) the expiration of the period within which the next Annual General Meeting of the Company after that date is required to be held pursuant to Section 340(2) of the Act *(but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act)*; or

(iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier,

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Shareholders' Mandate." **Resolution 10**

7 To transact any other business of which due notice shall have been given.

By Order of the Board,

Tan Choong Khiang
Secretary
(SSM PC No. 201908000048)
(MAICSA 7018448)

Putrajaya
1 October 2020

Notes:

A. Remote Participation and Electronic Voting

1 As a precautionary measure in light of the COVID-19 pandemic, the Board of Directors ("**Board**") of the Company has decided that the 51st AGM of the Company will be held virtually through live streaming and online remote voting using Lumi AGM facilities. With Lumi AGM facilities, shareholders may exercise their rights as a member to participate (including to pose questions to the Board and/or Management of the Company) and vote at the 51st AGM, safely from their home. **Please refer to the Administrative Guide for the detailed steps on remote participation and electronic voting**.

The main and only venue for the 51st AGM is the broadcast venue which is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 that requires the Chairman of the meeting to be at the main venue. **No Shareholder(s)/Proxy(ies)/Corporate Representative(s) from the public should be physically present at the broadcast venue on the day of the 51st AGM**.

2 For all the above resolutions which are proposed as ordinary resolutions, more than half the votes cast must be in favour of the resolutions. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), all resolutions will be put to vote by way of a poll.

3 Only shareholders whose names appear in the Record of Depositors and Register of Members as at **22 October 2020** shall be eligible to participate and vote at the 51st AGM or appoint proxy to participate and vote on his or her behalf.

B. Appointment of Proxy

1 A shareholder may appoint any person to be his or her proxy and there shall be no restriction as to the qualification of the proxy.

2 If an instrument appointing a proxy is submitted in hard copy, it must be in writing under the hand of the appointor or of his or her attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of two (2) authorised officers, one (1) of whom shall be a director, or of its attorney duly authorised in writing.

3 A shareholder of the Company (including an authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991 and Exempt Authorised Nominees who hold ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**")) may appoint more than one (1) proxy, provided that the shareholder specifies the proportion of his or her shareholdings to be represented by each proxy. When two (2) or more valid but differing appointments of proxy are delivered or received for the same share for use at the same meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that share.

4 An instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument.

5 The proxy form may be made in hard copy or by electronic means, not less than forty-eight (48) hours before the time for holding the 51st AGM or any adjournment thereof, as follows:

(i) In hard copy form

The proxy form must be deposited at **Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan**.

(ii) By electronic means

The proxy form can also be lodged electronically through Boardroom Smart Investor Online Portal at www.boardroomlimited.my by logging in and selecting "**E-PROXY LODGEMENT**" or email to bsr.helpdesk@boardroomlimited.com. Please follow the procedures provided in the Administrative Guide for the 51st AGM in order to deposit the proxy form electronically.

6 Any corporation which is a shareholder can appoint one (1) or more corporate representatives who may exercise on its behalf all of its power as a shareholder in accordance with the Companies Act 2016 (the "**Act**").

C. Explanatory Notes to the Agenda

To help make things clearer, we have explained each resolution here. The Directors consider all the resolutions to be in the best interests of the Company and our shareholders as a whole. They unanimously recommend that shareholders vote in favour of them.

1. To receive Audited Financial Statements for the financial year ended 30 June 2020

This Agenda item is meant for discussion only as under the provision of Section 340(1)(a) of the Act, the audited financial statements do not require a formal approval of the shareholders. Hence, this resolution will not be put forward for voting.

The Chairman will give shareholders an opportunity to ask questions about, and make comments on the financial statements and reports and IOI Group's performance in accordance with the mode of communication as provided in the Administrative Guide.

Shareholders will also be given an opportunity to ask the representative(s) of the Company's Auditors, BDO PLT, questions relevant to audit matters, including the Auditors' Report.

2. Re-election of Directors

Tan Sri Dr Rahamat Bivi binti Yusoff and Dato' Lee Yeow Chor, who retire in accordance with Article 91 of the Company's Constitution, are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 51st AGM.

The Company's Constitution states that at each AGM of the Company, one-third (1/3) of the Directors or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) must retire from office, provided always that all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election and it further states that a Director appointed by the Board to fill a casual vacancy or as an additional Director, shall hold office until the conclusion of the next AGM of the Company and shall be eligible for re-election.

Each of the Directors standing for re-election has undergone a performance evaluation and has demonstrated that he or she remains committed to the role and continues to be an effective and valuable member of the Board. The Board has also conducted assessment on the independence of the Independent Director who is seeking for re-election and is satisfied that the Independent Director has complied with the independence criteria applied by the Company and continue to bring independent and objective judgement to the Board deliberation.

Detailed profile of each Director, including their career history, competencies and experience can be found from pages 74 to 79 of the Annual Report 2020.

3. Directors' fees and benefits payable

The Governance, Nominating and Remuneration Committee ("**GNRC**") and the Board have reviewed the Directors' fees after taking into account fee levels and trends for similar positions in the market and time commitment required from the Directors. The payment of Directors' fees (inclusive of Board Committees' fees) for the financial year ending 30 June 2021 shall be payable quarterly in arrears after each month of completed service of the Directors during the financial year.

The Directors' benefits (other than Directors' fees and Board Committees' fees) comprise attendance allowances, insurance coverage and golf privilege benefit to Independent Non-Executive Directors. In determining the estimated total amount of Directors' benefits, the Board has considered various factors, among others, the estimated number of meetings for the Board and its Committees, estimated proportionate paid and payable insurance premium and the estimated usage of golf facilities based on the limits provided by the Company during the relevant period.

4. Re-appointment of Auditors

The Company's external Auditors, BDO PLT must offer themselves for re-appointment at each AGM at which Audited Financial Statements are presented. The performance and effectiveness of BDO PLT have been evaluated by the Audit and Risk Management Committee ("**ARMC**"), which included an assessment of BDO PLT's independence and objectivity. The ARMC having satisfied with the performance, suitability and independence of BDO PLT, had recommended to the Board that BDO PLT be re-appointed and its remuneration be determined by the ARMC. The representatives of BDO PLT will be participating at the 51st AGM.

5. Continuation in Office as Independent Non-Executive Directors

Ordinary Resolutions 6 and 7 are to seek approval from the shareholders for Datuk Karownakaran @ Karunakaran a/l Ramasamy ("**Datuk Karunakaran**") and Mr Cheah Tek Kuang ("**Mr Cheah**") to continue in office as Independent Non-Executive Directors ("**INED**") of the Company.

Datuk Karunakaran was appointed to the Board on 17 January 2011 as an INED and therefore has served for a cumulative term of more than nine (9) years and shareholders' approval had been sought at the last AGM to allow Datuk Karunakaran to continue in office until the conclusion of the 51st AGM. Whereas, Mr Cheah who was appointed as an INED on 22 August 2012 will attain a cumulative term of nine (9) years on 22 August 2021.

Notice of Annual General Meeting

The GNRC had on 15 September 2020 assessed the independence of all INEDs including Datuk Karunakaran and Mr Cheah. The Board recommended that the approval of the shareholders be sought to retain both Datuk Karunakaran and Mr Cheah as INEDs as they possess the following attributes necessary in discharging their roles and functions as INEDs of the Company:

(a) They have met the criteria under the definition of Independent Director pursuant to Chapter 1 of the Main Market Listing Requirements of Bursa Securities;

(b) They have vast experience in different sector of industries and as such could provide the Board with a diverse set of experience, expertise and independent judgement;

(c) They possess detailed knowledge of the Company's business operations, the challenges faced by the Company, the environment in which it operates and the Company's corporate history. The Board benefits from their experience, who have, over time, gained valuable insights into the Company, its market and the industry;

(d) They consistently challenge the management in an effective and constructive manner;

(e) They actively express their views and participate in Board deliberations and decision making in an objective manner; and

(f) Their length of service on the Board do not in any way interfere with their fiduciary duties in exercising due care in the best interest of the Company and minority shareholders.

6. Authority to Directors to allot and issue shares pursuant to Section 76 of the Act

Ordinary Resolution 8 is to seek a renewal of the general mandate which was approved at the 50th AGM of the Company held on 25 October 2019, and will lapse at the conclusion of the 51st AGM to be held on 30 October 2020.

The general mandate, if approved, will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares for the purpose of funding future investment project(s), acquisition(s) and for strategic reasons or such other purposes as the Directors consider would be in the best interest of the Company. In order to eliminate any delay and costs in convening a general meeting to specifically approve such issuance of shares, it is considered appropriate that the Directors be empowered, as proposed under the Ordinary Resolution 8, to allot and issue shares in the Company up to an amount not exceeding in total **five percent (5%)** of the total number of issued shares of the Company for the time being. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The Company did not issue any new shares pursuant to Section 76 of the Act under the general mandate which was approved at the 50th AGM of the Company.

The Directors currently have no intention of issuing new shares, or of granting rights to subscribe for or to convert any security into shares, except in connection with the Company's executive share option scheme.

7. Proposed Renewal of Existing Share Buy-Back Authority

Ordinary Resolution 9 is to seek a renewal of the authority granted at the 50th AGM of the Company held on 25 October 2019, which will lapse at the conclusion of the 51st AGM to be held on 30 October 2020. The resolution authorises the Company to make market purchases of its own ordinary shares as permitted by the Act.

The Board seeks authority to purchase up to ten percent (10%) of the Company's total number of issued shares, should market conditions and price justify such action.

The Directors only intend to use this authority to make such purchases if to do so could be expected to lead to an increase in net asset value per share for the remaining shareholders and would be in the best interests of the Company generally, having due regard to appropriate gearing levels, alternative investment opportunities and the overall financial position of the Company.

Any purchases of ordinary shares would be by means of market purchases through Bursa Securities. Any shares purchased under this authority may either be cancelled or held as treasury shares by the Company. Treasury shares may subsequently be cancelled or resold for cash or distributed as dividends or be dealt with by the Directors in the manners allowed by the Act. The Company had bought back 18,220,000 ordinary shares at an average price of RM3.74 per ordinary share during the financial year ended 30 June 2020, all of which are currently being held as treasury shares.

Please refer to the explanatory information in the Share Buy-Back Statement dated 1 October 2020.

8. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

Ordinary Resolution 10 is to seek approval from the shareholders for renewal of the shareholders' mandate for RRPT granted by the shareholders of the Company at the 50th AGM held on 25 October 2019. The Proposed Shareholders' Mandate will enable the Company and its subsidiaries to enter into any of the RRPT of a revenue or trading nature which are necessary for the day-to-day operations involving the interest of Directors, major shareholders or persons connected to the Directors and/or major shareholders of the Company and its subsidiaries ("**Related Parties**"), subject to the transactions being in the ordinary course of business, on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. This authority unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The details of the proposal are set out in Part B of the Circular to Shareholders dated 1 October 2020.

PERSONAL DATA PRIVACY:

By registering for the remote participation and electronic voting meeting and/or submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the 51st AGM and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 51st AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists and other documents relating to the 51st AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing requirements, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

Shareholders' Information
as at 28 August 2020

Issued shares : 6,285,038,995 ordinary shares

Voting rights : One vote per shareholder on a show of hands
One vote per ordinary share on a poll

Number of shareholders : 19,661

ANALYSIS OF SHAREHOLDINGS

Size of holding	No. of holders	Total holdings#	%#
1 - 99	2,341	29,034	*
100 - 1,000	3,992	2,969,036	0.05
1,001 - 10,000	9,621	37,616,201	0.60
10,001 - 100,000	2,972	80,874,926	1.29
100,001 – 313,340,948	733	2,524,350,945	40.28
313,340,949 and above	2	3,620,978,853	57.78
Total	**19,661**	**6,266,818,995**	**100.00**

* Negligible

LIST OF TOP 30 SHAREHOLDERS
(without aggregating securities from different securities accounts belonging to the same person)

Name	No. of shares held	%#
1. Progressive Holdings Sdn Bhd	1,382,166,880	22.06
2. Progressive Holdings Sdn Bhd	818,769,700	13.07
3. Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board*	776,959,373	12.40
4. Progressive Holdings Sdn Bhd	643,082,900	10.26
5. AmanahRaya Trustees Berhad *Amanah Saham Bumiputera*	281,145,900	4.49
6. Kumpulan Wang Persaraan (Diperbadankan)	195,928,100	3.13
7. Annhow Holdings Sdn Bhd	115,372,300	1.84
8. AmanahRaya Trustees Berhad *Amanah Saham Malaysia*	91,723,200	1.46
9. AMSEC Nominees (Tempatan) Sdn Bhd *Pledged Securities Account - AmBank Islamic Berhad for Progressive Holdings Sdn Bhd*	89,000,000	1.42
10. HLB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Progressive Holdings Sdn Bhd*	87,000,000	1.39
11. AmanahRaya Trustees Berhad *Amanah Saham Malaysia 2 - Wawasan*	69,994,500	1.12
12. HSBC Nominees (Asing) Sdn Bhd *JPMCB NA for Vanguard Total International Stock Index Fund*	56,077,338	0.89

Shareholders' Information

as at 28 August 2020

LIST OF TOP 30 SHAREHOLDERS (continued)

(without aggregating securities from different securities accounts belonging to the same person)

Name	No. of shares held	%#
13. RHB Nominees (Tempatan) Sdn Bhd *Exempt Authorised Nominee for RHB Securities Singapore Pte. Ltd.*	55,547,500	0.89
14. Cartaban Nominees (Tempatan) Sdn Bhd *Exempt Authorised Nominee for Standard Chartered Bank Singapore Branch*	54,000,000	0.86
15. Maybank Nominees (Tempatan) Sdn Bhd *Maybank Trustees Berhad for Public Ittikal Fund*	47,500,000	0.76
16. Cartaban Nominees (Tempatan) Sdn Bhd *PAMB for Prulink Equity Fund*	45,629,401	0.73
17. Citigroup Nominees (Tempatan) Sdn Bhd *Great Eastern Life Assurance (Malaysia) Berhad*	44,330,213	0.71
18. HSBC Nominees (Asing) Sdn Bhd *JPMCB NA for Vanguard Emerging Markets Stock Index Fund*	42,879,390	0.68
19. Permodalan Nasional Berhad	39,315,100	0.63
20. Cartaban Nominees (Asing) Sdn Bhd *Exempt Authorised Nominee for State Street Bank & Trust Company*	39,036,350	0.62
21. Citigroup Nominees (Asing) Sdn Bhd *Exempt Authorised Nominee for UBS AG Singapore*	36,000,000	0.57
22. Citigroup Nominees (Tempatan) Sdn Bhd *Exempt Authorised Nominee for AIA Bhd*	34,743,561	0.55
23. AmanahRaya Trustees Berhad *Amanah Saham Malaysia 3*	32,277,200	0.52
24. AmanahRaya Trustees Berhad *Amanah Saham Bumiputera 3 - Didik*	25,765,400	0.41
25. HLB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Kim Heung*	23,000,000	0.37
26. AmanahRaya Trustees Berhad *Amanah Saham Bumiputera 2*	22,624,700	0.36
27. Lembaga Tabung Haji	21,850,000	0.35
28. AmanahRaya Trustees Berhad *Public Islamic Dividend Fund*	21,797,733	0.34
29. Citigroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account - UBS AG Singapore for Annhow Holdings Sdn Bhd*	20,274,969	0.32
30. Citigroup Nominees (Tempatan) Sdn Bhd *Great Eastern Life Assurance (Malaysia) Berhad*	20,184,000	0.32
Total	**5,233,975,708**	**83.52**

SUBSTANTIAL SHAREHOLDERS

(Based on the Register of Substantial Shareholders)

	No. of ordinary shares held			
Name of substantial shareholders	**Direct**	**%#**	**Indirect**	**%#**
Dato' Lee Yeow Chor	9,818,800	0.16%	*3,020,019,480	48.19%
Lee Yeow Seng	-	-	*3,020,019,480	48.19%
Progressive Holdings Sdn Bhd ("PH")	3,020,019,480	48.19%	-	-
Employees Provident Fund Board	813,690,573	12.98%	-	-

Notes:-

Based on the total number of issued shares net of 18,220,000 treasury shares.

* Deemed interested by virtue of his interest in PH pursuant to Section 8 of the Companies Act 2016.

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IOI CORPORATION BERHAD Company Registration No. 196901000607 (9027-W)
(Incorporated in Malaysia)

Proxy Form

IOI GROUP

I/We ____
(full name in block letters)

NRIC/Passport/Company No. ______________________ Mobile Phone No. ______________

of ____
(full address)

being a member(s) of **IOI Corporation Berhad**, hereby appoint:-

Name (full name in block letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email Address		

and/or (delete as appropriate)

Name (full name in block letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email Address		

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the **Fifty-First Annual General Meeting** ("**51st AGM**") of the Company which will be **conducted virtually through live streaming from the broadcast venue at Millennium Ballroom 1 (Level 1), Le Méridien Putrajaya, Lebuh IRC, IOI Resort City, 62502 Putrajaya, Malaysia** on **Friday, 30 October 2020** at **10:00 am** or any adjournment thereof.

My/our proxy/proxies shall vote as follows:

(Please indicate with an "✕" or "✓" in the space provided as to how you wish your votes to be cast. If you do not do so, the proxy/proxies will vote, or abstain from voting on the resolutions as he/she/they may think fit)

No.	Resolutions	First Proxy		Second Proxy	
		For	Against	For	Against
1.	To re-elect Tan Sri Dr Rahamat Bivi binti Yusoff as a Director				
2.	To re-elect Dato' Lee Yeow Chor as a Director				
3.	To approve Directors' fees for the financial year ending 30 June 2021 payable quarterly in arrears				
4.	To approve the payment of Directors' benefits for the period from 30 October 2020 until the next AGM				
5.	To re-appoint BDO PLT as Auditors and to authorise the Audit and Risk Management Committee to fix their remuneration				
6.	To approve Datuk Karownakaran @ Karunakaran a/l Ramasamy to continue in office as an Independent Non-Executive Director				
7.	To approve Cheah Tek Kuang to continue in office as an Independent Non-Executive Director				
8.	To authorise the Directors to allot and issue shares pursuant to Section 76 of the Companies Act 2016				
9.	To approve the proposed renewal of existing share buy-back authority				
10.	To approve the proposed renewal of shareholders' mandate for recurrent related party transactions				

Dated this ____________ day of _________________ 2020

** Delete if inapplicable.*

No. of Shares Held	
CDS A/C No.	

____
Signature of Shareholder/Common Seal

Notes:

1 Only shareholders whose names appear in the Record of Depositors and Register of Members as at **22 October 2020** shall be eligible to participate and vote at the 51st AGM or appoint proxy to participate and vote on his or her behalf.

2 A shareholder may appoint any person to be his or her proxy and there shall be no restriction as to the qualification of the proxy.

3 If an instrument appointing a proxy is submitted in hard copy, it must be in writing under the hand of the appointor or of his or her attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of two (2) authorised officers, one (1) of whom shall be a director, or of its attorney duly authorised in writing.

4 A shareholder of the Company (including an authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991 and Exempt Authorised Nominees who hold ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account")) may appoint more than one (1) proxy, provided that the shareholder specifies the proportion of his or her shareholdings to be represented by each proxy. When two (2) or more valid but differing appointments of proxy are delivered or received for the same share for use at the same meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that share.

5 An instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument.

6 The proxy form may be made in hard copy or by electronic means, not less than forty-eight (48) hours before the time for holding the 51st AGM or any adjournment thereof, as follows:

(i) In hard copy form

The proxy form must be deposited at **Boardroom Share Registrars Sdn Bhd**, **11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan**.

(ii) By electronic means

The proxy form can also be lodged electronically through Boardroom Smart Investor Online Portal at www.boardroomlimited.my by logging in and selecting "**E-PROXY LODGEMENT**" or email to bsr.helpdesk@boardroomlimited.com. Please follow the procedures provided in the Administrative Guide for the 51st AGM in order to deposit the proxy form electronically.

7 Any corporation which is a shareholder can appoint one (1) or more corporate representatives who may exercise on its behalf all of its power as a shareholder in accordance with the Companies Act 2016.

Personal Data Privacy

By registering for the remote participation and electronic voting meeting and/or submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the 51st AGM and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 51st AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists and other documents relating to the 51st AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing requirements, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

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STAMP

THE ADMINISTRATION AND POLLING AGENT OF
IOI CORPORATION BERHAD

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

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3rd fold here