ACCELERATING VALUE DELIVERY & IMPACT

IOI Corporation Berhad’s five strategic priorities are highlighted as the focus of this year’s cover design. Each strategy is captured as a circular icon and rendered in a vibrant array of colours to depict the distinct impact it has in illuminating a sustainable future for IOI. The dynamic helix shows ongoing momentum in scaling new heights while embedding sustainability, resilience and responsibility into our core. The elevated arrangement of images capture continuous progress in every aspect of our operations, as we work steadfastly on unleashing the impact of our strategies towards fortifying a global palm oil supply chain that is reliable, traceable and sustainable.

www.ioigroup.com
Virtual Meeting through live streaming broadcast from IOI Resort City, Putrajaya, Malaysia ("Meeting Venue")

Tuesday
26 October 2021
10:00 am

Note:
The Meeting 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/proxies from the public shall be physically present at, nor admitted to, the Meeting Venue.

For a more bite-sized version of our report, please scan the QR code or log on to https://www.ioigroup.com/Content/IR/IR_Reports

52ND
ANNUAL GENERAL MEETING

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At IOI, we are accelerating the value delivery and impact of our five strategic priorities that are highlighted as the focus of this year’s cover design. Each strategy is captured as a circular icon and rendered in a vibrant array of colours to depict the distinct impact it has in illuminating a sustainable future for IOI. The dynamic helix shows ongoing momentum in scaling new heights while embedding sustainability, resilience and responsibility into our core. The elevated arrangement of images capture continuous progress in every aspect of our operations. As a whole, this year’s cover captures an energetic phase as we work steadfastly on unleashing the impact of our strategies towards fortifying a global palm oil supply chain that is reliable, traceable and sustainable.

ABOUT OUR REPORT

THE FOCUS OF THIS REPORT

IOI Corporation Berhad ("IOI" or "the Group") has embarked on an integrated reporting journey since 2019. This is our third 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 enhance reporting connectivity and provide stakeholders a more holistic view of how we create and sustain 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.

REPORTING PERIOD, SCOPE AND BOUNDARY

This Report covers our financial and non-financial performance during the period of 1 July 2020 to 30 June 2021. 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 ventures. It excludes detailed information on investments in which the Group holds a minority stake.

The boundary of the Report is 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 Council ("IIRC"), Global Reporting Initiative ("GRI"), Core Option and GRI Sector Disclosures as well as the Main Market Listing Requirements of Bursa Malaysia.


ASSURANCE

The Board has applied its collective mind to present IOI’s Report and acknowledges 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 14 September 2021.

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.
WHO WE ARE & WHAT WE DO

IOI Corporation Berhad ("IOI" or the "Group"), listed on the Main Market of Bursa Malaysia Securities Berhad, is a leading global integrated and sustainable palm oil player. Employing about 25,000 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.

PLANTATION
Plantation is one of the core businesses of 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.

Export to Over 80 Countries Worldwide

RESOURCE-BASED MANUFACTURING
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.

Integrity
Cost Efficiency
Commitment
Innovation
Team Spirit
Excellence in Execution

IOI CORPORATION BERHAD

4

IOI CORPORATION BERHAD

GROUP OVERVIEW

5

GROUP OVERVIEW

GROUP OVERVIEW

GROUP OVERVIEW

GROUP OVERVIEW

GROUP OVERVIEW
GLOBAL PRESENCE

Exports by Regions (Oleochemical)

- **82.2%** Asia
- **3.0%** Africa
- **10.9%** Europe
- **2.6%** North America
- **0.9%** South America
- **0.4%** ROW (Rest of the World)

Exports by Regions (Commodity)*

- **40.2%** Asia
- **4.6%** Africa
- **42.4%** Europe
- **12.6%** North America
- **0.2%** ROW (Rest of the World)

*Includes sales of palm kernel expellers

---

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. Verano, 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):
  - Berkut Nabati Sejati Era: 1–4 Estates
  - Bumi Sawit Sejati: 1–4 Estates
  - Kalimantan Prima Agro Mandiri: 1–4 Estates
  - Sukase Karya Sawit: 1–3 Estates & Palm Oil Mill
20. Manila, The Philippines
21. Dubai, United Arab Emirates

~ Associate (Bunge Loders)
# Includes associate companies
^ Includes plasma estates
+ Includes sales of palm kernel expellers
AWARDS & ACHIEVEMENTS

1. Strongest Adherence to Corporate Governance
   IOI Corporation Berhad
   (Alpha Southeast Asia’s 10th Annual Institutional Investor Corporate Awards 2020)

2. Best Senior Management IR Support
   IOI Corporation Berhad
   (Alpha Southeast Asia’s 10th Annual Institutional Investor Corporate Awards 2020)

3. Highest Return on Equity Over Three Years (Plantation Sector)
   IOI Corporation Berhad
   (The Edge Billion Ringgit Club Corporate Awards 2020)

4. Highest Growth in Profit After Tax Over Three Years
   IOI Corporation Berhad
   (The Edge Billion Ringgit Club Corporate Awards 2020)

5. 2020 Digital Transformation (DX) CEO – Malaysia
   Dato’ Lee Yeow Chor
   IOI Corporation Berhad
   (International Data Corporation DX Summit and Awards 2020)

6. Challenge Trophy
   IOI Pan-Century Oleochemicals Sdn Bhd
   (2019/20 Prime Minister’s Hibiscus Awards)

7. Excellent Achievement Award in Environmental Performance
   IOI Pan-Century Oleochemicals Sdn Bhd
   (2019/20 Prime Minister’s Hibiscus Awards)

8. Johor State Award
   IOI Pan-Century Oleochemicals Sdn Bhd
   (2019/20 Prime Minister’s Hibiscus Awards)

9. Environmental, Social and Governance (ESG) Rating: 3.1
   IOI Corporation Berhad
   (A constituent of FTSE4Good Index)

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

11. Ranked 14th with overall score of 77.1%
    IOI Corporation Berhad

12. A score of 8.1% in the Food, Beverage & Personal Care sector
    (Top 3 companies with highest score for 2020)
    IOI Corporation Berhad
WHY INVEST IN IOI

Our strengths differentiate us from others and enable us to create and sustain long-term shareholders’ value

LEADING INTEGRATED PALM OIL GROUP WITH GLOBAL PRESENCE
- A fully integrated business model with upstream and downstream operations to mitigate impact of commodity price fluctuations
- Global presence in 8 countries across 4 continents
- Sales are diversified to more than 80 countries to mitigate our exposure to localised risks in any particular market

EFFICIENT PALM OIL PRODUCER
- Proven track record as one of the most efficient major palm oil producers
- IOI Palm Biotech is a leading tissue culture facility producing superior high-yielding oil palm clonal planting materials

WELL-ESTABLISHED AND INNOVATIVE OLEOCHEMICAL SEGMENT
- Earliest and largest fatty acids producer in Malaysia
- Owner of 19 patents for pharmaceutical applications via IOI Oleo GmbH, Germany
- CARE Studio in Germany developed 40 formulations for personal care and cosmetic applications

RESPONSIBLE AND SUSTAINABLE PRACTICES
- 100% of Malaysian plantations are Malaysian Sustainable Palm Oil (“MSPO”) certified
- A member of the FTSE4Good Malaysia Index, 71st percentile in the assessment for Dow Jones Sustainability Index (“DJSI”) and 90th percentile on the EcoVadis Rating
- Committed to the No Deforestation, No Peat and No Exploitation (“NDPE”) policy since 2016 and a member of High Carbon Stock Approach (“HCSA”) Group

GOOD DIVIDEND TRACK RECORD
- Policy of declaring at least 50% of normalised profit after tax and minority interest (“PATAMI”) as dividend

BUSINESS & FINANCIAL HIGHLIGHTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>RM 11.25 billion</td>
</tr>
<tr>
<td>Profit before Interest and Taxation</td>
<td>RM 1.74 billion</td>
</tr>
<tr>
<td>Net Profit Attributable to Owners of the Parent</td>
<td>RM 1.39 billion</td>
</tr>
<tr>
<td>Full implementation of SAP ERP system and mobile crop monitoring system in all Malaysian plantations</td>
<td></td>
</tr>
<tr>
<td>Successfully implemented Mechanised FFB Main Line Evacuation System in approximately 40% of our plantations in Malaysia and Indonesia</td>
<td></td>
</tr>
<tr>
<td>Filed 5 new patents for pharmaceutical applications</td>
<td></td>
</tr>
<tr>
<td>Developed 10 new formulations and one new ingredient for personal care</td>
<td></td>
</tr>
<tr>
<td>Production sites in Witten and Wittenberge completely switched to 100% green electricity</td>
<td></td>
</tr>
<tr>
<td>Increased sales of low 3-MCPD and high-end MCT (“medium chain triglycerides”) use in nutritional and healthcare products</td>
<td></td>
</tr>
<tr>
<td>Market Capitalisation</td>
<td>RM 23.50 billion</td>
</tr>
<tr>
<td>Share Price</td>
<td>RM 3.76</td>
</tr>
<tr>
<td>Yayasan Tan Sri Lee Shin Cheng CSR contribution</td>
<td>RM 4.1 million</td>
</tr>
</tbody>
</table>
Dear Stakeholders,

On behalf of the Board of Directors (“the Board”) of IOI Corporation Berhad (“IOI” or “the Group”), it is my honour to present to you the Annual Report of the Group for the financial year ended 30 June 2021 (“FY2021”).

The COVID-19 pandemic continues to pervade the communities and damage economic sectors within the country. Against this backdrop, the Group was fortunate to be able to carry on with operations, adopting necessary safety measures and business continuity plans, and continuing to operate at high capacity during FY2021. The modest yet solid financial performance in FY2021 is a testament to the resilience and commitment of our employees, and the Group is proud to have contributed to the food and nutrition needs of the country during the challenging period. In addition, we would also like to thank our stakeholders, namely our customers, bankers, business partners, governmental authorities and regulatory agencies, and the Group’s employees for their continued support and confidence in the Group throughout this period.

Please stay safe and keep well.

Thank you.

Tan Sri Peter Chin Fah Kui
Independent Non-Executive Chairman

Over 7,000 hectares of aging trees were replanted during FY2021 with high-yielding oil palm planting materials.

For our plantation segment, the higher operating profit of RM1,209.6 million for FY2021 was 110% higher as compared to RM576.3 million reported for FY2020. The higher profit was due mainly to higher results of both the plantation segment, the higher profit of RM668.0 million for FY2021 was 73% higher than the RM385.1 million reported in FY2020 due mainly to higher share of results from associate, Bunag Loders Croklaan Group B.V. (“BLC”). Better performance from North America and Europe regions combined with a one-off gain of RM248.3 million from the sale of its refinery located in Rotterdam boosted the overall BLCS result. Apart from this share of BLCS’s result, lower contribution was reported by the oleochemical and refining sub-segments due mainly to lower margins.

For the oleochemical sub-segment, the Group’s net profit after taxation and minority interests (“PATAMI”) was RM268.3 million, up 6% year on year. This was mainly due to the sale of integrated oleochemical plants in Prax, Penang. The group received a one-off gain of RM130.4 million from the sale of integrated oleochemical plants in Prax, Penang.

For the refinery sub-segment, the Group’s PATAMI was RM110.2 million, 12% higher year on year. The increase was mainly due to higher feedstock prices and rising freight cost.

For our resource-based manufacturing segment, the higher profit of RM1,209.6 million for FY2021 was 80% higher than the underlying profit of RM674.2 million reported in FY2020. The significant increase was mainly driven by the gain of RM268.3 million from the sale of its refinery located in Rotterdam.

The Group’s core operating profit before tax (“OPBT”) of RM1,739.8 million was 110% higher compared to RM830.2 million reported in FY2020. The increase was mainly due to higher results of both the plantation segment and the oleochemical sub-segment.

The Group’s overall PATAMI of RM1,416.3 million for FY2021 was 13% higher as compared to RM1,261.7 million reported in FY2020.

The Group’s headline performance was expected to be strong for FY2022 as well, driven by higher prices and solid demand from Asia, Europe and the US, as well as normal operations and no disruptions from the pandemic. The Group’s net profit after taxation and minority interests (“NPA”) is expected to be around RM1,600-1,700 million for FY2022.

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EVERY INTERACTION WE INITIATE IS AN OPPORTUNITY TO MAKE A POSITIVE IMPACT ON OTHERS

Dear Stakeholders,

It gives me great pleasure to set out the Group’s key focus areas, progress of its strategic priorities, developments on the sustainability front and the prospects for the financial year 2022 (“FY2022”).

The world economy has begun to emerge from the economic collapse of 2020, following the unprecedented policy response by many countries which provided large-scale macroeconomic support to alleviate the economic blow triggered by the COVID-19 pandemic. However, the recovery is expected to be subdued and uneven due to the different rates of vaccine rollouts among countries across the globe and also in view that certain countries are still occupied with containment measures to counter new waves of infection.

The Group initiated a Five-Year Plan which was introduced in March 2020 to transform the Group from a cost competitive palm oil producer to a high value-added diversified palm-based products producer. This plan is driven by five strategic priorities.

The first priority is to optimise agricultural land use by increasing plantation oil yield by at least 15% through utilising our high-yielding planting materials according to different terrain and weather conditions. We have started using our newly improved third-generation hybrid palm seedlings in addition to our elite clonal palms during this year’s replanting programme. These third-generation hybrid palm seedlings as well as elite clonal palms are a result of our more than 30 years’ experience in palm breeding and tissue culture research.

Secondly, the Group aims to reduce plantation workforce by more than 25% through the implementation of various estate mechanisation and digitalisation programmes. At the end of FY2021, we expanded the mechanised fresh fruit bunches (“FFB”) main line evacuation system to about 40% of our total estate areas and used motorised tools such as motorised palm cutters and power wheel barrows to increase harvesters’ productivity by up to 50%. I am also happy to report to you that the Group has completed its implementation of the SAP ERP system and mobile crop monitoring system in all Malaysian plantations in December 2020. In order to simplify our estate workers’ payroll system, we have also implemented an e-wallet payment system to workers’ payroll system, we have also implemented an e-wallet payment system to 50% of our plantation operating units. For upcoming pipeline projects, the Group will be employing mechanical fertiliser spreaders and mechanical chemical sprayers with global positioning system (“GPS”) technology as well as exploring to use drones for pesticide application to reduce reliance on manual labour.

Thirdly, the Group plans to diversify planting of crops away from full reliance on oil palm to other higher-value crops to limit the Group’s exposure to palm oil price volatility. During FY2021, we started to plant pineapples as an intercrop to our total planted area of about 300 hectares of coconut trees. There are ongoing plans to plant another 1,000 hectares of coconut trees and 300 hectares of kenaf within the next two years. Once the planting of these crops has achieved a certain critical size, the Group will explore various processing facilities for the crop outputs to extract more value from them.

Fourthly, the Group is also constructing a new soap and palm kernel based fatty acids plant for pharmaceutical excipients and active ingredients has commenced to produce more palm oil products at competitive cost. On this front, the Group has awarded contracts for the construction of a palm wood panels factory to convert oil palm trunks into high performance palm wood boards and panels. The factory is targeted to be completed by end of 2022.

Finally, the Group aspire to grow the oleochemical sub-segment’s profit by RM100 million through organic expansion and new product applications. I reported last year that the Group has commenced construction of our new 110,000 MT/year capacity oleochemical plant in Prai, Penang, and I am pleased to report to you now that the construction is well in progress and is slated to complete by the fourth quarter of 2022. This expansion allows the Group to produce more palm and palm kernel based fatty acids and glycerine. At the same time, the Group is also constructing a new noodle plant in Pasir Gudang, Johor. On the product development front, our Germany Oleochemical division has filed 19 pharma patents and developed 40 new formulations within the personal care portfolio over the last two years. To complement these innovative product developments, a new pilot plant for pharmaceutical excipients and active ingredients has commenced operations in Germany. These exciting developments will bode well for the Group in the near to medium term.

Progress of the Group’s Strategic Priorities are further detailed on pages 44-49 of this Annual Report.

I am happy to report to you now that the construction is well in progress and is slated to complete by the fourth quarter of 2022. This expansion allows the Group to produce more palm and palm kernel based fatty acids and glycerine. At the same time, the Group is also constructing a new noodle plant in Pasir Gudang, Johor. On the product development front, our Germany Oleochemical division has filed 19 pharma patents and developed 40 new formulations within the personal care portfolio over the last two years. To complement these innovative product developments, a new pilot plant for pharmaceutical excipients and active ingredients has commenced operations in Germany. These exciting developments will bode well for the Group in the near to medium term.

GROUP MANAGING DIRECTOR AND CHIEF EXECUTIVE’S STATEMENT

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

CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The safety and health of all employees and stakeholders remains a top priority for the Group amid the COVID-19 pandemic. After we strengthened IOI’s Sustainable Palm Oil Policy last year with clearer environmental management guidelines concerning biodiversity, peatland and fire management as well as more rigorous guidelines on building greater traceability within our supply chains, we went on to introduce more specific guidelines concerning the rights and protection of the Group’s workforce this year. At the same time, we introduced more greenhouse gas reduction activities and risk mitigation measures across the Group’s operations, which are integral to the Group’s holistic approach towards climate change and form the basis of the Group’s path forward towards climate resilient businesses and operations.

The charity arm of the Group, Yayasan Tan Sri Lee Shin Cheng (“Yayasan TSLSC”) undertakes corporate social responsibility activities and has awarded more than 300 students with university scholarships and adopted more than 1,000 students under its Student Adoption Programme. Besides working on an after-school programme focusing on Science, Technology, Engineering and Mathematics (“STEM”) in collaboration with several local universities, Yayasan TSLSC also operates a social enterprise called Bargain Basement which sells good quality used items in its three outlets in Putrajaya, Selangor and Perak.

The Group’s new commitments, progress and initiatives on sustainability are further detailed in our Sustainability Report 2021 which is based on the Global Reporting Initiative (“GRI”) standards as well as the Task Force on Climate-related Financial Disclosure (“TCFD”) guidelines.

OUTLOOK AND PROSPECTS

Going forward, continued global economic recovery hinges on the rapid deployment of vaccines and support from accommodative financial and economic policies. While many of the advanced economies have been quick to vaccinate their population against COVID-19, vaccination rates among lower income countries are progressing at a slower pace due to a short supply of vaccines.

The Malaysian government is ramping up the COVID-19 vaccination rate while containing a third wave of COVID-19 infections through a reimposed Movement Control Order. The government remains optimistic that the country will inoculate 80% of its adult population by the end of October 2021. This would help to kickstart Malaysia’s economic recovery in full force at the beginning of 2022. For our plantation segment, the FFB production is expected to be stable in FY2022 as the higher production from young palm trees in our Indonesian operations due to the strong performance in FY2021, underpinned by the strong performance from our plantation segment as a result of high CPO price and the improved performance from our resource-based manufacturing segment.

The Malaysian government is ramping up the COVID-19 vaccination rate while containing a third wave of COVID-19 infections through a reimposed Movement Control Order. The government remains optimistic that the country will inoculate 80% of its adult population by the end of October 2021. This would help to kickstart Malaysia’s economic recovery in full force at the beginning of 2022. For our plantation segment, the FFB production is expected to be stable in FY2022 as the higher production from young palm trees in our Indonesian operations due to the strong performance in FY2021, underpinned by the strong performance from our plantation segment as a result of high CPO price and the improved performance from our resource-based manufacturing segment.

The Group expects our overall financial performance in FY2022 to be better than FY2021, underpinned by the strong performance from our plantation segment as a result of high CPO price and the improved performance from our resource-based manufacturing segment.

Closing Remarks

The Group is focused on sustainable growth and expansion in its upstream and downstream businesses despite the challenges posed by the COVID-19 pandemic. Towards this end, the Group is committed to the careful monitoring and disciplined execution of its Five-Year Plan.

To achieve our IOI Vision, the Group continues to build on the platforms of sustainable growth, driving innovation, people capital development and customer intimacy. The IOI team also upholds a values-centric culture based on the six IOI Core Values namely integrity, commitment, team spirit, cost efficiency, innovation and excellence in execution.

Promised on these platforms and strong values, the Group is poised and future ready to seize the opportunities for growth and expansions to go forward. We will work steadfastly to bring an accelerated value delivery and impact to our stakeholders.

Dato’ Lee Yeow Chor
Group Managing Director and Chief Executive
Delivering Impact Through Value Creation

Value for Shareholders
- Proven track record as one of the most efficient major palm oil producers
- Responsible investment and Shariah-compliant
- Dividend policy of at least 50% of normalised profit after tax and minority interest ("PATAMI")

Value for Employees
- Provide competitive remuneration and equal opportunities in learning and development
- Provide jobs directly to about 25,000 people
- Enhance health and safety, provide a conducive working environment and quality living conditions
- Promote diversity, inclusion and women empowerment

Value for Customers
- Preferred supplier of RSPO and MSPO-certified sustainable palm-based products
- Collaboration with customers to develop customised and high-quality products to meet specific needs
- Continue to focus on innovation towards value-added premium and green products

Value for Communities
- Provide capacity building and mutual growth via smallholder scheme, technical trainings and community development projects
- Provide employment opportunities, improve rural livelihoods and make lasting contributions to socio-economic development
- Partner with HUMANA to provide basic education to children of our workers and rural communities in Sabah

Value for Suppliers
- Create economies of scale for suppliers
- Practise a fair and transparent procurement process
- Develop a transparent, reliable and sustainable palm oil supply chain
We strive to provide and sustain a globally traceable, reliable and sustainable palm oil supply chain. Our integrated business model enhances synergies across our business operations, delivers shared values to our shareholders and provides long-term economic, social and environmental benefits. By capitalising on our distinctive competitive edge and strategic enablers, our 5 strategic priorities are focused to create value and deliver a positive impact.
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").
GLOBAL TRENDS

We view climate-related risks and implications as one of our biggest challenges in the agribusiness sector.

The palm oil industry is one of the most critical drivers for Malaysia’s socio-economic development. As a leading global integrated palm oil player, one is gearing ourselves towards operating in a fast-changing environment and the extremes of changes in weather conditions, by investing in green infrastructures towards creating a synergy of a circular economy within each IOI operating unit, as well as advocating a transformational and innovative work culture aimed at improving productivity, work efficiencies and better cost management.

These are some challenges which the Malaysian palm oil industry is currently facing:

- **CLIMATE**
  - Unpredictable and Extreme Weather due to Climate Change

- **GMO**
  - Breakthrough in Genetically Modified Crops and Competition from Other Oils

- **CSPO DEMAND**
  - Growing Consumer Demand for Sustainable CPO and Other Green Products

- **RESOURCES & COSTS**
  - Depilting Resources and Surging Costs

- **POLITICS**
  - Increasing Geopolitical Instability and Regional Conflicts

- **ANTI-PALM LOBBYISTS**
  - Threat of Green and Social NGOs on Agribusiness Companies

- **TALENTS**
  - Shortage of Competent Talents

- **DISEASES**
  - Spread of Highly Infectious Diseases

- **POLICIES**
  - Raising Protectionism and Regulatory Changes

However, we are paving the foundation towards better positioning our IOI brand, which will be driven by our five Strategic Priorities, as our strength as a valuable agribusiness company lies in our integrated value chain. Moving forward, sustainability and innovation continue to play key roles in driving our strategies where our plantation segment will remain a dominant priority for growth, but our resource-based manufacturing segment will be our competitive differentiator for growth.

Here, we present three case studies which showcase our value proposition in accelerating value impact and delivery while meeting the ESG ("Environmental, Social and Governance") sustainability requirements.

ACCELERATING CLIMATE RESILIENCE ADAPTATION

We are already feeling the impacts of climate change, and we must act now to turn the tide.

In line with our 2020 Group-wide IOI Climate Change Action Initiative, we have explored and are expediting continuous improvement within our processes as a way to address climate change issues such as using more renewable power and improving energy efficiencies, amongst others.

For example, the use of biogas technology – in this case methane derived from palm oil mill effluent – can provide both valuable fuel and lesser electricity required from local grid connection, unlike the harmful climate-warming gas methane which is known to stay in the Earth’s atmosphere, allowing sunlight to pass through but trapping heat. This is one of the largest contributors towards global warming.

Biogas technology has benign by-products: reducing carbon emissions and cutting waste streams. At current, IOI has 10 palm oil mills equipped with methane capture facilities which produces more than 52 million m$^3$ per year. The uses of the captured biogas are for heat and electricity generation, mainly used for mill consumption, and in the near future could potentially be sold back to the local energy company for national grid connection use.

Not only that, this form of clean biogas can be further upgraded to produce high quality gaseous fuel i.e. bio-compressed natural gas ("Bio-CNG"), which could be a prominent cleaner alternative than using fossil fuels subsequently. We are currently conducting a feasibility study in Malaysia on this matter.

Utilising the biogas technology is not the only innovation that we have established, there are other initiatives such as:

- Utilising biomass for renewable energy generation;
- Utilising solar energy and harvesting solar thermal energy;
- Adopting Liquefied Natural Gas ("LNG") as one of our energy sources with lower carbon emission fuel;
- Repurposing processing waste from our downstream facilities as organic fertiliser in our plantations.

In Malaysia, IOI Oleo GmbH, we have upgraded our plant with the methane capture system at our Wittenberge site and we are pleased to share that our carbon savings is estimated to be 68.75 tonnes of CO$_2$ per year and counting, with our base measurement year starting in 2017. This form of methane captured has been used to replace natural gas in our boilers.

Refer to our Sustainability Report 2021 for a detailed review.
The palm oil industry generates large amounts of wastes and residues, which are categorised into two groups: 1) those from harvesting and replanting in plantation fields, and; 2) those from the milling process in the palm oil mills. The lignocellulosic biomass from the plantations are in the forms of oil palm fronds (“OPF”) and oil palm trunk (“OPT”). Pruned OPT are placed in frond heaps between planting rows, where they act as soil mulch and fertiliser, while OPT would be left to decompose naturally at the plantation. However, each OPT can take as long as two to three years to fully decompose. As oil palm trees are felled yearly for harvesting OPT, there are large quantities of solid OPT wastes available for repurposing. In Malaysia, we have 176,926 hectares of mature and immature oil palm planted (excluding associate companies), as of 30 June 2021. In accordance with our diversification strategy, we aim to convert oil palm by-products and processing waste into value-added products. Research on oil palm wastes, especially OPT, is important in reducing waste management problems and as an alternative raw material for wood products.

Our subsidiary, IOI Palm Wood aspires to be the first and only multi-national corporation in the world to sustainably and commercially produce specifically-engineered wood panels from unused OPT. At current, we have awarded contracts for the construction of an approximately 20-acre factory on a freehold site, adjacent to the Segamat Inland Port, Johor, Malaysia. This facility will be equipped with the latest technology on saw milling, kiln drying and panel production where it will be able to produce high-performance palm wood board and panel products that are lightweight, environmentally sustainable, and dimensionally stable. This type of wood not only has high strength and good screw holding, it is also more fire-resistant when compared to traditional timber.

The Fourth Industrial Revolution has arrived in the agriculture sector. Alongside Malaysia’s pledge to transform into a high-income nation by 2030 through socioeconomic transformation via the use of technology, it has become an urgent priority that we prepare ourselves as a learning organisation for radical change – not to be left behind by development in our own industry and by our competitors. On the mechanisation front, we are shifting away from a total dependency on manual labour at our Malaysian plantations. In 2021, about 40% of our plantation operations across Peninsular Malaysia, Sabah and Indonesia have successfully implemented the mechanised fresh fruit bunches (“FFB”) main line evacuation system. We have also deployed several equipment such as the motorised cutters and power barrows before FFBs are collected from the platform and then loaded into bins by mechanical tractor grabbers and moving them to the mills by hooklift tractors or forries. Before, we could achieve a load of 12 to 15 metric tonnes (“MT”) of FFB/day with manual loading, but with mechanisation, we are now able to achieve 30 to 40 MT of FFB/day – and this in turn, allows us to eliminate the strenuous manual loading work while lowering labour costs, as well as improving operational efficiency and income of our workers. This process has also been expanded to our plantations in Indonesia. Aside from improving harvesting work, we have introduced machines for agrochemicals, crucial for upkeep of fields and plant protection.

On the digitalisation front, all our Malaysian plantation operating units are fully integrated with the SAP system and the electronic plantation monitoring system. We have now commenced work on integrating robotic process automation (“RPA”) technology into our SAP system, aimed at eliminating the repetitive and rule-based digital tasks (invoice processing, month-end accounts closing, check roll, etc.), and freeing our personnel to focus on higher value work. We also view RPA as a fundamental application platform towards intelligent automation via machine learning and artificial intelligence tools. We also make use of digital tools including geographic information system (“GIS”) technology and drones to assess and monitor our plantations’ performances, yield-tracking and identification of progeny. In order to further enhance our capabilities in performance monitoring, GIS data will be synchronised with our SAP system for operational data visualisation as well as for quicker analysis and decision making.

Ultimately, we want to create a better working environment at our plantations which we envision to be less labour-intensive and futuristic while dispelling the 3Ds (dirty, dangerous and demeaning) misconception in order to attract local workers. We regard mechanisation, automation and digitalisation to closely complement one another as we strive to build our end-to-end traceable supply chain of the future.
### EXTERNAL ENVIRONMENT

**1.01 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 the opportunities presented by these trends.

#### Volatility in Demand & Commodity Price

<table>
<thead>
<tr>
<th>TREND &amp; DESCRIPTION</th>
<th>IMPACT</th>
<th>HOW IOI IS RESPONDING</th>
<th>IOI OUTLOOK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palm oil companies are facing fluctuations in palm oil demand and pricing due to geopolitical and socioeconomic factors.</td>
<td>Commodity price volatility is expected to continue. The surge in crude palm oil (“CPO”) price to historical high was due to increase in other vegetable oils prices and low inventory levels in both producing and consuming countries. The rise in commodity price will result in higher raw material costs and impact the manufacturing sector sales margin, supplemented by the difference in CPO export duty and CPO levy in Malaysia and Indonesia. High inflationary risk may prompt central banks to hike interest rates and adopt tighter monetary policies that affect vegetable oil prices.</td>
<td>We employed a fully integrated business model, with upstream and downstream businesses and efficient cost structure to mitigate the impact of commodity price fluctuations. We have strategic presence in Malaysia and overseas that allows us to cater to different market segments. Our sales are diversified to more than 80 countries to mitigate exposure to localised risks in any particular markets. We make continuous improvement to our market information system, enhance monitoring and risk management through hedging activities and develop better strategies to improve resilience to unexpected price swings.</td>
<td>Palm oil price is expected to remain volatile as a result of geopolitical and socioeconomic developments and impact from competing vegetable oils.</td>
</tr>
</tbody>
</table>

#### Disruptions in Palm Oil Supply Chain

The disruptions (including the COVID-19 pandemic and the Suez Canal blockage) and high cost of international shipping freight remain a concern, as the manufacturing sector relies on extensive exports. The limited availability of containers and increased shipment cost has impacted shipment plans. Delays, emissions and port congestions have resulted in the postponement of goods to customers.

We engaged with several logistic providers and improved planning for product shipments. We constantly engage our shipping agents and update our customers.

The impact from supply chain disruptions is expected to ease following the gradual recovery of the global economy due to the ongoing vaccination worldwide.

#### Responsible & Sustainable Agricultural Practices

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.

The agricultural sector is expected to practise sustainable agriculture to minimise carbon emissions and reduce air pollution, and to protect biodiversity, forests, water and soil.

We implemented sustainable agricultural practices in our plantation and resource-based manufacturing businesses. We adhered to internationally-recognised sustainability certifications, including the voluntary Roundtable on Sustainable Palm Oil (“RSPO”), the International Sustainability and Carbon Certification (“ISCC”) and the mandatory Malaysian Sustainable Palm Oil (“MSPO”). We are committed towards No Deforestation, No Peat and No Exploitation (“NDPE”) and the protection of High Conservation Value and High Carbon Stock areas within our plantations.

We drive sustainable practices, conduct tracing and supply chain monitoring, and engage with suppliers through digital tools.

Responsible production and sustainable agricultural practices are integral to conducting business in the palm oil sector.

Plantation owners and growers need to collaborate closely with all stakeholders to meet their expectations and requirements.
Demand for Sustainable Products & Certifications

Palm oil companies are expected to meet the 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 adoption of strict Environmental, Social and Governance ("ESG") standards by many multinational companies will require due diligence from product manufacturers.

The complexity of downstream processes and the need for segregation may increase cost and logistics requirements.

We are capable of producing both RSPO Mass Balance ("MB") and Segregated ("SG") grades products in our refineries. All of our oleochemical products are available in the RSPO MB grade. In Germany, IOI Oleo GmbH has dedicated an entire product range to be made available only in RSPO-certified standards to boost sales.

We serve as Chair of the ASEAN Oleochemical Manufacturers Group’s RSPO Work Group since its inception eight years ago.

We leveraged 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 also collaborated with key fast-moving consumer goods ("FMCG") customers who have interest in RSPO SG grade and traceable raw material supply.

We developed innovations such as production flexibility and formulations to support the manufacturing of RSPO SG grade products in a more practical and efficient manner.

The manufacturing segment is expected to benefit from the good demand for personal hygiene products. Baby boom from the COVID-19 pandemic will increase demand for infant nutrition products, in which several of it’s low 3-MCPD and Glycidyl Esters products are included.

The European Union 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.

The demand for RSPO MB and SG grades products will continue to grow in both food and non-food sectors. Demands will shift from RSPO certifications with lower premiums, such as RSPO MB grade, to higher prospects such as RSPO SG or Identity Protected grades.

Our RSPO SG grade products’ production facilities will support it to meet growing customer demand, achieve economies of scale and improve our market position.

However, certain customers may also opt for cheaper alternatives to RSPO-certified products by imposing their own standards.

Product Regulatory Requirements

Palm oil companies and manufacturers are facing increased regulatory changes, new compliance requirements and obligation to register products in key export markets.

The development of regulatory requirements for Registration, Evaluation, Authorisation & Restriction of Chemicals ("REACH") in key markets create new compliance requirements. Additional and non-REACH requirements will continue to evolve, notably in the premium nutrition, infant nutrition, health and supplement sectors, and pet foods. Complying with these regulatory standards will require significant resources, cost and regulatory expertise.

We continuously monitor the regulatory landscape through our Market Intelligence Team for early identification of registration requirements.

We have a Technical Task Force to oversee the development of products that will comply with key markets’ registration and registration requirements, e.g. premium infant nutrition products.

We invested in state-of-the-art analytical instruments to cater for current requirements and address anticipated future specifications.

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Growing Customer Interest in Ethical Labour Practices

Palm oil companies are expected to implement fair labour practices and audits in their operations to meet customers’ expectations.

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.

Product manufacturers are expected to comply with customers’ audit requirements to retain a position on customers’ supplier list.

We subscribed to relevant audit programmes to monitor and disclose our business practices, which are globally recognised by our partners and customers.

We communicated and provided insights into our strengths through scorecards, which can be easily shared with customers.

We developed action plans to close existing gaps in our practices to meet audit requirements and to ensure fair and decent working conditions for our workers.

We conducted 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.

Our audit process and findings will continue to support us in improving the working conditions for our workers in line with our commitment to contribute to the United Nations’ Sustainable Development Goals.
Our genuine purpose guides our business approach and sustainability focus, illustrating our accountability towards communicating the full range of value created and our actions to take towards managing and developing the expectations, needs and concerns of each stakeholder group.

### STAKEHOLDERS’ ENGAGEMENT

<table>
<thead>
<tr>
<th>STAKEHOLDER GROUPS</th>
<th>KEY CONCERNS</th>
<th>OUR RESPONSES</th>
<th>VALUE CREATED FOR STAKEHOLDERS</th>
<th>VALUE CREATED FOR (OI)</th>
</tr>
</thead>
</table>
| **Employees**       | - Open communication and fair remuneration;  
                      - Health and well-being benefits; and  
                      - Transparent and progressive company culture. | We prioritise our employees’ wellbeing (physical, mental, social) by supporting flexible work arrangement alongside leveraging on various communication technologies to keep the team as a whole. | We honour our employees with competitive remuneration as well as equal opportunities in learning and development through both online and offline training programmes. | Our positive company culture elevates employee enthusiasm and encourages better productivity. This flow embodies our Core Values towards driving better company performance. |
| **Customers**       | - 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 fairs and exhibitions have allowed us to cater to 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 J-MCOP 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**     | - Respectful, sustainable and equitable practices;  
                      - Proper 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.), as well as providing financial and 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**       | - Ethical and sustainable production and procurement processes; and  
                      - Safety and health practices. | Digital engagement tools, dynamic focus group sessions and conducive workshops have 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; creating a greener and more optimised circular economy. |
| **Regulators**      | - Statutory reporting and filling matters as well as regulatory compliances in relations to Listing Requirements, Companies Act and 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 task forces. | Our practical views and feedback based on our long-time commercial expertise administrator 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 risks in check as we continue to expand our sound and stable business operations, locally and globally. |
| **Shareholders & Investors** | - Financial performance such as return on investment and earnings outlook of the company, future expansion plans and corporate strategies and sustainability material matters. | To provide purposeful disclosure to our shareholders and investors, we respond accordingly to enquires on matters pertaining to our operational performance and financial management, within an appropriate time frame given. | 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 are our stewards of financial capital, and their support drives our strategic investments; ensuring our business continuity and growth. |
| **Industry Associations/ Civil Societies** | - Responsible and traceable best practices; and  
                      - Opportunities for engagement 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 non-governmental organisations, in order to create greater weight in forming effective policies and best practices application. |

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**Note:** Refer to pages 20-21 of our Sustainability Report 2021 for a detailed review.
We have identified, reviewed and analysed 13 most material issues under the ESG (Environmental, Social and Governance) sustainability dimension. Our Board of Directors, and Group Managing Director and Chief Executive 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.

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.

Materiality Matrix

<table>
<thead>
<tr>
<th>Importance</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>100%</td>
<td></td>
<td>0%</td>
</tr>
<tr>
<td>Medium</td>
<td>75%</td>
<td>25%</td>
<td>0%</td>
</tr>
<tr>
<td>Low</td>
<td>50%</td>
<td>33.3%</td>
<td>16.6%</td>
</tr>
<tr>
<td>Very Low</td>
<td>25%</td>
<td>12.5%</td>
<td>0%</td>
</tr>
</tbody>
</table>

We deploy effective procedures and two-way conversations, when addressing grievances and complaints. Updates are consistently found on our company website.

In line with the launch of our 2020 Group-wide Climate Change Action Initiative, our fight in reducing climate change impacts continues to intensify within our company culture, down to all our operating units, both locally and globally.

One prominent example is how we managed through the COVID-19 pandemic.

We believe a clear association between growth and transparent governance leads to greater human and physical capital formation, and prosperity.

Our notion on community engagement is to understand, engage and act upon critical workplace, marketplace and environmental issues. We aim to create a positive impact towards all our stakeholders, as it is a part of, and not apart from, society.
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.

<table>
<thead>
<tr>
<th>RISK</th>
<th>DESCRIPTION</th>
<th>HOW IOI MANAGES THIS RISK</th>
<th>CONNECTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Capital &amp; Talent</td>
<td>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.</td>
<td>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. Offer scholarships and career opportunities to outstanding students through Yayasan Tan Sri Lee Shin Cheng to bring new skills and perspectives into our business. Employ advanced talent management system and approaches to design effective learning path and development plans.</td>
<td>Our Six Capitals</td>
</tr>
<tr>
<td>Supply Chain Compliance</td>
<td>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 (&quot;RSPO&quot;) or International Sustainability and Carbon Certification (&quot;ISCC&quot;). Risk of supply chain not meeting the No Deforestation, No Peat and No Exploitation (&quot;NDPE&quot;) policy.</td>
<td>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.</td>
<td>Our Key Stakeholder Groups</td>
</tr>
<tr>
<td>Reliance on Manual Labour</td>
<td>The agricultural sector, including palm oil, is heavily reliant on manual labour, which makes the industry vulnerable to shortages of labour. The risk of labour shortage causes lost revenues and limits our future growth.</td>
<td>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.</td>
<td>Our Key Stakeholder Groups</td>
</tr>
<tr>
<td>Business Resilience</td>
<td>IOI recognises the disruption to our global operation. Challenges to remain resilient in the wake of new global phenomenon e.g. pandemic, palm oil alternatives, anti-palm oil movement, etc.</td>
<td>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. Joint effort with government to accelerate the vaccination programme. 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 regarding our operational impacts.</td>
<td>Our Key Stakeholder Groups</td>
</tr>
<tr>
<td>Environmental Sustainability</td>
<td>Challenges in reducing climate change impact in our plantations and reducing greenhouse gas (&quot;GHG&quot;) emissions. Fire during dry season that can result in transboundary haze. Challenges in maintaining and upholding sustainability certifications.</td>
<td>Execution of sustainability strategy especially pertaining to climate change. It carries out external GHG calculation and reporting for our plantations in Malaysia. Adhere to our Group-wide Zero Burning policy. Collaborations with relevant parties in developing and implementing various landscape approaches towards effective fire prevention.</td>
<td>Our Key Stakeholder Groups</td>
</tr>
</tbody>
</table>
Evolving Strategies Towards Greater Impact

**Increase Yield**
- Conduct R&D and plant high-yielding germplasm
- Increase efficiency in crop evacuation to optimise business returns

**Optimise Workforce**
- Improve training and upskilling of workers
- Expand estate mechanisation to reduce dependency on manual labour

**Diversify Crops**
- Identify and acquire new planting materials for other profitable crops
- Apply new technologies to produce and cultivate crops with desirable characteristics and to process and treat post-harvest crops

**Increase the Non-CPO Segment**
- Bring the IOI Palm Wood factory ‘online’
- Explore R&D collaboration and partner with technological providers

**Grow the Oleochemical Segment**
- Expand manufacturing plant capacity and improve operational efficiency
- Develop and launch more premium palm-based products
IOI CORPORATION BERHAD

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

Vision
Our Vision 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.

Strategic Framework
2020
- OUR GROUP’S 5-YEAR PLAN

2024

5 Strategic Priorities

1. Increase Yield
   - Increase Plantation Oil Yields by 15% by 2024.
   - Utilise Elite Clonal Palms in 50% of Our Replanting Materials.
   - Target High Early Yields from Young Mature Palm Age.
   - Ensure Proper Fertiliser Application to Increase Target Yields.

2. Optimise Workforce
   - Reduce Workforce by More than 25% by 2024.
   - Increase Plantation Workers’ Productivity by 3% Every Year.
   - Implement Mechanised Fresh Fruit Bunches Main Line Evacuation System in All Malaysian Estates by 2023.

3. Diversify Crops
   - Plant 5,000 Hectares of Coconut, 300 Hectares of Kenaf and 200 Hectares of Durian Equivalent to 4% of Our Malaysian Plantations.
   - Plant Three Types of Fast Growing and High Value Fruit Crops as Intercrop with Coconut and Oil Palm.

4. Increase the Non-Crude Palm Oil (“CPO”) Segment
   - Derive Revenue from Oil Palm By-Products and Processing Waste.
   - Commence Production of High-Performance Palm Wood Boards and Panels by February 2023.
   - Establish Oil Palm Trucks ("OPT") Research and Development and Technology Transfer
   - Scale-Up Business and Establish a Leading Market Position in OPT Products.

5. Grow the Oleochemical Segment
   - Increase Oleochemical Segment’s Sales Volume by 15%.
   - Derive Energy, Cost and Operational Efficiency Savings of 6%.
   - Improve the Oleochemical Segment’s Profitability by 25%.

Strategic Enablers

Enabler 1
Human Capital Development & Culture
- Committed to sustainable agriculture and innovative products.

Enabler 2
Sustainability
- Refer to pages 41-43 for Strategic Enablers and pages 44-49 for Strategic Priorities.

Enabler 3
Technology & Digitalisation
- Our foundation is built with the pillars of Sustainable Growth, Driving Innovations, People Capital Development and Economies of Scale throughout our operations.

Enabler 4
Technology & Digitalisation
- Refer to pages 41-43 for Strategic Enablers and pages 44-49 for Strategic Priorities.

Key Metrics

Strategic Progress

2020
- Refer to pages 41-43 for Strategic Enablers and pages 44-49 for Strategic Priorities.

2024
- Strive to implement the six capitals
- Enabler 1: Human Capital Development & Culture
- Enabler 2: Sustainability
- Enabler 3: Technology & Digitalisation
- Enabler 4: Technology & Digitalisation

Our Group’s 5-Year Plan

2020
- Refer to pages 41-43 for Strategic Enablers and pages 44-49 for Strategic Priorities.

2024
- Key initiatives
- Key highlights
- Focus for FY2022
- Importantly for ICI

Our strategic framework and priorities are guided by our vision and mission, aiming to create sustainable growth, drive innovation, and develop people capital. We focus on key areas such as human capital, sustainability, and technology to ensure our operations remain competitive and aligned with global standards.
In the age of the Fourth Industrial Revolution (IR4.0), we are adopting more technological innovations to enhance our upstream and downstream operations. Our five strategic priorities are underpinned by technologies, from mechanisation equipment to digital tools and solutions. Digitalisation, automation and novel technologies enable us to execute our strategy more effectively and modernise our business so we can remain competitive and propel the organisation to the digital core era.

**OUR APPROACH**

1. Ensuring the standardisation of business processes within our core business segments, drawn on various analytical and transactional capabilities of the SAP system and other digital solutions including business intelligence and data analytics.
2. Digitalisation: Enhance estates’ operational efficiency and cost savings through the electronic plantation monitoring system (“ePMS”) and e-wallet payment system. Embark on more automation projects in upstream and downstream manufacturing.
3. Mechanisation: Reduce labour dependency and increase workforce productivity in estate operations by using motorised and mechanical tools.

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**FOCUS FOR FY2022**

1. Upstream Digitalisation: Explore RPA and its integration into the SAP system for better control, greater simplicity and flexibility over business operations. Expand e-wallet Merchandise payment system to all plantation operating units. Implement enterprise resource planning system for Indonesia’s operations.

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3. Mechanisation: Reduce labour dependency and increase workforce productivity in estate operations by using motorised and mechanical tools.

**KEY INITIATIVES**

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**FOCUS FOR FY2022**

1. Upstream Digitalisation: Explore RPA and its integration into the SAP system for better control, greater simplicity and flexibility over business operations. Expand e-wallet Merchandise payment system to all plantation operating units. Implement enterprise resource planning system for Indonesia’s operations.

---

In the age of the Fourth Industrial Revolution (IR4.0), we are adopting more technological innovations to enhance our upstream and downstream operations. Our five strategic priorities are underpinned by technologies, from mechanisation equipment to digital tools and solutions. Digitalisation, automation and novel technologies enable us to execute our strategy more effectively and modernise our business so we can remain competitive and propel the organisation to the digital core era.

**OUR APPROACH**

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To maintain our focus on sustainable value creation, 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 these strategic priorities based on the capital inputs identified in our business model on pages 22–23.

As we work towards achieving our 2020–2024 targets, we closely monitor the performance of each strategic focus area including its key activities which are benchmarked against Key Performance Indicators ("KPIs"), and activities planned for the future.

**STRATEGIC PRIORITIES**

**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.
5. **Fertilisation**: Balance nutrients approach and application to achieve the desired target yields.

**Achievements in 2021**

- We planted high-yielding planting materials including third-generation hybrid palm seedlings and elite clonal palms in suitable areas and terrain.
- We expanded our estate mechanisation projects and implemented block harvesting.
- We adhered to procedures and guides in our replanting efforts. We managed pest and diseases through extensive research and development ("R&D") and implemented precision farming with timely fertiliser and weedicide applications.
- We provided early declaration to maturity in crop evacuation to optimise business returns, and maintain KL’s competitiveness locally and globally.

**Our Six Capitals**

- **Human Capital**: Through our key initiatives, we have reinforced our workforce empowerment initiatives, training, and development to enhance our productivity and performance.
- **Manufactured Capital**: We have invested in high-yielding planting materials and improved efficiency in crop evacuation to optimise business returns.
- **Social & Relationship Capital**: We fostered strong relationships with our stakeholders, including our employees, customers, suppliers, and the community, through various engagement programs and initiatives.
- **Intellectual Capital**: We have enhanced our technology and knowledge by adopting digital tools and precision farming practices.
- **Natural Capital**: We have managed our natural resources sustainably by implementing best agricultural practices.
- **Financial Capital**: We have optimized our financial resources through strategic investments and cost management initiatives.

**Priorities for 2022**

**Improved Planting Materials**

- **Continue to utilise high-yielding planting materials for field planting.**
- **Release more third-generation hybrid palm seedlings from our conventional breeding programme of Deli dura and AVROS pisifera.** These seedlings were produced on the basis of better fresh fruit bunches ("FFB") production with more uniformity in growth and characteristics and better oil extraction rates.
- **Identify more areas and terrain for planting high-yielding elite clonal palms.**
- **Introduce new progenies of planting materials that will tolerate Ganoderma infection and explore Virescent oil palm to reduce the tendency of harvesting unripe bunches.**

**Mechanisation**

- **Expand current mechanisation projects to all estates and implement block harvesting.**
- **Introduce mechanisation to cover more field activities.**

**Agricultural and Field Management Practices**

- **Expand best practices for replanting by adhering to standard operating procedures and good agricultural practice guidelines.**
- **R&D department will enhance advisory service to estates in managing pest and diseases and improving weed management systems.**
- **Early declaration to maturity for performing fields and carry out ablation after 18 months from field planting at low rainfall areas.**
- **Ensure proper water management through conservation/drainage and closed ended conservation trench.**
- **Improve estate’s road for all weather accessibility and prompt evacuation.**

**Digital Tools**

- **Continue to utilise digital tools including GIS technology, ePMS and drones to assess field performance, yield-tracking and identification of progeny and to monitor our plantation.**
- **Implement precision applications through mechanisation and digital tracing for timely and balanced fertiliser application.**
We will reduce 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 Mechanised FFB Main Line Evacuation System: Implement and expand the mechanised FFB main line evacuation system.
4. Mechanisation: Mechanise in-field FFB collection and expand the usage of mechanical cart and power wheel barrow for harvesting. Utilise other motorised tools to increase operational efficiency.

**ACHIEVEMENTS IN 2021**

- We provided continuous training and briefing to our estates’ personnel, and increased the number of skilled workers.
- We implemented the bin system to about 40% of our total estate areas in Peninsular Malaysia, Sabah and Indonesia.
- We used motorised tools such as motorised palm cutter and power wheel barrow and increased harvesters’ productivity up to 50%. Motorised tools enable the workers to earn better wages and attract more locals to work in the plantation. We aim to increase the harvester ratio from 1:16 to 1:22 hectares.
- We used mechanical chemical sprayers for upkeep work and reduced manual labour.
- We used mechanical circle grass cutter and mechanical front loader for organic farming to increase productivity and reduce chemicals usage.

**OUR KEY INITIATIVES**

- **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.

**ACHIEVEMENTS IN 2021**

- We have planted 40 hectares of coconuts and 40 hectares of pineapples in Sagl Estate and 10 hectares of kenaf in Leaping Estate.
- We have identified suppliers and varieties of coconuts to be planted for future expansion.
- We have developed self-pollination techniques to produce better varieties, high yields and higher oil content.
- We collaborated with universities and provided internship opportunities to students to encourage them to plant cash crops.

**OUR KEY STAKEHOLDER GROUPS**

- **Employees**
- **Customers**
- **Suppliers**
- **Regulators**
- **Communities**
- **Associations/Civil Societies**
- **Shareholders & Investors**
- **Financial**
- **Human**
- **Manufactured**
- **Social & Relationship**
- **Intellectual**
- **Reliance on Internal Labour**
- **Industry**

**OUR SIX CAPITALS**

- **Human Capital & Talent**
- **Supply Chain Compliance**
- **Business Resilience & Competitive**
- **Environmental Sustainability**

**OUR RISKS**

- **Human Capital & Talent**
- **Supply Chain Compliance**
- **Business Resilience & Competitive**
- **Environmental Sustainability**

**OUR MATERIAL MATTERS**

- **Governance & Anti-Corruption**
- **Responsible Recruitment & Diversity**
- **Sustainability Certification & Standards**
- **Partnership & Supplier Management**
- **Health & Safety**
- **Sustainable Operations & Services**
- **Supplier Engagement**
- **Community Engagement & Social Responsibility**
- **Regulatory Compliance**
- **Fire Management**
- **Deforestation & Land Use**
- **Fair & Decent Wage**
- **Sustainability Certification & Standards**
PRODUCE Palm wood boards and panels which are high-performance timber equivalent.

Xylose and Xylitol sugars, both widely used as diabetic sweeteners in food and

IOI CORPORATION BERHAD

STRATEGIC PROGRESS

STRATEGIC PRIORITIES

STRATEGIC PRIORITY 4

We aim to convert oil palm by-products and processing waste into value-added products at a competitive cost. Below are some of the applications of oil palm by-products and processing waste which IOI is exploring:

OPT

• Produce palm wood boards and panels which are high-performance timber equivalent.

Other applications include:

• Energy production
• Mature for oil palm and soil health.
• Green products.

ACHIEVEMENTS IN 2021

• We have awarded contracts for the construction of a palm wood factory on a 20-acre freehold site adjacent to the Segamat Inland Port, Johor. The purpose of this site is for the production of OPT-related products.

• We have facilitated technology transfer and know-how for processing OPT to produce high-performance lumber and palm wood boards and panels.

• We have placed orders and confirmed the delivery of custom-made machinery and equipment for the production of palm wood boards and panels.

Our Key Initiatives

• Expand manufacturing capacity by expanding existing facilities, and commissioning new manufacturing facilities respectively.

1. Expand Capacity: Expand manufacturing capacity by expanding existing facilities, and commissioning new manufacturing facilities respectively.

2. Improved Efficiency: Enhance cost efficiency through automation.

3. New Products 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: Realise business model to focus on high-margin products.

ACHIEVEMENTS IN 2021

• We are installing a new 110,000 MT/year capacity plant to produce wider and better soap products.

• Modify our ester plants to expand product portfolio and to cater for growth in the ester product applications segment.

• Expand existing soap plant in Johor to produce wider and better soap products.

Expand Capacity

• Complete the expansion of our 110,000 MT/year capacity plant in Prai, Penang by second quarter of 2022.

• Modify our ester plants to expand product portfolio and to cater for growth in the ester product applications segment.

• Increase IOI Oleo GmbH’s Wittenberge site MCT capacity by 1,600 MT through process optimisation and debottlenecking.

• Implement site roadmaps in IOI Oleo GmbH’s Witten and Wittenberge sites, including automation projects.

New Product Applications and Markets

• Develop and launch new product/formulation to targeted business segments.

• Explore new markets for diversification and growth.

• Drive IOI Oleo GmbH’s market reach into North America and Asia-Pacific.

Focus on High-Value Products

• Develop more products with key applications in the pharmaceutical, nutritional, cosmetic and personal care segments.

• Continuous development of specialised MCT products for the nutritional and health market.

Our Six Capitals

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

Our Risks

• Human Capital & Talent
• Supply Chain
• Environmental Sustainability
• Business Resilience
• Social & Relationship
• Reliance on Natural Resources

Our Key Stakeholder Groups

• Employees
• Suppliers
• Industry Associations/ Civil Societies
• Customers
• Communities
• Shareholders & Investors

Our Material Matters

• Our Risks
### KEY INDICATORS

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<tr>
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<td>May</td>
<td></td>
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<tr>
<td>Jun</td>
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</tbody>
</table>

**N.B.**
- The sales (MT) of FY2018 includes eight (8) months' results of discontinued operations.
- Net debt represents total borrowings and lease liabilities less short term funds, deposits with financial institutions and cash and bank balances.
- Average capital employed comprises shareholders' equity, non-controlling interests, long term liabilities, short term borrowings, lease liabilities and deferred taxation.
- Average capital employed in currency denominated borrowings and deposits.
- Net assets per share (sen)
- Dividend per share (sen)
- Basic earnings per share (sen)
- Return on average shareholders' equity (%)
- Return on average capital employed (%)
- Market capitalisation
- Average capital employed
- Average shareholders' equity
- NOPAT
- Current assets
- PLANTATION
- FFB production (MT)
- Total oil palm area (Ha)

### FINANCIAL

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
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<tbody>
<tr>
<td>Profit before interest and taxation</td>
<td>1,740.6</td>
<td>1,137.9</td>
<td>1,076.8</td>
<td>1,380.6</td>
<td>1,401.4</td>
</tr>
<tr>
<td>Profit attributable to owners of the parent</td>
<td>1,394.3</td>
<td>600.9</td>
<td>631.7</td>
<td>3,060.5</td>
<td>743.2</td>
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<tr>
<td>Equity attributable to owners of the parent</td>
<td>10,005.4</td>
<td>9,286.2</td>
<td>9,299.6</td>
<td>9,156.3</td>
<td>7,457.4</td>
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<tr>
<td>Return on average shareholders' equity (%)</td>
<td>14.45</td>
<td>6.46</td>
<td>6.85</td>
<td>36.84</td>
<td>10.18</td>
</tr>
<tr>
<td>Basic earnings per share (sen)</td>
<td>22.26</td>
<td>9.57</td>
<td>10.05</td>
<td>48.70</td>
<td>11.82</td>
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<tr>
<td>Dividend per share (sen)</td>
<td>10.5</td>
<td>8.0</td>
<td>8.0</td>
<td>20.5</td>
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### MANUFACTURING

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<thead>
<tr>
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<th>2021</th>
<th>2020</th>
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<tbody>
<tr>
<td>Oleochemical</td>
<td>Sales (MT)</td>
<td>648,130</td>
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<tr>
<td></td>
<td>Plant utilisation (%)</td>
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<tr>
<td>Refinery</td>
<td>Sales (MT)</td>
<td>2,217,093</td>
</tr>
<tr>
<td></td>
<td>Plant utilisation (%)</td>
<td>63</td>
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### RESULTS

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<tr>
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<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
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<tbody>
<tr>
<td>Revenue</td>
<td>7,802.2</td>
<td>7,385.6</td>
<td>7,247.6</td>
<td>7,249.3</td>
<td>7,249.3</td>
</tr>
<tr>
<td>Profit before interest and taxation</td>
<td>1,740.6</td>
<td>1,137.9</td>
<td>1,076.8</td>
<td>1,380.6</td>
<td>1,401.4</td>
</tr>
<tr>
<td>Net foreign currency translation gain/(loss) on foreign currency denominated borrowings and deposits</td>
<td>125.4</td>
<td>207.9</td>
<td>102.1</td>
<td>318.3</td>
<td>(273.8)</td>
</tr>
<tr>
<td>Net interest expenses</td>
<td>(126.2)</td>
<td>103.3</td>
<td>102.1</td>
<td>(128.2)</td>
<td>(144.6)</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>1,729.8</td>
<td>826.0</td>
<td>872.6</td>
<td>1,570.7</td>
<td>983.0</td>
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<tr>
<td>Taxation</td>
<td>(323.9)</td>
<td>(233.0)</td>
<td>(255.8)</td>
<td>(334.0)</td>
<td>(292.7)</td>
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<tr>
<td>Profit for the financial year from continuing operations</td>
<td>1,416.3</td>
<td>601.7</td>
<td>617.6</td>
<td>1,236.7</td>
<td>690.3</td>
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<tr>
<td>Discontinued operations</td>
<td></td>
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<tr>
<td>Profit for the financial year from discontinued operations</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Profit attributable to:</td>
<td></td>
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</tr>
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<td>Owners of the parent</td>
<td>1,394.3</td>
<td>600.9</td>
<td>631.7</td>
<td>3,060.5</td>
<td>743.2</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>22.0</td>
<td>0.8</td>
<td>(14.1)</td>
<td>7.8</td>
<td>22.9</td>
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### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
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<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>8,608.7</td>
<td>8,531.9</td>
</tr>
<tr>
<td>Investments in associates</td>
<td>3,144.5</td>
<td>2,727.0</td>
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<tr>
<td>Other non-current assets</td>
<td>564.7</td>
<td>582.7</td>
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<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Current assets</td>
<td>12,317.9</td>
<td>11,841.5</td>
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<tr>
<td>Non-controlling interests</td>
<td>7,297.6</td>
<td>7,247.6</td>
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### EQUITY AND LIABILITIES

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<thead>
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<tbody>
<tr>
<td>Share capital</td>
<td>791.1</td>
<td>790.2</td>
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<tr>
<td>Reserves</td>
<td>9,214.3</td>
<td>8,506.0</td>
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<thead>
<tr>
<th></th>
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<th>2020</th>
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<tbody>
<tr>
<td>Total equity</td>
<td>9,506.4</td>
<td>8,956.7</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>309.0</td>
<td>274.5</td>
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<thead>
<tr>
<th></th>
<th>2021</th>
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<tbody>
<tr>
<td>Total liabilities</td>
<td>10,805.4</td>
<td>9,286.2</td>
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<tr>
<td>Non-current liabilities</td>
<td>5,589.8</td>
<td>3,823.3</td>
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<tr>
<td>Current liabilities</td>
<td>5,215.6</td>
<td>5,462.9</td>
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### NET DEBT

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<tr>
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<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net operating profit after tax (&quot;NOPAT&quot;)</td>
<td>1,541.6</td>
<td>732.1</td>
</tr>
<tr>
<td>Average shareholders’ equity</td>
<td>9,668.9</td>
<td>8,927.9</td>
</tr>
<tr>
<td>Average capital employed</td>
<td>16,178.7</td>
<td>15,727.9</td>
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### FINANCIAL STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
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<tbody>
<tr>
<td>Basic earnings per share (sen)</td>
<td>22.26</td>
<td>9.57</td>
</tr>
<tr>
<td>Dividend per share (sen)</td>
<td>10.5</td>
<td>8.0</td>
</tr>
<tr>
<td>Net assets per share (sen)</td>
<td>160</td>
<td>148</td>
</tr>
<tr>
<td>Return on average shareholders’ equity (%)</td>
<td>14.45</td>
<td>6.46</td>
</tr>
<tr>
<td>Return on average capital employed (%)</td>
<td>9.53</td>
<td>4.65</td>
</tr>
<tr>
<td>Net debt/Equity (%)</td>
<td>29.37</td>
<td>582.7</td>
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### SHARE PERFORMANCE

<table>
<thead>
<tr>
<th></th>
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<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market share price (RM):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highest</td>
<td>4.64</td>
<td>4.82</td>
</tr>
<tr>
<td>Lowest</td>
<td>3.45</td>
<td>4.10</td>
</tr>
<tr>
<td>Closing</td>
<td>3.76</td>
<td>4.25</td>
</tr>
<tr>
<td>Trading volume (million)</td>
<td>524</td>
<td>563</td>
</tr>
<tr>
<td>Market capitalisation</td>
<td>23,495.4</td>
<td>27,198.0</td>
</tr>
</tbody>
</table>

### FIVE-YEAR FINANCIAL HIGHLIGHTS

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>7,802.2</td>
<td>7,385.6</td>
</tr>
<tr>
<td>Profit before interest and taxation</td>
<td>1,740.6</td>
<td>1,137.9</td>
</tr>
<tr>
<td>Net foreign currency translation gain/(loss) on foreign currency denominated borrowings and deposits</td>
<td>125.4</td>
<td>207.9</td>
</tr>
<tr>
<td>Net interest expenses</td>
<td>(126.2)</td>
<td>103.3</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>1,729.8</td>
<td>826.0</td>
</tr>
<tr>
<td>Taxation</td>
<td>(323.9)</td>
<td>(233.0)</td>
</tr>
<tr>
<td>Profit for the financial year from continuing operations</td>
<td>1,416.3</td>
<td>601.7</td>
</tr>
<tr>
<td>Discontinued operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the financial year from discontinued operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit attributable to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owners of the parent</td>
<td>1,394.3</td>
<td>600.9</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>22.0</td>
<td>0.8</td>
</tr>
</tbody>
</table>

**Notes:**
1. Average capital employed comprises shareholders' equity, non-controlling interests, long term liabilities, short term borrowings, lease liabilities and deferred taxation.
2. Non-current liabilities includes current liabilities and deferred taxation.
GROUP FINANCIAL OVERVIEW

CASH FLOW FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021
RM million

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net operating cash flow</td>
<td>671.6</td>
</tr>
<tr>
<td>Capital expenditure, net of disposal</td>
<td>(404.8)</td>
</tr>
<tr>
<td>Free cash flow from operation</td>
<td>266.8</td>
</tr>
<tr>
<td>Dividends received from investments</td>
<td>72.6</td>
</tr>
<tr>
<td>Additions to other investments, net of proceeds</td>
<td>(2.7)</td>
</tr>
<tr>
<td>Net settlement of cross currency swap contracts</td>
<td>(18.6)</td>
</tr>
<tr>
<td>Net interest paid</td>
<td>(118.8)</td>
</tr>
<tr>
<td>Proceeds from issuance of shares arising from exercise of share options</td>
<td>0.7</td>
</tr>
<tr>
<td>Proceeds from issuance of shares to non-controlling interests</td>
<td>0.5</td>
</tr>
<tr>
<td>Repurchase of shares</td>
<td>(73.1)</td>
</tr>
<tr>
<td>Dividend payments</td>
<td></td>
</tr>
<tr>
<td>– Shareholders of the Company</td>
<td>(532.5)</td>
</tr>
<tr>
<td>– Shareholders of subsidiaries</td>
<td>(22.2)</td>
</tr>
<tr>
<td>Cash outflow in net borrowings</td>
<td>(407.3)</td>
</tr>
<tr>
<td>Transaction cost of borrowings</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Accretion of borrowings</td>
<td>(2.7)</td>
</tr>
<tr>
<td>Lease interest expenses</td>
<td>(3.4)</td>
</tr>
<tr>
<td>Reassessments and modifications of leases</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Additions to lease liabilities</td>
<td>(27.9)</td>
</tr>
<tr>
<td>Increase in net borrowings</td>
<td>(441.7)</td>
</tr>
<tr>
<td>Net borrowings as at 30 June 2020</td>
<td>(2,440.5)</td>
</tr>
<tr>
<td>Translation difference</td>
<td>163.4</td>
</tr>
<tr>
<td>Net borrowings as at 30 June 2021</td>
<td>(2,938.8)</td>
</tr>
</tbody>
</table>

STATEMENT OF FINANCIAL POSITION
as at 30 June 2021 (RM million)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>3,312.9</td>
</tr>
<tr>
<td>Other long term assets</td>
<td>2,042.9</td>
</tr>
<tr>
<td>Other short term assets</td>
<td>8,687.7</td>
</tr>
<tr>
<td>Cash and cash equivalents (A)</td>
<td>4,963.7</td>
</tr>
<tr>
<td>Equity and Liabilities</td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td>10,005.4</td>
</tr>
<tr>
<td>Borrowings (B)</td>
<td>2,377.6</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>309.0</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>8,531.8</td>
</tr>
</tbody>
</table>

Net Borrowings = (B) – (A) = RM2,938.8 million  Net Gearing = 29.4%

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>3,309.7</td>
</tr>
<tr>
<td>Other long term assets</td>
<td>2,313.0</td>
</tr>
<tr>
<td>Other short term assets</td>
<td>8,531.8</td>
</tr>
<tr>
<td>Cash and cash equivalents (C)</td>
<td>4,973.5</td>
</tr>
<tr>
<td>Equity and Liabilities</td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td>9,296.2</td>
</tr>
<tr>
<td>Borrowings (D)</td>
<td>2,187.4</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>274.5</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>8,531.8</td>
</tr>
</tbody>
</table>

Net Borrowings = (D) – (C) = RM2,660.5 million  Net Gearing = 28.6%

RETAINED EARNINGS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021
RM million

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment results</td>
<td>1,885.7</td>
</tr>
<tr>
<td>Unallocated corporate net expenses</td>
<td>(145.1)</td>
</tr>
<tr>
<td>Profit before interest and taxation</td>
<td>1,740.6</td>
</tr>
<tr>
<td>Net foreign currency translation gain on foreign currency denominated borrowings and deposits</td>
<td>125.4</td>
</tr>
<tr>
<td>Net interest expenses</td>
<td>(126.2)</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>1,739.8</td>
</tr>
<tr>
<td>Taxation</td>
<td>(323.5)</td>
</tr>
<tr>
<td>Profit for the financial year</td>
<td>1,416.3</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>0.7</td>
</tr>
<tr>
<td>Total comprehensive income Attributable to non-controlling interests</td>
<td>1,417.0</td>
</tr>
<tr>
<td>Total comprehensive income attributable to owners of the parent</td>
<td>1,395.0</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(532.5)</td>
</tr>
<tr>
<td>ESOS Lapsed</td>
<td>16.3</td>
</tr>
<tr>
<td>Changes in equity interests in subsidiaries</td>
<td>(17.6)</td>
</tr>
<tr>
<td>Retained earnings for the financial year</td>
<td>867.2</td>
</tr>
<tr>
<td>Retained earnings as at 30 June 2020</td>
<td>8,469.0</td>
</tr>
<tr>
<td>Retained earnings as at 30 June 2021</td>
<td>9,330.2</td>
</tr>
</tbody>
</table>

PERFORMANCE REVIEW

52
IOI CORPORATION BERHAD

53
IOI CORPORATION BERHAD
GROUP PERFORMANCE HIGHLIGHTS

FINANCIAL PERFORMANCE

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>+/-%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>11,251.7</td>
<td>7,802.2</td>
<td>44</td>
</tr>
<tr>
<td>Profit before interest and taxation</td>
<td>1,740.6</td>
<td>1,137.9</td>
<td>53</td>
</tr>
<tr>
<td>Net operating profit after taxation (&quot;NOPAT&quot;)</td>
<td>1,541.6</td>
<td>732.1</td>
<td>111</td>
</tr>
<tr>
<td>Net profit attributable to owners of the parent</td>
<td>1,394.3</td>
<td>609.9</td>
<td>132</td>
</tr>
<tr>
<td>Average shareholders' equity</td>
<td>9,650.8</td>
<td>9,297.9</td>
<td>4</td>
</tr>
<tr>
<td>Average capital employed</td>
<td>16,178.7</td>
<td>15,752.7</td>
<td>3</td>
</tr>
<tr>
<td>Operating margin (%)</td>
<td>10.77</td>
<td>12.75</td>
<td>-(16)</td>
</tr>
<tr>
<td>Return on average shareholders' equity (%)</td>
<td>14.45</td>
<td>6.44</td>
<td>124</td>
</tr>
<tr>
<td>Return on average capital-employed (%)</td>
<td>9.53</td>
<td>4.65</td>
<td>105</td>
</tr>
<tr>
<td>Basic earnings per share (sen)</td>
<td>22.26</td>
<td>9.57</td>
<td>133</td>
</tr>
<tr>
<td>Dividend per share (sen)</td>
<td>10.5</td>
<td>8.0</td>
<td>31</td>
</tr>
<tr>
<td>Net assets per share (sen)</td>
<td>160</td>
<td>148</td>
<td>8</td>
</tr>
<tr>
<td>Net profits attributable to non-controlling interests</td>
<td>4.9</td>
<td>23</td>
<td>8.6</td>
</tr>
<tr>
<td>Dividend cover (number of times)</td>
<td>2.62</td>
<td>1.12</td>
<td>134</td>
</tr>
<tr>
<td>Interest cover (number of times)</td>
<td>11.56</td>
<td>5.82</td>
<td>99</td>
</tr>
</tbody>
</table>

PLANTATION PERFORMANCE

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>+/-%</th>
</tr>
</thead>
<tbody>
<tr>
<td>FFB production (MT)</td>
<td>4,972,621</td>
<td>3,097,262</td>
<td>(6)</td>
</tr>
<tr>
<td>Yield per mature hectare (MT)</td>
<td>20.78</td>
<td>21.24</td>
<td>-(2)</td>
</tr>
<tr>
<td>Mill production (MT)</td>
<td>646,692</td>
<td>708,212</td>
<td>-(9)</td>
</tr>
<tr>
<td>Palm kernel</td>
<td>135,853</td>
<td>151,473</td>
<td>-10</td>
</tr>
<tr>
<td>Oil extraction rate (%)</td>
<td>21.39</td>
<td>21.83</td>
<td>-(2)</td>
</tr>
<tr>
<td>Palm kernel</td>
<td>4.49</td>
<td>4.67</td>
<td>-(4)</td>
</tr>
<tr>
<td>Average selling price (RM/MT)</td>
<td>3,076</td>
<td>2,314</td>
<td>33</td>
</tr>
<tr>
<td>Crude palm oil</td>
<td>2,115</td>
<td>1,375</td>
<td>54</td>
</tr>
</tbody>
</table>

MANUFACTURING PERFORMANCE

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>+/-%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oleochemical</td>
<td>76</td>
<td>77</td>
<td>-(1)</td>
</tr>
<tr>
<td>Plant utilisation (%)</td>
<td>648,130</td>
<td>669,854</td>
<td>(3)</td>
</tr>
<tr>
<td>Refinery</td>
<td>63</td>
<td>69</td>
<td>-(9)</td>
</tr>
<tr>
<td>Plant utilisation (%)</td>
<td>2,217,093</td>
<td>1,973,792</td>
<td>12</td>
</tr>
</tbody>
</table>

FINANCIAL CALENDAR

FINANCIAL YEAR END 30 JUNE 2021

PAYMENT OF DIVIDENDS

1st Interim Declaration 23 February 2021
Entitlement Payment 19 March 2021

2nd Interim Declaration 24 August 2021
Entitlement Payment 05 October 2021
Introducing the group financial review

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

- Earnings before interest and taxation ("EBIT")
  - 2021: RM1,740.6 million
  - 2020: RM1,137.9 million
  - Change %: 53

- Net earnings
  - 2021: RM1,394.3 million
  - 2020: RM600.9 million
  - Change %: 132

- Return on average shareholders' equity ("ROE")
  - 2021: 14.45%
  - 2020: 6.46%

- Return on average capital employed ("ROCE")
  - 2021: 9.53%
  - 2020: 4.65%

- Net operating profit after taxation ("NOPAT")
  - 2021: RM1,541.6 million
  - 2020: RM322.1 million
  - Change %: 111

- Total returns to shareholders
  - Capital appreciation per share
    - 2021: RM0.58
    - 2020: RM0.09
    - Change %: 400
  - Dividend per share
    - 2021: 10.5 sen
    - 2020: 8.0 sen
    - Change %: 31
  - Net cash flow generated from operations
    - 2021: RM872.3 million
    - 2020: RM286.3 million
    - Change %: 203

- Net gearing
  - 2021: 29.4%
  - 2020: 28.6%
  - Change %: 3

Note: nm = not meaningful

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 FY2021 have been prepared in accordance with MFRS, whereas information from FY2001 to FY2014 have been prepared in accordance with Financial Reporting Standards ("FRS").

Introduction

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Key Financial Indicators

- Earnings before interest and taxation ("EBIT")
  - 2021: RM1,740.6 million
  - 2020: RM1,137.9 million
  - Change %: 111

- Net earnings
  - 2021: RM1,394.3 million
  - 2020: RM600.9 million
  - Change %: 132

- Return on average shareholders' equity ("ROE")
  - 2021: 14.45%
  - 2020: 6.46%

- Return on average capital employed ("ROCE")
  - 2021: 9.53%
  - 2020: 4.65%

- Net operating profit after taxation ("NOPAT")
  - 2021: RM1,541.6 million
  - 2020: RM322.1 million
  - Change %: 111

- Total returns to shareholders
  - Capital appreciation per share
    - 2021: RM0.58
    - 2020: RM0.09
    - Change %: 400
  - Dividend per share
    - 2021: 10.5 sen
    - 2020: 8.0 sen
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    - 2020: RM286.3 million
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- Net gearing
  - 2021: 29.4%
  - 2020: 28.6%
  - Change %: 3

Note: nm = not meaningful

Financial highlights and insights

- The Group’s revenue for FY2021 increased by 44.2% to RM11.25 billion as compared to RM7.80 billion in FY2020 from all segments.

- At Group level, the results for FY2021 versus FY2020 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:

<table>
<thead>
<tr>
<th>Segment</th>
<th>2020 RM million</th>
<th>Mix %</th>
<th>2021 RM million</th>
<th>Mix %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plantation</td>
<td>1,209.6</td>
<td>69</td>
<td>701.5</td>
<td>62</td>
</tr>
<tr>
<td>Resource-based manufacturing</td>
<td>668.0</td>
<td>38</td>
<td>385.1</td>
<td>34</td>
</tr>
<tr>
<td>Total</td>
<td>1,877.6</td>
<td>107</td>
<td>1,086.6</td>
<td>96</td>
</tr>
<tr>
<td>Others including unallocated corporate (expenses)/income</td>
<td>(137.0)</td>
<td>(7)</td>
<td>51.3</td>
<td>4</td>
</tr>
</tbody>
</table>

- The plantation segment’s EBIT increased by 72% to RM1,209.6 million, due mainly to higher CPO and PK prices realised, partly offset by lower FFB production.

- The resource-based manufacturing segment’s EBIT increased by 73% to RM668.0 million. The higher profit is due mainly to higher share of associate result from Bunge Loders Croklaan Group B.V. which included a share of one-off gain of RM268.3 million from the sale of its refinery located in Rotterdam as well as better performance from North America and Europe. Apart from the share of associate result, lower contribution was reported by all sub-segments mainly due to lower margins.

- Pre-tax Earnings increased by 110% over the last financial year, mainly due to higher contribution from all segments as well as total net foreign currency translation gain on foreign currency denominated borrowings and deposits amounted to RM125.4 million (FY2020 – loss of RM207.9 million).

- At the Net Earnings level, profit attributable to owners of the parent increased to RM1,394.3 million. The increase of the net earnings is due mainly to higher Pre-tax Earnings as explained in the foregoing paragraphs.

- The Group’s Interest Cover was 11.6 times (FY2020 – 5.8 times).

- With the increase of net earnings, the Group recorded a ROE of 14.45% for FY2021 based on an average shareholders’ equity of RM9,650.8 million (FY2020 – RM9,297.9 million), as compared to 6.46% recorded in the previous financial year.

- With the increase of NOPAT, the ROCE increased from 4.65% for FY2020 to 9.53% for FY2021.

- 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.

Note: nm = not meaningful

Perfomance Review

Note: In conjunction with the adoption of Malaysian Financial Reporting Standards ("MFRS") framework by the Group, the above information from FY2015 to FY2021 have been prepared in accordance with MFRS, whereas information from FY2001 to FY2014 have been prepared in accordance with Financial Reporting Standards ("FRS").
GROUP FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS AND INSIGHTS (continued)

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

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash dividend</td>
<td>532.5</td>
<td>534.2</td>
</tr>
<tr>
<td>Share buy-back</td>
<td>73.1</td>
<td>68.1</td>
</tr>
<tr>
<td>Total equity repayments</td>
<td>605.6</td>
<td>602.3</td>
</tr>
</tbody>
</table>

- The Group generated an Operating Cash Flow of RM671.6 million for FY2021 against RM872.3 million for FY2020. Similarly, Free Cash Flow decreased from RM466.7 million to RM266.8 million due mainly to increase in net working capital.
- The inventory turnover days for FY2021 has decreased to 47 days, as compared to inventory days of 53 days for FY2020.
- The trade receivables turnover days of 27 days for FY2021 is in line with the trade receivables turnover days of 28 days for FY2020.
- As for the cash and cash equivalents, it decreased from RM2.3 billion reported in FY2020 to RM2.0 billion reported in FY2021, due mainly to decrease in net cash from operating activities.
- The net gearing ratio of the Group was increased from 28.6% in FY2020 to 29.4% in FY2021.
- The Group’s Shareholders’ Equity as at 30 June 2021 stood at RM10.0 billion. The movement during the financial year included net earnings of RM1.4 billion, offset by total dividend payment of RM0.5 billion and share buy-back of RM73.1 million.
- For FY2021, the Group spent a total of RM407.6 million (FY2020 – RM413.0 million) for Capital Expenditure (“Capex”).

RETURNS TO SHAREHOLDERS

Two interim cash dividends totalling 10.5 sen per ordinary share amounting to a total payout of RM656.7 million were declared for FY2021.

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 2021, 76,000 IOIC Shares worth RM285,760 based on IOIC Share price of RM3.76 and 55,417 IOI Properties Group Berhad Shares (“IOIPG Shares”) worth RM62,067 based on IOIPG Share price of RM1.12. 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 16.2% for each of the 41 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 2021 stood at RM2.0 billion, and a net gearing ratio of 29.4%.
Group Business Review

Plantation

Who We Are & What We Do

Plantation is one of the core businesses of IOI, which is engaged in the cultivation of oil palm and processing of palm oil with operations in seed breeding, cultivation and crude palm oil extraction. Today, we have 96 estates, 11 palm oil mills, and four research and development (“R&D”) centres across Malaysia and Indonesia. Our harvested fresh fruit bunches (“FFB”) are processed by our own 15 milling facilities with a total installed capacity of 980 metric tonne (“MT”) per hour of FFB.

Our current total planted area (including subsidiary companies) stands at 178,105 hectares (“ha”) (FY2020: 178,068 ha) and our associate companies stand at 137,251 ha (as at 30 June 2021). Our total planted area is 99% of oil palm and 81% is classified as mature. The weighted average palm age is 13.5 years. During year 2020/21, our Indonesian plantations have been granted Hak Cipta (Hak Cipta or “HCO”) or Right to Cultivate land rights by the Indonesian government for a total of 23,764 for 35 years including plasma. We also have 81,916 ha of land rights in the form of Ikan Usaha Perkebunan (“IUP”) or Plantation Operational Permit, and Pantai B which is currently in the progress of HGU application and is targeted to complete by end of December 2021.

It is diversifying into cash crops and intercropping to reduce our dependency on oil palm and optimise the revenue of operating units that are undergoing replanting programmes. We have planted a total of 40 ha of coconuts, 10 ha of kenaf and 40 ha of pineapples in FY2021. We are expanding our coconut business and targeting to plant 5,000 ha of kenaf and 40 ha of pineapples in FY2021. We are expanding our dependency on oil palm and optimise the revenue of operating units that are undergoing replanting programmes.

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The total FFB production for the Group is 2.9 million MT in FY2021 as compared to 3.1 million MT in FY2020. The FFB yield recorded in FY2021 is 20.78 MT per ha as compared to 21.24 MT per ha in the previous year. The lower FFB productivity and FFB yields are primarily impacted by worker shortage, the COVID-19 pandemic, unfavourable weather conditions and ongoing replanting activities in the Sabah region. The outbreak of the COVID-19 pandemic resulted in Movement Control Orders (“MCOs”) and restriction on migrant workers, which caused worker shortage. Our production was hampered due to the delay in our fertilising, harvesting, collection of FFB, milling and transportation activities. As a result, crude palm oil (“CPO”) production output was affected which led to lower oil yields and lower oil extraction rate (“OER”).

The unfavourable weather conditions resulted in extended periods of drought which affected the FFB yields. La Nina, which occurred from September 2020 to March 2021, brought heavy rainfall at most of our operating units with an increase of 30% to 50% of precipitation while our Indonesian operations were particularly affected whereby 24% of the mature areas were flooded half the year. Ultimately, our harvesting activities were disrupted and our CPO output was lowered. The Group recorded a lower OER of 21.39% in FY2021 as compared to 21.83% in FY2020 due to heavy rainfall and worker shortage. We continued to take proactive actions to improve the road infrastructure and water management system through an ongoing lateral construction of an all-weather road in Indonesia (initiated in October 2019) for speedy FFB evacuation during heavy rainfall to minimise crop loss.

The low FFB yields in FY2021 was also caused by a decrease of approximately 7,100 ha of old palms due for replanting, whilst an estimated 3,877 ha of young palms were brought into maturity in FY2021. Replanting remains a priority for the Group and we have replanted about 26,272 ha since FY2019 to improve the age profile. We are strengthening our replanting programme through our elite clone palms and high-yielding third-generation hybrid palm seedlings to produce high yields. We are also aggressively expanding our mechanisation and digitalisation efforts to optimise workforce and land usage, and adopting best agricultural practices to enhance our oil palm yields.

Financial Highlights

As of 30 June 2021, the Group’s plantation segment’s revenue increased 26.3% from RM1.9 billion in FY2020 to RM2.4 billion in FY2021. This year-on-year improvement was supported by bullish CPO and palm kernel (“PK”) prices. The CPO price traded at an average of RM3,851 per MT in the first half of 2021, up from RM3,051 per MT in the second half of 2020. Similarly, high PK price stood at an average of RM2,581 per MT, from RM1,776 per MT. This is primarily attributed to low inventory coupled with worker shortage, strong soya bean price due to weather woes in South America, and high export duty imposed by Indonesia. This yearly improvement is also reflected in the increase of our Group’s average CPO and PK prices. The average CPO price for FY2021 was higher by RM12 per MT (FY2021: RM3,976 per MT as compared to FY2020: RM3,851 per MT) and the average PK price also rose by RM70 per MT (FY2021: RM2,115 per MT as compared to FY2020: RM2,140 per MT).

Reflecting the strong commodity prices, the plantation profit has significantly improved by 72.4% to RM1,209.6 million in FY2021 as compared to RM701.5 million in FY2020. This is mainly due to higher CPO and PK prices, but partly offset by a 5.8% decrease in FFB production. The plantation segment spent a total of RM279.5 million in capital expenditure in FY2021 as compared to RM298.6 million in FY2020. The investment consisted of primarily funding in replanting (East Malaysia), new plantation (Indonesia), plant and machinery, and plantation development infrastructure. Since March 2020, the government has imposed a series of MCO measures to curb the spread of COVID-19, which disrupted the progress of replanting and mill projects.

<table>
<thead>
<tr>
<th>Top 5 Largest Companies* in Plantation Sector</th>
<th>Total Planted Area</th>
<th>Total Oil Palm Estates</th>
<th>170,454 Hectares &amp; 14 Malaysian Mills Certified on Sustainable Palm Oil</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Located in Bursa Malaysia</td>
<td>178,105 Hectares*</td>
<td>96*</td>
<td>* Roundable on Sustainable Palm Oil</td>
</tr>
<tr>
<td>* Includes area owned by associate companies</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Located in Bursa Malaysia

** rs**
## 5-Year Plantation Performance Statistics

### CROP STATEMENT

<table>
<thead>
<tr>
<th>Year</th>
<th>Oil Yield Per Mature Ha</th>
<th>FFB Yield Per Mature Ha</th>
<th>Mature Ha '000</th>
<th>EBIT (RM million)</th>
<th>Revenue (RM million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2.50</td>
<td>150</td>
<td>80</td>
<td>50</td>
<td>200</td>
</tr>
<tr>
<td>2018</td>
<td>2.50</td>
<td>140</td>
<td>70</td>
<td>40</td>
<td>190</td>
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<tr>
<td>2019</td>
<td>2.40</td>
<td>130</td>
<td>60</td>
<td>30</td>
<td>180</td>
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<tr>
<td>2020</td>
<td>2.30</td>
<td>120</td>
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<td>20</td>
<td>170</td>
</tr>
<tr>
<td>2021</td>
<td>2.20</td>
<td>110</td>
<td>40</td>
<td>10</td>
<td>160</td>
</tr>
</tbody>
</table>

### AREA STATEMENT

<table>
<thead>
<tr>
<th>Year</th>
<th>Mature Ha '000</th>
<th>Immature</th>
<th>Total Planted Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>178,105</td>
<td>28,074</td>
<td>206,987</td>
</tr>
<tr>
<td>2018</td>
<td>177,279</td>
<td>27,415</td>
<td>204,694</td>
</tr>
<tr>
<td>2019</td>
<td>176,156</td>
<td>26,832</td>
<td>203,018</td>
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<tr>
<td>2020</td>
<td>174,234</td>
<td>26,150</td>
<td>199,384</td>
</tr>
<tr>
<td>2021</td>
<td>175,447</td>
<td>25,382</td>
<td>200,829</td>
</tr>
</tbody>
</table>

## Crop Mix Statistics

<table>
<thead>
<tr>
<th>Year</th>
<th>Nursery</th>
<th>Estate under development</th>
<th>Labour lines, building sites and others</th>
<th>Total planted area</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2,917,621</td>
<td>3,195,847</td>
<td>250,088</td>
<td>6,363,556</td>
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<tr>
<td>2018</td>
<td>3,097,262</td>
<td>3,514,857</td>
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<td>6,860,424</td>
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<tr>
<td>2019</td>
<td>3,398,847</td>
<td>3,915,436</td>
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<tr>
<td>2020</td>
<td>3,514,857</td>
<td>4,090,800</td>
<td>258,000</td>
<td>8,860,057</td>
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<tr>
<td>2021</td>
<td>3,715,080</td>
<td>4,390,800</td>
<td>262,000</td>
<td>9,360,000</td>
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</table>

## Oil Palm Hectarage by Age

<table>
<thead>
<tr>
<th>Year</th>
<th>Mature Ha</th>
<th>Immature</th>
<th>Total Oil Palm Planted Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>140,418</td>
<td>30,177</td>
<td>170,595</td>
</tr>
<tr>
<td>2018</td>
<td>145,802</td>
<td>33,053</td>
<td>178,855</td>
</tr>
<tr>
<td>2019</td>
<td>147,770</td>
<td>30,053</td>
<td>177,823</td>
</tr>
<tr>
<td>2020</td>
<td>148,934</td>
<td>28,074</td>
<td>176,908</td>
</tr>
<tr>
<td>2021</td>
<td>154,613</td>
<td>25,382</td>
<td>179,995</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (RM million)</th>
<th>EBIT (RM million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2,500</td>
<td>50</td>
</tr>
<tr>
<td>2018</td>
<td>2,400</td>
<td>40</td>
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<tr>
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<tr>
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<td>2,200</td>
<td>20</td>
</tr>
<tr>
<td>2021</td>
<td>2,100</td>
<td>10</td>
</tr>
</tbody>
</table>

## Average Mature Oil Palm Area Harvested and FFB Production

<table>
<thead>
<tr>
<th>Year</th>
<th>Mature Ha ('000)</th>
<th>FFB Production MT ('000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>80</td>
<td>178,105</td>
</tr>
<tr>
<td>2018</td>
<td>70</td>
<td>177,279</td>
</tr>
<tr>
<td>2019</td>
<td>60</td>
<td>176,156</td>
</tr>
<tr>
<td>2020</td>
<td>50</td>
<td>174,234</td>
</tr>
<tr>
<td>2021</td>
<td>40</td>
<td>175,447</td>
</tr>
</tbody>
</table>

## Oil Palm Hectarage by Region

<table>
<thead>
<tr>
<th>Year</th>
<th>Mature Ha</th>
<th>Immature</th>
<th>Total Oil Palm Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>21,134</td>
<td>166,716</td>
<td>187,844</td>
</tr>
<tr>
<td>2018</td>
<td>21,134</td>
<td>175,937</td>
<td>197,071</td>
</tr>
<tr>
<td>2019</td>
<td>21,134</td>
<td>175,447</td>
<td>196,581</td>
</tr>
<tr>
<td>2020</td>
<td>21,134</td>
<td>175,447</td>
<td>196,581</td>
</tr>
<tr>
<td>2021</td>
<td>21,134</td>
<td>175,447</td>
<td>196,581</td>
</tr>
</tbody>
</table>

## Rubber Statistics

<table>
<thead>
<tr>
<th>Year</th>
<th>Mature Ha '000</th>
<th>Immature</th>
<th>Total Planted Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>176,926</td>
<td>39,429</td>
<td>216,355</td>
</tr>
<tr>
<td>2018</td>
<td>176,909</td>
<td>39,429</td>
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<tr>
<td>2019</td>
<td>176,156</td>
<td>39,429</td>
<td>215,585</td>
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<td>2020</td>
<td>174,234</td>
<td>39,429</td>
<td>213,663</td>
</tr>
<tr>
<td>2021</td>
<td>174,234</td>
<td>39,429</td>
<td>213,663</td>
</tr>
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</table>

## Oil Palm Hectarage by Region

<table>
<thead>
<tr>
<th>Year</th>
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<th>Immature</th>
<th>Total Oil Palm Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>14,877</td>
<td>39,429</td>
<td>54,306</td>
</tr>
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<td>14,877</td>
<td>39,429</td>
<td>54,306</td>
</tr>
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<td>39,429</td>
<td>54,306</td>
</tr>
</tbody>
</table>
### BUSINESS PERFORMANCE REVIEW 2021

#### STRATEGIC OBJECTIVES

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

#### KEY INITIATIVES

- Digitalisation
- Mechanisation
- Continued investment in R&D
- Driving to maximise oil yields by innovating with high-yielding clones, palm stocks, superior planting materials and achieving high early yields from young mature palms
- Embarking on conservation projects to minimise crop loss during adverse weather conditions
- Improving overall operational efficiency and productivity
- Implementing integrated pest management approaches that prioritise biological controls over chemical pesticides
- Employ different techniques during replanting such as soil ripping and ploughing to prevent Ganoderma fungus, which cause crop damage and attack oil palm trees.
- Constructing weirs at drainage and irrigation systems.
- Employed water conservation practices such as constructing conservation terraces, silt pits and bunds to retain soil and water.

#### ACHIEVEMENTS IN FY2021

1. 117% continued to attain high yields (as indicated by our top three best performing estates):
   - **ESTATE**
   - **OIL YIELD**
     - a) Bertam Estate 6.94 MT/ha
     - b) Laksam A Estate 6.79 MT/ha
     - c) Malakaest Estate 6.33 MT/ha

2. Our mills continued to achieve high OERs as a result of FFB crops that are derived from superior high-yielding palms:
   - **MILL**
   - **OER**
     - a) Bukit Leelas Mill (Pensular) 24.40%
     - b) Batarmur Mill (Sabah) 23.97%
     - c) Pamarl Kluang Mill (Pensular) 23.00%

3. All our Malaysian plantation operating units are fully integrated with the SAP system and the electronic plantation monitoring system while 50% have been implemented with the e-wallet salary crediting system.

4. We have successfully initiated various mechanisation efforts:
   - a) Implemented FFB main line evacuation system using FFB grabber in combination with bin transport system in about 40% of all estates across Pensular Malaysia, Sabah and Indonesia, which improved productivity from manual loading (12 to 15 MT of FFB/day) to mechanised evacuation of 45 to 60 MT of FFB/day.
   - b) Implemented FFB in-field evacuation system (using motorised palm cutters and power wheel barrows) which increased harvesters’ productivity by up to 50%, and reduced dependency on workers by improving harvester to land ratio from 1.16/ha to 1.22/ha.
   - c) Introduced mechanical grass cutter and mechanical front loader for empty fruit bunches (“EFB”) in Pamol Timur and Pamol Batang’s organic farming project for improved productivity and elimination of chemical fertilisers, herbicides and pesticides.
   - d) Utilised mechanical circle and strip sprayers for weed management and maintenance which improved productivity and reduced workforce.
   - e) Employed different techniques during replanting such as soil ripping and ploughing to prevent Ganoderma fungus, which cause crop damage and attack oil palm trees.

5. Improved road infrastructure and water management system in Indonesia by constructing all-weather access road using latteite to expedite FFB evacuation from field to mill within 24 hours even during heavy rainfall or flooding. CPO is now dispatched smoothly with the improved road condition. Water gates and bunds have been constructed to minimise flooding in low-lying areas.

#### OUTLOOK & PROSPECTS

The ongoing COVID-19 pandemic has had a significant and direct impact on the Malaysian palm oil industry due to MCOs, lockdowns and business closures as well as the decision by the Malaysian government to freeze the recruitment of migrant workers. In addition to the severe worker shortage, these factors would increase the risk of supply chain disruptions to the internal business, causing delays, shortage of raw materials, increase in transport costs, and reduced orders which impacts the business performance.

The global economy is projected to grow 6% in 2021 and 4.9% in 2022 (Based on the latest World Economic Outlook report), fuelled by the recovery and reopening of businesses in advanced economies while economic growth is expected to be more sluggish in developing countries due to the new variants of the COVID-19 virus and uneven progress of vaccination campaigns. However, the Malaysian government has been taking steps to boost the palm oil industry through various steps such as increasing investment in the downstream palm oil sector, targeting other foreign markets as key export destinations, accelerating productivity via research and development and technology. All these are in line with our Group’s strategic priorities.

### Challenges/Risks

- **Prolonged dry and hot periods, which impact crop productivity and cause less FFB.**
- **Outbreak of insect pests (such as nettle caterpillars), vertebrate pests (such as rats and wild boar) and diseases (such as Ganoderma fungus), which cause crop damage and attack oil palm trees.**
- **Approximately 31% of it’s current oil palm trees is categorised as past prime (more than 21 years old and limited yield by the Malaysian government has been taking steps to boost the palm oil industry through various steps such as increasing investment in the downstream palm oil sector, targeting other foreign markets as key export destinations, accelerating productivity via research and development and technology. All these are in line with our Group’s strategic priorities.**

#### Mitigation Actions

- **Accelerate replanting programme by planting superior planting materials to achieve early and high yields from a young mature palm age.**
- **Implement strict SOPs to control movement of workers and provide sufficient Personal Protective Equipment to staff and workers.**
- **Initiate Business Continuity Plan and cost control measures to mitigate any adverse operation and financial impact to the company’s bottom line.**
- **Continuously implement digitalisation and mechanisation measures to reduce reliance on workers and improve operational excellence.**
- **Recruit local workers from surrounding villages with enhanced benefit packages.**
- **Introduce new crops and diversify to other crops to mitigate risk of relying solely on palm oil.**

Although CPO production in Malaysia has fallen in the first four months of 2021, its price has remained high, ranging from RM9.00 and RM4.69/MT per day in August 2021 as the Malaysian palm stock fell to 1.55 MT at end-July due to weaker than expected FFB production. This is mainly due to worker shortage and restrictive SOP measures of the COVID-19 pandemic. Against the backdrop of this unprecedented uncertainty and challenging environment, we are expected to continue for the near term, we expect it will indirectly lend support to a strong CPO price trend for the rest of the year.

We expect the FFB production to be stable in FY2022 due to forecasted favourable weather conditions as well as a higher production from young palm trees in our Indonesian plantations that will offset the production loss from our replanting programmes in Sabah, which we are accelerating to maintain a good age profile for sustainable growth. We are planting an estimated 7,100 ha of aging and less productive oil palm stands with high yielding and superior plantation materials to increase our oil palm yields. Furthermore, we remain committed to accelerate our digitalisation, mechanisation and replanting plans in our estates and are taking proactive steps to actively recruit locals to progressively reduce our dependency on manual labour and alleviate the worker shortage that is expected to be more acute. With the bullish market of CPO prices and more oil palms coming into maturity, we are optimistic of a good performance in the coming year.
FINANCIAL HIGHLIGHTS
The Group’s resource-based manufacturing segment’s profit of RM668.0 million for FY2021 is 73% higher than the profit of RM385.1 million reported for FY2020. Excluding the fair value loss on derivative financial instruments of RM25.6 million (FY2020 – gain of RM3.8 million), the underlying profit is RM693.6 million for FY2021, which is 82% higher than the profit of RM381.3 million for FY2020. The significant higher profit is due mainly to our higher share of associate result from our associate company, Bunge Loders Croklaan Group B.V., which included a share of one-off gain of RM268.3 million from the sale of its refinery located in Rotterdam as well as better performance from North America and Europe. Apart from the share of associate result, the lower contribution was reported by all sub-segments mainly due to lower margins.

GROUP BUSINESS REVIEW

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 as well as our vast experience, we are well equipped to meet the needs of our customers domestically and internationally.

REFINING
The Group has two wholly-owned refineries in Malaysia with a combined annual capacity of about 1.8 million MT. They are strategically located in Pasir Gudang, Johor and in Sandakan, Sabah, which have gateways to major shipping routes with direct port access. Both refineries are located close to our plantations and mills. They produce palm and palm kernel oil fractions for domestic and export markets as well as feedstock for the Group’s downstream activities. Our refineries are Roundtable on Sustainable Palm Oil (“RSPO”) and Malaysian Sustainable Palm Oil (“MSPO”) certified, and our Sandakan refinery is also International Sustainability and Carbon Certificate (“ISCC”) certified. Our manufacturing premises have attained various national and internationally recognised quality management systems, environment management systems, food safety certifications and more. We are constantly identifying and implementing resource minimisation measures to reduce greenhouse gas emissions.

KEY BUSINESS HIGHLIGHTS
• The sales volume of our certified sustainable refined products has increased as we continue to expand our certified sustainable markets.
• We have started selling low 3-MCPD and GE products in the current financial year under review to capture the new requirements in the European Union (“EU”) markets.
• Our refineries’ utilisation rates, which are in tandem with the industry trends in Malaysia, have been impacted by the shortage of raw materials and restriction in operational capacity during multiple Movement Control Orders.

KEY FOCUS AREAS
Optimise refineries’ processing capacity and efficiency
Supply consistently high-quality palm oil products that fulfill different customers’ needs
Expand certified sustainable palm oil products and low 3-MCPD and GE markets
Maximise consumer packing capacities in various packing configurations to meet customers’ requirements
Ensure efficient supply chain management with uninterrupted supply
Drive innovation and promote sustainable development

Manufacturing Facilities
2

Combined Annual Refining Capacity
1.8 million MT

Sales of Total Certified Refined Products
293,889 MT
BUSINESS PERFORMANCE REVIEW 2021

<table>
<thead>
<tr>
<th>STRATEGIC OBJECTIVES</th>
<th>KEY INITIATIVES</th>
<th>ACHIEVEMENTS IN FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximise consumer packing capacities in various packing configurations to meet customer requirements.</td>
<td>• Focusing on expanding our markets for certified and sustainable palm oil.</td>
<td>• Improved growth of over 6% in sales of certified refined products from FY2020.</td>
</tr>
<tr>
<td>Drive innovation and promote sustainable development.</td>
<td>• Actively participate in World Food Programme tenders and expand other potential markets.</td>
<td>• Successfully performed 24 shipments for United Nations World Food Programme, and increased sales to Nigeria and Dubai.</td>
</tr>
<tr>
<td>Expand certified sustainable palm oil products and low 3-MCPD and GE markets.</td>
<td>• Produce low 3-MCPD and GE refined oil products through in-house development in order to capture new market requirements.</td>
<td>• Both our Pasir Gudang and Sandakan refineries have started selling low 3-MCPD and GE products.</td>
</tr>
</tbody>
</table>

Challenges/Risks Mitigation Actions

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Malaysian crude palm oil (“CPO”) production reduced by about 3% due to labour shortages in the industry and the dry weather.</td>
<td>1) Our refineries are continuously looking for opportunities to secure more raw materials locally as well as through imports whenever possible.</td>
</tr>
<tr>
<td>At the same time, the Malaysian CPO exports have increased by about 73%. These have contributed to the lower utilisation rates of refineries in Malaysia. Malaysian palm oil production is expected to recover marginally in the next financial year.</td>
<td>2) We will continue to increase our sales of certified sustainable palm oil and low 3-MCPD and GE products for further value addition.</td>
</tr>
<tr>
<td>Volatile mineral oil prices and the Palm Oil-Gas Oil spread are influencing the demand of palm oil in biofuel, especially in discretionary blending. However, the increase in the biodiesel mandates in Indonesia and Malaysia will provide new demand for palm oil. The new rules from the United States (“US”) on renewable fuels may also increase usage of edible oils in the sector.</td>
<td>1) Our sales are mainly for the food sectors.</td>
</tr>
<tr>
<td>2) We will closely monitor the latest developments in this area to better gauge the prospect of demands and future price trends.</td>
<td></td>
</tr>
</tbody>
</table>

OUTLOOK & PROSPECTS

Palm oil commodity prices are expected to remain volatile in the next financial year. Many factors affecting the prices are to be closely monitored. The current low world vegetable oil stocks will continue to provide the underlying support to the prices. The recovery in stocks depend on the coming production in the producing countries. Weather conditions are one of the many factors to look out for, especially in the US, in the coming crop progress.

The COVID-19 pandemic is still affecting demand in many consuming countries and disrupting the production in producing countries. The inoculation rates that are picking momentum in many countries will help to mitigate some of the challenges. Another factor to watch out for is the heightened inflationary risk in global economies. Central banks of many countries are sounding more hawkish and this may lead to the imposition of higher interest rates and the adoption of tighter monetary policies in order to rein in the inflation. Having integrated Environmental, Social and Governance (“ESG”) into our business, we are confident that our ESG investing will lead us to overcome the rising interest cost.

Going forward, we opine that palm oil prices will remain strong for some time due to lower inventories in both origin and destination market. The palm oil stocks may take longer to replenish to normal levels due to severe worker shortage in Malaysia, disruption from the pandemic and the forecasted La Nina phenomenon towards the end of the 2021.
KEY BUSINESS HIGHLIGHTS

- Our fatty acids is the core business unit of our oleochemical business. It has mostly recovered from the COVID-19 pandemic as global economic recovery was spearheaded by China. Marginally higher sales volume was recorded compared to the previous year. However, the margin was slightly lower. The main reason was due to the rising palm oil prices that were notably seen from the second quarter of FY2021 onwards, coupled with the soft glycerine prices which were below the palm prices. The other challenge faced was the unprecedented high sea freight costs. Initially, it was difficult to pass these costs on but this has since improved in the last two quarters. The glycerine situation has also markedly improved in the last quarter due to lower biodiesel production, particularly in Indonesia and Latin America. As a result, the margin achieved in the last quarter was the highest for the year.

- Our soap business unit has not performed as well as expected despite increased demand for soap products as consumers prioritise hand washing and personal hygiene. The main impact came from Indonesia soap noodle producers. The continuing high Indonesian tax and levy on palm and palm kernel oils throughout the year have supported their competitiveness against Malaysian producers. On a positive note, this tax and levy have lowered in recent months, which resulted in sales picking up.

- Our ester business unit performed better than the previous year. Higher volume growth came from higher sales to North East Asian countries, namely China and South Korea, as manufacturing sectors came back stronger. Better volume was also recorded in the EU region and the US, notably in the food, flavour and nutrition segments. The overall improvement in margin was also partly contributed by the sales of higher margin esters.

- Our German business recorded higher sales volume compared to the previous year. However, margin was lower due to a drop in the sales of our API and personal care product groups. Generally, the first two quarters were slow due to slower uptake of pharmaceutical and cosmetic products. The latter was hit by the poor travel-related industry which affected the sun care cosmetic and travel-related cosmetic products. Nonetheless, our sales of the nutrition and technical application sectors continued to grow and was better than the previous year. Overall, business improved in the last two quarters as business activity picked up in the EU region.

BUSINESS PERFORMANCE REVIEW 2021

<table>
<thead>
<tr>
<th>STRATEGIC OBJECTIVES</th>
<th>KEY INITIATIVES</th>
<th>ACHIEVEMENTS IN FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drive business growth</td>
<td>Optimising plant manufacturing capacity.</td>
<td>1) Improvement in plant utilisation with higher achievable capacity and lower downtime.</td>
</tr>
<tr>
<td>Enhance cost and plant efficiency</td>
<td>Enhancing cost efficiency through plant automation and digitalisation.</td>
<td>2) Reduced overall energy cost and higher output.</td>
</tr>
<tr>
<td>Develop new products/formulations</td>
<td>Embracing on energy efficiency and water recycling projects.</td>
<td>3) Achieved a total of 25 projects in Malaysia that saved energy, steam and electricity.</td>
</tr>
<tr>
<td></td>
<td>Reinvestment and replacing aging equipment.</td>
<td>4) Improvement in plants’ efficiency and product quality.</td>
</tr>
<tr>
<td></td>
<td>Embarking on new fatty acid and soap-noodle plant expansions.</td>
<td>5) Construction of new warehouse is in progress and expected to be commissioned in Q2 of year 2022.</td>
</tr>
<tr>
<td></td>
<td>Filing patents for new product applications.</td>
<td>6) Filed five patents for pharmaceutical applications, four patents for keto esters and one patent related to 3D printing.</td>
</tr>
<tr>
<td></td>
<td>Developing new product formulations in CARE Studio.</td>
<td>7) Developed a new ingredient and 10 formulations for personal care and cosmetic applications.</td>
</tr>
</tbody>
</table>

Challenges/Risks

- Significant increase in the raw material costs.
- Limited availability of key raw materials and packaging materials.
- Turbulence in shipping and freight delays and high shipping costs.

Mitigation Actions

- Seek opportunities to augment prices where possible without sacrificing businesses.
- Increase safety stock level and additional qualified suppliers.
- Deliveries through Free on Board or Ex-Works with options to change upon customers’ request.

OUTLOOK & PROSPECTS

We have seen how the economy recovery which started in China has positively impacted our business. The recent positive development in many developed countries with expedited vaccination has resulted in the gradual opening of previously restricted sectors. This development would augur well for our business.

However, the emergence of the new Delta virus variant is a cause for concern. Some countries have started to re-impose restrictions. Therefore, this may derail the nice recovery seen in many industrial sectors that we serve.

Nevertheless, we are cautiously optimistic as our products are ubiquitous. They are being used in a very wide range of applications and industries. Should there be a slowdown in one sector, it would normally be compensated by another sector as long as the world economy continues to grow because the oleochemical business growth is generally dependent on Gross Domestic Product growth.

Lastly and more importantly, our new fatty acid and soap noodle plants will come on stream in the last quarter of the new financial year. This would contribute to our overall volume and margin growth.

SPECIALTY OILS & FATS

The Group’s 30%-owned associate company, Bunge Loders Croklaan Group B.V. (“BLC”) 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 confectionary to culinary and human nutrition.

Our partnership with Bunge Limited (“Bunge”) to build BLC 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.

During the year, BLC has disposed its refinery facility in Rotterdam, Netherlands, to Neole Corporation for €258 million. BLC has plans to reinvest a portion of the sum into identified growth projects to reach greater operational flexibility and efficiency and provide an enhanced portfolio of multi-oil refined products to its customers. This also supports BLC’s long-term strategy to capture the growing global market for blended oils and enhance its footprint in an innovative and sustainable way.

Going forward, BLC’s business is expected to perform better with the continued strong performance from North American region and improvement in the European region as the COVID-19 vaccination gains its momentum there. The high margin infant nutrition business is also expected to perform well in the coming year.
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

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

Cheah Tek Kuang
Independent Non-Executive Director

Dr Nesadurai Kalanithi
Independent Non-Executive Director

Audit And Risk Management Committee
Datuk Karownakaran @ Karunakaran a/l Ramasamy
Tan Sri Dr Rahamat Bivi binti Yusoff
Cheah Tek Kuang
Dr Nesadurai Kalanithi

Governance, Nominating and Remuneration Committee
Cheah Tek Kuang
Chairman
Datuk Karownakaran @ Karunakaran a/l Ramasamy
Dr Nesadurai Kalanithi

Company Secretary
Tan Choong Khiang
(SSM PC NO. 201908000048)
(MAACSA 7018448)

Registered Office and Principal Place of Business
Level 29, IJI City Tower 2
Lebuhr IRC, IJI 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
Sektor 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

GOVERNANCE

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

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

Cheah Tek Kuang
Independent Non-Executive Director

Dr Nesadurai Kalanithi
Independent Non-Executive Director
PROFILE OF DIRECTORS

Tan Sri Peter Chin Fah Kui
Independent Non-Executive Chairman
Malaysian • Age 76 • Male

DATE OF APPOINTMENT
1 December 2014

BOARD MEETING ATTENDANCE FOR FY2021
6/6 (100%)

QUALIFICATION • Barrister-at-Law from Gray's Inn, London

RELEVANT EXPERIENCE • Chairman for Miri Municipal Council in 1984 • 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) • Member of Parliament for Lambir and Miri constituencies in Sarawak from 1986 to 2013 • Chairman of Malaysian Green Technology and Climate Change Centre (“MGTC”) from 7 April 2015 to 6 April 2018 • Special Advisor to MGTC

DIRECTORSHIP OF OTHER LISTED ISSUERS/PUBLIC COMPANIES • Other Listed Issuer – None • Non-Profit Public Company – Trustee of Yayasan Tan Sri Lee Shin Cheng

Lee Yeow Seng
Non-Independent Non-Executive Director
Malaysian • Age 43 • Male

DATE OF APPOINTMENT
3 June 2006

BOARD MEETING ATTENDANCE FOR FY2021
6/6 (100%)

QUALIFICATION • LLB (Honours), King’s College, London • Barrister-at-Law from Bar of England & Wales, Inner Temple

RELEVANT EXPERIENCE • Held various senior appointments • Chairman of the Malaysian Palm Oil Council (“MPOC”) 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 (“IREHDA”) Malaysia as its Secretary General from 2002 to 2006 • Chairman of the Malaysian Palm Oil Council (“MPOC”) from 2009 to 2020 • Chairman of the Malaysian Palm Oil Association (“MPOA”) • Director of IOI Properties Group Berhad • Director of IOI Properties Berhad • Non-Executive Director of IOI Properties Group

DIRECTORSHIP OF OTHER LISTED ISSUERS/PUBLIC COMPANIES • Other Listed Issuer – None • 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

Tan Sri Dr Rahamat Bivi binti Yusoff
Independent Non-Executive Director
Malaysian • Age 64 • Female

DATE OF APPOINTMENT
15 August 2017

BOARD MEETING ATTENDANCE FOR FY2021
6/6 (100%)

QUALIFICATION • Ph.D. in Political Science and International Relations, 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 • 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 Ekunti National Berhad – Independent Non-Executive Director of Bank Pembangunan Malaysia Berhad

Dato’ Lee Yeow Chor
Group Managing Director and Chief Executive
Malaysian • Age 55 • Male

DATE OF APPOINTMENT
25 April 1996

BOARD MEETING ATTENDANCE FOR FY2021
6/6 (100%)

QUALIFICATION • LLB (Honours), King’s College, London • Barrister-at-Law from Bar of England & Wales, Inner Temple

RELEVANT EXPERIENCE • 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 (“IREHDA”) Malaysia as its Secretary General from 2002 to 2006 • Chairman of the Malaysian Palm Oil Council (“MPOC”) from 2009 to 2020 • Chairman of the Malaysian Palm Oil Association (“MPOA”) • Non-Independent Non-Executive Director of IOI Properties Group Berhad • Director of IOI Properties Berhad • Non-Executive Director of IOI Oleochemical Industries Berhad • Director of Unico-Desa Plantations Berhad • Director of Dynamic Plantations Berhad

DIRECTORSHIP OF OTHER LISTED ISSUERS/PUBLIC COMPANIES • Other Listed Issuer – None • 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

Board Committee
Committee Chairman
Committee Member
Audit and Risk Management
Governance, Nominating and Remuneration

Board Committee
Committee Chairman
Committee Member
Audit and Risk Management
Governance, Nominating and Remuneration
**PROFILE OF DIRECTORS**

**Datuk Karownakan a/l Karunakaran**
- Independent Non-Executive Director
- Malaysian • Age 71 • Male

**DATE OF APPOINTMENT**
17 January 2011

**BOARD MEETING ATTENDANCE FOR FY2021**
6/6 (100%)

**QUALIFICATION**
- Bachelor of Economics (Accounting) (Honours) degree, University of Malaya
- Post Graduate Course in Industrial Management, University of Bradford, UK

**RELEVANT EXPERIENCE**
- Joined the Malaysian Investment Development Authority in 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
- Director of Maybank Investment Bank Berhad from 2009 to 2014
- Director of Chemical Company of Malaysia Berhad from 2011 to 2014
- Director of Maybank Asset Management Group Berhad from 2012 to 2016
- 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
- Chairman of Etiqa General Insurance Berhad from March 2016 to December 2018
- Chairman of Etiqa Family Takaful Berhad from March 2016 to December 2017
- Chairman of Etiqa Life Insurance Berhad from January to December 2018
- Chairman of Etiqa International Holdings Sdn Bhd

**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

**Dr Nesadurai Kalanithi**
- Independent Non-Executive Director
- Malaysian • Age 64 • Female

**DATE OF APPOINTMENT**
8 July 2021

**BOARD MEETING ATTENDANCE FOR FY2021**
Was appointed as Director subsequent to FY2021

**QUALIFICATION**
- Ph.D. in Biochemistry and Molecular Biology, University of Reading, UK
- Master of Science, Food Science, University of Reading, UK

**RELEVANT EXPERIENCE**
- Director of Product Development and Advisory Services in MPOB from 2008 to 2012
- Founding member of the Malaysian Chapter of the Society for Free Radical Research ("SFRR") and was the Past-President for SFRR Asia in 2009
- Member at the Malaysia Embassy based in Brussels, Belgium and was the Regional Manager for MPOB Europe from 2013 to 2017

**Notes:**
1. Daft/ Lee Yew Seng and Lee Yew Chor are members of the immediate family.
2. Save as disclosed in item (1), none of the Directors have:
   - any family relationship with any directors/major shareholders of the Company; and
   - any conflict of interest with the Company.
   - any conviction for offences (other than traffic offences) within the past five (5) years.
   - any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2021.

**Cheah Tek Kuang**
- Independent Non-Executive Director
- Malaysian • Age 74 • Male

**DATE OF APPOINTMENT**
22 August 2012

**BOARD MEETING ATTENDANCE FOR FY2021**
6/6 (100%)

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

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

**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

**Board Committee**
- Committee Chairman
- Committee Member
- Audit and Risk Management
- Governance, Nomination and Remuneration
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**

- **Kong Kian Beng**
  - Group Chief Financial Officer
  - Malaysian
  - Male
  - 6 March 2006

**QUALIFICATION**
- Fellow of Chartered Certified Accountants ("FCCA")
- MBA in Corporate Finance from the Open University of Malaysia

**SKILLS AND EXPERIENCE**
Mr Kong has more than twenty (20) years of experience in financial reporting, accounting and corporate finance. He joined IOIC Group in May 2004 as Group Financial Controller and was subsequently appointed as Group Chief Financial Officer on 1 March 2021.

- Prior to joining IOIC Group, he was an Audit Manager of PricewaterhouseCoopers (now known as PwC Malaysia).

- Prior to PwC Malaysia, he was an Audit Manager of IOIC Group.

- Mr Kong has more than twenty (20) years of experience in financial reporting, accounting and corporate finance.

**Farah Suhanah binti Ahmad Sarji**
- Group Legal Counsel
  - Malaysian
  - Female
  - 5 May 2015

**QUALIFICATION**
- Fellow of the Chartered Governance Institute ("CGI")
- Fellow of the Malaysian Institute of Chartered Secretaries and Administrators ("MACISA")

**SKILLS AND EXPERIENCE**
Ms Farah Suhanah 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 IOIC Group, she was in private legal practice and has also held various senior positions in public listed companies.

**Tan Choon Khiang**
- Company Secretary
  - Malaysian
  - Male
  - 8 August 2011

**QUALIFICATION**
- A Barrister-at-Law of the Middle Temple and has been called to the Malaysian Bar

**SKILLS AND EXPERIENCE**
Mr Tan is the Head of Corporate Secretarial in IOIC Group and is responsible of monitoring and supervising the overall corporate secretarial functions of IOIC Group. He has vast working experience in secretarial and governance practices, corporate advisory and compliance. Prior to joining IOIC 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 was Vice President of MACISA, Chairman of Taxation Committee and Deputy Chairman of the National Investigation Group.

- He is also the representative of MACISA on the Corporate Practice Consultative Forum Accounting & Audit Sub-Committee set up by the Companies Commission of Malaysia.

**Dr Surina binti Ismail**
- Group Head of Sustainability
  - Malaysian
  - Female
  - 1 March 2016

**QUALIFICATION**
- Fellow of Association of Chartered Certified Accountants ("FCCA")
- Member of Malaysian Institute of Accountants ("MIA")

**SKILLS AND EXPERIENCE**
Dr Surina has more than twenty (20) years of 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.

**Lim Jit Uei**
- Executive Director
  - Malaysian
  - Male
  - 61

**QUALIFICATION**
- Fellow of the Chartered Governance Institute ("CGI")
- Fellow of the Malaysian Institute of Chartered Secretaries and Administrators ("MACISA")

**SKILLS AND EXPERIENCE**
Mr Tan is the Head of Corporate Secretarial in IOIC Group and is responsible of monitoring and supervising the overall corporate secretarial functions of IOIC Group. He has vast working experience in secretarial and governance practices, corporate advisory and compliance. Prior to joining IOIC 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 was Vice President of MACISA, Chairman of Taxation Committee and Deputy Chairman of the National Investigation Group.

- He is also the representative of MACISA on the Corporate Practice Consultative Forum Accounting & Audit Sub-Committee set up by the Companies Commission of Malaysia.

- He is also the representative of MACISA on the ASEAN Corporate Secretaries Network.

**Dato’ Lee Yeow Chor**
- Group Managing Director and Chief Executive

**SKILLS AND EXPERIENCE**

- He has experience in financial management, strategic planning, corporate governance, project management, and risk management.

**Lim Jit Uei**
- Group Head of Commodity Marketing

**Qualification**

- Bachelor of Science (Honours) in Chemistry from Indiana University

**Skills and Experience**

- He has extensive experience in commodity marketing and trading, specifically in the palm oil sector.

**Tan Kean Huia**
- Executive Director

**Qualification**

- Master of Science in Polymer Organic Chemistry from University of Akron, USA

**Skills and Experience**

- He has over 25 years of experience in the agriculture and science sectors, specializing in organic chemistry and nanomaterials.

**Shyam a/l M. K. Lakshmanan**
- General Manager, Plantation

**Qualification**

- Bachelor of Science in Chemistry from University of Akron, USA

**Skills and Experience**

- He has over 22 years of experience in the palm oil sector, specializing in agro-chemicals and plantation management.

**Sudhakaran a/l Nottath Bhaskaran**
- Plantation Director

**Qualification**

- Master of Science in Polymer Organic Chemistry from University of Akron, USA

**Skills and Experience**

- He has over 24 years of experience in the palm oil sector, specializing in plantation management.

**Subramaniam a/l Arumugam**
- Head of Group Internal Audit

**Qualification**

- Master of Science in Accounting from University of Akron, USA

**Skills and Experience**

- He has over 23 years of experience in internal auditing and corporate governance.

**Ragupathy a/l Selvaraj**
- Senior General Manager, Plantation

**Qualification**

- Master of Science in Polymer Organic Chemistry from University of Akron, USA

**Skills and Experience**

- He has over 23 years of experience in plantation management and corporate governance.

**Amir Mohd Hafiz bin Amir Khalid**
- Executive Director

**Qualification**

- Bachelor of Science in Chemistry from University of Akron, USA

**Skills and Experience**

- He has over 22 years of experience in the palm oil sector, specializing in plantation management.

**Thomas Kummer**
- Chief Operating Officer, Germany

**Qualification**

- Master of Science in Polymer Organic Chemistry from University of Akron, USA

**Skills and Experience**

- He has over 25 years of experience in the palm oil sector, specializing in corporate governance and strategic planning.
Amir Mohd Hafiz bin Amir Khalid
Head of Group Strategy

 QUALIFICATION
• Intensive Diploma in Oil Palm Management and Technology, Malaysian Palm Oil Board ("MPOB")
• Advanced Management Programme from National University of Singapore
• Fellow of Association of Chartered Certified Accountants
• Bachelor of Arts with Honours in Accounting and Finance from Liverpool John Moores University, United Kingdom

SKILLS AND EXPERIENCE
Erulk Amir Hafiz has 18 years of experience in financial management, corporate strategy, corporate finance, mergers and acquisitions, and investor relations.
Prior to joining IOI Group, he was the Chief Financial Officer of TDM Berhad and prior to that he was with PETRONAS and Ernst & Young. Previously working abroad with BMI British Midland in the United Kingdom as an Operational Cost Analyst and began his career as an Equity Analyst at Financial Times Interactive Data in Ireland in 2002.

Ling Kea Ang
Head of Group Internal Audit

 QUALIFICATION
• Fellow of Association of Chartered Certified Accountants ("ACCA")
• Member of the Malaysian Institute of Accountants ("MIA")
• Member of Institute of Internal Auditors

SKILLS AND EXPERIENCE
Mr Ling is a Chartered Accountant and 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 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.

Lee Chin Huat
Head of Business Systems and Information

 QUALIFICATION
• Master of Science in Information Technology from Universiti Putra Malaysia

SKILLS AND EXPERIENCE
Mr Lee has more than twenty (20) years of experience in information technology business application, with specialisation in networks, databases and software project development in diverse exposures of different industries ranging from automotive, machineries, retail, merchandising to manufacturing.

Sudhakaran a/l Nottath Bhaskaran
Plantation Director

 QUALIFICATION
• Honours Degree in Mechanical Engineering from the University of Technology Malaysia
• Diploma in Palm Oil Mill Engineering from MPOB

SKILLS AND EXPERIENCE
Mr Sudhakaran 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.

Lim Jit Uei
Group Head of Commodity Marketing

 QUALIFICATION
• Bachelor of Science in Real Estate (Honours) from the National University of Singapore

SKILLS AND EXPERIENCE
Mr Lim has more than twenty (20) 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 is the brother-in-law of Dato' Lee Yee Chor and Mr Lee Yew Seong.

Subramaniam a/l Arumugam
General Manager

 QUALIFICATION
• Bachelor of Science (Agribusiness) degree from the University Pertanian Malaysia

SKILLS AND EXPERIENCE
Mr Subramaniam 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

Oleochemical

Tan Kean Hua
Executive Director

QUALIFICATION
• Executive MBA Degree from the University of Bath - Malaysian Institute of Management
• First Class Honours Degree in Chemical Engineering from University of Malaya
• Fellow of Institution of Chemical Engineers, UK. (FIChemE)
• Chartered Engineer of The Engineering Council, UK. (CEng)

SKILLS AND EXPERIENCE
Prior to joining IOI Group in 2004, Mr. Tan held a senior marketing position in an oleochemicals multinational company. He was the Chairman of Malaysian Oleochemical Manufacturers Group ("MOMG") from March 2010 until 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.

Koo Ping Wui
Chief Operating Officer, Johor

QUALIFICATION
• Master Degree in Business Administration from Open University of Malaysia
• Diploma in Marketing from the Marketing Confederation of Australia

SKILLS AND EXPERIENCE
Prior to joining IOI Oleochemicals Industries Berhad, Mr. Koo 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 in Johor in 2020, he was the Chief Marketing Officer in IOI Oleo GmbH based in Hamburg, Germany since 2017.

Lai Choon Wah
Chief Operating Officer, Penang

QUALIFICATION
• Degree in Chemical and Process Engineering from the National University of Malaysia
• Master degree in Business Administration from University Science Malaysia

SKILLS AND EXPERIENCE
Mr. Lai 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

QUALIFICATION
• Bachelor of Chemical Production and Management

SKILLS AND EXPERIENCE
Prior to IOI Group taking over the business from the former owner in 2016, Mr. Thomas Kummer 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 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) 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 (125,600 shares)
      • Tan Kean Hua (62,000 shares)
      • Koo Ping Wui (14,000 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 2021 ("FY2021"). 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 2021/2022.

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 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”).

HOW OUR GOVERNANCE SUPPORTS THE DELIVERY OF OUR STRATEGY

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 Board spends considerable time in assessing whether any proposed action aligns with the strategy and future direction of the business. Sustainability is inherent in the Board’s strategic planning and decision-making. 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. At IOI Group, we believe good governance provides the framework that allows us to operate our business to deliver our strategy. It keeps us focused on delivering our strategy for our stakeholders and communities. Our corporate governance framework is a value-based governance framework that takes into consideration:

- CG Code, Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Malaysia")
- The way we apply our corporate culture and values to guide our people to behave ethically and legally
- Our continuous improvement approach, including our commitment to strengthen all relevant aspects of our governance
- Our governance policies and practices, including risk management framework
- The way we report to our stakeholders

ADOPTION OF CG CODE

The Board believes that during FY2021 the Company was in full adoption of all applicable principles and practices of the CG Code, save that:

- 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)

Details of how we applied the CG Code principles and complied with its practices, are set out in CG Report which is available on the Company's website at http://www.ioigroup.com/Content/IR/IR_Reports. The explanation for departure is further disclosed in the CG Report.
## BOARD COMPOSITION

<table>
<thead>
<tr>
<th>Board Age Profile as at 30 August 2021</th>
<th>43 – 55 years old</th>
<th>56 – 65 years old</th>
<th>66 – 75 years old</th>
<th>76 and above years old</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>14%</td>
<td>29%</td>
<td>29%</td>
<td>14%</td>
</tr>
<tr>
<td>Female</td>
<td>71%</td>
<td>9%</td>
<td>9%</td>
<td>14%</td>
</tr>
<tr>
<td>Gender Diversity</td>
<td>71%</td>
<td>29%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive Director</td>
<td>14%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent Non-Executive Director</td>
<td>14%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Independent Non-Executive Director</td>
<td>29%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## 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 five (5) Non-Executive Directors (“NEDs”). During the reporting period, with the exception of the GMD and Mr Lee Yeow Seng, all the other Directors on the Board were Independent NEDs, applying the independence definition of the Listing Requirements. The balance of Directors on the 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 NEDs to be independent in character and judgement. In reaching this determination of independence, the Board had 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 NEDs.

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

### Company Secretary

The Company Secretary, 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 Company Secretary is responsible for ensuring effective communication flows between the Board and its Committees, and between senior management and NEDs.

The Company Secretary 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 Company Secretary has oversight on overall corporate secretarial functions of IOI Group, both in Malaysia and the regions where IOI Group operates. The appointment and removal of the Company Secretary is determined by the Board.

### Board Selection and Appointment

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.

In assessing potential candidates and in undertaking reviews of the size and composition of the Board, the GNRC takes into account the guiding principle that the Board's composition should reflect an appropriate mix having regard to such matters as:

- Skills and experience across the key areas identified in the Company’s Board skills matrix
- Tenure
- Diversity

The GNRC also takes into account factors including:

- Relevant guidelines/legislative requirements in relation to Board composition
- Board membership requirements as articulated in the Terms of Reference
- Other considerations including our strategic goals

Appointments are made following a formal and transparent Board selection process, the flow chart of which is accessible through the Company’s website at http://www.ioigroup.com/Content/G/G_Governance.

Additionally, the Company has an internal guideline to be taken into account when considering changes to a Director’s commitments, or when appointing a new Director, as well as formalising the Board approval process for such matters. All potential new Directors are expected 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 FY2021.

We have a number of subsidiaries and the activities of each subsidiary in the Group are overseen by that company's own board of directors. The Board's confidence in the activities of its subsidiaries stems from the quality of the Directors and Board composition and member’s commitment to the Company’s objectives.
Board Skills Matrix and Experience

Each year, we undertake an assessment of the skills and experience of each Director and the combined capabilities of the Board. The insights from this assessment are documented in a skills matrix that is:

- Considered in the context of IOI Group’s business and its strategic needs.
- Incorporated into Board succession planning and the selection of new Directors.
- An important factor in our commitment to diversity.

To prepare the skills matrix, each Director rates their skills, expertise and experience against several competency areas that are then mapped to the skills matrix. The self-assessment ratings and skills matrix are reviewed and calibrated by the GNRC on behalf of the Board.

The skills matrix presented here demonstrates alignment of the Board’s responsibilities with the current mix of skills on the Directors. The Board believes the current mix of skills, experience and expertise of Directors provides a diverse range of views and perspectives for the effective governance, oversight and strategic leadership of the Company. The Board continues to focus on ongoing renewal to achieve an orderly transition of Directors over the short-to-medium term and an appropriate balance of experience, expertise, diversity and fresh thinking.

**Board Skills Matrix and Experience**

<table>
<thead>
<tr>
<th>Competency Area</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance and accounting</td>
<td>43%</td>
<td>43%</td>
<td>86%</td>
</tr>
<tr>
<td>Legal and regulatory requirements</td>
<td>57%</td>
<td>57%</td>
<td>114%</td>
</tr>
<tr>
<td>Operations</td>
<td>57%</td>
<td>57%</td>
<td>114%</td>
</tr>
<tr>
<td>Sales and marketing experience</td>
<td>57%</td>
<td>57%</td>
<td>114%</td>
</tr>
<tr>
<td>Information technology</td>
<td>57%</td>
<td>57%</td>
<td>114%</td>
</tr>
<tr>
<td>International trade experience</td>
<td>57%</td>
<td>57%</td>
<td>114%</td>
</tr>
</tbody>
</table>

**Directors’ Core Areas of Expertise**

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

<table>
<thead>
<tr>
<th>Board Competence</th>
<th>IOI Group’s business and its strategic needs</th>
<th>IOI Group’s operations</th>
<th>IOI Group’s external affairs and engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy &amp; Entrepreneurship</td>
<td>IOI Group’s business and its strategic needs</td>
<td>IOI Group’s operations</td>
<td>IOI Group’s external affairs and engagement</td>
</tr>
<tr>
<td>Industry Knowledge &amp; Experience</td>
<td>IOI Group’s operations</td>
<td>IOI Group’s external affairs and engagement</td>
<td>IOI Group’s external affairs and engagement</td>
</tr>
<tr>
<td>Governance Competencies</td>
<td>IOI Group’s external affairs and engagement</td>
<td>IOI Group’s external affairs and engagement</td>
<td>IOI Group’s external affairs and engagement</td>
</tr>
</tbody>
</table>

*This is an aggregate profile of the Board’s skills and experience*
GOVERNANCE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Leadership and Effectiveness

The Board through the GNRC, conducts the annual assessment on effectiveness of the Board, the Board Committees and the individual Directors of the Company. In FY2021, the GNRC had conducted the Board effectiveness evaluation exercise internally and facilitated by the Company Secretary. In line with CG Code’s best practice of ensuring a periodic externally-facilitated Board evaluation by a professional independent consultant, the Board will continue with its three (3)-year external Board effectiveness review cycle, which can be illustrated as below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Methodology</th>
<th>Last Undertaken</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Internal performance review - progress against external review assessed</td>
<td>2019</td>
</tr>
<tr>
<td>2</td>
<td>Internal performance review - progress against external review assessed</td>
<td>2020</td>
</tr>
<tr>
<td>3</td>
<td>In-depth independent evaluation, externally facilitated</td>
<td>November 2021</td>
</tr>
</tbody>
</table>

The external review of the Board’s effectiveness will be carried out in November/December 2021, after taking into consideration of Dr Nasardil Kalanithi’s new appointment on 8 July 2021, by an external facilitator, KPMG Consulting Management & Risk Consulting Sdn. Bhd, which operates as an independent advisory company. For the purpose of this Statement, the results of the Board evaluation conducted by the GNRC will be referred to as the Board evaluation.

Our Board Evaluation Process

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

The results of the Board evaluation were presented to the Board in September 2021 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. Main key findings included:

- an overall level of satisfaction with the functioning of the Board, the competence and capabilities of the Directors, and the quality of relationships between Chairman, NEDs and GMD.
- positive views in relation to the performance of the Committees including the volume and importance of the work that they undertake on behalf of the Board, the composition and size of the Board was considered to be appropriate, with a good balance of skills and capabilities, although it was acknowledged that the Board was approaching a number of retirements and the refreshment of its skills and capabilities was a priority, with succession in place.
- 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-cude 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.

There was unanimous agreement that the Chairman leads the Board in an effective manner, fulfilling Board leadership and effectiveness principle of the CG Code. The Directors agreed that he demonstrates objective judgement, promotes a culture of openness and debate, and facilitates constructive Board relations and the effective contribution of all NEDs.

The main area identified by the Board for particular focus during 2021 was its ongoing attention to the balance between strategic considerations and performance monitoring, including in respect of the type and level of information received at Board level, the balance of opportunities for debate and specific decision-making, and further supporting the Group’s Environmental, Social and Governance (“ESG”) initiatives.

Board Committee Membership and Meeting Attendance in FY2021

Directors are expected to attend all Board and Committee meetings, but in certain exceptional circumstances, such as due to pre-existing business or personal commitments, it is recognised that Directors may be unable to attend. Our Board and Board Committee members had discharged their roles and responsibilities in FY2021, through their attendance at the meetings as set out in the table below:

<table>
<thead>
<tr>
<th>Members</th>
<th>Board</th>
<th>ARMC</th>
<th>GNRC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Executive Directors</td>
<td>6/6 (100%)</td>
<td>6/6 (100%)</td>
<td>3/3 (100%)</td>
</tr>
<tr>
<td>Executive Director Dat’o’ Lee Yew Chor*</td>
<td>6/6 (100%)</td>
<td>6/6 (100%)</td>
<td>3/3 (100%)</td>
</tr>
<tr>
<td>Chairman or Committee Chairman</td>
<td>In his capacity as Director, and he attended (by invitation) all relevant Board and Committee meetings in his capacity as GMD.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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.

What the Board and GNRC Did During FY2021

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 FY2021 activities and priorities are summarised as follows:

- Strategic matters
- Governance, assurance & risk management
- Financial & Management Performance
- Oversight of all Group’s five-year strategy
- Approval of ARMC’s Terms of Reference
- Quarterly results announcements
- Sustainability Material Matters and ESG performance updates
- Year-end corporate reports, Statement on Risk Management and Internal Control
- Capital expenditure approvals
- Succession planning
- Annual Board evaluation and effectiveness findings
- Group’s annual budget, forecasts & key performance targets & indicators
- Dividend decisions
- Dividend policy setting
- Board diversity
- Group’s operational efficiency
- Potential growth opportunities
- Risk Reviews & revision of Enterprise Risk Management Framework and Policies
- Group’s on-going SAP system implementation and digitalisation & mechanisation plan
- Quarterly internal audit findings

Principal matters considered by the Board in FY2021

<table>
<thead>
<tr>
<th>Our Strategic Priorities</th>
<th>Increase Yield</th>
<th>Optimize Workforce</th>
<th>Diversity Crops</th>
<th>Increase the Non-CPO Segment</th>
<th>Give the Consumer Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal and regulatory compliance including CG Code, the Companies Act 2016 (the “Act”) and listed company obligations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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 FY2021. The GNRC believes that our Board continues to have the appropriate skills, knowledge and experience to oversee the effective delivery of our strategy.

Throughout FY2021, a key area of focus for the GNRC was the continued consideration of the revised CG Code, which came into effect in April 2021, in particular to ensure that the agreed revision to the Group’s governance framework was working effectively following implementation. As part of this, the GNRC considered the appropriateness and maturity of various new updated practices of the CG Code. The GNRC also received an update from the Head of Human Resources in respect of succession and talent retention initiatives across the business. Key highlights of our GNRC’s FY2021 activities and priorities are summarised as follows:

Looking ahead to FY2022
During FY2022, our Board will:
- Refine our strategic propositions
- Continue Board and senior management succession planning
- Focus on audit findings and recommendations relating to forced labour allegation
- Continue evaluating business diversification, mergers & acquisitions and exploring new business opportunities

The gender diversity of the Board was 29% female representation as at 30 August 2021 (2020: 17%). The Board evaluation process conducted in the past found that, although Directors believe that the Board’s diversity in terms of gender is good, appropriate consideration can be given in respect of other types of diversity, particularly including age and ethnic diversity.

A key element of the GNRC’s remit is to lead the process for Board appointments in line with appropriate succession plan. The GNRC had identified a set of specific criteria for potential new NEDs, in particular giving consideration to the skills, experience and knowledge required in any candidates. We expect all NEDs to demonstrate the highest level of integrity, independence of judgement, maturity, collegiality and the commitment to devote the necessary time.

As part of its regular succession planning activity, the GNRC launched an Independent NED search process in FY2020/2021. The GNRC agreed that it was particularly interested to identify candidates who would bring a combination of skills and expertise in the areas of (i) global or multinational executive experience; (ii) accounting and finance; (iii) international trade experience; (iv) ESG sustainability. The thorough and rigorous search process, in which around few individuals were considered, yielded several highly qualified candidates. The Board was satisfied that Dr Nadesadurai Kalanithi met and exceeded the selection criteria and accordingly approved the prospective appointment of Dr Nadesadurai Kalanithi as additional Independent NED.

Looking ahead to FY2022
Our GNRC will continue to focus on:
- Monitoring senior management succession planning
- Reviewing Board size, its composition and intensifying efforts in sourcing for suitable female candidate
- Recommendations on Board Effectiveness Evaluation

The company has in place a remuneration framework for Directors and senior management which sets out the criteria applied in recommending their remuneration packages. We believe our remuneration framework provides a mechanism for encouraging and enforcing good governance.

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.

The details of the remuneration of Directors of the Company comprising remuneration received or receivable from the Company and its subsidiaries during FY2021 are as follows:

<table>
<thead>
<tr>
<th>Company</th>
<th>Subsidiaries</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees RM’000</td>
<td>Salaries &amp; Bonuses RM’000</td>
<td>Benefits in kind RM’000</td>
</tr>
<tr>
<td>Executive Director</td>
<td>Dato’ Lee Yeow Chor (GMD)</td>
<td>130</td>
</tr>
<tr>
<td>Total NEDs</td>
<td>Tan Sri Peter Chin Fah Kui (Chairman)</td>
<td>275</td>
</tr>
<tr>
<td></td>
<td>Tan Sri Dr Rahamat Bux binti Yusoff</td>
<td>165</td>
</tr>
<tr>
<td></td>
<td>Datuk Karunakaran @ Kanukkanan a/f Ramasamy</td>
<td>200</td>
</tr>
<tr>
<td></td>
<td>Lee Yeow Seng</td>
<td>130</td>
</tr>
<tr>
<td></td>
<td>Cheah Tiek Kuang</td>
<td>185</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>955</td>
</tr>
</tbody>
</table>

Notes:
- The annual salary (RM3.78 million) and bonus are inclusive of employer’s provident fund and social security welfare contributions.
- Including leave passage.
- NEDs
CORPORATE GOVERNANCE OVERVIEW STATEMENT

EFFECTIVE AUDIT, RISK MANAGEMENT AND INTERNAL CONTROL

For the Board to determine that our financial statements and disclosures are complete and accurate, it relies on information provided by management. Independent and objective assurance is provided by our external auditor, BDO PLT, on the audited financial statements. The integrity of the Group’s periodic corporate reports is underpinned by structures and processes within the Group functions that support analytical review of financial reporting and non-financial metrics, validation of information and the maintenance of proper records for all information.

The members of the ARMC possess the financial knowledge and commercial experience to meet the needs of the Board. The 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.

During FY2021, our Board continued to review the effectiveness of our system of controls, risk management and high-level internal control processes. These reviews included the 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 Head of Group Internal Audit, Group Insurance & Risk Management Senior Manager, as well as the external auditor on matters identified in the course of its 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.

Both the External and Internal Audit functions have full and unrestricted access to all colleagues, records and systems as necessary to undertake their activities.

- Anti-Bribery and Corruption
- ESG risks are identified, measured, monitored, reported and overseen in accordance with the Group’s ERM framework. The Group Sustainability Steering Committee and divisional Risk Management Committees oversee key aspects of ESG risk, including climate and human rights-related risk. Our climate change disclosures align with the Taskforce on Climate-related Financial Disclosures’ recommendations. You can read more on this in our Sustainability Report. Updates on ESG risks are provided to ARMC and Board as appropriate.

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

Our Directors are satisfied that the Group and the Company’s financial statements, management, and accounting practices have been prepared in accordance with Malaysian Financial Reporting Standards, the provisions of the Act and the Listing Requirements of Bursa Malaysia. Our Directors are satisfied that the Group and the Company and enable proper financial statements to be prepared. They have also taken the necessary steps to ensure that all such systems are in place to safeguard the Group’s assets. Our Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company and enable proper financial statements to be prepared. They have also taken the necessary steps to ensure that all such systems are in place to safeguard the assets of the Group and to detect and prevent fraud as well as other irregularities. These 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 identifying feedback that can be used for the Board’s decision-making. Particular importance is accorded to groups of stakeholders who influence their decisions, and include in response to individual and institutional requests from shareholders and analysts. As a testament to our commitment in promoting effective investor relations practices, during FY2021, we were voted for our excellence in investor relations and corporate governance at the Alpha Southeast Asia’s 10th Annual Institutional Investor Corporate Award 2020 and were awarded the Best Senior Management Investor Relations Support, and was also recognised for being top in terms of Strongest Adherence to Corporate Governance. The Company had been authorised by shareholders to place shareholders communications such as the Notice of AGM and the Annual Report and Sustainability Report) on the corporate website in lieu of sending paper copies to shareholders (unless specially requested). While recognising and respecting that some shareholders may have different preferences about how they receive information from us, we will continue to promote the benefits of electronic communication given the advantages that this has over traditional paper-based communications, both in terms of the configurability and accessibility of the information provided and the consequent cost savings and reduction in environmental impact. We communicate formally with all our shareholders at least six (6) times a year:

- Our quarterly results announcement and any accompanying dividend payment
- Our full year results announcement and any accompanying dividend payment
- Through our AGM
CORPORATE GOVERNANCE OVERVIEW STATEMENT

We actively encourage our shareholders to embrace the benefits of electronic communication. As at 30 August 2021, approximately 52% of shareholders were registered to receive notices electronically. We provide clear and informative meeting notices and other communications, and all our meeting materials are available in our website. Our composition of shareholders as at 30 August 2021 was as follows:

- Malaysian Substantial Shareholders: 26%
- Malaysian bodies Corporate and Individuals: 40%
- Government and other Government-Related Agencies: 8%
- Foreigners: 26%
- Negligible: 11%

We encourage shareholders to participate in the AGM and ask questions of the Chairman and the Board. Shareholders are provided with an opportunity to ask questions or make comments ahead of, or during, the AGM. Whilst the Board will not be able to connect with shareholders in the usual way at a physical venue in 2021, we are confident that (like last year) we will be able to hold a meaningful virtual AGM.

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 are actively engaged with our GMD, constantly conducted to learn about their welfare needs. Our composition of shareholders as at 30 August 2021 was as follows:

During FY2021, IOI Pelita launched a 3-stage resolution plan which was approved by Roundtable on Sustainable Palm Oil ("RSPO"). Since then, IOI Pelita has been following the resolution plan closely, with the involvement and assistance from RSPO, Land Custody and Development Authority, Sarawak State Government and two NGOs, namely Grassroots and Communities Information and Communications Centre. As a result of the close involvement and assistance from these stakeholders, a significant breakthrough in the dispute resolution process was reached on 17 March 2021 in Miri at a dialogue session held by the State of Sarawak government with all the eight community groups. The dialogue session was chaired by the Acting Residen of Miri, and attended by, among others, the Assistant State Minister of Local Government and Housing, and IOI Pelita's representatives. IOI Pelita's offer is conditional on all parties to the dispute reaching an agreement on the exact terms of the final dispute settlement. The negotiation stage will commence as soon as the current interstate travel restrictions due to the pandemic are lifted. 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

Further details on stakeholders’ engagement and partnership building are accessible in our Sustainability Report. This Statement was approved by our Board on 14 September 2021.

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 2021 (“FY2021”) (“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

As at 30 August 2021, our ARMC consists of four (4) 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.

Our ARMC comprised of the following members:

- Datuk Karownakaran @ Karunakaran a/l Ramasamy
  Chairman, Independent Non-Executive Director
- Tan Sri Dr Rahamat Bli binti Yusoff
  Member, Independent Non-Executive Director
- Cheah Tek Kuan
  Member, Independent Non-Executive Director
- Dr Nesadurai Kalanithi
  (appointed on 8 July 2021)
  Member, Independent Non-Executive Director

Our ARMC considers that the ARMC Chairman and Cheah Tek Kuan 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/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:

- Oversees the financial reporting process and integrity of the Group’s financial statements
- Evaluates the independence of external auditors
- Reviews and evaluates the operation and effectiveness of the Company’s internal audit function
- Oversees the Group’s system of disclosure controls and system of internal controls that management and the Board have established
- Assesses the Group’s practices, processes and effectiveness of corporate risk management structure and support system of risk management
- Reviews conflict of interest situations and related party transactions of the Group
- Reviews the appropriateness of accounting policies and significant financial reporting issues or significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed

C. HOW OUR ARMC SPENT ITS TIME DURING FY2021

The table below provides an overview of how our ARMC spent its time in FY2021:

- Governance: 54%
- External Audit: 8%
- Internal Audit & Risk Management: 28%
- Financial Reporting: 10%
AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

D SUMMARY OF WORK OF OUR ARMC

During the year, ARMC has continued to assist the Board in fulfilling its oversight responsibilities by monitoring and reviewing the integrity of the Group’s financial reporting and the effectiveness of the internal and external audit functions, risk management framework and cyber security. As well as the ‘business as usual’ items, the ARMC was particularly focused on the impact of the COVID-19 pandemic on the business, in terms of financial performance, new and emerging risks, and business continuity and resilience.

This ARMC Report provides an overview of the work that our ARMC carried out during FY2021, 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 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 FY2021 are described below.

1. Financial statements and reporting

Our ARMC maintained its focus during FY2021 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 (“BDO”) to ensure compliance with financial reporting standards and clarity of disclosures. The ARMC had 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 assumptions 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 need to provide fair and accurate disclosure in assessing the pandemic related impact on the listed companies’ operations. This disclosure guidance has 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 decision, among others, which were considered by the ARMC in relation to FY2021 financial statements:

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

Goodwill and other assets impairment reviews involved a range of judgemental decisions largely related to the assumptions used to assess the value-in-use of the assets being tested. These assumptions typically included projected growth in future revenues and profit margins, cash flow forecasts and associated discounted rates. The ARMC received information on the nature of goodwill, and considered what factors might give rise to an impairment of the Group’s goodwill, and whether those factors had arisen in the period. The ARMC constructively challenged the assumptions used by management and key assumptions used within the respective reviews. Following the discussion, the ARMC was satisfied with the goodwill and other assets impairment review in FY2021.

(b) Valuation of put and call options

Management had adopted the Binomial option pricing model in deriving the fair values of the put and call options and BDO had evaluated the appropriateness of this model, as well as 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 including put and call options

Management had 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 had 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.

The external auditors had reported that based on the 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 of the Group’s 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 FY2021. At the meetings, Key Audit Matters (“KAM”) of the Group for FY2021 were presented by BDO and the ARMC reviewed and approved the external auditors’ report in accordance with the carrying amount of goodwill, accounting for derivatives financial instruments and impairment assessment of the carrying amount of investments in subsidiaries were 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, as well as determining an appropriate pre-tax discount rate and growth rates, including the impact of the COVID-19 pandemic.

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

(c) It was material and involved significant judgement and estimates in the future results and key assumptions applied to the probability weighted expected cash flows of the relevant subsidiary in determining the recoverable amount, including projected growth in future revenue and profit margins, terminal value as well as determining an appropriate pre-tax discount rate and growth rate used for the relevant subsidiary, taking into consideration the impact of COVID-19 pandemic.

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 FY2021, the ARMC also received information on recommendation for improvement in the system of internal controls, which the external auditors had discussed with the respective entity’s management and Regional Senior Planning Controllers or General Managers and communicated the results to the respective operations. 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.

BDO also reported to the ARMC the unadjusted misstatement that they had found in the course of their work which the ARMC confirmed for the Group that there were no material items remaining unadjusted in these financial statements for FY2021.

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 also reviewed the various analyses for management regarding the Group’s capital and liquidity position and recommended 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 activity plan for FY2021, which outlines its role, scope, accountability and authority.

The Head of Group Internal Audit, who is a member of both the Malaysian Institute of Accountants (“MIA”) and Institute of Internal Auditors Malaysia (“IIA”), reports functionally to the ARMC, and the ARMC reviewed and approved the annual Internal Audit plan and budget for activities to be undertaken in FY2021/2022, 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 Department 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 II” 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.
A total of 97 audit assignments (including five (5) special audit assignments) were completed during the financial year on various operations 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 had been put in place to ensure that all remedial actions had 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 demonstrated in the “corporate accountability” issue increases, so does the significance of the internal auditing and ARMC relationship. Our ARMC met twice (2) times privately (without management presence) with the 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.

As part of management’s efforts to strengthen the risk management processes of the Group, an independent risk management consultant was appointed to conduct an independent review of the ERM framework. The process involved reviewing the Group’s ERM framework, the respective divisional risk management documents and minutes of ARMC meetings. In addition, the consultant also interviewed the ARMC’s Chairman as well as some senior management personnel including GMD, the Group CFO and the Plantation Director. The findings and recommendation were deliberated at the ARMC.

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 Risk Management Team to discuss the presence of management to address any issues and concerns arising from the course of the risk management assistance.

The details relating to risk management are reported separately under the Statement on Risk Management and Internal Control (“SORMIC”) 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. 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 and the provision of non-statutory services rendered to the Group.

Our ARMC met with BDO 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 itself that management is responsive to the audit findings and recommendations. During FY2021, our ARMC met two (2) times with BDO privately without management presence.

BDO’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 that most likely give rise to 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-appraisal 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 FY2021, the ARMC assessed the effectiveness of BDO as external auditors. To assist the ARMC in this process, we:

• Quality of planning, delivery and execution of the audit plan and ability to meet deadlines and responding to the ARMC’s queries;
• 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.

7. Independence and objectivity

The ARMC reviews the work undertaken by BDO 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 external auditors on a whole, including the provision of any non-audit services. The ARMC also monitors BDO’s compliance with 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’s firm policy, which is in accordance with the by-laws (on professional ethics, conduct and practice) of the MIA. The current audit engagement partner was re-appointed in 2017. As part of the independence review process, BDO had formally confirmed their independence to the ARMC.

The ARMC also considered whether they have any reason to believe that BDO’s independence was compromised.

The ARMC concluded that it continues to be satisfied with the performance of BDO and that BDO 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 had established the limits for pre-approval policies and procedures on non-audit fees. The ARMC reviews non-audit fees charged by BDO and their affiliated companies or firms. Fees paid to BDO for audit related and non-audit services during FY2021 are set out in Note 10 to the audited financial statements.

BDO 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.

The nature of the non-audit services rendered to the Group during FY2021 comprised mainly tax compliance and advisory services, the fees of which constituted approximately 21% of the total audit fees. The ARMC had carefully considered the non-audit services provided by BDO 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 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 and their affiliates perform those services.

The ARMC believed that the provision of non-audit services did result in lower quality audits where the ARMC had established the limits for pre-approval of non-audit services provided by BDO and its member firms, being RM1,326,240 for FY2021 (FY2020: RM1,435,060) 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 was derived from the shareholders’ approval granted at the Company’s Annual General Meeting (“AGM”) in 2020.

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.

The criteria to guide decisions on the re-appointment of BDO, include an assessment of their competence, audit quality and resource capacity. The ARMC will consider to assess the information in the Annual Transparency Report of BDO once it is available in FY2022.

Having reviewed the performance of BDO in FY2021, our ARMC had decided to recommend to the Board that BDO be re-appointed for FY2022 audit and a resolution to this effect will be put forward for shareholders’ approval at the 2021 AGM.

(iv) Audit fees

The ARMC was satisfied that the level of audit fees (on a group basis) payable in respect of the audit services provided by BDO and its member firms, being RM1,326,240 for FY2021 (FY2020: RM1,435,060) 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 was derived from the shareholders’ approval granted at the Company’s Annual General Meeting (“AGM”) during the year.

Number of Meetings and Details of Attendance

Six (6) meetings were held during FY2021. The attendance record of each member was as follows:

<table>
<thead>
<tr>
<th>Members</th>
<th>Total Number of Meetings</th>
<th>Number of Meetings Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Datuk Karswanakaran @ Karunakaran a/f Ramasamy</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Tan Sri Dr Rahamat</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Bvi @ Bii @ Yacoff</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Chaih Tak Kuang</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Members</th>
<th>Total Number of Meetings</th>
<th>Number of Meetings Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Datuk Karswanakaran @ Karunakaran a/f Ramasamy</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Tan Sri Dr Rahamat</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Bvi @ Bii @ Yacoff</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Chaih Tak Kuang</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Dr Nesaradurai Kalanithi*</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

* Appointed on 8 July 2021

F. ANNUAL REVIEW AND PERFORMANCE EVALUATION

As required by its Terms of Reference, an annual performance evaluation was conducted in accordance with 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 FY2021 and was satisfied that the Internal Audit function had discharged its duties effectively.

The ARMC considered that it had adopted a balanced work approach during the year in terms of focus, objectives and means utilised to obtain the necessary assurance, believed that it had retained appropriate standing within the Company and had maintained appropriate relations with management, and BDO, while remaining independent at all times. In FY2021, 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 FY2022

In addition to our routine business, the ARMC has following focus areas for FY2022:

- Audit findings on forced labour allocation
- Enhancing the analysis, management and reporting of key risks
- Internal controls, including financial reporting control framework and financial reporting developments
- Continue to ensure appropriate focus is given to the critical topics of cyber security
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 Group’s corporate objectives and strategies. The Board is pleased to present hereunder the Statement on Risk Management and Internal Control of the Company 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
Audit and Risk Management Committee (“ARMC”) is established by the Board. ARMC conducts bi-annual risk review with the respective division’s Risk Management Committees. 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 independent function within the organisation 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 assessment. 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.

The Group Internal Audit Practice Manual has been established incorporating the mandatory elements of the IPPF. The Group Internal Audit Practice Manual has been established incorporating the mandatory elements of the IPPF. 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 Group’s overall risk appetite is based on assessments of the Group’s risk management capabilities and capacity.

C. RISK MANAGEMENT FRAMEWORK
The Group adopts 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) Risk management as a collective responsibility
By engaging every 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.

ii) 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.

iii) 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 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 financial statements on pages 80 to 112.

ii) Strategic Risk
The Group’s vision is to be a leading and sustainable Malaysian business company. Internal Senior management continually keeps abreast of strategic risk, global trends, 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.

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,
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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, and business 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 Company 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 the Group’s Core Values.

v) Reputational Risk
As a palm oil producer, IOI constantly faces anti-palm oil sentiment and allegations from international 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 defense 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 it continues to embed its sustainable practices into its operations, the Sustainable Palm Oil Policy (“SPOP”) has been continually reviewed 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) Guideline for Minimum Wages & Leave Pay,
(iii) Foreign Workers Recruitment Guideline & Procedures, Worker’s Work Verification Guideline,
(iv) Guidelines for Providing Basic Amenities to Workers,
(v) Guidelines for Handling Harassment at Workplace,
(vi) Guidelines for Implementation Women and Empowerment Committee, and
(vii) Environmental Management Guidelines which covers also Fire Management, Peatland Protection & Management, Agrochemical and Biodiversity & Conservation Guidelines.

This is in response to NGOs intensifying their 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 statistics, palm oil sources, production and uptake volumes, supplier engagement activities, and latest news.

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 Head Executive (“GMD”), an Independent Non-Executive Director, Group Chief Financial Officer (“Group CFO”), Heads of Operating Divisions, Group Head of Sustainability, and Senior Management from Group Support Functions. Sustainability Consultation Forum (SCF) was conducted to enable feedback from external stakeholders on sustainability issues.

It 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 had 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 and 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 Values 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 for a dedicated and confidential channel for employees and stakeholders to disclose or raise genuine concerns on possible improprieties, improper conduct or other malpractices, to ensure IOI’s management operates in an ethical 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. Authorisation of 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.

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 track the Head Office’s performance in performing financial and operating reviews of the various divisions.

f) Business strategies and operating and capital expenditure budgets and plans 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.
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 Divisional 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 cover 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 divisions to ensure that appropriate mitigating measures are in place.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The external auditors, BDO have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Company for the financial year ended 30 June 2021. 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, issued by the Malaysian Institute of Accountants. 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 of Directors on 14 September 2021.

STATEMENT OF DIRECTORS’ INTERESTS

IN THE COMPANY AND ITS RELATED CORPORATIONS AS AT 30 AUGUST 2021

(BASED ON THE REGISTER OF DIRECTORS’ SHAREHOLDINGS)

<table>
<thead>
<tr>
<th>Name of Directors</th>
<th>No. of ordinary shares/redeemable preference shares*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct</td>
</tr>
<tr>
<td><strong>The Company</strong></td>
<td></td>
</tr>
<tr>
<td>Tan Sri Peter Chin Fah Kui</td>
<td>9,818,800</td>
</tr>
<tr>
<td>Dato’ Lee Yeow Chor</td>
<td>-</td>
</tr>
<tr>
<td>Lee Yeow Seng</td>
<td>-</td>
</tr>
<tr>
<td>Datuk Karunakaran a/f Ramasamy</td>
<td>-</td>
</tr>
<tr>
<td>Tan Sri Dr Rahamat Bivi binti Yusoff</td>
<td>-</td>
</tr>
<tr>
<td>Chiai Tak Kuang</td>
<td>-</td>
</tr>
<tr>
<td>Dr Nesadurai Kalanithi</td>
<td>-</td>
</tr>
<tr>
<td><strong>Ultimate Holding Company</strong></td>
<td></td>
</tr>
<tr>
<td>Progressive Holdings Sdn Bhd</td>
<td></td>
</tr>
<tr>
<td>Dato’ Lee Yeow Chor</td>
<td>18,400,000</td>
</tr>
<tr>
<td>Lee Yeow Seng</td>
<td>5,400,000</td>
</tr>
<tr>
<td>Dato’ Lee Yeow Chor</td>
<td>1,307,766,775*</td>
</tr>
<tr>
<td>Lee Yeow Seng</td>
<td>379,674,225*</td>
</tr>
</tbody>
</table>

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

Notes:
1 Deemed interested by virtue of the interest in shares of his spouse, Puan Sri Ruby Wei Hui Kiang pursuant to Section 5(1)(c) of the Companies Act 2016 (the “Act”).
2 Deemed interested by virtue of his interest in Progressive Holdings Sdn Bhd (“PHSB”), pursuant to Section 8 of the Act and also interest in share of his spouse, Datin Joanne Wong Su-Ching pursuant to Section 5(1)(c) of the Act.
3 Deemed interested by virtue of his interest in PHSB, 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 5(1)(c) of the Act.
* Negligible
SHAREHOLDINGS OF SENIOR MANAGEMENT TEAM

Based on the Record of Depositors as at 30 August 2021, the details of shareholdings of our senior management team are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Direct</th>
<th>%</th>
<th>Indirect</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Kong Kian Beng</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2. Farah Suhanah binti Ahmad Sarji</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3. Dr Sarina binti Ismail</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4. Tan Choong Khiang</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5. Amir Mohd Hafiz bin Amir Khalid</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6. Lee Chin Huat</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7. Ling Kea Ang</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>8. Sudhakaran a/l Nottath Bhaskaran</td>
<td>125,600</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>9. Ragupathy a/l Selvaraj</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>10. Subramaniam a/l Arumugam</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>11. Lim Jit Lui</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>12. Shyam a/l M.K. Lakshmanan</td>
<td>62,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>13. Tan Kean Hu</td>
<td>14,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>14. Koo Ping Wui</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>15. Lai Choon Wah</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>16. Thomas Kummer</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: *
- Negligible

Based on the total number of issued shares of 6,232,877,595 (excluding 52,321,400 treasury shares)

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 2021 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 Executive Director of IOI Corporation Berhad (“IOIC”) Group, had expired on 28 January 2021 pursuant to the By-Laws of the ESOS.

Number of Share Options as at 28 January 2021

<table>
<thead>
<tr>
<th>Option price (RM)</th>
<th>Number of Share Options as at 28 January 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Exercised</td>
</tr>
<tr>
<td>4.42</td>
<td>(160,000)</td>
</tr>
<tr>
<td>4.50</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td>(160,000)</td>
</tr>
</tbody>
</table>

Option price (RM)

<table>
<thead>
<tr>
<th>Option price (RM)</th>
<th>Total options granted and accepted</th>
<th>Lapsed</th>
<th>Total outstanding options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Managing Director and Chief Executive</td>
<td>4.42</td>
<td>1,270,000</td>
<td>(1,270,000)</td>
</tr>
<tr>
<td>4.50</td>
<td>450,000</td>
<td>(450,000)</td>
<td>Nil</td>
</tr>
</tbody>
</table>

* Due to resignation or retirement and expiry of ESOS on 28 January 2021 pursuant to the By-Laws of the ESOS.

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

<table>
<thead>
<tr>
<th>Directors and Senior Management</th>
<th>During the Financial Year 2020 (%)</th>
<th>Since Commencement of the ESOS up to 28 January 2021 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate maximum allocation</td>
<td>28.36</td>
<td>28.36</td>
</tr>
<tr>
<td>Actual granted and accepted</td>
<td>32.72</td>
<td>32.72</td>
</tr>
</tbody>
</table>

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 IOI Group conducted pursuant to shareholders’ mandate for the financial year ended 30 June 2021 are as follows:

<table>
<thead>
<tr>
<th>Transacting Parties</th>
<th>Type of Recurrent Party Transactions</th>
<th>Interested Directors/ Major Shareholders and Persons Connected</th>
<th>Value of Transactions (RM million)</th>
</tr>
</thead>
</table>
| Nice Frontier Sdn Bhd ("NFSB") (1)   | Purchase of fresh fruit bunches ("FFB") by Pamol Plantations Sdn Bhd ("PPSB") (1)                   | • Vertical Capacity Sdn Bhd ("VCSB")
• Progressive Holdings Sdn Bhd ("PHSB")
• Dato’ Lee Yeow Chor ("Dato’ Lee")
• Lee Yoke Song ("LYS")
• Lee Yoke Ling ("LY Ling")
• Lee Yoke Har ("LY Har")
• Lee Yoke Haan ("LY Haan")
• Lee Yoke Hui ("LY Hui")                                                                 | 11.2                                                             |
| GLM Emerald Industrial Park ("GLM") (1) | Purchase of FFB by Dynamic Plantations Berhad ("DPB") (1)                                              | • VCSB
• PHSB
• Dato’ Lee
• LYS
• LY Ling
• LY Har
• LY Haan
• LY Hui                                                                 | 14.2                                                             |

Notes:
1. Details of the transacting parties

Name of Company | Effective Equity (%) | Principal Activities
--- | --- | ---
NFSB, a subsidiary of IOI Properties Group Berhad ("IOIC") | 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 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

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 2021 are as follows:

<table>
<thead>
<tr>
<th>Fees</th>
<th>Company (RM)</th>
<th>Group (RM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Fees</td>
<td>134,600</td>
<td>1,326,240</td>
</tr>
<tr>
<td>Non-Audit Fees</td>
<td>6,000</td>
<td>277,200</td>
</tr>
<tr>
<td>Total</td>
<td>140,600</td>
<td>1,603,440</td>
</tr>
</tbody>
</table>

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 30 August 2021 is as follows:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Proposed Utilisation (RM million)</th>
<th>Actual Utilisation (RM million)</th>
<th>Initial Timeframe</th>
<th>Revised Timeframe</th>
<th>Second Revised Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future investment</td>
<td>959.9</td>
<td>170.3</td>
<td>Within 24 months</td>
<td>Within 42 months</td>
<td>Within 57 months</td>
</tr>
<tr>
<td>Dividend to shareholders</td>
<td>767.9</td>
<td>767.9</td>
<td>Within 12 months</td>
<td>Within 30 months</td>
<td>–</td>
</tr>
<tr>
<td>Repayment of borrowings</td>
<td>1,919.9</td>
<td>1,919.9</td>
<td>Within 24 months</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>General working capital</td>
<td>182.4</td>
<td>182.4</td>
<td>Within 24 months</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Transaction expenses</td>
<td>9.6</td>
<td>9.6</td>
<td>Immediate</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>3,839.7</td>
<td>3,060.7</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

Notes:
1. 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.
2. On 24 August 2021, the Board of Directors resolved and approved to extend the initial utilisation timeframe for an additional period of 15 months (second revised timeframe) to utilise the remaining proceeds.
A. PLANTATION ESTATES

<table>
<thead>
<tr>
<th>Location</th>
<th>Tenure</th>
<th>Area (Hectare)</th>
<th>Crop Planted</th>
<th>Factory/ Mill</th>
<th>Year of Acquisition</th>
<th>Net Carrying Amount as at 30 June 2021 RM million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pahang Darul Makmur</td>
<td>Leasedhold expiring 2097, 2074, 2027</td>
<td>1,640 OP</td>
<td>1983</td>
<td>117.0</td>
<td>Leasehold expiring 2074, 2047, 2027</td>
<td></td>
</tr>
<tr>
<td>Mekassar Estate, Pekan Rompin</td>
<td>Leasehold expiring 2075</td>
<td>2,428 OP</td>
<td>1985</td>
<td>130.6</td>
<td>Leasehold expiring 2075</td>
<td></td>
</tr>
<tr>
<td>Kota Tinggi, Pekan</td>
<td>Leasehold expiring 2081</td>
<td>2,226 OP</td>
<td>1987</td>
<td>88.1</td>
<td>Leasehold expiring 2081</td>
<td></td>
</tr>
<tr>
<td>Leaski Estate, Pekan</td>
<td>Leasehold expiring 2088</td>
<td>2,096 OP</td>
<td>1989</td>
<td>128.6</td>
<td>Leasehold expiring 2088</td>
<td></td>
</tr>
<tr>
<td>Morong Estate, Pekan</td>
<td>Leasehold expiring 2097</td>
<td>1,952 OP</td>
<td>1990</td>
<td>130.6</td>
<td>Leasehold expiring 2097</td>
<td></td>
</tr>
<tr>
<td>Leepang A Estate, Rompin</td>
<td>Leasehold expiring 2076</td>
<td>2,404 OP</td>
<td>2000</td>
<td>103.9</td>
<td>Leasehold expiring 2076</td>
<td></td>
</tr>
<tr>
<td>Leepang B Estate, Rompin</td>
<td>Leasehold expiring 2076</td>
<td>1,620 OP</td>
<td>2000</td>
<td>69.4</td>
<td>Leasehold expiring 2076</td>
<td></td>
</tr>
<tr>
<td>Shalahin 1/1 Estate, Rompin</td>
<td>Leasehold expiring 2062</td>
<td>1,562 OP</td>
<td>2002</td>
<td>62.2</td>
<td>Leasehold expiring 2062</td>
<td></td>
</tr>
<tr>
<td>Shalahin 2/2 Estate, Rompin</td>
<td>Leasehold expiring 2062</td>
<td>1,640 OP</td>
<td>2002</td>
<td>46.2</td>
<td>Leasehold expiring 2062</td>
<td></td>
</tr>
<tr>
<td>Negeri Sembilan Darul Khusus</td>
<td>Freehold</td>
<td>2,300 OP</td>
<td>1990</td>
<td>167.7</td>
<td>Freehold</td>
<td></td>
</tr>
<tr>
<td>Bahau Estate, Kuala Pilah</td>
<td>Freehold</td>
<td>2,553 OP</td>
<td>1990</td>
<td>183.1</td>
<td>Freehold</td>
<td></td>
</tr>
<tr>
<td>Kuala Jelei Estate, Kuala Pilah</td>
<td>Freehold</td>
<td>679 OP</td>
<td>1990</td>
<td>44.9</td>
<td>Freehold</td>
<td></td>
</tr>
<tr>
<td>Johor Darul Takzim</td>
<td>Freehold</td>
<td>2,556 OP</td>
<td>1990</td>
<td>185.8</td>
<td>Freehold</td>
<td></td>
</tr>
<tr>
<td>Gomali Estate, Segamat</td>
<td>Freehold</td>
<td>2,446 OP</td>
<td>1990</td>
<td>166.6</td>
<td>Freehold</td>
<td></td>
</tr>
<tr>
<td>Tampin Estate, Segamat</td>
<td>Freehold</td>
<td>2,011 OP</td>
<td>1990</td>
<td>142.9</td>
<td>Freehold</td>
<td></td>
</tr>
<tr>
<td>Bukit Seramang Estate, Tangkiak</td>
<td>Freehold</td>
<td>2,725 OP</td>
<td>1990</td>
<td>175.4</td>
<td>Freehold</td>
<td></td>
</tr>
<tr>
<td>Kajang Estate, Kluang</td>
<td>Leasehold expiring 2082</td>
<td>2,420 OP</td>
<td>1990</td>
<td>106.7</td>
<td>Leasehold expiring 2082</td>
<td></td>
</tr>
<tr>
<td>Segamat Estate, Segamat</td>
<td>Leasehold expiring 2082</td>
<td>2,378 OP</td>
<td>1990</td>
<td>188.5</td>
<td>Leasehold expiring 2082</td>
<td></td>
</tr>
<tr>
<td>Segamat Estate, Segamat</td>
<td>Freehold</td>
<td>1,340 OP</td>
<td>1990</td>
<td>101.7</td>
<td>Freehold</td>
<td></td>
</tr>
<tr>
<td>Templer Plantations Estate, Kluang</td>
<td>Freehold</td>
<td>8,092 OP</td>
<td>2003</td>
<td>598.7</td>
<td>Freehold</td>
<td></td>
</tr>
</tbody>
</table>

B. PLANTATION ESTATES (continued)

<table>
<thead>
<tr>
<th>Location</th>
<th>Tenure</th>
<th>Area (Hectare)</th>
<th>Crop Planted</th>
<th>Factory/ Mill</th>
<th>Year of Acquisition</th>
<th>Net Carrying Amount as at 30 June 2021 RM million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sabah</td>
<td>Leasehold expiring 2080</td>
<td>2,032 OP</td>
<td>1993</td>
<td>50.1</td>
<td>Leasehold expiring 2080</td>
<td></td>
</tr>
<tr>
<td>Morisem 1 Estate, Kinabatangan</td>
<td>Leasehold expiring 2097</td>
<td>2,042 OP</td>
<td>1993 - 2009</td>
<td>59.8</td>
<td>Leasehold expiring 2097</td>
<td></td>
</tr>
<tr>
<td>Morisem 2 Estate, Kinabatangan</td>
<td>Leasehold expiring 2087</td>
<td>2,014 OP</td>
<td>1993</td>
<td>65.0</td>
<td>Leasehold expiring 2087</td>
<td></td>
</tr>
<tr>
<td>Morisem 3 Estate, Kinabatangan</td>
<td>Leasehold expiring 2087</td>
<td>2,023 OP</td>
<td>1993</td>
<td>63.2</td>
<td>Leasehold expiring 2087</td>
<td></td>
</tr>
<tr>
<td>Morisem 4 Estate, Kinabatangan</td>
<td>Leasehold expiring 2078</td>
<td>1,878 OP</td>
<td>1993</td>
<td>45.9</td>
<td>Leasehold expiring 2078</td>
<td></td>
</tr>
<tr>
<td>Morisem 5 Estate, Kinabatangan</td>
<td>Leasehold expiring 2081</td>
<td>7,485 OP</td>
<td>1991</td>
<td>297.5</td>
<td>Leasehold expiring 2081</td>
<td></td>
</tr>
<tr>
<td>Halah Jiet, Lahad Datu</td>
<td>Leasehold expiring 2076</td>
<td>813 OP</td>
<td>1991</td>
<td>25.5</td>
<td>Leasehold expiring 2076</td>
<td></td>
</tr>
<tr>
<td>Syalimo 1-9 Estates, Kinabatangan</td>
<td>Leasehold expiring 2035, 2077, 2079</td>
<td>18,417 OP</td>
<td>1985-2000</td>
<td>494.4</td>
<td>Leasehold expiring 2035, 2077, 2079</td>
<td></td>
</tr>
</tbody>
</table>
## GROUP PROPERTIES

### B. INVESTMENT PROPERTY

<table>
<thead>
<tr>
<th>Location</th>
<th>Tenure</th>
<th>Land Area</th>
<th>Net Lettable Area</th>
<th>Usage</th>
<th>Age of Building (Year)</th>
<th>Net Carrying Amount as at 30 June 2021 RM million</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. 7 Jalan Kenari 5 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan</td>
<td>Freehold</td>
<td>465 sq m</td>
<td>1,650 sq m</td>
<td>1 unit 3½ storey shop office</td>
<td>26</td>
<td>6.7</td>
</tr>
<tr>
<td>Palmco Jaya Warehouse Bulk Cargo Terminal 13600 Prai Penang</td>
<td>Leasehold expiring 2025</td>
<td>13,491 sq m</td>
<td>13,491 sq m</td>
<td>Bulk cargo terminal</td>
<td>47</td>
<td>0.1</td>
</tr>
</tbody>
</table>

### C. INDUSTRIAL PROPERTIES

<table>
<thead>
<tr>
<th>Location</th>
<th>Tenure</th>
<th>Land Area</th>
<th>Usage</th>
<th>Age of Building (Year)</th>
<th>Year of Acquisition</th>
<th>Net Carrying Amount as at 30 June 2021 RM million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country lease 075365632, 075376279 075376260 &amp; 075469340 Sg Mowtas and Batu Sapi Sandakan Sabah</td>
<td>Leasehold expiring between 2035-2071</td>
<td>180,263 sq m</td>
<td>Offices and factory sites</td>
<td>42</td>
<td>2001</td>
<td>61.3</td>
</tr>
<tr>
<td>Deep Water Wharves 12100 Butterworth Penang</td>
<td>Leasehold expiring 2030</td>
<td>8,615 sq m</td>
<td>Bulking installation</td>
<td>47</td>
<td>2001</td>
<td>–</td>
</tr>
<tr>
<td>PT 110296 &amp; 216213 Jalan Pekellling HSID 160988 PTD 89217 Mukim Plantong Pasir Gudang Johor Bahru Johor Darul Takzin</td>
<td>Leasehold expiring 2037, 2041, 2052</td>
<td>5.9 hectares</td>
<td>Factory complex and vacant industrial land</td>
<td>29-44</td>
<td>2007</td>
<td>17.3</td>
</tr>
</tbody>
</table>

### C. INDUSTRIAL PROPERTIES (continued)

<table>
<thead>
<tr>
<th>Location</th>
<th>Tenure</th>
<th>Land Area</th>
<th>Usage</th>
<th>Age of Building (Year)</th>
<th>Year of Acquisition</th>
<th>Net Carrying Amount as at 30 June 2021 RM million</th>
</tr>
</thead>
<tbody>
<tr>
<td>PT 17368, Jalan Pekellling</td>
<td>Leasehold expiring 2038, 2047, 2051</td>
<td>8.3 hectares</td>
<td>Factory complex</td>
<td>30-43</td>
<td>2007</td>
<td>15.1</td>
</tr>
<tr>
<td>PT 80565, Jalan Timah PT 101367, Jalan Tembagas Pasir Gudang, Johor Bahru Johor Darul Takzin</td>
<td>Leasehold expiring between 2035-2071</td>
<td>122,444 sq m</td>
<td>Palm oil mill</td>
<td>47</td>
<td>^</td>
<td>30.5</td>
</tr>
<tr>
<td>Dusun Arang-Arang Air Hitam Hulu Kecamatan Kendawangan Kabupaten Ketapang Kalimantan Barat, Indonesia</td>
<td>Leasehold expiring 2038, 2047, 2051</td>
<td>60,000 sq m</td>
<td>Factory complex</td>
<td>20</td>
<td>2016</td>
<td>8.9</td>
</tr>
<tr>
<td>Zur Hafenspitze 15 19322 Wittenberge Germany</td>
<td>Leasehold expiring 2038, 2047, 2051</td>
<td>24,000 sq m</td>
<td>Factory complex</td>
<td>30</td>
<td>2016</td>
<td>37.6</td>
</tr>
</tbody>
</table>

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

### D. OTHER PROPERTIES

<table>
<thead>
<tr>
<th>Location</th>
<th>Tenure</th>
<th>Land/Built Up Area</th>
<th>Usage</th>
<th>Age of Building (Year)</th>
<th>Year of Acquisition</th>
<th>Net Carrying Amount as at 30 June 2021 RM million</th>
</tr>
</thead>
<tbody>
<tr>
<td>HSID 45890 PT 9427 Mukim Pataling Selangor Darul Ehsan</td>
<td>Leasehold</td>
<td>1,803 sq m</td>
<td>Petrol station land</td>
<td>–</td>
<td>1992</td>
<td>–</td>
</tr>
<tr>
<td>Lot 40476 &amp; 40480 Daerah Wilayah Persekutuan Kuala Lumpur</td>
<td>Leasehold</td>
<td>3,018 sq m</td>
<td>Bungalow plots</td>
<td>–</td>
<td>1992</td>
<td>2.0</td>
</tr>
</tbody>
</table>
NOTICE IS HEREBY GIVEN THAT the Fifty-Second Annual General Meeting ("52nd AGM") of the Company will be broadcast from IOI Resort City, Putrajaya, Malaysia ("Meeting Venue") and conducted virtually through live streaming hosted at https://meeting.boardroomlimited.my/ (Domain Registration No. with MYNIC – D6A357657) on Tuesday, 26 October 2021 at 10:00 am for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2021 and the Reports of the Directors and Auditors thereon.

2. To re-elect Dr Nesadurai Kalanithi retiring by rotation pursuant to Article 97 of the Company’s Constitution:

3. To re-elect the following Directors retiring by rotation pursuant to Article 91 of the Company’s Constitution:
   (i) Datuk Karownakaran @ Karunakaran a/l Ramasamy
   (ii) Cheah Tek Kuang

4. To approve the payment of Directors’ fees (inclusive of Board Committees’ fees) of RM1,280,000 for the financial year ending 30 June 2022 payable quarterly in arrears after each month of completed service of the Directors during the financial year.

5. To approve the payment of Directors’ benefits (other than Directors’ fees) of up to RM280,000 for the financial year ended 30 June 2021 and the service of the Directors during the financial year.

6. To re-appoint BDO PLT, the retiring Auditors for the financial year ending 30 June 2022 and to authorise the Audit and Risk Management Committee to fix their remuneration.

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

7.1 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."

- "THAT authority be and is hereby given to Cheah Tek Kuang, 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."

7.2 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 1
Resolution 2
Resolution 3
Resolution 4
Resolution 5
Resolution 6
Resolution 7
Resolution 8
Resolution 9

NOTICE OF ANNUAL GENERAL MEETING

GROUP PROPERTIES

D. OTHER PROPERTIES (continued)

<table>
<thead>
<tr>
<th>Location</th>
<th>Tenure</th>
<th>Land/Buildt Up Area</th>
<th>Usage</th>
<th>Age of Building (Year)</th>
<th>Year of Acquisition</th>
<th>Not Carrying Amount as at 30 June 2021</th>
<th>RM million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geran 1341, Lot 12040</td>
<td>Freehold</td>
<td>2 hectares</td>
<td>Vacant land</td>
<td>–</td>
<td>1998</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Mukim of Tangikul Johor Darul Takim</td>
<td>Leasehold</td>
<td>2 hectares</td>
<td>Vacant land</td>
<td>–</td>
<td>1993</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Country lease 115325534</td>
<td>Leasehold</td>
<td>2 hectares</td>
<td>Vacant land</td>
<td>–</td>
<td>1993</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>New Wharf Road Lahad Datu Sabah</td>
<td>Leasehold</td>
<td>5 hectares</td>
<td>Vacant land</td>
<td>–</td>
<td>1993</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Country lease 115325543, 116179269</td>
<td>Leasehold</td>
<td>1 hectare</td>
<td>Regional office</td>
<td>20</td>
<td>1993</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>New Wharf Road Lahad Datu Sabah</td>
<td>Leasehold</td>
<td>417 sq m</td>
<td>3 storey shop/office</td>
<td>7</td>
<td>2015</td>
<td>1.2</td>
<td></td>
</tr>
<tr>
<td>Country lease 075349334, 075349335</td>
<td>Leasehold</td>
<td>40,789 sq m</td>
<td>Vacant land</td>
<td>–</td>
<td>2020</td>
<td>24.5</td>
<td></td>
</tr>
<tr>
<td>Lot 34, Phase 7A Northern Ring Road Sandakan Sabah</td>
<td>Leasehold</td>
<td>167 sq m</td>
<td>Shoplot</td>
<td>26</td>
<td>2001</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>HS(DJ) 41664 PT 1349 Mukim 01 Seberang Perai Tengah Penang</td>
<td>Leasehold</td>
<td>1,799 sq m</td>
<td>Future development land</td>
<td>–</td>
<td>2001</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>302-H, Jalan Relau Desaria, 11900 Sg Ara Penang</td>
<td>Leasehold</td>
<td>19 hectares</td>
<td>Future development land</td>
<td>–</td>
<td>1990</td>
<td>1.2</td>
<td></td>
</tr>
</tbody>
</table>
NOTICE OF ANNUAL GENERAL MEETING

Resolution 11

7.3 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 hereby is 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 manner 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 stated 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 10

7.4 Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

“THAT subject 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 hereby is given to the Company and 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 27 September 2021 ("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.

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 240(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 240(3) of the Act);

(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.”

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 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 nominee 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 rejecting 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.

Notes:

A. Remote Participation and Electronic Voting (“RPEV”)

1 The 52nd AGM of the Company will be held virtually through live streaming and online remote voting via RPEV facilities which are available on Boardroom Share Registrars Sdn Bhd’s website at https://meeting.boardroomlimited.my/. Please refer to the Administrative Guide for the detailed steps on RPEV.

2 The Meeting Venue of the 52nd AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The notification of the Meeting Venue is merely to inform shareholders where the electronic AGM production and streaming would be broadcast from. No Shareholders’/Proxies/Corporate Representatives from the public should be physically present at the Meeting Venue on the day of the 52nd AGM.

3 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 6(2)(a) 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.

4 Only shareholders whose names appear in the Record of Depositors and Register of Members as at 20 October 2021 shall be eligible to participate and vote at the 52nd AGM or appoint proxy to participate and vote on his or her behalf.

By Order of the Board,

Tan Choon Kiang
Secretary

(ESM PC No. 201908000048)
(SSM PC No. 201908000048)
(MAICSA 7018448)

Putrajaya
27 September 2021
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 AGM, whichever is the later. The Director may designate any other persons as his/her proxies.

6. Any corporate shareholder may appoint one (1) or more corporate representatives who may exercise on its behalf all of its powers as a shareholder in accordance with 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. We unanimously recommend that our shareholders vote in favour of them.

1. To receive Audited Financial Statements for the financial year ended 30 June 2021

This Agenda item is meant for discussion only as under the provision of Section 125 of the Act, the Consolidated Financial statements do not require a formal approval of the shareholders. Hence, this resolution is purely an information-based resolution.

The Chairman will give shareholders an opportunity to ask questions about, and make comments on the financial statements and reports and any other items of the agenda. Shareholders will also be given an opportunity to ask questions about, and make comments on the financial statements and reports and any other items of the agenda. Shareholders will also be given an opportunity to ask questions about, and make comments on the financial statements and reports and any other items of the agenda.

2. Re-election of Directors

Dr Neasudar Kalinithi who retires in accordance with Article 97 of the Company’s Constitution, is standing for re-election as Director of the Company. Directors Karunakaran Daniel, Dr Cheah Tek Kuang (“Mr Cheah”), who retires in accordance with Article 91 of the Company’s Constitution, are also standing for re-election as Directors of the Company. All of them being eligible for re-election, have offered themselves for re-election at the 52nd AGM.

The Directors of the standing for re-election have undergone a performance evaluation and have demonstrated that he or she remains committed to the role and continues to be an effective and reliable member of the Board of Directors (“the Board”). The performance of each of the Directors was found to be satisfactory. In addition, each of the retiring Directors has undergone a background check in accordance with the requirements of the Malaysian Anti-Corruption Commission (“MACC”), and is eligible to be re-elected to serve as an independent Director.

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 reliable member of the Board of Directors (“the Board”). The performance of each of the Directors was found to be satisfactory. In addition, each of the retiring Directors has undergone a background check in accordance with the requirements of the Malaysian Anti-Corruption Commission (“MACC”), and is eligible to be re-elected to serve as an independent Director.

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 judgment.

c) They possess detailed knowledge of the Company’s business operations, the challenges faced by the Company, the industry environment in which it operates and the Corporate Governance of the Company.

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

3. Directors’ fees and benefits payable

3.1. The 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 Directors’ fees (other than Directors’ fees and Board Committees’ fees) comprise: attendance allowances, insurance coverage and golf privileges for 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 Board recommends that shareholders vote in favour of the appointment of BDO PLT as the external Auditors of the Company to continue in office as Independent Non-Executive Directors ("INED") of the Company.

The GNRC had assessed the independence of all INEDs and recommends that shareholders vote in favour of the INEDs to continue in office as Independent Non-Executive Directors ("INED") of the Company.

The Directors’ fees (other than Directors’ fees and Board Committees’ fees) comprise attendance allowances, insurance coverage and golf privileges for 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.

5. Continuation in Office as Independent Non-Executive Directors

Ordinary Resolution 7 is to seek the renewal of the general mandate which was approved at the 51st AGM of the Company held on 30 October 2020, and will lapse at the conclusion of the 52nd AGM to be held on 26 October 2021.

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 9, to allot and issue shares in the Company up to an amount not exceeding in total five percent (5%) of the total issued ordinary shares of the Company at the time of voting. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The Directors recommend that shareholders vote in favour of the renewal of the authority to allot and issue new shares pursuant to Section 76 of the Act under the general mandate which was approved at the 51st AGM of the Company.

6. Approval to attend and issue shares pursuant to Section 76 of the Act

Ordinary Resolution 9 is to seek a renewal of the general mandate which was approved at the 51st AGM of the Company held on 30 October 2020, and will lapse at the conclusion of the 52nd AGM to be held on 26 October 2021.

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 9, to allot and issue shares in the Company up to an amount not exceeding in total five percent (5%) of the total issued ordinary shares of the Company at the time of voting. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The Directors recommend that shareholders vote in favour of the renewal of the authority to allot and issue new shares pursuant to Section 76 of the Act under the general mandate which was approved at the 51st AGM of the Company.

7. Proposed Renewal of Existing Share Buy-Back Authority

Ordinary Resolution 10 is to seek a renewal of the authority granted at the 51st AGM of the Company held on 30 October 2020, and will lapse at the conclusion of the 52nd AGM to be held on 26 October 2021.

By registering for the remote participation and electronic voting meeting and/or submitting an instrument appointing a proxy(ies) or representative(s) to participate and vote at the 52nd 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 such process and representatives appointed for the 52nd AGM (as defined below) and the preparation and compilation of the attendance lists and other documents relating to the 52nd AGM (as defined below), and the collection, use and disclosure of the shareholder’s personal data by the Company (or its agents) to comply with any applicable laws, 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) for the Purposes, and (iii) agrees that the shareholdere 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 30 August 2021

Issued shares: 6,285,198,995 ordinary shares
(Including 52,321,400 treasury shares)

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

Number of shareholders: 21,230

ANALYSIS OF SHAREHOLDINGS

<table>
<thead>
<tr>
<th>Size of holdings</th>
<th>No. of holders</th>
<th>Total holdings</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 99</td>
<td>2,313</td>
<td>28,060</td>
<td>*</td>
</tr>
<tr>
<td>100 - 1,000</td>
<td>4,575</td>
<td>3,374,350</td>
<td>0.05</td>
</tr>
<tr>
<td>1,001 - 10,000</td>
<td>10,499</td>
<td>41,397,409</td>
<td>0.67</td>
</tr>
<tr>
<td>10,001 - 100,000</td>
<td>3,093</td>
<td>84,349,741</td>
<td>1.35</td>
</tr>
<tr>
<td>100,001 - 311,643,878</td>
<td>748</td>
<td>2,320,427,182</td>
<td>37.23</td>
</tr>
<tr>
<td>311,643,879 and above</td>
<td>2</td>
<td>3,783,300,853</td>
<td>60.70</td>
</tr>
<tr>
<td>Total</td>
<td>21,230</td>
<td>6,232,877,595</td>
<td>100.00</td>
</tr>
</tbody>
</table>

* Negligible

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

<table>
<thead>
<tr>
<th>Name</th>
<th>No. of shares held</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Progressive Holdings Sdn Bhd</td>
<td>1,382,166,880</td>
<td>22.18</td>
</tr>
<tr>
<td>2. Progressive Holdings Sdn Bhd</td>
<td>967,285,200</td>
<td>15.52</td>
</tr>
<tr>
<td>3. Citigroup Nominees (Tempatan) Sdn Bhd</td>
<td>790,765,873</td>
<td>12.69</td>
</tr>
<tr>
<td>4. Progressive Holdings Sdn Bhd</td>
<td>643,082,900</td>
<td>10.32</td>
</tr>
<tr>
<td>5. AmanahRaya Trustees Berhad Amanah Saham Bumiputra</td>
<td>281,145,900</td>
<td>4.51</td>
</tr>
<tr>
<td>6. Kumpulan Wang Persaraan</td>
<td>210,837,100</td>
<td>3.38</td>
</tr>
<tr>
<td>7. Annuity Holdings Sdn Bhd</td>
<td>115,372,300</td>
<td>1.85</td>
</tr>
<tr>
<td>8. AmanahRaya Trustees Berhad Amanah Saham Bumiputra</td>
<td>91,723,200</td>
<td>1.47</td>
</tr>
<tr>
<td>9. HLB Nominees (Tempatan) Sdn Bhd</td>
<td>87,000,000</td>
<td>1.40</td>
</tr>
<tr>
<td>10. AmanahRaya Trustees Berhad Amanah Saham Bumiputra 2 - Wawasan</td>
<td>62,058,200</td>
<td>1.00</td>
</tr>
<tr>
<td>11. AMSEC Nominees (Tempatan) Sdn Bhd</td>
<td>50,000,000</td>
<td>0.80</td>
</tr>
<tr>
<td>12. Lembaga Tabung Hajii</td>
<td>45,337,600</td>
<td>0.73</td>
</tr>
<tr>
<td>13. HSBC Nominees (Asing) Sdn Bhd</td>
<td>45,113,990</td>
<td>0.72</td>
</tr>
<tr>
<td>14. HSBC Nominees (Asing) Sdn Bhd</td>
<td>43,187,538</td>
<td>0.69</td>
</tr>
<tr>
<td>15. Cartabian Nominees (Asing) Sdn Bhd</td>
<td>43,145,850</td>
<td>0.69</td>
</tr>
<tr>
<td>16. Citigroup Nominees (Tempatan) Sdn Bhd</td>
<td>42,330,213</td>
<td>0.68</td>
</tr>
<tr>
<td>17. Maybank Nominees (Tempatan) Sdn Bhd</td>
<td>40,000,000</td>
<td>0.64</td>
</tr>
<tr>
<td>18. Permodalan Nasional Berhad</td>
<td>37,982,700</td>
<td>0.61</td>
</tr>
<tr>
<td>19. Cartabian Nominees (Tempatan) Sdn Bhd</td>
<td>36,091,401</td>
<td>0.58</td>
</tr>
<tr>
<td>20. Citigroup Nominees (Asing) Sdn Bhd</td>
<td>36,000,000</td>
<td>0.58</td>
</tr>
<tr>
<td>21. AmanahRaya Trustees Berhad Amanah Saham Malaysia 3</td>
<td>26,800,400</td>
<td>0.43</td>
</tr>
<tr>
<td>22. AmanahRaya Trustees Berhad Amanah Saham Bumiputra 3 - Diklak</td>
<td>25,765,400</td>
<td>0.41</td>
</tr>
<tr>
<td>23. HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Kim Heung</td>
<td>24,000,000</td>
<td>0.39</td>
</tr>
<tr>
<td>24. AmanahRaya Trustees Berhad Amanah Saham Bumiputra 2</td>
<td>22,990,500</td>
<td>0.37</td>
</tr>
<tr>
<td>25. AmanahRaya Trustees Berhad Public Islamic Dividend Fund</td>
<td>21,127,733</td>
<td>0.34</td>
</tr>
<tr>
<td>26. Cartabian Nominees (Tempatan) Sdn Bhd 20,255,661</td>
<td>20,255,661</td>
<td>0.32</td>
</tr>
<tr>
<td>27. Cartabian Nominees (Tempatan) Sdn Bhd 19,957,069</td>
<td>19,957,069</td>
<td>0.32</td>
</tr>
<tr>
<td>28. HSBC Nominees (Tempatan) Sdn Bhd 19,481,750</td>
<td>19,481,750</td>
<td>0.31</td>
</tr>
<tr>
<td>29. HSBC Nominees (Asing) Sdn Bhd 18,837,000</td>
<td>18,837,000</td>
<td>0.30</td>
</tr>
<tr>
<td>30. DB (Malaysia) Nominees (Asing) Sdn Bhd 17,184,800</td>
<td>17,184,800</td>
<td>0.27</td>
</tr>
<tr>
<td>Total</td>
<td>5,267,027,158</td>
<td>84.50</td>
</tr>
</tbody>
</table>
SHAREHOLDERS' INFORMATION
as at 30 August 2021

Substantial Shareholders
(Based on the Register of Substantial Shareholders)

<table>
<thead>
<tr>
<th>Name of substantial shareholders</th>
<th>No. of ordinary shares held</th>
<th>Direct</th>
<th>%</th>
<th>Indirect*</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dato' Lee Yeow Chor</td>
<td>9,818,800</td>
<td>0.16%</td>
<td>3,129,534,980</td>
<td>50.21%</td>
<td></td>
</tr>
<tr>
<td>Lee Yeow Seng</td>
<td>3,129,534,980</td>
<td>0.16%</td>
<td>3,129,534,980</td>
<td>50.21%</td>
<td></td>
</tr>
<tr>
<td>Progressive Holdings Sdn Bhd</td>
<td>823,893,273</td>
<td>13.22%</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Employees Provident Fund Board</td>
<td>3,129,534,980</td>
<td>50.21%</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
* Deemed interested by virtue of his interest in PHSB pursuant to Section 8 of the Companies Act 2016.
* Based on the total number of issued voting shares (excluding 52,321,400 treasury shares).

PROXY FORM

I/We _______________________________ (full address in block letters) being a member(s) of IOI Corporation Berhad, hereby appoint _______________________________ (full address in block letters) as my/our proxy/proxies to vote for me/us on my/our behalf at the Fifty-Second Annual General Meeting ("52nd AGM") of the Company which will be broadcast from IOI Resort City, Putrajaya, Malaysia and conducted virtually through live streaming hosted at https://meeting.boardroomlimited.my/ on Tuesday, 26 October 2021 at 10:00 am or any adjournment thereof.

The proportion of my/our holding to be represented by my/our proxy/proxies are as follows:

First proxy "A": % No. of Shares Held:
Second proxy "B": % CDS A/C No.:

My/our proxy/proxies shall vote as follows:

(Please indicate with an "X" 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. Ordinary Resolutions

<table>
<thead>
<tr>
<th>No.</th>
<th>Ordinary Resolutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>To re-elect Dr Nasadurai Kalanithi as a Director.</td>
</tr>
<tr>
<td>2.</td>
<td>To re-elect Datuk Karownakaran @ Karunakaran a/l Ramasamy as a Director.</td>
</tr>
<tr>
<td>3.</td>
<td>To re-elect Cheah Tek Kuang as a Director.</td>
</tr>
<tr>
<td>4.</td>
<td>To approve the payment of Directors' fees (inclusive of Board Committees' fees) of RM1,280,000 for the financial year ending 30 June 2022 payable quarterly in arrears after each month of completed service of the Directors during the financial year.</td>
</tr>
<tr>
<td>5.</td>
<td>To approve the payment of Directors' benefits (other than Directors' fees) of up to RM280,000 for the period from 26 October 2021 until the next Annual General Meeting.</td>
</tr>
<tr>
<td>6.</td>
<td>To re-appoint BDO PLT, the retiring Auditors for the financial year ending 30 June 2022 and to authorise the Audit and Risk Management Committee to fix their remuneration.</td>
</tr>
<tr>
<td>7.</td>
<td>To approve Datuk Karownakaran @ Karunakaran a/l Ramasamy to continue in office as an Independent Non-Executive Director.</td>
</tr>
<tr>
<td>8.</td>
<td>To approve Cheah Tek Kuang to continue in office as an Independent Non-Executive Director.</td>
</tr>
<tr>
<td>9.</td>
<td>To authorise the Directors to allot and issue shares pursuant to Section 76 of the Companies Act 2016.</td>
</tr>
<tr>
<td>10.</td>
<td>To approve the proposed renewal of existing share buy-back authority.</td>
</tr>
<tr>
<td>11.</td>
<td>To approve the proposed renewal of shareholders' mandate for recurrent related party transactions.</td>
</tr>
</tbody>
</table>

Dated this ____________ day of _________________ 2021    ______________________________________________
Signature of Shareholder/ Common Seal
Notes:
1 Only shareholders whose names appear in the Record of Depositors and Register of Members as at 20 October 2021 shall be eligible to participate and vote at the 52nd 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 nominee 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 52nd 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 (for individual shareholders only) can also be lodged electronically through Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com by logging in and selecting “CORPORATE MEETING” or email to bsr.helpdesk@boardroomlimited.com. Please follow the procedures provided in the Administrative Guide for the 52nd 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 52nd 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 52nd AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, and other documents relating to the 52nd 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.

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