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

Minutes of the Fifty-Third Annual General Meeting ("53rd AGM" or the "Meeting") of IOI Corporation Berhad (the "Company" or the "Group") held physically at Millennium Ballroom 1 (Level 1), Le Méridien Putrajaya, Lebuh IRC, IOI Resort City, 62502 Putrajaya, Malaysia ("Meeting Venue") and by way of electronic means using Remote Participation and Electronic Voting ("RPEV") facilities hosted at https://conveneagm.my/ioicorpagm2022 *(Domain Registration No. D6A475992)* on Monday, 31 October 2022 at 10:00 a.m. (Malaysia time)

Present	:	**<u>Board of Directors (the "Board") present at the Meeting Venue</u>** **Tan Sri Peter Chin Fah Kui ("Tan Sri Peter Chin" or the "Chairman")** **Tan Sri Dr Rahamat Bivi binti Yusoff** **Datuk Karownakaran @ Karunakaran a/l Ramasamy** **Dato' Lee Yeow Chor** **Mr Cheah Tek Kuang** **Mr Lee Yeow Seng** **Dr Nesadurai Kalanithi** **Dato' Kong Sooi Lin**
Participated via RPEV facilities at ConveneAGM Meeting Platform	:	**<u>Shareholders, Corporate Representatives and Proxies</u>** **As per the attendance summary**
By invitation	:	**List of invitees as per attendance list**
In attendance	:	**Tan Choong Khiang (Company Secretary)**

1.0 INTRODUCTION

Tan Sri Peter Chin, the Chairman of the Board chaired the Meeting and welcomed all the shareholders, corporate representatives, proxies and invitees to the hybrid 53rd AGM of the Company. The Chairman thanked them for their participation and continuous support to the Company.

The Chairman informed that the conduct of this hybrid Annual General Meeting ("AGM") was in compliance with Section 327 of the Companies Act 2016 and Article 70 of the Company's Constitution, as well as the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission. He also explained that in view of the easing of Covid-19 related safety measures and the transition to the endemic stage in Malaysia, the Board had decided for the 53rd AGM to be conducted both physically and virtually, in order to provide an effective engagement with shareholders.

The Chairman then briefed the shareholders, corporate representatives and proxies of the conduct of the hybrid AGM.

The Chairman proceeded to introduce the members of the Board, the Group Chief Financial Officer ("Group CFO"), the Company Secretary and the representatives from the External Auditors of the Company, BDO PLT ("BDO"), all of whom were present at the Meeting Venue.

2.0 RETIREMENT OF DIRECTOR

The Chairman announced that following the Company's recent announcement on Bursa Malaysia, Datuk Karownakaran @ Karunakaran a/l Ramasamy ("Datuk Karunakaran"), an Independent Non-Executive Director of the Company, would be retiring from the Board after 11 years with the Company. His retirement, which would take effect upon conclusion of this Meeting, was to comply with the recent amendments to the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia where the tenure of an Independent Director shall not exceed 12 years.

The Chairman proceeded to commend Datuk Karunakaran's contributions to the Board and the Company. During Datuk Karunakaran's stint as the Chairman of the Audit and Risk Management Committee ("ARMC"), as well as a member of the Governance, Nominating and Remuneration Committee ("GNRC"), he had been honest in expressing his views and actively participated in the Board deliberations and decision making. Not only that, the Board and the Senior Management had benefited greatly from Datuk Karunakaran's advice, even as he remained independent in discharging his duties.

Datuk Karunakaran was then invited to give a short speech to shareholders at this Meeting. He thanked the Board, senior management team and shareholders for their support throughout his stint with the Company and expressed confidence that the Board and senior management team would continue to ensure the Group's sustainable growth and deliver good returns to shareholders.

3.0 QUORUM

The Company Secretary advised that pursuant to the Article 65 of the Company's Constitution, the quorum necessary for the transaction of business at a general meeting shall be 2 members present personally or by proxy or by corporate representative entitled to vote. He then confirmed the presence of the requisite quorum pursuant to the Company's Constitution at the commencement of the Meeting.

With the requisite quorum being present, the Chairman called the Meeting to order.

4.0 NOTICE

The notice convening the Meeting dated 30 September 2022, having been circulated to the shareholders and published within the stipulated timeframe, was taken as read.

5.0 MEETING AND VOTING PROCEDURES

The Chairman informed that in accordance with Paragraph 8.29A of the Listing Requirements of Bursa Malaysia, all the resolutions to be tabled at this Meeting would be voted on by poll. He then exercised his right and demanded for a poll to be taken on all the resolutions tabled pursuant to Article 73 of the Company's Constitution.

The Chairman also informed that in his capacity as Chairman of the Meeting, he had been appointed as proxy by some shareholders and hence, would be voting in accordance with the instructions of the respective shareholders.

The Meeting noted that the Company had appointed KPMG Management & Risk Consulting Sdn Bhd as its Poll Administrator to facilitate the electronic poll voting, while Sky Corporate Services Sdn Bhd had been appointed as the Independent Scrutineers to validate the poll results.

The representative of the Poll Administrator then conducted a presentation on the polling procedure and the functions available within the ConveneAGM meeting portal. After the said presentation, the Chairman announced the commencement of the voting session to allow shareholders and proxies to cast their votes during the Meeting proceedings.

6.0 GROUP CFO'S PRESENTATION

At the invitation of the Chairman, the Group CFO, Mr Kong Kian Beng gave a brief presentation on the overall performance of the Group for the financial year ended 30 June 2022 ("FY2022") covering the following key areas, details of which were presented in Appendix I:-

a) Overall Group Financial Performance
b) Segmental Profit
   - Plantation Segment
   - Resource-based Manufacturing Segment
c) Balance Sheet
d) Capital Expenditure
e) Equity Repayments

It was reported that:-

- The Group's revenue for FY2022 increased by 38% to RM15.58 billion as compared to RM11.25 billion in the financial year ended 30 June 2021 ("FY2021") from all segments, due primarily to higher commodity prices, partially offset by lower sales volume.

- The Group's profit before tax ("PBT") for FY2022 increased by 36% to RM2.35 billion as compared to RM1.74 billion in FY2022. As for underlying PBT which excluded fair values and non-operating items, there was a 67% increase to RM2.55 billion in FY2022 from RM1.52 billion in FY2021, due to higher earnings from plantation and resource-based manufacturing segments.

- Profit after tax of the Group increased by 25% to RM1.77 billion in FY2022 as compared to RM1.42 billion in FY2021.

- Earnings per share of the Group increased to 27.74 sen in FY2022 from 22.26 sen in FY2021.

- The plantation segment contributed 79% of the Group's total segmental profit in FY2022. The plantation segment's profit increased by 72% to RM2.08 billion in FY2022 from RM1.21 billion in FY2021, due mainly to higher crude palm oil ("CPO") and palm kernel ("PK") prices realised as well as higher share of associate results, partly offset by lower fresh fruit bunches ("FFB") production.

  - In FY2022, average realised CPO price had risen to RM4,698 per metric tonne ("MT") (FY2021: RM3,076 per MT), while average realised PK price has risen to RM3,593 per MT (FY2021: RM2,115 per MT).

  - FFB production in FY2022 dropped to 2.73 million MT (FY2021: 2.92 million MT), mainly due to labour shortage and accelerated replanting exercise undertaken for the past 4 years.

- The resource-based manufacturing segment’s profit decreased by 20% to RM537.5 million in FY2022 from RM668.0 million in FY2021. The lower profit was mainly due to lower share of associate’s results from Bunge Loders Croklaan Group B.V. ("BLC"). In FY2021, the Group's share of BLC's results included a share of a one-off gain of RM268.3 million from the sale of BLC's refinery facilities located in Rotterdam.

- Nevertheless, the resource-based manufacturing segment enjoyed higher underlying profit (i.e. excluding fair values and non-operating items) of RM560.6 million in FY2022 from RM425.3 million in FY2021, mainly due to higher margins from oleochemical and refinery sub-segments as businesses recover from the Covid-19 pandemic.

- The Group's FY2022 financial position remained strong, with cash and cash equivalents of RM2.6 billion and improved net gearing of 0.23.

- Capital expenditure had increased by 9% to RM445.5 million, mainly due to the construction of the Group's new palm wood facility.

- Total dividends declared during FY2022 was 14 sen per share amounting to RM869.7 million. The Group had also spent RM134.2 million on share buy backs conducted during FY2022 at an average purchase price of RM3.75 per share.

Upon conclusion of the Group CFO’s presentation, the Chairman proceeded with the agenda of the 53rd AGM.

7.0 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Chairman informed the Meeting that the Audited Financial Statements (“AFS”) for FY2022 and the Reports of the Directors and Auditors thereon were laid in accordance with Section 340(1) of the Companies Act 2016 for discussion only, as formal approval of shareholders was not required for the AFS.

The Chairman then directed the shareholders to the summary of the Group’s financial overview and performance highlights for FY2022 set out on pages 54 to 62 of the Annual Report 2022 (“AR2022”). Further details of the Group Financial and Business Review were outlined on pages 65 to 80 of AR2022.

8.0 RE-ELECTION OF DIRECTOR RETIRING PURSUANT TO ARTICLE 97 OF THE COMPANY’S CONSTITUTION - ORDINARY RESOLUTION 1

The Chairman informed that the second item on the agenda was in relation to the re-election of Dato’ Kong Sooi Lin (“Dato’ Kong”) as Director of the Company, who retired in accordance with Article 97 of the Company’s Constitution and being eligible, Dato’ Kong had offered herself for re-election under Ordinary Resolution 1.

The Chairman further informed that Dato' Kong's profile was set out on page 87 of AR2022. Dato' Kong had undergone the relevant performance evaluation, including a "fit and proper" assessment for the financial year under review. Upon assessment by the GNRC, Dato' Kong was found to have remained committed to her role and continued to be an effective and valuable member of the Board.

9.0 RE-ELECTION OF DIRECTORS RETIRING BY ROTATION PURSUANT TO ARTICLE 91 OF THE COMPANY'S CONSTITUTION - ORDINARY RESOLUTIONS 2 AND 3

The Chairman informed that the third item on the agenda was in relation to the re-election of Directors who retired by rotation in accordance with Article 91 of the Company's Constitution and being eligible, they had offered themselves for re-election.

In view that the Chairman was among the Directors standing for re-election at this Meeting, he handed over the Chair to Datuk Karunakaran to conduct the proceeding for this agenda item.

Datuk Karunakaran then informed the Meeting on the following Directors standing for re-election under the following ordinary resolutions:-

(a) Ordinary Resolution 2 – Mr Lee Yeow Seng

(b) Ordinary Resolution 3 – Tan Sri Peter Chin

The Meeting noted that Tan Sri Peter Chin and Mr Lee Yeow Seng had undergone the relevant performance evaluation including a "fit and proper" assessment for the financial year under review. Upon assessment by the GNRC, Tan Sri Peter Chin and Mr Lee Yeow Seng was found to have demonstrated their effectiveness and value as members of the Board, and that they continued to show their commitment to their roles. Tan Sri Peter Chin's and Mr Lee Yeow Seng's profiles were set out on pages 84 and 85 of AR2022 respectively.

At this juncture, Datuk Karunakaran handed over the Chair back to Tan Sri Peter Chin to continue with the remaining agenda items for this Meeting.

10.0 DIRECTORS' FEES FOR FINANCIAL YEAR ENDING 30 JUNE 2023 - ORDINARY RESOLUTION 4

The fourth item on the agenda was to seek approval from the shareholders on the payment of Directors' fees (inclusive of Board Committees' fees and Group Sustainability Steering Committee's fees) of RM1,460,000 for the financial year ending 30 June 2023 ("FY2023"), payable quarterly in arrears after each month of completed service of the Directors during the financial year.

The Meeting was informed that the abovementioned proposed fees included the amount receivable by Dato' Kong during the period from 16 February 2022, being the date of her appointment, until 30 June 2022. Given that her receivable fees for this period was not contemplated during the last AGM held on 26 October 2021, the Board would like to seek shareholders' approval at this Meeting on this amount, in addition to the proposed fees for all Directors for FY2023.

As for the Group Sustainability Steering Committee's fees, they would be payable to Dr Nesadurai Kalanithi in her capacity as a member of the Group Sustainability Steering Committee.

The Chairman further informed that the fee structure was disclosed on page 106 of AR2022 under the Corporate Governance Overview Statement.

11.0 DIRECTORS' BENEFITS FOR THE PERIOD FROM 31 OCTOBER 2022 UNTIL THE NEXT AGM - ORDINARY RESOLUTION 5

The Chairman informed the Meeting that the fifth item on the agenda was to seek approval from the shareholders on the payment of Directors' benefits (other than Directors' fees) of up to RM280,000 for the period from 31 October 2022 until the next AGM of the Company, which comprised mainly the meeting allowances, insurance coverage and the Independent Non-Executive Directors' golf privilege benefit.

12.0 RE-APPOINTMENT OF AUDITORS - ORDINARY RESOLUTION 6

The Chairman proceeded to the sixth item on the agenda, which was to seek approval from the shareholders on the re-appointment of BDO as Auditors of the Company for FY2023 and to authorise the ARMC to fix their remuneration.

The Meeting noted that this resolution was proposed based on the ARMC's recommendation, after having been satisfied with the results of the annual assessment of BDO. BDO had also expressed their willingness to continue in office.

13.0 AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 - ORDINARY RESOLUTION 7

The Chairman informed the Meeting that the proposed Ordinary Resolution 7 under item 7.1 of the agenda was to seek renewal of a general mandate, of which if passed, would empower the Directors to allot and issue shares of not more than 5% of the total number of issued shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016.

The Meeting was further informed that Ordinary Resolution 7 was also to seek shareholders' approval for the Company's disapplication of statutory pre-emption rights under the Section 85 of the Companies Act 2016, to enable the Company to allot new shares (or to grant rights over shares) without first offering them to existing shareholders in proportion to their holdings pursuant to the general mandate.

The Chairman also highlighted that the Company did not issue any new shares pursuant to Section 76 of the Companies Act 2016 under the general mandate approved by the shareholders at the last AGM of the Company.

14.0 PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY - ORDINARY RESOLUTION 8

The Chairman informed the Meeting that the proposed Ordinary Resolution 8 under item 7.2 of the agenda was to seek renewal of the authority for the Company to purchase up to 10% of the total number of issued shares of the Company ("Proposed Renewal of Existing Share Buy-Back Authority"). The details of the Proposed Renewal of Existing Share Buy-Back Authority were stated in Part A of the Circular to Shareholders dated 30 September 2022.

15.0 PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE - ORDINARY RESOLUTION 9

The Chairman informed the Meeting that item 7.3 of the agenda was to seek renewal of the existing shareholders' mandate for the recurrent related party transactions of a revenue or trading nature which were 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 ("Proposed Renewal of Shareholders' Mandate").

The Chairman informed that the details of the Proposed Renewal of Shareholders' Mandate were set out in Part B, Section 12 of the Circular to Shareholders dated 30 September 2022. The interested Directors, interested major shareholders and persons connected to them as detailed therein would abstain from voting on the Ordinary Resolution 9.

16.0 ANY OTHER BUSINESS

The Meeting noted that no notice had been received from the shareholders to transact any other business at the Meeting.

17.0 QUESTIONS AND ANSWERS ("Q&A") SESSION

Having tabled all the items on the agenda for consideration, the Chairman announced the opening of the Q&A session. He informed that the Company had received a letter from the Minority Shareholders Watch Group ("MSWG") prior to the 53rd AGM. Dato' Lee Yeow Chor ("Dato' Lee"), the Group Managing Director and Chief Executive ("GMD") of the Company was then invited to present the Company's responses to MSWG's questions, as follows:-

<u>Questions from MSWG and the Company's Responses</u>

<u>Operational and Financial Matters</u>

Q1. On 30 May 2022, IOI Pelita Plantation Sdn Bhd signed a final landmark settlement agreement with the native communities in Sarawak to relinquish 4,615 hectares of land, which will subsequently be gazetted by the Sarawak government as Native Communal Reserve for agricultural use by the affected communities. The land dispute matter is officially declared closed by the Roundtable on Sustainable Palm Oil Complaints Panel [page 65 of AR2022].

What is the Group's current progress on replanting, and will the Group be able to achieve its target replanting schedule for the financial year ending 2022?

<u>Response from the Company</u>

Total impairments due to IOI Pelita Plantation Sdn Bhd relinquishing 4,615 hectares of its land is estimated to be about RM3.7 million. An impairment loss on property, plant and equipment of RM3.2 million was recognised in FY2021 and the Group expect further impairments of about RM500,000.

Q2. The lower FFB productivity and FFB yields are primarily impacted by the shortage of skilled harvesters as more workers requested to repatriate to their home country (page 66 of AR2022).

To-date, to what extent has the Group's labour shortage issue normalised? How far off is the Group from addressing its labour needs?

Response from the Company

In Sabah where two-thirds of the Group's estates are situated, the Group has managed to recruit many new workers since the reopening of borders in May 2022 and the labour shortage situation has largely been overcome.

For estates in Peninsular Malaysia, the Group had requested for 3,300 workers from the immigration department and as of end October 2022, about 800 workers arrived. The Group is expecting another 1,500 workers to arrive in the next 3 months and this would alleviate the severe labour shortage situation at the Peninsular estates.

Q3. Germany's high dependence on Russia for natural gas supply creates a high risk of production downtime/interruption and both the Group's production sites in Witten and Wittenberge are not equipped with any alternative source of heating or steam generation (page 78 of AR2022). The Group's European operations will have to endure the soaring natural gas cost (page 79 of AR2022).

The Russia-Ukraine war has created long-lasting interruption of energy supply to Germany, to what extent has the Germany energy crisis affected the Group operationally and financially?

Response from the Company

The Group's Germany Oleochemical business unit contributes less than 4% to the Group's underlying operating profit for FY2022. Therefore, the energy crisis in Germany, though serious, would not have a material impact on the Group financially.

Nevertheless, the Group was looking at fuel alternatives for both sites in Germany and are currently installing a diesel steam boiler at one of the sites. Although this may not fully replace gas usage, should there be a total cut-off of gas supply in Germany, the boiler would allow the plants to continue to operate albeit not at optimal levels.

On a positive note, it was broadly reported that German authorities has built enough gas inventory to tie the whole country into the new year. France also recently announced that they would assist in supplying gas by pipeline to Germany.

Q4. According to The Edge Markets article on 30 September 2022, Nestlé SA has pledged to cut ties with an Indonesian palm oil supplier accused of land-rights abuses and environmental harm. The Swiss company instructed its direct vendors to ensure that palm oil from three entities linked to Astra Agro Lestari Tbk does not enter its supply chain in the future. (Source: https://www.theedgemarkets.com/article/nestl%C3%A9-says-it-will-drop-palm-oil-supplier-accused-abuses)

In light of Nestlé SA's pledge to cut ties with an Indonesian palm oil supplier, are there any opportunities for the Group to capitalise on?

Response from the Company

The take-up rate for the Group's certified CPO from multinational customers had been good and a majority of the Group's certified CPO is supplied to the Group's associate, BLC. Therefore, opportunities in terms of new demand are limited by the Group's production volume, which is expected to be constrained by intensive replanting activities during the next few years.

The Meeting then proceeded to the questions submitted by the shareholders and proxies. Questions submitted prior to the date of the 53rd AGM were addressed first, followed by questions received via the RPEV facilities and from the floor. With the Chairman's consent, the GMD addressed the questions raised and the responses were summarised as follows:-

Questions from shareholders and proxies and the GMD's Responses

Pre-submitted Questions

1) The government has imposed a 45-hour work week.

(i) What impact does this policy has on the Company's new employees?
(ii) Does the Company apply this policy to all full-time employees including general workers, supervisors, executives, managers and top management?

Response from the Company

The question referred to the recent amendment to the Employment Act 1955 whereby the maximum number of weekly working hours would be reduced from 48 hours to 45 hours, effective 1 January 2023.

The impact of the above policy on the Company would be twofold:-

1. *A larger number of employees would be affected as the minimum wage of employees covered by this policy would be raised to RM4,000 from RM2,000.*
2. *Overtime rate was expected to increase by 7%, i.e. about RM200,000 per month for plantation workers and RM500,000 per month for manufacturing workers.*

2) (a) Kindly give us RM30 Touch-n-Go e-wallet for being loyal shareholders and attending this AGM. Times are bad now. Please be considerate to us shareholders during these hard times. Thank you.
(b) AGM Gift - During the pandemic, no door gifts had been distributed for the past 2 years. Will there be additional door gifts this year?
(c) Why do only Directors have benefits? What benefits does the Company give to all the shareholders/ proxies attending the physical/RPEV AGM?

Response from the Company

The Company had not distributed AGM door gifts for the previous 2 AGMs which were conducted in virtual mode. For the 53rd AGM, to incentivise shareholders to attend the Meeting physically to engage with the Board directly, packed lunch was provided to shareholders attending the 53rd AGM in person.

Given that the 53rd AGM was the first time the Company organised a hybrid AGM, there were many technical and administrative issues the Company Secretary had to overcome. Hence, it was decided that AGM door gifts would not be distributed to shareholders this year as well in order to minimise the administrative issues associated with such.

The Company was of the view that the most important return the Company could give its shareholders is dividends. In FY2022, the Company had declared dividends totalling RM870 million, i.e. 14 sen per share, which was 30% higher than in FY2021. This placed the Company among the top 10 listed companies in terms of size of dividends declared.

The Company also did not encourage to use door gifts as an inducement for shareholders to attend its AGMs. As shareholders, it would be ideal for them to be interested in the affairs of the Company. Much money had been spent on providing a conducive AGM environment, including refreshments and complimentary parking.

3) Can the Company buy back its shares to retain as treasury shares without basing on shares prices as the consideration? What is the purpose and value of the buy-back?

Response from the Company

Generally the Company exercised judiciously the authority given by its shareholders to purchase its own shares through Bursa Malaysia. The share buy-backs were usually conducted at approximately RM3.75 per share during FY2022.

The main purpose of the share buy-backs was to stabilise or even increase the Company's share price in the market. Not only that, shareholders would stand to receive more dividends as treasury shares (i.e. shares bought back by the Company) were not entitled to receive dividends.

4) How extensive are the mechanisation applications in the estates and how much improvements can be seen in your man-to-land ratio?

Response from the Company

At the beginning of 2020, the Company had recognised its dependence on foreign workers for manual labour and hence, had embarked on a 5-year plan to accelerate mechanisation in its estates and reduce its man-to-land ratio. When the pandemic struck a few months later, the Group experienced a severe shortage of labour of around 35% to 45%, making mechanisation all the more important.

There were a few aspects to mechanisation in the estates, as follows:-

Operation		***Level of mechanisation in estates as to-date (approximate)***
Mainline FFB evacuation	*Loading of FFB into bins for evacuation*	*70%*
	Collection of FFB from oil palms	*25%*
Pesticide spraying and manuring		*25%*
Harvest of FFB from oil palms		*Only for young palms less than 10 years old*

As for man-to-land ratio (i.e. number of worker(s) per hectare of estate), the industry average was 1:8. The Group's mechanisation efforts had helped to improve its man-to-land ratio to 1:12. However, due to shortage of workers, the man-to-land ratio could be as high as 1:17.

Nevertheless, the Group had also employed more skilled workers to manage its electronic crop monitoring system in the mechanisation process. All in all, the net effect of the Group's mechanisation efforts was approximately 33% reduction in manual labour.

5) What is the percentage of foreign workers and how the Company is being affected by shortages of workers?

Response from the Company

Currently, the percentage of foreign labour employed by the Group including the supervisory and managerial levels was approximately 70%.

The impact of the shortage of workers, besides increasing the man-to-land ratio, was as follows:-

- *An increase in crop loss of between 5% to 10% due to longer harvesting interval; and*
- *Deterioration of palm oil quality whereby higher fatty acid content was found in overripe FFB due to longer harvesting interval.*

Questions submitted via RPEV facilities

1) What is the Company's cost of production for FY2022 and the expected increase in cost for FY2023?

Response from the Company

The cost of production in FY2022 was approximately RM1,900 per MT.

Other than the cost of production, the Group also incurred cost of sales which included various levies and taxes such as windfall profit levy. In FY2022, the Group's cost of sales had increased to nearly RM2,300 per MT (Total increase: RM350,000).

The increase in cost of production for FY2023 was expected to be RM100 per MT, though the exact change in quantum of windfall profit levy was unknown at this point in time. It was expected however that the rate of increase in FY2023 would be lesser than that in FY2022, due to lower windfall profit levy to be imposed as palm oil prices drop.

2) If CPO prices go down again, how will the Company overcome its losses?

Response from the Company

In order for the Group to actually incur a loss, the CPO prices must drop to below RM2,200 per MT.

In view that the current CPO prices were in the range of RM3,800 to RM4,000 per MT, the Group did not foresee any loss to be recorded in the near future. To sustain its profitability, the Group would maintain an efficient production cost structure in order to remain as one of the most cost-efficient palm oil producers in Malaysia. However, due to the labour shortage situation driving the Group's mechanisation efforts, rising fertiliser prices due to the Russia-Ukraine conflict, and upgrading of workers' accommodations and amenities, the Group's cost of production would continue to increase.

Nevertheless, the Group believed that the abovementioned extra costs incurred were necessary to enable the Group to become a sustainable palm oil producer and to maintain good relationships with multinational customers.

3) Under Note 38.1.3 on the sensitivity analysis on foreign currency risk [page 85 of Financial Report 2022 ("FR2022")], it is disclosed that "A 1,000 pips increase in foreign currency rate will decrease the profit of the Group by approximately RM85.1 million."

(a) Is 1,000 pips equals to 1% increase in interest rates?

Response from the Company

A 1,000 pips increase in this context refers to a 10 sen increase in value of a foreign currency against Ringgit Malaysia ("RM"). It did not refer to an increase in interest rates.

(b) Since FY2022, the US interest rates has increased by more than 2%. Based on the sensitivity analysis, what will be its impact on the Group's profitability?

Response from the Company

The sensitivity analysis on interest rate had been described on page 90 of the FR2022 under Note 38.2.3 to the AFS for FY2022. A 0.5% (50 basis points) increase or decrease in interest rates would have equally decreased or increased the profit for the Group by approximately RM300,000.

(c) What has the Group done to mitigate the US interest rates increase as it has substantial United States Dollar ("USD") borrowings?

Response from the Company

Most of the Group's borrowings, such as the Guaranteed Notes issued under the USD1.5 billion Euro Medium Term Note programme, had fixed interest rates which helped to mitigate the impact of the rising US interest rates on the Group's profit. As the Guaranteed Notes' interest rate was lower than the current interest rate of nearly 4.5%, the Group would enjoy savings in finance costs.

4) BLC paid a total of RM298.5 million in dividends for FY2022 which was substantially higher than RM43.8 million in FY2021 (Note 17, page 46 of FR2022).

(a) What are the reason(s) for the huge increase in dividends received from BLC in FY2022 vs FY2021?

Response from the Company

The substantial increase in dividends received from BLC was due to BLC's extraordinary gain in disposal of its refinery facilities in Rotterdam.

(b) Is BLC expected to maintain the quantum of dividend based on its performance in current financial year?

Response from the Company

As the said disposal was a one-off event, it was expected that the Group's share in BLC's results would return to normal level in the next financial year.

5) Realised fair value loss on derivative financial institutions had increased to RM1,222.6 million in FY2022 versus RM859.1 million in FY2021.

(a) What are the main reason(s) for the huge realised fair value loss in FY2022?

Response from the Company

The main reason for the higher realised fair value loss on derivative financial instruments in FY2022 was because at the time of delivery of commodities in FY2022, the market value was higher than the agreed forward rate. In addition, the appreciation of the USD had also resulted in higher fair value losses for the Group arising from trading of commodities denominated in USD.

(b) Is this realised fair value loss a cash flow item?

Response from the Company

Realised fair value loss is not a cash flow item as there was no actual cash outflow involved.

(c) Based on the depreciation of RM versus USD and the spike in overall interest rates, will the Group expect similar fair value loss in FY2023?

Response from the Company

Further depreciation of RM against USD would result in higher fair value losses for the Group; however, this would be mitigated by higher margins from sale of products denominated in USD, given that the Group's business is export-oriented.

6) On the United States Customs and Border Protection ("US CBP") issue, the verification of findings was recently approved by the board in late August. Has the findings been shared with the US CBP and if so, has the US CBP responded?

Response from the Company

The report on the verification of findings had been shared with the US CBP in late September 2022. Although the Group had not received any response from the US CBP on the said report, the Group would continue to provide the necessary information if requested and to negate any allegation of forced labour practices within the Group.

7) This year is the first year the Company holds a hybrid AGM during recovery from the pandemic. In the past few years, the cost savings from holding virtual meetings instead of physical meetings were allocated to which segment's budget? Moving forward, will the Board consider holding hybrid meetings for the Company's members, as well as for in-house and long distance meetings?

Response from the Company

So far positive feedback had been received from shareholders on the convening of this AGM in a hybrid format. The Board would consider holding the next AGM in hybrid mode once again if the pandemic continues.

As for the cost savings from holding virtual AGMs in the last 2 years instead of physical AGMs, there was no reallocation of budget arising from the cost savings.

8) Is there any new emerging plantations overseas (such as in Indonesia or Manila) to increase profit/revenue?

<u>Response from the Company</u>

There were no plans to acquire new land parcels for plantation purposes overseas at the moment, as the available land parcels were found to be unsuitable mainly due to social conflicts or deforestation issues.

9) Will the allotment result in share value dilution?

<u>Response from the Company</u>

The Group had no plans to issue and allot new shares for the time being as there was sufficient capital available. Nevertheless, the Group wished to have the flexibility to do so by obtaining prior shareholders' approval on the proposed resolution, in order to facilitate possible merger(s) or acquisition(s) where share-based consideration was preferred over cash consideration.

The Board assured that issuance and allotment of new shares, which would cause share dilution and in turn depress share prices, would not be conducted at a low share price environment as it would not be wise to do so.

10) How many shares were purchased back in the last financial year? At what average price were the shares buy back transacted (if any)? What does the Board plan to do with the treasury shares held currently?

<u>Response from the Company</u>

In FY2022, the Company had purchased a total of 35,801,200 shares from the open market. The share buy backs in FY2022 were transacted at an average price of RM3.75 per share.

The Board had yet to deliberate on the treatment of treasury shares held by the Company. The normal practice however is to cancel the said treasury shares.

<u>Questions submitted from the floor</u>

1) In FY2022, the Group had capital commitments of approximately RM900 million in total and capital expenditure of RM445.5 million in total. Were any of the said capital commitments or capital expenditure utilised for digitalisation of plantations?

It is suggested for the Group to use drones to monitor the health of oil palms as part of the solution to the Group's labour shortage issue.

<u>Response from the Company</u>

The said capital commitments arose from proceeds from the Company's disposal of 70% equity interest in BLC in 2018, which had been earmarked for new acquisition purposes.

As for the capital expenditure on digitalisation of plantations, the Group in year 2018 had successfully embarked on a project to install the Enterprise Resource Planning (ERP) system, which took 3 years to complete as it involved over 105 operating units and more than 2,000 users across 170,000 hectares of land.

Not only that, unmanned aerial vehicles (now known as drones) had been used in Malaysia and Indonesia for the past 20 years, mainly for estate boundary surveys and contour surveys.

Future uses for drones that were being contemplated included:-

- *application of pesticides for immature palms;*
- *disease monitoring; and*
- *detection of plantation density (to identify vacant areas during replanting)*

2) What is the reason for the increase in average discount rate applied for cash flow projections reported in page 37 of the FR2022 (FY2022: 8.53%; FY2021 – 7.55%)?

<u>Response from the Company</u>

The increase in average discount rate was due to the increase in the risk-free rate by nearly 1 percentage point.

3) As the Group's oil extraction rate ("OER") seemed to have decreased over the years, are there any steps taken to improve the OER? Perhaps the Group may resume the replanting exercise once its research and development team manages to find ways to maximise OER from oil palm seeds that are due for replanting.

<u>Response from the Company</u>

The current OER for the Group was about 21.5%, which was still above the national average of 19%.

The actual reasons for the lower OER were (1) heavy rainfall since last year, and (2) shortage of workers for harvesting FFB, resulting in overripe FFB with higher fatty acid content. As a matter of fact, two of the Group's mills which received clonal palms produced by the Group's research centre had achieved OER of nearly 24%, which showed that the decreased OER was not due to poor quality palm seeds.

Nevertheless, the Group would endeavour to overcome the abovementioned issues in order to improve its OER in the future.

4) Does the Company intend to utilise robotics in its operations?

<u>Response from the Company</u>

From being heavily reliant on manual labour, the Group now intends to move into mechanisation in the estates in order to reduce its dependence on labour. The Group would endeavour to implement mechanisation in a progressive manner before moving into robotics and/or automation in its operations.

5) Shareholders attend the AGM for various reasons, i.e. to enquire about the Group's operations, to meet with fellow shareholders, or to enjoy door gifts distributed by the Company to shareholders who attend the AGM.

Minority shareholders would not benefit much from dividends paid by the Company due to the few shares such shareholders hold in the Company. If the Company is able to pay directors' fees to its Board, the Company should be able to spend on AGM door gifts for the enjoyment of the shareholders and proxies who attend the AGM.

Response from the Company

The Company's main focus was to ensure that the AGM is organised and run in a smooth and orderly manner. The reason the Company chose not the distribute door gifts for the 53rd AGM was to avoid the main issues associated with AGM door gifts, such as the eligibility of shareholders/proxies to receive door gifts, as well as the amount and value of door gifts to be distributed. Nevertheless, the Company would consider distributing door gifts to its shareholders for future AGMs.

6) Shareholders have incurred toll and petrol charges and spent much time in order to attend the hybrid AGM physically. As there were not many shareholders attending physically at this AGM, the Company could consider distributing e-vouchers or Touch N' Go reloads to such shareholders.

The Company would consider the shareholders' suggestions for AGM door gifts for future AGMs.

After all questions were answered, the Chairman thanked the shareholders and declared the Q&A session closed.

18.0 POLL VOTING

The Chairman informed that additional 3 minutes would be allocated for all resolutions to be voted on by poll and another approximately 5 minutes for the Poll Administrator to conduct the poll vote count and for verification of the results by the Independent Scrutineers.

19.0 DECLARATION OF POLL RESULTS

The Chairman called the Meeting to order for the declaration of the poll results. The Chairman invited the Company Secretary to read out the poll results for each ordinary resolution, as follows:-

Resolutions	Voted For		Voted Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 1 Re-election of Dato’ Kong Sooi Lin pursuant to Article 97 of the Company’s Constitution	4,580,349,141	99.8915	4,975,837	0.1085
Ordinary Resolution 2 Re-election of Lee Yeow Seng pursuant to Article 91 of the Company’s Constitution	4,579,141,163	99.8626	6,298,881	0.1374

Resolutions	Voted For		Voted Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 3 Re-election of Tan Sri Peter Chin Fah Kui pursuant to Article 91 of the Company's Constitution	4,485,560,693	97.8244	99,758,087	2.1756
Ordinary Resolution 4 Directors' fees of RM1,460,000 for the financial year ending 30 June 2023	4,584,191,525	99.9728	1,245,419	0.0272
Ordinary Resolution 5 Directors' benefits of up to RM280,000 for the period from 31 October 2022 until the next Annual General Meeting	4,584,183,378	99.9730	1,239,522	0.0270
Ordinary Resolution 6 Re-appointment of BDO PLT as Auditors for the financial year ending 30 June 2023	4,503,855,078	98.2209	81,580,966	1.7791
Ordinary Resolution 7 Authority for Directors to allot and issue shares pursuant to Section 76 of the Companies Act 2016	3,920,727,888	85.5047	664,667,553	14.4953
Ordinary Resolution 8 Proposed renewal of existing share buy-back authority	4,567,672,807	99.6333	16,812,537	0.3667
Ordinary Resolution 9 Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature	1,649,041,866	99.9668	547,196	0.0332

The Chairman declared that based on the poll results, all of the following 9 Ordinary Resolutions tabled at the Meeting were duly carried:-

19.1 "THAT Dato' Kong Sooi Lin, retiring pursuant to Article 97 of the Company's Constitution and being eligible, be hereby re-elected as a Director of the Company."

19.2 "THAT Lee Yeow Seng, retiring by rotation pursuant to Article 91 of the Company's Constitution and being eligible, be hereby re-elected as a Director of the Company."

19.3 "THAT Tan Sri Peter Chin Fah Kui, retiring by rotation pursuant to Article 91 of the Company's Constitution and being eligible, be hereby re-elected as a Director of the Company."

19.4 "THAT the payment of Directors' fees (inclusive of Board Committees' fees) of RM1,460,000 for the financial year ending 30 June 2023 payable quarterly in arrears after each month of completed service of the Directors during the financial year be hereby approved."

19.5 "THAT the payment of Directors' benefits (other than Directors' fees) of up to RM280,000 for the period from 31 October 2022 until the next Annual General Meeting be hereby approved."

19.6 "THAT BDO PLT be hereby re-appointed as Auditors of the Company for the financial year ending 30 June 2023 AND THAT the Audit and Risk Management Committee be authorised to fix their remuneration."

19.7 "THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (the "Act"), the Board of Directors (the "Board" or the "Directors") be 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 (excluding treasury shares) [the "New 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 also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued (the "Mandate").

AND THAT pursuant to Section 85 of the Act read together with Article 55 of the Constitution of the Company, approval be hereby given to the Company to waive and disapply the statutory pre-emptive rights conferred upon the shareholders of the Company and that the Board is exempted from the obligation to offer such New Shares first to the existing shareholders of the Company arising from any issuance of the New Shares pursuant to the Mandate."

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

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

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

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

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

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

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

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

19.9 "THAT subject always to the provisions of the Companies Act 2016 (the "Act"), the Constitution of the Company, Main Market Listing Requirements of Bursa Malaysia Securities Berhad or other regulatory authorities, approval be hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations involving the interests of Directors, major shareholders or persons connected to the Directors and/or major shareholders of the Company and its subsidiaries ("Related Parties"), as detailed in Part B, Section 4 of the Circular to Shareholders of the Company dated 30 September 2022 ("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 340(2) of the Act *(but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act)*; or

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

whichever is the earlier,

AND THAT the Directors of the Company be 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."

20.0 CLOSURE OF MEETING

The Chairman thanked all present at the Meeting for their attendance and participation at the Meeting. He also recorded the Board's appreciation to Datuk Karunakaran as he officially retired from the Board.

The Meeting concluded at 12.05 p.m. with a vote of thanks to the Chairman.

Confirmed

Tan Sri Peter Chin Fah Kui
Chairman

Date: 31 October 2022

Appendix I

IOI GROUP

53rd Annual General Meeting

31 October 2022

Presented by Group CFO Mr. Kong Kian Beng

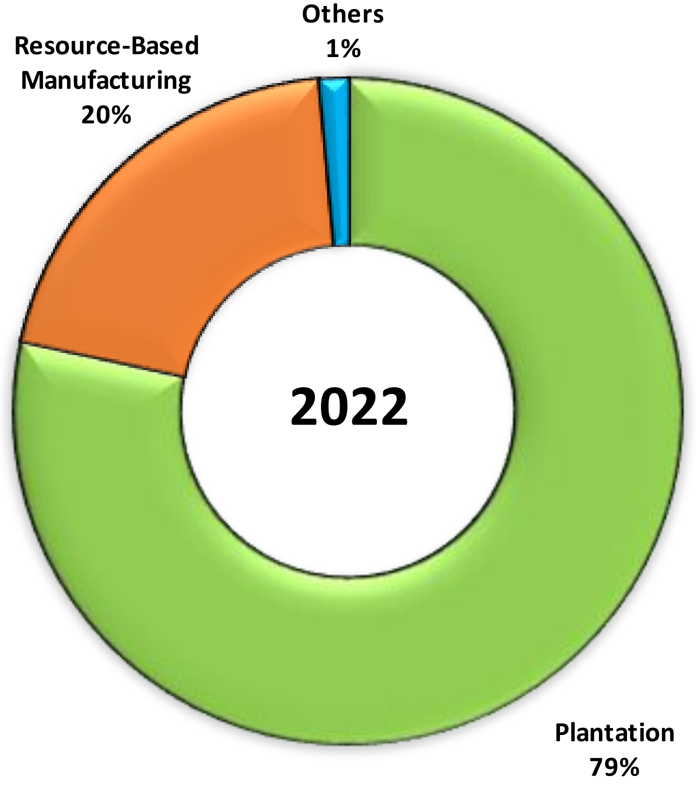
Overall Group Financial Performance

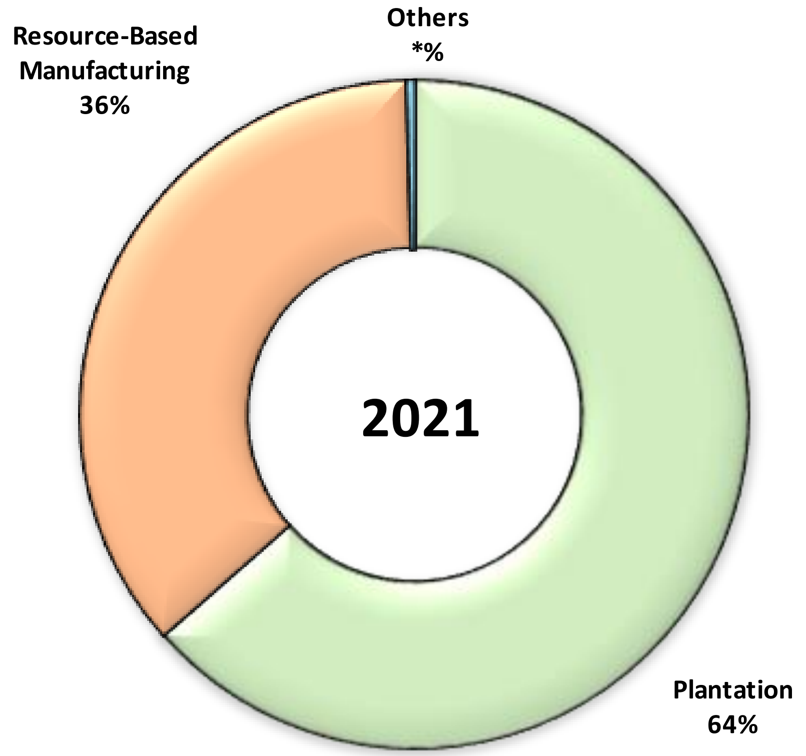
IOI GROUP

	2022 RM Million	2021 RM Million	Variances (%)
Revenue	**15,578.7**	11,251.7	38
Earnings before Interest and Tax (EBIT)	**2,494.2**	1,747.5	43
Profit before Tax (PBT)	**2,352.6**	1,739.8	35
Underlying PBT*	**2,547.7**	1,523.3	67
Profit after Tax (PAT)	**1,768.9**	1,416.3	25
Basic EPS (sen)	**27.74**	22.26	

*exclude fair values and non-operating items

Segmental profit



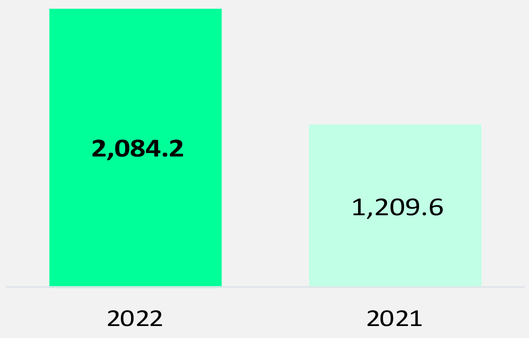


	2022 RM Million	2021 RM Million	Variances (%)
Plantation	**2,084.2**	1,209.6	↑ 72
Resource-Based Manufacturing	**537.3**	668.0	↓ 20
Others	**10.7**	8.1	↑ 32

***negligible**

Plantation Segment

Segment profit (RM Million)

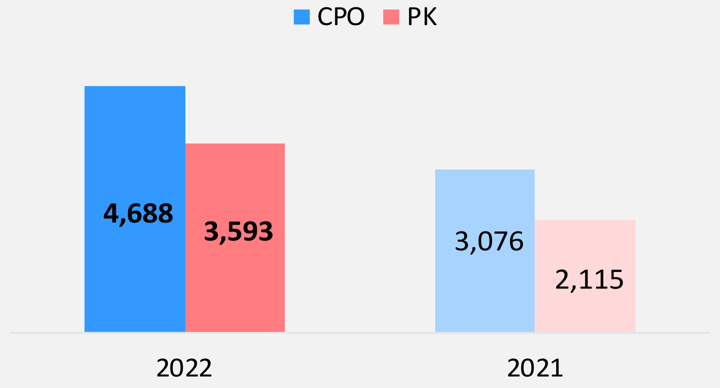


Higher profit mainly due to:

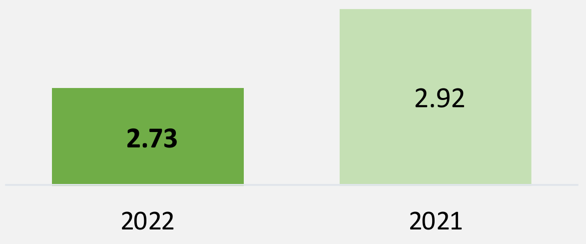
- Higher CPO and PK prices
- Higher share of associate results

partially offset by:
- Lower FFB production

Average Realised Commodity Price (RM)

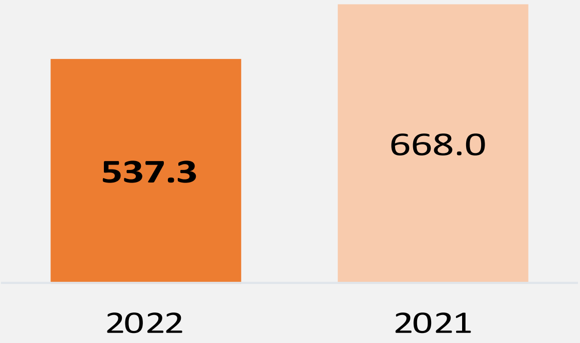


FFB Production (Million MT)



Resource-Based Manufacturing Segment

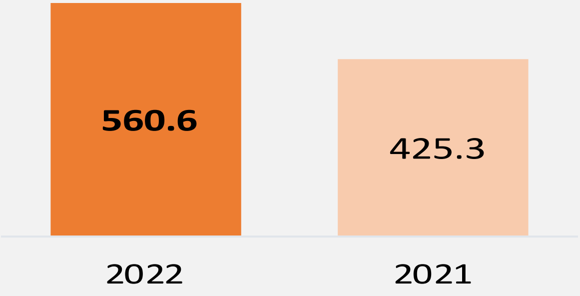
Segment profit (RM Million)



Lower profit mainly due to:

- Lower share of associate results from Bunge Loders Croklaan Group B.V.("BLC") (FY2021 – share of BLC's one-off gain of sale of its refinery of RM268.3 mil)

Underlying segment profit (RM Million)



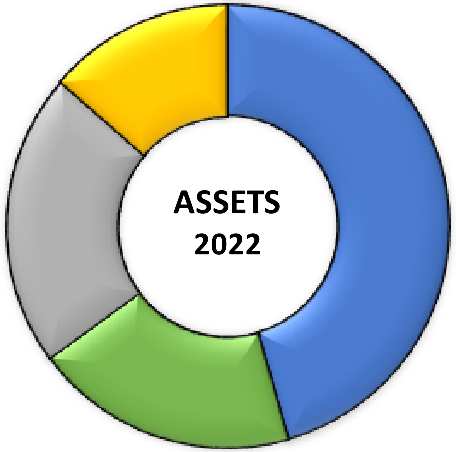
Higher underlying profit mainly due to:

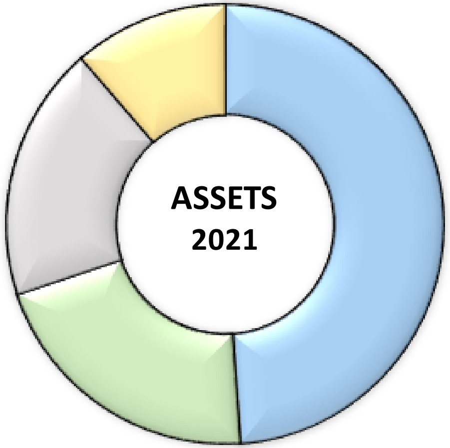
- Higher margins from oleochemical and refining sub-segments

Balance Sheet (RM billion)

IOI GROUP

Assets	2022
Property, plant and equipment	8.7
Other long term assets	3.7
Other short term assets	4.1
Cash and cash equivalents	2.6
	19.1





Assets	2021
Property, plant and equipment	8.6
Other long term assets	3.7
Other short term assets	3.3
Cash and cash equivalents	2.0
	17.6

Equity and Liabilities	2022
Equity	10.9
Borrowings	5.0
Non-controlling interests	0.3
Other liabilities	2.9
	19.1

Net Gearing = 22.8%

Equity and Liabilities	2021
Equity	10.0
Borrowings	5.0
Non-controlling interests	0.3
Other liabilities	2.3
	17.6

Net Gearing = 29.4%

Capital Expenditure

	2022 RM Million	2021 RM Million
Freehold land	**7.5**	-
New planting and Replanting	**157.8**	181.3
Other Plantation Capex	**119.5**	98.3
Oleochemical Plant in progress	**93.0**	90.1
Palm Wood factory in progress	**29.6**	-
Others	**38.1**	37.9
	445.5	407.6

Equity repayments

IOI GROUP

IOI

Dividend declared during the year

14 sen (RM869.7 million)

1st Interim – 6 sen
Payment: 25 March 2022
2nd Interim – 8 sen
Payment: 23 September 2022

Share buy back during the year

RM134.2 million

Average purchased price

RM3.75 per share

Thank You