PROGRESSING ON ALL FRONTS

A meaningful and dynamic cover that outlines the importance of IOI's five strategic priorities in the Group's business performance for this year and beyond. The top of the speedometer depicts each individual strategic priority, clearly illustrated and defined. The needle indicates IOI's progress being optimally powered through the execution of each of these strategies.

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

IOI CORPORATION BERHAD 196901000607 (9027-W)

ANNUAL REPORT 2022

IOI GROUP

Progressing on All Fronts

ANNUAL REPORT 2022

WHAT'S INSIDE

53rd ANNUAL GENERAL MEETING ("AGM") OF IOI CORPORATION BERHAD

Physical Meeting Venue:
Millennium Ballroom 1 (Level 1),
Le Méridien Putrajaya, Lebuh IRC,
IOI Resort City, 62502 Putrajaya, Malaysia

Meeting Mode:
Hybrid AGM (Physical and Virtual)

Virtual Meeting Platform:
https://conveneagm.my/ioicorpagm2022
(Domain Registration No. D6A475992)

Monday
31 October 2022

10:00 am

GROUP OVERVIEW

KEY MESSAGES

STRATEGIC VALUE CREATION

STRATEGIC PROGRESS

PERFORMANCE REVIEW

GOVERNANCE

ADDITIONAL INFORMATION

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

This Integrated Annual Report provides an integrated review of the Group's holistic performance, governance and risk framework, business strategy, and future direction.

PROGRESSING ON ALL FRONTS

A meaningful and dynamic cover that outlines the importance of IOI's five strategic priorities in the Group's business performance for this year and beyond. The top of the speedometer depicts each individual strategic priority, clearly illustrated and defined. The needle indicates IOI's progress being optimally powered through the execution of each of these strategies.

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 fourth 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 Suite

Financial Report 2022

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

Sustainability Report 2022

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

NAVIGATION ICONS

Our Strategic Priorities

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

Our Six Capitals

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

Our Risks

- R1 Human Capital & Talent
- R2 Supply Chain Compliance
- R3 Reliance on Manual Labour
- R4 Business Resilience
- R5 Environmental Sustainability

Our Key Stakeholder Groups

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

Our Material Matters

- M1 Safety & Health
- M2 Climate Change & Circular Economy
- M3 Labour Practices & Human Rights
- M4 Transparent Grievance Resolution & Communication
- M5 Traceability & Responsible Sourcing: Policy & Practices
- M6 Water & Wastewater Management
- M7 Deforestation & Land Use
- M8 Ethical Recruitment & Responsible Employment
- M9 Supply Chain Management
- M10 Regulatory & Third-Party Compliance

REPORTING PERIOD, SCOPE AND BOUNDARY

This Report covers our financial and non-financial performance during the period of 1 July 2021 to 30 June 2022.

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

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

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

REPORTING FRAMEWORK

This Report has been prepared in accordance with the International Framework set by the International Integrated Reporting <IR> Council ("IIRC") and the Main Market Listing Requirements of Bursa Malaysia. This report has also been prepared with reference to the Global Reporting Initiative ("GRI") standards and the International Sustainability Standards Board ("ISSB") standards while the climate-related disclosures are aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD").

The financial report is aligned with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), Malaysian Code on Corporate Governance 2021 and the requirements of the Companies Act 2016 in Malaysia.

ASSURANCE

The Board has applied its collective mind to present IOI's Report and acknowledge its responsibility to ensure the integrity of this Report, through good governance practices and internal reporting procedures. This Report was approved by the Board on 13 September 2022.

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 expectations. 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.

Increase Yield

Oil palm is the highest yielding and the most efficient oil crop with diverse use and benefits, making it the super crop among all oilseed crops. At IOI, we are further maximising the yield potential through the development of high-yielding germplasm and improvements in agronomic practices such as improved planting materials and more efficient crop evacuation. Continuous investment in research and development drives this strategic focus.

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 24,000 people in several countries, we are a fully integrated corporation 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.

OUR PURPOSE

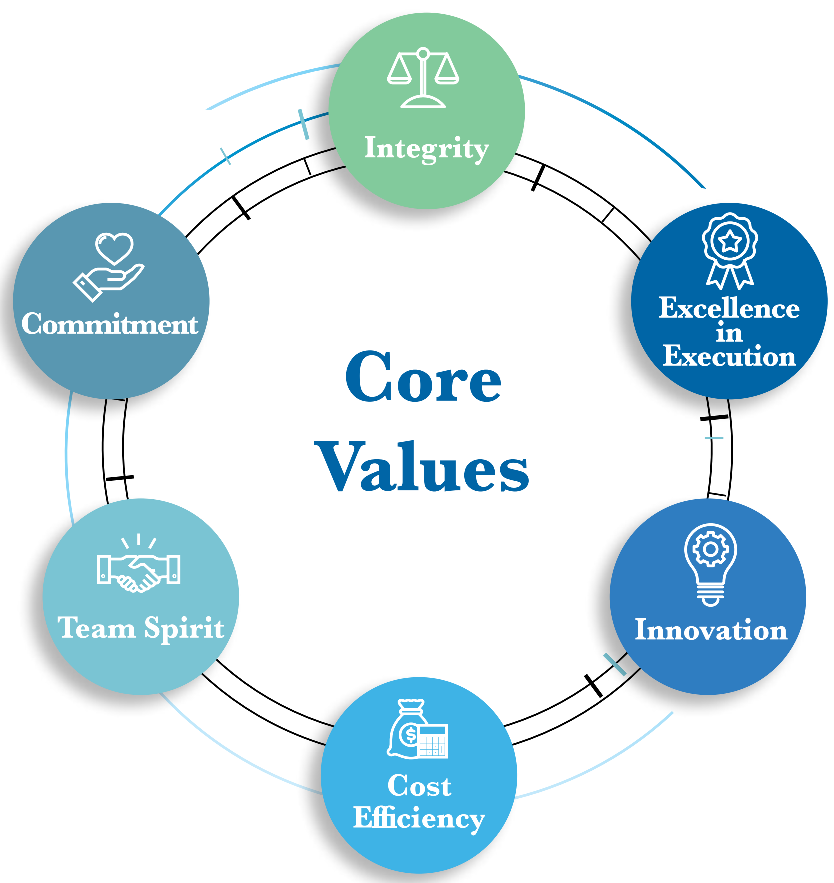
Committed to sustainable agriculture and innovative products.

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 a core business 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, four research and development ("R&D") centres and one biotechnology centre across Malaysia and Indonesia.

Contribution to Segment Results
79%

Total Planted Area (Hectares)#
176,980
Excludes area owned by associate companies

FFB Yield (Per Hectare)
19.34 MT

Total FFB Production (Million MT)
2.7

OER
21.39%

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

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.

Contribution to Segment Results
20%

Combined Annual Refining Capacity (Million MT)
1.8

Manufacturing Facilities*
6
* Excludes associate companies

Combined Annual Oleochemical Capacity (MT)
780,000

Export to Over
70
Countries Worldwide

GLOBAL PRESENCE

Exports by Regions (Oleochemical)

79.8%	Asia
3.0%	Africa
12.4%	Europe
3.5%	North America
0.8%	South America
0.5%	ROW (Rest of the World)

Exports by Regions (Commodity)[+]

36.3%	Asia
9.4%	Africa
49.1%	Europe
4.2%	North America
1.0%	ROW (Rest of the World)

NORTH AMERICA

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

SOUTH AMERICA

4. Sao Paulo, Brazil ~

AFRICA

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

EUROPE

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

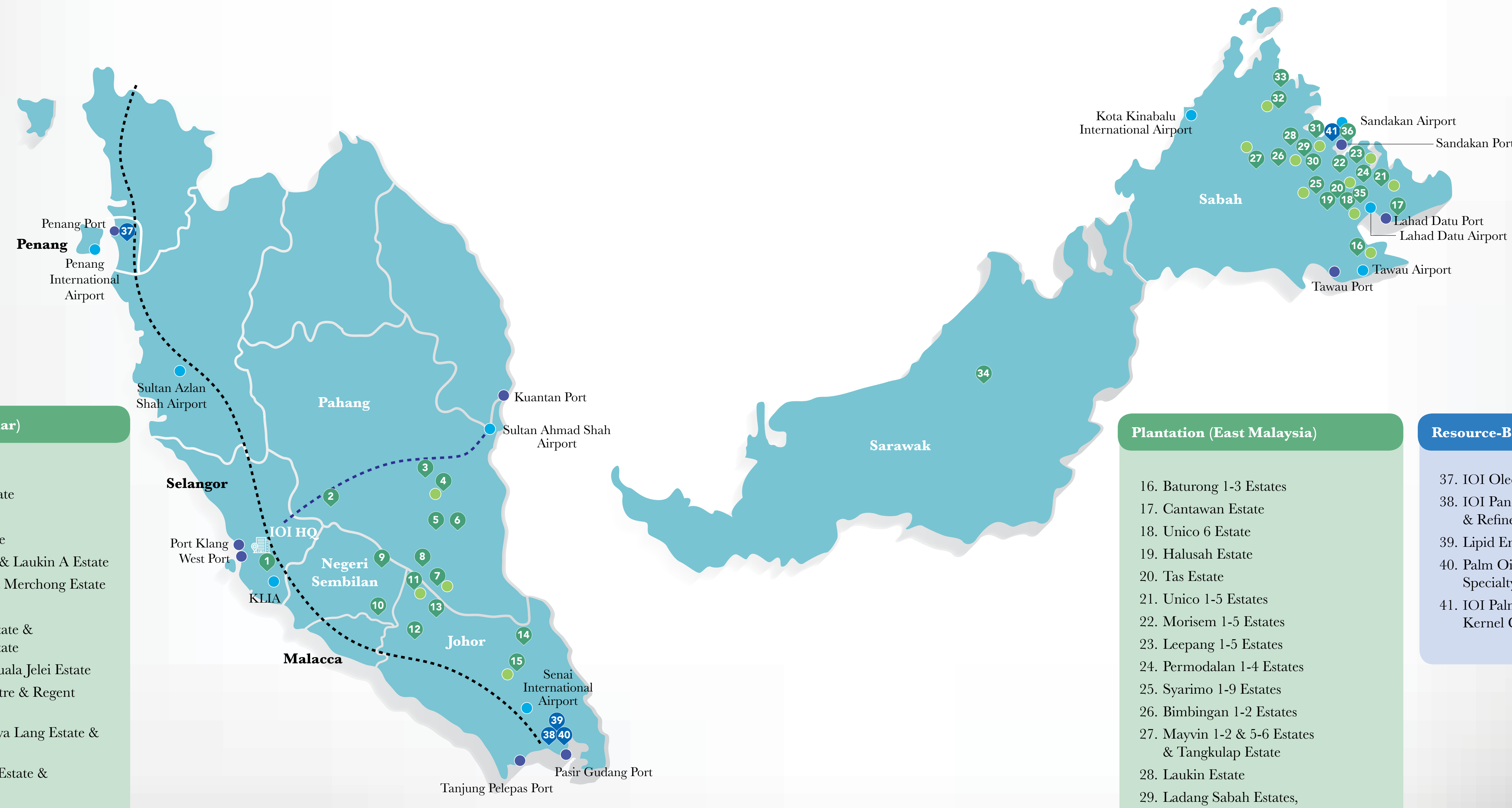
ASIA

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

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

~ Associate (Bunge Loders Croklaan Group B.V.) # Includes associate companies ^ Includes plasma estates + Excludes sales of palm kernel expellers

LOCAL PRESENCE



Plantation (Peninsular)

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

Plantation (East Malaysia)

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

Resource-Based Manufacturing

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

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

~ Associate (Bunge Loders Croklaan Group B.V.)

HIGHLIGHTS OF THE YEAR

Revenue
RM15.58 billion

Profit before Interest and Tax
RM2.5 billion

Net Profit Attributable to Owners of the Parent
RM1.73 billion

Market Capitalisation
RM23.86 billion

Share Price
RM3.84

Donated
RM5 million
to the UTAR Hospital

93%
of our plantation operating units in Malaysia have been implemented with the **e-wallet salary crediting system**

Successfully implemented **Mechanised Mainline FFB Evacuation System** in approximately 75% of our plantations in Malaysia and Indonesia

Filed 2 new patents for pharmaceutical applications

Developed 8 new formulations for personal care and cosmetic applications

Commissioned a **new hydrogenation plant** at IOI Oleochemical Industries Berhad, Penang, Malaysia

Started construction of a **20-acre palm wood factory** in Johor, Malaysia

AWARDS & ACHIEVEMENTS

Winner in Renewable Energy in the Cogeneration category
IOI Bio-Energy Sdn Bhd
(National Energy Awards 2021)

Commendable Example for its Strategic Priorities (Annual Report 2020: Poised & Future-Ready)
IOI Corporation Berhad
(Malaysian Institute of Accountants)

Upgraded to 'BBB' from 'BB' for its Environmental, Social and Governance ("ESG") performance
IOI Corporation Berhad
(Morgan Stanley Capital International ESG Research LLC)

Gold EcoVadis Sustainability Ratings
IOI Pan-Century Oleochemicals Sdn Bhd

Silver EcoVadis Sustainability Ratings
IOI Oleo GmbH

Winner of the 2022 ASEAN Tech for ESG Awards
IOI Corporation Berhad
(ASEAN Innovation Business Platform)

Upgraded Carbon Disclosure Programme Forest score improved from C (Awareness) to B (Management Awareness & Involvement)
IOI Corporation Berhad

Environmental, Social and Governance ("ESG") Rating: 3.4
IOI Corporation Berhad
(A Constituent of FTSE4Good Index)

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 70 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 21 patents for pharmaceutical applications via IOI Oleo GmbH, Germany
- CARE Studio in Germany developed 48 formulations for personal care and cosmetic applications

Responsible and sustainable practices

- 100% of Malaysian plantations are Malaysian Sustainable Palm Oil ("MSPO") certified
- A constituent of the FTSE4Good Index, 77th percentile in the FOA Food Products industry in the S&P Global Corporate Sustainability Assessment, BBB rating by Morgan Stanley Capital International ("MSCI") and achieved Gold EcoVadis Sustainability Ratings (IOI Pan-Century Oleochemicals Sdn Bhd)
- Committed to the No Deforestation, No New Planting on Peat, No Social Exploitation ("NDPE") since 2016 and to protection of High Conservation Value ("HCV") and High Carbon Stock ("HCS") areas

Good dividend track record

- Policy of declaring at least 50% of normalised profit after tax and minority interest ("PATAMI") as dividend

Optimise Workforce

Upstream operations of oil palm continue to be labour-intensive thus we are improving our training and upskilling of workers to elevate our operational performance levels. To mitigate the risk of labour dependency while improving productivity and increasing operational efficiency, IOI is accelerating its estate mechanisation and digitalisation programmes in its estates.

The Group recorded a commendable financial result for FY2022 on the back of strong palm oil prices despite the challenging global environment caused by the COVID-19 pandemic.

CHAIRMAN'S STATEMENT

Dear Fellow Shareholders,

On behalf of the Board of Directors (the "Board") of IOI Corporation Berhad ("IOI" or the "Group"), I am delighted to present to you the Annual Report of the Group for the financial year ended 30 June 2022 ("FY2022").

OPERATING ENVIRONMENT

It is with great relief that Malaysia transitioned to the endemic phase of the COVID-19 pandemic earlier this year and thereby refueling our optimism on the future outlook. Although we rejoice at the easing of pandemic related restrictions and economies worldwide are returning to normalcy, the global economic environment remains fragile due to the emergence of the Omicron variant which is prolonging the COVID-19 pandemic, widespread global inflation and the unforeseen Russian invasion of Ukraine. Consequently, the World Bank and the International Monetary Fund took a bearish outlook and projected a slower global economic growth of 2.9% and 3.2% respectively for 2022 from an estimated growth of 5.7% and 6.1% respectively in 2021.

The local front is on a brighter side, with Malaysia's economy almost fully reopened and continue to recover following a successful vaccination drive and reduction in COVID-19 cases which led to the nationwide abolishment of the movement control order. Bank Negara Malaysia projected Malaysia's economy to grow notably by between 5.3% and 6.3% in 2022.

For the plantation sector, crude palm oil ("CPO") price hit unprecedented levels which is an all-time high of about RM8,000 per metric tonne ("MT") in March 2022 before declining steeply to below RM4,000 per MT level in September 2022. While the strong price rally earlier was due to tight supply of major vegetable oils which was further exacerbated by the Russia-Ukraine war and Indonesian government restricting CPO exports, CPO price has since declined. This decline is primarily due to Indonesia's burgeoning CPO inventory as a result of its government's earlier CPO export restriction policy. On the Malaysian front, Malaysia's palm oil stocks increased 11.5% year-on-year to a 33-month high of 2.09 million MT as at the end of August 2022.

Similarly, the foreign exchange market was also volatile as the US Dollar strengthened sharply against the Malaysian Ringgit from USD/MYR 4.17 level early this year to above USD/MYR 4.50 level currently. The sharp increase was mainly due to rising interest rates in the United States as a result of the U.S. Federal Reserve increasing the federal funds rate rapidly from 0.25% to 2.50% (upper limit) during the first seven months of 2022.

TAN SRI PETER CHIN FAH KUI
Independent Non-Executive Chairman

REVIEW OF RESULTS

For the financial year under review, the Group's profit before tax ("PBT") of RM2,352.6 million was 35% higher as compared to the PBT of RM1,739.8 million reported for financial year ended 30 June 2021 ("FY2021"). The higher PBT was due to higher contribution from all segments. Excluding the non-operating and one-off items as tabulated below, the underlying PBT of RM2,547.7 million for FY2022 was 67% higher than the underlying PBT of RM1,523.3 million for FY2021.

Underlying PBT- Year-to-Date

In RM million	2022	2021	Change %
PBT	**2,352.6**	**1,739.8**	**35**
Exclude non-operating and one-off items:			
Net foreign currency translation loss/(gain) on foreign currency denominated borrowings and deposits	12.8	(118.5)	nm
Net fair value loss on derivative financial instruments	63.7	139.3	(54)
Share of impairment loss of associate, Bunge Loders Croklaan Group B.V. ("BLC")	55.3	–	nm
Share of BLC's one-off gain of sales of its refinery	–	(268.3)	nm
Impairment loss on investment in an associate	33.9	–	nm
Indemnity claims arising from disposal of BLC	–	31.0	nm
Loss on repurchase of Guaranteed Notes due 2022	29.4	–	nm
	195.1	(216.5)	nm
Underlying PBT	**2,547.7**	**1,523.3**	**67**

Note: nm = not meaningful

For our plantation segment, the higher operating profit of RM2,084.2 million for FY2022 as compared to FY2021 of RM1,209.6 million was mainly due to higher CPO and palm kernel ("PK") prices realised which offset the lower FFB production, as well as higher share of associates results. Overall average CPO and PK prices realised for FY2022 were RM4,688 per MT (FY2021 – RM3,076 per MT) and RM3,593 per MT (FY2021 – RM2,115 per MT) respectively, whilst FFB production lowered to 2.73 million MT from 2.92 million MT a year earlier.

Revenue
RM15.58 billion

Net Profit
RM1.73 billion

The Group's mechanisation programme which was embarked on three years ago was able to partly mitigate the worker shortage situation.

CHAIRMAN'S STATEMENT

IOI is accelerating digitalisation and mechanisation to enhance estates' operational effeciency and reduce dependency on manual workers.

The main reasons for the lower FFB production are worker shortage and also the Group's accelerated replanting activities in the Sabah region over the past four years. Fortunately, the Group's aggressive mechanisation programme which started three years ago was able to partly mitigate the worker shortage situation.

For our resource-based manufacturing segment, the profit for FY2022 was RM537.3 million as compared to RM668.0 million for FY2021. Excluding the fair value gain on derivative financial instruments of RM32.0 million (FY2021 – loss of RM25.6 million), share of BLC's impairment loss of RM55.3 million (FY2021 – Nil) and share of BLC's one-off gain of sales of its refinery of RM268.3 million reported in FY2021, the segment reported an underlying profit of RM560.6 million for FY2022 which was 32% higher than the underlying profit of RM425.3 million for FY2021. The higher profit was due mainly to higher margins from oleochemical and refining sub-segments which was offset by lower share of associate results from BLC. Despite the rising input cost such as feedstock, energy and freight cost which we were able to pass on to customers, we were also able to impute additional margins on our products especially the oleochemical products. The higher margins were largely attributed to pent-up demand as most economies enter into the endemic phase of the COVID-19 infection.

The total dividend declared for FY2022 is approximately RM869.7 million, an increase of RM213.9 million or 32.6% compared to FY2021.

A more detailed review of the Group's performance is covered under the Business Performance Review section from page 64 to 79 in this Annual Report.

MAJOR CAPITAL EXPENDITURE

The Group remains committed in the upkeep of its integrated business model with upstream and downstream operations. The total capital expenditure for FY2022 was RM445.5 million, of which RM282.2 million was incurred by the plantation segment, and RM125.3 million was incurred by the resource-based manufacturing segment.

Following the Group's replanting programme, over 5,000 hectares ("ha") of past prime trees were replanted during FY2022 with higher yielding oil palm planting materials and approximately 6,000 ha of oil palm trees were brought into maturity in FY2022. The replanted area was short of our initial target to replant approximately 10,000 ha, due to the high CPO price and also shortage of workers. Nevertheless, as a result of our replanting programme, the weighted average planting age for our Group has reduced from 13.5 years in FY2021 to 13 years in FY2022.

Construction of our new 110,000 MT/year capacity oleochemical plant and new warehouse in Prai, Penang is slated to complete in Q3 2022. Our new palm wood factory has also started its construction at Segamat, Johor in March 2022.

DIVIDENDS AND CAPITAL MANAGEMENT

An interim single tier dividend totaling 6.0 sen per ordinary share amounting to approximately RM372.7 million was paid in March 2022 for FY2022. To further reward shareholders, the Board subsequently declared a second interim single tier dividend of 8.0 sen which amounts to approximately RM497.0 million on 23 August 2022. When taken together, the total dividend declared for FY2022 is approximately RM869.7 million, an increase of RM213.9 million or 32.6% compared to FY2021.

During the period, the Group continues to create value for shareholders by purchasing about 35.8 million of its issued shares capital from the open market at an average price of RM3.75 per share for a total consideration of approximately RM134.2 million.

Notwithstanding the distributions mentioned above, the Group remains in a strong liquidity position with a low net gearing ratio of 23% and cash and cash equivalents of RM2.55 billion as at the end of FY2022. With sound capital management, the Group continues to be poised to capitalise on future investment opportunities.

GOVERNANCE

The Group strengthened its governance over sustainability matters at the Board level with the appointment of Dr Nesadurai Kalanithi as an Independent Non-Executive Director in July 2021. Dr Kalanithi, a biochemist by training and one of the founding members of Climate Governance Malaysia, has also been appointed as a leading member of IOI's Group Sustainability Steering Committee, which is tasked with ensuring that environmental, social and governance considerations are holistically integrated into the Group's strategy and business model.

The Board's oversight of financial reporting matters has been enhanced by the appointment of Dato' Kong Sooi Lin as another Independent Non-Executive Director and a member of the Board Audit and Risk Management Committee in February 2022. Dato' Kong is trained as an accountant and has more than 30 years of investment banking experience.

With the appointment of both Dr Kalanithi and Dato' Kong to the Board, the Board is now more diverse and has a female representation of 38% among its members.

ACKNOWLEDGEMENTS

The Group recorded a commendable financial result for FY2022 on the back of strong palm oil prices despite the challenging global environment caused by the COVID-19 pandemic which was exacerbated by the global inflationary pressure and the Russia-Ukraine war. In fact, FY2022's operating profit (excluding one-off items) is the best financial results achieved by the Group over the past 14 years.

In recognition of this excellent financial performance, I would like to express my gratitude to the management and employees of IOI for their commitment and hard work. Finally, I would also like to thank our stakeholders, namely our customers, bankers, business partners, government authorities, non-governmental organisations and also our shareholders for their continued support and confidence in our Group.

Please stay safe and keep well. Thank you.

Tan Sri Peter Chin Fah Kui
Independent Non-Executive Chairman

GROUP MANAGING DIRECTOR AND CHIEF EXECUTIVE'S STATEMENT

DATO' LEE YEOW CHOR
Group Managing Director and Chief Executive

Notwithstanding the weaker external environment, the Group is progressing on all fronts and is committed to the disciplined execution of its Five-Year Plan.

Dear Esteemed Stakeholders,

I am delighted to present the Group's progress on its strategic priorities, developments on the sustainability front, and prospects for financial year 2023 ("FY2023").

STRATEGIC PROGRESS

The Group's strategic five-year plan from 2020 to 2024, now in its third year, is driven by five strategic priorities to transform the Group from a cost competitive palm oil producer to a high value-added diversified palm-based products producer.

The first priority is to increase plantation oil yield by at least 15% by the end of 2024 through utilisation of our high-yielding planting materials which includes elite clonal palms and third-generation hybrid palm seedlings, as well as employing the best agricultural and labour management practices. On this front, our top performing estates which were planted with our elite clonal palms have delivered oil yield in excess of 6 metric tonne ("MT") per hectares ("ha"), well above the Malaysian industry average oil yield of 3.1 MT per ha in 2021.

Delivered oil yield in excess of **6 MT** per ha, well above the Malaysian industry average oil yield of 3.1 MT per ha in 2021

Improved harvesters' productivity by at least **30%** through mechanisation

The Group's construction of a palm wood factory to convert oil palm trunks into high performance palm wood boards and panels is targeted to complete during the first quarter of 2023.

Our new oleochemical plant in Prai, Penang will increase the Group's fatty acid capacity by about 14% to 890,000 MT/year.

Notwithstanding the stellar performance from our best performing estates, due to the labour shortage situation currently faced by the industry in Malaysia, the Group is not able to fully optimise the best agricultural practices and achieve further operational efficiencies to improve oil yield on a Group-wide basis. We believe the situation will improve with the gradual return of foreign workers beginning third quarter of 2022.

The Group's second strategic priority, which is to minimise dependence on manual labour through implementation of various estate mechanisation and digitalisation programmes, will partly address the labour shortage issue. I am happy to report that at the end of FY2022, we expanded the deployment of mechanised mainline fresh fruit bunches ("FFB") evacuation system to about 75% of our total estate areas up from 40% last financial year, and introduced mechanical tools and equipment such as motorised palm cutters and power wheel barrows to improve harvesters' productivity by at least 30%.

We have also implemented an e-wallet salary crediting system to 93% of our plantation operating units to simplify our estate workers' payroll system.

Thirdly, the Group is diversifying from planting only oil palm to planting other high value crops as well to generate higher returns from its landbank. On this front, we have planted about 200 ha of coconuts in FY2022, making a total of 480 ha of coconuts planted as at June 2022. Plans are in place to increase that to about 4,600 ha over the next four years.

The fourth strategic priority is to increase the non-crude palm oil ("CPO") income by converting oil palm by-products and processing waste into value-added products at competitive cost. As an update, the Group's construction of a palm wood factory to convert oil palm trunks into high performance palm wood boards and panels is targeted to complete during the first quarter of 2023.

GROUP MANAGING DIRECTOR AND CHIEF EXECUTIVE'S STATEMENT

IOI is expanding social inclusion through digital innovation.

Our oleochemical business unit in Germany has recorded much higher margins compared to previous years, and has developed eight new formulations for personal care and cosmetic applications, and filed two new patents for pharmaceutical applications during FY2022.

Finally, the Group is committed to grow the profit contribution from oleochemical sub-segment by about 30% from 2020 level. In this respect, I am pleased to report that the new 110,000 MT/year capacity oleochemical plant in Prai, Penang is slated to start commissioning during the third quarter of 2022. This new plant will increase the Group's palm- and palm kernel-based fatty acids capacity by about 14% from 780,000 MT/year to 890,000 MT/year. In addition, the Group is also constructing a new soap noodle plant in Pasir Gudang, Johor which is expected to complete by end of this year.

Our oleochemical business unit in Germany has recorded much higher margins compared to previous years as we executed our five-year plan. Its pharmaceutical portfolio continues to be the main profit contributor with the recovery of active pharmaceutical ingredient sales to China. The German business unit has developed eight new formulations for personal care and cosmetic applications, and filed two new patents for pharmaceutical applications during FY2022.

Progress of the Group's Strategic Priorities are further detailed from page 46 to 53 of this Annual Report.

CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY

While we are recovering from the impact of COVID-19 pandemic, we continue to put the well-being, safety and health of our employees as our top priority. The Group introduced specific guidelines concerning the rights and protection of our workforce such as a Code of Conduct on Ethical Recruitment and Responsible Employment, and implemented child education initiative to counter child labour through education. We also undertook a third-party audit on our compliance with both the governance and social aspects of International Labour Organization's ("ILO") Indicators of Forced Labour, and adopted digitalisation in the computation and payment of wages to our plantation workers which is more transparent and more convenient to them.

On the environment front, our Climate Change Action ("CCA") Initiative which was introduced in 2019 and the recently adopted Task Force on Climate-Related Financial Disclosures ("TCFD") framework have formed the basis for the Group's path towards decarbonising our business operations and building their climate resilience. This year, the Group launched its net zero greenhouse gas ("GHG") emissions targets for its entire business operations. Further details about this and other sustainability-related matters can be obtained from our Sustainability Report 2022 which is based on the newly updated Global Reporting Initiative ("GRI") standards and TCFD framework.

The long-standing matter involving the communities in the IOI Pelita land dispute case has finally been resolved with the signing of a final settlement agreement with all the communities. Under this landmark agreement, IOI Pelita will excise 4,615 ha of land from its provisional lease and this land will subsequently be gazetted by the Sarawak State Government as Native Community Reserve for agricultural use by the affected communities. Following the signing of the final settlement agreement, this case was closed by the Roundtable on Sustainable Palm Oil ("RSPO") Complaints Panel on 2 July 2022.

The Group undertakes corporate social responsibility activities via Yayasan Tan Sri Lee Shin Cheng ("Yayasan TSLSC"), a charity foundation funded solely by the Group and its sister company, IOI Properties Group Berhad. Yayasan TSLSC has awarded more than 316 students with university scholarships and adopted more than 1,500 students under its Student Adoption Programme. It also sponsors after-school science, technology, engineering and mathematics ("STEM") programmes in collaboration with local universities. Bargain Basement, a social enterprise operated by Yayasan TSLSC, has expanded to four outlets in Putrajaya, Selangor and Perak.

OUTLOOK AND PROSPECTS

The health of the global economy will largely depend on how long the war between Russia and Ukraine continue. China's economy is also a matter of concern as the country pursues the zero-COVID policy amidst a slowdown in its property sector.

Malaysia's economy will be adversely affected by these external conditions as the lower global economic growth would dampen its exports. Nevertheless, despite the external headwinds, the domestic economy is expected to improve further following the shift to the endemic phase of COVID-19, reopening of international borders and normalisation of economic activities.

The financial performance of our plantation segment is expected to decline due to the decline in CPO price from the historical high levels during FY2022 as well as the elevated cost of inputs such as fuel and fertiliser. However, we anticipate CPO price will still be supported by supply constraints and its price competitiveness against other edible oils. Therefore, we expect the plantation segment to perform satisfactorily in the new financial year.

For our oleochemical sub-segment, we anticipate demand from China will be soft due to its zero-COVID policy, and production cost will stay elevated due to the high energy price. Nevertheless, with our new fatty acid and soap noodle plants coming on stream, our sales volume in FY2023 is expected to increase by double-digit percentage albeit with margins lower than the high levels achieved in FY2022.

As for our refinery sub-segment, we expect the refining and fractionation margins to be volatile and decline from the present high levels as the CPO export duty drops in tandem with the CPO price. Notwithstanding that, demand for palm oil will still be resilient to make up for the lower sunflower oil supply which is expected to persist into year 2023.

For the specialty fats sub-segment comprising our associate company, Bunge Loders Croklaan Group B.V., ("BLC") satisfactory performance is expected for FY2023 as it benefits from favourable demand and BLC's supply chain capability, although the operating environment will continue to present challenges such as high energy cost and the sporadic pandemic related lockdowns in China.

Overall, the Group expects its financial performance in FY2023 to be healthy, albeit not as good as the financial performance achieved in FY2022.

CLOSING REMARKS

Notwithstanding the weaker external environment, the Group is progressing on all fronts and is committed to the disciplined execution of its Five-Year Plan. Team IOI continues to uphold a values-centric culture based on the six IOI core values namely integrity, commitment, team spirit, cost efficiency, innovation and excellence in execution.

Building on the platforms of innovation to maintain our competitive advantage, people development to empower talents, and prudent risk management to withstand external shocks, the Group remains resilient and is poised for future growth and expansion.

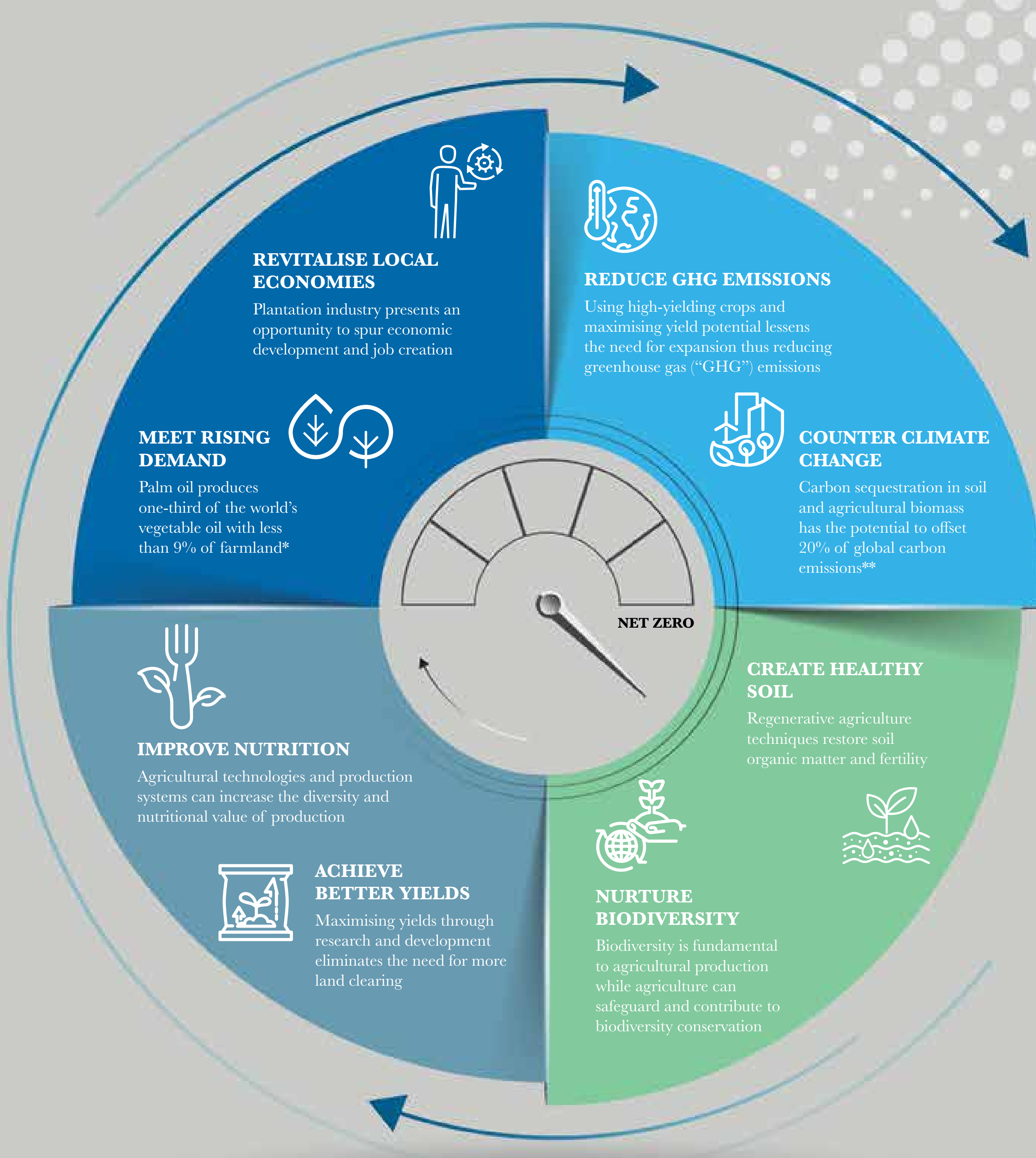
DATO' LEE YEOW CHOR
Group Managing Director and Chief Executive

Diversify Crops

Crop diversification brings considerable economic and environmental improvements. By exploring and diversifying our land with other profitable and higher value crops, we are optimising the use of our land and other resources, providing buffers against the volatility of crude palm oil prices, and decreasing greenhouse gas emissions through more ecologically-balanced production. New technologies are being applied to produce and cultivate symbiotic cash crops with desirable characteristics, and to process and treat the post-harvest crops.

By leveraging sustainable agriculture as a solution to global environmental challenges,

WE CAN:



* Palm Oil (Our World in Data, 2020)
** Agriculture and Green Growth (OECD, 2011)

VALUE CREATION MODEL

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

IOI INTEGRATED VALUE CHAIN

CAPITAL INPUTS

Human
- Strong leadership and governance
- ≈**24,000** talented and diverse people
- Succession and business continuity planning

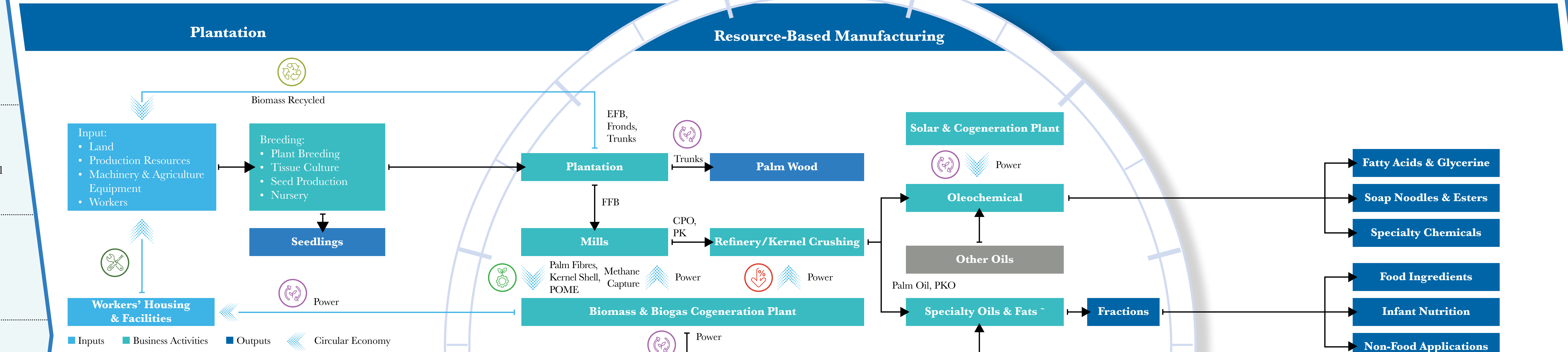
Natural
- **96** estates
- **207,113** hectares of landbank
- Seeds, plants and healthy soil to cultivate oil palm trees and other crops

Financial
- Access to capital for investments in future success
- **RM19.2** billion of assets
- **RM10.9** billion of shareholders' equity

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

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

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



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

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

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

Competitive Edge
Integrated Value Chain | Integrated System | Strength in R&D | Sustainability Culture | Efficiency Culture | Innovative Culture | Strong Partnership

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

7Rs of Circularity
RETHINK | REPURPOSE | REDUCE | REUSE | RECYCLE | REPAIR | RECOVER

Refer to Strategic Enablers on pages 43-45 and Strategic Priorities on pages 46-53 for more information.

Refer to pages 30-33 for External Environment.

VALUES DELIVERY & IMPACTS

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

Natural
- Sustainable palm oil practices support climate action and maintain ecosystem health
- Implement and introduce organic palm oil
- **14** mills: RSPO and MSPO-certified
- No deforestation and protection of High Carbon Stock Forests and High Conservation Value Areas
- Towards Group-wide net zero greenhouse gas emissions by 2040

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

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

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

Intellectual
- High-yielding germplasm
- Developed over **8** new formulations for personal care and cosmetic applications
- Filed **2** new patents for pharmaceutical applications
- ONE IOI Integrated Platform

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

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

OUR SOCIAL INCLUSION AGENDA

We focus on promoting work productivity, women empowerment and children's education, by leveraging emerging technologies and skills improvement.

At IOI, we conduct our operations through the sustainability lens where we link our economic goals directly to our environmental responsibilities, and we do so with the firm belief of 'moving intentions to results'. We place our best efforts to contribute to six out of 17 United Nations Sustainable Development Goals ("UN SDGs"), to which we subscribe and are supported by our pillars of sustainability – People, Planet, Prosperity plus Partnership that cover all aspects of Environmental, Social and Governance ("ESG") as outlined in our value creation model (page 26). While the scale and scope of the UN SDGs is global and broad-ranging, the fundamental ways that we believe we can contribute remain unchanged, and it starts with acting responsibly, with integrity and values.

Last year, we touched on global trends that are currently implicating the palm oil industry and this year, we shift our focus on those closest to us – our people. Technology is now increasingly closing gaps of inequality such as our newly improved online recruitment process for foreign workers, opening new channels of communication for our people to upward feedback as well as transforming women's lives through technology and providing universal quality education for our children at the plantations. We view the interdependence of economic and social development as part of the wider process of growth and change for IOI, as a whole, perpetually adapts to a constantly evolving market.

SUSTAINABILITY VISION

We believe we should meet the needs of the present without compromising that of the future generations by:

- Committing to protect, rehabilitate and preserve the environment where we live in
- Ensuring that the economic, social wellbeing and health of our employees and families as well as the wider communities are safeguarded
- Leading and innovating as well as embedding sustainability into our business

The social pillar in ESG is critical because it reflects our 'how and why' in creating a groundswell of support for strong diversity policies and fair employment practices within our IOI-led circular economy business model. We imagine our future of work to be a workplace that is innovative and insightful and we have started to rethink how work gets done. It is not the tools and technology that makes our organisation resilient, but instead the way we endorse our people to apply their creativity, strategy and ingenuity, by strengthening their sense of belonging, satisfaction and pride and most importantly, purpose in doing good work that supports IOI.

While we are making progress in deepening a culture of true inclusion for our people, there is still much work to be done. We remain committed to our goal of being a responsible and exemplary company by respecting our people as well as providing a good working environment to them.

Progressing Work Productivity with Technology

Workers

We embrace new ways of working by leveraging the interplay between technology and productivity, in driving our workforce of the future.

The pace in the way how we work is accelerating. For one, automation, robotics and assisted intelligence are advancing quickly while changing lives and raising productivity, and these have influenced how we run our business as well. We have embarked on our digital transformation journey since 2018, and now all our Malaysian plantation operating units are fully integrated with the SAP system under the 'ONE IOI Integrated Platform'. *More information on our 'Technology & Digitalisation' efforts can be found in our Strategic Enabler 3 on page 45.*

Progressing Women's Empowerment and Potentials

Women

We invest in enabling our female workforce by improving access to new skills, income-earning opportunities and better healthcare.

Gender bias has no place in IOI. Allowing women the rights to opportunities is critical for not only attaining gender equality, but also for meeting various international development goals. Empowered women and girls contribute to the health and productivity of their families, communities and countries, creating ripple effect that benefits everyone. Even within the highest leadership, we have three accomplished and successful female leaders who sit on our Board of Directors (page 83). They are Tan Sri Dr Rahamat Bivi Binti Yusoff, Dato' Kong Sooi Lin and Dr Nesadurai Kalanithi and together, they represent 38% of our Board composition. *More information on our gender diversity can be found in our Governance section on page 96 onwards.*

Progressing Quality Education for Children

Children

We advocate for universal access to childhood education, which is crucial in building a sustainable society.

Education is instrumental in unlocking the potential of future generations, and we strongly believe in providing educational opportunities to all children regardless of their ethnicity and background. With proper education, children will get a head start in life as they become more empowered. With this in mind, IOI has partnered with Borneo Child Aid Society, Sabah ("HUMANA") to provide basic education and financial aid to our migrant workers' children.

Our people are our best assets and we are motivated to continuously foster mutual understanding and development for a better future. Our causes and actions are found in our Sustainability Report 2022, where we entail our efforts towards building an inclusive IOI culture, cultivating excellence in our talents and encouraging diverse leadership that is representative of the regions we operate within.

EXTERNAL ENVIRONMENT

IOI has identified the following key trends that are expected to impact our businesses, stakeholders and markets over the short, medium and long term. Our strategies position our businesses to seize the opportunities presented by these trends.

Our Strategic Priorities

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

Our Six Capitals

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

Our Material Matters

- M1 Safety & Health
- M6 Water & Wastewater Management
- M2 Climate Change & Circular Economy
- M7 Deforestation & Land Use
- M3 Labour Practices & Human Rights
- M8 Ethical Recruitment & Responsible Employment
- M4 Transparent Grievance Resolution & Communication
- M9 Supply Chain Management
- M5 Traceability & Responsible Sourcing: Policy & Practices
- M10 Regulatory & Third-Party Compliance

TREND & DESCRIPTION	IMPACT	HOW IOI IS RESPONDING	IOI OUTLOOK	CONNECTION
Volatility in Demand & Commodity Price Palm oil companies are facing fluctuations in palm oil demand and pricing due to geopolitical and socioeconomic factors.	Commodity price volatility is expected to continue. The surge in crude palm oil ("CPO") price to historical high was due to an increase in other vegetable oils prices and low inventory levels in both producing and consuming countries. Indonesia's unprecedented ban on palm oil export and the 30% Domestic Market Obligation ("DMO") ruling further disrupted the global palm oil supply and pricing. The rise in commodity price will result in higher raw material costs and impact the manufacturing sector's sales margin, supplemented by the difference in CPO export duty and CPO levy in Malaysia and Indonesia. Constant change of trade regulations and global macroeconomic uncertainties cause fluctuations in palm prices. The timing of purchases and sales thus affects the company's bottom line and efficiency. High inflationary risk may prompt central banks to hike interest rates and adopt tighter monetary policies that affect vegetable oil prices.	We employ 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 70 countries to mitigate exposure to localised risks in any particular markets. We make continuous improvements to our market information system, enhance monitoring and risk management through hedging activities and develop better strategies to improve resilience to unexpected price swings.	Palm oil price is expected to remain volatile as a result of geopolitical and socioeconomic developments and impact from competing vegetable oils.	**Our Strategic Priorities** **Our Six Capitals** **Our Material Matters** M10
High Global Energy Price and Inflation Palm oil companies are facing high global energy price and inflation due to the ongoing Russia-Ukraine war.	High fuel and fertiliser prices have resulted in substantial increase in plantations' production cost. Soaring natural gas price, particularly in Europe, has resulted in significant increase in processing cost for our downstream manufacturing plants.	We apply optimum amount of fertiliser and employ efficient application of empty fruit bunches ("EFB") to replace some of the inorganic fertilisers. We embark on energy efficiency projects and implement plans to replace natural gas supply with oil in our downstream plants.	High energy price is expected to persist as long as the Russia-Ukraine war is not resolved. Global inflation is expected to moderate gradually as central banks around the world raise interest rates.	**Our Strategic Priorities** **Our Six Capitals** **Our Material Matters** M2
Responsible & Sustainable Agricultural Practices Palm oil and agricultural companies are expected to adopt responsible and sustainable practices to positively impact the economy and address environmental challenges. *Refer to our Sustainability Report 2022 for a detailed review.*	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 by incorporating circular economy and regenerative agriculture practices to mitigate carbon emissions and reduce pollution, and safeguard biodiversity and our natural resources (e.g. forests, water, etc).	We implement 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 New Planting on Peat and No Social Exploitation ("NDPE") and the protection of High Conservation Value ("HCV") and High Carbon Stock ("HCS") 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.	**Our Strategic Priorities** **Our Six Capitals** **Our Material Matters** M2 M5 M6 M7 M9

EXTERNAL ENVIRONMENT

TREND & DESCRIPTION	IMPACT	HOW IOI IS RESPONDING	IOI OUTLOOK	CONNECTION
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. 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 demand for RSPO MB and SG grades products will continue to grow in both food and non-food sectors. Demand will shift from RSPO certifications with lower premiums, such as RSPO MB grade, to higher prospects such as RSPO SG or Identity Preserved grades. Our RSPO SG grade products' production facilities will support IOI 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.	**Our Strategic Priorities** **Our Six Capitals** **Our Material Matters** M5
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, and pet foods sectors. 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' regulation and registration requirements, e.g. premium infant nutrition products. We invest in state-of-the-art analytical instruments to cater for current requirements and address anticipated future specifications. We have begun pre-registration and registration processes for relevant products to comply with key regional requirements namely Korean REACH, UK REACH and Turkish KKDIK Regulation.	The manufacturing segment is expected to benefit from the good demand for personal hygiene products. The heightened awareness for better nutrition and the shift to packaged food owing to convenience will increase demand for infant nutrition products, in which several of IOI'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.	**Our Strategic Priorities** **Our Six Capitals** **Our Material Matters** M5 M10
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, e.g. IOI Pan-Century Oleochemicals Sdn Bhd completed SMETA audit with closure of all non-compliance in January 2022. 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 shared 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 Strategic Priorities** **Our Six Capitals** **Our Material Matters** M1 M3 M4 M8

Our Strategic Priorities

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

Our Six Capitals

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

Our Material Matters

- M1 Safety & Health
- M6 Water & Wastewater Management
- M2 Climate Change & Circular Economy
- M7 Deforestation & Land Use
- M3 Labour Practices & Human Rights
- M8 Ethical Recruitment & Responsible Employment
- M4 Transparent Grievance Resolution & Communication
- M9 Supply Chain Management
- M5 Traceability & Responsible Sourcing: Policy & Practices
- M10 Regulatory & Third-Party Compliance

STAKEHOLDERS' ENGAGEMENT

Our systematic and progressive two-way communication is built upon the motivation to create visibility and transparency for the people impacted by our decisions, as we articulate clear strategies, processes and procedures for all to stay involved and informed.

Refer to our Sustainability Report 2022 for a detailed review.

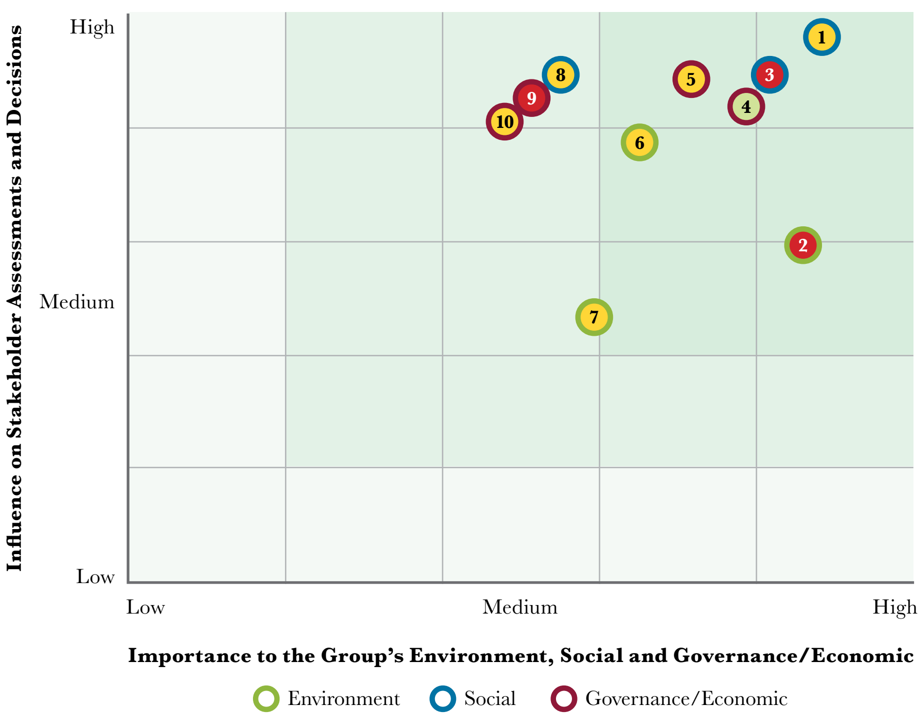
STAKEHOLDER GROUPS	KEY CONCERNS	OUR RESPONSES	VALUE CREATED FOR STAKEHOLDERS	VALUE CREATED FOR IOI
Employees **Why We Engage:** Our employees are IOI's valuable assets and key business success.	• Open communication and fair remuneration; • Health and well-being benefits; and • Transparent and progressive company culture.	We aim to attract and retain top talents, as well as be on top of our peoples' wellness and morale while supercharging remote employee engagement.	We offer competitive remuneration and equal opportunities in learning and development through both online and offline training programmes.	We are able to mine the minds and hearts of our people which helps us build crucial milestones for them, and in turn, form a part of what we are as a culture.
Customers **Why We Engage:** Our business growth depends on our customers who support our products.	• Environmental, Social and Governance ("ESG") standards; • Adherence to fair dealing principles (pricing, quality, consistency, reliability, credit); and • Technical support.	Ongoing routine meetings and dialogue sessions, open feedback channels, and annual trade forums and exhibitions allow us to cater to our customers better, which leads to the creation of innovative products such as additive-free soap, chemical-free processing of glycerine, oleic acid and low 3-MCPD products.	We advocate for an ESG-compliant end-to-end supply chain, as we strive to cater and close gaps in accordance to conscientious consumers' expectations.	We want to play an even bigger role in proactively shaping and accelerating our ESG best practices, and not just react and adjust.
Communities **Why We Engage:** Our business provides measurable support to the communities where we operate.	• 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 provide financial and medical assistance (education, human capital development, etc.).	We seek out overlooked voices by fostering community-led conversations which gives us a balanced understanding of the community's view, enhancing the value of final decisions.	We recognise diverse perspectives and empower collaborative decision-making, driving projects to have equitable and sustainable outcomes while positively impacting society.
Suppliers **Why We Engage:** Our suppliers provide critical inputs for our business to function.	• Ethical and sustainable production and procurement processes; and • Health and safety practices.	Digital engagement tools, dynamic focus group sessions and conducive workshops help establish effective solutions to address gaps and identify target areas for improvement. Updates are consistently found on our company website.	We unlock real value by looking beyond boundaries of our supply chain and into the total extended supply chain encompassing our business, suppliers, distribution networks and even their key suppliers.	We leverage on mutually-beneficial partnerships that are built on trust, responsiveness and accountability, creating value in the form of incremental resources, funding and insight.
Regulators **Why We Engage:** An enabling framework is paramount to our business.	• Statutory reporting and filling matters as well as regulatory compliances in relations to Listing Requirements, Companies Act, Corporate Governance Code and their practice notes or guidelines.	In supporting the development of Listing Requirements, Companies Act and guidelines, we actively participate in focus group meetings, dialogue sessions and task forces.	We formulate effective regulatory interactions through clearly-defined processes and tools, positioning our business for optimal success and credibility with regulators.	We drive cross-functional momentum on key regulatory issues and its necessary responses systematically, raising our corporate profile and external-affairs abilities.
Shareholders & Investors **Why We Engage:** Steady financial capital input indicates confidence in the IOI brand.	• Financial performance such as return on investment and earnings outlook of the company, future expansion plans, corporate strategies and sustainability material matters.	To provide purposeful disclosure to our shareholders and investors, we respond accordingly to enquiries on matters pertaining to our operational performance and financial management, within an appropriate time frame given.	We uphold our corporate purpose towards creating sustained values that is subject to unique shareholding and investing factors, demonstrating the true value of the IOI brand.	We subscribe to a spirit of fair disclosure in our communication with shareholders and investors as we are well aware of impact investment that is on the rise with many looking for sound ESG policies in the companies they invest in.
Industry Associations/ Civil Societies **Why We Engage:** Our registered affiliations guarantee the delivery of environmentally superior products from our businesses.	• 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.	We endeavour to create value through open engagement and active participation with all our stakeholders, towards improving the reputation of the oil palm industry and in creating a sustainable palm oil commodity.	Our position among industry associations and civil societies catalyses common interests and involvement amid government agencies and non-governmental organisations, in order to create greater weight in forming effective policies and best practices application.

MATERIAL MATTERS

We have identified 10 most material issues based on stakeholders' feedback and our assessment of priority to IOI. Our mix of stakeholders' engagement includes those who are our employees, our suppliers and investors as well as communities in the area we operate in, civil societies and government agencies; and our point of discussion revolves around four aspects, namely economics, environmental, social and governance issues.

Our Board of Directors has validated and endorsed these 10 issues, whereby a qualitative measure on financial impact have been put in place, based on the concept of double materiality.

Materiality Matrix



Financial Impact (Level of Significance): High Medium Low

Refer to our Sustainability Report 2022 for a detailed review.

Our Six Capitals

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

Our Key Stakeholder Groups

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

Our Strategic Priorities

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

MATERIAL MATTERS	WHY IS THIS TOPIC IMPORTANT TO US	OUR RESPONSES
1. Safety & Health	Human loss is immeasurable. Keeping our people – including our employees, suppliers, customers, and the general public – safe is critical in ensuring business continuity.	Without proper safety and health management, both plantation and manufacturing segments (including our people and buildings) are exposed to productivity and safety risks. We meet world-class accreditation levels such as Occupational Health and Safety Assessment Series 18001 standards as we strengthen and periodically revise our safety and health best practices.
Financial Impact		
2. Climate Change & Circular Economy	Climate-related risks and implications will continue to be one of our biggest challenges in the agribusiness sector. As a leading global integrated palm oil player, we are 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.	In line with the launch of our 2020 Group-wide IOI Climate Change Action Initiative and the implementation of the 7Rs ("Rethink, Repurpose, Reduce, Reuse, Recycle, Repair, and Recover") of Circularity in 2021, our fight in reducing climate change impacts continues to intensify within our company culture, down to all our operating units; both locally and globally.
Financial Impact		
3. Labour Practices & Human Rights	Economic development depends on the acceptance of rules whereas human rights are the essence of sustainability. At IOI, we pursue to look beyond definitions and calculation methodologies as we continuously improve our own commonly-accepted IOI guidelines to ensure that human rights are respected and good labour practices are accounted for. We aim to create a positive impact towards all our stakeholders, as IOI is a part of, and not apart from, society.	We incorporate the frameworks of Environmental, Social and Governance ("ESG") into our company culture and we also comply to both local and international laws, which cover codes and standards related to fair labour practices and human rights. Our statement of commitment sets the path to developing clear definitions of best practices in the long term, tailored and led by our transparent and accountable approach in our own business operations.
Financial Impact		

MATERIAL MATTERS

MATERIAL MATTERS	WHY IS THIS TOPIC IMPORTANT TO US	OUR RESPONSES
4. Transparent Grievance Resolution & Communication	Transparency and communication enable value for all stakeholders. We strongly believe that resolving grievances and disputes is more effective when there is a trusted and efficient pathway to identify solutions, to make certain of adherence to those solutions as well as a system in place to make sure that stakeholders are aware of the results.	We have numerous processes and platforms in place which track and address complaints. These spheres of engagements create space for collaboration, improving relations as well as forming amicable and meaningful solutions amongst impacted stakeholders.
Financial Impact		
5. Traceability & Responsible Sourcing: Policy & Practices	Defined guidelines and parameters are vital components to how our business operates. As the business landscape expands and evolves globally, we continually review current compliance environment and strictly follow through our policies and practices to ascertain that our business can operate more coherently and successfully.	We regularly update and disclose our policies and procedures on our company website. We adopt and closely follow responsible production and sustainable agriculture practices to positively address environmental challenges within our own supply chain.
Financial Impact		
6. Water & Wastewater Management	Water is a part of our everyday lives, but climate change may have dire consequences for freshwater to either be unavailable or too expensive. Our plantation and manufacturing segments require water for irrigation and for various production processes. Increasing water stress is detrimental to our business and to a larger extent, affect food security around the world.	We enforce best practices in water management. At our plantations, we monitor and treat all palm oil mill effluent ("POME") and wastewater, with treated POME to be reused for land application. At our manufacturing sites, we have begun incorporating the use of recycled water through rainwater harvesting back into our production processes as an option to conserve and expand available water supply.
Financial Impact		
7. Deforestation & Land Use	As a founding member of the Roundtable on Sustainable Palm Oil ("RSPO"), we are responsible in assuring our supply chain is No Deforestation, No New Planting on Peat, No Social Exploitation ("NDPE")-compliant. In order to reduce emissions in the context of climate change, we upkeep a carbon-rich, community-friendly sustainable plantation management programme within our supply chain.	Our Sustainable Palm Oil Policy clearly states our NDPE commitments and we have had zero incident and/or grievance reported on deforestation in our own operations. We are also a member of High Carbon Stock Approach and we practise active monitoring of potential deforestation as advised by independent consultants.
Financial Impact		

MATERIAL MATTERS	WHY IS THIS TOPIC IMPORTANT TO US	OUR RESPONSES
8. Ethical Recruitment & Responsible Employment	Labour migration and recruitment of workers across borders is a complex and multi-layered process. We aim to regulate and facilitate the employment, placement and job-matching of migrant workers as best as we can within our operations in order to eliminate recruitment malpractices.	As part of our concerted effort in combating forced labour elements during recruitment, our Human Resource personnel are now directly involved in conducting online interviews with potential new foreign workers and will personally oversee the process of verifying their understanding of IOI's zero recruitment cost process, policies and guidelines as well as their contracts and job scopes.
Financial Impact		
9. Supply Chain Management	Sustainability certification is more than just a stamp of approval. Our active sustainability protocols provide us visibility over sustainable inputs in our upstream segment while enabling reverse logistics in our downstream segment, whereby product authentication is one of the crucial ingredients in our IOI-led circular economy business model.	We are certified and accredited by local and globally-recognised bodies in various areas of sustainable certifications, quality and international standards. We also aid third-party suppliers in their verification processes, reflecting our goals as a sustainable company as well as meeting evolving consumer expectations. Updates are consistently found on our company website.
Financial Impact		
10. Regulatory & Third-Party Compliance	Empowering regulatory frameworks is one of the important prerequisites towards achieving scalable business growth. We promulgate and commit to international and local regulations, which allows us ease of access to markets in doing business.	We adhere to internationally-recognised sustainability certifications including the voluntary RSPO, amongst others; in line with our own business policy and stakeholders' requirements with assurance that we conform to unique governmental requirements.
Financial Impact		

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's risk management can be found in the Statement of Risk Management and Internal Control on pages 116-120.

Our Six Capitals

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

Our Key Stakeholder Groups

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

Our Material Matters

- M1 Safety & Health
- M2 Climate Change & Circular Economy
- M3 Labour Practices & Human Rights
- M4 Transparent Grievance Resolution & Communication
- M5 Traceability & Responsible Sourcing: Policy & Practices
- M6 Water & Wastewater Management
- M7 Deforestation & Land Use
- M8 Ethical Recruitment & Responsible Employment
- M9 Supply Chain Management
- M10 Regulatory & Third-Party Compliance

RISK	DESCRIPTION	HOW IOI MANAGES THIS RISK	CONNECTION
Human Capital & Talent	A skilled workforce is essential to deliver our business strategy. We need to be able to attract, develop and retain the right talent in a tight labour market. Our workforce needs to be equipped with the skills for the changing nature of work.	Our vision is to provide a rewarding career for our people. Our talent management system provides engaging training and coaching programmes to cultivate a culture for employees to deliver their best and stay motivated at the workplace. Offer scholarships and career opportunities to outstanding students through Yayasan Tan Sri Lee Shin Cheng ("Yayasan TSLSC") to bring new skills and perspectives into our business. Employ advanced talent management approaches to design effective learning path and development plans for our talents. Curate employee retention programme to enhance employee engagement and retain talent.	**Our Six Capitals** **Our Key Stakeholder Groups** **Our Material Matters** M1 M3 M4 M8 M9 M10
Supply Chain Compliance	We need to comply with the requirements of palm oil buyers. Risk of non-compliance with international supply chain standards such as Roundtable on Sustainable Palm Oil ("RSPO") or International Sustainability and Carbon Certification ("ISCC"). Risk of IOI supply chain not meeting the No Deforestation, No New Planting on Peat and No Social Exploitation ("NDPE") policy.	The online Tools for Transformation platform provides engagements, assessments and support for our supply chain to meet our sustainability commitments. Our Palm Oil Dashboard allows IOI to monitor its supply chain by regularly updating information on certified volumes, traceability numbers, risk assessment and mill coordinates.	**Our Six Capitals** **Our Key Stakeholder Groups** **Our Material Matters** M1 M3 M5 M7 M8 M9 M10
Reliance on Manual Labour	The agricultural sector, including palm oil, is heavily reliant on manual labour, which makes the industry vulnerable to shortage of labour. The risk of labour shortage causes lost revenues and limits our future growth. Increased public scrutiny to disclose our responsibility for human rights.	Implement mechanisation, automation and digitalisation at our estates to reduce reliance on manual labour as well as to support increased yield and productivity. Commit to capacity building and uphold high welfare standards for manual workers at our operations and supply chain. IOI's 2021 Action Pledge with International Labour Organization ("ILO") and internal engagement programmes reflected our commitment on matters related to human rights as stated in the IOI Sustainable Palm Oil Policy.	**Our Six Capitals** **Our Key Stakeholder Groups** **Our Material Matters** M1 M3 M4 M8 M9 M10
Business Resilience	We recognise the disruption to our global operations. Challenges to remain resilient in the wake of new global phenomenon, e.g. geopolitical issues, palm oil alternatives, anti-palm oil movement, etc.	Implement Business Continuity Management System and develop strategic continuity measures during crises. Work with RSPO to make sustainable palm oil the norm, and demonstrate the potential for positive impact on the environment and communities. Expand grievance reporting mechanism to provide more channels for our stakeholders to communicate their concerns regarding our operational impacts. Monitor key geopolitical trends and implications to realign our strategies to manage the impact. Continuous engagement with customers and suppliers to understand their concerns and manage their expectations.	**Our Six Capitals** **Our Key Stakeholder Groups** **Our Material Matters** M1 M2 M3 M5 M6 M7 M8 M9 M10
Environmental Sustainability	Challenges in reducing climate change impact in our plantations and reduce greenhouse gas ("GHG") emissions. Fire during dry season that can result in transboundary haze. Challenges in maintaining and upholding sustainability certifications.	Reduce GHG emissions from our operations through the Group-wide Climate Change Action ("CCA") Initiative. Carry out external GHG calculation and reporting for our plantations in Malaysia. Adhere to our Group-wide zero burning policy. Collaborate with relevant parties to develop and implement various landscape approaches towards effective fire prevention.	**Our Six Capitals** **Our Key Stakeholder Groups** **Our Material Matters** M1 M2 M6 M7 M9 M10

STRATEGIC FRAMEWORK

IOI is progressing on a clearly defined strategic road map to transform the Group into a high value-added, diversified palm-based products' producer, to increase resilience and competitiveness for the future. Our foundation is built on pillars of Sustainable Growth, Driving Innovations, People Capital Development and Economies of Scale throughout our operations.

OUR PURPOSE

Committed to sustainable agriculture and innovative products.

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.

2020 OUR GROUP'S FIVE YEAR PLAN 2024

3 STRATEGIC ENABLERS	5 STRATEGIC PRIORITIES	KEY METRICS
ENABLER 1 Human Capital Development & Culture	**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.
	Optimise Workforce	• Reduce Workforce by More than 25% by 2024. • Increase Plantation Workers' Productivity by 3% Every Year. • Implement Mechanised Mainline Fresh Fruit Bunches Evacuation System in All Malaysian Estates by 2023.
ENABLER 2 Sustainability	**Diversify Crops**	• Plant 5,000 Hectares of Coconut 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.
ENABLER 3 Technology & Digitalisation	**Increase the Non-CPO Segment**	• Derive Revenue from Oil Palm By-Products and Processing Waste. • Commence Production of High-Performance Palm Wood Boards and Panels by Q3 of 2023. • Establish Oil Palm Trunks ("OPT") Research and Development and Technology Transfer. • Scale-Up Business and Establish a Leading Market Position in OPT Products.
	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%.

Refer to pages 43-45 for Strategic Enablers and pages 46-53 for Strategic Priorities.

STRATEGIC ENABLERS

ENABLER 1

Human Capital Development & Culture

CONNECTION

Our Key Stakeholder Groups
- Employees
- Shareholders & Investors

Our Six Capitals
- Human
- Social & Relationship
- Financial
- Intellectual

Our Risks
- R1 Human Capital & Talent
- R3 Reliance on Manual Labour
- R4 Business Resilience

IMPORTANCE FOR IOI

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

OUR APPROACH

1. Creating and sustaining a high-performing workforce.
2. Managing employer branding.
3. Enhancing human resource ("HR") digitalisation.

KEY INITIATIVES

1. Cultivate operational excellence work culture and create a highly disciplined and competent workforce.
2. Enhance employees' experience through HR digitalisation.
3. Nurture Yayasan Tan Sri Lee Shin Cheng's ("Yayasan TSLSC") scholars.
4. Reskilling and upskilling employees' competencies to expand their capabilities.
5. Enhance benefits for employees' overall well-being.
6. Promote employees' empowerment and inclusion.
7. Enhance employee engagement through various initiatives.

KEY HIGHLIGHTS

1. Created a talent pool to nurture future leaders for talent pipeline and succession planning.
2. Implemented the Work from Home ("WFH") policy for working mothers and fathers, to support their roles as caretakers in the family.
3. Launched IOI Well-being Series campaign to enhance employees' well-being and raise awareness.
4. Improved mental health of employees through collaboration with licensed counsellors.
5. Implemented an enhanced employee engagement programme for plantation employees with the tagline "WE CARE".

   WE Communicate; **A**id & Assist; **R**apport; **E**ducate

6. Organised town hall sessions and a management gathering with the Group Managing Director and Chief Executive.
7. Hosted festive engagement activities to promote team spirit within the organisation.
8. Reviewed employee benefits based on feedback.
9. Completed the Leadership Development Programmes and implemented Executive Coaching Programme for key senior leaders.
10. Implemented Competency Allowances to encourage employees to upskill their technical skills.
11. Enhanced the existing Cadet Assistant Programme to attract young graduates to join the plantation industry.
12. Launched IOI Mesra Application as a feedback mechanism to resolve workers' grievances and improve working environment.
13. Nominated selected employees to be qualified as competent persons in respective fields to enhance our manufacturing performance while ensuring compliance to legal requirement.

FOCUS FOR FY2023

1. Enhance employee experience through extension of Intranet usage to the plantation operating units.
2. Enhance succession planning practices through collaboration with departmental heads and training providers.
3. Conduct employee engagement survey to deep dive into understanding the pulse of employees.
4. Collaborate with various third-party providers to create awareness and improve employees' well-being.
5. Encourage employees to obtain relevant competencies for value addition in oleochemical manufacturing.
6. Roll out Employee Health Programmes such as health screening, walking competition and health talks to improve employee health and productivity.
7. Organise sports, recreation and community service events to encourage employee engagement, team bonding and participation in charity works.

STRATEGIC ENABLERS

ENABLER 2

Sustainability

CONNECTION

Our Key Stakeholder Groups

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

Our Six Capitals

- Manufactured
- Social & Relationship
- Intellectual

Our Risks

- R1 Human Capital & Talent
- R3 Reliance on Manual Labour
- R4 Business Resilience

Refer to Our Social Inclusion Agenda on pages 28-29 and our Sustainability Report 2022 for a detailed review.

IMPORTANCE FOR IOI

Our sustainability culture is embedded across the organisation. We balance company growth and development with the protection of the environment and well-being of the community that may be affected by our operations through various means including strategic partnerships with our stakeholders. This course of action is in alignment with our three pillars of sustainability (People, Planet, Prosperity) + Partnership. For long-term sustainable value creation and achieving sustainability excellence, one of our strategic approaches is to integrate the 7Rs of the Circular Economy within all our operations and businesses.

OUR APPROACH

1. Aligning sustainability to key policies and IOI's five strategic priorities.
2. Establishing forward-looking sustainability goals and commitments.
3. Strengthening sustainability governance through stakeholder consultation, accountability and transparent reporting.
4. Establishing proper systems and processes to monitor progress, communicate actions and meet stakeholders' expectations.
5. Embracing six of the 17 United Nations Sustainable Development Goals ("UN SDGs") which are most relevant to our businesses and operations.
6. Integrating the 7Rs of the Circular Economy in our sustainability initiatives.
7. Integrating regenerative agriculture methods in our estates.
8. Benchmarking against industry leaders, fostering best practices and culture, and embracing green technology.

KEY INITIATIVES

1. Commit to implementing No Deforestation, No New Planting on Peat and No Social Exploitation ("NDPE"), Zero Burning Policy in plantations and sustainability certifications.
2. Practise the highest level of transparency as well as inclusive stakeholder engagement.
3. Continuous monitoring of all stages of the palm oil supply chain including obtaining relevant certifications and complying with the required standards.
4. Protect High Conservation Value ("HCV") and High Carbon Stock ("HCS") areas within our operations.
5. Progressively reduce carbon emissions from the operations through the Group-wide Climate Change Action ("CCA") Initiative.
6. Adopt and practise the 7Rs of the Circular Economy in the workplace.
7. Adopt and practise regenerative agriculture methods in our estates.
8. Establish processes to reduce greenhouse gas ("GHG") emissions, optimise water withdrawal and waste management.
9. Benchmark industry best practices through participation in voluntary Carbon Disclosure Project ("CDP"), Sustainability Policy Transparency Toolkit ("SPOTT"), Dow Jones Sustainability Indices ("DJSI"), etc.
10. Progress work productivity with technology, women empowerment and quality education for children.

KEY HIGHLIGHTS

1. Marked improvement in the following Environmental, Social and Governance ("ESG") rating and assessment:
   - ESG Risk Rating by Sustainalytics improved to 25 from 29.7.
   - CDP improved to B from C for Forest disclosure.
   - MSCI ESG Rating rose to BBB from BB.
   - FTSE4Good ESG Rating rose to 3.4 from 3.1.
2. Won the 2022 ASEAN Tech for ESG Award by AIBP.
3. Adopted the Task Force on Climate-Related Financial Disclosures ("TCFD") framework and undertaken the required assessment and reporting as published in last year's report. This year's report will be based on the newly revised Global Reporting Initiative ("GRI") and additional reference to the newly formed International Sustainability Standards Board's ("ISSB") standards.
4. Conducted the second Sustainability Consultation Forum ("SCF") on IOI Climate Strategy and journey towards net zero.
5. Established projections of GHG intensity and absolute for the near term and possible strategies to adopt renewable energy, improve process efficiency and responsible sourcing to reduce overall GHG emissions for downstream operations.
6. Pursued the Group-wide CCA Initiative to become carbon neutral with minimal offsetting for Scope 1 and 2 by 2030, and achieve net zero GHG emissions for Scope 1, 2 and 3 by 2040.

FOCUS FOR FY2023

1. Develop appropriate action plan for regenerative agriculture implementation to enhance carbon sequestration and maintain biodiversity in our estates.
2. Improve circular economy practices through the 7Rs in our existing system and processes through technology and innovation.
3. Implement practical action plan and continuously explore new opportunities in mitigating GHG emissions and to address climate risks.
4. Implement key sustainability projects in our oleochemical operations that include new expansion of photovoltaic solar power system, reverse osmosis water treatment system for water recycling, rainwater harvesting, sludge dryer system to reduce waste generation.
5. Continue to report verified and audited GHG emissions data for plantation operations via Roundtable on Sustainable Palm Oil's ("RSPO") PalmGHG calculator. Implement the ISO 14064 GHG verification system in stages, starting with our Malaysian oleochemical manufacturing operations, to ensure our GHG reporting is in line with international standards.
6. Empower our female workforce with access to technology to improve their competencies.

ENABLER 3

Technology & Digitalisation

CONNECTION

Our Key Stakeholder Groups

- Employees
- Customers
- Suppliers
- Shareholders & Investors

Our Six Capitals

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

Our Risks

- R1 Human Capital & Talent
- R3 Reliance on Manual Labour
- R4 Business Resilience

IMPORTANCE FOR IOI

In the age of the Fourth Industrial Revolution ("IR4"), 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, mechanisation and novel technologies enable us to execute our strategies 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, drawing on various analytical and transactional capabilities of the SAP system to improve efficiencies.
2. Providing savings in plantation operations' support services based on SAP system and other integrated digital solutions. Implement electronic salary payment and enhance mobile network connectivity in the estates.
3. Adopting agricultural and manufacturing innovations and technologies.
4. Enhancing our estates' operational efficiency with efficient cost and reducing dependency on manual workers through mechanisation.
5. Embedding automation and digitalisation in our oleochemical manufacturing processes in line with the IR4 aspiration.

KEY INITIATIVES

1. **Upstream Digitalisation:**
   a. Ensure proper management and full utilisation of the SAP system. Explore robotic process automation ("RPA") and other digital solutions including business intelligence and data analytics.
   b. Enhance estates' operational efficiency and cost savings through the electronic plantation monitoring system ("ePMS") and e-wallet salary crediting system. Embark on more automation projects in upstream and downstream manufacturing.
2. **Mechanisation:**
   a. Reduce worker dependency and increase workforce productivity in estates through mechanisation.
3. **Downstream Digitalisation:**
   a. Assess our prowess in IR4 adoption by conducting the IR4 readiness assessment.
   b. Strategise digitalisation and automation projects in line with IR4.
   c. Identify roll-out plans for IR4.

KEY HIGHLIGHTS

1. **ONE IOI Integrated Platform with Automation & other improved enhancements:**
   a. Introduced and implemented RPA for Procure to Payment with ongoing RPA exploration on other processes.
   b. Introduced and implemented SAP Fiori web-based application for approval features to senior management.
   c. Ongoing implementation of SAP Business Planning and Consolidation ("SAP BPC") for budget planning for plantation.
   d. Ongoing enhancement on SAP and ePMS to improve the efficiency of business processes such as Payment Automation, Host to Host Payment, Agriculture Mechanisation Management, Integrated Planting of Cash Crops and others.
2. **Digital & Cashless:**
   a. Implemented e-wallet salary crediting system for up to 93% of plantation operating units to automate and simplify workers' payroll system.
3. **Mechanised Mainline Fresh Fruit Bunches ("FFB") Evacuation System:**
   a. Implemented at about 75% of suitable areas in estates across Peninsular Malaysia, Sabah and Indonesia as at the end of FY2022.
   b. Implementation of mechanical cart and motorised power barrow for in-field evacuation to replace conventional method of wheel barrow and buffalo assisted harvesting according to terrain and suitability of the estate.
   c. Implementation of motorised cutter for young palm area below 11 feet in height to replace usage of conventional chisel.
4. **Downstream Digitalisation:**
   a. Conducted the IR4 readiness assessment in 2020.
   b. Established pilot project site with various automation and digitalisation projects executed.
   c. Rolled out Real-time Production Organizer-Operation Management ("RPO-OM") and Visual MESA Energy Management System ("EMS").

FOCUS FOR FY2023

1. **Upstream Digitalisation:**
   a. Explore RPA and its integration into the SAP system for better control, greater simplicity and flexibility over business operations.
   b. Expand more functionality in SAP Fiori for better mobility usage in the SAP software.
   c. Expand more reports using SAP Business Warehouse ("SAP BW") for better reporting usage.
   d. Expand the application of e-wallet salary crediting system to all plantation operating units.
   e. Implement enterprise resource planning system for Indonesia's operations.
2. **Mechanisation:**
   a. Expand the mechanised in-field FFB evacuation system and integrate it with the existing mainline grabber and bin system for efficient crop evacuation.
   b. Implement battery-operated tools for harvesting operation.
   c. Expand the usage of drones in nursery for pest and diseases ("P&D") spraying.
   d. Develop new functions of existing equipment with vendors to cover more maintenance activities.
3. **Downstream Digitalisation:**
   a. Extract benefits from RPO-OM and Visual MESA EMS through optimisation of implementation.
   b. Continue to improve facilities through automation and adoption of wireless technology to facilitate IR4 roll-out.
   c. Migrate SAP to the latest SAP S/4HANA for oleochemical manufacturing plants in Malaysia.
   d. Implement NIR-Online Technology for IOI Oleo GmbH.
   e. Roll out Microsoft Windows 365 applications for increased mobile information technology solutions at IOI Oleo GmbH.

STRATEGIC PRIORITIES

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 a resource allocation plan in place to execute these strategic priorities based on the capital inputs identified in our business model on pages 26-27.

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 PRIORITY 1

Increase Yield

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

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

Refer to Group Business Review on Plantation on pages 64-71 for a detailed review.

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 options 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**: Adopt a balanced nutrients approach and application to achieve the desired target yields.

ACHIEVEMENTS IN FY2022

- We planted high-yielding planting materials including third-generation hybrid palm seedlings and elite clonal palms in suitable areas and terrains.
- We expanded our estate mechanisation projects and implemented block harvesting, where 75% of suitable areas in estates have been converted to mechanised mainline FFB evacuation with block harvesting system.
- Major field work operations in conducive areas are already mechanised particularly in manuring and spraying jobs.
- We adhered to procedures and guidelines 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 practised new technique in replanting to minimise future infestation of *Ganoderma* and rhinoceros beetle.
- We provided early declaration to maturity in performing fields, carried out ablation and improved estates' road condition.
- We utilised geographical information system ("GIS") technology, electronic plantation monitoring system ("ePMS") and drones to assess field performance, track yield and monitor our plantation.

PRIORITIES FOR FY2023

Improved Planting Materials

1. Continue to utilise high-yielding planting materials for field planting.
2. 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 rate.
3. Identify more areas and terrains for planting high-yielding elite clonal palms.
4. Introduce new progenies of planting materials that will tolerate *Ganoderma* infection and explore *Virescens* oil palm to reduce the tendency of harvesting unripe bunches.

Agricultural and Field Management Practices

1. Expand best practices for replanting by adhering to standard operating procedures and good agricultural practice guidelines. Pulverising of old trunk chips and soil ripping have been incorporated in the land preparation during replanting to minimise rhinoceros beetle breeding sites and future *Ganoderma* infections.
2. R&D department will enhance advisory service in estates to manage pest and diseases and improve weed management systems.
3. Early declaration to maturity for performing fields and carry out scout harvesting 24 to 30 months from field planting for all immature areas.
4. Ensure proper water management through conservation/drainage and closed-ended conservation trench.
5. Improve estate roads and terraces for all weather accessibility and prompt evacuation.

Digital Tools

1. 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.

Fertilisation

1. Implement precision applications through mechanisation and digital tracing for timely and balanced fertiliser application.

CONNECTION

Our Key Stakeholder Groups

Our Six Capitals

Our Risks

R1 R3 R4 R5

Our Material Matters

M2 M6 M7

Our Key Stakeholder Groups

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

Our Six Capitals

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

Our Risks

- R1 Human Capital & Talent
- R2 Supply Chain Compliance
- R3 Reliance on Manual Labour
- R4 Business Resilience
- R5 Environmental Sustainability

Our Material Matters

- M1 Safety & Health
- M2 Climate Change & Circular Economy
- M3 Labour Practices & Human Rights
- M4 Transparent Grievance Resolution & Communication
- M5 Traceability & Responsible Sourcing: Policy & Practices
- M6 Water & Wastewater Management
- M7 Deforestation & Land Use
- M8 Ethical Recruitment & Responsible Employment
- M9 Supply Chain Management
- M10 Regulatory & Third-Party Compliance

STRATEGIC PRIORITIES

STRATEGIC PRIORITY 2

Optimise Workforce

The plantation industry is heavily dependent on manual workers. We seek to implement initiatives to modernise our upstream business.

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

Refer to Group Business Review on Plantation on pages 64-71 for a detailed review.

OUR KEY INITIATIVES

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

1. **Training**: Plan and improve training provision for estate personnel to improve productivity.
2. **Harvesting Methods**: Streamline estates' harvesting method and restructure harvesting work process.
3. **Upgrade Mechanised Mainline FFB Evacuation System**: Implement and expand the mechanised mainline FFB evacuation system.
4. **Mechanisation**: Mechanise in-field FFB collection and expand the usage of mechanical cart and power barrow/crawler for harvesting. Utilise other motorised tools to increase operational efficiency.

ACHIEVEMENTS IN FY2022

- We provided continuous training and briefing for our estates' personnel, and increased the number of skilled workers.
- We implemented the mechanised mainline FFB evacuation system at our estates in Peninsular Malaysia, Sabah and Indonesia.
- We implemented the use of motorised tools such as motorised palm cutter and power barrow that will improve harvesters' productivity, enabling workers to earn better wages and attracting more locals to work in the plantation.
- We implemented mechanical sprayer and fertiliser spreader for upkeep work to reduce manual worker dependency.
- We implemented mechanical front loader to increase productivity of EFB/POME application.
- We introduced retention incentives such as gratuity payment for workers who renewed their work permit with us between January and December 2022, and special incentives for harvesters based on their recorded working days since October 2021.

PRIORITIES FOR FY2023

Training
1. Provide training and briefing to estates' personnel.

Harvesting Methods
1. Create more skilled workers with modified division of labour and usage of suitable machines.

Upgrade Mechanised Mainline FFB Evacuation System
1. Expand the mechanised mainline FFB evacuation system, utilising tractors with grabbers to load and unload FFB into bins.
2. Integrate the mechanised mainline FFB evacuation system with the mechanical assisted in-field collection to assist estates for efficient crop evacuation.

Mechanisation
1. Expand the mechanising in-field FFB evacuation by using mechanical cart/mini tractor grabber/crawler to collect in-field FFB and deliver to the platform/bin.
2. Expand the use of motorised tools such as power barrow/crawler and motorised palm cutter to increase productivity and attract more locals to work in the plantation.
3. Explore new technologies such as mechanical fertiliser spreaders and herbicide applications with global positioning system technology.
4. Explore the use of drones for pesticides application, especially in the nursery and immature planting areas. We aim to reduce workers' dependency for upkeep work.

New IOI/National Union of Plantation Workers ("NUPW") Collective Agreement ("CA")
1. Current CA will expire at the end of 2022. We will negotiate better terms and conditions for the workers in the new CA for 2023.

CONNECTION

Our Key Stakeholder Groups

Our Six Capitals

Our Risks

R1 R3

Our Material Matters

M1 M3 M4 M7 M8 M10

STRATEGIC PRIORITY 3

Diversify Crops

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

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

OUR KEY INITIATIVES

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

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

ACHIEVEMENTS IN FY2022

- We planted a total of 480 hectares ("ha") of coconuts, 50 ha of bananas and 40 ha of pineapples as of FY2022.
- We identified a variety of coconut breeds for future planting.

PRIORITIES FOR FY2023

Planting Materials
1. Continue to source for good planting materials for coconut expansion.

Coconut Breeding
1. Continue to produce varieties with desirable characteristics for propagation through mass selection and biotechnological techniques.
2. Refine existing self-pollination techniques to produce coconuts with better varieties, high yields and higher oil content.

Crop Cultivation
1. Expand cultivation of coconut, banana, pineapple and durian. Continue to identify higher value crops with high market demand.
2. Provide training to estates' personnel.
3. Apply new agricultural and digital technology to improve yield and efficiency, and reduce the production cost.
4. Engage wholesalers and expand online marketing to market and promote the crops.

Land Utilisation
1. Identify more areas to be planted with other crops (coconut, durian, pineapple, avocado and banana).
2. Employ mechanisation and digitalisation tools to improve productivity and reduce dependency on manual workers.

CONNECTION

Our Key Stakeholder Groups

Our Six Capitals

Our Risks

R1 R3 R5

Our Material Matters

M2 M3 M7

Our Key Stakeholder Groups

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

Our Six Capitals

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

Our Risks

- R1 Human Capital & Talent
- R2 Supply Chain Compliance
- R3 Reliance on Manual Labour
- R4 Business Resilience
- R5 Environmental Sustainability

Our Material Matters

- M1 Safety & Health
- M2 Climate Change & Circular Economy
- M3 Labour Practices & Human Rights
- M4 Transparent Grievance Resolution & Communication
- M5 Traceability & Responsible Sourcing: Policy & Practices
- M6 Water & Wastewater Management
- M7 Deforestation & Land Use
- M8 Ethical Recruitment & Responsible Employment
- M9 Supply Chain Management
- M10 Regulatory & Third-Party Compliance

STRATEGIC PRIORITIES

STRATEGIC PRIORITY 4	OUR KEY INITIATIVES	PRIORITIES FOR FY2023	CONNECTION
Increase the Non-Crude Palm Oil ("CPO") Segment Oil palm by-products such as oil palm trunks ("OPT") and empty fruit bunches ("EFB") are an ideal source for cellulose-based natural fibres. Oil palm processing waste such as palm oil mill effluent ("POME") and others are a good source of bio-based raw materials. Globally, there is a growing consumer demand for environmentally-friendly products and a shift towards sustainable production. The non-CPO segment acts as a stimulus to moderate the impact of palm oil price volatility and provide an added advantage to our overall diversification strategy.	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. **EFB**: Repurpose into value-added products such as biofuel, paper and pulp, and bio-fertiliser. **POME**: Repurpose into bio-fertiliser. **ACHIEVEMENTS IN FY2022** • We have commenced the construction for a 20-acre palm wood factory at Segamat, Johor which is scheduled for completion by Q1 of 2023. • We continued R&D to optimise the process and design for this inaugural manufacturing plant, which will include the latest technology for automation and energy savings. • Factory Acceptance Trials have commenced for the machinery scheduled for delivery at the end of 2022. • IOI Palm Wood has been working with agencies and associations such as the Malaysian Timber Industry Board, Malaysian Timber Council and Malaysian Panel Manufacturing Association to set up a standard for Malaysian palm wood.	**OPT** 1. Continue to develop human capital within IOI Palm Wood which is necessary to achieve our vision of becoming the first commercial palm wood producer. 2. Commence full commercial palm wood production at the newly constructed factory located at Segamat, Johor in Q3 of 2023. 3. Promote the *OnCore* brand, which consists of kiln-dried palm wood, blockboards, palm wood panels and palm lumber core materials to meet the rising demand for high-quality wood panels that are both high performance and environmentally sustainable. 4. Develop sales based on IOI Palm Wood's products and value proposition. Intensify the branding, awareness and sustainability credentials of palm wood to increase sales. 5. Optimise production parameters, explore more innovations in palm wood board and panel production and engineered products from palm wood. 6. Further develop the usage of OPT and processing into high value products. Identify potential opportunities for adding further value to the products. **EFB and POME** 1. Conduct feasibility and marketability studies to assess and prioritise potential products. 2. Explore new conversion technologies. 3. Develop supporting infrastructures such as collection centres and processing or conversion plants. 4. Explore R&D collaborations and partnerships with technology partners, start-ups, research institutions and academia.	**Our Key Stakeholder Groups** **Our Six Capitals** **Our Risks** R1 R4 R5 **Our Material Matters** M2 M5 M9 M10

Our Key Stakeholder Groups

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

Our Six Capitals

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

Our Risks

- R1 Human Capital & Talent
- R2 Supply Chain Compliance
- R3 Reliance on Manual Labour
- R4 Business Resilience
- R5 Environmental Sustainability

Our Material Matters

- M1 Safety & Health
- M2 Climate Change & Circular Economy
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- M5 Traceability & Responsible Sourcing: Policy & Practices
- M6 Water & Wastewater Management
- M7 Deforestation & Land Use
- M8 Ethical Recruitment & Responsible Employment
- M9 Supply Chain Management
- M10 Regulatory & Third-Party Compliance

STRATEGIC PRIORITIES

STRATEGIC PRIORITY 5

Grow the Oleochemical Segment

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

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

Refer to Group Business Review on Resource-Based Manufacturing on pages 72-79 for a detailed review.

OUR KEY INITIATIVES

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

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

ACHIEVEMENTS IN FY2022

Expand Capacity
- We commissioned a new hydrogenation plant in June 2022, and achieved 95% mechanical completion of a fatty acid plant and 95% completion of a new warehouse at IOI Oleochemical Industries Berhad in Penang.
- We achieved 70% mechanical completion of the soap noodle plant and full completion of a new warehouse for soap noodles to eliminate external storage at IOI Pan-Century Oleochemicals Sdn Bhd in Johor.

Improve Efficiency
- We achieved improvement in key utilities although the substantial hike in energy cost, particularly natural gas, hindered the overall cost savings.
- We accomplished the roll-out of Real-time Production Organizer-Operation Management ("RPO-OM") and Visual MESA Energy Management System ("EMS") at IOI Oleochemical Industries Berhad.
- We started digitalisation of order processing to increase efficiency at IOI Oleo GmbH in Germany.

New Product Applications and Markets
- We developed eight new formulations for personal care and cosmetic applications, and filed two new patents for pharmaceutical applications at IOI Oleo GmbH.
- We produced 150 kg of samples each for three different grades of our patented polyglycerol esters ("PGE") at IOI Oleo GmbH with subsequent shipment for customer testing and approval in pharmaceutical applications.
- We further developed and commercialised our patented Ketone Ester portfolio for IOI Oleo GmbH.

Focus on High-Value Products
- **Personal Care Business Unit**: We launched a fully natural version of MIGLYOL 8810 ECO – a replacement of synthetic butylene glycol by natural butylene glycol, produced via fermentation.
- **Nutrition Business Unit**: We launched a powder version of Medium-Chain Triglycerides ("MCT") targeting the sports nutrition market.

PRIORITIES FOR FY2023

Expand Capacity
1. Commission and commence production of new fatty acid and soap noodle plants.
2. Debottleneck and optimise ester plant to increase downstream manufacturing production.

New Product Applications and Markets
1. Regain soap noodle market share as cost competitiveness is expected to narrow against Indonesian producers.
2. Drive the growth of our specialty ester business outside Europe.

Improve Efficiency
1. Extract benefits from the RPO-OM and Visual MESA EMS through optimisation of implementation at IOI Oleochemical operations.
2. Roll out company-wide project management tool at IOI Oleo GmbH.
3. Develop and implement IOI Germany-wide Sales-Operations-Planning Tool at IOI Oleo GmbH.

CONNECTION

Our Key Stakeholder Groups

Our Six Capitals

Our Risks

R1 R4 R5

Our Material Matters

M1 M2 M3 M5 M6 M7 M9 M10

Our Key Stakeholder Groups
- Employees
- Customers
- Communities
- Suppliers
- Regulators
- Shareholders & Investors
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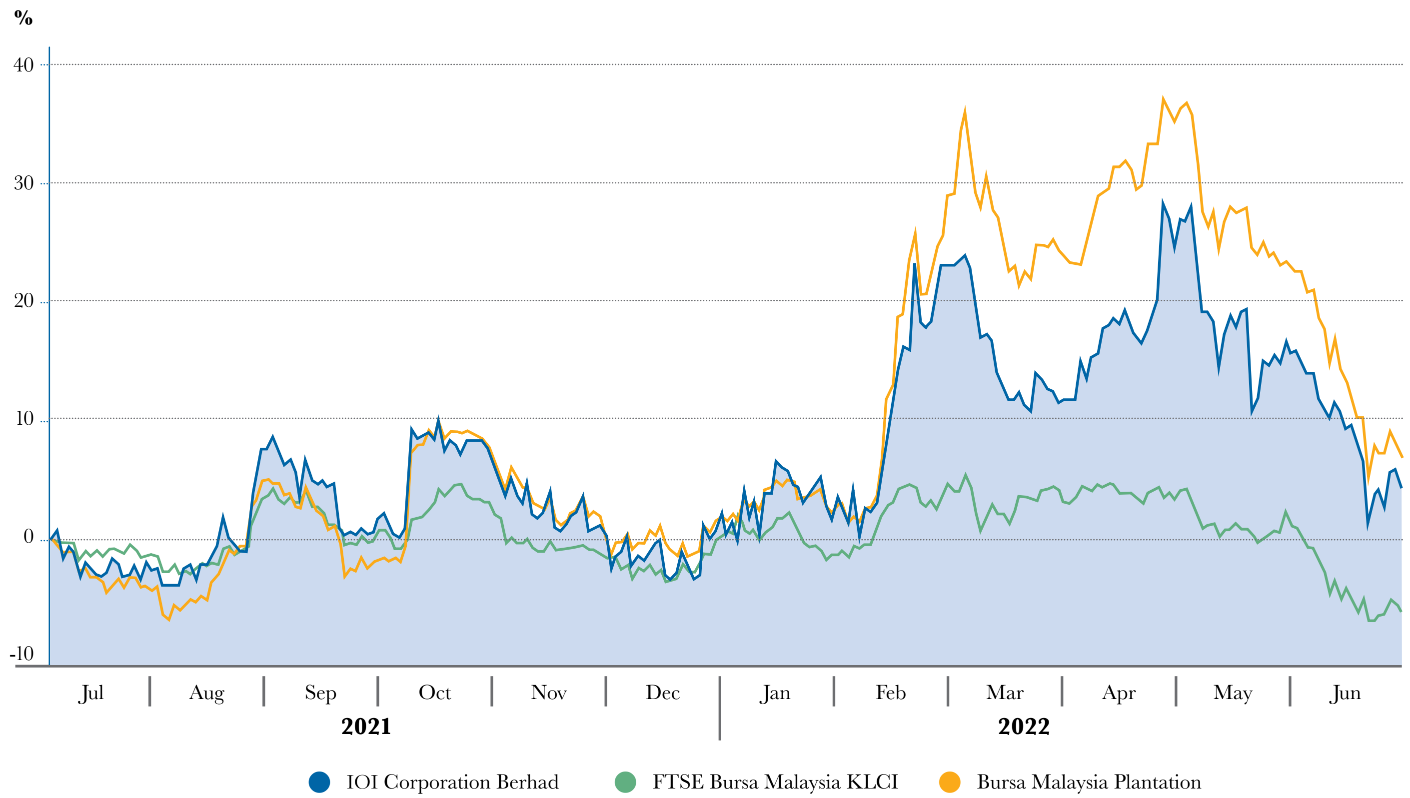
- M9 Supply Chain Management
- M10 Regulatory & Third-Party Compliance

KEY INDICATORS



In RM million unless otherwise stated	2022	2021	2020	2019	2018
FINANCIAL					
Profit before interest and tax	**2,494.2**	1,747.5	1,137.9	1,076.8	1,380.6
Profit attributable to owners of the parent	**1,725.3**	1,394.3	600.9	631.7	3,060.5
Equity attributable to owners of the parent	**10,943.7**	10,005.4	9,296.2	9,299.6	9,156.3
Return on average shareholders' equity (%)	**16.47**	14.45	6.46	6.85	36.84
Basic earnings per share (sen)	**27.74**	22.26	9.57	10.05	48.70
Dividend per share (sen)	**14.0**	10.5	8.0	8.0	20.5
PLANTATION					
FFB production (MT)	**2,726,516**	2,917,621	3,097,262	3,398,847	3,514,857
Total oil palm area (Ha)	**175,192**	176,926	176,909	176,156	174,234
MANUFACTURING					
Oleochemical					
Plant utilisation (%)	**67**	76	77	82	83
Sales (MT)	**573,942**	648,130	669,854	714,131	714,024
Refinery					
Plant utilisation (%)	**61**	63	69	65	69
Sales (MT)	**1,868,099**	2,217,093	1,973,792	1,917,195	2,152,800[1]

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

FIVE-YEAR FINANCIAL HIGHLIGHTS

In RM million unless otherwise stated	2022	2021	2020	2019	2018
RESULTS					
Continuing operations					
Revenue	**15,578.7**	11,251.7	7,802.2	7,385.6	7,417.6
Profit before interest and tax	**2,494.2**	1,747.5	1,137.9	1,076.8	1,380.6
Net foreign currency translation (loss)/gain on foreign currency denominated borrowings and deposits	**(12.8)**	118.5	(207.9)	(102.1)	318.3
Net interest expenses	**(128.8)**	(126.2)	(103.3)	(102.1)	(128.2)
Profit before tax	**2,352.6**	1,739.8	826.7	872.6	1,570.7
Tax expense	**(583.7)**	(323.5)	(225.0)	(255.0)	(334.0)
Profit for the financial year from continuing operations	**1,768.9**	1,416.3	601.7	617.6	1,236.7
Discontinued operations					
Profit for the financial year from discontinued operations	**–**	–	–	–	1,831.6
Profit for the financial year	**1,768.9**	1,416.3	601.7	617.6	3,068.3
Attributable to:					
Owners of the parent	**1,725.3**	1,394.3	600.9	631.7	3,060.5
Non-controlling interests	**43.6**	22.0	0.8	(14.1)	7.8
ASSETS					
Property, plant and equipment	**8,709.2**	8,608.7	8,531.8	8,472.9	8,411.2
Investments in associates	**3,110.0**	3,144.5	2,727.0	2,610.1	2,491.1
Other non-current assets	**669.2**	564.7	582.7	622.3	616.6
	12,488.4	12,317.9	11,841.5	11,705.3	11,518.9
Current assets	**6,679.4**	5,337.8	4,890.1	4,794.9	5,223.7
	19,167.8	17,655.7	16,731.6	16,500.2	16,742.6
EQUITY AND LIABILITIES					
Share capital	**791.1**	791.1	790.2	788.1	786.7
Reserves	**10,152.6**	9,214.3	8,506.0	8,511.5	8,369.6
	10,943.7	10,005.4	9,296.2	9,299.6	9,156.3
Non-controlling interests	**340.8**	309.0	274.5	211.1	259.4
Total equity	**11,284.5**	10,314.4	9,570.7	9,510.7	9,415.7
Non-current liabilities	**4,131.7**	2,303.7	5,319.6	5,766.9	5,544.5
Current liabilities	**3,751.6**	5,037.6	1,841.3	1,222.6	1,782.4
Total liabilities	**7,883.3**	7,341.3	7,160.9	6,989.5	7,326.9
	19,167.8	17,655.7	16,731.6	16,500.2	16,742.6
Net operating profit after tax ("NOPAT")	**1,889.9**	1,541.6	732.1	750.9	1,545.0
Average shareholders' equity	**10,474.5**	9,650.8	9,297.9	9,228.0	8,306.9
Average capital employed[1]	**17,062.6**	16,178.7	15,752.7	15,774.0	16,140.1
FINANCIAL STATISTICS					
Basic earnings per share (sen)	**27.74**	22.26	9.57	10.05	48.70
Dividend per share (sen)	**14.0**	10.5	8.0	8.0	20.5
Net assets per share (sen)	**176**	160	148	148	146
Return on average shareholders' equity (%)	**16.47**	14.45	6.46	6.85	36.84
Return on average capital employed (%)	**11.08**	9.53	4.65	4.76	9.57
Net debt/Equity (%)[2]	**22.80**	29.37	28.62	24.81	26.37
SHARE PERFORMANCE					
Market share price (RM):					
– Highest	**4.76**	4.64	4.82	4.74	4.88
– Lowest	**3.49**	3.65	3.41	4.10	4.31
– Closing	**3.84**	3.76	4.34	4.25	4.54
Trading volume (million)	**884**	524	842	563	1,032
Market capitalisation	**23,857.8**	23,495.4	27,198.0	26,709.7	28,531.2

Notes:
[1] Average capital employed comprises shareholders' equity, non-controlling interests, long term liabilities, short term borrowings and deferred tax.
[2] Net debt represents total borrowings and lease liabilities less short term funds, deposits with financial institutions and cash and bank balances.

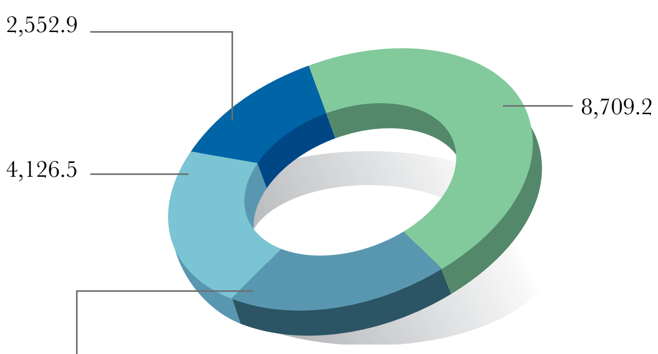
GROUP FINANCIAL OVERVIEW

CASH FLOW FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
RM million

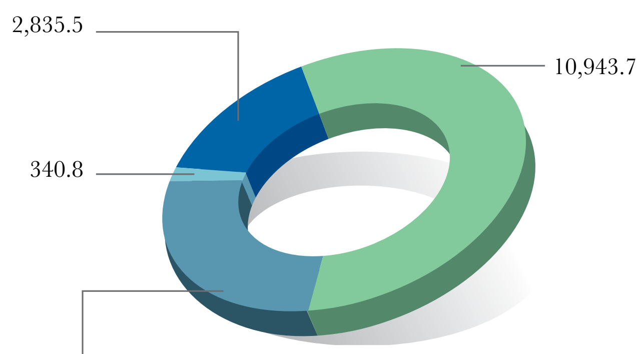
Net operating cash flow	1,799.9
Capital expenditure, net of disposal	(439.9)
Free cash flow from operation	1,360.0
Dividends received from investments	384.4
Additions to other investments, net of proceeds	(14.7)
Advances to an associate	(183.0)
Net settlements of hedging instruments arising from repayments of borrowings	16.9
Net settlement of hedging instrument – Treasury lock contract	24.8
Net interest paid	(117.6)
Proceeds from issuance of shares to non-controlling interests	3.8
Repurchase of shares	(134.2)
Dividend payments	
– Shareholders of the Company	(746.7)
– Shareholders of subsidiaries	(14.6)
Cash inflow in net borrowings	579.1
Loss on repurchase of Guaranteed Notes due 2022	(29.4)
Transaction cost of borrowings	(1.0)
Accretion of borrowings	(2.7)
Lease interest expense	(3.9)
Reassessments and modifications of leases	3.8
Additions to lease liabilities	(13.0)
Decrease in net borrowings	532.9
Net borrowings as at 30 June 2021	(2,938.8)
Translation difference	(89.0)
Net borrowings as at 30 June 2022	(2,494.9)

STATEMENT OF FINANCIAL POSITION
as at 30 June 2022 (*RM million*)

ASSETS



EQUITY AND LIABILITIES



- Property, plant and equipment
- Other short term assets
- Other long term assets
- Cash and cash equivalents (A)
- Equity
- Non-controlling interests
- Borrowings (B)
- Other liabilities

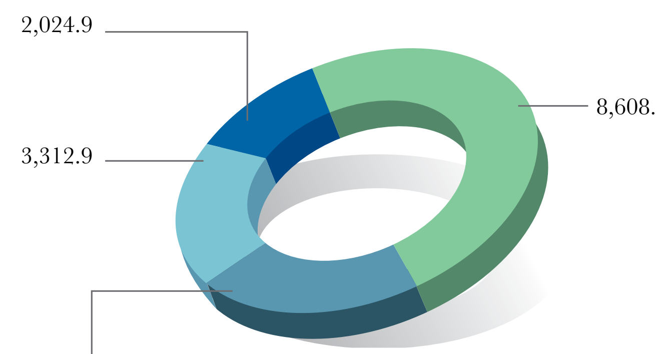
Net Borrowings = (B) – (A) = **RM2,494.9 million** Net Gearing = **22.8%**

RETAINED EARNINGS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
RM million

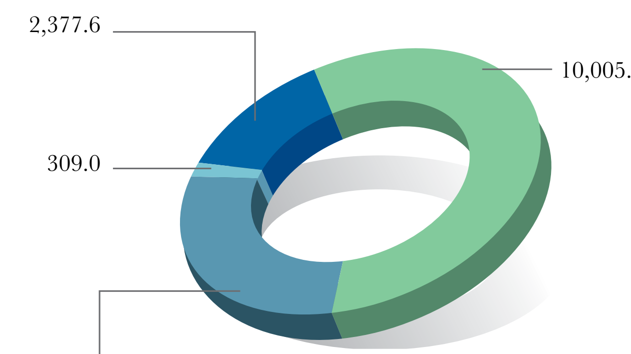
Segment results	2,632.2
Unallocated corporate net expenses	(138.0)
Profit before interest and tax	2,494.2
Net foreign currency translation loss on foreign currency denominated borrowings and deposits	(12.8)
Net interest expenses	(128.8)
Profit before tax	2,352.6
Tax expense	(583.7)
Profit for the financial year	1,768.9
Other comprehensive income	6.4
Total comprehensive income	1,775.3
Attributable to non-controlling interests	(43.6)
Total comprehensive income attributable to owners of the parent	1,731.7
Dividends paid	(746.7)
Retained earnings for the financial year	985.0
Retained earnings as at 30 June 2021	9,330.2
Retained earnings as at 30 June 2022	10,315.2

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

ASSETS



EQUITY AND LIABILITIES



- Property, plant and equipment
- Other short term assets
- Other long term assets
- Cash and cash equivalents (C)
- Equity
- Non-controlling interests
- Borrowings (D)
- Other liabilities

Net Borrowings = (D) – (C) = **RM2,938.8 million** Net Gearing = **29.4%**

GROUP PERFORMANCE HIGHLIGHTS

In RM million unless otherwise stated	2022	2021	+/(-)%
FINANCIAL PERFORMANCE			
Revenue	**15,578.7**	11,251.7	38
Profit before interest and tax	**2,494.2**	1,747.5	43
Profit before tax	**2,352.6**	1,739.8	35
Net operating profit after tax ("NOPAT")	**1,889.9**	1,541.6	23
Net profit attributable to owners of the parent	**1,725.3**	1,394.3	24
Average shareholders' equity	**10,474.5**	9,650.8	9
Average capital employed	**17,062.6**	16,178.7	5
Operating margin (%)	**13.82**	10.83	28
Return on average shareholders' equity (%)	**16.47**	14.45	14
Return on average capital employed (%)	**11.08**	9.53	16
Basic earnings per share (sen)	**27.74**	22.26	25
Dividend per share (sen)	**14.0**	10.5	33
Net assets per share (sen)	**176**	160	10
Dividend cover (number of times)	**2.3**	2.6	(12)
Interest cover (number of times)	**15.8**	11.6	36
PLANTATION PERFORMANCE			
FFB production (MT)	**2,726,516**	2,917,621	(7)
Yield per mature hectare (MT)	**19.34**	20.78	(7)
Mill production (MT)			
Crude palm oil	**607,200**	646,692	(6)
Palm kernel	**124,114**	135,853	(9)
Oil extraction rate (%)			
Crude palm oil	**21.39**	21.39	–
Palm kernel	**4.37**	4.49	(3)
Average selling price (RM/MT)			
Crude palm oil	**4,688**	3,076	52
Palm kernel	**3,593**	2,115	70
MANUFACTURING PERFORMANCE			
Oleochemical			
Plant utilisation (%)	**67**	76	(12)
Sales (MT)	**573,942**	648,130	(11)
Refinery			
Plant utilisation (%)	**61**	63	(3)
Sales (MT)	**1,868,099**	2,217,093	(16)

GROUP QUARTERLY RESULTS

In RM million unless otherwise stated	1st Quarter	%	2nd Quarter	%	3rd Quarter	%	4th Quarter	%	2022	%
Revenue	3,632.4	23	4,112.3	27	4,097.9	26	3,736.1	24	**15,578.7**	**100**
Operating profit	435.2	20	632.7	29	490.3	23	594.6	28	**2,152.8**	**100**
Share of results of associates	70.4	20	35.3	10	85.0	25	153.1	45	**343.8**	**100**
Share of result of a joint venture	(0.9)	38	(0.6)	25	(0.7)	29	(0.2)	8	**(2.4)**	**100**
Profit before interest and tax	504.7	20	667.4	27	574.6	23	747.5	30	**2,494.2**	**100**
Interest income	9.4	31	9.6	31	4.9	16	6.6	22	**30.5**	**100**
Finance costs	(40.1)	25	(39.6)	25	(39.0)	24	(40.6)	26	**(159.3)**	**100**
Net foreign currency translation (loss)/gain on foreign currency denominated borrowings and deposits	(27.2)	nm	29.1	nm	40.4	nm	(55.1)	nm	**(12.8)**	**100**
Profit before tax	446.8	19	666.5	28	580.9	25	658.4	28	**2,352.6**	**100**
Tax expense	(157.1)	27	(158.7)	27	(159.5)	27	(108.4)	19	**(583.7)**	**100**
Profit after tax	289.7	16	507.8	29	421.4	24	550.0	31	**1,768.9**	**100**
Attributable to:										
Owners of the parent	277.6	16	494.7	29	411.2	24	541.8	31	**1,725.3**	**100**
Non-controlling interests	12.1	28	13.1	30	10.2	23	8.2	19	**43.6**	**100**
	289.7	16	507.8	29	421.4	24	550.0	31	**1,768.9**	**100**
Basic/Diluted earnings per share (sen)	4.45		7.95		6.62		8.72		**27.74**	
Profit before interest and tax on segmental basis										
Plantation	487.0	23	576.0	28	518.5	25	502.7	24	**2,084.2**	**100**
Resource-based manufacturing	46.1	9	152.8	28	45.8	9	292.6	54	**537.3**	**100**
Other operations	3.1	30	2.3	21	2.7	25	2.6	24	**10.7**	**100**
	536.2	20	731.1	28	567.0	22	797.9	30	**2,632.2**	**100**
Unallocated corporate net (expenses)/income	(31.5)	23	(63.7)	46	7.6	(6)	(50.4)	37	**(138.0)**	**100**
	504.7	20	667.4	27	574.6	23	747.5	30	**2,494.2**	**100**

Note:
nm = not meaningful

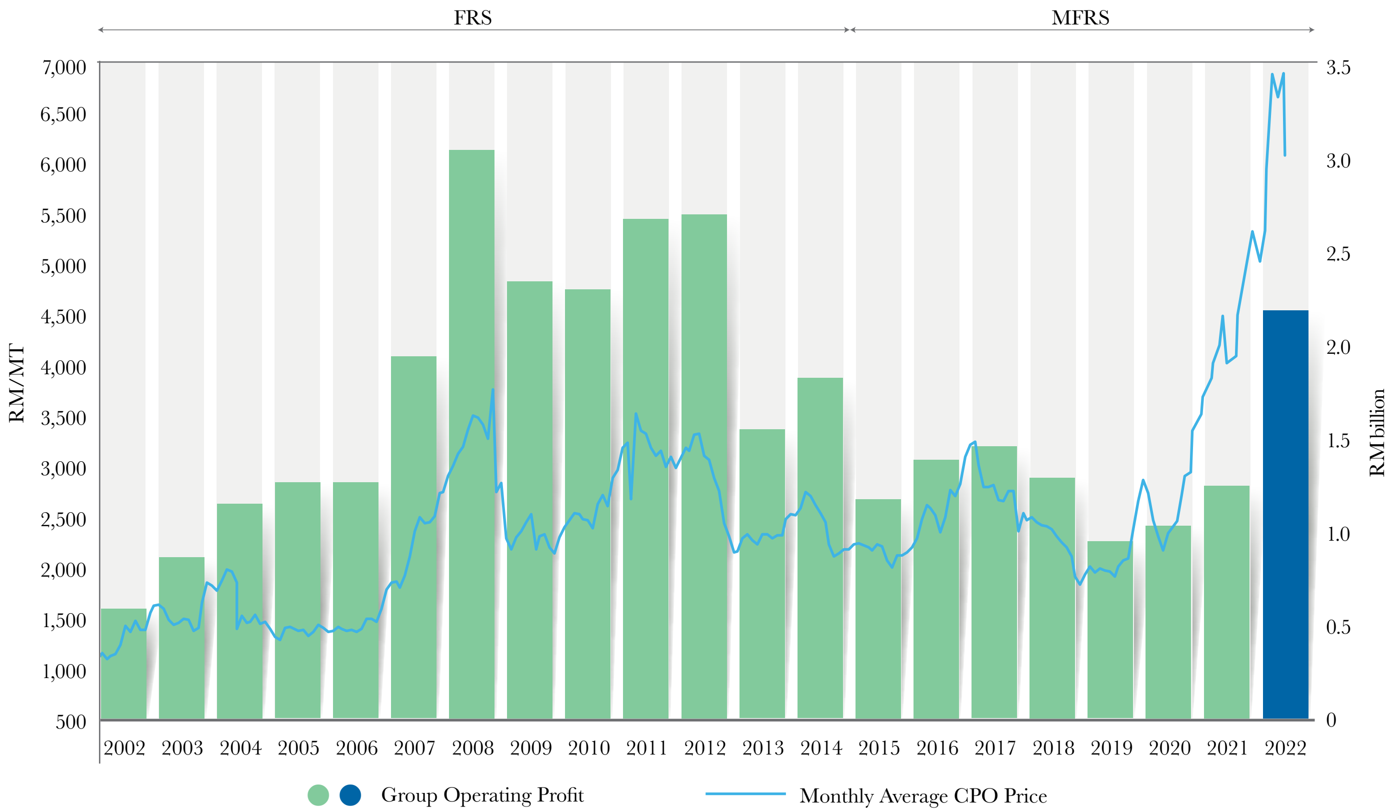
FINANCIAL CALENDAR

FINANCIAL YEAR END	30 JUNE 2022
ANNOUNCEMENT OF RESULTS	
1st Quarter	24 November 2021
2nd Quarter	23 February 2022
3rd Quarter	20 May 2022
4th Quarter	23 August 2022
Notice of Annual General Meeting	30 September 2022
Annual General Meeting	31 October 2022

PAYMENT OF DIVIDENDS		
1st Interim	Declaration	23 February 2022
	Entitlement	10 March 2022
	Payment	25 March 2022
2nd Interim	Declaration	23 August 2022
	Entitlement	13 September 2022
	Payment	23 September 2022

GROUP FINANCIAL REVIEW

Growing Through the Cycle



Note:
In conjuction with the adoption of Malaysian Financial Reporting Standards ("MFRS") framework by the Group, the above information from FY2015 to FY2022 have been prepared in accordance with MFRS, whereas information from FY2002 to FY2014 have been prepared in accordance with Financial Reporting Standards ("FRS").

INTRODUCTION

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

KEY FINANCIAL INDICATORS

		2022	2021	Change %
Earnings before interest and tax ("EBIT")	RM million	**2,494.2**	1,747.5	43
Pre-tax earnings	RM million	**2,352.6**	1,739.8	35
Net earnings	RM million	**1,725.3**	1,394.3	24
Return on average shareholders' equity ("ROE")	%	**16.47**	14.45	14
Return on average capital employed ("ROCE")	%	**11.08**	9.53	16
Net operating profit after taxation ("NOPAT")	RM million	**1,889.9**	1,541.6	23
Total returns to shareholders				
– Capital appreciation per share	RM	**0.08**	(0.58)	nm
– Dividend per share	sen	**14.0**	10.5	33
Net cash flow generated from operation	RM million	**1,799.9**	671.6	168
Net gearing	%	**22.80**	29.37	(22)

Note:
nm = not meaningful

FINANCIAL HIGHLIGHTS AND INSIGHTS

- The Group's revenue for FY2022 increased by 38% to RM15.58 billion as compare to RM11.25 billion in FY2021 from all segments.
- At Group level, the results for FY2022 versus FY2021 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:

	2022 RM million	Mix %	2021 RM million	Mix %	Change %
Plantation	**2,084.2**	**83**	1,209.6	69	72
Resource-based manufacturing	**537.3**	**22**	668.0	38	(20)
Total	**2,621.5**	**105**	1,877.6	107	40
Others including unallocated corporate expenses	**(127.3)**	**(5)**	(130.1)	(7)	(2)
EBIT	**2,494.2**	**100**	1,747.5	100	43

- The plantation segment's EBIT increased by 72% to RM2,084.2 million, due mainly to higher CPO and PK prices realised and higher share of associate results, which partly offset by the lower FFB production.
- The resource-based manufacturing segment's EBIT decreased by 20% to RM537.3 million. Excluding the fair value gain on derivative financial instruments of RM32.0 million (FY2021 – loss of RM25.6 million), share of specialty fats associate, Bunge Loders Croklaan Group B.V. 's ("BLC") impairment loss of RM55.3 million (FY2021 – Nil) and share of BLC's one-off gain of sales of its refinery of RM268.3 million reported in FY2021, the segment reported an underlying profit of RM560.6 million for FY2022 which was 32% higher than the underlying profit of RM425.3 million for FY2021. The higher profit was due mainly to higher margins from oleochemical and refining sub-segments which was offset by lower share of associate results from BLC.
- Other EBIT includes fair value loss on put and call options of RM103.8 million (FY2021 – RM120.4 million), impairment loss on investment in an associate of RM33.9 million (FY2021 – Nil) and loss on repurchase of Guarantee Notes due 2022 of RM29.4 million (FY2021 – Nil).
- **Pre-tax Earnings** increased by 35% to RM2,352.6 million, mainly due to higher contribution from all segments, partly offset by net foreign currency translation loss on foreign currency denominated borrowings and deposits of RM12.8 million (FY2021 – gain of 118.5 million).
- At the **Net Earnings level**, profit attributable to owners of the parent increased to RM1,725.3 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 15.8 times (FY2021 – 11.6 times).
- With the increase of net earnings, the Group recorded a **ROE** of 16.47% for FY2022 based on an average shareholders' equity of RM10,474.5 million (FY2021 – RM9,650.8 million), as compared to 14.45% recorded in the previous financial year.
- With the increase of NOPAT, the **ROCE** increased from 9.53% for FY2021 to 11.08% for FY2022.

GROUP FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS AND INSIGHTS (continued)

- 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 payouts, 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.

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

In RM million	2022	2021
Cash dividend	**746.7**	532.5
Share buy-back	**134.2**	73.1
Total equity repayments	**880.9**	605.6

- The Group generated an **Operating Cash Flow** of RM1,799.9 million for FY2022 against RM671.6 million for FY2021. Similarly, **Free Cash Flow** increased from RM266.8 million to RM1,360.0 million due mainly to increase in operating profit.
- The inventory turnover days for FY2022 has decreased marginally to 45 days, as compared to inventory days of 47 days for FY2021.
- The trade receivables turnover days of 26 days for FY2022 is in line with the trade receivables turnover days of 27 days for FY2021.
- As for the cash and cash equivalents, it increased from RM2.0 billion reported in FY2021 to RM2.6 billion reported in FY2022, due mainly to increase in net cash from operating activities offset by net cash used in financing activities.
- The net gearing ratio of the Group decreased from 29.37% in FY2021 to 22.80% in FY2022 mainly due to increase in cash and cash equivalents.
- The Group's **Shareholders' Equity** as at 30 June 2022 stood at RM10.9 billion. The movement during the financial year included net earnings of RM1.7 billion, offset by total dividend payment of RM0.7 billion and share buy-back of RM134.2 million.
- For FY2022, the Group spent a total of RM445.5 million (FY2021 – RM407.6 million) for **Capital Expenditure ("Capex")**.

RETURNS TO SHAREHOLDERS

Two interim cash dividends totaling 14.0 sen per ordinary share amounting to a total payout of RM869.7 million were declared for FY2022.

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 2022 76,000 IOIC Shares worth RM291,840 based on IOIC Share price of RM3.84 and 55,417 IOI Properties Group Berhad Shares ("IOIPG Shares") worth RM55,417 based on IOIPG Share price of RM1.00. 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 15.9% for each of the 42 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 2022 stood at RM2.6 billion, and a net gearing ratio of 22.8%.

Plantation

Who We Are & What We Do

Plantation is a core business 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, four research and development ("R&D") centres and one biotechnology centre 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 176,980 hectares ("ha") (FY2021: 178,105 ha) and our associate companies stand at about 136,000 ha (as at 30 June 2022). Our total planted area is 99% oil palm and 82% is classified as mature. The weighted average palm age is 13 years. IOI is diversifying into cash crops and intercropping to optimise the revenue of operating units that are undergoing replanting programmes. We have planted a total of 480 ha of coconuts, 50 ha of bananas and 40 ha of pineapples as of FY2022. We are expanding our coconut business and targeting to plant 1,329 ha of coconuts by next year. We have also established a seed garden to ensure we produce sufficient planting materials by capturing existing crop diversity as well as developing new and improved materials for the future expansion of the Group.

As at FY2022, our Indonesian plantations have been granted *Hak Guna Usaha* ("HGU") or Right to Cultivate land rights by the Indonesian government for a total ha of 23,753 for 35 years including plasma. We also have 8,809 ha of land rights in the form of *Izin Usaha Perkebunan* ("IUP") or Plantation Operational Permit, and Panitia B which is currently in the progress of HGU application and is targeted to complete by FY2023.

IOI emphasises heavily on Environmental, Social and Governance ("ESG"), a crucial element for businesses in sustainability development. 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 ha 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. On 8 June 2022, IOI was announced as a 2022 ASEAN Tech for ESG Award winner in recognition of its digital transformation journey to drive social inclusion and operational efficiency.

GROUP BUSINESS REVIEW
PLANTATION

KEY FOCUS AREAS

With a strategy on "Driving Innovation in Enhancing Yields and Cost Efficiency," we are committed to the following key focus areas to enable us to strive for sustainable business growth.

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

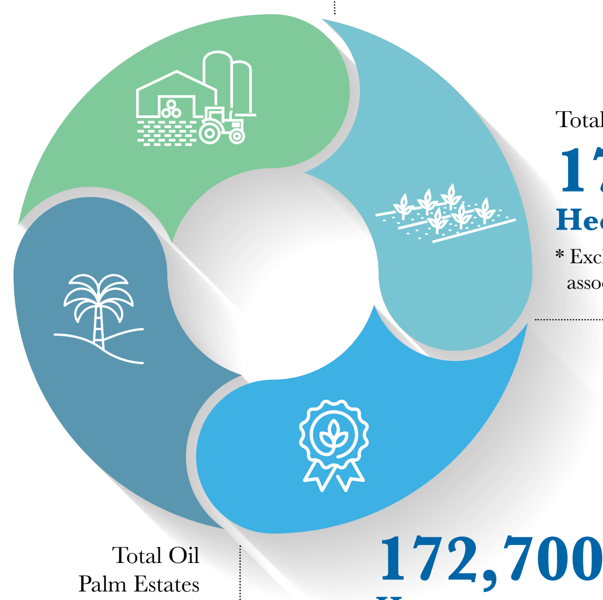
KEY BUSINESS HIGHLIGHTS

The total FFB production for the Group is 2.7 million MT in FY2022 as compared to 2.9 million MT in FY2021. The FFB yield recorded in FY2022 is 19.34 MT per ha as compared to 20.78 MT per ha in the previous year. 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, shutdown of estates due to COVID-19 that led to high harvesting intervals, and heavy rainfall and floods in the Sabah Region. Our production was also hampered by the delay in our fertilising, harvesting, collection of FFB, milling and transportation activities. As a result, our crude palm oil ("CPO") production output was affected which led to lower oil yields.

The unfavourable weather conditions also disrupted our harvesting activities which lowered our CPO output. In view of that, the Mechanisation Department implemented various mechanisation tools and systems to assist and speed up the FFB evacuation. As a result, 75% of our total estates have been implemented with mainline tractors with grabbers. On top of that, we have also implemented motorised tools such as motorised palm cutters, power wheel barrows, mechanical sprayers and fertiliser spreaders to increase productivity at the estates.

The low FFB yields in FY2022 was also caused by a decrease of approximately 5,006 ha of old palms due for replanting, whilst 5,999 ha of young palms were brought into maturity in FY2022. Replanting remains a priority for the Group and we have replanted about 31,278 ha since FY2019 to improve the age profile. We are strengthening our replanting programme through our elite clonal 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.

Top 3 Largest Companies* in Plantation Sector
* Listed on Bursa Malaysia



Total Planted Area
176,980 Hectares*
* Excludes area owned by associate companies

Total Oil Palm Estates
96*
* Located in Malaysia and Indonesia

172,700 Hectares & 14 Mills
RSPO*-Certified in Malaysian Operations
* Roundtable on Sustainable Palm Oil

FINANCIAL HIGHLIGHTS

As of 30 June 2022, the Group's plantation segment's revenue increased 37.5% from RM2.4 billion in FY2021 to RM3.3 billion in FY2022. This year-on-year improvement was supported by bullish CPO and palm kernel ("PK") prices. The CPO price traded at an average of RM6,308 per MT in the first half of 2022, up from RM4,787 per MT in the second half of 2021. Similarly, PK price stood at an average of RM4,087 per MT, from RM3,167 per MT. This is primarily attributed to the shortfall in sunflower oil caused by the Russia-Ukraine war, drought season in South America which caused lower production of soybeans since Q3 2021 and Indonesia's palm oil export curbs. This yearly improvement is also reflected in the increase of our Group's average CPO and PK prices. The average CPO price for FY2022 was higher by RM1,612 per MT (FY2022: RM4,688 per MT as compared with FY2021: RM3,076 per MT) and the average PK price also rose by RM1,478 per MT (FY2022: RM3,593 per MT as compared with FY2021: RM2,115 per MT).

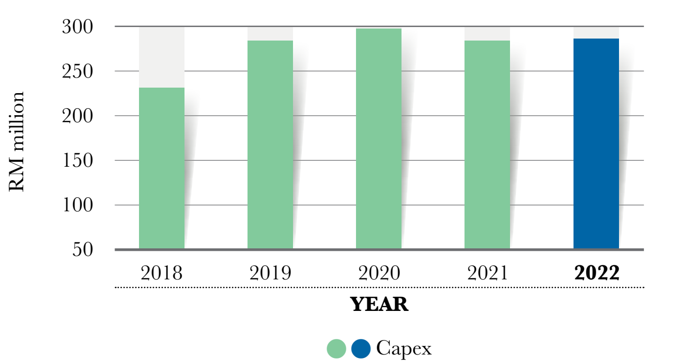
Concurrent with the strong commodity prices, windfall profit levy and CPO sales tax increased excessively from RM142.1 million to RM305.9 million, which constitute 7.1% of the total cost of production. The imposition of 3% on windfall profit levy and 7.5% CPO sales tax amounted to a huge portion on the cost of production.

In a nutshell, the plantation profit has significantly improved by 72% to RM2,084.2 million in FY2022 as compared with RM1,209.6 million in FY2021. This is mainly contributed by higher CPO and PK prices, despite the high estate cost that was attributed to the soaring costs of fertilisers, chemicals and diesel as well as higher wages and welfare cost in FY2022. The plantation segment spent a total of RM282.2 million in capital expenditure ("Capex") in FY2022 as compared with RM279.6 million in FY2021. The investment consisted of primarily funding in replanting (East Malaysia), new planting (Indonesia), plant and machinery, and plantation development infrastructure.

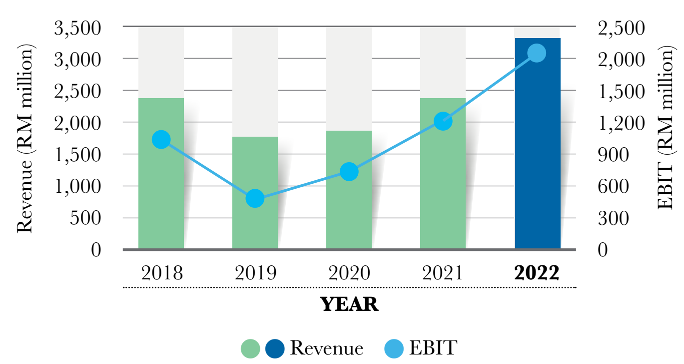
We are accelerating our mechanisation plans in our estates by implementing, among others, mechanical sprayers for effective weed management and productivity.

GROUP BUSINESS REVIEW
PLANTATION

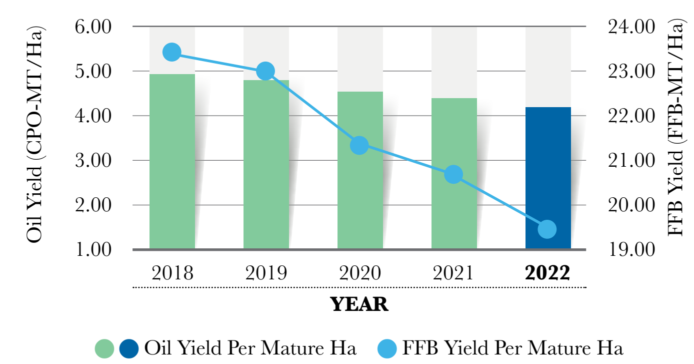
Capex



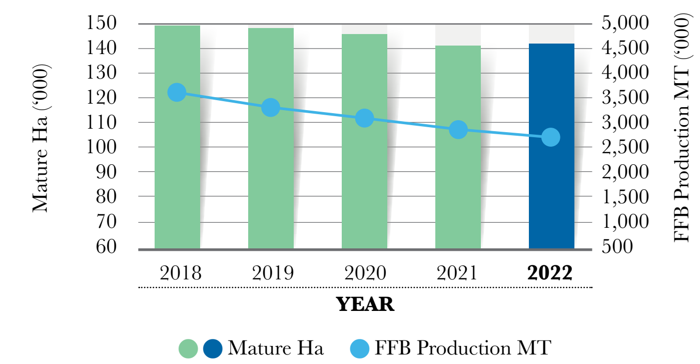
Revenue and Earnings before Interest and Tax ("EBIT")



Oil Yields and FFB Yields



Average Mature Oil Palm Area Harvested and FFB Production



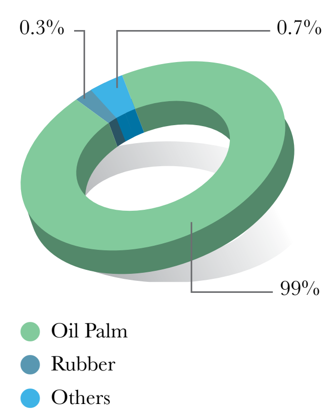
5-Year Plantation Performance Statistics

CROP STATEMENT	2022	2021	2020	2019	2018
OIL PALM					
Average mature area harvested (Ha)	**141,011**	140,418	145,802	147,770	148,934
FFB production (MT)	**2,726,516**	2,917,621	3,097,262	3,398,847	3,514,857
Yield per mature hectare (MT)	**19.34**	20.78	21.24	23.00	23.60
Mill production (MT)					
Crude palm oil	**607,200**	646,692	708,212	756,596	757,949
Palm kernel	**124,114**	135,853	151,473	166,716	175,937
Oil extraction rate (%)					
Crude palm oil	**21.39**	21.39	21.83	21.44	20.90
Palm kernel	**4.37**	4.49	4.67	4.72	4.85
Average Selling Price (RM per MT)					
Crude palm oil	**4,688**	3,076	2,314	2,025	2,549
Palm kernel	**3,593**	2,115	1,375	1,390	2,252

AREA STATEMENT *In Hectares*	2022	2021	2020	2019	2018
OIL PALM					
Mature	**143,787**	143,749	146,856	147,995	154,613
Immature	**31,405**	33,177	30,053	28,161	19,621
	175,192	176,926	176,909	176,156	174,234
RUBBER					
Mature	**449**	457	457	415	415
Immature	**–**	–	18	60	60
	449	457	475	475	475
Others	**1,339**	722	684	648	581
Total planted area	**176,980**	178,105	178,068	177,279	175,290
Nursery	**324**	254	248	206	229
Estate under development	**532**	554	836	8,382	8,382
Labour lines, building sites and others	**29,277**	28,074	27,415	32,070	34,018
Total area	**207,113**	206,987	206,567	217,937	217,919

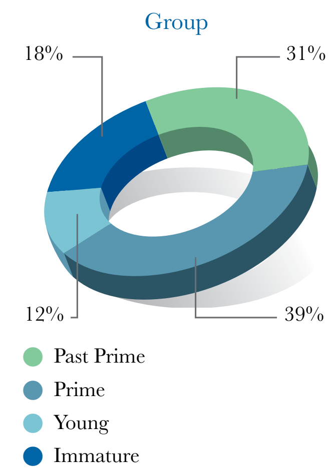
Plantation Statistics

Crop Mix

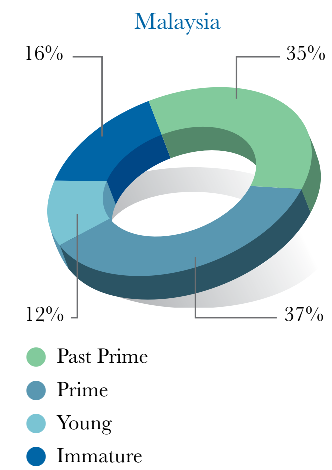


Total Planted Area
176,980 Ha

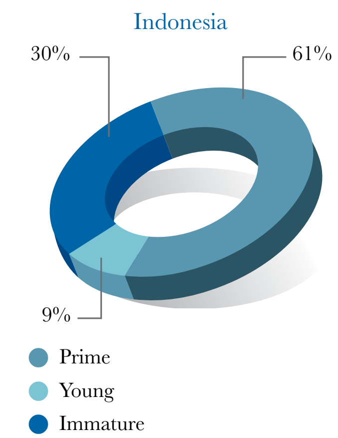
Oil Palm Hectarage by Age



Total Oil Palm Planted Area
175,192 Ha

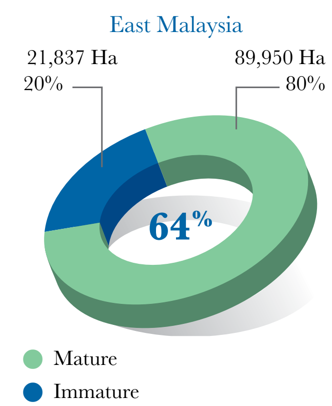


Total Oil Palm Planted Area
154,045 Ha

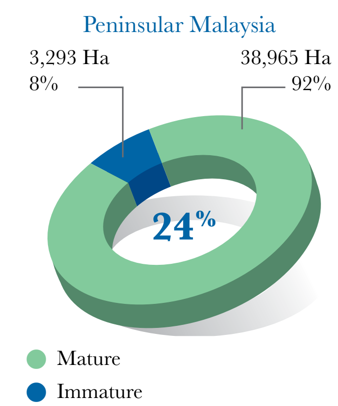


Total Oil Palm Planted Area
21,147 Ha

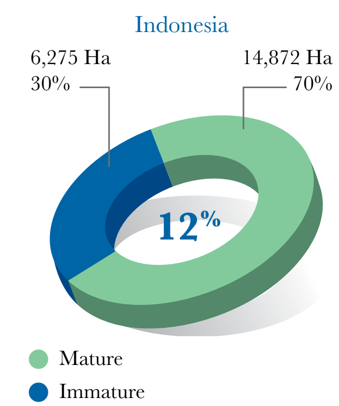
Oil Palm Hectarage by Region



Total Oil Palm Area
111,787 Ha



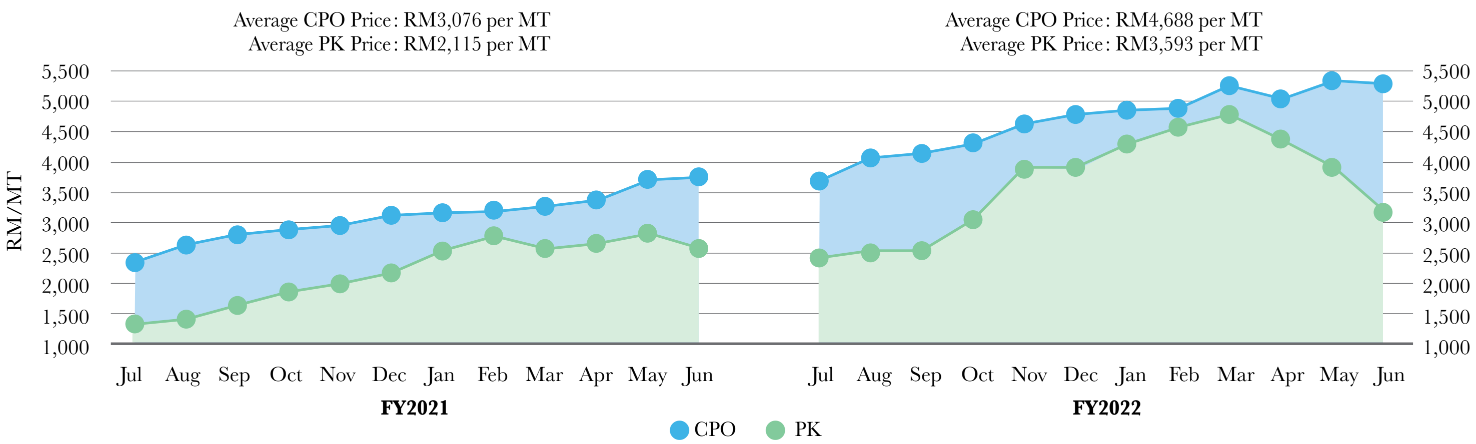
Total Oil Palm Area
42,258 Ha



Total Oil Palm Area
21,147 Ha

GROUP BUSINESS REVIEW
PLANTATION

Average Realised CPO and PK Prices



BUSINESS PERFORMANCE REVIEW 2022

STRATEGIC OBJECTIVES	KEY INITIATIVES	ACHIEVEMENTS IN FY2022
Innovating to produce high-yielding planting materials Reduce dependency on workers via mechanisation, increase productivity and operational efficiency Digitalisation and automation of business processes Diversifying crops and exploring other profitable crops	• Digitalisation • Mechanisation • Continued investment in R&D • Better worker management • Driving to maximise oil yields by innovating with high-yielding clonal palms, superior planting materials and achieving high early yields from young mature palms • Embarking on conservation projects to minimise crop loss during adverse weather conditions	See below

1. IOI continued to attain high yields (as indicated by our top three best performing estates):

ESTATE	OIL YIELD
a. Detas Estate	6.85 MT/ha
b. Morisem 1 Estate	6.37 MT/ha
c. Tangkulap Estate	6.14 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. Baturong Mill (Sabah)	24.09%
b. Bukit Leelau Mill (Peninsular)	23.82%
c. Pamol Kluang Mill (Peninsular)	22.88%

3. All our Malaysian plantation operating units are fully integrated with the SAP system and the electronic plantation monitoring system while 93% have been implemented with the e-wallet salary crediting system.
4. We have successfully initiated various mechanisation efforts:
   a. Implemented mechanised mainline FFB evacuation system using FFB grabber in combination with bin transport system in about 75% of suitable areas in our estates across Peninsular Malaysia, Sabah and Indonesia, which have improved productivity and enabled the workers to earn better wages.
   b. Implemented mechanised in-field FFB evacuation system (using motorised palm cutters and power wheel barrows) which has increased harvesters' productivity by up to 50%, and reduced dependency on workers by improving harvester to land ratio from 1:16 ha to 1:19 ha.
   c. Implemented mechanical sprayer and fertiliser spreader for upkeep work to reduce manual labour dependency.
   d. Implemented mechanical front-end loader for organic farming to increase productivity of empty fruit bunch ("EFB") and palm oil mill effluent ("POME") application.
   e. Provided continuous training and briefing for our estates' personnel, and increased the number of skilled workers.
5. We have successfully initiated various digitalisation efforts:
   a. Introduced and implemented SAP Fiori web-based application for approval features to senior management.
   b. Introduced and implemented robotic process automation ("RPA") for Procure to Payment with ongoing RPA exploration on other processes.
   c. Ongoing implementation of SAP Business Planning & Consolidation for reporting.
   d. Ongoing enhancement on SAP and electronic performance management system to improve the efficiency of business processes such as Payment Automation, Host to Host Payment, Agriculture Mechanisation Management, Integrated Planting of Cash Crops and others.

CHALLENGES/RISKS	MITIGATION ACTIONS
Shortage of foreign workers which directly impacted the supply chain (from FFB harvesting to CPO and PK production and sales) leading to lower FFB and oil yields, and negatively impacting revenue.	1. Actively recruit more local workers with competitive incentives, improve employee welfare and amenities, and introduce "worker-get-worker" scheme. 2. Introduce better work processes and intensify mechanisation or automation to improve the effectiveness and efficiency of the production chain. 3. Annually review pay rates for workers to remain competitive whilst addressing the falling exchange rate impact. 4. Hold dialogues with relevant authorities through the Malaysian Palm Oil Association or East Malaysian Planters Association on unfavourable worker policies by the Palm Oil Industry Committee. 5. Strategic deployment of harvesters from replanting areas to cover other tall palm areas when there is worker shortage.
Heavy rainfall and floods in Sabah and Indonesia Regions, which impacted crop productivity and affected FFB production.	1. Accelerate mechanisation to enhance efficiency of FFB evacuation, particularly in areas with wet weather conditions. 2. Employ water conservation practices such as constructing conservation terraces, silt pits and bunds to retain soil and water. 3. Construct weirs at drainage and irrigation systems. 4. Apply EFB as mulch to increase water holding capacity and maintain soil fertility. 5. Locate sites for water catchment areas such as unplantable steep ravines and low-lying waterlogged basins.
Hike in production cost due to soaring costs of fertilisers, chemicals and diesel, which correlated with the bullish trend of CPO and PK prices. Apart from that, the minimum wage rate was increased by the government from RM1,200 (Peninsular) and RM1,100 (Sabah) to RM1,500 in 2022.	1. Use alternative energy sources such as biogas energy and solar power to reduce current diesel fuel consumption. 2. Revisit manuring programme in order to optimise fertiliser effect or change the type of fertiliser to boost production or save cost. 3. Adopt more mechanisation processes to replace manual work and reduce cost in the long run. 4. Actively recruit workers, including locals, to boost FFB production. 5. Speed up capital projects that directly impact and improve production and costs.
Volatility of CPO price caused by ongoing Russia-Ukraine war, trade friction between the United States and China, and drought in South America which affected soybean production.	1. Continuously improve operational efficiencies and productivity by implementing cost control initiatives through digitalisation and mechanisation efforts to reduce dependency on foreign workers and mitigate volatility of CPO prices. 2. Diversify to other crops to mitigate risk of relying solely on palm oil. 3. Enter into forward sales contracts to lock-in margins.
Outbreak of insect pests (such as nettle caterpillars), vertebrate pests (such as rats and wild boars) and diseases (such as *Ganoderma* fungus), which damaged crops and attacked oil palm trees.	1. Implement integrated pest management approaches that prioritise biological control over chemical pesticide. 2. Employ different techniques during replanting such as soil ripping and ploughing to prevent *Ganoderma* outbreak; and pulverising trunk chips to minimise breeding of rhinoceros beetles in immature and young mature palms.
Approximately 31% of IOI's current oil palm trees is categorised as past prime (more than 21 years old and above), which are due for replanting, causing revenue and profit to be impacted by low FFB production.	1. Accelerate replanting programme by planting superior planting materials to achieve early and high yields from a young mature palm age. 2. Replant with third-generation Limited Breeding Programme materials crossed with valid progeny-tested AVROS pisifera, which are expected to generate more than 33 MT of FFB per ha and have potential to generate more than 8.4 MT of CPO per ha from the seventh year onwards after planting. 3. Plan systematic 4% replanting per year of land area after completion of the 10-year replanting programme. 4. Replant with Advanced Planting Materials aged 20 to 22 months for early maturity.

OUTLOOK & PROSPECTS

Malaysia has entered into the endemic phase of COVID-19 since 1 April 2022 after enduring the pandemic for two years which significantly affected the palm oil industry. In addition to the severe worker shortage caused by the recruitment freeze of migrant workers by the Malaysian government, the Russia-Ukraine war has tightened the global supply of edible oils as Ukraine is a major producer of sunflower oil.

The Russia-Ukraine war contributed to bullish CPO price in Malaysia, which recorded RM6,600 per MT on average in the first half of 2022. However, CPO price has weakened since early June 2022 following Indonesia's newly announced policy to scrap its export levy for all palm oil products in order to clear the current stocks and boost exports. Even though CPO price is expected to stay under pressure in the near term, we anticipate it will be supported by supply constraints and its price competitiveness against other edible oils at least until December 2022.

For FY2023, we expect our financial performance to decline with the drop in CPO price from the historical high levels and the elevated cost of inputs such as fuel and fertiliser. Yet, CPO price should still be significantly higher than the historical average.

We are accelerating our digitalisation and mechanisation plans in our estates to progressively reduce our dependency on manual labour. On top of that, we expect a higher production from our young palm trees in our Indonesian plantations. In Sabah, we are accelerating our replanting to maintain a good age profile for sustainable growth. We expect to replant about 6% of our Malaysian planted area with superior planting materials in FY2023. Overall, we are optimistic of a satisfactory financial performance in FY2023.

Resource-Based Manufacturing

Who We Are & What We Do

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

GROUP BUSINESS REVIEW
RESOURCE-BASED MANUFACTURING

FINANCIAL HIGHLIGHTS

The Group's resource-based manufacturing segment profit for FY2022 was RM537.3 million as compared to RM668.0 million for FY2021. Excluding the fair value gain on derivative financial instruments of RM32.0 million (FY2021 – loss of RM25.6 million), share of specialty fats associate, Bunge Loders Croklaan Group B.V.'s ("BLC") impairment loss of RM55.3 million (FY2021 – Nil) and share of BLC's one-off gain of sales of its refinery of RM268.3 million reported in FY2021, the resource-based manufacturing segment reported an underlying profit of RM560.6 million for FY2022, which was 32% higher than the underlying profit of RM425.3 million for FY2021. The higher profit was due mainly to higher margins from oleochemical and refining sub-segments offset by lower share of associate results from BLC.

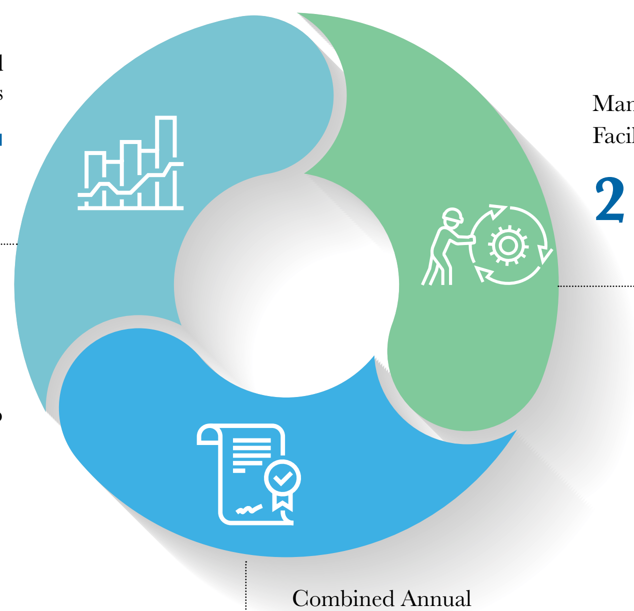
REFINING

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 closely located 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 Certification ("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 ("GHG") emissions.

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

Sales of Total Certified Refined Products
223,800 MT



Manufacturing Facilities
2

Combined Annual Refining Capacity
1.8 million MT

KEY BUSINESS HIGHLIGHTS

- The sales volume of our certified sustainable refined products was affected by huge fluctuations in palm oil demand and pricing due to geopolitical and macroeconomic factors.
- Both refineries have recorded higher sales of low 3-MCPD and GE products with stringent quality controls coupled with improved customers' demand.
- Our refineries' utilisation rates, which are in tandem with industry trends in Malaysia, have been impacted by the severe supply tightness of raw materials mainly due to labour shortage.

BUSINESS PERFORMANCE REVIEW 2022

STRATEGIC OBJECTIVES	KEY INITIATIVES	ACHIEVEMENTS IN FY2022
Drive innovation and promote sustainable development.	• Continuous improvement on process and digitalisation, and reduction of GHG emissions and energy.	• IOI Bio-Energy Sdn Bhd was the winner of the 2021 National Energy Award ("NEA") in the Renewable Energy Cogeneration category.
Expand certified sustainable palm oil products and low 3-MCPD and GE markets.	• Focusing on expanding our markets for certified sustainable and value-added palm oil.	• Both our refineries recorded higher sales volume in value-added refined palm products (low 3-MCPD and GE). • Sales of certified refined palm products was 223,800 MT in FY2022.
Maximise consumer packing capacities in various packing configurations to meet different customers' requirements.	• Actively participate in World Food Programme tenders and expand other potential markets.	• Successfully performed 41 shipments for the United Nations World Food Programme.

CHALLENGES/RISKS	MITIGATION ACTIONS
Huge fluctuations in demand and prices will affect our units' sales and bottom line.	• We are consistently looking for opportunities to capture demand and lock-in positive margin whenever possible. • We will continue to increase our sales of value-added products (low 3-MCPD and GE) in line with our strategic objective.
Stiff competition of raw materials will affect our plant productivity and efficiency.	• We always keep abreast of changes in market competition and adopt necessary strategies to secure more raw materials domestically and overseas whenever available.

OUTLOOK & PROSPECTS

The world witnessed many significant events in the past one year. Effects of the COVID-19 pandemic were extended into the beginning of the financial year with restricted economy activities which resulted in supply chain disruption worldwide. The Russia-Ukraine war further exacerbated the tight vegetable oils' supply situation. Some producing countries were also seen exercising food nationalism to safeguard their own domestic needs. The waning effects of the pandemic and broader reopening of economies in early 2022 saw demand recovering from the previous two years. All these attributed to various vegetable oil prices touching historical high, including palm oil in March 2022.

Malaysian palm oil production is expected to recover from the previous year low, albeit not in significant quantum. Labour crunch is still a major issue encountered by many producers. The pick-up in production is directly linked to the timeliness of the arrival of foreign workers. Palm trees in certain parts of Malaysia are also over their prime age which require replanting activities.

Higher cost of fertilisers and lack of manuring due to shortage of labour, are also affecting the palm trees' productivity. Weather change is another unpredictable factor that requires close monitoring.

We expect palm oil price to remain volatile due to uncertainties of its own fundamentals and external macroeconomic factors. The palm oil export policy of Indonesia will also present some uncertainty to refining margin in Malaysia. However, being the most competitively-priced vegetable oil and with the current high mineral oil price, we foresee demand for palm oil to remain healthy and resilient.

GROUP BUSINESS REVIEW
RESOURCE-BASED MANUFACTURING

OLEOCHEMICAL

The principal activities of the Group's oleochemical sub-segment are manufacturing and sales of fatty acids, glycerine, soap noodles and downstream oleochemical products such as fatty esters and specialty derivatives. These versatile products are used in a wide variety of applications from industrial sectors such as automotive, construction and plastic to food, nutrition, pharmaceutical and cosmetic. Our oleochemical products are exported to more than 70 countries worldwide. Our main customers are located in Japan, China, Europe and the United States ("US"), which include some of the world's most esteemed and well-known multinational corporations.

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

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

KEY FOCUS AREAS

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

Export to Over
70 Countries Worldwide

Manufacturing Facilities
4

Combined Annual Oleochemical Capacity
780,000 MT

We invest in state-of-the-art pilot research and development facilities to spur innovation, improve product quality and optimise processes.

KEY BUSINESS HIGHLIGHTS

- Our fatty acids business unit performed strongly as profitability was at an all-time high despite a slightly lower sales volume compared to the previous year. In the first half of the financial year, the demand recovery for fatty acids and glycerine was very strong. The increased economic activities from all over the world and pent-up demand spurred the consumption. The rising palm oil prices and high sea freight cost were successfully passed on to customers who were willing to accept the prices as long as delivery was on time. The fear of delay due to the disrupted global supply chain brought about by the pandemic was of utmost concern. We noted some changes in the buying behaviour from just-in-time to just-in-case. As a result, brisk sales were recorded. However, in the second half of the financial year, although product prices stayed elevated, some products started to see a drop in demand with the onset of the Russia-Ukraine war. This was exacerbated when China instituted the COVID-19 lockdown in a few major cities.
- Our soap business unit underperformed once again as the business environment continued to be challenging. The high Indonesian export levy and tax continued to give the Indonesian soap producers a significant cost advantage. This was evident from Malaysia's export statistic which showed that the export of soap noodles from Malaysia was only half of what it used to be. We succeeded in maintaining our market share at approximately 30% among the Malaysian manufacturers. In the final quarter of the financial year, we saw some sales recovery due to the decline in palm oil prices.
- Our ester business unit continued with its strong performance as both margin and volume were better than the previous year. The two key products, namely Isopropyl Myristate ("IPM") and Isopropyl Palmitate ("IPP"), recorded robust sales whilst Medium-Chain Triglycerides ("MCTs") achieved their highest sales in record due to the exceedingly strong demand from the US, EU and North Asian countries, notably from the functional food and nutrition segments. The high feedstock price of the short-chain fatty acids did not dampen its demand. Overall, the sales volume held steady throughout the year with no drop-off in sales in any quarter.
- Our German business achieved an outstanding performance. We recorded a much higher margin compared to the previous year as we executed our five-year plan. Significant growth was achieved in Personal Care and Basic Oleo business units with favourable product mix and higher sales of high-margin products. Pharma business unit continued to be the main contributor with the recovery of API sales from China. Our new and high potential pharma products, specifically the three different grades of our patented polyglycerol esters ("PGE"), were sampled and sold. Furthermore, we maintained full plant utilisation in our Witten and Wittenberge sites throughout the entire year.

Our new warehouse is built to cater for our fatty acid plant expansion. The warehouse is designed to optimise space utilisation, improve safety and manpower, and increase the overall efficiency of the operations.

GROUP BUSINESS REVIEW
RESOURCE-BASED MANUFACTURING

BUSINESS PERFORMANCE REVIEW 2022

STRATEGIC OBJECTIVES	KEY INITIATIVES	ACHIEVEMENTS IN FY2022
Drive business growth Enhance cost and plant efficiency Develop new products/ formulations	• Optimising plant manufacturing capacity. • Enhancing cost efficiency through plant automation and digitalisation. • Embarking on energy efficiency and water recycling projects. • Revamping and replacing aging equipment. • Embarking on new fatty acid and soap noodle plant expansions. • Filing patents for new product applications. • Developing new product formulations in CARE Studio.	**IOI Oleochemical Industries Berhad, Penang:** 1. Commissioned new hydrogenation plant in June 2022. 2. Achieved 95% mechanical completion of fatty acid plant. 3. Completed 95% of new warehouse. 4. Rolled out Real-time Production Organizer-Operation Management and Visual MESA Energy Management System. **IOI Pan-Century Oleochemicals Sdn Bhd, Johor:** 1. Achieved 70% mechanical completion of soap noodle plant. 2. Completed new warehouse for soap noodles to eliminate external storage. **IOI Oleo GmbH, Germany:** 1. Started digitalisation of order processing to increase efficiency. 2. Developed eight new formulations for personal care and cosmetic applications. 3. Filed two new patents for pharmaceutical applications. 4. Produced 150 kg of samples each for three different grades of our patented PGE with subsequent shipment for customer testing and approval in pharmaceutical application. 5. Further development and commercialisation of patented Ketone Ester portfolio. 6. Launched a fully natural version of MIGLYOL 8810 called MIGLYOL 8810 ECO in Personal Care business unit. 7. Launched a powder version of MCT in Nutrition business unit that targets the sports nutrition market. 8. Rolled out CAQ.net, a new quality management system that fulfills the restrictive requirements of the pharmaceutical industry. 9. Implemented new cooling tower conditioning concept at Witten site, a sustainable effort that reduces the usage of chemicals and provides cost savings.

CHALLENGES/RISKS	MITIGATION ACTIONS
Higher cost of doing business due to higher energy cost and general inflationary increases.	• Implement new energy conservation project and management programme to optimise natural gas, electricity and steam consumption.
Risk of eroding contribution margin due to increasing cost of raw materials and utilities, and security of supply.	• Qualify additional suppliers wherever necessary, preferably direct sources. • Seek opportunities to augment prices where possible without sacrificing any business. • Include cost-related energy premium in sales price to customers.
Risk of long-lasting interruption of supply chain (particularly energy supply) and consequential downtime in production due to the Russia-Ukraine war for the following reasons: • Germany's high dependence on Russia for natural gas supply which creates a high risk of production downtime/ interruption. • Both production sites in Witten and Wittenberge are not equipped with any alternative source of heating or steam generation.	• Develop and implement plan to replace natural gas supply with oil (by using separate boiler and tank for heating oil instead of gas).

OUTLOOK & PROSPECTS

The foremost challenge will be the lingering effects of the COVID-19 pandemic, especially in China. China's zero COVID-19 policy with its sporadic lockdowns will impact global demand and economic recovery of the world. Coupled with the ongoing Russia-Ukraine war, which has not only dampened demand but has already caused severe inflationary impacts on the food, energy and fertiliser markets. Our European operations will have to endure the soaring natural gas cost whilst our Malaysian operations will be similarly impacted, albeit lesser compared to Europe. Nevertheless, we will continue to strive for cost efficiency and productivity.

We maintain a cautious outlook as our products are ubiquitous. They are being used in a very wide range of applications and industries, and we believe there will be continued growth that is driven by the world's GDP growth although the GDP growth rate will be lower compared to the past. With the coming on stream of our new fatty acid and soap noodle capacities, we intend to increase our sales by improving our market share. Given our strong market position, solid reputation and established network of business partners, we are confident we are able to achieve our goal.

SPECIALTY OILS & FATS

Our associate company, Bunge Loders Croklaan Group B.V. ("BLC") is a leading global producer and supplier of sustainable plant-based specialty oils and fats for the food manufacturing and food service industry globally, and its products are used in a variety of applications from bakery and confectionery to culinary and infant nutrition.

Our partnership with Bunge Limited ("Bunge") to build BLC into a global leader in oil and fat ingredients for B2B customers and supplier of choice of many food manufacturers, bakeries, restaurants and food service operators 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.

On 5 August 2022, the Group completed the sale of 1,800 shares, representing its 10% shareholdings in BLC to Koninklijke Bunge B.V. ("KBBV"), a wholly-owned subsidiary of Bunge for a total cash consideration of USD84,416,807.30 plus EUR19,724,815.30 ("Share Sale"). With the completion of the Share Sale, the Group's equity interest in BLC has reduced from 30% to 20% and accordingly, the existing Put and Call Options provided in the Shareholders' Agreement entered by KBBV and the Group in 2018 have been terminated.

Notwithstanding the above, the existing business collaboration between the Group and Bunge remains, and both parties will continue to harness the benefits of existing synergistic partnership in expanding BLC's business. For FY2023, we expect the performance of the specialty fats sub-segment to be satisfactory as it benefits from favourable demand and BLC's supply chain capability, although the operating environment will continue to present challenges such as high energy cost and the sporadic pandemic-related lockdowns in China.

Drums are being prepared prior to entry into the clean room for the drumming of our products in line with our standard Good Manufacturing Practice.

Increase the Non-CPO Segment

IOI's focus on circularity within its operations has harvested new revenue derivation opportunities from oil palm by-products and processing waste. Oil palm trunks, fresh fruit bunches and palm oil mill effluent are just some of the by-products that can be repurposed into sustainable and environmentally friendly use. The establishment of IOI Palm Wood Sdn Bhd has spearheaded IOI's entry into the non-crude palm oil segment. This is being further widened through expansion, research collaboration, and partnerships with technological providers.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Peter Chin Fah Kui
Independent Non-Executive Chairman

Dato' Lee Yeow Chor
Group Managing Director and Chief Executive

Lee Yeow Seng
Non-Independent Non-Executive Director

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

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

Cheah Tek Kuang
Non-Independent Non-Executive Director

Dr Nesadurai Kalanithi
Independent Non-Executive Director

Dato' Kong Sooi Lin
Independent Non-Executive Director

Audit And Risk Management Committee

Datuk Karownakaran @ Karunakaran a/l Ramasamy
Chairman

Tan Sri Dr Rahamat Bivi binti Yusoff

Cheah Tek Kuang

Dato' Kong Sooi Lin

Governance, Nominating and Remuneration Committee

Tan Sri Dr Rahamat Bivi binti Yusoff
Chairman

Dr Nesadurai Kalanithi

Cheah Tek Kuang

Datuk Karownakaran @ Karunakaran a/l Ramasamy

Company Secretary

Tan Choong Khiang
(SSM PC 201908000048)
(MAICSA 7018448)

Registered Office and Principal Place of Business

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

Auditors

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

Share Registrar

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

The Administration and Polling Agent

KPMG Management & Risk Consulting Sdn Bhd
Level 10, KPMG Tower
No. 8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel +60 3 7721 3388
Fax +60 3 7721 3399

Legal Form and Domicile

Public Limited Liability Company Incorporated and Domiciled in Malaysia

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad

Stock Code

1961

Websites

www.ioigroup.com

www.ioioleo.com

Email Address

corp@ioigroup.com

BOARD OF DIRECTORS

Front Row *(from left to right)*

Dato' Lee Yeow Chor
Group Managing Director and Chief Executive

Tan Sri Peter Chin Fah Kui
Independent Non-Executive Chairman

Lee Yeow Seng
Non-Independent Non-Executive Director

Back Row *(from left to right)*

Dr Nesadurai Kalanithi
Independent Non-Executive Director

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

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

Cheah Tek Kuang
Non-Independent Non-Executive Director

Dato' Kong Sooi Lin
Independent Non-Executive Director

PROFILE OF DIRECTORS

BOARD COMMITTEE

C Committee Chairman M Committee Member A Audit and Risk Management G Governance, Nominating and Remuneration

NATIONALITY
Malaysian

AGE
77

GENDER
Male

DATE OF APPOINTMENT
1 December 2014

TAN SRI PETER CHIN FAH KUI

Independent Non-Executive Chairman

BOARD MEETING ATTENDANCE FOR FY2022

9/9 (100%)

QUALIFICATION

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

RELEVANT EXPERIENCE

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

DIRECTORSHIP OF OTHER LISTED ISSUERS/PUBLIC COMPANIES

- Other Listed Issuer
  - None
- Non-Profit Public Companies
  - Trustee of Yayasan Tan Sri Lee Shin Cheng
  - Trustee of IOI Foundation

NATIONALITY
Malaysian

AGE
56

GENDER
Male

DATE OF APPOINTMENT
25 April 1996

DATO' LEE YEOW CHOR

Group Managing Director and Chief Executive

BOARD MEETING ATTENDANCE FOR FY2022

9/9 (100%)

QUALIFICATION

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

RELEVANT EXPERIENCE

- Chairman of the Malaysian Palm Oil Association since 2020
- Chairman of the Malaysian Palm Oil Council from 2009 to 2020
- 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 Malaysia as its Secretary General from 2002 to 2006
- 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

DIRECTORSHIP OF OTHER LISTED ISSUERS/PUBLIC COMPANIES

- Other Listed Issuers
  - Non-Independent Non-Executive Director of IOI Properties Group Berhad
  - Non-Independent Non-Executive Director of Bumitama Agri Ltd
- Non-Profit Public Companies
  - Trustee of Yayasan Tan Sri Lee Shin Cheng
  - Trustee of IOI Foundation
- Other 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

NATIONALITY
Malaysian

AGE
44

GENDER
Male

DATE OF APPOINTMENT
3 June 2008

LEE YEOW SENG

Non-Independent Non-Executive Director

BOARD MEETING ATTENDANCE FOR FY2022

9/9 (100%)

QUALIFICATION

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

RELEVANT EXPERIENCE

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

DIRECTORSHIP OF OTHER LISTED ISSUERS/PUBLIC COMPANIES

- Other Listed Issuer
  - Executive Vice Chairman of IOIPG
- Non-Profit Public Company
  - Trustee of IOI Foundation
- Other Public Companies
  - Executive Director of IOI Properties Berhad
  - Director of Resort Villa Golf Course Berhad
  - Director of Property Village Berhad

NATIONALITY
Malaysian

AGE
65

GENDER
Female

DATE OF APPOINTMENT
15 August 2017

TAN SRI DR RAHAMAT BIVI BINTI YUSOFF

Independent Non-Executive Director

BOARD MEETING ATTENDANCE FOR FY2022

9/9 (100%)

QUALIFICATION

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

RELEVANT EXPERIENCE

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

DIRECTORSHIP OF OTHER LISTED ISSUERS/PUBLIC COMPANIES

- Other Listed Issuer
  - None
- Other Public Company
  - None

PROFILE OF DIRECTORS

BOARD COMMITTEE

C Committee Chairman | M Committee Member | A Audit and Risk Management | G Governance, Nominating and Remuneration

NATIONALITY
Malaysian

AGE
72

GENDER
Male

DATE OF APPOINTMENT
17 January 2011

DATUK KAROWNAKARAN @ KARUNAKARAN A/L RAMASAMY

Independent Non-Executive Director

BOARD MEETING ATTENDANCE FOR FY2022

9/9 (100%)

QUALIFICATION

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

RELEVANT EXPERIENCE

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

DIRECTORSHIP OF OTHER LISTED ISSUERS/PUBLIC COMPANIES

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

NATIONALITY
Malaysian

AGE
75

GENDER
Male

DATE OF APPOINTMENT
22 August 2012

CHEAH TEK KUANG

Non-Independent Non-Executive Director

BOARD MEETING ATTENDANCE FOR FY2022

9/9 (100%)

QUALIFICATION

- Bachelor of Economics, University of Malaya
- Fellow of the Asian Institute of Chartered Bankers

RELEVANT EXPERIENCE

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

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
- Non-Profit Public Companies
  - Director of Malaysian Institute of Art
  - Governor of Yayasan Bursa Malaysia
- Other Public Company
  - Independent Non-Executive Director of Berjaya Hartanah Berhad *(formerly known as Berjaya Golf Resort Berhad)*

NATIONALITY
Malaysian

AGE
65

GENDER
Female

DATE OF APPOINTMENT
8 July 2021

DR NESADURAI KALANITHI

Independent Non-Executive Director

BOARD MEETING ATTENDANCE FOR FY2022

8/9 (89%)

QUALIFICATION

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

RELEVANT EXPERIENCE

- Member of the Steering Committee of CEO Action Network
- Advisor to Barbados Investment & Development Corporation since June 2022
- Member of IOI Group Sustainability Steering Committee
- Co-founder of Climate Governance Malaysia, an affiliate of World Economic Forum in 2019
- Independent Director of FGV Holdings Berhad from 2018 to 2021
- Minister at the Malaysia Embassy based in Brussels, Belgium and was the Regional Manager for Malaysian Palm Oil Board ("MPOB") in Europe from 2013 to 2017
- Founding member of the Malaysian Chapter of the Society for Free Radical Research ("SFRR") and was the Past-President for SFRR Asia in 2009
- Director of Product Development and Advisory Services in MPOB from 2008 to 2012
- Visiting Fellow, Center for Animal Biotechnology, University of Melbourne, Australia between 2003 to 2004
- Senior Principal Research Scientist and Head of Nutrition Group in MPOB in 1948

DIRECTORSHIP OF OTHER LISTED ISSUERS/PUBLIC COMPANIES

- Other Listed Issuer
  - None
- Other Public Company
  - None

NATIONALITY
Malaysian

AGE
61

GENDER
Female

DATE OF APPOINTMENT
16 February 2022

DATO' KONG SOOI LIN

Independent Non-Executive Director

BOARD MEETING ATTENDANCE FOR FY2022

4/4* (100%)

QUALIFICATION

- Bachelor of Commerce (Honours), University of New South Wales, Australia
- Chartered Accountant of the Malaysian Institute of Accountant ("MIA")
- Chartered Banker of the Asian Institute of Chartered Bankers ("AICB")
- Fellow of the Certified Practising Accountant Australia

RELEVANT EXPERIENCE

- Has over thirty (30) years of investment banking experience and has extensive equity and debt transaction expertise, having advised on numerous highly profiled and industry-shaping corporate exercises in Malaysia and Asia Pacific
- Began her career with Ernst & Whinney (now known as Ernst & Young) and Arthur Anderson & Co. Subsequently, joined Bumiputra Merchant Bankers Berhad under Corporate Banking in 1989
- Joined CIMB Investment Bank Berhad ("CIMB Investment Bank") in 1994, and had been with CIMB Group Holdings Berhad ("CIMB Group") for 25 years until her retirement from CIMB Investment Bank as its Chief Executive Officer in March 2019
- Throughout her tenure with CIMB Group, she contributed significantly to entrenching CIMB Investment Bank as one of the top investment banking houses domestically and across ASEAN countries
- Held various senior positions within CIMB Group which include Group Head of Investment Banking Division for the Asia Pacific region, Group Head of Private Banking, Head of Senior Bankers Group, Chairperson of CIMB Private Limited Sri Lanka and Commissioner on the Board Commissioners of CIMB Securities Indonesia

DIRECTORSHIP OF OTHER LISTED ISSUERS/PUBLIC COMPANIES

- Other Listed Issuers
  - Independent Non-Executive Director of AMMB Holdings Berhad
  - Independent Non-Executive Director of Eco World International Berhad
  - Independent Non-Executive Director of Top Glove Corporation Berhad
- Other Public Company
  - Director of AmInvestment Bank Berhad

* *Reflects the attendance and the number of meetings held during the period the Director held office.*

Notes:
1. Dato' Lee Yeow Chor and Mr Lee Yeow Seng are members of the immediate family.
2. Save as disclosed in item (1), none of the Directors has:
   (a) any family relationship with any directors/major shareholders of the Company;
   (b) any conflict of interest with the Company;
   (c) any conviction for offences (other than traffic offences) within the past five (5) years;
   (d) any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2022.

SENIOR MANAGEMENT TEAM

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:

Dato' Lee Yeow Chor
Group Managing Director and Chief Executive

Tan Kean Hua
Executive Director

Kong Kian Beng
Group Chief Financial Officer

Sudhakaran a/l Nottath Bhaskaran
Plantation Director

Lim Jit Uei
Group Head of Commodity Marketing

Plantation

Sudhakaran a/l Nottath Bhaskaran
Plantation Director

Subramaniam a/l Arumugam
Head of Plantations, Indonesia

Oleochemical

Tan Kean Hua
Executive Director

Koo Ping Wui
Chief Operating Officer, Johor

Lai Choon Wah
Chief Operating Officer, Penang

Thomas Kummer
Chief Operating Officer, Germany

Commodity Marketing

Lim Jit Uei
Group Head of Commodity Marketing

Refinery

Shyam a/l M. K. Lakshmanan
General Manager

IOI Palm Wood

Hans Peter Fitch
Chief Executive Officer

Corporate

Kong Kian Beng
Group Chief Financial Officer

Dr Surina binti Ismail
Group Head of Sustainability

Tan Choong Khiang
Company Secretary

Amir Mohd Hafiz bin Amir Khalid
Head of Group Strategy

Ling Kea Ang
Head of Group Internal Audit

Lee Chin Huat
Head of Business Systems and Information Technology

Plantation

SUDHAKARAN A/L NOTTATH BHASKARAN
Plantation Director

AGE 63

DATE OF APPOINTMENT
16 March 2003

QUALIFICATION
- Honours Degree in Mechanical Engineering from University of Technology Malaysia
- Diploma in Palm Oil Mill Engineering from Malaysian Palm Oil Board

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 which include 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.

SUBRAMANIAM A/L ARUMUGAM
Head of Plantations, Indonesia

AGE 58

DATE OF APPOINTMENT
1 March 2018

QUALIFICATION
- Bachelor of Science (Agribusiness) 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).

Oleochemical

TAN KEAN HUA
Executive Director

AGE 58

DATE OF APPOINTMENT
2 August 2004

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 to March 2017. He also held the chair of the ASEAN Oleochemical Manufacturers Group twice during his MOMG Chairmanship. He was the Board Member of the Board of Malaysian Palm Oil Board for three (3) terms - from May 2010 to May 2017.

SENIOR MANAGEMENT TEAM

Oleochemical

KOO PING WUI
Chief Operating Officer, Johor

AGE 58

DATE OF APPOINTMENT
1 November 2003

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

AGE 59

DATE OF APPOINTMENT
2 December 1996

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

AGE 53

DATE OF APPOINTMENT
16 February 2016

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.

Commodity Marketing

LIM JIT UEI
Group Head of Commodity Marketing

AGE 48

DATE OF APPOINTMENT
3 August 2015

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.

Refinery

SHYAM A/L M. K. LAKSHMANAN
General Manager

AGE 59

DATE OF APPOINTMENT
1 February 2013

QUALIFICATION
- Master's Degree in Manufacturing Systems Engineering from the University of Warwick
- Chartered Chemical Engineer (UK)

SKILLS AND EXPERIENCE
Mr Shyam is a Professional Engineer. He is also a Certified Energy Manager, and leads the company's efforts in environment conservation and in minimising resource utilisation. As a Chartered Scientist, he guides the Research and Development being conducted at Sandakan Refinery to minimise the content of contaminants such as 3-Monochloropropanediol Ester (3-MCPD), Glycidyl Ester (GE), Mineral Oil Saturated Hydrocarbons (MOSH) and Mineral Oil Aromatic Hydrocarbons (MOAH) in our products.

IOI Palm Wood

HANS PETER FITCH
Chief Executive Officer, IOI Palm Wood

AGE 60

DATE OF APPOINTMENT
1 July 2020

QUALIFICATION
- Bachelor of Science from University of Reading, UK

SKILLS AND EXPERIENCE
Mr Peter Fitch has vast global experience in sales, marketing, business development strategy and product development in manufacturing and timber industries.

Prior to joining IOI Group, he was the Managing Director of Segamat Panel Boards Sdn Bhd and U.C. Gravure Sdn Bhd and Executive Director of Matak (M) Sdn Bhd.

SENIOR MANAGEMENT TEAM

Corporate

KONG KIAN BENG
Group Chief Financial Officer

AGE 45

DATE OF APPOINTMENT
6 March 2006

QUALIFICATION
- Fellow of Association of Chartered Certified Accountants
- Member of Malaysian Institute of Accountants

SKILLS AND EXPERIENCE
Mr Kong has more than twenty (20) years of experience in financial reporting, accounting and corporate finance. He joined IOI Corporation Berhad ("IOI") in March 2006 as Group Accounting Manager and has since held various senior positions before being promoted to Group Chief Financial Officer ("CFO"). His last held position was Group Financial Controller, overseeing treasury, corporate finance, taxation and investor relation functions of IOI Group. He was also the Acting Group CFO of IOI from November 2016 to September 2017. He was subsequently appointed to the position of Group CFO on 1 March 2021.

Prior to joining IOI Group, he was an Audit Manager of PricewaterhouseCoopers (*now known as PricewaterhouseCoopers PLT*).

DR SURINA BINTI ISMAIL
Group Head of Sustainability

AGE 62

DATE OF APPOINTMENT
1 March 2016

QUALIFICATION
- Ph.D. in Bioorganic Polymer from University of Akron, USA
- Master of Science in Polymer Organic Chemistry from University of Massachusetts
- Bachelor of Science (Honours) in Chemistry from Indiana University

SKILLS AND EXPERIENCE
Dr Surina has more than twenty (20) years of experience working in several multinational and large Malaysian corporations. She brings with her diverse experience in intellectual property management, research and development, corporate strategy & planning and sustainability. She has strong technical knowledge and experience in oleochemicals, palm oil, rubber products, UV coating and nanotechnology specifically in nanomaterials where she holds several international patents.

TAN CHOONG KHIANG
Company Secretary

AGE 52

DATE OF APPOINTMENT
8 August 2011

QUALIFICATION
- Fellow of the Chartered Governance Institute
- Fellow of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA")

SKILLS AND EXPERIENCE
Mr Tan is the Head of Corporate Secretarial in IOI Group and is responsible for monitoring and supervising the overall corporate secretarial functions of IOI Group. He has vast working experience in secretarial and governance practices, corporate advisory and compliance. Prior to joining IOI Group, he was an Associate Director - Corporate Services with Tricor Services (Malaysia) Sdn Bhd, where he was responsible for management and business development of their corporate secretarial and accounting service divisions.

He is the Chairman and Deputy Chairman of the National Investigation Sub Group B and Main Group of MAICSA respectively. He was the Vice President of MAICSA and one of the representatives of MAICSA on the ASEAN Corporate Secretaries Network.

Corporate

AMIR MOHD HAFIZ BIN AMIR KHALID
Head of Group Strategy

AGE 42

DATE OF APPOINTMENT
1 March 2021

QUALIFICATION
- Intensive Diploma in Oil Palm Management and Technology, Malaysian Palm Oil Board
- 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
Mr Amir Hafiz has 19 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

AGE 55

DATE OF APPOINTMENT
1 July 2015

QUALIFICATION
- Association of Chartered Certified Accountants
- Member of the Malaysian Institute of Accountants
- 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 Securities Berhad, large multinational corporations and privately owned businesses which were involved in various business sectors of the Malaysian economy. He was also assigned to carry out internal audit and Sarbanes-Oxley Section 404 audit of multinational corporations and was also involved in other special assignments like corporate listing and due diligence exercise.

LEE CHIN HUAT
Head of Business Systems and Information

AGE 48

DATE OF APPOINTMENT
18 June 2018

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 network, systems, database and software project development in diverse exposures of different industries ranging from automotive, machineries, retail, merchandising to manufacturing.

Notes:
1. Mr Lim Jit Uei has family relationship with Dato' Lee Yeow Chor and Mr Lee Yeow Seng, both the directors and major shareholders of the Company.
2. Save as disclosed in item (1), none of the above senior management team members has:
   (a) any directorship in public companies and listed issuers;
   (b) any family relationship with any directors and/or major shareholders of the Company;
   (c) any conflict of interest with the Company;
   (d) any conviction for offences (other than traffic offences) within the past five (5) years;
   (e) any public sanction or penalty imposed by the relevant regulatory bodies during the financial year; and
   (f) any shares in the Company (whether directly or indirectly) except below direct shareholding:
   - Sudhakaran a/l Nottath Bhaskaran (145,600 shares)
   - Tan Kean Hua (41,000 shares)
   - Koo Ping Wui (15,000 shares)

Grow the Oleochemical Segment

The oleochemical market is rapidly expanding as more palm-based product possibilities are being introduced. IOI's strategy is focused on innovating high-value products and applications and developing niche markets as we continue to expand our manufacturing capacity and improve operational efficiency.

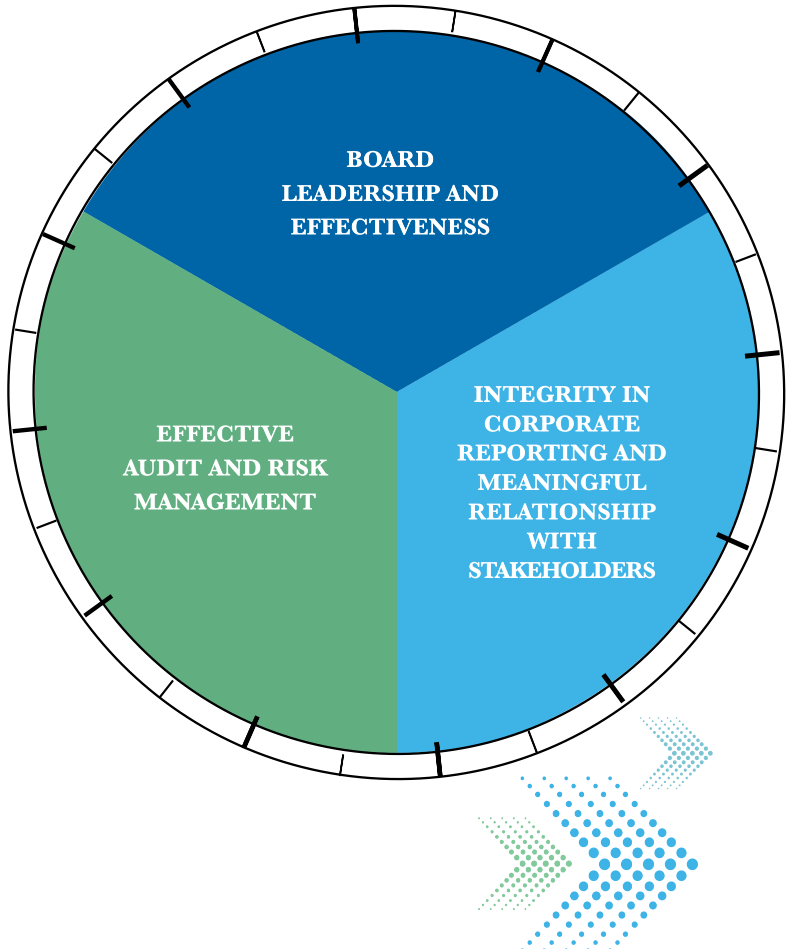
CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 2022 ("FY2022"). This Corporate Governance Overview Statement (the "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 2022/2023.

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

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

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



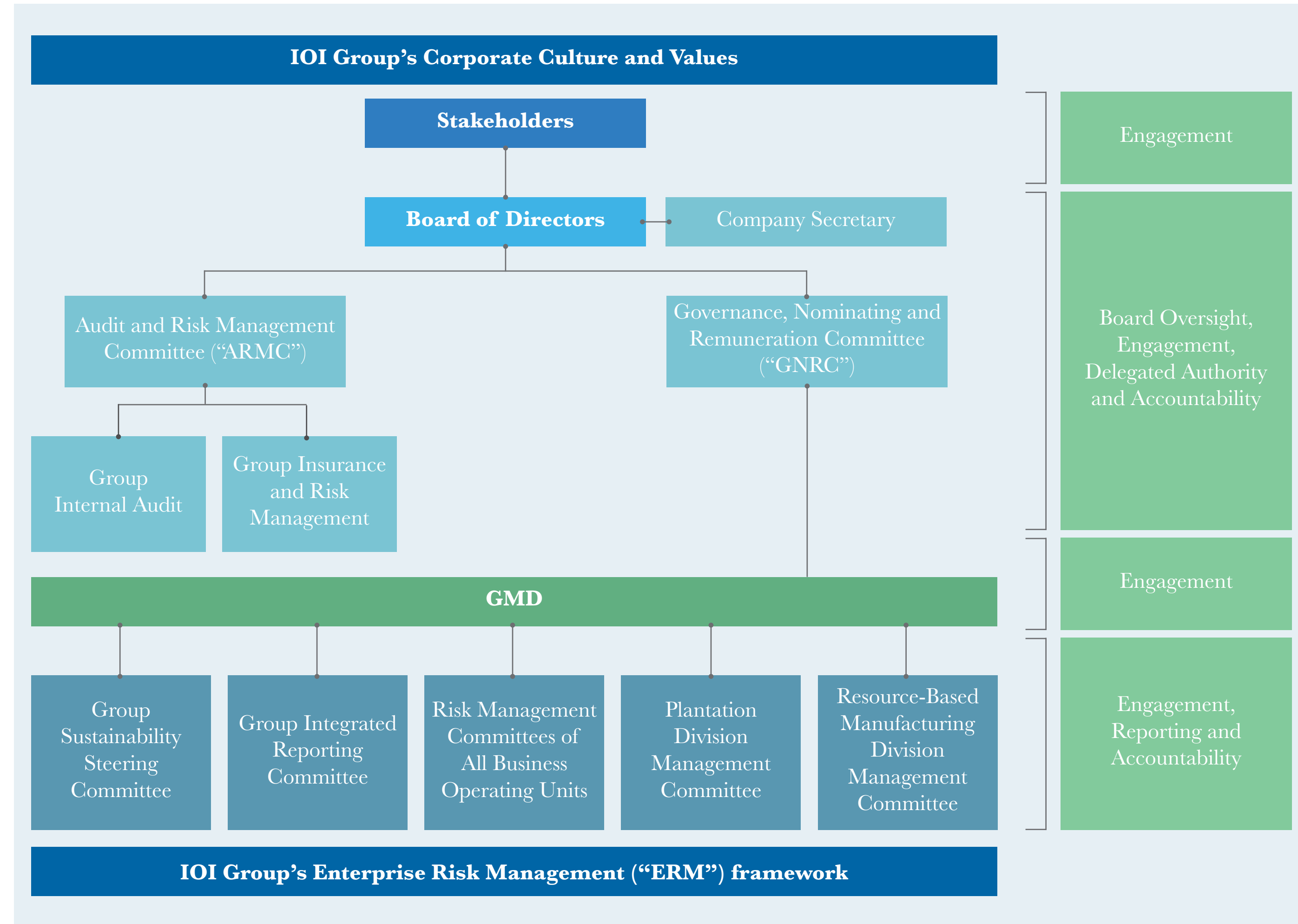
How our governance supports the delivery of our strategy

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

GOVERNANCE FRAMEWORK



ADOPTION OF THE CG CODE

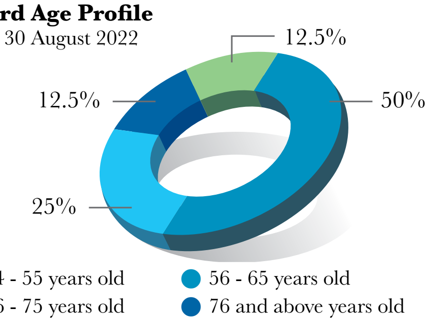
The Board believes that during FY2022 the Company was in full adoption of all applicable principles and practices of the CG Code, save for Practice 8.2 of the CG Code where it requires the Board to disclose on a named basis the top five (5) senior management's remuneration in bands of RM50,000.

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.

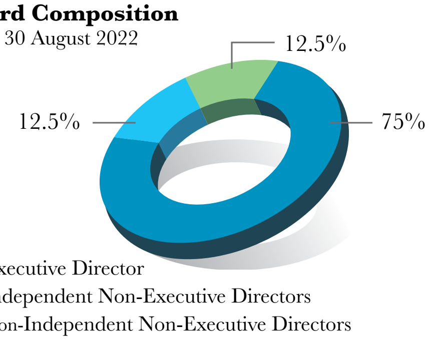
CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD COMPOSITION

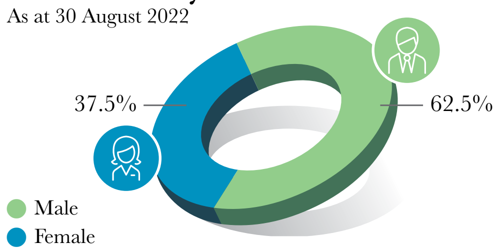
Board Age Profile
As at 30 August 2022



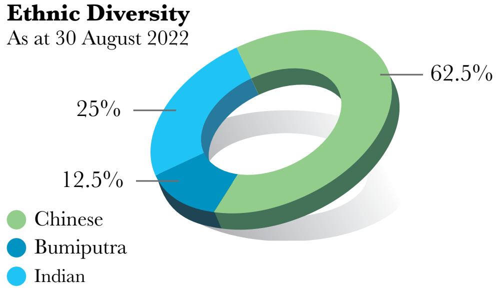
Board Composition
As at 30 August 2022



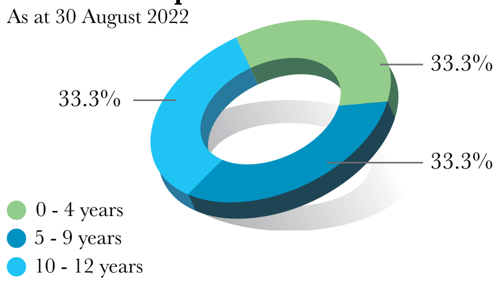
Gender Diversity
As at 30 August 2022



Ethnic Diversity
As at 30 August 2022



Tenure of Independent Non-Executive Directors
As at 30 August 2022



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.

Our Board is currently composed of an Independent Non-Executive Chairman, our GMD and six (6) 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. Save for Datuk Karownakaran @ Karunakaran a/l Ramasamy and Mr Cheah Tek Kuang, the tenure of all the other Independent NEDs on the Board does not exceed nine (9) years.

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 Independent NEDs to be independent in character and judgement that could provide unbiased and independent views to the Board. In reaching this determination of independence, the Board has concluded that each of them provides objective challenge to management, is willing to stand up and defend his or her own beliefs and viewpoints in order to support the ultimate good of the Company and that there are no business or other relationships likely to affect the judgement of the Independent NEDs.

Effective operation of the Board relies on clarity of the various roles and responsibilities of the individual Board members. In line with the principles of the CG Code, a clear division of responsibilities has been established. The Chairman is responsible for leading and managing the work of the Board, while responsibility for the day-to-day management of IOI Group has been delegated to the GMD. The GMD is supported in this role by the senior management team and has executive responsibility for running our business. The diligent way in which the Chairman of the Board Committees and their members carry out their Committees 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, critical business issues, annual budget and strategic plan taking into account Environmental, Social and Governance ("ESG") considerations.

The Board has a schedule of matters specifically reserved to it for decision and has approved the written terms of reference of the various Committees to which it has delegated its authority in certain matters to support the Board in the performance of its duties and responsibilities. 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

The Company has established a Board Diversity Policy. 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:

- 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 guidance 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 required 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 FY2022.

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 on those subsidiary boards and their commitment to the Company's objectives.

We arrange an induction programme (including estate and plant visits) which involves every new Director receiving information about all aspects of the Group's operations, including briefings with key members of senior management. The induction included business area familiarisation, participation in sessions that related to areas of interest, and topics that were pertinent to the Committees he or she joined. This includes background information on the Company and details of Board procedures, Directors' responsibilities and various governance-related issues, including procedures for dealing in the Company's shares and their legal obligations as Directors. Where necessary, this is followed up by additional meetings or information that may be requested by the new Director.

Diversity

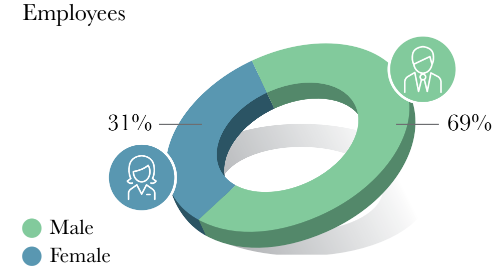
The Group recognises and embraces the benefits of a diverse Board. The GNRC reviews the composition of the Board and the Board Committees. It frequently considers a skills matrix for the Board, which identifies the core competencies, skills, diversity and experience required for the Board to deliver its strategic aims and govern the Group's effectively. This helps to determine a timeline for proposed appointments to the Board and continues to form the basis of our GNRC and Board discussions in FY2022 as we consider the make-up of the Board that will best support the Group's globalised business as it moves into the next stage of development.

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

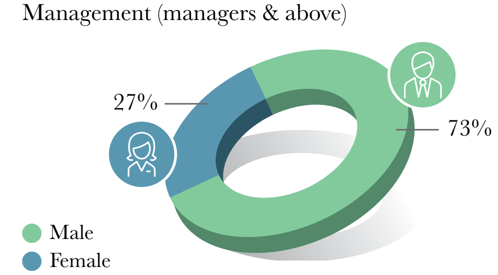
Diversity Disclosure

Gender Diversity

Employees



Management (managers & above)



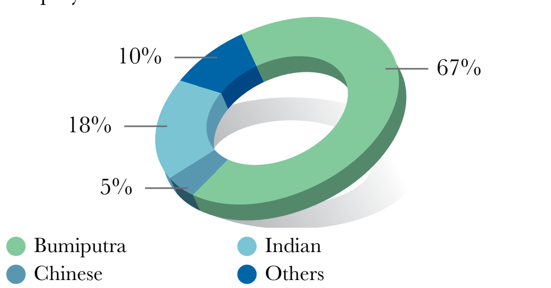
CORPORATE GOVERNANCE OVERVIEW STATEMENT

Currently, the Group does not have any specific measurable objectives for achieving gender diversity in the senior management. Nevertheless, the Group is committed to promoting a culture of diversity in the workplace by:

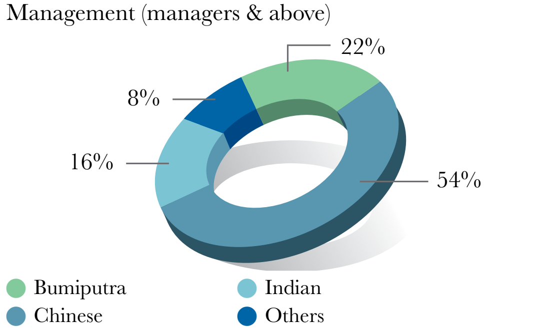
- recruiting and managing on the basis of an individual's competence and performance
- respecting the unique attributes that each individual brings to the workplace
- fostering an inclusive and supportive culture to enable people to develop their full potential
- provide the opportunity for employees to develop skills and experience through training and mentoring programme

Ethnic Diversity

Employees



Management (managers & above)



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 ("Board Skills Matrix Assessment"). In FY2022, the annual assessment on effectiveness of the Board, Board Committees and the individual Directors of the Company (the "2022 BEE"), as well as the Board Skills Matrix Assessment was facilitated by an independent external consultant, KPMG Management & Risk Consulting Sdn Bhd ("KPMG").

The insights from the Board Skills Matrix Assessment are documented in a skills matrix that is:

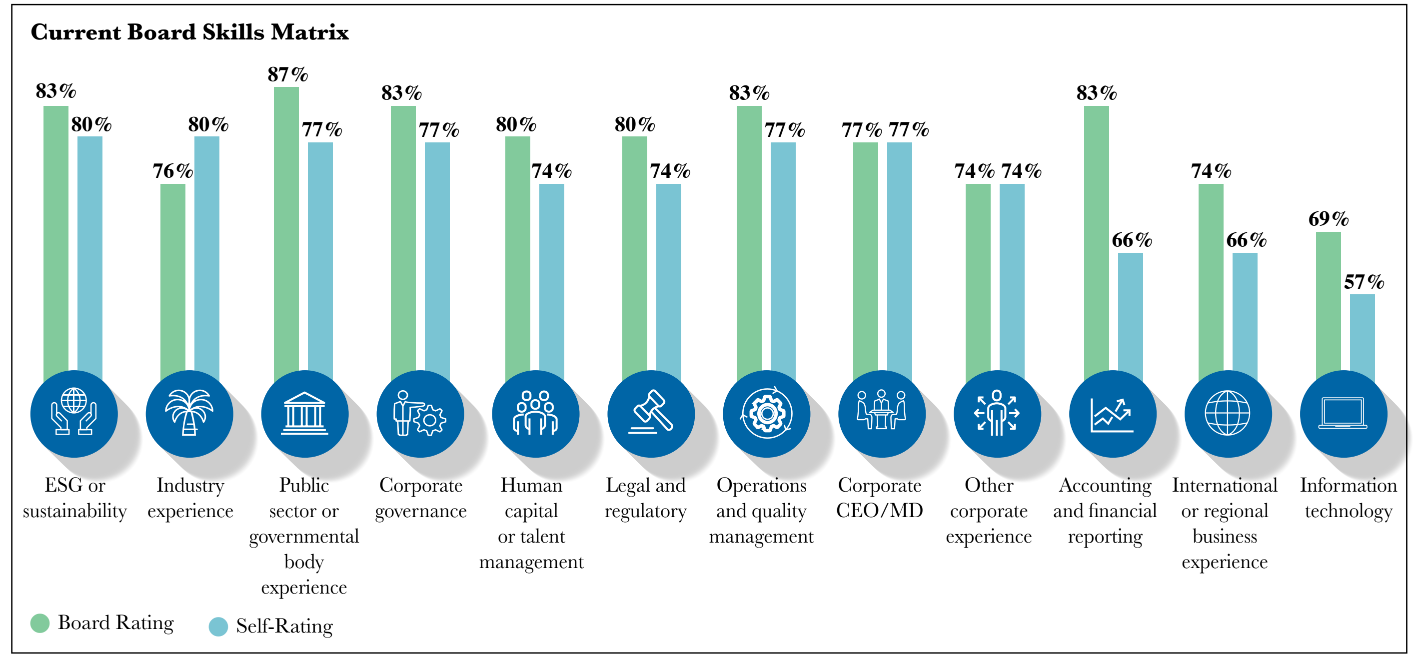
- Considered in the context of IOI Group's business and its strategic needs.
- Incorporated into Board succession planning and the selection of new Directors.
- An important factor in our commitment to diversity.

The Board Skills Matrix Assessment was conducted through questionnaire assessment. The Board Skills Matrix Assessment Form was developed to gain an understanding of the extent to which the Board comprises Directors with the appropriate "Fit and Proper" criteria, skills, knowledge, competence and experience necessary to meet the needs of IOI.

The skills matrix presented here demonstrates alignment of the Board's responsibilities with the current mix of skills of the Directors. Based on the Board Skills Matrix Assessment results, it is well-founded that the high-powered Board of IOI comprises of individuals from a myriad of domains, such as industry insider expertise, legal, economics, banking and government relations and sustainable expertise. The Board is of the opinion that 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 will 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.

Directors' Core Areas of Expertise

Following the Board Skills Matrix Assessment as part of the 2022 BEE, the chart below on the current skills possessed by the Board illustrates that information technology or digital strategy, accounting and international exposure rank lowest in terms of pecking order. Following a search process, Dato' Kong Sooi Lin, who is a chartered accountant with international exposure in investment banking, was appointed as Independent NED on 16 February 2022. Despite lack of Board member with technology background, it is not a concern of the Board as the technology aspect of the Group had been well taken care off in view that the Group had employed experts from technology background to integrate innovative technologies in order to improve productivity with mechanisation efforts and business automation practices of the Group. The Group could solicit advice from the experts employed as and when required. Therefore, it was not necessary for the Board to have a Board member with technology background.



Board Evaluation

The Board through the GNRC, conducts the annual assessment on 2022 BEE of the Company. The annual assessment on 2022 BEE was conducted by KPMG. This was the second time that the Company has engaged an independent external consultant to conduct the annual assessment on BEE since its first time in FY2018. Previous BEEs were conducted internally through mainly questionnaire-approach.

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 will due in 2024.

The 2022 BEE deployed a two (2)-pronged approach which included questionnaires and interview sessions with all the Directors and selected senior management. The 2022 BEE had covered areas on, amongst others:

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

2022 BEE EVALUATION PROCESS

1. Completion of questionnaires and interviews on effectiveness of the Board and its Committees and individual Directors
2. Collation of results and preparation of findings and recommendations by KPMG
3. Presentation of findings and recommendations by KPMG to the GNRC
4. Deliberations in the GNRC and Board meetings
5. Key areas identified and action plan prepared and approved by the Board

Based on the results of 2022 BEE, it was noted that the Company's overall score of 90% was above the market average score of 87% comparing to forty (40) entities and almost all of these entities have a market capitalisation or net assets worth more than RM2 billion in Malaysia. Within the plantation sector, the 2022 BEE score of the Company was higher and stood at an average score of 86%. The results of the 2022 BEE reflected a generally satisfactory performance by the Board and Board Committees with all Directors responded that they are fit and proper. The findings of the 2022 BEE were presented by KPMG to the GNRC for recommendations to the Board. Based on the results and comments gathered from the 2022 BEE forms and interview sessions, there were four (4) key strengths of the Board, Board Committee and individual Directors identified, amongst others:

- Leadership of the Chairman and GMD
- Boardroom commitment and proactivity
- Boardroom collegiality
- Efficacy of the ARMC

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The key findings were also discussed with the Board with emphasis on focus areas that could further enhance the performance of the Board and Board Committees. The Board had then agreed on the appropriate action plans to address the key findings of the 2022 BEE in order to further enhance the Board's effectiveness. The key findings and progress are as follows:

- To have a structured programme for site visits be arranged for the Board to enable the Directors to have a first-hand insight into the Company's value chain. A site visit to our oleochemical plant in Prai, Penang was subsequently held on 11 May 2022.
- To prioritise the considerations concerning the succession planning of individuals helming key positions in the boardroom and senior management. Ongoing various deliberations on succession planning matters have been on the agenda of the GNRC.
- To hold a catalytic strategic immersion session for generative discussions with the senior management, and the said session was subsequently held on 9 May 2022.
- To develop a dynamic Board Agenda that will allow Directors to explore strategic propositions in an in-depth manner. The proposed Agenda has been agreed upon for FY2023.

There was unanimous agreement on the efficacy of the Chairman of the Board and GMD as the Chairman had displayed strong leadership qualities in democratising boardroom deliberations, whilst the GMD was highly regarded for the efficient management of the Company's business based on the 2022 BEE results. In addition, there was a strong commitment and proactivity amongst Directors in devoting time and crucial support to management in steering the Company.

The main area identified by the Board for particular focus during 2022 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 ESG sustainability agendas. As a testament to our commitment in promoting the Group's ESG practices, IOI was conferred the coveted Industry Excellence in Plantation Management award at the inaugural Malaysia International Agri-commodity Awards (MIACA) 2022 by the Ministry of Plantation Industries and Commodities (MPIC) at the closing of Malaysia International Agri-commodity EXPO & Summit (MIACES) on 28 July 2022. IOI was recognised at this prestigious event as one of the well deserving top achievers for its exceptional performance in expanding corporate and social development in the area of plantation management, as our Malaysian plantation estates and mills are both certified by Malaysian Sustainable Palm Oil (MSPO) and Roundtable on Sustainable Palm Oil (RSPO). We have also embarked on our digital transformation journey to drive social inclusion and operational efficiency of our operations since 2018, which accelerated value delivery and impact to our stakeholders. This has led us to be awarded the 2022 Association of Southeast Asian Nations (ASEAN) Tech for ESG Award by its ASEAN Innovative Business Platform (AIBP).

Board Committee Membership and Meeting Attendance in FY2022

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 Committees members have discharged their roles and responsibilities in FY2022, through their attendance at the meetings as set out in the table below:

Members	Board	ARMC	GNRC
Number of meetings held in FY2022	9	6	3
Executive Director			
Dato' Lee Yeow Chor ^	9/9 **(100%)**	6/6 **(100%)**	3/3 **(100%)**
Non-Executive Directors			
Tan Sri Peter Chin Fah Kui# ●	9/9 **(100%)**	–	1/1 **(100%)**
Tan Sri Dr Rahamat Bivi binti Yusoff	9/9 **(100%)**	6/6 **(100%)**	–
Datuk Karownakaran @ Karunakaran a/l Ramasamy ●	9/9 **(100%)**	6/6 **(100%)**	3/3 **(100%)**
Dr Nesadurai Kalanithi*	8/9 **(89%)**	4/4 **(100%)**	2/2 **(100%)**
Dato' Kong Sooi Lin*	4/4 **(100%)**	2/2 **(100%)**	–
Cheah Tek Kuang ●	9/9 **(100%)**	6/6 **(100%)**	3/3 **(100%)**
Lee Yeow Seng	9/9 **(100%)**	–	–

● Chairman or Committee Chairman
^ In his capacity as Director, and he attended (by invitation) all relevant Board and Committee meetings in his capacity as GMD.
* Reflects the attendance and the number of meetings held during the period the Director held office.
# Reflects the attendance and the number of meetings held during the period prior to cessation as the Chairman of the GNRC on 14 September 2021 in compliance with Practice 1.4 of the CG Code.

What the Board Did During FY2022

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 FY2022 activities and priorities are summarised as follows:

Principal matters considered by the Board in FY2022

Strategic matters	Governance, assurance & risk management	Financial & Management Performance
Oversight of IOI Group's performance and five-year strategy	U.S Customs and Border Protection investigation over allegation of Forced Labour Practices	Quarterly results announcements
Sustainability Material Matters, Net Zero Carbon Targets and ESG performance updates	Year-end governance reports, Sustainability Report, ARMC Report, Statement on Risk Management and Internal Control, Circular to Shareholders on renewal of Shareholders' Mandate and Share Buy-Back Statement	Capital expenditure approvals
Succession planning	2022 BEE findings and recommendation	Group's annual budget, forecasts & key performance targets & indicators
Dividend decisions	Board diversity	Group's operational efficiency
Potential growth opportunities	Risk Management and internal control reviews	External Auditors' Audit findings on the Group's Audited Financial Statements and approval thereof
Group's on-going SAP system implementation and digitalisation & mechanisation plan	Group's Fit and Proper Policy	Repurchasing and refinancing of the USD600 million Guaranteed Notes
	Quarterly internal audit findings	
	Bonus payment and remuneration packages for the GMD	
	Directors remuneration and benefits	
	Appointment of Independent NED and member of ARMC	
	Legal and regulatory compliance including CG Code, the Act and listed company obligations	

Our Strategic Priorities

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

Our Six Capitals

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Looking ahead to FY2023

During FY2023, our Board will:

- Refine our strategic propositions at our Board Retreat Session
- Continue Board and senior management succession planning
- Focus on developing tax corporate governance framework
- Continue to support/promote the Group's ESG sustainability practices
- Continue evaluating business diversification, mergers & acquisitions and exploring new business opportunities

What the GNRC Did During FY2022

The GNRC's terms of reference, which are published on the Group's website, include all matters required by the CG Code. No changes were made to the Terms of Reference during FY2022. The GNRC believes that our Board continues to have the appropriate skills, knowledge and experience to oversee the effective delivery of our strategy. Key highlights of our GNRC's FY2022 activities and priorities are summarised as follows:

GNRC Activities & Focus in FY2022			
Strategic	**Governance**	**Remuneration**	**Nomination**
Oversight of management succession including Talent Management System of the Group	Review the findings and recommendations on 2022 BEE	Review Directors' remuneration and benefits for shareholders' approval	Review & recommend appointment of Independent NED and member of ARMC
Review the composition of the Board & Board Committees and dynamics	Review independence of Independent Directors	Review of bonus payment and remuneration for the GMD	Review & recommend Directors standing for re-election at Annual General Meeting ("AGM")
	Review the Group's Fit and Proper Policy	Review of the remuneration packages of the GMD	Review & recommend the retirement and re-designation of Independent NEDs
	Board Diversity		
	Review Key Executive Performance Evaluation		
	Review of year-end governance reports		

Our Six Capitals

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

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 defined a set of specific criteria for potential new Independent NEDs, in particular giving consideration to the skills, expertise, experience and knowledge in the industry, market and segment required in any candidates. We expect all Independent NEDs to demonstrate the highest level of integrity and credibility, independence of judgement, maturity, collegiality and the commitment to devote the necessary time to the Board. As part of the GNRC's effort in monitoring the succession of the senior management, the GNRC also received regular update from the Head of Human Resource in respect of succession planning and talent retention initiatives across the business for the senior management.

As part of its regular succession planning activity and efforts in sourcing for suitable female candidate, in FY2022, the GNRC agreed that it was particularly interested to identify female candidates who would bring a combination of skills and expertise in the areas of (i) global or multinational executive experience; (ii) accounting and finance; and (iii) international trade experience. The thorough and rigorous search process, in which around few individuals were considered, yielded several highly qualified candidates. The GNRC had shortlisted Dato' Kong Sooi Lin as the suitable candidate and upon the GNRC's recommendation, the Board was satisfied that Dato' Kong Sooi Lin has met the selection criteria and accordingly approved her appointment as additional Independent NED.

We see increasing diversity at the Board level as an essential element in attaining its strategic objectives and achieving sustainable and balanced development for the Group. As part of the Board's succession planning, the GNRC reviews the Board structure, size and diversity periodically and considers any proposed changes to the Board composition. To further enhance Board diversity and strike an appropriate balance between continuity of experience and Board refreshment, the Company has, since September 2022, set a maximum tenure of 9 consecutive years for the Independent NEDs to be eligible for nomination by the Board to stand for re-election by shareholders. With Dato' Kong Sooi Lin onboard, our Board's gender diversity had improved to 37.5% female representation on the Board as at 30 June 2022 (2021: 29%). Moving forward, the Board will actively work towards having a minimun of 30% women as members of the Board. 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 racial and ethnic diversity.

Looking ahead to FY2023

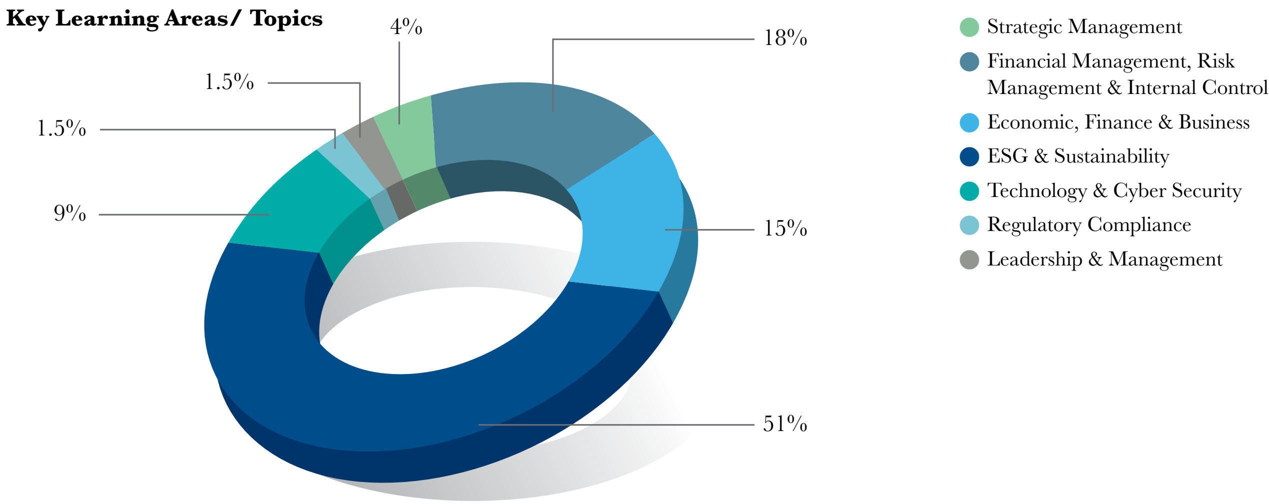
Our GNRC will continue to focus on:

- Succession planning for Board and senior executive roles, through a review of the management structure and a talent review update, to maintain a diverse pipeline of talent
- Reviewing and updating the composition of board committees
- Reviewing governance trends and updating the Terms of Reference

Board Development

In order to continue to contribute effectively to the Board and Board Committee meetings, Directors are regularly provided with the opportunity to take part in ongoing training and development and they can also request specific training that they may consider necessary or useful. The diagram below shows the key learning areas/topics attended by the Directors. The details of training attended by our Directors in FY2022 can be found on our website at https://www.ioigroup.com/Content/G/G_Governance.

Key Learning Areas/ Topics



CORPORATE GOVERNANCE OVERVIEW STATEMENT

Directors' Remuneration

The Company has in place a remuneration framework for Directors and senior management which sets out the criteria applied in recommending their remuneration packages. 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 the Directors and recommended for shareholders' approval at its AGM.

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

Appointment	Per Annum (RM)
Board of Directors	
– Base fee	130,000
– Chairman's fee	145,000
Audit and Risk Management Committee	
– ARMC Chairman's fee	50,000
– ARMC Member's fee	35,000
Governance, Nominating and Remuneration Committee	
– GNRC Chairman's fee	30,000
– GNRC Member's fee	20,000
Group Sustainability Steering Committee	
– Independent NED	15,000

The details of the remuneration of Directors of the Company comprising remuneration received or receivable from the Company and its subsidiaries during FY2022 are disclosed in our CG Report 2022 under Practice 8.1 of the CG Code. The increased meeting allowance of RM1,500 (FY2022: RM1,000) per Board and Board Committee meeting is payable to each Director effective 13 September 2022.

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

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

During FY2022, 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 with the 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 auditors have full and unrestricted access to all departments, records and systems of the Group as and when necessary to undertake their activities.

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 Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations. More details can be found in our Sustainability Report which is available on the Company's website at https://www.ioigroup.com/Content/IR/IR_Reports. Regular updates on ESG risks are provided to ARMC and Board accordingly.

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

Anti-Bribery and Corruption

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

Whistleblowing

The Company has established a Whistleblowing Policy and it provides an avenue for all employees of IOI Group and all agents, vendors, contractors, suppliers, consultants and customers of IOI Group and members of public to raise concerns about any improper conduct within IOI Group without fear of retaliation and to offer protection for such persons (including the employees of IOI Group) who report such allegations.

IOI Group encourages its employees to raise genuine concerns about suspected or possible violations of IOI Group's Code of Business Conduct & Ethics, improprieties in matters of financial reporting, non-compliances with laws and regulations, non-compliances with IOI Group's Policies and Procedures and to disclose any improper conduct or other malpractices within IOI Group (i.e. whistleblowing) in an appropriate way.

Directors' Responsibility for Preparing the Annual Audited Financial Statements

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

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

STAKEHOLDERS' ENGAGEMENT

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

Whilst direct engagement with stakeholders has been challenging for the Board to undertake during a period of prolonged lockdown and travel restrictions, the views of stakeholders have been a key consideration in papers presented to the Board and its Committees and during boardroom discussions, thus influencing strategic planning and decision-making. This ensured that, whilst physical engagement was not possible for certain periods of the year, the Board made sure that stakeholders still had a voice within the boardroom. Board members are of the opinion that, despite the difficulties presented by the pandemic, they were able to virtually engage with the Company's stakeholders. For a more detailed look into how the Company has been able to engage, please refer to our Sustainability Report which is available on the Company's website at https://www.ioigroup.com/Content/IR/IR_Reports.

As part of our ongoing better governance practices, we are guided by the continuous disclosure principle under the Listing Requirements of Bursa Malaysia, which provides the Company with a clear, succinct and streamlined continuous disclosure process. All financial results and media releases that we announce to the market via the Bursa Link announcements platform are posted to our website.

Our Investor Relations team acts as the main point of contact for investors throughout the year. We have frequent discussions with current and potential shareholders on a range of issues, including in response to individual ad hoc requests from shareholders and analysts.

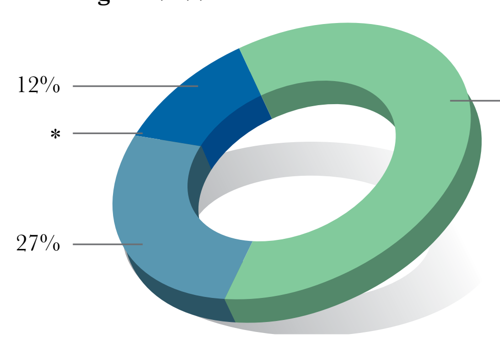
CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Company had been authorised by shareholders to place documents or notifications relating to shareholder 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 at:

- Our quarterly results announcement and any accompanying dividend payment
- Our full year results announcement and any accompanying dividend payment
- Through our AGM

We actively encourage our shareholders to embrace the benefits of electronic communication. As at 30 August 2022, approximately 55% 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 2022 was as follows:

Composition of Shareholders as at 30 August 2022



- Malaysian Substantial Shareholders
- Malaysian Bodies Corporate and Individuals
- Foreigners
- * Government and other Government-Related Agencies (negligible)

We encourage shareholders to participate in the AGM and post questions to the Chairman and the Board. Shareholders are provided with an opportunity to post questions or make comments ahead of, or during, the 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 actively engaged with our GMD, Group Head of Sustainability, Stakeholder Engagement team and Group Head of Commodity Marketing.

During 2022, IOI Pelita Plantation Sdn Bhd ("IOI Pelita") had signed a landmark final settlement agreement with eight (8) local communities, ending a decades-long land dispute and therefore, the case with RSPO was officially concluded. Under the agreement, IOI Pelita, which the Group owns jointly with the Sarawak State Land Custody and Development Authority, will relinquish or excise 4,615 hectares of land from its provisional lease. The Sarawak government will subsequently gazette that excised land as native communal reserves for agricultural use by the affected communities, effectively giving these communities an ownership title to the land.

Further details on stakeholders' engagement and partnership building are accessible in our Sustainability Report which is available on the Company's website at https://www.ioigroup.com/Content/IR/IR_Reports.

This Statement was approved by our Board on 13 September 2022.

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 ("ARMC") of the Board for the financial year ended 30 June 2022 ("FY2022") ("ARMC Report").

Our ARMC was first established on 24 March 1994 as Audit Committee in line with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The Audit Committee was subsequently renamed to Audit and Risk Management Committee on 6 September 2012 to better reflect the ARMC's evolving role in supporting the Board's oversight of the Group's risk management framework and policies.

A. MEMBERS

Our ARMC consists of four (4) members, each of whom is an Independent Director who satisfies the independence criteria contained in the Listing Requirements of Bursa Malaysia.

The composition of our ARMC and the changes that took place during FY2022 are as detailed below:

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

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

Cheah Tek Kuang
Member
Independent Non-Executive Director

Dr Nesadurai Kalanithi
(ceased on 16 February 2022)
Member
Independent Non-Executive Director

Dato' Kong Sooi Lin
(appointed on 16 February 2022)
Member
Independent Non-Executive Director

The biography of each ARMC member is set out in the Profile of Directors section of this Annual Report.

All of the ARMC members are financially literate and have the relevant experience and capabilities necessary to discharge their duties and responsibilities effectively. With Dato' Kong Sooi Lin being a member of the Malaysian Institute of Accountants and none of the ARMC members being an alternate director, the ARMC fulfils the requirements of paragraph 15.09 of the Listing Requirements of Bursa Malaysia.

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 namely BDO PLT ("BDO") are usually invited to attend ARMC meetings to provide briefings, updates and clarifications on matters under the ARMC's purview. BDO also meets with the ARMC without the presence of management at least twice during the financial year. 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 ("TOR") containing provisions that are in accordance with requirements imposed by Bursa Malaysia.

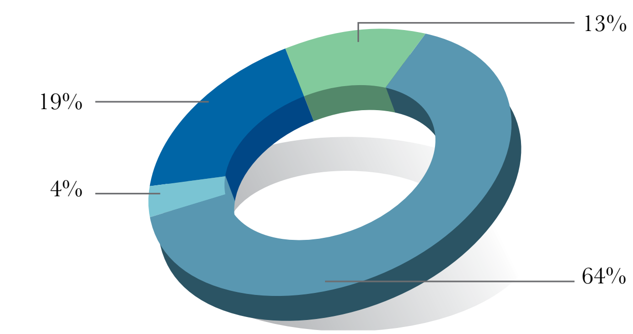
The TOR prescribe the authority, duties, responsibilities and proceedings of the ARMC to facilitate its oversight of financial and risk management matters within the Group. Those key responsibilities include, among others:

- Overseeing the financial reporting process and integrity of the Group's financial statements
- Evaluating the independence of external auditors
- Reviewing and evaluating the operation and effectiveness of the Company's internal audit function
- Overseeing the Group's system of disclosure controls and system of internal controls
- Assessing the Group's practices, processes and effectiveness of corporate risk management structure and support system of risk management
- Reviewing conflict of interest situations and related party transactions of the Group
- Reviewing 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

The full TOR of the ARMC is published on the Governance section of the Company's website at www.ioigroup.com/Content/G/G_Governance.

C. HOW OUR ARMC SPENT ITS TIME DURING FY2022

The pie chart below provides an overview of how our ARMC spent its time in FY2022:



- External Audit
- Internal Audit & Risk Management
- Governance
- Financial Reporting

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

D. SUMMARY OF WORK OF OUR ARMC

During FY2022, 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. In addition to routine compliance matters, the ARMC was particularly focused on the impact of COVID-19 on the business, in terms of financial performance, new and emerging risks, and business continuity and resilience.

The ARMC has an annual work plan, developed from its TOR, with standing items that the ARMC considers at each meeting, in addition to any ad-hoc matters that arose during the year.

The summary of work and the main matters that the ARMC considered during FY2022 are described below:

1. Financial statements and reporting

During FY2022, our ARMC continued to ensure the integrity of financial reporting and ensuring suitable accounting policies were adopted and applied consistently within our Group. The ARMC monitored the financial reporting processes for the Group to ensure compliance with financial reporting standards and clarity of disclosures, by reviewing reports from management and BDO and discussing on issues arising from those reports. The ARMC had also reviewed the unaudited quarterly financial results and audited financial statements of the Group before recommending them for our Board's approval.

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

Our ARMC also took cognisance of the circular(s) and communication note(s) 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 COVID-19 and the need to provide fair and accurate disclosure in assessing COVID-19 related impact on the listed companies' business 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 disclosure, among others, which were considered by the ARMC in relation to FY2022 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 judgmental decisions largely related to the assumptions used to assess the value-in-use of the assets being tested. These assumptions typically include 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 FY2022.

(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. BDO had evaluated the appropriateness of using the said model, as well as expected underlying share price, expected exercise put and call prices, expected dividend yield, risk-free interest rate and expected volatility. The ARMC was satisfied that the put and call options were valued appropriately.

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

Our 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.

BDO had reported that they did not identify any material exceptions based on the work carried out. 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 financial reporting developments, including updates on discussions by the Malaysian Accounting Standards Board on the development of the Malaysian Financial Reporting Standards ("MFRS"), Environmental, Social and Governance ("ESG") updates, and their implications for the Group.

Discussions on BDO's audit plan, audit status, as well as findings on areas of significant attention were held during and subsequent to FY2022. These included presentations on Key Audit Matters ("KAM") of the Group for FY2022 by BDO to the ARMC. The ARMC reviewed and agreed that impairment assessment of the carrying amounts of goodwill and accounting for derivatives financial instruments (including put and call options) were considered as KAM, the details of which can be found in the auditors' report. The identification of KAM was based on materiality and use of significant judgement and estimates in the following areas:

(a) 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, taking into consideration the impact of COVID-19 and Russia-Ukraine war.

(b) Determination of fair values of derivative financial instruments in accordance with MFRS 9 Financial instruments where subjective variables are involved.

(c) Key assumptions in estimating the fair values of put and call options, which include expected underlying share price of Bunge Loders Croklaan Group B.V., expected exercise put and call prices, expected dividend yield and expected volatility, as well as determining an appropriate risk-free interest rate.

As part of the year-end reporting process, the ARMC reviewed BDO's 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 FY2022, the ARMC also received information on recommendation for improvement in the system of internal controls, which BDO had discussed with the respective estate or mill managers and Regional Senior Plantation Controllers or General Managers and communicated their findings for remedial actions. There were no other significant and unusual events or transactions highlighted by the management as well as by external auditors during the course of their audit during the financial year.

BDO also reported to the ARMC the unadjusted misstatement found in the course of their work, which was immaterial, and the ARMC confirmed that there were no material items remaining unadjusted in these financial statements for FY2022.

2. Going concern assessment

The ARMC reviewed the going-concern basis for preparing the Group's consolidated financial statements, including the assumptions underlying the going concern statement and the period of assessment. The ARMC's assessment was based on various analyses from management regarding the Group's capital and liquidity position. Based on such assessment, the ARMC recommended to the Board 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 Internal Audit function is guided by the Internal Audit Charter, which sets out its role, scope, accountability and authority. The Internal Audit Charter was last revised and approved by the ARMC on 26 November 2019.

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. The ARMC reviewed and approved the annual Internal Audit plan and budget for activities to be undertaken during 2022/2023, 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, placing emphasis on the hiring of internal audit staff to ensure uninterrupted operations and high quality of service performed.

The Group's Internal Audit Department focuses on principal risk areas when planning and conducting audit on various operating units within the Group, i.e. a risk-based approach, partly guided by the Group's Enterprise Risk Management ("ERM") framework.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Impact on "Vision IOI" is taken into consideration in determining the risk level as a holistic approach in contributing to the achievement of the Group's objectives and in enhancing shareholders' value.

During FY2022, a total of 95 audit assignments (i.e. 78 routine audits and 17 special audit assignments) were completed on various operating units of the Group's plantation and resource-based manufacturing segments. Routine audits covered oil palm estate operations, commodity marketing activities and refinery operations, while special audits were conducted on labour practices (particularly workers' accommodation and amenities) in oil palm estates. Quarterly audit reports, incorporating findings, recommendations for improvement on the weaknesses noted in the course of the audits and management's comments on the findings, are issued and tabled to the ARMC and Board. Recurring significant issues which were yet to be resolved satisfactorily had been highlighted to the ARMC and it was agreed that management would expedite the resolution of the outstanding audit issues.

Based on briefings provided by the Head of Group Internal Audit, the ARMC considered the findings of the audits undertaken and the adequacy and timeliness of management's response to matters raised. 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 the actions taken to minimise recurrence of audit issues and ensure adequate resolution of material findings.

In addition to quarterly meetings, our ARMC had two (2) private sessions (i.e. without management presence) with the Head of Group Internal Audit during FY2022. This was to ensure that mechanisms for corporate accountability are functioning well and that there were no restrictions on the discharge of the Group Internal Audit Department's responsibilities.

The total costs incurred for the Internal Audit function of the Group for FY2022 was RM3,861,589 (FY2021: RM3,498,907). The higher internal audit function costs incurred for FY2022 as compared with FY2021 was mainly due to the hiring of a new Senior Manager as well as increase in internal audit staff salaries and bonuses.

4. Risk management

Our ARMC assists the Board by taking delegated responsibility for the ongoing monitoring of the effectiveness of the Group's risk management and internal control systems. Risk management activities take place throughout the organisation to support the ARMC in its corporate governance responsibilities.

The Group's risk register contains the key risks faced by the Group, their likelihood and impact on the Group's operations, as well as the controls and procedures implemented to mitigate these risks. The ARMC receives regular Group key risk summary reports prepared by the Corporate Risk Management Department, which tracks residual risk exposures. Such reports allow the ARMC to assess the appropriateness of management's action plans to ensure the Board's risk tolerance is not exceeded.

In FY2022, our ARMC continued its practice of evaluating key areas of risks by receiving direct presentations from management and Group functional heads. Key risks identified during the period under review were, amongst others, increasing cost of doing business, reputation and sustainability issues, foreign labour shortage, exposure to trade regulation on commodity products, commodity price fluctuations, and continuing impact from COVID-19. These direct reviews allow our ARMC members to meet the business leaders responsible for these areas of risk to scrutinise the key risks, identify emerging risks and define an adequate and practical mitigation action plan. Effective risk management in these core areas, within the Board's risk tolerance, will help to protect and enhance shareholders' value.

A bi-annual review of the effectiveness of risk management and internal control processes was carried out by the ARMC. The ARMC focused its review on the Company's risk mitigation and controls and the strategic and organisation-wide risks facing the Group. Our ARMC considered the current risk management process during FY2022 and deemed it effective in terms of identifying, assessing and monitoring our Group's risks.

Our ARMC also met with the Group Insurance and Risk Management Senior Manager twice during FY2022 without the presence of management to address any issues and concerns that may hamper risk management activities throughout the Group.

Further details on our risk management activities are reported separately under the Statement on Risk Management and Internal Control on pages 116 to 120.

5. Assessing the effectiveness of external audit process

The ARMC places great importance on high standards of quality and effectiveness of the external audit carried out by BDO. Prior to every financial year, our ARMC reviews and approves the annual audit plan, ensuring that it is consistent with the scope of the audit engagement and the provision of non-statutory audit services rendered to the Group. In reviewing the audit plan, the ARMC discussed the significant and elevated risk areas identified by BDO that could give rise to a material financial reporting error or are perceived to be of higher risk and requiring additional audit emphasis. Our ARMC also considered the audit scope and materiality threshold.

Our ARMC met with BDO at various stages during the audit process in FY2022, with and without management presence, to discuss their remit and any issues arising from the audit. This is to ensure BDO is able to operate effectively as the Group's external auditors and to satisfy itself that management is responsive to the audit findings and recommendations made by BDO. During FY2022, 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.

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

6. Auditors' re-appointment review

During FY2022, our ARMC has conducted the annual assessment on BDO's qualifications, expertise, resources and the effectiveness of the audit process, including presentation on BDO's internal quality procedures. The following factors were considered during the said assessment:

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

(i) Auditor's effectiveness

The ARMC considered the quality of reports from BDO and the additional insights provided by the audit team, particularly at partner level. The ARMC also considered how well BDO assessed key accounting and audit judgements and their application of constructive challenge and professional skepticism in dealing with our management.

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

(ii) Independence and objectivity

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

As per BDO's firm policy, the audit engagement partner is required to be rotated every seven (7) years with a five (5)-year cooling-off period. This 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. BDO reported to the ARMC that it had considered its independence in relation to the audit and confirmed to the ARMC that it complies with professional requirements and that its objectivity is not compromised.

Our ARMC continues to be satisfied with the performance of BDO as our external auditors and that BDO continues to be objective and independent in relation to the audit.

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

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

Based on established pre-approval procedures and limits 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 FY2022 are set out in Note 10 to the audited financial statements of the Company for FY2022.

BDO also provided in its engagement letter the specific safeguards put in place for each non-audit work, while confirming that it was satisfied that the extent of the non-audit services provided and the amount the fees charged would not pose any threat on BDO's independence as statutory auditors.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The nature of the non-audit services rendered to the Group during FY2022 comprised mainly tax compliance and advisory services, the fees of which constituted approximately 37% 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 external auditors' independence, to which BDO had also confirmed their independence to the ARMC in keeping with professional ethical standards. Given BDO's in-depth knowledge of the Group, the ARMC believed that it is in the interest of the Group that BDO and their affiliates performed those non-audit services.

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

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

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

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

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

The ARMC believed that the auditors undertaking the audit related services such as MFRS consultation were best suited to perform or provide such services, which would enable BDO to build a deeper understanding of the Group and further its insights. This also enhanced professional skepticism and the quality of the audit.

(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 RM1,382,500 for FY2022 [FY2021: RM1,326,240] 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 in 2021.

Recommendation to re-appointment

In considering the re-appointment of external auditors each year, the ARMC evaluates the external auditors' independence and effectiveness of the external audit process. Some of the criteria guiding the ARMC's decision in this matter include an assessment of the external auditors' competence, audit quality and resource capacity. As part of this assessment, the ARMC had in FY2022 considered the information in the Annual Transparency Report of BDO and the report on the Audit Oversight Board's inspection on BDO.

Having reviewed the performance of BDO in FY2022, our ARMC had decided to recommend to the Board that BDO be re-appointed for FY2023 audit and a resolution to this effect will be put forward for shareholders' approval at the forthcoming Annual General Meeting to be held in year 2022.

7. Other matters considered by our ARMC

Our ARMC also:

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

(ii) Reviewed the ARMC Report and the Statement of Risk Management and Internal Control.

(iii) Reviewed the key observations made by Bursa Malaysia and IIA on the effectiveness of internal audit function of listed issuers.

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

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

(vi) Reviewed audit findings and independent assessment report on the Group's human rights and labour management practices.

E. ATTENDANCE

Number of Meetings and Details of Attendance

Six (6) meetings were held during FY2022. The attendance record of each ARMC member was as follows:

Members	Attendance of Meetings
Datuk Karownakaran @ Karunakaran a/l Ramasamy	6/6
Tan Sri Dr Rahamat Bivi binti Yusoff	6/6
Cheah Tek Kuang	6/6
Dr Nesadurai Kalanithi^	4/4
Dato' Kong Sooi Lin*	2/2

^ Prior to her cessation as ARMC member on 16 February 2022
* After her appointment as ARMC member on 16 February 2022

Three (3) meetings were held subsequent to the financial year end to the date of Directors' Report. The attendance record of each ARMC member for these meetings was as follows:

Members	Attendance of Meetings
Datuk Karownakaran @ Karunakaran a/l Ramasamy	3/3
Tan Sri Dr Rahamat Bivi binti Yusoff	2/3
Cheah Tek Kuang	3/3
Dato' Kong Sooi Lin	3/3

F. ANNUAL REVIEW AND PERFORMANCE EVALUATION

As required by its TOR, an annual evaluation was conducted on the composition, performance and effectiveness of the ARMC and its members in an effort to continuously improve its processes. In FY2022, the evaluation of the performance of our ARMC was facilitated by an independent party, namely KPMG Risk Management & Risk Consulting Sdn Bhd, in line with the recommendation of the Malaysian Code on Corporate Governance. Pursuant to the evaluation, the Board was satisfied that the ARMC and its members have effectively discharged their duties in accordance with the TOR in FY2022.

Our ARMC had also conducted an annual evaluation of the performance and competency of our Group Internal Audit Department for FY2022 and was satisfied that the internal audit function had discharged its duties effectively.

The ARMC considered that it has adopted a balanced work approach during the year in terms of focus, objectives and means utilised to obtain the necessary assurance. The ARMC also 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 FY2022, the ARMC received the expected full support from the management, internal and external auditors of the Company, enabling the ARMC to discharge its responsibilities effectively.

Looking ahead to FY2023

In addition to our routine business, the ARMC has following focus areas for FY2023:

- Setting and monitoring of sustainability targets, particularly on net-zero carbon emissions
- Facilitating ESG risk oversight responsibilities and the need for alignment of key risks that may fall under the environmental or societal categories of ESG
- Internal controls, including financial reporting control framework and financial reporting developments
- Cyber security, including disaster recovery and prevention of system failure

The ARMC Report was approved by our Board on 13 September 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

A. INTRODUCTION

The Board of Directors (the "Board") is cognisant of its overall responsibility to establish a sound risk management and internal control system, including its role in providing risk oversight, setting the tone and culture towards managing principal risks and risks that could impede the corporate objectives and strategies. The Board is pleased to present the Statement on Risk Management and Internal Control of the Group 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 Committee. The ARMC also ensures the internal controls in place are adequate and effective to address the Group's principal risks.

Corporate Risk Management Department

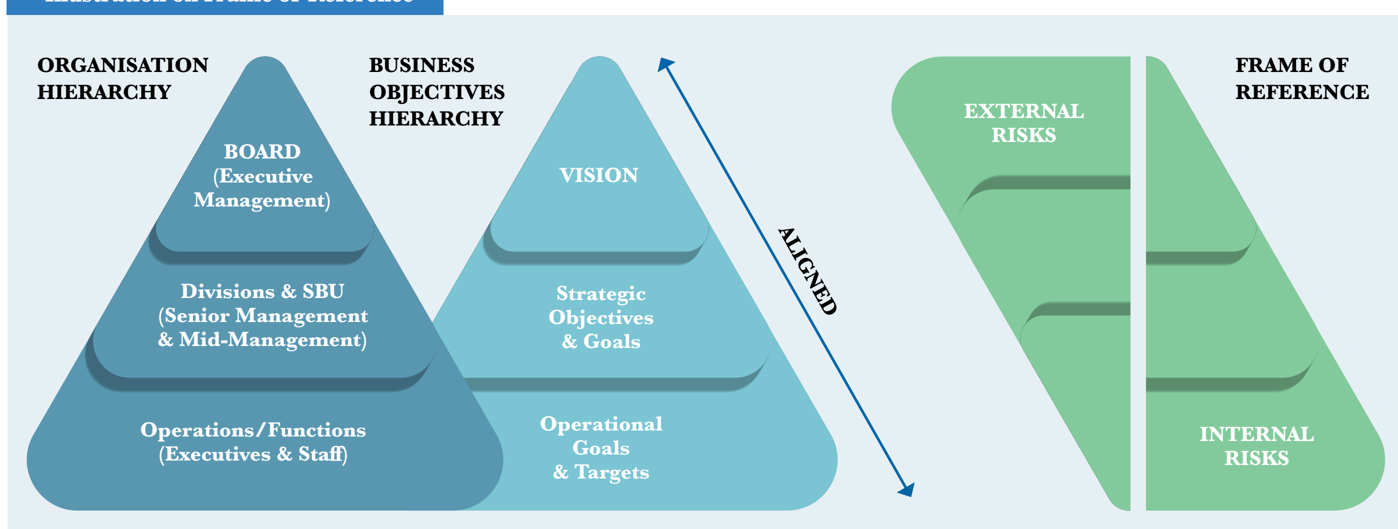
The Corporate Risk Management ("CRM") Department assists the Board and ARMC in discharging their risk management responsibilities. CRM is responsible for assisting the Board to develop a sound risk management framework, monitoring and reporting of principal risks as identified by the Management and facilitating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

Group Internal Audit Department

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

The Group Internal Audit function adopts the audit framework as set out in the International Professional Practices Framework ("IPPF") promulgated by the Institute of Internal Auditors. Internal Audit Practice Manual has been established incorporating the mandatory elements of the IPPF.

Illustration on Frame of Reference



C. RISK MANAGEMENT FRAMEWORK

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

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

i) Risks that offer opportunities for superior returns

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

ii) Risk management as a collective responsibility

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

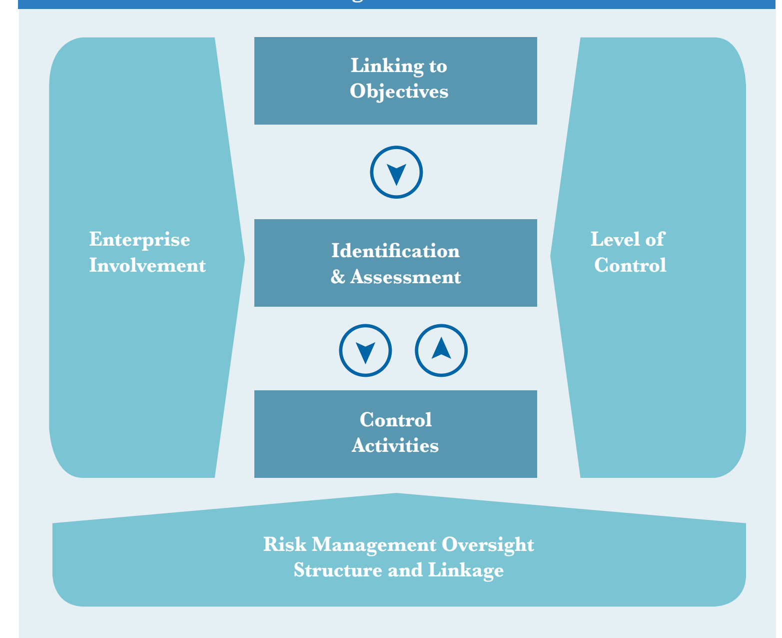
iii) Risk forbearance shall not exceed capabilities and capacity to manage

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

iv) Risk management as both a control and strategic tool

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

Illustration on IOI Group's Enterprise Risk Management Framework



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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 78 to 110.

ii) Strategic Risk

The Group's vision is to be a leading and sustainable Malaysian business corporation with global presence. The senior management continually keeps abreast of strategic risk, they are mindful on the global trends, geo-political issues, business resilience, industry disruption, palm oil alternatives, and would 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. Operational 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, health and environment.

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 group sustainability 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 but not limited to Roundtable on Sustainable Palm Oil ("RSPO") standards and International Sustainability and Carbon Certification ("ISCC") requirements.

The Group Legal Counsel provides legal advisory, regulatory and litigation support while the Company Secretary assists the Board of Directors and Senior Management to promote effective operation of key elements of the Group's corporate governance culture and practices, and to support and meet the Group's regulatory compliance requirements related to, among others, Bursa Malaysia Securities Berhad, Securities Commission Malaysia, the Companies Act 2016 and Malaysian Code on Corporate Governance and any relevant applicable securities laws in Malaysia.

v) Reputational Risk

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

vi) Cyber Security Risk

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

vii) Sustainability Risk

Sustainability, which is embedded deeply within both IOI's plantation and resource-based manufacturing divisions, is a significant aspect of IOI's operations. The Group is exposed to a myriad of sustainability issues such as human rights, forced labour, climate change, carbon pricing, deforestation allegation, traceability, etc. In managing sustainability risks, the Group has coordinated and implemented various Group level policies and guidelines.

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

Whistleblowing Channel

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

Internal Control

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

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

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

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

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

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

f) Business strategies and operating and capital expenditure budgets are prepared by business and divisions 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) Operation meetings are conducted regularly by the department heads and heads of the operating units on the day-to-day operations followed by periodic management review by the divisional heads and GMD.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK REVIEW FOR THE FINANCIAL YEAR

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

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

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

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

d) Ensured internal audit programmes 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. They adhere 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 PLT have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Group for the financial year ended 30 June 2022. Their review was conducted in accordance with Assurance Practice Guide 3 ("AAPG 3") Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants ("MIA"). AAPG 3 does not require the external auditors to, and they did not, consider whether this statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system. AAPG 3 also does not require the external auditors to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

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

CONCLUSION

The Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system. The Board has received assurance from the GMD and Group CFO that the Group's risk management and internal control system, in all material aspects, is operating adequately and effectively. For the financial year under review, there were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group. This Statement on Risk Management and Internal Control does not cover associates and jointly controlled entities where the internal control systems of these companies are managed by the respective management teams. This statement has been reviewed and approved by the Board of Directors on 13 September 2022.

STATEMENT OF DIRECTORS' INTERESTS

IN THE COMPANY AND ITS RELATED CORPORATIONS AS AT 30 AUGUST 2022

(Based on the Register of Directors' Shareholdings)

	No. of ordinary shares/redeemable preference shares*			
Name of Directors	**Direct**	**%**	**Indirect**	**%**
The Company				
Tan Sri Peter Chin Fah Kui	-	-	20,000[1]	#
Dato' Lee Yeow Chor	9,818,800	0.16	3,129,664,980[2]	50.38
Lee Yeow Seng	-	-	3,129,534,980[3]	50.38
Datuk Karownakaran @ Karunakaran a/l Ramasamy	-	-	-	-
Tan Sri Dr Rahamat Bivi binti Yusoff	-	-	-	-
Cheah Tek Kuang	-	-	12,000[4]	#
Dr Nesadurai Kalanithi	-	-	-	-
Dato' Kong Sooi Lin	-	-	-	-
Ultimate Holding Company Progressive Holdings Sdn Bhd				
Dato' Lee Yeow Chor	18,600,000	77.5	-	-
Lee Yeow Seng	5,400,000	22.5	-	-
Dato' Lee Yeow Chor	1,307,766,775*	77.5	-	-
Lee Yeow Seng	379,674,225*	22.5	-	-

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 Wee Hui Kiang pursuant to Section 59(11)(c) of the Companies Act 2016 (the "Act").
2 Deemed interested by virtue of his interest in Progressive Holdings Sdn Bhd ("PHSB"), pursuant to Section 8 of the Act and also the interest in shares of his spouse, Datin Joanne Wong Su-Ching pursuant to Section 59(11)(c) of the Act.
3 Deemed interested by virtue of his interest in 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 59(11)(c) of the Act.
\# Negligible.

SHAREHOLDINGS OF SENIOR MANAGEMENT TEAM

Based on the Record of Depositors as at 30 August 2022, the details of shareholdings of our senior management team are as follows:

Name	Direct	%#	Indirect	%#
1. Sudhakaran a/l Nottath Bhaskaran	145,600	*	-	-
2. Subramaniam a/l Arumugam	-	-	-	-
3. Tan Kean Hua	41,000	*	-	-
4. Koo Ping Wui	15,000	*	-	-
5. Lai Choon Wah	-	-	-	-
6. Thomas Kummer	-	-	-	-
7. Lim Jit Uei	-	-	-	-
8. Shyam a/l M.K. Lakshmanan	-	-	-	-
9. Hans Peter Fitch	-	-	-	-
10. Kong Kian Beng	-	-	-	-
11. Dr Surina binti Ismail	-	-	-	-
12. Tan Choong Khiang	-	-	-	-
13. Amir Mohd Hafiz bin Amir Khalid	-	-	-	-
14. Ling Kea Ang	-	-	-	-
15. Lee Chin Huat	-	-	-	-

Notes:
* Negligible
# Based on the total number of issued voting shares (excluding 72,839,500 treasury shares).

OTHER INFORMATION

MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) entered into by IOI Corporation Berhad ("IOIC" or the "Company") and its subsidiaries ("IOIC Group") during the 2 years immediately preceding the date of this Annual Report:

(i) Amendment and restatement of the programme agreement in respect of the establishment of the USD1.5 billion Euro Medium Term Note ("EMTN") Programme

On 15 October 2021, IOI Investment (L) Berhad ("IOIIL"), a wholly-owned subsidiary of the Company (as Issuer), and the Company (as Guarantor) executed an Amended and Restated ("A&R") Programme Agreement to amend and restate the programme agreement dated 15 May 2012 in respect of the establishment of the USD1.5 billion EMTN Programme. Under the terms of the A&R Programme Agreement, IOIIL and the Company appointed each of Credit Suisse (Singapore) Limited ("CS"), SMBC Nikko Securities (Hong Kong) Limited ("SMBC Nikko") and Standard Chartered Bank (Singapore) Limited ("SCB") as Arranger and Initial Dealer under the EMTN Programme. Pursuant to the A&R Programme Agreement, the following agreements were also executed:

(a) A&R Agency Agreement dated 15 October 2021 between IOIIL and the Company and China Construction Bank (Asia) Corporation Limited ("CCB") (as Principal Paying Agent, Transfer Agent and Registrar);

(b) Supplemental Trust Deed dated 15 October 2021 between IOIIL and the Company and CCB as Trustee; and

(c) Subscription Agreement dated 26 October 2021 between IOIIL and the Company and each of CS, SMBC Nikko and SCB as Joint Lead Managers.

Subject to the terms and conditions of the A&R Programme Agreement and the Subscription Agreement, the Issuer agreed to issue the USD300 million 3.375% notes due 2031 (the "Notes") under the EMTN Programme and the Joint Lead Managers severally but not jointly agreed to subscribe or procured subscribers for the Notes in the agreed amounts at a price of 98.873% of the principal amount of the Notes, being the issue price of 99.053% less a combined management and underwriting commission of 0.18% of such principal amount. The proceeds of the Notes were used to partially refinance the then existing USD600 million 4.375% notes due June 2022 issued under the EMTN Programme, to fund the tender offer for the said notes, and for general corporate purposes.

(ii) Sale of 10% of the Company's equity interest in Bunge Loders Croklaan Group B.V. ("BLC")

On 5 August 2022, the Company completed the sale of 1,800 shares, representing its 10% shareholdings in BLC to Koninklijke Bunge B.V. ("KBBV"), a wholly-owned subsidiary of Bunge Limited, for a total cash consideration of USD84,416,807.30 plus EUR19,724,815.30 (the "Share Sale Consideration") (the "Share Sale").

The Share Sale is provided for in the Shareholders' Agreement entered into by KBBV and the Company in 2018 (the "SHA") and the Share Sale Consideration is based on the mechanism for the Put and Call Options provided in the SHA. With the completion of the Share Sale, the Company's equity interest in BLC has reduced from 30% to 20% and accordingly, the existing Put and Call Options provided in the SHA have been terminated.

OTHER INFORMATION

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

Recurrent related party transactions of a revenue nature of IOIC Group conducted pursuant to shareholders' mandate for the financial year ended 30 June 2022 are as follows:

Transacting Parties	Type of Recurrent Related Party Transactions	Interested Directors/ Major Shareholders and Persons Connected	Value of Transactions (RM million)
Nice Frontier Sdn Bhd ("NFSB") (1)	Purchase of fresh fruit bunches ("FFB") by Pamol Plantations Sdn Bhd ("PPSB") (1)	• Vertical Capacity Sdn Bhd ("VCSB")[2] • Progressive Holdings Sdn Bhd ("PHSB")[3] • Dato' Lee Yeow Chor ("Dato' Lee")[4] • Lee Yeow Seng ("LYS")[5] • Lee Yoke Ling ("LY Ling")[6] • Lee Yoke Har ("LY Har")[6] • Lee Yoke Hean ("LY Hean")[6] • Lee Yoke Hui ("LY Hui")[6]	30.62
GLM Emerald Industrial Park (Jasin) Sdn Bhd ("GLM") (1)	Purchase of FFB by Dynamic Plantations Berhad ("DPB") (1)	• VCSB[7] • PHSB[8] • Dato' Lee[9] • LYS[10] • LY Ling[6] • LY Har[6] • LY Hean[6] • LY Hui[6]	14.60

Notes:

1 Details of the transacting parties

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

2 VCSB is the ultimate holding company of IOIPG and a deemed Major Shareholder of NFSB.
3 PHSB is the ultimate holding company of IOIC and PPSB.
4 Dato' Lee is the Group Managing Director and Chief Executive ("GMD") of IOIC and a Director of IOIPG and a deemed Major Shareholder of both IOIC and IOIPG. He is the brother of LYS. Dato' Lee is also a Director of PPSB.
5 LYS is a Director of IOIC and the Executive Vice Chairman ("EVC") of IOIPG and a deemed Major Shareholder of both IOIC and IOIPG. He is the brother of Dato' Lee. LYS is also a Director of NFSB.
6 LY Ling, LY Har, LY Hean and LY Hui are the sisters of Dato' Lee and LYS.
7 VCSB is the ultimate holding company of IOIPG, which in turn owns 31.96% effective equity interest in GLM.
8 PHSB is the ultimate holding company of IOIC and DPB.
9 Dato' Lee is the GMD of IOIC and a Director of IOIPG and a deemed Major Shareholder of both IOIC and IOIPG. He is the brother of LYS. Dato' Lee is also a Director of DPB.
10 LYS is a Director of IOIC and the EVC of IOIPG and a deemed Major Shareholder of both IOIC and IOIPG. He is the brother of Dato' Lee. LYS is also a Director of GLM.

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 2022 are as follows:

Fees	Company (RM)	Group (RM)
Audit Fees	139,000	1,382,500
Non-Audit Fees	6,000	507,860
Total	145,000	1,890,360

UTILISATION OF PROCEEDS

On 1 March 2018, the Group completed the disposal of 70% equity interest in BLC 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 2022 is as follows:

Purpose	Proposed Utilisation (RM million)	Actual Utilisation (RM million)	Initial Timeframe	Revised Timeframe*	Second Revised Timeframe^
Future investment	959.9	378.0	Within 24 months	Within 42 months	Within 57 months
Dividend to shareholders	767.9	767.9	Within 12 months	Within 30 months	–
Repayment of borrowings	1,919.9	1,919.9	Within 24 months	–	–
General working capital	182.4	182.4	Within 24 months	–	–
Transaction expenses	9.6	9.6	Immediate	–	–
Total	3,839.7	3,257.8			

* 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.

^ 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.

GROUP PROPERTIES

A. PLANTATION ESTATES

Location	Tenure	Area (Hectare)	Crop Planted	Factory/ Mill	Year of Acquisition	Net Carrying Amount as at 30 June 2022 RM million
Pahang Darul Makmur						
Bukit Dinding Estate, Bentong	Freehold	1,660	OP	–	1983	116.5
Pukin Estate, Pekan Rompin	Leasehold expiring 2071, 2074, 2077	2,428	OP	1	1985	119.7
Mekassar Estate, Pekan Rompin	Leasehold expiring 2075	1,209	OP	–	1985	57.2
Detas Estate, Pekan	Leasehold expiring 2081	2,226	OP	–	1989	126.2
Bukit Leelau Estate, Pekan	Leasehold expiring 2088	2,096	OP	1	1989	125.4
Merchong Estate, Pekan	Leasehold expiring 2075	1,952	OP	–	1990	91.5
Leepang A Estate, Rompin	Leasehold expiring 2067	2,404	OP	–	2000	101.3
Laukin A Estate, Rompin	Leasehold expiring 2067	1,620	OP	–	2000	67.5
Shahzan IOI Estate 1, Rompin	Leasehold expiring 2062	1,562	OP	–	2002	61.2
Shahzan IOI Estate 2, Rompin	Leasehold expiring 2062	1,640	OP	–	2002	47.6
Negeri Sembilan Darul Khusus						
Regent Estate, Tampin	Freehold	2,300	OP	–	1990	169.7
Bahau Estate, Kuala Pilah	Freehold	2,553	OP	–	1990	184.5
Kuala Jelei Estate, Kuala Pilah	Freehold	679	OP	–	1990	44.6
Johor Darul Takzim						
Gomali Estate, Segamat	Freehold	2,556	OP R	1	1990	184.9
Paya Lang Estate, Segamat	Freehold	2,446	OP R	–	1990	164.9
Tambang Estate, Segamat	Freehold	2,011	OP	–	1990	142.4
Bukit Serampang Estate, Tangkak	Freehold	2,725	OP	–	1990	175.6
Kahang Estate, Kluang	Leasehold expiring 2082	2,420	OP	–	1990	104.3
Sagil Estate, Tangkak	Freehold	2,378	OP	–	1990	193.7
Segamat Estate, Segamat	Freehold	1,340	OP	–	1990	103.1
Pamol Plantations Estate, Kluang	Freehold	8,092	OP	1	2003	597.2
Sabah						
Morisem 1 Estate, Kinabatangan	Leasehold expiring 2080	2,032	OP	–	1993	48.6
Morisem 2 Estate, Kinabatangan	Leasehold expiring 2038, 2087, 2090	2,042	OP	–	1993 – 2009	58.8
Morisem 3 Estate, Kinabatangan	Leasehold expiring 2087, 2088	2,014	OP	–	1993	67.3
Morisem 4 Estate, Kinabatangan	Leasehold expiring 2089	2,023	OP	–	1993	65.5
Morisem 5 Estate, Kinabatangan	Leasehold expiring 2078	1,878	OP	–	1993	48.8
Baturong 1-3 Estates, Kunak	Leasehold expiring 2081	7,485	OP	1	1991	263.0
Halusah Estate, Lahad Datu	Leasehold expiring 2076, 2078	813	OP	–	1991	25.3
Syarimo 1-9 Estates, Kinabatangan	Leasehold expiring 2035, 2077 – 2097, 2963 – 2990	18,417	OP	1	1985 – 2000	490.1

A. PLANTATION ESTATES (continued)

Location	Tenure	Area (Hectare)	Crop Planted	Factory/ Mill	Year of Acquisition	Net Carrying Amount as at 30 June 2022 RM million
Sabah (continued)						
Permodalan Estate, Kinabatangan	Leasehold expiring 2078	8,094	OP	–	1995	162.8
Laukin Estate, Sugut	Leasehold expiring 2077	2,128	OP	–	1996	63.1
Sakilan Estate, Sandakan	Leasehold expiring 2887	2,278	OP	1	1996	100.4
Ladang Sabah Estates, Labuk-Sugut	Leasehold expiring 2077, 2082, 2087, 2089	12,194	OP	1	1998 – 2003	390.2
Cantawan Estate, Lahad Datu	Leasehold expiring 2061, 2066, 2078 – 2080	1,452	OP	–	1998	40.2
Tas Estate, Kinabatangan	Leasehold expiring 2077	1,209	OP	–	1998	36.0
Tangkulap Estate, Labuk-Sugut	Leasehold expiring 2080 – 2086	2,277	OP	–	2001	122.5
Bimbingan Estate, Labuk-Sugut	Leasehold expiring 2083	3,893	OP	–	2001	171.5
Pamol Plantations, Labuk-Sugut	Leasehold expiring 2037, 2081, 2097	1,792	OP	–	2003 – 2007	43.0
Pamol Estates, Labuk-Sugut	Leasehold expiring 2888	8,186	OP	1	2003	391.3
Milik Berganda Estate, Labuk-Sugut	Leasehold expiring 2090	5,278	OP	–	2003	149.6
Linbar 1-2 Estates, Kinabatangan	Leasehold expiring 2081	4,840	OP	–	2003	177.1
Mayvin 1-2 Estates, Labuk-Sugut	Leasehold expiring 2079 – 2081, 2090, 2092	3,423	OP	1	2003	128.1
Mayvin 5-6 Estates, Kinabatangan	Leasehold expiring 2082	3,602	OP	–	2003	96.6
Leepang 1-5 Estates, Kinabatangan	Leasehold expiring 2030 – 2039, 2078 – 2102	10,031	OP	2	2003 – 2009	219.3
Unico 1-5 Estates, Kinabatangan	Leasehold expiring 2081 – 2101	11,396	OP	1	2013	443.9
Unico 6 Estate, Lahad Datu	Leasehold expiring 2074, 2077 – 2079	2,264	OP	1	2013	90.4
Sarawak						
Sejap Estate, Baram	Leasehold expiring 2058	4,960	OP	–	2002	9.4
Tegai Estate, Baram	Leasehold expiring 2067, 2095	4,038	OP	–	2002	6.1

OP Oil palm
R Rubber

GROUP PROPERTIES

B. INVESTMENT PROPERTY

Location	Tenure	Land Area	Net Lettable Area	Usage	Age of Building (Year)	Net Carrying Amount as at 30 June 2022 RM million
No. 7 Jalan Kenari 5 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan	Freehold	465 sq m	1,650 sq m	1 unit 3½ storey shop office	27	6.7
Palmco Jaya Warehouse Bulk Cargo Terminal 13600 Prai Penang	Leasehold expiring 2025	13,491 sq m	13,491 sq m	Bulk cargo terminal	48	0.1

C. INDUSTRIAL PROPERTIES

Location	Tenure	Land Area	Usage	Age of Building (Year)	Year of Acquisition	Net Carrying Amount as at 30 June 2022 RM million
Country lease 075365632, 075376279 075376260 & 075469340 Sg Mowtas and Batu Sapi Sandakan Sabah	Leasehold expiring 2039, 2042, 2044	22 hectares	Palm oil refinery and palm based renewable energy	25	1995	63.1
Lorong Perusahaan Satu Prai Industrial Complex 13600 Prai Penang	Leasehold expiring between 2035 – 2071	180,263 sq m	Offices and factory sites	43	2001	59.7
			Factory site	7 – 21		30.4
Deep Water Wharves 12100 Butterworth Penang	Leasehold expiring 2030	8,615 sq m	Bulking installation	48	2001	–
PT 110296 Jalan Pekeliling Mukim Plentong Pasir Gudang Johor Bahru Johor Darul Takzim	Leasehold expiring 2052	2.3 hectares	Factory complex and vacant industrial land	30	2007	14.8
PT 216213 Jalan Pekeliling Mukim Plentong Pasir Gudang Johor Bahru Johor Darul Takzim	Freehold	3.6 hectares	Factory complex and vacant industrial land	45	2007	2.0

C. INDUSTRIAL PROPERTIES (continued)

Location	Tenure	Land Area	Usage	Age of Building (Year)	Year of Acquisition	Net Carrying Amount as at 30 June 2022 RM million
PT 17368, Jalan Pekeliling PT 101373 & PT 80565, Jalan Timah Pasir Gudang, Johor Bahru Johor Darul Takzim	Leasehold expiring 2038, 2047, 2051	8.3 hectares	Factory complex	31 – 44	2007	13.6
Dusun Arang-Arang Air Hitam Hulu Kecamatan Kendawangan Kabupaten Ketapang Kalimantan Barat, Indonesia	*	122,444 sq m	Palm oil mill	8	^	25.8
Zur Hafenspitze 15 19322 Wittenberge Germany	Freehold	60,000 sq m	Factory complex	21	2016	8.4
Arthur-Imhausen-Strasse 92 D-58453 Witten Germany	Perpetual lease	24,000 sq m	Factory complex	31	2016	33.5
PTD 13060 & 13061 Mukim Pogoh Segamat Johor	Freehold	8.2 hectares	Palm wood factory	#	2021	7.5

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

GROUP PROPERTIES

D. OTHER PROPERTIES

Location	Tenure	Land/ Built Up Area	Usage	Age of Building (Year)	Year of Acquisition	Net Carrying Amount as at 30 June 2022 RM million
HS(D) 45890 PT 9427 Mukim Petaling Selangor Darul Ehsan	Freehold	1,803 sq m	Petrol station land	–	1992	–
Lot 40476 & 40480 Daerah Wilayah Persekutuan Kuala Lumpur	Freehold	3,018 sq m	Bungalow plots	–	1992	2.0
Geran 1341, Lot 12040 Mukim of Tangkak Johor Darul Takzim	Freehold	2 hectares	Vacant land	–	1998	0.1
Country lease 115325534 New Wharf Road Lahad Datu Sabah	Leasehold expiring 2914	2 hectares	Vacant land	–	1993	0.1
Country lease 115325543, 116179269 New Wharf Road Lahad Datu Sabah	Leasehold expiring 2058, 2914	5 hectares	Vacant land	–	1993	0.1
Country lease 115310926 Jalan Segama Lahad Datu Sabah	Leasehold expiring 2932	1 hectare	Regional office	21	1993	–
Country lease 075349343, 075349352 Lot 34, Phase 7A Northern Ring Road Sandakan Sabah	Leasehold expiring 2882	417 sq m	3 storey shop/ office	8	2015	1.2
HS(D) 41664 PT 1349 Mukim 01 Seberang Perai Tengah Penang	Leasehold expiring 2043	40,789 sq m	Vacant land	–	2020	23.4
302-H, Jalan Relau Desaria, 11900 Sg Ara Penang	Freehold	167 sq m	Shoplot	27	2001	0.2
Lot 8165, Mukim 12 Sg Ara Estate Penang	Freehold	1,799 sq m	Future development land	–	2001	0.2
Lots 429, 432 & 434 Bukit Sebukor Bukit Baru, Melaka Tengah Melaka	Freehold	19 hectares	Future development land	–	1990	1.2

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-Third Annual General Meeting ("53rd AGM") of IOI Corporation Berhad (the "Company") will be convened and held physically (Physical Meeting) 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 (Virtual Meeting) using Remote Participation and Electronic Voting facilities hosted at https://conveneagm.my/ioicorpagm2022 (*Domain Registration No. D6A475992*) on Monday, 31 October 2022 at 10:00 am (Malaysia time) for the following purposes:

AGENDA

1 To receive the Audited Financial Statements for the financial year ended 30 June 2022 and the Reports of the Directors and Auditors thereon. **Note C1**

2 To re-elect Dato' Kong Sooi Lin retiring pursuant to Article 97 of the Company's Constitution. **Resolution 1**

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

(i) Lee Yeow Seng **Resolution 2**

(ii) Tan Sri Peter Chin Fah Kui **Resolution 3**

4 To approve the payment of Directors' fees (inclusive of Board Committees' fees and Group Sustainability Steering Committee's fee) 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. **Resolution 4**

5 To approve 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. **Resolution 5**

6 To re-appoint BDO PLT, the retiring Auditors for the financial year ending 30 June 2023 and to authorise the Audit and Risk Management Committee to fix their remuneration. **Resolution 6**

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

7.1 Authority to Directors to allot and issue shares under the Companies Act 2016

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (the "Act"), the Board of Directors (the "Board" or the "Directors") be and is 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 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 (the "Mandate").

AND THAT pursuant to Section 85 of the Act read together with Article 55 of the Constitution of the Company, approval be and is 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." **Resolution 7**

NOTICE OF ANNUAL GENERAL MEETING

7.2 Proposed Renewal of Existing Share Buy-Back Authority

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

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

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

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

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

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

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

whichever is the earlier but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities or any other relevant authorities." **Resolution 8**

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

"THAT subject always to the provisions of the Companies Act 2016 (the "Act"), the Constitution of the Company, Main Market Listing Requirements of Bursa Malaysia Securities Berhad or other regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations involving the interests of Directors, major shareholders or persons connected to the Directors and/or major shareholders of the Company and its subsidiaries ("Related Parties"), as detailed in Part B, Section 4 of the Circular to Shareholders of the Company dated 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 and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Shareholders' Mandate." **Resolution 9**

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

By Order of the Board,

Tan Choong Khiang
Company Secretary
(SSM PC 201908000048)
(MAICSA 7018448)

Putrajaya
30 September 2022

Notes:

A. Mode of Meeting

1 The 53rd AGM of the Company will be held on a hybrid basis whereby shareholders/proxies/ corporate representatives will have the option to be physically present at the Meeting Venue or to participate and vote remotely via Remote Participation and Electronic Voting ("RPEV") facilities which are available on the ConveneAGM Meeting Platform at https://conveneagm.my/ioicorpagm2022.

2 All shareholders, proxies and corporate representatives who wish to participate either in person (physically) or virtually using RPEV facilities at the 53rd AGM are required to register online at ConveneAGM Meeting Platform (https://conveneagm.my/ioicorpagm2022. **Please follow the procedures provided in the Administrative Guide of the 53rd AGM for pre-registration.**

3 For all of the above resolutions which are proposed as ordinary resolutions, the resolutions will be carried if more than half of the votes cast are in favour of those resolutions. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), all resolutions shall 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 2022** shall be eligible to participate and vote at the 53rd AGM or appoint proxy to participate and vote on his or her behalf.

B. Appointment of Proxy

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

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

3 A shareholder of the Company [including an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 and Exempt Authorised Nominee who holds 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 in respect of 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.

NOTICE OF ANNUAL GENERAL MEETING

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 53rd AGM or any adjournment thereof, as follows:

(i) **In hard copy form**

The proxy form must be deposited at at the office of our Administration and Polling Agent, **KPMG Management & Risk Consulting Sdn Bhd** at Concourse, KPMG Tower, No. 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor, Malaysia.

(ii) **By electronic means**

The proxy form can also be lodged electronically from ConveneAGM Meeting Platform at https://conveneagm.my/ioicorpagm2022 or via email to support_conveneagm@kpmg.com.my. Please follow the procedures provided in the Administrative Guide for the 53rd AGM on how to deposit the proxy form electronically.

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

C. Explanatory Notes to the Agenda

1. Audited Financial Statements for the financial year ended 30 June 2022

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

The Chairman will give shareholders an opportunity to ask questions about and make comments on the financial statements and reports and IOI Group's performance. Shareholders will also be given an opportunity to pose questions to the representative(s) of the Company's Auditors, BDO PLT ("BDO") on matters relevant to the audit of financial statements, including the Auditors' Report.

2. Ordinary Resolutions 1 to 3: Re-election of Retiring Directors

Dato' Kong Sooi Lin, who retires in accordance with Article 97 of the Company's Constitution, as well as Mr Lee Yeow Seng and Tan Sri Peter Chin Fah Kui, who retire in accordance with Article 91 of the Company's Constitution, are eligible for re-election and hence, they have offered themselves for re-election at the 53rd AGM.

Each of the Directors standing for re-election had undergone a performance evaluation and had provided his/her annual declaration on his/her fitness and propriety to continue acting as Directors of the Company in accordance with the Fit and Proper Policy of the Group, as well as the confirmation of their independence (as the case may be). Upon the Governance, Nominating and Remuneration Committee ("GNRC")'s assessment, the performance and suitability of each of the retiring Directors was found to be satisfactory and that each of the retiring Directors had demonstrated his/her commitment to the role and continues to be an effective and valuable member of the Board of Directors (the "Board").

Based on the above premise, the GNRC had recommended for the retiring Directors to be re-elected at the 53rd AGM and the Board had endorsed the GNRC's recommendations. The retiring Directors had abstained from deliberations and decisions on their re-election at the GNRC and Board meetings.

The detailed profile of each retiring Director, including their career history, competencies and experience can be found on pages 84 to 87 of the Annual Report 2022.

3. Ordinary Resolutions 4 and 5: Directors' Fees and Benefits

The GNRC and the Board had reviewed the Directors' fees after taking into account fee levels and trends for similar positions in the market and time commitment required from the Directors. The payment of Directors' fees (inclusive of Board Committees' fees and Group Sustainability Steering Committee's fee) for the financial year ending 30 June 2023 shall be payable quarterly in arrears after each month of completed service of the Directors during the financial year.

The Directors' benefits (other than Directors' fees) comprise attendance allowances, insurance coverage and golf privilege benefit to Independent Non-Executive Directors. In determining the estimated total amount of Directors' benefits, the Board had considered various factors, such as 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. Ordinary Resolution 6: Re-appointment of Auditors

The performance and effectiveness of BDO had been evaluated by the Audit and Risk Management Committee ("ARMC"), which included an assessment of BDO's independence and objectivity. The ARMC, being satisfied with the performance, suitability and independence of BDO as external auditors, had recommended to the Board that BDO be re-appointed at the 53rd AGM and its remuneration be determined by the ARMC. The Board in turn had endorsed the ARMC's recommendation. The representatives of BDO will be participating at the 53rd AGM.

5. Ordinary Resolution 7: Authority to Directors to allot and issue shares under the Act

Ordinary Resolution 7 is to seek a renewal of the general mandate which was approved at the 52nd AGM of the Company held on 26 October 2021 and will lapse at the conclusion of the 53rd AGM to be held on 31 October 2022. This is also to approve the disapplication of statutory pre-emption rights under the Section 85 of the Act, 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 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 7, to allot and issue shares in the Company up to an amount not exceeding in total **five percent (5%)** of the total number of issued shares of the Company for the time being. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company to be held in year 2023.

The Company did not issue any new shares pursuant to Section 76 of the Act under the general mandate which was approved at the 52nd AGM of the Company.

6. Ordinary Resolution 8: Proposed Renewal of Existing Share Buy-Back Authority ("SBB Authority")

Ordinary Resolution 8 is to seek the renewal of the SBB Authority granted by the shareholders to the Company at the 52nd AGM of the Company held on 26 October 2021, which will lapse at the conclusion of the 53rd AGM to be held on 31 October 2022. The resolution, if passed, will authorise the Company to make market purchases of its own ordinary shares as permitted by the Act.

If the SBB Authority is renewed at the 53rd AGM, the Board will be allowed to purchase up to ten percent (10%) of the Company's total number of issued shares, should market conditions and price justify such purchase(s). The Board intends to make such purchase(s) under the SBB Authority if doing so could lead to an increase in the net assets value per share held by the remaining shareholders and the purchase(s) are in the best interests of the Company in general, having due regard to appropriate gearing levels, alternative investment opportunities and the overall financial position of the Company.

Any purchase of ordinary shares of the Company would be by means of market purchases through Bursa Securities. Shares purchased under the SBB Authority may either be cancelled or held as treasury shares by the Company. Such treasury shares may subsequently be cancelled, or resold for cash, or distributed as dividends or be dealt with by the Directors in the manners allowed by the Act.

As at 30 August 2022, the Company had bought back 72,839,500 ordinary shares at an average price of RM3.81 per ordinary share, all of which are currently being held as treasury shares.

Please refer to the explanatory information in the Share Buy-Back Statement dated 30 September 2022 for more details on the SBB Authority.

7. Ordinary Resolution 9: Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

Ordinary Resolution 9 is to seek approval from the shareholders for renewal of the shareholders' mandate for RRPT granted at the 52nd AGM held on 26 October 2021. The Proposed Shareholders' Mandate will enable the Company and its subsidiaries to enter into any of the RRPT of a revenue or trading nature which are necessary for the day-to-day operations involving the interest of Directors, major shareholders or persons connected to the Directors and/or major shareholders of the Company and its subsidiaries ("Related Parties"), subject to the transactions being in the ordinary course of business, on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. The Proposed Shareholders' Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company to be held in year 2023.

The details of the proposal are set out in Part B of the Circular to Shareholders dated 30 September 2022.

PERSONAL DATA PRIVACY:

By (i) submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the 53rd AGM and/or any adjournment thereof, (ii) completing the pre-registration to attend the Physical Meeting or the Virtual Meeting in accordance to this Notice, and/or (iii) submitting questions relating to resolutions to be tabled at the 53rd AGM, 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 proxy(ies) and representative(s) appointed for the 53rd AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, and other documents relating to the 53rd AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing requirements, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

SHAREHOLDERS' INFORMATION
AS AT 30 AUGUST 2022

Issued shares : 6,285,198,995 ordinary shares
(Including 72,839,500 treasury shares)

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

Number of shareholders : 20,510

ANALYSIS OF SHAREHOLDINGS

Size of holdings	No. of holders	Total holdings	%
1 - 99	2,330	27,955	*
100 - 1,000	4,355	3,170,818	0.05
1,001 - 10,000	9,910	38,934,996	0.63
10,001 - 100,000	3,008	83,087,494	1.34
100,001 – 310,617,973	905	2,427,714,679	39.08
310,617,974 and above	2	3,659,423,553	58.90
Total	20,510	6,212,359,495	100.00

* Negligible

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

Name	No. of shares held	%
1. Progressive Holdings Sdn Bhd	1,382,166,880	22.25
2. Progressive Holdings Sdn Bhd	1,017,285,200	16.38
3. Progressive Holdings Sdn Bhd	643,082,900	10.35
4. Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board*	616,888,573	9.93
5. AmanahRaya Trustees Berhad *Amanah Saham Bumiputera*	262,816,000	4.23
6. Kumpulan Wang Persaraan (Diperbadankan)	204,766,800	3.30
7. Annhow Holdings Sdn Bhd	115,372,300	1.86
8. AmanahRaya Trustees Berhad *Amanah Saham Malaysia*	90,000,000	1.45
9. HLB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Progressive Holdings Sdn Bhd*	87,000,000	1.40
10. Lembaga Tabung Haji	62,304,500	1.00
11. AmanahRaya Trustees Berhad *Amanah Saham Malaysia 2 - Wawasan*	55,536,600	0.89
12. Cartaban Nominees (Asing) Sdn Bhd *Exempt Authorised Nominee for State Street Bank & Trust Company*	48,671,550	0.78
13. HSBC Nominees (Asing) Sdn Bhd *JPMCB NA for Vanguard Emerging Markets Stock Index Fund*	44,137,690	0.71
14. HSBC Nominees (Asing) Sdn Bhd *JPMCB NA for Vanguard Total International Stock Index Fund*	41,445,438	0.67
15. Permodalan Nasional Berhad	37,982,700	0.61
16. Maybank Nominees (Tempatan) Sdn Bhd *Maybank Trustees Berhad for Public Ittikal Fund*	37,500,000	0.60
17. Citigroup Nominees (Tempatan) Sdn Bhd *Exempt Authorised Nominee for AIA Bhd*	37,143,201	0.60
18. Citigroup Nominees (Tempatan) Sdn Bhd *Great Eastern Life Assurance (Malaysia) Berhad*	36,772,213	0.59
19. Citigroup Nominees (Asing) Sdn Bhd *Exempt Authorised Nominee for UBS AG Singapore*	36,000,000	0.58
20. AmanahRaya Trustees Berhad *Amanah Saham Malaysia 3*	25,300,400	0.41
21. HSBC Nominees (Asing) Sdn Bhd *JPMCB NA for Flexshares Morningstar Global Upstream Natural Resources Index Fund*	24,722,200	0.40
22. Cartaban Nominees (Tempatan) Sdn Bhd *PAMB for PRULink Equity Fund*	24,130,701	0.39
23. Citigroup Nominees (Asing) Sdn Bhd *CB Singapore GW for Government of Singapore*	23,163,848	0.37
24. Pertubuhan Keselamatan Sosial	22,264,390	0.36
25. Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board*	21,911,800	0.35
26. HLB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Kim Heung*	20,000,000	0.32
27. AmanahRaya Trustees Berhad *Amanah Saham Bumiputera 3 - Didik*	19,765,400	0.32
28. HSBC Nominees (Tempatan) Sdn Bhd *Exempt Authorised Nominee for Credit Suisse*	19,481,750	0.31
29. Citigroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account -UBS AG Singapore for Annhow Holdings Sdn Bhd*	19,130,000	0.31
30. HSBC Nominees (Asing) Sdn Bhd *JPMCB NA for Vanguard Fiduciary Trust Company Institutional Total International Stock Market*	17,823,200	0.29
Total	**5,094,566,234**	**82.01**

SHAREHOLDERS' INFORMATION
AS AT 30 AUGUST 2022

Substantial Shareholders
(Based on the Register of Substantial Shareholders)

Name of substantial shareholders	No. of ordinary shares held #			
	Direct	%	Indirect*	%
Dato' Lee Yeow Chor	9,818,800	0.16	3,129,534,980	50.38
Lee Yeow Seng	–	–	3,129,534,980	50.38
Progressive Holdings Sdn Bhd ("PHSB")	3,129,534,980	50.38	–	–
Employees Provident Fund Board	651,117,473	10.48	–	–

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 72,839,500 treasury shares).

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

IOI GROUP

PROXY FORM

I/We ____
(full name in block letters)

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

of ____
(full address/email address)

being a member(s) of **IOI Corporation Berhad**, hereby appoint ______________________
(full name in block letters)

NRIC/Passport No. ______________________ of ______________________
(full address/email address)

____
(full address/email address)

or failing him/her, ____
(full name in block letters)

NRIC/Passport No. ______________________ of ______________________
(full address)

____
(full address/email address)

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Fifty-Third Annual General Meeting ("**53rd AGM**") of the Company which will be convened and held physically (**Physical Meeting**) at Millennium Ballroom 1 (Level 1), Le Méridien Putrajaya, Lebuh IRC, IOI Resort City, 62502 Putrajaya, Malaysia and by way of electronic means (**Virtual Meeting**) using Remote Participation and Electronic Voting facilities hosted at ConveneAGM Meeting Platform (https://conveneagm.my/ioicorpagm2022) (Domain Registration No. D6A475992) on **Monday, 31 October 2022** at **10:00 am** (Malaysia time) or any adjournment thereof.

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

First proxy "A" : ______ %
Second proxy "B" : ______ %
100 %

No. of Shares Held : ______________
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 at his/her/their discretion.)

No.	Ordinary Resolutions	First Proxy "A"		Second Proxy "B"	
		For	Against	For	Against
1.	To re-elect Dato' Kong Sooi Lin as a Director.				
2.	To re-elect Lee Yeow Seng as a Director.				
3.	To re-elect Tan Sri Peter Chin Fah Kui as a Director.				
4.	To approve the payment of Directors' fees (inclusive of Board Committees' fees and Group Sustainability Steering Committee's fee) 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.				
5.	To approve 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.				
6.	To re-appoint BDO PLT, the retiring Auditors for the financial year ending 30 June 2023 and to authorise the Audit and Risk Management Committee to fix their remuneration.				
7.	To authorise the Directors to allot and issue shares of up to 5% of the total issued shares.				
8.	To approve the proposed renewal of existing share buy-back authority.				
9.	To approve the proposed renewal of shareholders' mandate for recurrent related party transactions.				

Dated this ___________ day of ________________ 2022

____
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 2022** shall be eligible to participate and vote at the 53rd 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 Nominee who holds 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 in respect of 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 53rd AGM or any adjournment thereof, as follows:

(i) **In hard copy form**

The proxy form must be deposited at **KPMG Management & Risk Consulting Sdn Bhd** at Concourse, KPMG Tower, No. 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor, Malaysia.

(ii) **By electronic means**

The proxy form can also be lodged electronically via the **ConveneAGM Meeting Platform** at https://conveneagm.my/ioicorpagm2022 or via email to support_conveneagm@kpmg.com.my. Please follow the procedures provided in the Administrative Guide for the 53rd AGM on how 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 (i) submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the 53rd AGM and/or any adjournment thereof, (ii) completing the pre-registration to attend the Physical Meeting or the Virtual Meeting in accordance to this Form, and/or (iii) submitting questions relating to resolutions to be tabled at the 53rd AGM, 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 proxy(ies) and representative(s) appointed for the 53rd AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, and other documents relating to the 53rd AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing requirements, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

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STAMP

THE ADMINISTRATION AND POLLING AGENT OF IOI CORPORATION BERHAD

KPMG Management & Risk Consulting Sdn Bhd
Concourse, KPMG Tower
No. 8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor, Malaysia

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