

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

Minutes of the Fifty-First Annual General Meeting (“51st AGM” or the “Meeting”) of IOI Corporation Berhad (the “Company” or the “Group”) held virtually through live streaming from Millennium Ballroom 1 (Level 1), Le Meriden Putrajaya, Lebuhr IRC, IOI Resort City, 62502 Putrajaya, Malaysia (“Broadcast Venue”) on Friday, 30 October 2020 at 10.00 a.m.

- Present : **Directors present at Broadcast Venue**  
**Tan Sri Peter Chin Fah Kui (“Chairman”)**  
**Tan Sri Dr Rahamat Binti Yusoff**  
**Datuk Karownikaran @ Karunikaran a/l Ramasamy**  
**Dato’ Lee Yeow Chor**  
**Mr Cheah Tek Kuang**
- : **Director joined remotely via Remote Participation and Voting (“RPV”) facilities**  
**Mr Lee Yeow Seng**
- Participated via RPV facilities at Lumi AGM Portal : **Shareholders, Corporate Representatives and Proxies**  
**As per the attendance summary**
- By invitation : **List of invitees as per attendance list**
- In attendance : **Tan Choong Khiang (Company Secretary)**

## **1.0 INTRODUCTION**

Tan Sri Peter Chin Fah Kui, the Chairman of the Board chaired the Meeting and welcomed all the shareholders, corporate representatives, proxies and invitees to the 51st AGM of the Company, which was held virtually through live streaming and online remote voting via RPV facilities. The Chairman thanked them for their participation and continuous support to the Company.

The Chairman explained that as a precautionary measure in light of the Covid-19 pandemic and with the shareholders’ safety being the Company’s primary concern, the Board had considered all available options and decided to conduct the 51st AGM on a virtual basis. He further informed that the conduct of this virtual AGM was in compliance with Section 327 of the Companies Act 2016 and Article 70 of the Company’s Constitution, as well as the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission.

The Chairman then briefed the shareholders, corporate representatives and proxies of their right to raise questions by transmitting questions via the chat box provided by the RPV facilities. He informed that for expediency, the Board would deal with the questions raised after all the agenda items had been tabled.

The Chairman proceeded to introduce the members of the Board, the Group Chief Financial Officer (“CFO”), the Company Secretary and the representatives from the External Auditors of the Company, BDO PLT (“BDO”), all of whom were present at the Broadcast Venue, as well as Lee Yeow Seng, the Non-Independent Non-Executive Director who joined the Meeting remotely.

## **2.0 QUORUM**

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

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

## **3.0 NOTICE**

The notice convening the Meeting dated 1 October 2020, having been circulated to the shareholders and published within the stipulated timeframe, was taken as read.

## **4.0 MEETING AND VOTING PROCEDURES**

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

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

The Meeting noted that the Company had appointed Boardroom Share Registrars Sdn Bhd as its Poll Administrator to facilitate the poll voting electronically while Boardroom Corporate Services Sdn Bhd had been appointed as the Independent Scrutineers to validate the poll results.

Ms Cheryl Leong, the representative of the Poll Administrator was invited to explain the functions available within Lumi AGM portal for the online electronic poll voting ("online poll voting") and to conduct a trial run of the online poll voting. Upon completion of the trial run, the Chairman announced the commencement of the voting session to allow shareholders and proxies to cast their votes during the meeting proceedings.

## **5.0 GROUP CFO'S PRESENTATION**

At the invitation of the Chairman, Lee Tuan Meng ("Mr Lee"), the Group CFO gave a brief presentation on the overall performance of the Group for the financial year ended 30 June 2020 ("FY2020") covering the following key areas, detailed of which were presented in the Appendix I:-

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

Upon conclusion of the Group CFO's presentation, the Chairman proceeded with the first item on the agenda of the 51st AGM.

**6.0 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Chairman informed the Meeting that the Audited Financial Statements ("AFS") for FY2020 and the Reports of the Directors and Auditors thereon were laid in accordance with Section 340(1) of the Companies Act 2016 for discussion only as formal approval of shareholders was not required.

The Chairman then referred the shareholders to the summary of the Group's financial overview and performance highlights for FY2020 set out on pages 48 to 53 of the Annual Report 2020 ("AR2020"). It was also highlighted that further details of the Group Financial and Business Review were outlined on pages 54 to 69 of the AR2020.

**7.0 RE-ELECTION OF DIRECTORS RETIRING BY ROTATION PURSUANT TO ARTICLE 91 OF THE COMPANY'S CONSTITUTION - ORDINARY RESOLUTIONS 1 & 2**

The Chairman informed that the second item on the agenda was in relation to the re-election of Tan Sri Dr Rahamat Bivi binti Yusoff ("Tan Sri Dr Rahamat") and Dato' Lee Yeow Chor ("Dato' Lee") as Directors of the Company, who retired by rotation in accordance with Article 91 of the Company's Constitution and being eligible, had offered themselves for re-election under the following ordinary resolutions:-

- (a) Ordinary Resolution 1 - Tan Sri Dr Rahamat
- (b) Ordinary Resolution 2 - Dato' Lee

The Chairman further informed that both Tan Sri Dr Rahamat's and Dato' Lee's profiles were set out on pages 77 and 75 of the AR2020 respectively. Both Directors had undergone performance evaluation and had demonstrated that they remained committed to their role and continue to be effective and valuable members of the Board.

**8.0 DIRECTORS' FEES FOR FINANCIAL YEAR ENDING 30 JUNE 2021 - ORDINARY RESOLUTION 3**

The third item on the agenda was to seek approval from the shareholders on the payment of Directors' fees of RM1,085,000 (inclusive of Board Committees' fees) for the financial year ending 30 June 2021 ("FY2021"), payable quarterly in arrears at the end of each quarter of FY2021. The fee structure was disclosed on page 94 of the AR2020, the basis of which was the same as the last financial year.

**9.0 DIRECTORS' BENEFITS FOR THE PERIOD FROM 30 OCTOBER 2020 UNTIL THE NEXT AGM - ORDINARY RESOLUTION 4**

The Chairman informed the Meeting that the fourth item on the agenda was to seek approval from the shareholders on the payment of Directors' benefits of up to RM280,000/- for the period from 30 October 2020 until the next AGM of the Company, which comprised mainly the meeting allowances, insurance coverage and the Independent Non-Executive Directors' golf privilege benefit.

**10.0 RE-APPOINTMENT OF AUDITORS - ORDINARY RESOLUTION 5**

The Chairman proceeded to the fifth item on the agenda, which was to seek approval from the shareholders on the re-appointment of BDO as Auditors of the Company for FY2021 and to authorise the Audit and Risk Management Committee (“ARMC”) to fix their remuneration.

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

**11.0 CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS - ORDINARY RESOLUTIONS 6 & 7**

The Chairman informed the Meeting that item 6.1 of the agenda was to seek approval for Datuk Karownikaran @ Karunikaran a/l Ramasamy (“Datuk Karunikaran”) and Cheah Tek Kuang (“Mr Cheah”) to continue to act as Independent Non-Executive Directors (“INEDs”) of the Company until the conclusion of the next AGM, under the following ordinary resolutions:-

- (a) Ordinary Resolution 6 - Datuk Karunikaran, who was appointed as INED of the Company on 17 January 2011 and had attained a cumulative term of more than 9 years
- (b) Ordinary Resolution 7 - Mr Cheah, who was appointed as INED of the Company on 22 August 2012 and would be attaining a cumulative term of 9 years on 22 August 2021

The Chairman further informed that the Board, through its Governance, Nominating and Remuneration Committee, had assessed the independence of Datuk Karunikaran and Mr Cheah. Based on the evaluation, the Board was satisfied that the retention of Datuk Karunikaran and Mr Cheah as INEDs were in the best interest of the Company. Details of the Board’s justification and recommendation were set out on pages 121 and 122 of the AR2020.

**12.0 AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 76 OF THE COMPANIES ACT 2016 - ORDINARY RESOLUTION 8**

The Chairman informed the Meeting that the proposed Ordinary Resolution 8 under item 6.2 of the agenda was to seek renewal of a general mandate, of which if passed, would empower the Directors to allot and issue shares of not more than 5% of the total number of issued shares of the Company pursuant to Section 76 of the Companies Act 2016.

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

**13.0 PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY - ORDINARY RESOLUTION 9**

The Chairman informed the Meeting that the proposed Ordinary Resolution 9 under item 6.3 of the agenda was to seek renewal of the authority to purchase up to 10% of the total number of issued shares of the Company (“Proposed Renewal of Existing Share Buy-Back Authority”). The details of the Proposed Renewal of Existing Share Buy-Back Authority were stated in Part A of the Circular to Shareholders dated 1 October 2020.

**14.0 PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE - ORDINARY RESOLUTION 10**

The Chairman informed the Meeting that item 6.4 on the agenda was to renew the existing shareholders' mandate for the recurrent related party transactions of a revenue or trading nature which were necessary for day-to-day operations involving the interests of Directors, major shareholders or persons connected to the Directors and/or major shareholders of the Company and its subsidiaries ("Proposed Renewal of Shareholders' Mandate").

The Chairman informed that the details of the Proposed Renewal of Shareholders' Mandate were set out in Part B, Section 4 of the Circular to Shareholders dated 1 October 2020. The interested Directors, interested major shareholders and persons connected to them as detailed therein would abstain from voting on the Ordinary Resolution 10.

**15.0 ANY OTHER BUSINESS**

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

**16.0 QUESTIONS AND ANSWERS ("Q&A") SESSION**

Having tabled all the items on the agenda for consideration, the Chairman announced the opening of the Q&A session. He informed that the Company had received a letter from the Minority Shareholders Watch Group ("MSWG") prior to the 51st AGM. For the benefits of the shareholders, the Chairman invited Dato' Lee, the Group Managing Director ("GMD") and Chief Executive of the Company to present the Company's responses to MSWG's questions, as follows:-

**Questions from MSWG and the Company's Responses**

**Strategic and Financial Matters**

Q1. The Group aims to diversify planting of crops away from full reliance on oil palm to other crops such as coconut and kenaf to limit the Group's exposure to oil palm's price volatility (page 6 of AR2020)

- (a) When does the Group target to commence planting of coconut?

**Response from the Company**

*At this juncture, the Group has a matured coconut planted area of 54 hectares at an average of 17 years. There is also about 190 hectares of new coconut plantings during the years of 2018 to 2020. The next phase of new planting is scheduled for the second half of year 2021 which is estimated to be around 300 hectares.*

- (b) Given that local planters are facing challenges from influx of cheaper Indonesian coconuts in the market, how does the Group plan to penetrate the Malaysian coconut market to compete against local planters and imports of coconuts?

**Response from the Company**

*A key issue for the coconuts market in Malaysia is supply shortage which encourages legal and illegal influx of coconuts from Indonesia.*

*As Indonesia comprises many islands, mature nuts from various places are gathered first before being dispatched to a few entry points in Malaysia. Even though the Indonesian coconuts are cheaper, many of these nuts are of low quality and unfresh due to the journey and rough handling when they reach Malaysia.*

*Coconut planting in Malaysia is picking up pace and it would soon become an important commodity. As production starts rising, the government may place emphasis on the regulation of its breeding, propagation, and sales just as in the case of rubber and oil palm plantations would be able to curb the influx of Indonesian nuts in the future.*

*For now, apart from selling tender nuts for immediate consumption, the Group plans to enter into long-term sales agreement with downstream manufacturers to produce santan, packed coconut drinks, virgin and standard grade coconut oil. In the future, the Group may venture into coconut processing to generate new revenue streams.*

*During FY2020, the 54 hectares of matured coconut area yielded an operating profit of about RM18,000 per hectare which was higher than the average operating profit for our matured oil palm area.*

- Q2. The Group expects that once the government eases the travel restrictions, allowing workers with expired work permits to return home, there may be labour shortage due to the uncertainty of the incoming of workers (page 63 of AR2020). How many of the Group's foreign workers work permits are expected to expire this year and next year? To what extent will it impact the Group's plantation operations?

**Response from the Company**

*The total number of foreign workers whose permits are expiring in year 2020 is about 1,500 which is about 8% of our total workforce. As an immediate measure to counter the repatriation of workers due to expiry of their work permits, we have taken the following steps:*

- a) Implemented a One-off Retention Gratuity payment for those workers who choose to extend their employment contracts and renew their work permits; and*
- b) In line with the government's aspirations to provide more jobs for locals, we intensified our effort to hire locals for selected jobs such as tractor drivers, security guards and bunch checkers.*

*As a permanent measure, the Group had intensified its estate mechanisation programme which was initiated in year 2019 to reduce dependency on manual labour and optimise the plantation workers' productivity. With this key initiative, the Group aimed to improve the current land-labour ratio of 8 hectares per worker to 10 hectares per worker thus reducing plantation workforce by 25% by year 2024.*

- Q3. The Group's new 110,000 MT per year capacity oleochemical plant in Prai, Penang is estimated to complete by end of year 2021 (page 5 of AR2020). The Group's oleochemical plant utilisation rates has been declining since financial year ended 30 June 2018 from 83% to 77% in FY2020 (page 48 of AR2020).

With the plant in Prai coming on-stream, how will it impact the Group's oleochemical plant utilisation rates, going forward?

**Response from the Company**

*Firstly, for clarity, the stated plant utilisation rate refers to the nameplate capacity utilisation rate which is lower than the effective plant utilisation rate. Under normal operating conditions where a variety of products requiring changeovers are produced, the effective plant utilisation rate is higher for FY2020 at about 87%. The lower plant utilisation rate in FY2020 was mainly due to the disruptions caused by the Covid-19 pandemic towards the second half of the financial year.*

*According to the forecasts by most economists, the recovery of the global economy from the pandemic will take place between the middle and end of next year after the mass production of the vaccines. Hence, we expect the Group's plant utilisation rate to decline, but not significantly, in financial year 2022 after the completion of the new plant which will add 15% to the total plant capacities.*

*Nevertheless, due to the positive fundamentals of the oleochemical business which is green and renewable chemicals, we are confident that the additional capacity in the new plant will eventually be taken up.*

- Q4. The share of associates' results of RM144,500,000 (2019: RM170,800,000) is lower due to lower sales arising from the Covid-19 pandemic as well as a one-off debt write-down in the European operation (page 64 of AR2020)

What was the amount of the one-off debt write-down in the European operation?

**Response from the Company**

*The one-off debt write-down amounts to EUR10,900,000, and the Company's share of the debt write-down (30%) is EUR3,300,000 (equivalent to RM15,500,000).*

**Corporate Governance Matter**

- Q1. Mr Cheah Tek Kuang, the INED of the Company only attended 4 out of 6 Board meetings, and ARMC meetings – 67% attendance during the FY2020 (page 91 of AR2020).

What are the reasons for him not being able to attend the other 2 Board meetings, and ARMC meetings during FY2020?

**Response from the Company**

*Mr Cheah as unable to attend the 2 Board meetings held in the month of August and November 2019 as both meetings were rescheduled on short notice to a date coinciding with his scheduled travel plans. Likewise, the ARMC meetings were also rescheduled to be on the same dates as the said Board meetings.*

The Meeting then proceeded to the questions submitted by the shareholders and proxies via the RPV facilities. The Chairman invited the GMD to address the questions raised and the responses were summarised as follows:-

**Questions from shareholders and proxies and the GMD's Responses**

- 1) The Group's past prime palms profile of 33% is relatively high. Could the Company provide details on the following with regard to its replanting plan and estate mechanisation programme?

- a) Will the Group continue to replant 10,000 hectares per year?

**Response**

*We had embarked on an accelerated replanting programme to replace ageing oil palms which we targeted to complete by FY2024. Over 10,000 hectares of ageing trees were replanted during FY2020 with higher yielding oil palm planting materials, representing approximately 5% to 6% of our total planted hecтарage which was higher than our normal replanting rate of 3% to 4% per annum.*

- b) What is the targeted total replanting area for the next 3 years?

**Response**

*Based on the replanting rate of 10,000 hectares per year, we aimed to achieve total replanting area of 30,000 hectares over the next 3 years.*

- c) What is the ideal tree age profile of each category of trees that the Group aimed to achieve?

**Response**

*Based on the 25-year economic cycle of oil palm, the ideal weighted average palm age is between 13 to 14 years. At this juncture, the Group's weighted average palm age is 18 plus years.*

- d) How much capital expenditure (CAPEX) will be spent for replanting in FY2021 or the next 3 years? What is the funding structure of CAPEX and the cost of replanting per hectare?

**Response**

*The cost of replanting is about RM18,000 per hectare. In accordance with the annual replanting plan of replacing 10,000 hectares of ageing oil palms, the total replanting CAPEX is approximately RM180,000,000 per year, which would be funded through internally generated funds.*

- e) What are the benefits obtained from the estate mechanisation programme?

**Response**

*The Group's estate mechanisation programme aimed to alleviate the labour shortage problem. With the implementation of this programme, we target to reduce dependency on manual labour in estate operations by 20%. Apart from that, the estate mechanisation also helps to improve efficiency of the crop evacuation process*



*from the fields to the ramps and the palm oil mills, thereby improving the quality of the crude palm oil ("CPO") produced.*

- f) What is the current labour to planted hectare ratio? What is the optimum ratio that the Group aimed to achieve by estate mechanisation and plantation digitalisation programmes? What is the industry benchmark for this ratio?

**Response**

*The current labour to land ratio of our plantations is 1:8 hectares (1 worker for 8 hectares) which is in line with the industry benchmark. Our target is to improve the labour to land ratio to 1:10 hectares through the implementation of the estate mechanisation and plantation digitalisation programmes, and ultimately to reduce plantation workforce by 25% over the next 4 years.*

- 2) Please provide updates on the utilisation of proceeds from the disposal of Bunge Loders Croklaan Group B.V. ("Bunge Loders") for new investments and the amount to be allocated for such purpose.

**Response**

*As reported in the latest quarterly results announced to Bursa Malaysia, we still have approximately RM932 million of unutilised proceeds allocated for future investments. We remain prudent in spending the funds until suitable investment opportunities arise.*

- 3) The Group's net foreign currency translation loss on foreign currency denominated borrowings amounted to RM209.7 million. Although the foreign exchange ("forex") translation loss was a cashflow item, the Company has been experiencing this loss consistently in the past few years. What are the steps taken by the Board or Management in mitigating further forex translation loss in view of the substantial amount of USD denominated borrowings?

**Response**

*The RM209.7 million net foreign currency translation loss on foreign currency denominated borrowings recorded in FY2020 was mainly due to the strengthening of United States Dollars ("USD") against Ringgit Malaysia ("RM") up to RM4.4 level during the financial year. Nevertheless, we had seen RM strengthened against USD to the range of RM4.15 to RM4.16 in the first financial quarter of FY2021 ("Q1FY2021"), which is likely to result in substantial forex translation gain on our USD denominated borrowings during Q1FY2021, probably around RM100 million.*

*It is not true that the Group had been experiencing net forex translation loss on its foreign borrowings consistently as the Group had recorded a net forex translation gain in FY2018. The translation gain or loss is largely dependent on the fluctuations in USD-RM exchange rate.*

*Depending on the tenure of the loans, we adopt hedging methods in managing foreign currency exposures from the USD denominated borrowings. Where possible, we also hedge the potential risks associated with currency fluctuations by buying USD in advance.*

- 4) The carrying value of Bumitama Agri Ltd ("BAL") as at 30 June 2020 was much higher than its market value. What is the accounting treatment in the event of further decline in

BAL's share price? Will there be any potential impairment should BAL's share price stay at current level?

**Response**

*We equity accounted our 32%-owned associate, BAL based on its Initial Public Offering's price of SGD0.75 in 2012 and this had resulted in the carrying value higher than BAL's market value which was traded at SGD0.44 per share as at 30 June 2020. With the strong financial position of BAL and the resilient fundamentals of palm oil industry, we were of the view that our carrying amount in BAL, as a long-term investment, was recoverable and should not be impacted by the recent decline of its share price. Therefore, no impairment loss was provided.*

- 5) Could the Board consider giving e-voucher or e-Wallet to the shareholders as a token of appreciation for participating in the virtual AGM.

**Response**

*We believe in maximising shareholders' value through our consistent dividend payout. This was evidenced by the total dividends of RM502.8 million paid in FY2019 and RM534.2 million in FY2020. In the past, packed food and food voucher were given to shareholders as a gesture of goodwill for their physical attendance at the AGMs. As we embrace the new normal and deploy technology in conducting our AGM online as a safety measure, we had decided that no e-voucher would be distributed to our shareholders. We believe this decision would not affect those shareholders who are genuinely interested in participating in our virtual AGM.*

- 6) How much revenue the new 110,000 metric tonnes ("MT") per annual capacity oleochemical plant in Prai, Penang could generate, assuming it is running at full capacity? What is the targeted utilisation to be achieved in 3 years?

**Response**

*The revenue to be generated is dependent on the prevailing CPO price. Based on the fatty acids price forecast of RM3,200 per MT, we expected to achieve an additional RM320,000,000 revenue per annum. We anticipated full utilisation of the new plant upon its completion in 3 years' time.*

- 7) Which products under the Group's downstream segment that contribute high margins? Which downstream value chain that has the potential to grow profitably and what is the long-term strategy for the downstream segment.

**Response**

*We embarked on a 5-year plan which was introduced in March this year to provide a clear direction for the Group to progress from a cost competitive palm oil producer to a high value-added diversified palm-based products producer. This plan is driven by 5 strategic priorities from years 2020 to 2024, one of which is to increase our oleochemical sub-segment's profit contribution by RM100 million over the next 4 years through organic expansion and development of new high-value products applications.*

*The new 110,000 MT per annual capacity fatty acid plant in Prai, Penang would spearhead our organic expansion. At the same time, we also continue to pursue new endeavour to create new values for our customers in the ester business unit. We have 2 oleochemical manufacturing plants in Germany that produce fatty esters, catering to a*

*large extend, to growing demand for pharmaceutical and personal care applications, including cosmetic. These high value-added and versatile products which contributed higher margins as compared to simple refined products, would be one of our oleochemical sub-segment's main focuses, going forward.*

- 8) What is the outlook for the resource-based manufacturing segment as the segment's margin is in a declining trend?

**Response**

*The reduction in profit margins was largely attributable to the sharp rise in CPO price in the past 9 months. The profit margins had been depressed due to higher raw material (ie. CPO) price.*

*In our resource-based manufacturing segment, the oleochemical sub-segment remained positive as the oleochemical products have a wide range of applications in different industries. A large amount of our fatty acids and glycerin is used in the personal hygiene products, such as soap and hand sanitizer, which had seen an increase in demand due to the Covid-19 pandemic. The increased demand from these sectors is expected to offset the reduced demand and offtake from other sectors arising from the disruptions caused by the pandemic lockdowns.*

- 9) With certain localities in Sabah being placed under the "Enhanced Movement Control Order" ("EMCO"), what is the current situation of the Group's operations in Sabah? Would the EMCO impact the Group's performance negatively, considering about 80% of the Company's estates are located in Sabah?

**Response**

*Our estates in Sabah account for 60% of the Company's plantations not 80%. Indeed, the Group's operations in Sabah, especially our palm oil mills had been affected by the imposition of the stricter EMCO where only 50% of the existing workforce is allowed to operate with working hours limited to 12 hours from 6 am to 6 pm. Nevertheless, the Sabah state government had announced yesterday that the restrictions would be lifted effective 30 October 2020 to allow palm oil industry players to work at full capacity.*

- 10) What is the Company's expectation on CPO price in the near term and FY2021? Could the shareholders expect better dividend in view of the current CPO price rally?

**Response**

*The CPO price had increased significantly amid depleting stockpiles globally due to low crop production. For instance, Malaysian palm oil inventory dropped to 1,700,000 MT at the end of September 2020, as compared to 2,300,000 MT in the corresponding period a year ago. Despite the surge in the CPO price, its price discount against other competitive vegetable oils such as soybean and sunflower oils remained within the normal range of USD50 – USD70 per MT as the prices of these vegetable oils had also gone up significantly. Therefore, we are optimistic that the CPO price would continue to remain high in the next few months.*

*Should the CPO price sustain its upward trend into the coming quarters leading to higher profit, the Board may consider declaring higher dividend in FY2021.*

- 11) What is the capacity of the Group's nursery for seed breeding and whether the Group fully sourced its seeds from its own nursery? Does the Group's nursery sell seeds to external parties?

**Response**

*Our nursery produces seeds according to the demand and we sell around 1.5 to 2 million seeds per year, 70% of which is for internal consumption and the remaining 30% to external parties.*

- 12) What is the impact of La Niña on the Company's performance?

**Response**

*The La Niña weather phenomenon that brings heavier rainfall would impede the crop evacuation but the impact is minimal given that only a couple of the Group's estates at low-lying areas are susceptible to flood.*

*The immediate impact of La Niña may however, lend support to CPO prices as the heavy rain may delay harvesting and evacuation of crops, resulting in lower crop supply and palm oil inventory.*

- 13) What are the total CAPEX for FY2021 and the CAPEX allocation for upstream and downstream businesses? Please provide the current status and target for estate mechanisation.

**Response**

*The CAPEX for FY2021 is approximately RM500 million, of which about RM380 million is allocated for upstream business while the remaining RM120 million is for downstream business.*

*The Group started its revitalised estate mechanisation programme 2 years ago and is aiming at completing mechanisation across all its Malaysian estates within the next 3 years.*

- 14) In view of the increasing demand for glove worldwide, is there any plan to increase rubber planting to cater for the robust demand of rubber products?

**Response**

*There is no plan to increase the rubber planting as we understand that about 60% to 70% of the disposable gloves in the market are nitrile gloves made from synthetic rubber.*

- 15) Any plans to improve refinery utilisation rate and how will be the performance of the refinery operations going forward?

**Response**

*The refinery sub-segment is not our main focus as it mainly serves as a means to supply intermediate raw materials to our oleochemical and specialty oils and fats sub-segments. When the refinery margin improves, we would produce more and when the margin declines, we would only produce enough volumes to meet the needs of the Group and our associate, Bunge Lodgers.*

- 16) Does the Group still own specialty oils and fats plant?

**Response**

*The specialty oils and fats business is undertaken by our 30%-owned associate, Bunge Loders.*

- 17) The Company had bought back its own shares at prices ranging from a low of RM3.50 to RM4.48. While it is commendable that the Company took the initiative to buy back its own shares during the sharp market correction in March 2020 due to the Covid-19 pandemic when the shares were traded below RM4.00, what is the basis of continuing the shares buy back in the month of May 2020 when the share price rose to between RM4.46 to RM4.48?

**Response**

*In FY2020, the Company bought back a total of 18,876,000 shares at an average price of RM3.75 per share, of which only 254,000 shares were bought back at above RM4.00 per share. Such transactions were carried out mainly to round-up the odd lot of the shares bought back in order to facilitate subsequent resale of the treasury shares in board lot, should the opportunity arise.*

- 18) There are shareholders, especially senior citizens who are not technology-savvy and may not have the means to participate the virtual AGM.

**Response**

*The conduct of this year AGM virtually was in response to the Covid-19 protocols enforced by the Malaysian government. We are aware of the concerns of those shareholders who are not technology-savvy. In this regard, the Board will deliberate on the option of holding hybrid AGM in the future to allow in-person attendance as well as online participation and voting, subject to the movement restrictions and physical distancing requirements being lifted by the government when the pandemic situation improves.*

As there were no other questions raised, the Chairman thanked the shareholders and declared the Q&A session closed.

## **17.0 POLL VOTING**

The Chairman informed that additional 3 minutes would be allocated for all resolutions to be voted on by poll and another approximately 5 minutes for the Poll Administrator to conduct the poll vote count and to have the results verified by the Independent Scrutineers. The Chairman reminded shareholders and proxies to cast their votes.

## **18.0 DECLARATION OF POLL RESULTS**

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

**IOI Corporation Berhad [196901000607 (9027-W)]**  
**Minutes of the Fifty-First Annual General Meeting held on 30 October 2020**

Resolutions	Voted For		Voted Against	
	No. of Shares	%	No. of Shares	%
<b>Ordinary Resolution 1</b> Re-election of Tan Sri Dr Rahamat Bivi binti Yusoff pursuant to Article 91 of the Company's Constitution	4,419,767,066	99.9992	33,711	0.0008
<b>Ordinary Resolution 2</b> Re-election of Dato' Lee Yeow Chor pursuant to Article 91 of the Company's Constitution	4,419,003,275	99.9821	789,502	0.0179
<b>Ordinary Resolution 3</b> Directors' fees of up to RM1,085,000 for the financial year ending 30 June 2021	4,419,004,795	99.9908	408,282	0.0092
<b>Ordinary Resolution 4</b> Directors' benefits of up to RM280,000 for the period from 30 October 2020 until the next Annual General Meeting	4,419,323,540	99.9980	89,637	0.0020
<b>Ordinary Resolution 5</b> Re-appointment of BDO PLT as Auditors for the financial year ending 30 June 2021	4,418,276,982	99.9657	1,516,896	0.0343
<b>Ordinary Resolution 6</b> Approval for Datuk Karownikaran @ Karunakaran a/l Ramasamy to continue in office as Independent Non-Executive Director	3,932,674,134	88.9786	487,123,846	11.0214
<b>Ordinary Resolution 7</b> Approval for Cheah Tek Kuang to continue in office as Independent Non-Executive Director	4,392,317,208	99.3984	26,583,692	0.6016
<b>Ordinary Resolution 8</b> Authority for Directors to allot and issue shares pursuant to Section 76 of the Companies Act 2016	3,939,838,699	89.6396	455,360,982	10.3604

Resolutions	Voted For		Voted Against	
	No. of Shares	%	No. of Shares	%
<b>Ordinary Resolution 9</b> Proposed renewal of existing share buy-back authority	4,416,582,376	99.9276	3,200,105	0.0724
<b>Ordinary Resolution 10</b> Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature	1,278,009,879	99.8207	2,295,325	0.1793

The Chairman declared that based on the poll results, all the 10 ordinary resolutions tabled at the Meeting were duly carried.

#### **19.0 CLOSURE OF MEETING**

The Meeting concluded at 11.45 a.m. with a vote of thanks to the Chairman.

Confirmed

**Tan Sri Peter Chin Fah Kui**  
Chairman

Date: 16 November 2020



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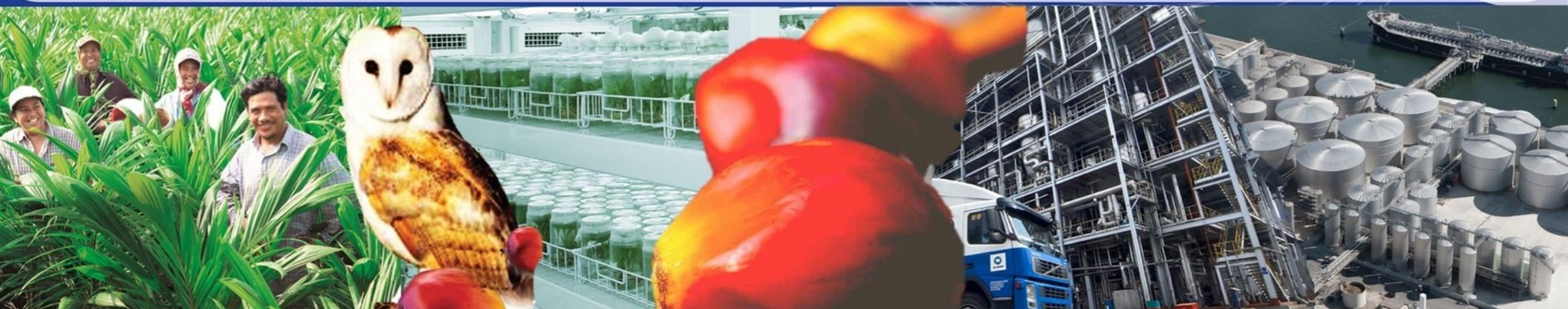
Appendix I

51<sup>st</sup>

# Annual General Meeting

*30 October 2020*

*Presented by Group CFO Mr. Lee Tuan Meng*











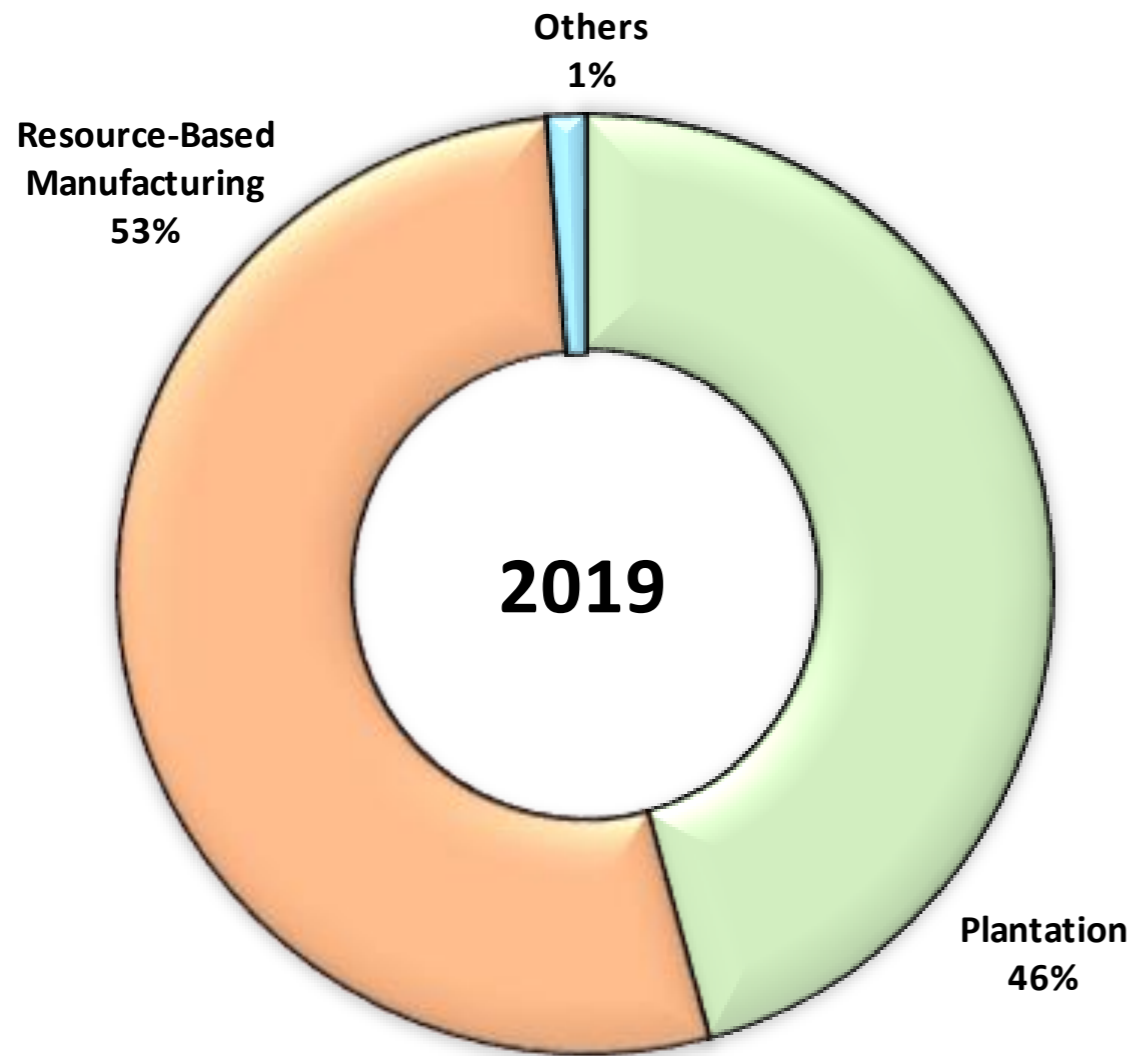
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# Overall Group Financial Performance

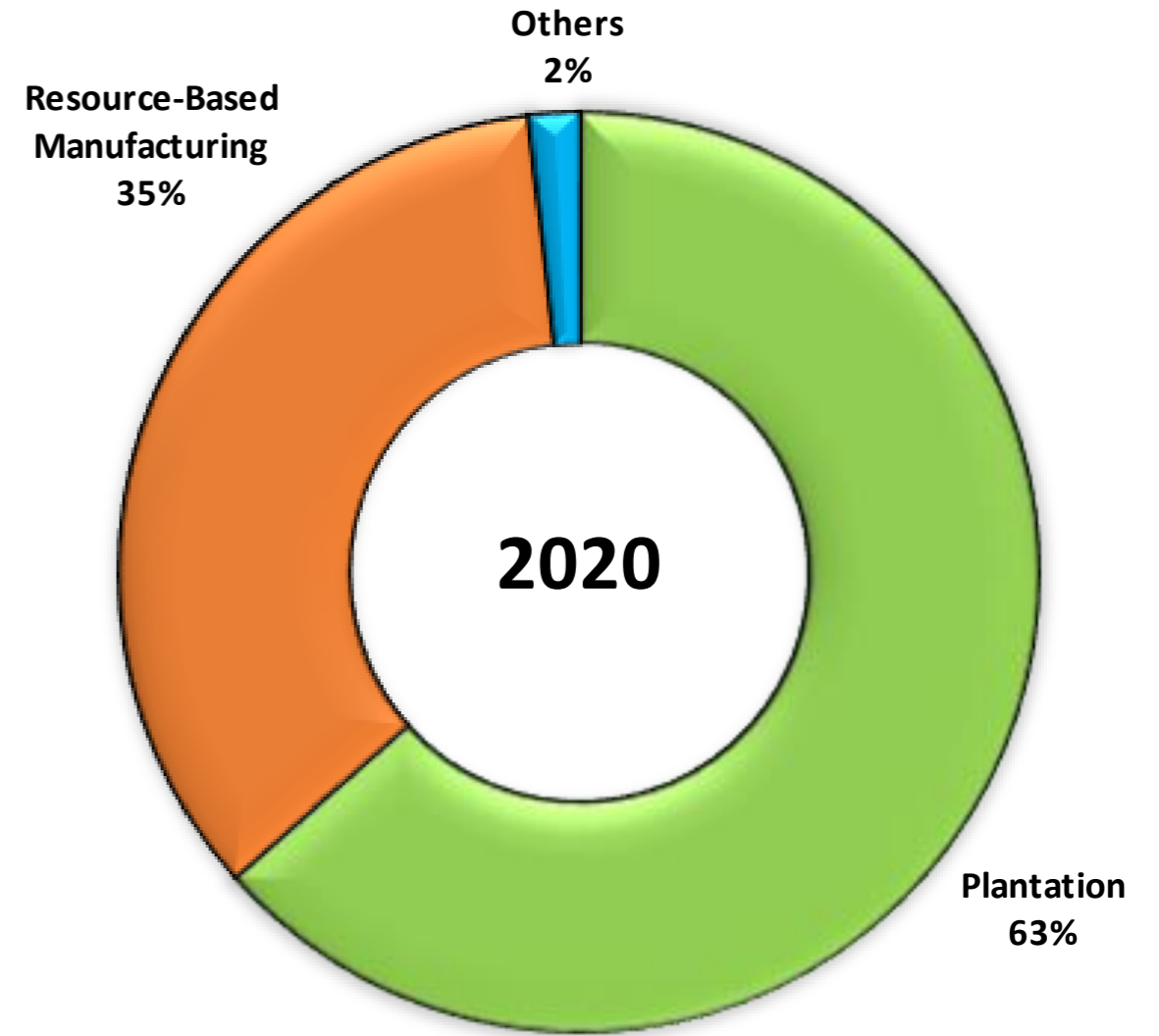
	2019 RM Million	2020 RM Million	Variances (%)	
Revenue	7,385.6	7,802.2		6
EBIT	1,076.8	1,137.9		6
PBT	872.6	826.7		5
PAT	617.6	601.7		3
Basic EPS (sen)	10.05	9.57		



# Segmental profit



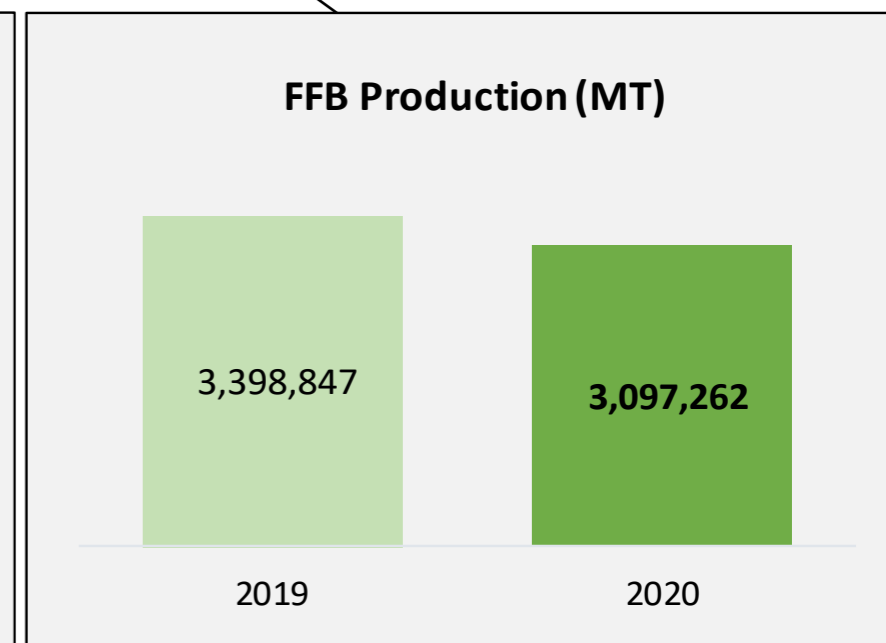
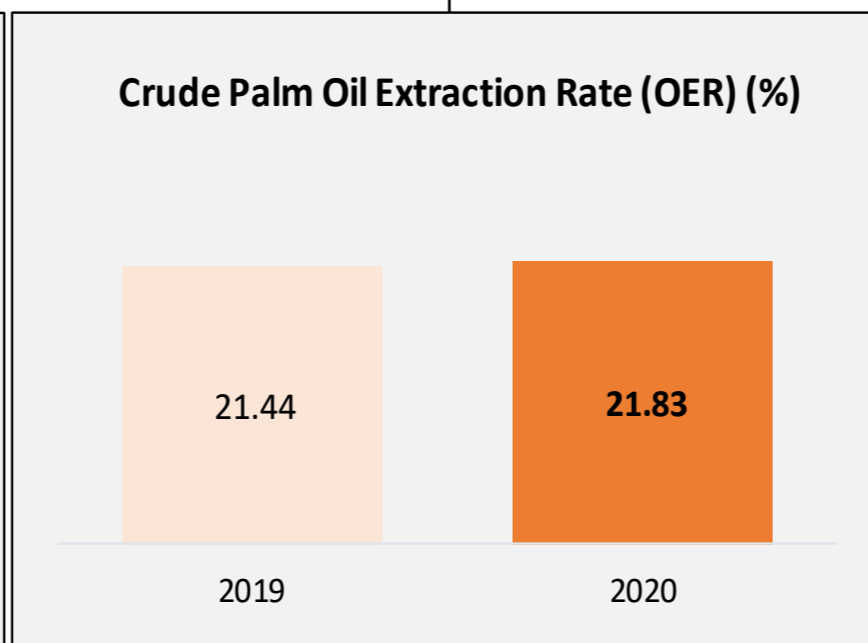
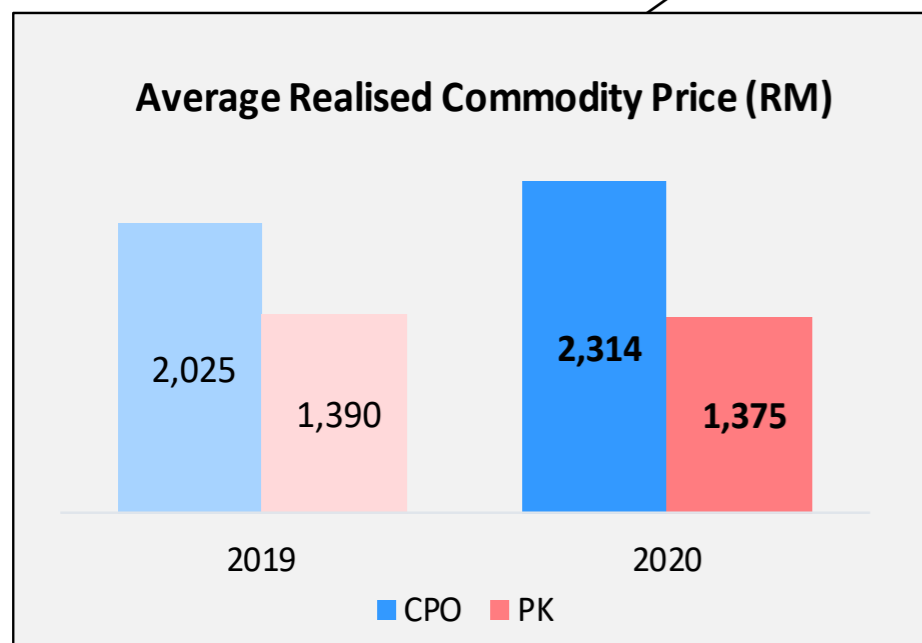
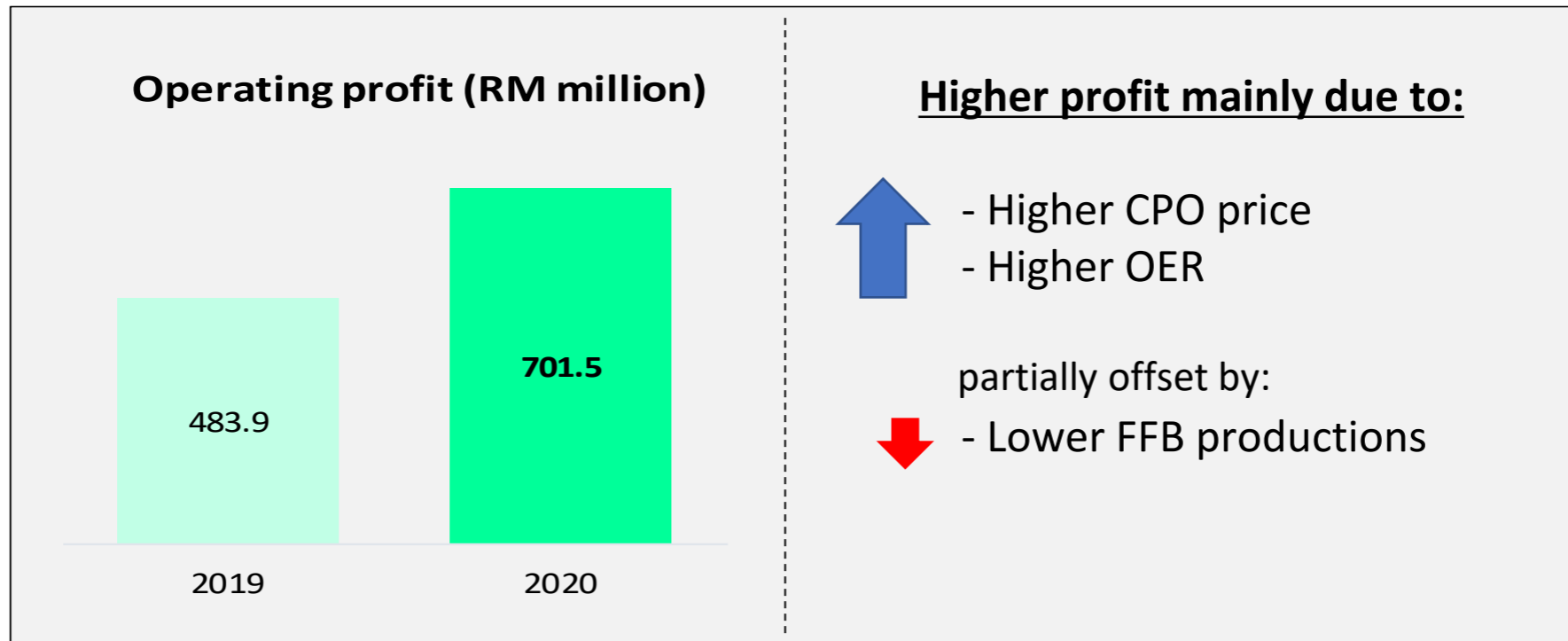
	RM million
Plantation	483.9
Resource-Based Manufacturing	553.4
Others	2.9



	RM million
Plantation	701.5
Resource-Based Manufacturing	385.1
Others	19.0

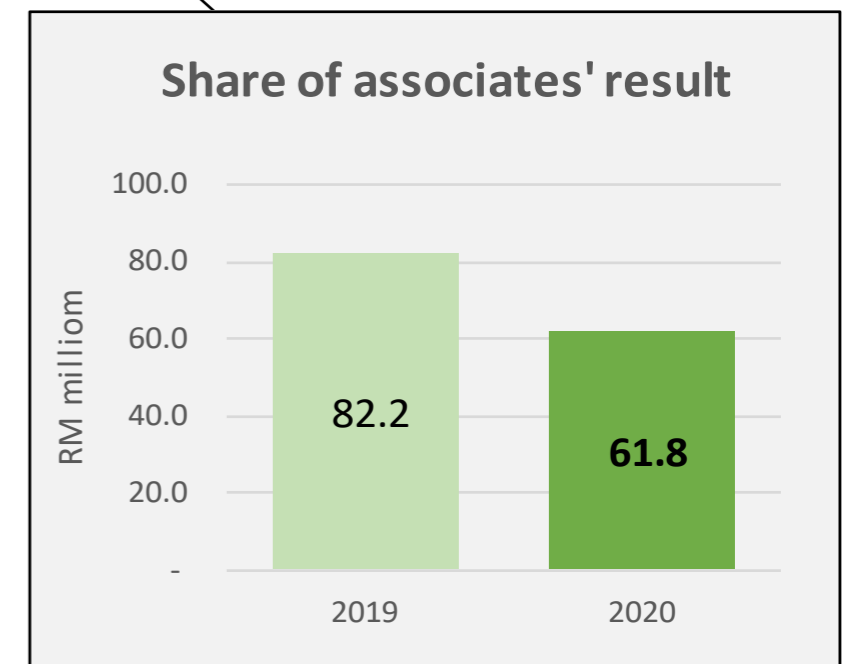
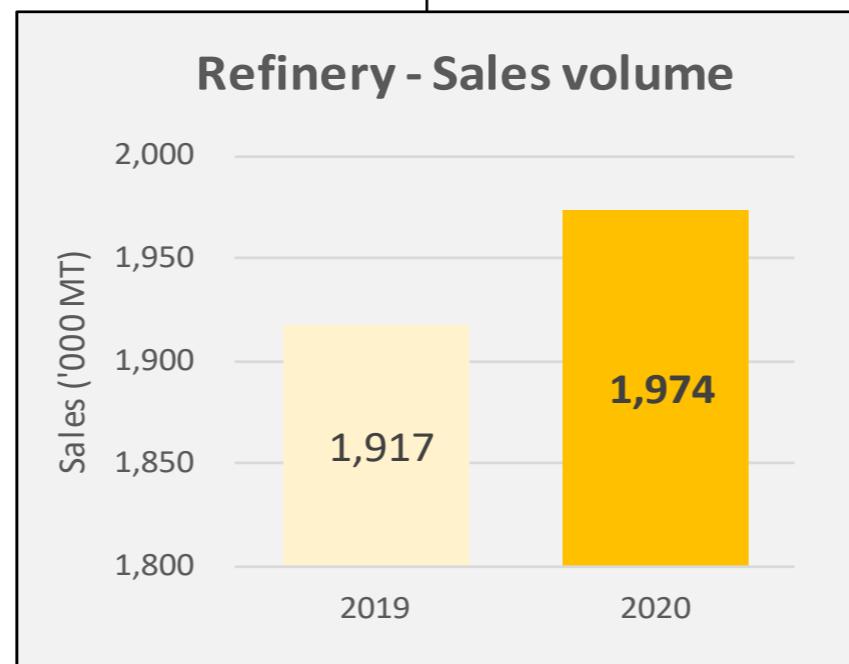
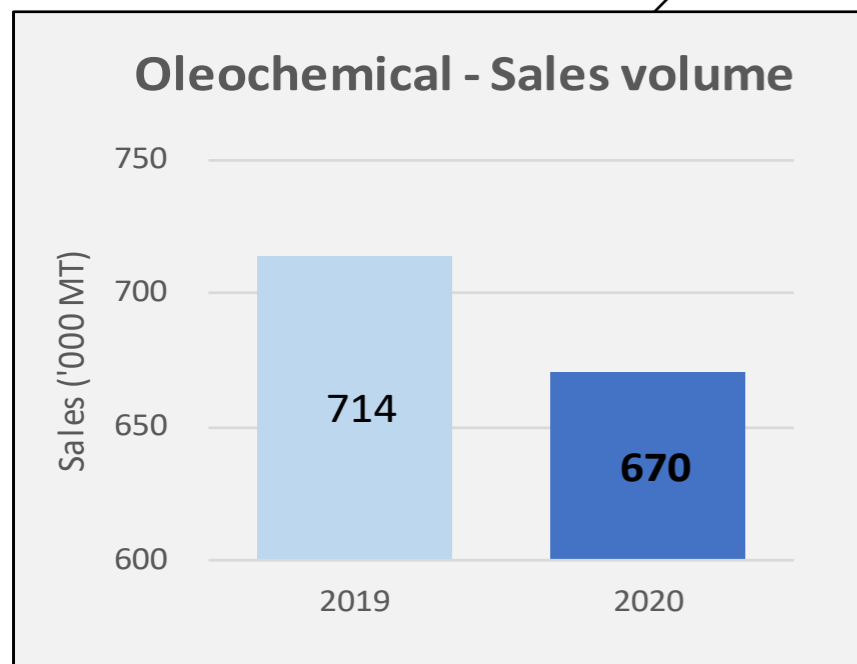
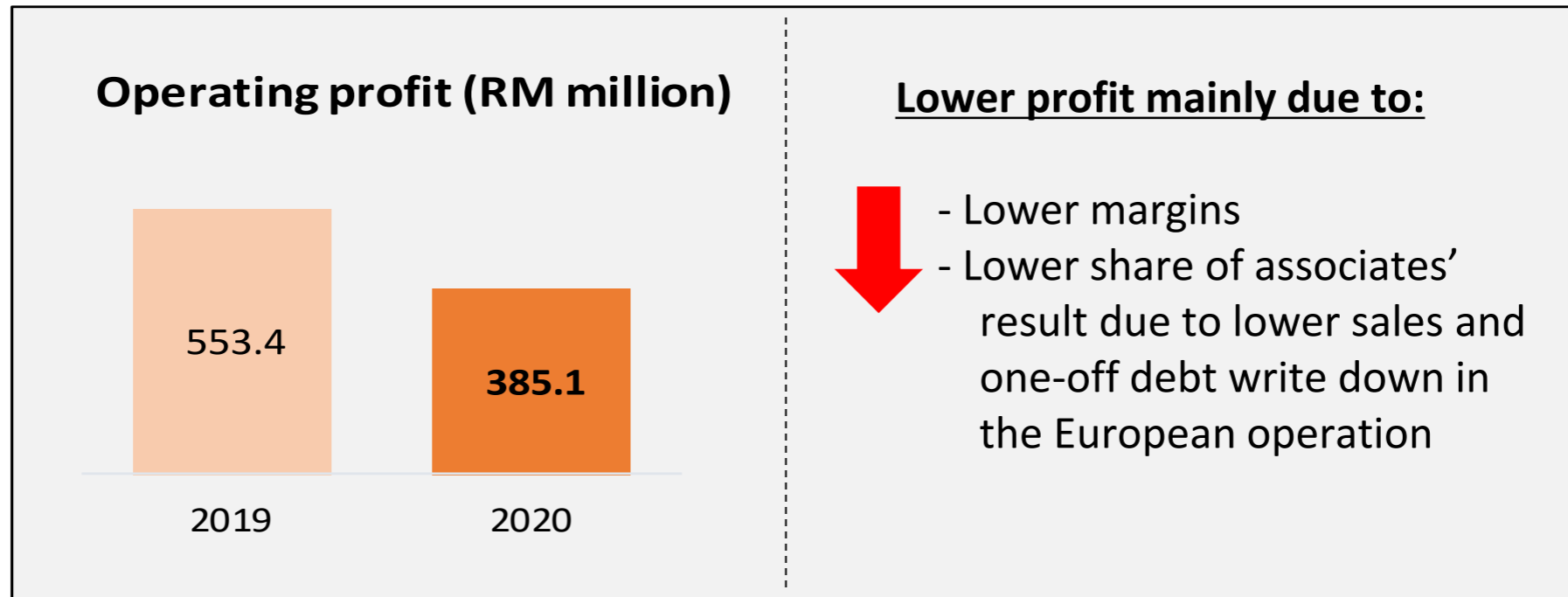


# Plantation Segment





# Resource-Based Manufacturing Segment



\* Lower margin despite higher sales volume



# Balance Sheet (RM billion)

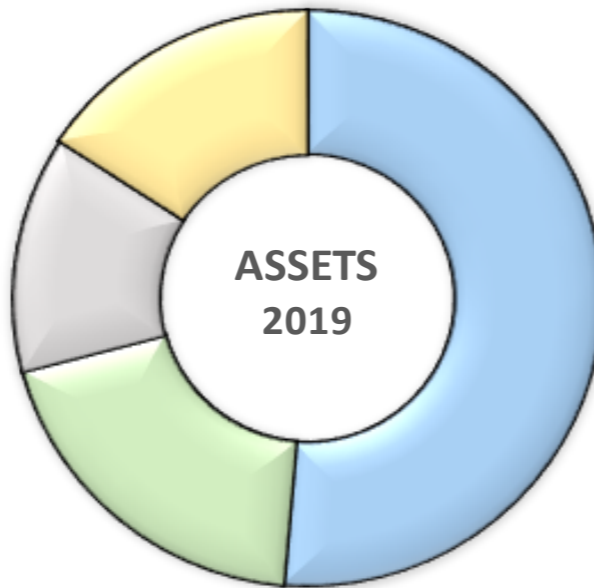
## Assets

- Property, plant and equipment
- Other long term assets
- Other short term assets
- Cash and cash equivalents

2019

8.5  
3.2  
2.2  
2.6

16.5



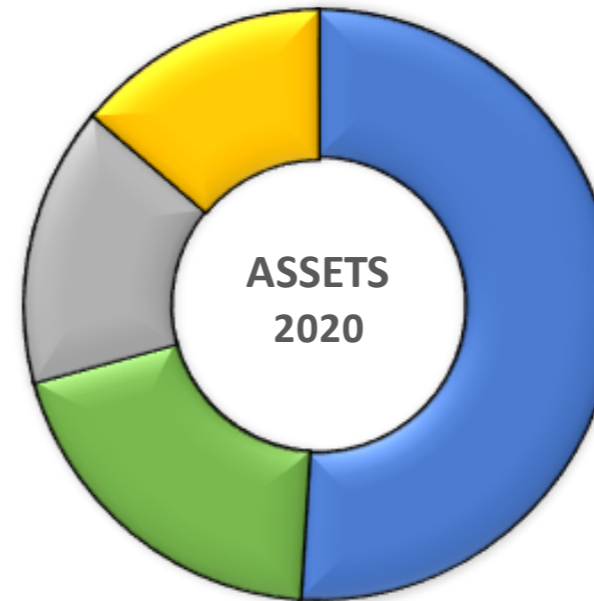
## Assets

- Property, plant and equipment
- Other long term assets
- Other short term assets
- Cash and cash equivalents

2020

8.5  
3.3  
2.6  
2.3

16.7



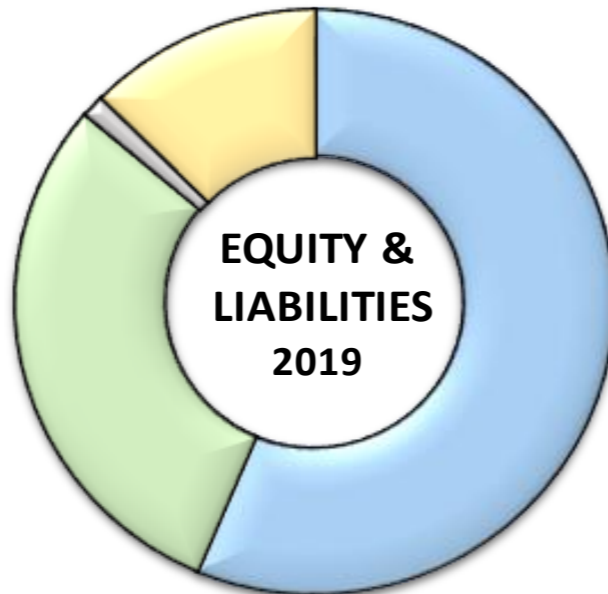
## Equity and Liabilities

- Equity
- Borrowings
- Non-controlling interests
- Other liabilities

2019

9.3  
4.9  
0.2  
2.1

16.5



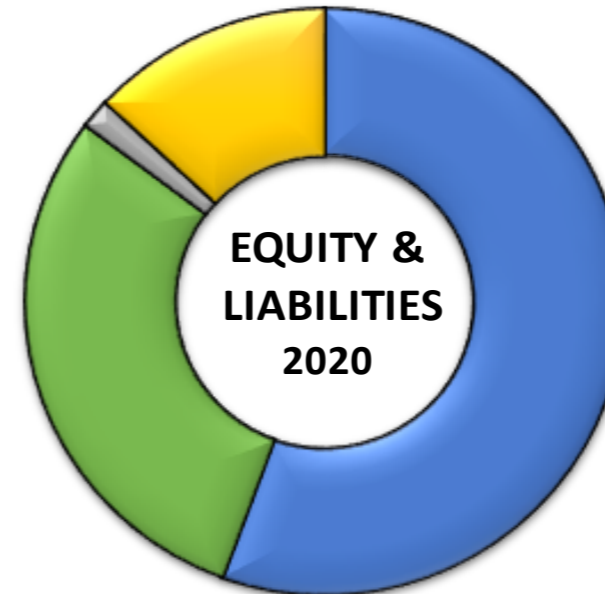
## Equity and Liabilities

- Equity
- Borrowings
- Non-controlling interests
- Other liabilities

2020

9.3  
4.9  
0.3  
2.2

16.7





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# Capital Expenditure

	2019 RM Million	2020 RM Million
Leasehold land	-	26.3
New planting and Replanting	143.4	176.5
Plantation infrastructure & Building and improvement	50.8	44.4
Plant and machinery	101.2	54.7
WIP - Plant and machinery & Building and improvement	85.5	81.5
Motor vehicle & Furniture, fittings and equipment	21.1	11.5
SAP and other computer software	22.7	18.1
	<b>424.7</b>	<b>413.0</b>



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# Equity repayments

**IOI**

Dividend declared during the year  
**8.0 sen (RM502.1 million)**

1<sup>st</sup> Interim - 4 sen

Payment: 13 March 2020

2<sup>nd</sup> Interim - 4 sen

Payment: 18 September 2020

Share buy back during the year  
**RM68.1 million**



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**Thank You**

