

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused this Circular prior to its issuance as it is prescribed as an exempt circular pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



IOI GROUP

IOI CORPORATION BERHAD

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

Part A

**SHARE BUY-BACK STATEMENT
IN RELATION TO THE
PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY**

AND

Part B

**CIRCULAR TO SHAREHOLDERS
IN RELATION TO THE
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED
PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The resolutions in respect of the proposals will be tabled at the Fifty-First Annual General Meeting ("**51st AGM**") of IOI Corporation Berhad ("**IOI**" or the "**Company**") which will be conducted virtually through live streaming from the broadcast venue at Millennium Ballroom 1 (Level 1), Le Méridien Putrajaya, Lebuhr IRC, IOI Resort City, 62502 Putrajaya, Malaysia on Friday, 30 October 2020 at 10:00 am. Shareholders are advised to refer to the Notice of the 51st AGM of the Company together with the Proxy Form and Administrative Guide, which can be downloaded from the Company's website at https://www.ioigroup.com/Content/IR/IR_Reports.

The Proxy Form should be lodged at the office of the Administration and Polling Agent, Boardroom Share Registrars Sdn Bhd ("**Boardroom**"), either by electronic means through Boardroom Smart Investor Portal at <https://boardroomlimited.my> by logging in and selecting "E-Proxy Lodgement" or via email to bsr.helpdesk@boardroomlimited.com, or by hand or post to the office of Boardroom at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than forty-eight (48) hours before the time stipulated for holding the meeting. The lodging of the Proxy Form will not preclude you from participating and voting at the 51st AGM should you subsequently wish to do so.

Shareholders are advised to refer to the steps set out in the Administrative Guide in order to register, participate and vote remotely at our virtual 51st AGM.

Last date and time for lodging the Proxy Form : Wednesday, 28 October 2020 at 10:00 am

Date and time of the 51st AGM : Friday, 30 October 2020 at 10:00 am

This Circular is dated 1 October 2020

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

"Act"	:	The Companies Act, 2016 as amended from time to time and any re-enactment thereof
"AGM"	:	Annual General Meeting
"Board"	:	The Board of Directors of IOI
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"CMSA"	:	Capital Markets and Services Act, 2007 as amended from time to time and any re-enactment thereof
"CPO"	:	Crude palm oil
"Dato' Lee"	:	Dato' Lee Yeow Chor
"Director(s)"	:	In accordance with Paragraph 10.02(c) of the Listing Requirements, a Director shall have the meaning in Section 2(1) of the CMSA and for the purpose of the Proposed Renewal of Shareholders' Mandate, includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Director of IOI, its subsidiary or holding company, or a chief executive of IOI, its subsidiary or holding company
"DJW"	:	Datin Joanne Wong Su-Ching
"EPF"	:	Employees Provident Fund Board
"EPS"	:	Earnings per Share
"ESOS"	:	The existing Executive Share Option Scheme of the Company
"FFB"	:	Fresh fruit bunches
"FYE"	:	Financial year ended/ending, as the case may be
"IOI" or the "Company"	:	IOI Corporation Berhad
"IOI Group"	:	IOI and its subsidiaries, collectively
"IOIPG"	:	IOI Properties Group Berhad
"IOIPG Group"	:	IOIPG and its subsidiaries, collectively
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities as amended from time to time and any re-enactment thereof
"LPD"	:	11 September 2020, being the latest practicable date prior to the issuance of this Circular

DEFINITIONS (CONT'D)

"LYS"	:	Lee Yeow Seng
"LY Ling"	:	Lee Yoke Ling
"LY Har"	:	Lee Yoke Har
"LY Hean"	:	Lee Yoke Hean
"LY Hui"	:	Lee Yoke Hui
"LCS"	:	Lor Ching San
"Major Shareholder(s)"	:	<p>A person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is:-</p> <ul style="list-style-type: none">a) 10% or more of the total number of voting shares in the corporation; orb) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation <p>For the purpose of the Proposed Renewal of Shareholders' Mandate, Major Shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company or any other company which is its subsidiary or holding company</p> <p>For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act</p>
"Market Day"	:	A day on which Bursa Securities is open for trading in securities
"NA"	:	Net Assets
"Parties Deemed Acting In Concert"	:	<p>The persons who are presumed to be acting in concert with PHSB pursuant to the Rules:-</p> <ul style="list-style-type: none">i. Dato' Lee, being a deemed Major Shareholder of IOI, a Director and Major Shareholder of PHSB and the brother of LYS;ii. LYS, being a deemed Major Shareholder of IOI, a Director and Major Shareholder of PHSB and the brother of Dato' Lee; andiii. Such other person(s) connected to them pursuant to the Rules

DEFINITIONS (CONT'D)

"PHSB"	:	Progressive Holdings Sdn Bhd, a person connected to Dato' Lee and LYS and a Major Shareholder of the Company
"Proposed Renewal of Existing Share Buy-Back Authority"	:	Proposed renewal of the existing authority granted to the Company to purchase up to 10% of its own Share as detailed in the Share Buy-Back Statement
"Proposed Renewal of Shareholders' Mandate"	:	Proposed renewal of the existing shareholders' mandate for IOI Group to enter into RRPT(s) as detailed in Part B of this Circular
"Purchased Shares"		IOI Shares that are purchased pursuant to the proposed share buy-back
"Related Party(ies)"	:	A Director, Major Shareholder or a person connected to such Director or Major Shareholder as defined under Paragraph 1.01 of the Listing Requirements
"RM" and "sen"	:	Ringgit Malaysia and sen respectively
"RRPT(s)"	:	Recurrent related party transaction(s) of a revenue or trading nature which are necessary for the day-to-day operations and are entered into in the ordinary course of business by IOI Group which involves the interest, direct or indirect, of a Related Party
"Rules"	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions as amended from time to time and any re-enactment thereof
"Share(s)" or "IOI Share(s)"	:	Ordinary share(s) in IOI
"Treasury Shares"	:	The Purchased Shares which are retained by the Company and shall have the meaning under Section 127 of the Act
"VCSB"	:	Vertical Capacity Sdn Bhd, a person connected to Dato' Lee and LYS
"WAMP"	:	Weighted average market price

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

TABLE OF CONTENTS

PART A: PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY	PAGE
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY	1
3. SOURCE OF FUNDS	2
4. RATIONALE FOR THE PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY	3
5. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY	3
6. IMPLICATIONS RELATING TO THE RULES	4
7. PUBLIC SHAREHOLDING SPREAD	5
8. HISTORICAL SHARE PRICES	5
9. EFFECTS OF THE PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY	5
10. PURCHASE, RESALE, TRANSFER OR CANCELLATION OF TREASURY SHARES MADE IN THE PRECEDING TWELVE (12) MONTHS	7
11. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS	7
12. CONDITIONS TO THE PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY	10
13. DIRECTORS' AND/OR MAJOR SHAREHOLDERS' INTERESTS AND/OR PERSON(S) CONNECTED	10
14. DIRECTORS' RECOMMENDATION	10
15. FURTHER INFORMATION	10
PART B: PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE	
1. INTRODUCTION	12
2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE	13
3. CATEGORIES OF RRPT(S)	15
4. INFORMATION ON RRPT(S), TRANSACTING PARTIES AND NATURE OF TRANSACTIONS	16
5. AMOUNT DUE FROM AND OWING TO RELATED PARTIES PURSUANT TO THE RRPT(S)	17
6. REVIEW PROCEDURES FOR THE RRPT(S)	17
7. THRESHOLD OF AUTHORITY	18
8. STATEMENT FROM THE AUDIT AND RISK MANAGEMENT COMMITTEE	18
9. RATIONALE AND BENEFITS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE	18
10. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE	19
11. APPROVAL REQUIRED	19
12. DIRECTORS' AND/OR MAJOR SHAREHOLDERS' INTERESTS AND/OR PERSON(S) CONNECTED	19
13. DIRECTORS' RECOMMENDATION	20
14. AGM	20
15. FURTHER INFORMATION	21

TABLE OF CONTENTS (CONT'D)

APPENDIX I FURTHER INFORMATION

APPENDIX II EXTRACT OF THE NOTICE OF 51ST AGM

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

PART A:

**PROPOSED RENEWAL OF EXISTING
SHARE BUY-BACK AUTHORITY**



IOI GROUP

IOI CORPORATION BERHAD

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

PART A: SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

At the last AGM of the Company held on 25 October 2019, the shareholders of the Company had approved the renewal of the authority for the Company to purchase up to 10% of its own Shares.

The above shareholders' approval for the Company to purchase its own Shares is subject to annual renewal and will lapse at the conclusion of the forthcoming 51st AGM unless such authority is renewed by an ordinary resolution passed at the forthcoming 51st AGM.

On 15 September 2020, the Board had announced its intention to seek the approval of the shareholders of the Company for the Proposed Renewal of Existing Share Buy-Back Authority.

The Notice of the forthcoming 51st AGM and the Proxy Form are enclosed in the Annual Report 2020 of the Company, which can be downloaded from the Company's website at https://www.ioigroup.com/Content/IR/IR_Reports.

SHAREHOLDERS OF IOI ARE ADVISED TO READ THE CONTENTS OF THIS STATEMENT TOGETHER WITH THE APPENDICES IN THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY.

2. DETAILS OF THE PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY

The Board proposes to seek renewal of the authority to purchase up to 10% of the total number of issued Shares of the Company as quoted on Bursa Securities at the point of purchase, subject to compliance with the provisions of the Act, the Listing Requirements and/or any other relevant authorities.

The renewal on existing share buy-back authority, if approved by the shareholders at the forthcoming 51st AGM, will be effective immediately upon the passing of the ordinary resolution at the forthcoming 51st AGM and the authority conferred under the Proposed Renewal of Existing Share Buy-Back Authority shall continue to be in force until:-

- (i) the conclusion of the next AGM of the Company at which time the authority shall lapse unless by ordinary resolution passed at that general meeting, the authority is renewed either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or

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

whichever occurs first.

The Company had purchased a total of 18,220,000 Shares from the open market in FYE 30 June 2020, all of which are currently being held as Treasury Shares. As at LPD, the total number of issued Shares of the Company stood at 6,285,038,995 Shares. As such, subject to the approval of the shareholders, the Company may purchase up to 628,503,899 Shares (inclusive of 18,220,000 Treasury Shares) pursuant to the Proposed Renewal of Existing Share Buy-Back Authority. The Treasury Shares against the total number of issued Shares of the Company as at LPD was 0.29%.

The Directors may deal with the Purchased Shares in the following manner:-

- (i) cancel the Shares so purchased; or
- (ii) retain the Shares so purchased as Treasury Shares, to be distributed as dividends to the shareholders and/or resold on the market of Bursa Securities and/or transferred for the purposes of or under an employees' share scheme and/or transferred as purchase consideration; or
- (iii) retain part of the Shares so purchased as Treasury Shares and cancel the remainder; or
- (iv) deal with the Shares in any other manner as may be permitted by the applicable laws and/or regulations in force from time to time.

The Shares to be purchased pursuant to the Proposed Renewal of Existing Share Buy-Back Authority shall be at prices not exceeding 15% above the WAMP of the Shares for the 5 Market Days immediately prior to the purchase.

The Treasury Shares arising from the share buy-back, including those Shares that have been bought back as at the date of this Circular, may be resold on the market or transferred pursuant to Section 127(7) of the Act, if so determined by the Board, at:-

- a) a price which is not less than the WAMP of the Shares for the 5 Market Days immediately before the resale or transfer; or
- b) a discounted price of not more than 5% to the WAMP of the Shares for the 5 Market Days immediately before the resale or transfer provided that:-
 - (i) the resale or transfer takes place not earlier than 30 days from the date of purchase; and
 - (ii) the resale or transfer price is not less than the cost of purchase of the Shares being resold or transferred.

3. SOURCE OF FUNDS

The proposed purchase by the Company of its own Shares shall be financed through internally generated funds and the maximum funds allocated shall not exceed the sum of the retained earnings of the Company based on the audited financial statements for FYE 30 June 2020.

The actual number of Shares to be purchased, the total amount of funds to be utilised, impact on cash flows as well as the timing of the proposed purchase by the Company of its own Shares will be dependent on amongst others, the market conditions, sentiments of the stock market and the available financial resources of the Company at the time of purchase(s).

Based on the audited financial statements for the FYE 30 June 2020, the retained earnings of the Company were RM6,049 million. The Company will ensure that the total amount of retained earnings of the Company will be sufficient to effect the proposed share buy-back.

4. RATIONALE FOR THE PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY

The rationale for the Proposed Renewal of Existing Share Buy-Back Authority is as follows:-

- (a) The Company may be able to reduce any unwarranted volatility of its Shares and assist to stabilise the supply, demand and price of its Shares in the open market, thereby supporting the fundamental value of its Shares;
- (b) The proposed share buy-back is expected to enhance the value for shareholders from the resultant reduction in the number of Shares in the open market. Assuming all things being equal, the EPS of IOI Group may be enhanced as the consolidated earnings would be divided by a reduced number of Shares. This is expected to have a positive impact on the market price of IOI Shares which will benefit the shareholders; and
- (c) The Purchased Shares can also be retained as Treasury Shares and resold on Bursa Securities at a higher price. The distribution of Treasury Shares as share dividends (if any) will also reward the shareholders as it would increase the number of Shares held which can subsequently be resold in the open market. Alternatively, the Treasury Shares can be transferred for purposes of or under the employees' share scheme of the Company or such other purposes as allowed under the Act.

5. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY

5.1 Potential advantages

The potential advantages are as follows:-

- (i) Enables the Company to take preventive measures against speculative activities particularly when the Shares are undervalued which may in turn stabilise the market price and hence, enhance investors' confidence;
- (ii) Enables the Company to utilise its financial resources more efficiently especially where there is no immediate use. Any subsequent cancellation of the Shares purchased may strengthen the consolidated EPS of IOI Group, which in turn have a positive impact on IOI share prices;
- (iii) Provides the Company with opportunities for potential gains if the Treasury Shares are subsequently resold at prices higher than the purchase price; and
- (iv) In any event, the Treasury Shares may also be distributed as share dividends to the shareholders as a reward.

5.2 Potential disadvantages

The potential disadvantages are as follows:-

- (i) The Proposed Renewal of Existing Share Buy-Back Authority, if implemented, will reduce the financial resources of IOI Group and consequently result in IOI Group foregoing investment opportunities that may arise in the future or any interest that may be derived from depositing such funds in interest bearing deposits; and
- (ii) As the funds to be allocated for the Proposed Renewal of Existing Share Buy-Back Authority must be made out of IOI's retained profits, the amount available from the retained profits for distribution of dividend to IOI's shareholders may decrease accordingly.

Nevertheless, the Proposed Renewal of Existing Share Buy-Back Authority is not expected to have any potential material disadvantages to the Company and our shareholders, as it will be implemented only after careful consideration of the financial resources of IOI Group and the resultant impact. Further, it may not be carried out to the full 10% limit as authorised and the purchases or acquisitions of shares pursuant to the Proposed Renewal of Existing Share Buy-Back Authority would be made only as and when the Directors consider it to be in the best interests of the Company.

6. IMPLICATIONS RELATING TO THE RULES

The Proposed Renewal of Existing Share Buy-Back Authority has no implications on the Directors, Major Shareholders and/or persons connected to them under the Rules save for PHSB and the following Parties Deemed Acting In Concert ("PACs") with PHSB pursuant to the Rules:-

- (i) Dato' Lee, the Group Managing Director and Chief Executive and a deemed Major Shareholder of the Company;
- (ii) LYS, a Non-Independent Non-Executive Director and a deemed Major Shareholder of the Company;
- (iii) PHSB, a Major Shareholder of the Company; and
- (iv) Such other person or persons connected to them pursuant to the Rules.

In the event the Proposed Renewal of Existing Share Buy-Back Authority is implemented in full, the proforma effects of the proposed share buy-back on the shareholdings of the substantial shareholders and Directors of the Company as at the LPD are illustrated in Section 11 of this Statement. Based on Section 11 of this Statement, the Proposed Renewal of Existing Share Buy-Back Authority may trigger a mandatory offer for the remaining shares not held by PHSB and its PACs.

PHSB and its PACs will apply for an exemption with Securities Commission Malaysia from extending a mandatory offer pursuant to Paragraph 4.15 under Part B, Rule 4 (Mandatory Offer) of the Rules. Nevertheless, as IOI has no intention for the proposed share buy-back to trigger the obligation to undertake a mandatory general offer under the Rules by PHSB and/or PACs with them, the Board of IOI will ensure that only such number of Shares are purchased, retained as Treasury Shares, cancelled or distributed so that the Rules will not be triggered.

7. PUBLIC SHAREHOLDING SPREAD

As at LPD, the public shareholding spread of the Company was 48.93%. The public shareholding spread is expected to be reduced to 43.43% assuming the Proposed Renewal of Existing Share Buy-Back Authority is implemented in full and all the Shares so purchased are cancelled. However, the Company will ensure that prior to any share buy-back exercise, the public shareholding spread of at least 25% is maintained.

8. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of IOI Shares as traded on the Main Market of Bursa Securities for the preceding twelve (12) months are as follows:-

<u>Month and Year</u>	<u>Highest (RM)</u>	<u>Lowest (RM)</u>
2019		
September	4.48	4.28
October	4.44	4.18
November	4.51	4.30
December	4.82	4.26
2020		
January	4.78	4.41
February	4.60	4.08
March	4.34	3.41
April	4.10	3.71
May	4.60	3.80
June	4.54	4.24
July	4.60	4.30
August	4.63	4.35

(Source: Bloomberg)

The last transacted market price of IOI Shares on the LPD was RM4.45.

9. EFFECTS OF THE PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY

9.1 Issued share capital

The Proposed Renewal of Existing Share Buy-Back Authority will have no effect on the total number of issued Shares of IOI if the Shares to be bought back by the Company are retained as Treasury Shares and/or distributed to the shareholders as dividends. However, these Treasury Shares shall not be entitled to any of the rights attached to the existing Shares of the Company as to voting, dividends and participation in other distribution.

The Company had on 28 January 2016 established an ESOS and the total outstanding options under the ESOS as at LPD was 18,268,500.

As at LPD, the total number of issued Shares of the Company was 6,285,038,995 Shares, with 18,220,000 being held as Treasury Shares. In the event the Company acquires all the Shares authorised under the Proposed Renewal of Existing Share Buy-Back Authority and such Shares so acquired are cancelled, the proforma effects on the total number of issued Shares of the Company as at the LPD will be as follows:-

	Scenario 1 No. of Shares	Scenario 2 No. of Shares
Total no. of issued Shares as at LPD	6,285,038,995	6,285,038,995
Shares to be issued arising from the full exercise of outstanding ESOS options	-	18,268,500
Enlarged total no. of issued Shares	6,285,038,995	6,303,307,495
Treasury Shares	18,220,000	18,220,000
Voting Shares	6,266,818,995	6,285,087,495
Maximum no. of Shares that may be purchased pursuant to Proposed Renewal of Existing Share Buy-Back Authority	610,283,899	612,110,749
Resultant total no. of voting Shares	<u>5,656,535,096</u>	<u>5,672,976,746</u>

Notes:-

Scenario 1 - assuming that there is no exercise of outstanding ESOS options as at LPD prior to the implementation of the Proposed Renewal of Existing Share Buy-Back Authority.

Scenario 2 - assuming full exercise of outstanding ESOS options prior to the implementation of the Proposed Renewal of Existing Share Buy-Back Authority.

9.2 Earnings

The effect of the Proposed Renewal of Existing Share Buy-Back Authority on the EPS will depend on the actual number of Shares purchased and the purchase price paid and the loss in interest income to IOI Group. If the Purchased Shares are cancelled, the net EPS of IOI Group may increase as a result of the reduction in the total number of issued Shares of the Company.

9.3 NA per share

The Proposed Renewal of Existing Share Buy-Back Authority may increase or decrease the NA per share depending on the purchase price(s) of the Shares to be acquired. NA per share is likely to increase if the purchase price is less than the NA per share and the contrary, if the purchase price exceeds the NA per share at the time when the Shares are purchased.

If the Purchased Shares were subsequently resold through Bursa Securities, the NA per share would increase if the Company realised a gain from the resale and vice versa. However, the quantum of the increase in NA will depend on the selling price and the number of the Shares resold.

9.4 Working Capital

The Proposed Renewal of Existing Share Buy-Back Authority could reduce the working capital and cashflow available to IOI Group, the extent of which will depend on the purchase price and the number of Shares purchased.

Assuming that the Purchased Shares are retained as Treasury Shares and subsequently resold, the working capital and the cashflow of IOI Group will increase upon the receipt of the proceeds of the resale. The quantum of the increase in the working capital and cashflow will depend on the actual selling price(s) of the Treasury Shares and the number of Treasury Shares resold.

9.5 Dividends

The Proposed Renewal of Existing Share Buy-Back Authority will have the effect of increasing the effective dividend rate per Share of the Company as dividends will be paid on the remaining issued Shares of IOI (excluding the Treasury Shares). The Proposed Renewal of Existing Share Buy-Back Authority may have an impact on the Company's dividend rate for the FYE 30 June 2021 as it would reduce the cash available which may otherwise be used for dividend payments. Nonetheless, the Treasury Shares may be distributed as dividends to shareholders, if the Company so decides.

10. PURCHASE, RESALE, TRANSFER OR CANCELLATION OF TREASURY SHARES MADE IN THE PRECEDING TWELVE (12) MONTHS

Details of the Shares bought back by the Company in the previous twelve (12) months up to LPD are as follows:

Date	Total No. of Shares Purchased	Lowest Purchase Price per Share (RM)	Highest Purchase Price per Share (RM)	Average Price per Share Paid (RM)	Total Consideration Paid (RM)
12.03.2020	900,000	3.79	3.92	3.89	3,506,674.87
13.03.2020	9,000,000	3.58	3.85	3.73	33,586,487.71
16.03.2020	1,300,000	3.68	3.73	3.71	4,823,271.99
17.03.2020	3,065,300	3.50	3.71	3.69	11,299,616.64
20.03.2020	2,000,700	3.62	3.68	3.65	7,306,488.40
22.04.2020	1,700,000	3.72	3.80	3.76	6,426,332.43
28.05.2020	34,000	4.47	4.47	4.47	152,338.70
29.05.2020	220,000	4.46	4.48	4.48	986,122.03

As at LDP, the Company held a total of 18,220,000 Treasury Shares.

There is no resale, transfer and cancellation of Treasury Shares in the previous twelve (12) months up to LPD.

11. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Based on the Register of Directors' Shareholdings and Register of Substantial Shareholders' Shareholdings as at LPD and assuming that the Proposed Renewal of Existing Share Buy-Back Authority is implemented in full and that all the Purchased Shares are fully cancelled, the effects of the Proposed Renewal of Existing Share Buy-Back Authority on the shareholdings of the Directors and Substantial Shareholders of the Company are as follows:-

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Directors' Shareholdings

	As at LPD				After the proposed share buy-back Scenario 1				After the proposed share buy-back Scenario 2			
	No. of voting Shares				No. of voting Shares				No. of voting Shares			
Directors	Direct	% [#]	Indirect	% [#]	Direct	%	Indirect	%	Direct	%	Indirect	%
Dato' Lee	9,818,800	0.16	3,020,149,480 ¹	48.19	9,818,800	0.17	3,020,149,480 ¹	53.39	11,538,800	0.20	3,020,149,480 ¹	53.24
LYS	-	-	3,020,019,480 ²	48.19	-	-	3,020,019,480 ²	53.39	-	-	3,020,019,480 ²	53.24
Tan Sri Peter Chin Fah Kui	-	-	20,000 ³	*	-	-	20,000 ³	*	-	-	20,000 ³	*
Tan Sri Dr Rahamat Bivi binti Yusoff	-	-	-	-	-	-	-	-	-	-	-	-
Datuk Karownikaran @ Karunakaran a/l Ramasamy	-	-	-	-	-	-	-	-	-	-	-	-
Cheah Tek Kuang	-	-	12,000 ⁴	*	-	-	12,000 ⁴	*	-	-	12,000 ⁴	*

Notes:-

Net of 18,220,000 Treasury Shares as at LPD.

¹ Deemed interested by virtue of his interest in PHSB pursuant to Section 8 of the Act and also interest in the shares of his spouse, DJW pursuant to Section 59(11)(c) of the Act.

² Deemed interested by virtue of his interest in PHSB pursuant to Section 8 of the Act.

³ 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 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.

Substantial Shareholders' Shareholdings

	As at LPD				After the proposed share buy-back Scenario 1				After the proposed share buy-back Scenario 2			
	No. of voting Shares				No. of voting Shares				No. of voting Shares			
Substantial Shareholders	Direct	% [#]	Indirect	% [#]	Direct	%	Indirect	%	Direct	%	Indirect	%
Dato' Lee	9,818,800	0.16	3,020,019,480 ¹	48.19	9,818,800	0.17	3,020,019,480 ¹	53.39	11,538,800	0.20	3,020,019,480 ¹	53.24
LYS	-	-	3,020,019,480 ¹	48.19	-	-	3,020,019,480 ¹	53.39	-	-	3,020,019,480 ¹	53.24
PHSB	3,020,019,480	48.19	-	-	3,020,019,480	53.39	-	-	3,020,019,480	53.24	-	-
EPF	822,335,273	13.12	-	-	822,335,273	14.54	-	-	822,335,273	14.50	-	-

Notes:-

[#] Net of 18,220,000 Treasury Shares as at LPD.

¹ Deemed interested by virtue of his interest in PHSB pursuant to Section 8 of the Act.

12. CONDITIONS TO THE PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Existing Share Buy-Back Authority is conditional upon approval being obtained from shareholders of the Company at the forthcoming AGM and is subject to an annual renewal.

13. DIRECTORS' AND/OR MAJOR SHAREHOLDERS' INTERESTS AND/OR PERSON(S) CONNECTED

Save for the proportionate increase in percentage of shareholdings and/or voting rights of shareholders of the Company as a result of the Proposed Renewal of Existing Share Buy-Back Authority, none of the Directors and/or Major Shareholders of the Company and/or persons connected to them have any interests, direct or indirect, in the Proposed Renewal of Existing Share Buy-Back Authority or resale of Treasury Shares, if any.

14. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Renewal of Existing Share Buy-Back Authority, is of the opinion that the Proposed Renewal of Existing Share Buy-Back Authority is in the best interests of the Company and accordingly, recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Existing Share Buy-Back Authority to be tabled at the forthcoming 51st AGM.

15. FURTHER INFORMATION

Shareholders of IOI are advised to refer to the attached Appendix I for further information.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

PART B:

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A
REVENUE OR TRADING NATURE**



IOI GROUP

IOI CORPORATION BERHAD

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

Registered Office:

Level 29, IOI City Tower 2
Lebuh IRC, IOI Resort City
62502 Putrajaya
Wilayah Persekutuan (Putrajaya)
Malaysia

1 October 2020

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 Karownikaran @ Karunikaran a/l Ramasamy (*Independent Non-Executive Director*)
Cheah Tek Kuang (*Independent Non-Executive Director*)

To : The Shareholders of IOI Corporation Berhad

Dear Sir/ Madam,

**PART B: PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

1. INTRODUCTION

At the Company's 50th AGM held on 25 October 2019, the shareholders of the Company had approved the renewal of the shareholders' mandate to allow IOI Group to enter into RRPT(s) as set out in the Circular to Shareholders dated 27 September 2019.

The shareholders' mandate on RRPT(s) obtained by the Company is subject to annual renewal and will lapse at the conclusion of the forthcoming 51st AGM unless such authority is renewed by an ordinary resolution passed at the forthcoming 51st AGM.

On 15 September 2020, the Board had announced to Bursa Securities, its intention to seek the approval of the shareholders of the Company for the Proposed Renewal of Shareholders' Mandate.

The purpose of this Circular is to provide you with information on the Proposed Renewal of Shareholders' Mandate, to set out our Board's recommendation and seek your approval for the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 51st AGM.

SHAREHOLDERS ARE ADVISED TO READ THIS CIRCULAR TOGETHER WITH THE APPENDICES CAREFULLY BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

2.1 Details of the Proposed Renewal of Shareholders' Mandate

Under Paragraph 10.09 (2) of the Listing Requirements, the Company may seek a shareholders' mandate in respect of RRPT(s) which are necessary for its day-to-day operations subject to the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:-
 - (i) the consideration, value of assets, capital outlay or costs of the aggregated transactions is RM1 million or more; or
 - (ii) the percentage ratio of such aggregated transactions is 1% or more,whichever is the higher;
- (c) issuing of Circular to Shareholders;
- (d) the interested Director, interested Major Shareholder or interested person connected with a Director or Major Shareholder; and where it involves the interest of an interested person connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution to approve the transactions. An interested Director or interested Major Shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (e) the Company immediately announces to Bursa Securities when the actual value of a RRPT entered into by the Company, exceeds the estimated value of the RRPT disclosed in the Circular to Shareholders by 10% or more.

In respect of IOI Group's plantation business, it is common within the plantation industry for companies to buy and sell FFB or CPO to another party (which may include related parties) because of the proximity of the CPO mill or palm oil refinery, as the case may be, of the other party, for reasons of operational efficiency and cost effectiveness. IOI Group does enter into the abovementioned transactions with the Related Parties, both within and beyond IOI Group, for reasons mentioned above. These transactions are based on prevailing market prices and terms which are readily available as palm oil is a global commodity.

The terms, including pricing of the RRPT(s) are based on normal commercial terms practiced in the industry and also on similar terms if the same were to be offered to third parties. At least 2 other contemporaneous transactions with unrelated parties for similar products and/or quantities will be used as comparison, wherever possible, to determine the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products, services and/or quantities.

In view of the foregoing types of transactions of a revenue or trading nature which are necessary for its daily operations, the Directors are seeking a renewal of the existing mandate from the shareholders of IOI to allow IOI Group in its normal course of business, to enter into the categories of RRPT(s) with the Related Parties set out in Part B, Section 4 of this Circular, provided such transactions, if any, are made on an arm's length basis, on IOI Group's 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 other shareholders of IOI.

2.2 Validity Period for the Proposed Renewal of Shareholders' Mandate

The Proposed Renewal of Shareholders' Mandate, if approved by the shareholders at the forthcoming AGM, will take effect from the date of the passing of an ordinary resolution proposed at the AGM and the authority conferred under the Proposed Renewal of Shareholders' Mandate shall only continue to be in force until:-

- (i) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed at that meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act, (but must 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 in general meeting,

whichever is the earlier.

2.3 Disclosure in the Annual Report

Disclosure will be made in the Company's annual report on the breakdown of the aggregate value of transactions made pursuant to the shareholders' mandate during the financial year, providing amongst others, based on the following information:-

- (i) the type of transaction(s) made; and
- (ii) the names of the Related Parties involved in each type of transaction(s) made and their relationship with the Company.

2.4 Classes of Related Parties

The Proposed Renewal of Shareholders' Mandate will apply to the following classes of Related Parties:-

- (i) Directors;
- (ii) Major Shareholders; and
- (iii) Persons connected to Directors and/or Major Shareholders.

3. CATEGORIES OF RRPT(S)

The principal activities of IOI Group can be broadly categorised into the following business sectors:-

- (i) Cultivation of oil palm and processing of palm oil products;
- (ii) Resource-based manufacturing;
- (iii) Trading of palm oil products;
- (iv) Investment holdings; and
- (v) Provision of marketing and management services.

The RRPT(s) covered by the Proposed Renewal of Shareholders' Mandate are purchase of estate produce (i.e. FFB).

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

4. INFORMATION ON RRPT(S), TRANSACTING PARTIES AND NATURE OF TRANSACTIONS

The Related Parties and the respective RRPT(s) identified for the purpose of the Proposed Renewal of Shareholders' Mandate are as follows:-

Transacting Parties	Companies within IOI Group	Nature of RRPT(s)	Interested Directors/ Major Shareholders and/or person connected to them	Estimated value during the validity of the Proposed Renewal of Shareholders' Mandate* (RM'000)	Estimated value based on preceding year's mandate# (RM'000)	Actual value transacted@ (RM'000)
Nice Frontier Sdn Bhd ("NFSB") ¹	Pamol Plantations Sdn Bhd ("PPSB") ¹	Purchase of FFB by PPSB	VCSB ² PHSB ³ Dato' Lee ⁴ LYS ⁵ DJW ⁶ LY Ling ⁶ LY Har ⁶ LY Hean ⁶ LY Hui ⁶ LCS ⁶	16,299	16,000	11,232
GLM Emerald Industrial Park (Jasin) Sdn Bhd ("GLM") ¹	Dynamic Plantations Berhad ("DPB") ¹	Purchase of FFB by DPB	VCSB ⁷ PHSB ⁸ Dato' Lee ⁹ LYS ¹⁰ DJW ⁶ LY Ling ⁶ LY Har ⁶ LY Hean ⁶ LY Hui ⁶ LCS ⁶	13,249	17,050	12,957

Notes:-

* The estimated values set out above are based on management estimates. Due to the nature of the transactions, the actual values of the transactions may vary from the estimated values due to changes in inter-alia, market conditions and market prices. Disclosure will be made in the Annual Report 2021 of the Company on the breakdown of the actual aggregate value of transactions made pursuant to the shareholders' mandate during the financial year.

Estimated value as disclosed in the Circular to Shareholders dated 27 September 2019.

@ Actual value transacted from the date the existing mandate was obtained up to LPD.

1 Details of the transacting parties

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

- 2 *VCSB is the ultimate holding company of IOIPG and a deemed Major Shareholder of NFSB*
- 3 *PHSB is a Major Shareholder of IOI and a deemed Major Shareholder of PPSB*
- 4 *Dato' Lee is the Group Managing Director and Chief Executive ("GMD") of IOI and a Director of IOIPG and a deemed Major Shareholder of both IOI and IOIPG. He is the brother of LYS. Dato' Lee is also a Director of PPSB*
- 5 *LYS is a Director of IOI and the Executive Vice Chairman ("EVC") of IOIPG and a deemed Major Shareholder of both IOI and IOIPG. He is the brother of Dato' Lee. LYS is also a Director of NFSB*
- 6 *DJW is the spouse of Dato' Lee. LY Ling, LY Har, LY Hean and LY Hui are the sisters of Dato' Lee and LYS. LCS is the spouse of LY Har.*
- 7 *VCSB is the ultimate holding company of IOIPG, which in turn owns 32% equity interest in GLM*
- 8 *PHSB is a Major Shareholder of IOI and a deemed Major Shareholder of DPB*
- 9 *Dato' Lee is the GMD of IOI and a Director of IOIPG and a deemed Major Shareholder of both IOI and IOIPG. He is the brother of LYS. Dato' Lee is also a Director of DPB*
- 10 *LYS is a Director of IOI and the EVC of IOIPG and a deemed Major Shareholder of both IOI and IOIPG. He is the brother of Dato' Lee. LYS is also a Director of GLM*

5. AMOUNT DUE FROM AND OWING TO RELATED PARTIES PURSUANT TO THE RRPT(S)

As at 30 June 2020, there was no amount due to the Related Parties pursuant to the RRPT(s) which exceeded the credit term.

6. REVIEW PROCEDURES FOR THE RRPT(S)

IOI has established guidelines and procedures to ensure RRPT(s) are entered into on an arm's length basis and on normal commercial terms consistent with IOI Group operating policies, which are not more favourable to the related party than those obtained from third party or the public and are not to the detriment of the interests of the minority shareholders. These include transacting at the prevailing market prices or in accordance with the applicable industry norms.

The review procedures for the RRPT(s) are as follows:-

- (i) Related party transactions are subject to annual review and approval by the Board. Details of the transacting parties, particulars of the Related Parties and the terms of the transactions must be furnished in the proposal.
- (ii) Proper records will be maintained for all RRPT(s) which are entered pursuant to the proposal and details of the RRPT(s) will be disclosed in the annual report in accordance with the applicable approved accounting standards and relevant regulations.
- (iii) The requirements for an internal audit team to review annually the internal control system of IOI Group so as to give reasonable assurance to the Board, Audit and Risk Management Committee and the management of the proper conduct and adherence to the established controls and procedures.

- (iv) The tendering process, where applicable, to ensure competitive bidding principle is observed in the procurement of most goods and services. These include the setting up of a tender committee and having a sufficient number of suppliers to bid.

7. THRESHOLD OF AUTHORITY

There is no specific threshold for approval of RRPT(s) within IOI Group. However, all RRPT(s) are subject to the approval of the Board. Where any Director has an interest (direct or indirect) in any RRPT(s), such Director shall abstain from deliberation and voting on the matter. If it is determined that the guidelines and/or procedures stated in Part B Section 6 of this Circular, are inadequate and to ensure that:-

- (i) RRPT(s) will be conducted at arm's length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (ii) such transactions are not to the detriment of the minority shareholders of the Company or prejudicial to the interests of the shareholders,

the Company will obtain a fresh shareholders' mandate.

8. STATEMENT FROM THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee of the Company has seen and reviewed the procedures set forth in Part B Section 6 of this Circular and is of the view that IOI Group has in place adequate procedures and processes to monitor, track and identify RRPT(s) in a timely and orderly manner and is of the opinion that the review procedures are satisfactory and the RRPT(s) will be carried out on terms 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 Audit and Risk Management Committee's review procedures will be conducted on a yearly basis or such frequency as the Audit and Risk Management Committee considers appropriate having regard to the value and the frequency of the RRPT(s).

9. RATIONALE AND BENEFITS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate will benefit the Company by facilitating entry by IOI Group into transactions with the classes of Related Parties in the ordinary course of IOI Group's business on commercial terms, in a timely manner and will enable IOI Group to continue to carry out RRPT(s) necessary for IOI Group's day-to-day operations and enhance IOI Group's ability to pursue business opportunities which are time-sensitive in nature in a more expeditious manner.

The shareholders' mandate for RRPT(s), which is to be renewed annually, will eliminate the requirement by the Company to make regular announcements and convene separate general meetings from time to time for the entry of the aforesaid RRPT(s). This will serve to substantially reduce expenses associated with the convening of such meetings on an ad-hoc basis, improve administrative efficiency and allow human resources and time to be channelled towards attaining other corporate objectives and opportunities.

10. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate will not have any material effect on the share capital, Directors' and Substantial Shareholders' shareholdings, earnings, NA and working capital of the Company.

11. APPROVAL REQUIRED

The Proposed Renewal of Shareholders' Mandate is subject to the approval being obtained from the shareholders of the Company at the 51st AGM to be convened or any adjournment thereof.

12. DIRECTORS' AND/OR MAJOR SHAREHOLDERS' INTERESTS AND/OR PERSON(S) CONNECTED

Save for Dato' Lee and LYS ("**Interested Directors**") who are interested in the Proposed Renewal of Shareholders' Mandate, none of the other Directors and persons connected to them are interested in the Proposed Renewal of Shareholders' Mandate.

Accordingly, the Interested Directors have abstained and will continue to abstain from all deliberations and voting at the Board meetings in respect of the Proposed Renewal of Shareholders' Mandate. They will also abstain from voting on the resolution on the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 51st AGM in respect of their direct and indirect shareholdings in the Company. In addition, the Interested Directors undertake to ensure that persons connected to them will abstain from voting on the Proposed Renewal of Shareholders' Mandate at the forthcoming 51st AGM.

The shareholdings of the Interested Directors and persons connected to Interested Directors are set out as follows:-

	As at LPD			
	No. of voting Shares			
Interested Directors	Direct	%#	Indirect	%#
Dato' Lee	9,818,800	0.16	3,020,149,480 ¹	48.19
LYS	-	-	3,020,019,480 ²	48.19
Persons Connected to Interested Directors	Direct	%#	Indirect	%#
DJW	130,000	*	-	-
LY Ling	838,000	0.01	-	-
LY Har	1,562,900	0.02	-	-
LY Hean	680,000	0.01	-	-
LY Hui	916,800	0.01	-	-
LCS	13,000	*	-	-

Notes:-

Net of 18,220,000 Treasury Shares.

¹ Deemed interested by virtue of his interest in PHSB pursuant to Section 8 of the Act and also interest in the shares of his spouse, DJW pursuant to Section 59(1)(c) of the Act.

² Deemed interested by virtue of his interest in PHSB pursuant to Section 8 of the Act.

* Negligible.

Save for Dato' Lee, LYS and PHSB ("**Interested Major Shareholders**") who are interested in the Proposed Renewal of Shareholders' Mandate, none of the other Major Shareholders and persons connected to them are interested in the Proposed Renewal of Shareholders' Mandate.

Similarly, the Interested Major Shareholders will abstain from voting on the resolution on the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 51st AGM in respect of their direct and indirect shareholdings in the Company. In addition, the Interested Major Shareholders undertake to ensure that persons connected to them will abstain from voting on the Proposed Renewal of Shareholders' Mandate at the forthcoming 51st AGM.

The shareholdings of the Interested Major Shareholders are set out as follows:-

Interested Major Shareholders	As at LPD			
	No. of voting Shares			
	Direct	%#	Indirect	%#
Dato' Lee	9,818,800	0.16	3,020,019,480 ¹	48.19
LYS	-	-	3,020,019,480 ¹	48.19
PHSB	3,020,019,480	48.19	-	-

Notes:-

Net of 18,220,000 Treasury Shares.

¹ Deemed interested by virtue of his interest in PHSB pursuant to Section 8 of the Act.

13. DIRECTORS' RECOMMENDATION

Having considered the reasons stated in Part B Section 9 of this Circular, the Directors (save for the Interested Directors) are of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of the Company and accordingly, they recommend that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 51st AGM.

14. AGM

The 51st AGM, the Notice of which is contained in the Annual Report 2020 of the Company, will be conducted virtually through live streaming from the broadcast venue at Millennium Ballroom 1 (Level 1), Le Méridien Putrajaya, Lebuhr IRC, IOI Resort City, 62502 Putrajaya, Malaysia on Friday, 30 October 2020 at 10:00 am or any adjournment thereof, for the purpose of considering and, if thought fit, passing, inter alia, the ordinary resolutions, with or without modifications, to approve the Proposed Renewal of Existing Share Buy-Back Authority and Proposed Renewal of Shareholders' Mandate respectively.

The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders/proxies will not be allowed to be physically present at the broadcast venue.

Kindly register to participate and vote at the virtual AGM by following the steps set out in the Administrative Guide. If you are unable to participate and vote at the 51st AGM and wish to appoint a person to participate and vote in your stead, you are requested to complete, sign and return the Form of Proxy set out in the Annual Report 2020, in accordance with the instructions printed thereon, as soon as possible. The proxy form may be deposited with Boardroom Share Registrars Sdn Bhd ("**Boardroom**"), in the following manner:-

- (i) by electronic means through the Boardroom Smart Investor Portal at <https://boardroomlimited.my> by logging in and selecting “E-Proxy Lodgement” or via email to bsr.helpdesk@boardroomlimited.com; or
- (ii) by hand or post to 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia.

The Proxy Form must be received by Boardroom not less than forty-eight (48) hours before the time set for the meeting. The lodgment of the Form of Proxy will not preclude you from participating and voting at the forthcoming 51st AGM should you subsequently wish to do so. Should you subsequently decide to participate in the 51st AGM, you are requested to revoke your earlier appointment of proxy by notifying Boardroom in writing, not later than Wednesday, 28 October 2020 at 10:00 am.

15. FURTHER INFORMATION

Shareholders are requested to refer to the Appendix I for further information.

For and on behalf of the Board of
IOI CORPORATION BERHAD

Tan Sri Peter Chin Fah Kui
Independent Non-Executive Chairman

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable inquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business) entered into by IOI and its subsidiaries during the two (2) years immediately preceding the date of this Circular.

3. MATERIAL LITIGATION

As at the LPD, IOI Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Directors of IOI have no knowledge of any proceedings pending or threatened against IOI Group or any fact likely to give rise to any proceeding which might materially affect the financial position or business of IOI Group.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at Level 29, IOI City Tower 2, Lebuhraya IRC, IOI Resort City, 62502 Putrajaya, Wilayah Persekutuan (Putrajaya), Malaysia during normal office hours on any weekday (except public holidays) from the date of this Circular up to and including the date of the 51st AGM:-

- (i) Constitution of IOI; and
- (ii) Audited Financial Statements of the IOI Group for the past two (2) FYE 30 June 2019 and 2020.



IOI GROUP

IOI CORPORATION BERHAD

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

EXTRACT OF THE NOTICE OF 51ST AGM

AGENDA 6.3

PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY

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

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

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

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

- (i) the conclusion of the next Annual General Meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting,

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

AGENDA 6.4

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

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

- (i) the transactions are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and
- (ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year.

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."