IOI GROUP

BUILDING ON STRATEGIC ACHIEVEMENTS

INCREASE YIELD

OPTIMISE WORKFORCE

DIVERSIFY CROPS

INCREASE THE NON-CPO SEGMENT

GROW THE OLEOCHEMICAL SEGMENT

ANNUAL REPORT **2024**

"Our dedication to sustainability and innovation has been a driving force behind our strategic efforts over the past few years, which have yielded significant results."

This year's theme "Building on Strategic Achievements" reflects the commendable culmination of our strategic five-year plan, which has driven significant growth and transformation across the organisation.

Over the past five years, our focused initiatives have strengthened our market position, enhanced operational efficiencies, and fostered sustainable development. These strategic achievements not only underscore our resilience and adaptability but also set a robust foundation for our future endeavours.

With the conclusion of this successful chapter, we are excited to embark on our next strategic plan with renewed vigour and confidence. The insights and lessons gained from our past experiences will guide us in navigating the evolving business landscape, ensuring sustained value creation for our stakeholders. Our commitment to sustainability and innovation remains unwavering as we continue to build on our successes and strive for even greater performance in the years ahead.

Together with our dedicated employees, valued partners, and loyal shareholders, we look forward to achieving new milestones and driving IOI towards a more vibrant and enriching future.

Progressing on Strategy. Embedding Sustainability.

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

WE ARE:

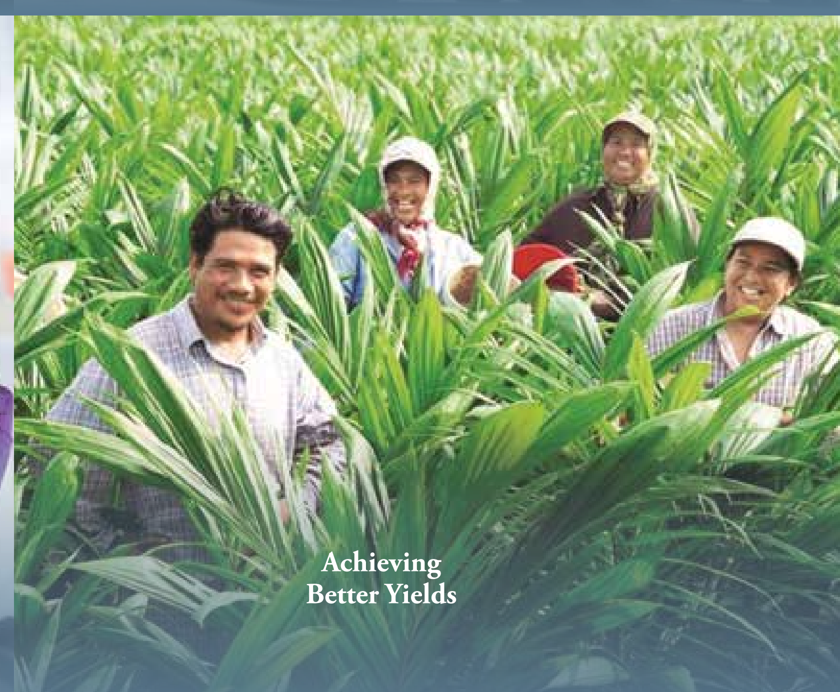

Revitalising Local Economies


Meeting Rising Demand

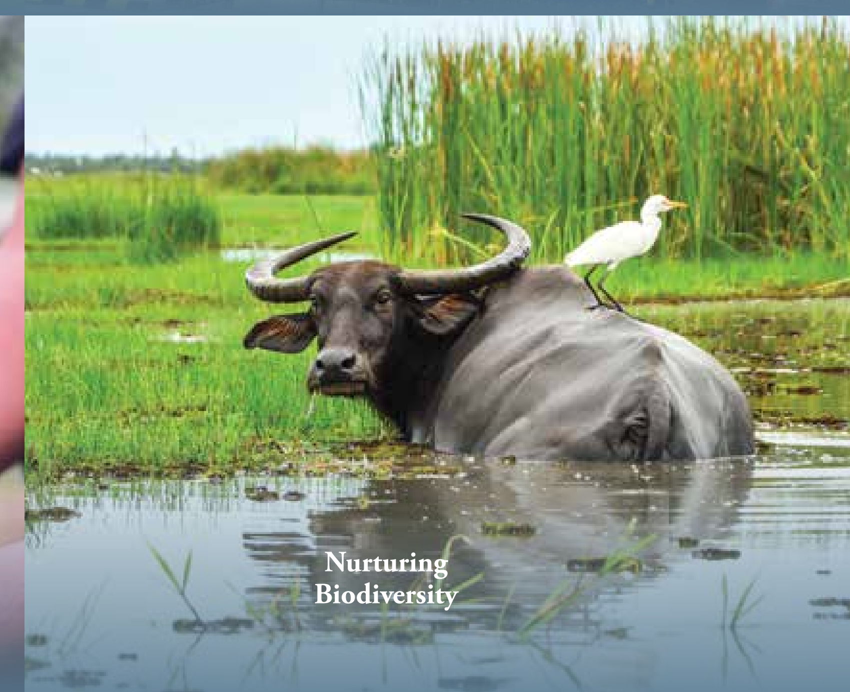

Reducing Greenhouse Gas Emissions


Countering Climate Change


Improving Nutrition


Achieving Better Yields


Creating Healthy Soil


Nurturing Biodiversity

Building on Strategic Achievements

This year's Annual Report is a testament to IOI Corporation Berhad's ("IOI" or the "Group") strategic vision, our commitment to sustainability, and our readiness to embrace new opportunities and challenges.

The theme "Building on Strategic Achievements" encapsulates the essence of IOI's five-year strategic plan. Our transformation into a high value-added, diversified palm-based products producer has significantly enhanced our resilience and competitiveness. This transformation has been driven by the three enablers: Human Capital Development & Culture, Sustainability and Technology & Digitalisation.

The vivid and vibrant painting of the report symbolises completion and fulfilment as well as represents the culmination of the Group's strategic efforts and the vibrant future we envision. The inclusion of five gold laurels serves as a tribute to the strategic priorities that have guided us to this point, highlighting the successful conclusion of our five-year plan.

55th Annual General Meeting

Millennium Ballroom 1 (Level 1),
Le Méridien Putrajaya,
Lebuh IRC, IOI Resort City,
62502 Putrajaya, Malaysia.

Tuesday
5 November 2024

10:00 am (Malaysia time)

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

Inside This REPORT

About THIS REPORT

IOI Corporation Berhad ("IOI" or the "Group") has embarked on an integrated reporting journey since 2019. This is our sixth Integrated Report ("Report") representing a clear and comprehensive corporate reporting to better meet the needs of various stakeholders and achieve greater business benefits.

We aim to enhance reporting connectivity and provide stakeholders a more holistic view of how we create and sustain value, as well as our strategic direction going forward.

Our Report consists of an Integrated Report and Sustainability Report to provide further details and clarity on our performance on these fronts.

REPORTING PERIOD, SCOPE AND BOUNDARY

This Report covers our financial and non-financial performance during the period of 1 July 2023 to 30 June 2024.

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

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

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

REPORTING FRAMEWORK

This Report has been prepared in accordance with the International Framework set by the International Integrated Reporting <IR> Council ("IIRC") and the Main Market Listing Requirements of Bursa Malaysia. This Report has also been prepared in accordance with the Global Reporting Initiative ("GRI") Standards 2021 and with reference to the International Sustainability Standards Board ("ISSB") standards while the climate-related disclosures are aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD").

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

KEY FRAMEWORKS APPLIED	IR	SR
Main Market Listing Requirements	x	x
Malaysian Code on Corporate Governance	x	x
International Integrated Reporting <IR> Framework	x	x
Companies Act 2016	x	
Malaysian Financial Reporting Standards	x	
IFRS Accounting Standards	x	
Sustainability-related indices criteria such as FTSE4Good Bursa Malaysia Index	x	x
GRI Universal Standards 2021	x	x
GRI Sector Standards 2021: GRI 13	x	x
International Sustainability Standard Board	x	x
Recommendations of the Task Force on Climate-Related Financial Disclosures	x	x

FORWARD-LOOKING STATEMENTS

This Report contains certain forward-looking statements with respect to IOI's future performance and prospects. While these statements represent our judgements and future expectations at the time of preparing this Report, a number of emerging risks, uncertainties and other important factors could cause actual results to differ materially from our expectations. These include factors that could adversely affect our business and financial performance. We would like to clarify that the Group makes no express or implied representation or warranty that the results targeted by these forward-looking statements will be achieved.

ASSURANCE

The Board has applied its collective mind to present IOI's Report and acknowledge its responsibility to ensure the integrity of this Report, through good governance practices and internal reporting procedures. This Report was approved by the Board on 11 September 2024.

Tan Sri Peter Chin Fah Kui
Non-Independent Non-Executive Chairman

Dato' Lee Yeow Chor
Group Managing Director and Chief Executive

NAVIGATION ICONS

Strategic Priorities

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

Our Six Capitals

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

Our Risks

- R1 Business Resilience
- R2 Global Economic Downturn
- R3 New Trade Regulations
- R4 Supply Chain Compliance
- R5 Reliance on Manual Workers
- R6 Environmental Sustainability

Our Material Matters

- M1 Health and Safety
- M2 Climate Change and Greenhouse Gas Emissions Management
- M3 Human Rights and Good Labour Practices
- M4 Grievance Mechanism and Transparent Communication
- M5 Traceability and Responsible Sourcing
- M6 Fire Management
- M7 Circular Economy and Waste Management
- M8 Energy Management and Operational Eco-efficiency
- M9 Regulatory and Third-Party Compliance
- M10 Biodiversity and Conservation

Our Key Stakeholder Groups

- S1 Employees
- S2 Customers
- S3 Communities
- S4 Suppliers
- S5 Regulators
- S6 Shareholders and Investors
- S7 Industry Associations/ Civil Societies

REPORTING SUITE

Integrated Report 2024 ("IR")

This report provides an integrated review of the Group's holistic performance, governance and risk framework, business strategy, future direction and detailed accounting of the year's financial performance.

Sustainability Report 2024 ("SR")

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

Who We Are & WHAT WE DO

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

Employing around 28,000* people in several countries, we are a fully integrated corporation that undertakes the plantation and resource-based manufacturing businesses.

Our plantation business covers Malaysia and Indonesia while our downstream resource-based manufacturing business includes refining of palm oil, manufacturing of oleochemical and specialty oils and fats products as well as converting oil palm trunks into sustainable palm wood panels with strong presence in Asia, Europe and USA.

* *Refer to Corporate Governance Overview Statement on page 100 for more information.*

OUR PURPOSE

Committed to sustainable agriculture and innovative products.

VISION

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

MISSION

Our Mission is to achieve responsible and sustainable commercial success by addressing the interests of all our stakeholders, caring for the community and the environment, and adopting best practices to be globally competitive.

CORE VALUES

- Integrity
- Commitment
- Team Spirit
- Cost Efficiency
- Innovation
- Excellence in Execution

Plantation

Plantation is a core business of IOI. We are engaged in the cultivation of oil palm and processing of palm oil with operations in seed breeding, cultivation and crop oil extraction. Today, we have 98 estates, 14 palm oil mills, four research and development ("R&D") centres and one biotechnology centre across Malaysia and Indonesia.

Contribution to Segment Results	FFB Yield (Per Hectare)	OER	Total Planted Area (Hectares)#	Total FFB Production (Million MT)
79%	19.34 MT	21.77%	176,202	2.80
	FFB: Fresh Fruit Bunches	OER: Oil Extraction Rate	# *Excludes area owned by associate companies*	

Resource-Based Manufacturing

The Group's global resource-based manufacturing business, comprising our refining, oleochemical, specialty oils and fats, and palm wood sub-segments, plays an important role in fortifying our integrated palm value chain.
It consists of downstream activities such as refining of crude palm oil ("CPO") and palm kernel oil, and processing of refined palm oil and palm kernel oil into oleochemical and specialty oils and fats products as well as converting oil palm trunks into sustainable palm wood panels.

Contribution to Segment Results	Manufacturing Facilities*	Combined Annual Oleochemical Capacity (MT)	Combined Annual Refining Capacity (Million MT)	Export to over
21%	6	890,000	1.8	80
	* *Excludes associate companies*			Countries Worldwide

Global PRESENCE

EXPORTS BY REGIONS

	Oleochemical	Commodity +
Asia	79.9%	45.3%
Africa	1.5%	3.2%
Europe	11.0%	43.7%
North America	4.1%	7.1%
South America	3.3%	-
ROW (Rest of the World)	0.2%	0.7%

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

- Associate (Bunge Loders Croklaan Group BV) *^ Includes plasma estates* *# Includes associate companies* *+ Excludes sales of palm kernel expellers*

NORTH AMERICA

18. Channahon, USA - ● ●
19. New Jersey, USA ●
20. New Orleans, USA - ●
21. Toronto, Canada - ●

SOUTH AMERICA

22. Sao Paulo, Brazil - ●

AFRICA

15. Bobo Dioulasso, Burkina Faso - ●
16. Tema, Ghana - ● ●
17. Cairo, Egypt - ●

EUROPE

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

ASIA

1. Malaysia # ● ● ●
2. Xiamen, The People's Republic of China - ●
3. Shanghai, The People's Republic of China - ●
4. Kalimantan, Indonesia ● ●
   Plantation: Estate & Mill -
   PT Berkat Nabati Sejahtera 1-4 Estates ^
   PT Bumi Sawit Sejahtera 1-4 Estates ^
   PT Kalimantan Prima Agro Mandiri 1-4 Estates ^
   PT Sukses Karya Sawit 1-3 Estates ^
   & Palm Oil Mill
5. Manila, The Philippines - ●
6. Dubai, United Arab Emirates ●

OPERATING HIGHLIGHTS

Plantation

Total FFB Production
2.80
Million MT

Resource-Based Manufacturing

Combined Annual Refining Capacity
1.8
Million MT

Combined Annual Oleochemical Capacity
890,000
MT

Local PRESENCE

Plantation (Peninsular Malaysia)

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

Resource-Based Manufacturing

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

Plantation (East Malaysia)

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

Awards

Highest Growth in Profit After Tax Over Three Years (Big Cap Companies)
IOI Corporation Berhad
(The Edge Billion Ringgit Club & Corporate Awards 2023)

Highest Growth in Profit After Tax Over Three Years (Plantation)
IOI Corporation Berhad
(The Edge Billion Ringgit Club & Corporate Awards 2023)

Best Corporate Responsibility Initiatives
IOI Corporation Berhad
(The Edge Billion Ringgit Club & Corporate Awards 2023)

Gold Award for Plantation Sector (Equities Category)
IOI Corporation Berhad
(The Edge Malaysia ESG Awards 2023)

Silver Award for Innovation Zone Best Active Ingredient
IOI Oleo GmbH
(2023 in-cosmetics Asia Awards)

Company of the Year (Best in Green, Education and Social Initiatives) under the Conglomerate – Plantation Category
IOI Corporation Berhad
(Sustainability and CSR Malaysia Awards 2023)

ASEAN Enterprise Innovation Award (Malaysia)
IOI Corporation Berhad
(ASEAN Innovation Business Platform (AIBP) Awards 2023)

Gold in Community Awareness & Emergency Response Code
IOI Pan-Century Oleochemicals Sdn Bhd
(Chemical Industries Council of Malaysia (CICM) Responsible Care Awards 2021/2022)

Gold in Employee Health & Safety Code
IOI Pan-Century Oleochemicals Sdn Bhd
(Chemical Industries Council of Malaysia (CICM) Responsible Care Awards 2021/2022)

Gold Award for Best Executive Coaching Programme
IOI Corporation Berhad
(Employee Experience Awards (EXA) 2023)

Silver Award for Best Succession Planning Strategy
IOI Corporation Berhad
(Employee Experience Awards (EXA) 2023)

Silver Award for Best Soft Skills Training Programme
IOI Corporation Berhad
(Employee Experience Awards (EXA) 2023)

Gold Sustainability Rating
IOI Pan-Century Oleochemicals Sdn Bhd
(EcoVadis Sustainability Rating)

Gold Sustainability Rating
IOI Oleo GmbH
(EcoVadis Sustainability Rating)

Silver Sustainability Rating
IOI Esterchem (M) Sdn Bhd
(EcoVadis Sustainability Rating)

National Occupational Safety and Health Award (Agriculture Industry)
IOI Plantation Services Sdn Bhd (Morisem 3 Estate)
(National Council of Occupational Safety and Health National OSH Awards 2022)

Best Employer Award
IOI Pan-Century Oleochemicals Sdn Bhd
(Employees Provident Fund, Johor)

Ingredient Maverick Award
IOI Oleo GmbH
(New York Society of Cosmetic Chemists)

Highlights OF THE YEAR

Financial Highlights

Revenue
RM **9.60** billion

Profit before Interest and Tax
RM **1.54** billion

Market Capitalisation
RM **22.95** billion

Share Price
RM **3.70**

Net Profit Attributable to Owners of the Parent
RM **1.11** billion

Business Highlights

Implemented
Mechanised Mainline FFB Evacuation System at 99%
of suitable estates across Malaysia

Launched the first
Polyglycerol Esters ("PGE")
in cosmetic emollient applications

Developed
15 New Personal Care
applied formulations

Spearheaded
First Organic
Oil Palm Estates and Palm Oil Production in Malaysia & Indonesia

Achieved
40% GHG reduction in Scope 1 & 2
– Ahead of our 2025 target

Why INVEST IN IOI

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

Leading Integrated Palm Oil Group with Global Presence

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

Efficient Palm Oil Producer

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

Well-established and Innovative Oleochemical Segment

- Earliest and largest fatty acids producer in Malaysia
- Owner of 25 patents for pharmaceutical applications via IOI Oleo GmbH, Germany
- CARE Studio in Germany developed 77 formulations for personal care and cosmetic applications

Responsible and Sustainable Practices

- 100% of Malaysian plantations are Malaysian Sustainable Palm Oil ("MSPO") certified
- 100% of Malaysian and Indonesian mills are Roundtable on Sustainable Palm Oil ("RSPO") certified
- A constituent of the FTSE4Good Index, 85th percentile in the FOA Food Products industry in the S&P Global Corporate Sustainability Assessment, BBB rating by Morgan Stanley Capital International ("MSCI") and achieved Gold EcoVadis Sustainability Ratings (IOI Pan-Century Oleochemicals Sdn Bhd, IOI Oleo GmbH, IOI Acidchem Sdn Bhd)
- Committed to No Deforestation, No New Planting on Peat and No Social Exploitation ("NDPE") since 2016 and to protection of High Conservation Value ("HCV") and High Carbon Stock ("HCS") areas

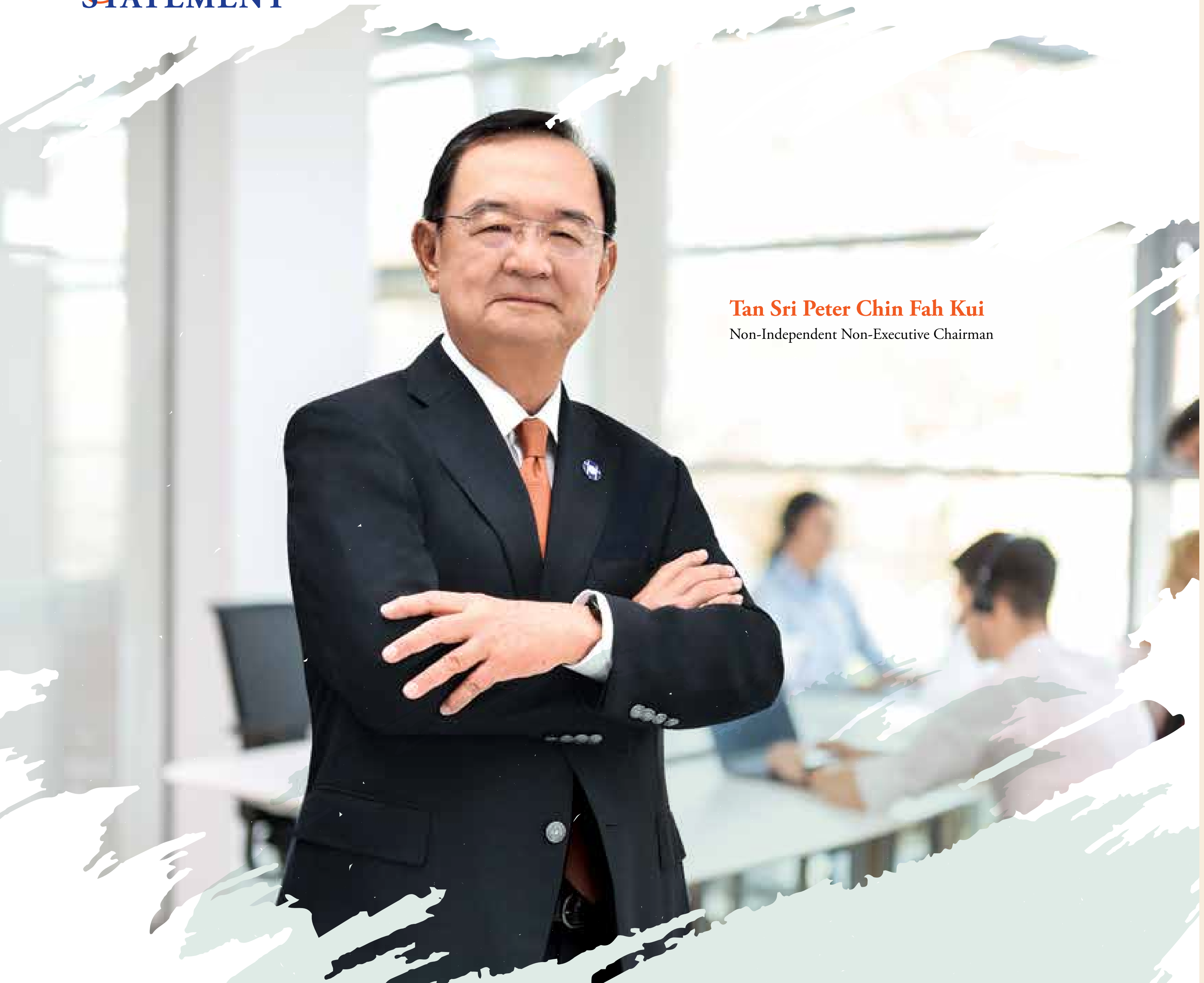
Good Dividend Track Record

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

Reaching Targets AND SETTING NEW GOALS OF ACHIEVEMENT

Building on Strategic Achievements, we consistently achieved high yields through the utilisation of superior planting materials and fulfilled the evolving needs of our customers by developing high value-added products. These advancements have optimised our business returns and strengthened IOI's competitiveness both locally and globally. As we move forward, we are confident that these strategic improvements will continue to drive our success and position us for even greater achievements in the future.

Chairman's STATEMENT



Tan Sri Peter Chin Fah Kui
Non-Independent Non-Executive Chairman

Dear Stakeholders,

On behalf of the Board of Directors ("the Board") of IOI Corporation Berhad ("IOI" or the "Group"), I am honoured to present to you the Annual Report of the Group for the financial year ended 30 June 2024 ("FY2024").

OPERATING ENVIRONMENT

During the financial year under review, global economic growth has been relatively subdued. This is primarily due to weaker demand for goods and services, compounded by the escalating geopolitical tensions such as the on going Russia-Ukraine war and conflicts in the Middle East. While global inflation remains a concern, its intensity has eased compared to previous years. Consequently, the World Bank and the International Monetary Fund forecasted a similar global economic growth rate of 2.6% and 3.2% respectively for 2024 from an estimated growth rate of 2.7% and 3.2% respectively in 2023.

On the plantation front, crude palm oil ("CPO") price has experienced significant volatility ranging between RM3,600 per metric tonne ("MT") to RM4,400 per MT. The volatility was attributed to several factors including better than anticipated soybean harvest in South America led by bumper production in Brazil, as well as the volatility of MYR against USD. Concern over extreme weather and the supply chain disruption at the Red Sea region has provided some support for CPO price.

In the foreign exchange market, US Dollar has been notably volatile throughout the financial year. This volatility largely hinges on uncertainties over the US Federal Reserve's interest rate reduction cycle, as it assesses US inflation and job market conditions among others. Recently, the US Dollar begun weakening against other major currencies due to the commencement of US interest rate cut cycle which started in September this year. Malaysia's strong economic growth during the first half of 2024 has also supported the Malaysian Ringgit. As a result, the Malaysian Ringgit strengthened from USD-MYR 4.70 level at the end of June 2024 to approximately USD-MYR 4.35 level at the end of August 2024.

Revenue
RM **9.60** billion

Profit Before Interest and Tax
RM **1.54** billion

Net Profit Attributable to Owners of the Parent
RM **1.11** billion

REVIEW OF RESULTS

For FY2024, the Group reported a profit before tax ("PBT") of RM1,398.5 million as compared to RM1,526.0 million reported for FY2023. Excluding the non-operating items, fair value adjustments or one-off items ("non-underlying items") as tabulated below, the underlying PBT of RM1,380.5 million for FY2024 was 23% lower than the underlying PBT of RM1,781.9 million for FY2023, due mainly to lower contribution from resource-based manufacturing segment, mitigated by higher contribution from plantation segment:

Underlying PBT Year-to-Date

In RM million	FY2024	FY2023
PBT	1,398.5	1,526.0
Exclude non-underlying items:		
Net foreign currency translation loss on foreign currency denominated borrowings and deposits	18.9	174.5
Net fair value (gain)/loss on biological assets	(8.2)	17.6
Net fair value (gain)/loss on derivative financial instruments	(34.2)	81.0
Impairment loss on plasma receivables	5.5	-
Net gain on partial disposal of 10% equity interest in an associate	-	(17.2)
	(18.0)	255.9
Underlying PBT	**1,380.5**	**1,781.9**

The plantation segment profit for FY2024 was RM1,209.3 million as compared to RM1,151.3 million for FY2023. Excluding the fair value gain on biological assets and derivative financial instruments of RM8.0 million (FY2023: loss of RM14.8 million), and impairment loss on plasma receivables of RM5.5 million, the plantation segment reported an underlying profit of RM1,206.8 million for FY2024 as compared to RM1,166.1 million for FY2023. The higher profit reported was due mainly to higher FFB production (FY2024: 2.80 million MT vs FY2023: 2.69 million MT) and higher oil extraction rate ("OER") as well as higher share of associate results (FY2024: RM205.6 million vs FY2023: RM185.8 million), partially offset by lower CPO and PK prices realised. Average CPO and PK prices realised for FY2024 were RM3,856 per MT (FY2023: RM4,118 per MT) and RM2,210 per MT (FY2023: RM2,233 per MT) respectively.

CHAIRMAN'S STATEMENT

With 25 patents filed since 2018, IOI Oleo GmbH continues to work together with our trusted partners to create innovative personal care and pharmaceutical ingredients and solutions for our customers.

The Group continues to remain in a strong liquidity position with a low net gearing ratio of 14% as at the end of FY2024.

For our resource-based manufacturing segment, the profit for FY2024 was RM329.3 million as compared to RM691.0 million for FY2023. Excluding the fair value gain on derivative financial instruments of RM37.4 million (FY2023: loss of RM58.1 million), the resource-based manufacturing segment reported an underlying profit of RM291.9 million for FY2024 as compared to RM749.1 million for FY2023. The lower profit reported was due mainly to lower margins from oleochemical and refining sub-segments, mitigated by higher share of associate results (FY2024: RM145.3 million vs FY2023: RM87.0 million). The higher margins recorded in FY2023 were due to stronger customer demand driven by global supply chain disruptions. In addition, Indonesia's policy restricting CPO exports during that period also contributed to the better margins.

A more detailed review of the Group's performance is covered under the Group Business Review section from pages 72 to 84 in this Annual Report.

MAJOR CAPITAL EXPENDITURE

The Group remains committed to the maintenance and expansion of its business operations. The total capital expenditure invested for FY2024 was RM677.0 million, of which RM555.5 million was incurred by the plantation segment and RM119.0 million incurred by the resource-based manufacturing segment.

Under the Group's replanting programme, approximately 8,631 hectares ("ha") of past prime trees were replanted with higher yielding oil palm planting materials, and approximately 11,261 ha of oil palm trees were brought into maturity during FY2024.

DIVIDEND AND CAPITAL MANAGEMENT

During the financial year, the Group distributed a first interim single tier dividend of 4.5 sen per ordinary share amounting to approximately RM279.2 million in March 2024. The Board subsequently declared a second interim single tier dividend of 5.0 sen per ordinary share, amounting to approximately RM310.2 million in August 2024. In aggregate, the total dividend declared for FY2024 is approximately RM589.4 million.

Notwithstanding the aforementioned dividends distribution, the Group continues to remain in a strong liquidity position with a low net gearing ratio of 14% and cash and cash equivalents of RM2.18 billion as at the end of FY2024. The Group shall practise prudent capital management and maintain ample cash reserves to be able to capitalise on any future investment opportunities.

IOI's annual Board Retreat reviews and discusses our current and future journey.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to take this opportunity to express our heartfelt appreciation to Tan Sri Dr. Rahamat Bivi Binti Yusoff and Mr. Cheah Tek Kuang, who retired from our Board after dedicating about 6 years and 11 years of exemplary service respectively to our Group.

The Group continues to remain resilient in posting a satisfactory financial performance for FY2024 amid the challenging economic environment which is marred by geopolitical conflicts and high interest rates. In acknowledgement of this performance, I would like to express my gratitude to the management and employees of IOI for their commitment and hard work. In addition, I would also like to extend my thanks to our stakeholders, namely our customers, bankers, business partners, government authorities, non-government organisations and also our shareholders for their continued support and confidence in our Group.

Thank you.

Tan Sri Peter Chin Fah Kui
Non-Independent Non-Executive Chairman

Group Managing Director AND CHIEF EXECUTIVE'S STATEMENT

Dato' Lee Yeow Chor
Group Managing Director and Chief Executive

Dear Esteemed Stakeholders,

I am pleased to present an overview of the Group's progress on strategic priorities, sustainability initiatives, and also prospects for the upcoming financial year 2025 ("FY2025").

IOI is aggressively expanding our digitalisation and mechanisation efforts to optimise workforce and enhance operational efficiency.

STRATEGIC PRIORITIES

As mentioned before, the Group embarked on a Five-Year Plan (2020 to 2024) to transform the Group from a cost competitive palm oil producer to a high value-added diversified palm-based products producer. The plan is based on five strategic priorities which are briefly elaborated below.

Our first priority is to improve oil yield on a Group-wide basis by at least 15% through utilisation of our high-yielding planting materials which include elite clonal palms and third-generation hybrid palm seedlings. However, the industry-wide labour shortage from 2021 to 2023 hindered our ability to implement best agricultural and labour management practices. This resulted in lower fresh fruit bunches ("FFB") and crude palm oil ("CPO") yields for the Group in the past few years.

Last year, I mentioned that improved productivity from the new migrant workers would result in better oil palm yields. I am pleased to report significant yield improvements in FY2024. FFB yield per hectare ("ha") has increased by 4%, reversing the yield declines recorded over the last few financial years. Additionally, our oil extraction rate has improved by 4% compared to the previous financial year. Overall, this resulted in an increase of 8% oil yield per ha from last financial year, against the backdrop of intensive replanting during the year.

Our second strategic priority aims to minimise dependence on manual labour by increasing the land-to-worker ratio through implementation of various estate mechanisation and digitalisation initiatives. On this front, I am pleased to report that the Group has almost completed the objectives of this strategic priority by implementing the mechanised mainline FFB evacuation system on 99% of our terrain-suitable estates and the deployment of around 700 mechanised tools and equipment for infield FFB collection and field maintenance work. We have also extended the rollout of the SAP ERP system to our Indonesian plantations beginning July this year.

Our first priority is to improve oil yield on a Group-wide basis by at least 15% through utilisation of our high-yielding planting materials which include elite clonal palms and third-generation hybrid palm seedlings.

GROUP MANAGING DIRECTOR AND CHIEF EXECUTIVE'S STATEMENT

Implemented mechanised mainline FFB evacuation system on 99% of suitable estates across Malaysia

Developed 15 new personal care applied formulations

Achieved 40% GHG reduction in Scope 1 & 2 – Ahead of our 2025 target

Our partnership with Nextgreen marks significant progress in driving innovative, environmentally-friendly solutions to pave the way towards a more sustainable pulp and paper production.

For the third strategic priority, the Group's goal is to diversify our oil palm crop to other higher value crops, to generate higher returns from our existing land bank. As of FY2024, we have planted 3,131 ha of coconuts and target to plant 634 ha by next year.

The Group's fourth strategic priority is to increase the non-CPO income by converting oil palm by-products and processing waste into value-added products at competitive cost. Under this strategy, I am delighted to report that the Group has recently partnered with Nextgreen Global Berhad ("Nextgreen") to develop the nation's first large-scale zero-waste paper pulp plant (150,000 metric tonnes ("MT") per year) in Pekan, Pahang. This paper pulp plant will help to transform empty fruit bunches, an agricultural waste, to sustainable products such as writing paper, tissue paper, and food container. The plant is expected to start production around mid-2026.

This venture follows the commercial production of our palm wood factory beginning March this year. Such ventures will not only generate additional income but also contribute towards achieving our Group-wide net zero emissions target by the year 2040.

The fifth strategic priority aims to increase our oleochemical sub-segment's profit contribution by 30% through capacity expansion, production efficiency and innovative high value-added product applications. Under this strategy, we successfully commissioned two new plants in FY2023: a new fatty acid plant in Prai, Penang with a capacity of 110,000 MT per year, and a state-of-the-art soap noodles plant in Pasir Gudang, Johor. Our oleochemical business unit in Germany developed 15 new formulations for personal care applications during FY2024.

The Group actually managed to achieve this objective one year earlier than planned, in FY2023 when operating profit from oleochemical sub-segment reached approximately RM350 million. However, the subsequent unfavourable global economic environment coupled with destocking by our customers resulted in a sharp drop in profit during FY2024. We are hopeful of a rebound in profit in one or two years' time.

Progress of the Group's Strategic Priorities are further detailed in pages 54 to 59 of this Annual Report.

CORPORATE SUSTAINABILITY AND ENVIRONMENTAL, SOCIAL GOVERNANCE ("ESG")

The introduction of the Board Sustainability Committee ("BSC") last year has enhanced our governance in sustainability matters. This includes key matters such as health and safety, human rights, climate change, and the circular economy.

During the review period, we introduced the IOI ESG Digitalisation Platform to better manage the large wealth of environmental and social-related data that we have collected and accumulated over the years. This digitalised platform enables us to efficiently monitor and analyse these data so that we can devise effective actions to address their impact. Additionally, it ensures that our reporting of carbon footprint, water withdrawal and labour practices among others, including enhancing our sustainability disclosures in preparing for adoption of IFRS Sustainability disclosure standards and allows for data auditability.

Regarding our Climate Change Action initiative and pathway to net zero by 2040, I am pleased to share that we have achieved our target of 40% GHG reduction a year earlier than our target year in 2025. This success is attributed to the detailed implementation strategies and the commitment of our employees. For an overview of our other social and environmental initiatives, please refer to my message in the Sustainability Report 2024.

The Group undertakes corporate social responsibilities via IOI Foundation (formerly known as Yayasan Tan Sri Lee Shin Cheng), a charity foundation funded solely by the Group and its sister company, IOI Properties Group Berhad. To date, the foundation has awarded degree scholarships to 348 deserving undergraduates and supported 1,570 students through its Student Adoption Programme. In June 2024, the foundation extended its support to primary and secondary students by sponsoring public speaking workshops and organising a competition for six schools in the Puchong community. We also hosted a leadership youth camp in Johor, providing our employees' children with valuable opportunities to develop their communication and leadership skills.

Beyond education, the foundation operates Bargain Basement ("BB"), a social enterprise selling pre-used items which has four outlets across Putrajaya, Selangor, and Perak. In December 2023, BB distributed RM400,000 from its proceeds to 18 beneficiaries including education foundation, charitable homes, reflecting our ongoing commitment to giving back and supporting those in need. Recently, BB expanded into offering pre-used furniture at affordable prices, which also supports the circular economy.

Our new oleochemical plant in Prai, Penang with a capacity of 110,000 MT per year.

GROUP MANAGING DIRECTOR AND CHIEF EXECUTIVE'S STATEMENT

Our annual IOI Youth Leadership Camp is a good platform to develop our future leaders.

OUTLOOK & PROSPECTS

CPO price is expected to be volatile until the end of this year. Good soybean harvest in the United States of America ("US") and the seasonally higher palm oil output would likely depress CPO price. However, higher demand from importing countries, particularly Europe which is stocking up before the implementation of European Union Deforestation Regulation ("EUDR") at the end of this year, combined with concerns over extreme weather and intensified geopolitical tensions disrupting supply chain will on the other hand provide support to CPO price.

For our plantation segment, the FFB production is projected to be higher in FY2025 compared to FY2024, despite the accelerated replanting programme in Sabah. The growth is expected to be driven by the continuing labour productivity improvement in Peninsular Malaysia and increased FFB production from our young trees in Indonesia. Consequently, CPO production cost is anticipated to be lower than in FY2024. Overall, we hold a positive outlook on the plantation segment's financial and operating performance in FY2025.

For our refinery and commodity marketing sub-segment, the outlook remains subdued due to low refining margins arising from overcapacity of refineries in Indonesia as well as their raw material price advantage. However, we expect our refining margins to be better due to our capabilities in producing low contaminant oils and our focus on cost optimisation.

In the oleochemical sub-segment, the uneven global economic growth and geopolitical conflicts will continue to affect the market. However, we expect better performance for the first half of FY2025 due to stock building by our European customers ahead of EUDR's implementation on 30 December 2024. Although uncertainties still remain regarding EUDR, our strong ESG practices coupled with our RSPO-certified palm oil should be able to ensure compliance with EUDR and thus give us the competitive edge in the European market. Our strength in producing innovative products for the high value markets as well as our operational efficiencies will also give us a competitive edge.

For our specialty oils and fats sub-segment comprising our associate company, Bunge Loders Croklaan Group BV ("BLC"), the market environment, being less dependent on the global economic growth, is expected to be more favourable in FY2025 as inflation continues to subside in most parts of the world. However, the expiry of a lease over a refinery in Rotterdam, from where BLC produces raw material oils for its specialty fats plant in Amsterdam, at the end of

2024 could pose challenges for its European business in securing raw material oils from other sources at reasonable prices. This is a short-term challenge which will be resolved when its new bulk refinery plant complex in Amsterdam is completed around the fourth quarter of 2025.

The Malaysian Ringgit ("MYR") has strengthened considerably against US Dollar in August 2024 which is expected to result in a significant foreign exchange translation gain on our USD-denominated borrowings in Q1 FY2025. Although it is difficult to forecast the MYR-USD exchange rate, we expect the MYR to be on a much stronger footing in FY2025 compared to FY2024 due to Malaysian economy's strong growth during the first half of 2024 and the commencement of US interest rate cut cycle which started in September this year.

Overall, we expect the Group's operating and financial performance for FY2025 to be resilient and satisfactory.

Awarded degree scholarships to
348 deserving undergraduates
and supported
1,570 students
through the Student Adoption Programme.

CLOSING REMARKS

As our current Five-Year Plan approaches its conclusion in December 2024, we are in the process of developing a new Five-Year Plan, which is set to be launched early next year.

The Group's resilience is bolstered by our dedication to innovation, people development, and prudent risk management, which is supported by our values-driven culture. The six IOI core values, namely integrity, commitment, team spirit, cost efficiency, innovation, and excellence in execution, will continue to guide our efforts.

Looking ahead, we will remain focused on sustainable growth and expansion across both upstream and downstream sectors to sustain our competitive advantage amidst the challenging global economic environment.

Dato' Lee Yeow Chor
Group Managing Director and Chief Executive

IOI partnered with Naluri to launch IOI Cares, a personalised employees' wellness programme that fosters employees' well-being in all directions and is tailored for employees' exclusive benefit.

Achieving NEW INDUSTRY MILESTONES

Building on Strategic Achievements, we pioneered the first certified organic oil palm estates and palm oil production in Malaysia and Indonesia. With our goal to set benchmarks, we are also spearheading the development of the country's first large-scale zero-waste paper pulp plant and innovating the use of oil palm trunks to create high-performance palm wood boards and panels under the *OnCore®* brand. These groundbreaking initiatives not only enhance our business value but also propel us towards achieving our Group-wide net zero emissions target.

Value CREATION MODEL

OUR VISION IS TO BE A LEADING AND SUSTAINABLE MALAYSIAN BUSINESS CORPORATION WITH GLOBAL PRESENCE.

1 CAPITAL INPUTS

Human
- Strong leadership and governance
- ≈**28,000*** talented and diverse people
- Succession and business continuity planning
- Training and upskilling opportunities to develop employees

Natural
- 98 estates
- 205,073 hectares of landbank
- Seeds, plants and healthy soil to cultivate oil palm trees and other crops

Financial
- Access to capital for investments in future success
- **RM17.9** billion of total assets
- **RM11.7** billion of shareholders' equity

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

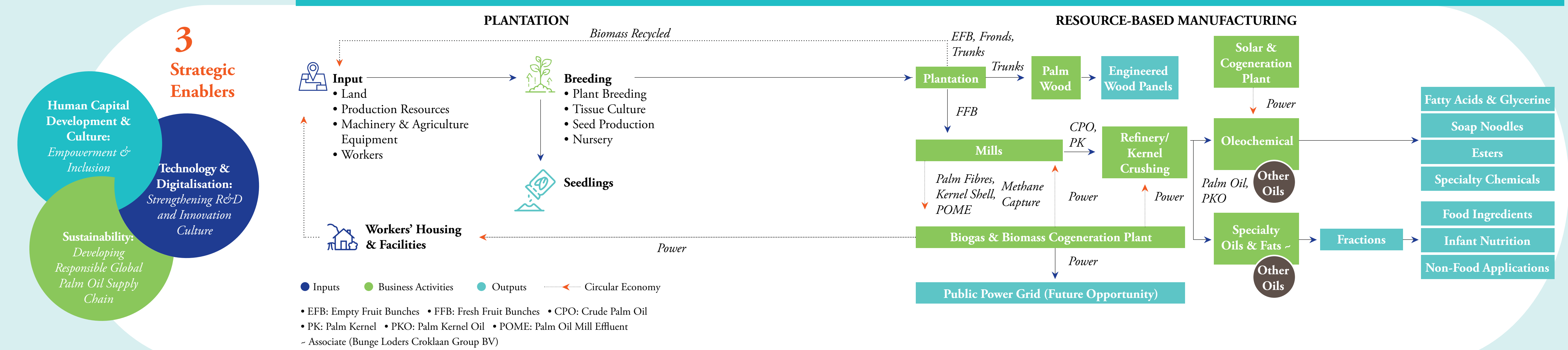
Social and Relationship
- Strong long-term relationships with shareholders, customers, suppliers, financial institutions, non-governmental organisations ("NGOs"), regulators and communities to create shared values

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

Refer to Corporate Governance Overview Statement on page 100 for more information.

2 OUR INTEGRATED VALUE CHAIN

COMPETITIVE EDGE > Integrated Value Chain | Integrated System | Efficiency Culture | Sustainability Culture | Strength in R&D | Innovative Culture | Strong Partnership



STRATEGIC PRIORITIES > Increase Yield | Optimise Workforce | Diversify Crops | Increase the Non-CPO Segment | Grow the Oleochemical Segment

RISKS > Business Resilience | Global Economic Downturn | New Trade Regulations | Supply Chain Compliance | Reliance on Manual Workers | Environmental Sustainability

Refer to Strategic Enablers on pages 51-53 and Strategic Priorities on pages 54-59 for more information.

Refer to pages 44-45 for details on Risk Management.

Refer to pages 40-43 for External Environment.

3 VALUE DELIVERY & IMPACT

Human
- Good employee career development and progression
- Healthy workforce
- Safe and conducive workplace

SDGs: 8, 15, 17

Natural
- Sustainable palm oil practices support climate action and maintain ecosystem health
- **14** mills RSPO-certified in Malaysian and Indonesian operations
- No deforestation and protection of High Carbon Stock Forests and High Conservation Value Areas
- Towards Group-wide Net Zero by 2040

SDGs: 2, 12, 13, 15, 17

Note: - RSPO: Roundtable on Sustainable Palm Oil

Financial
- Sustainable and profitable growth
- Good dividend pay-out
- Green and responsible investment
- Better economies of scale
- Resilient earnings from fully integrated business model

SDGs: 8, 12, 17

Manufactured
- State-of-the-art, certified and accredited manufacturing facilities
- Significant operational efficiencies and synergies
- First-of-its-kind palm wood factory

SDGs: 8, 12, 13

Social and Relationship
- Quality and customised products at competitive cost for customers to support quality of life and improve nutrition
- Improve livelihoods and uphold land rights of local communities

SDGs: 2, 8, 13, 15, 17

Intellectual
- High-yielding germplasm
- Developed **15** new personal care applied formulations
- Filed a patent for pharmaceutical, nutrition and cosmetic applications and another patent for novel suppositories
- *OnCore®* engineered wood panels

SDGs: 2, 12, 13, 15, 17

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

IOI's Case FOR A GREENER FUTURE THROUGH INNOVATION AND PARTNERSHIP

As a valuable agribusiness company, we have been gearing ourselves towards operating in a fast-changing environment by creating synergy of a circular economy within our operation units and by exploring ways to accelerate value delivery and minimise carbon emissions through strategic partnerships – all these being in line with our five Strategic Priorities.

By embarking on a growth trajectory driven by pillars of Sustainable Growth, Driving Innovations, Human Capital Development and Economies of Scale, we are not only future-proofing our operations but also proactively shaping a sustainable and prosperous future for the palm oil industry. Our commitment to Environmental, Social and Governance practices ensures that we remain at the forefront of industry transformation, driving positive change for the environment, economy and society.

Here, we present three case studies that showcase our circularity and visionary ventures into value-added and innovative products to ensure our long-term resilience and competitiveness.

Creating A SUSTAINABLE ALTERNATIVE TO WOOD

With approximately 5.65 million hectares of planted oil palm, Malaysia yields over 20 million oil palm trunks ("OPT") from replanting annually. This largely untapped biomass presents a tremendous opportunity as a sustainable and renewable source of building material to revive the timber industry. IOI's goal to foster circularity through our innovative product called *OnCore®* palm wood is essential for many good reasons. We promote sustainability in resource usage, counter deforestation and conserve biodiversity by mitigating the need for logging natural forest. With true sustainability in mind, we encompass commercial viability and economic benefits in innovating a new business model for this eco-friendly material, which we believe will enable both the timber and oil palm cultivation to flourish in harmony.

Attributed to its light weight, strength and superior fire resistance properties, palm wood offers a compelling solution for door-making, furniture manufacturing and construction. Our IOI Palm Wood factory, located in Segamat, Johor, has successfully converted its energy plant to run on 100% OPT biomass fuel. Building on our commitment to circularity, we will convert the surplus biomass into other products like biochar fertilisers, which not only improve soil quality but also sequester carbon. To reduce Scope 2 emissions and further lower the overall energy costs, we will install solar photovoltaic panels designed to generate up to 85% of our maximum electrical demand.

Trailblazing ORGANIC PALM OIL PLANTATION

Organic palm oil holds significant potential for nutrition, environmental sustainability and economic benefits. It is free from pesticides, chemicals and genetically modified organisms, offering a balanced composition of fatty acids and vitamins for health-conscious consumers. Environmentally, the production of organic palm oil aims to conserve biodiversity and improve soil health through organic farming practices. Economically, the growing demand for organic products can provide a premium market. Despite setbacks such as certification costs, potential yield differences and market penetration, organic palm oil is a promising eco-friendly alternative to conventional palm oil, aligning with the increasing consumer demand for eco-conscious and sustainable products.

We spearheaded the first certified organic oil palm estates and palm oil production in Malaysia and Indonesia at our 1,128 hectares organic estate in Pamol Kluang, Johor, where we reengineered the entire processes and eliminated synthetic input with biomass residues from our mills, biological control, beneficial plants, buffalo grazing and more, to produce organic palm oil with zero chemicals. In January 2024, we successfully certified our organic palm oil cultivation with the European Union and the United States Department of Agriculture. Moving forward, we will double up our organic plantation with an additional 2,880 hectares to a total land area of 4,008 hectares, advancing our commitment to organic palm oil production.

Harnessing INNOVATION IN PARTNERSHIPS

In response to the world's rising demand for paper products and the heavy environmental burden of traditional pulp production, we partnered with Nextgreen Global Berhad ("NGGB") to produce wood-free pulp and paper from empty fruit bunches ("EFB"). This forward-thinking approach not only alleviates the strain on forest resources but also champions the efficient use of agricultural waste. We signed a shareholders' agreement with NGGB in April 2024 to establish a 45%-owned Nextgreen IOI Pulp Sdn Bhd ("NIP"). NIP will develop and operate the nation's first large-scale zero-waste paper pulp plant in Pekan, Pahang through a 75:25 joint venture with Xiamen C&D Paper & Pulp Group Co Ltd. Using NGGB's patented technology to produce chemical bleached pulp from EFB, the new facility will have an initial capacity of 150,000 metric tonnes per annum by 2026. Our partnership marks significant progress in driving innovative, environmentally-friendly solutions to pave the way towards a more sustainable pulp and paper industry.

We also established partnerships with like-minded start-ups to nurture innovation and support emerging technologies that align with our sustainability goals. Through IOI's Open Innovation Programme, we collaborated with Singapore-based Green COP Private Limited in sustainable biofuel production from plant-based biowaste. On 30 May 2024, Green COP launched a pre-commercial plant next to our palm oil mill in Kluang, Johor. This facility is capable of supplying one ton of biomass daily using their patented pre-treatment and fermentation technology to produce efficient drop-in fuels that have over 24 months of shelf life and versatile applications. Additionally, these alcohol-based biofuels can integrate seamlessly with existing infrastructure and achieve a 30% reduction in nitrogen oxide emissions, making a monumental step towards reducing carbon emissions and promoting a greener energy landscape.

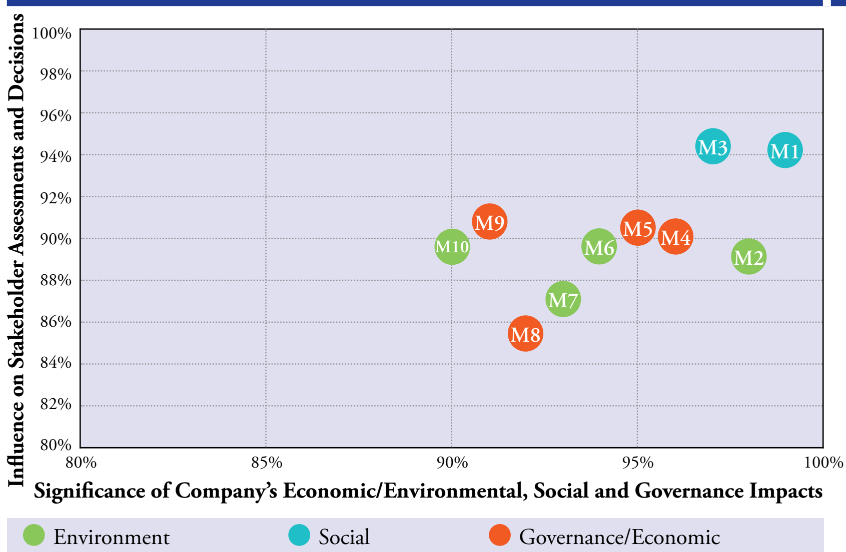
Material MATTERS

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

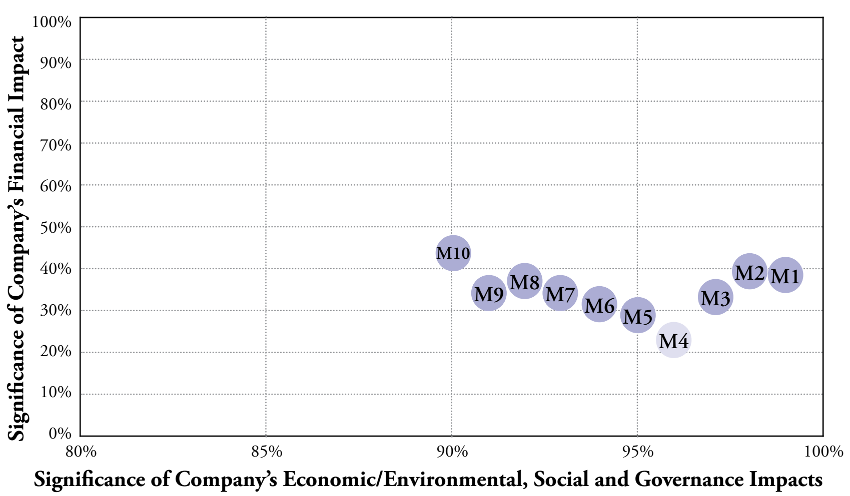
Our Board of Directors, and Group Managing Director and Chief Executive have validated and endorsed these 10 material matters. We approach each and every matter based on the concept of double materiality, where we measure how our business is affected by sustainability-related topics and how our activities impact both the society and the environment.

Refer to our Sustainability Report 2024 for a detailed review.

MATERIALITY MATRIX



DOUBLE MATERIALITY MATRIX



TOP 10 SUSTAINABILITY MATERIAL MATTERS

- M1 Health and Safety
- M2 Climate Change and Greenhouse Gas Emissions Management
- M3 Human Rights and Good Labour Practices
- M4 Grievance Mechanism and Transparent Communication
- M5 Traceability and Responsible Sourcing
- M6 Fire Management
- M7 Circular Economy and Waste Management
- M8 Energy Management and Operational Eco-efficiency
- M9 Regulatory and Third-Party Compliance
- M10 Biodiversity and Conservation

No Impact
No changes in practices

Low Impact
Routine SOPs and Guidelines by Management

Medium Impact
Action and monitoring by relevant Management

High Impact
Close attention required by Top Management

Very High Impact
Immediate action by Top Management and follow up by Board Sustainability Committee

M1 HEALTH AND SAFETY

Why Is This Topic Important To Us?	Our Response
Human loss is immeasurable. Providing a healthy and conducive working environment is vital to keeping our people – including our employees, suppliers, customers, local communities – safe, which in turn, helps build a positive workplace culture.	Without proper safety and health management, both plantation and manufacturing segments (including our people and buildings) are exposed to productivity and safety risks. While we meet world-class accreditation levels such as ISO 45001:2018 Occupational Health and Safety Management Systems, a workplace that supports various aspects of employee wellness and health also remains as one of the priorities in business strategies.

Connection

Our Six Capitals	Our Key Stakeholder Groups	Our Strategic Priorities
	S1 S2 S3 S4 S5	

M2 CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS MANAGEMENT

Why Is This Topic Important To Us?	Our Response
Climate-related risks and implications will continue to be one of our biggest challenges in the agribusiness sector. As a leading global integrated palm oil player, we are gearing ourselves towards operating in a fast-changing environment and the extreme changes in weather conditions by investing in green infrastructures to create synergy in the circular economy within each IOI operating unit, as well as implementing deeper decarbonisation efforts from both induced digital and mechanical technological changes.	In line with our Group-wide Climate Change Action initiative introduced in 2019, our quest to be a game changer in reducing climate change impacts have further intensified within all our businesses and operations, down to all our local and global operating units, through the implementation of the 7Rs ("Rethink, Repurpose, Reduce, Reuse, Recycle, Repair and Recover") of Circularity as well as targeted nature- and technology-based approaches as we focus on achieving our net zero greenhouse gas emissions for Scopes 1, 2 and 3 by 2040.

Connection

Our Six Capitals	Our Key Stakeholder Groups	Our Strategic Priorities
	S1 S2 S3 S4 S5 S6 S7	

M3 HUMAN RIGHTS AND GOOD LABOUR PRACTICES

Why Is This Topic Important To Us?	Our Response
We cultivate an inclusive culture by advocating the highest standards of human rights and labour practices while safeguarding a culture of mutual respect and responsible practices within our business operations and throughout our supply chain. This social obligation is anchored not only in our core values but also our approaches and strategies to create sustainable economic development and to develop the initiatives to build trust within the company as well as among our stakeholders and the society.	We incorporate the economic, environment, social and governance aspects into our company culture and comply with both local and international laws in line with our IOI Group Sustainability Policy ("IOISP"), which covers all relevant legislations and codes of practices related to fair labour practices and human rights. We are committed to develop best practices in the long term which are tailored and led by our transparent and accountable approach.

Connection

Our Six Capitals	Our Key Stakeholder Groups	Our Strategic Priorities
	S1 S2 S4 S6 S7	

MATERIAL MATTERS

M4 GRIEVANCE MECHANISM AND TRANSPARENT COMMUNICATION

Why Is This Topic Important To Us?	Our Response
Transparency and communication enable value for all stakeholders. As a responsible business, we strongly believe that flagging and resolving strategic and/or sensitive issues on the ground are more effective when there is a trusted and efficient pathway to identify and adhere to solutions, as well as a system in place to make sure that stakeholders are aware of the outcomes.	We have numerous processes and platforms, both on-site and digital in place, which track and address complaints, provide updates, and seek feedback. These spheres of engagements create space for credibility and collaboration, improving relations and accountability as well as forming amicable and meaningful solutions among our stakeholders.

Connection

Our Six Capitals	Our Key Stakeholder Groups	Our Strategic Priorities
	S1 S2 S4 S6	

M5 TRACEABILITY AND RESPONSIBLE SOURCING

Why Is This Topic Important To Us?	Our Response
Defined guidelines and parameters are critical components to how our business operates from upstream to downstream. As the business landscape expands and evolves globally, we continually review and adapt to ever-changing requirements, and strictly follow through our policies and practices to ensure that our business can operate more coherently and successfully.	We are committed to practising a comprehensive and effective traceability and sourcing strategy which is deeply rooted in the application of best practice within the supply chain, as well as a robust auditing process to strengthen our sustainable supply chain. We also regularly update and disclose our rules and procedures on our company website and social media.

Connection

Our Six Capitals	Our Key Stakeholder Groups	Our Strategic Priorities
	S2 S4 S5 S6 S7	

M6 FIRE MANAGEMENT

Why Is This Topic Important To Us?	Our Response
The climate crisis is growing increasingly dire with hotter temperatures, more intense heat waves and longer dry seasons, and stronger winds. These conditions increase fire and vulnerability risk which directly impacts our plantation and manufacturing facilities and the surrounding communities where we operate. In addition, it may also threaten the wildlife and biodiversity.	As a founding member of the Roundtable on Sustainable Palm Oil, we strictly forbid any burning activities within our own concessions. We also adhere to our Zero Burning Policy updated in 2018, supported by our three-stage Fire Management Guidelines, which are strengthened and revised periodically. We also have ongoing collaborations with other stakeholders including neighbouring communities, government bodies, civil societies and industry associations as part of our fire monitoring and prevention efforts.

Connection

Our Six Capitals	Our Key Stakeholder Groups	Our Strategic Priorities
	S1 S2 S3 S4 S6	

M7 CIRCULAR ECONOMY AND WASTE MANAGEMENT

Why Is This Topic Important To Us?	Our Response
The world's population is growing and with it the demand for raw materials. However, the supply of crucial raw materials is limited. Hence, we look to our 7Rs of Circularity to reimagine the way we use resources, with the aim of creating a closed-loop system where waste is minimised and resources are kept in use for as long as possible.	Our latest sustainability venture is Nextgreen IOI Pulp Sdn Bhd, which is Malaysia's first large-scale zero-waste paper pulp plant. Utilising palm-based biomass into green and sustainable products such as wood-free pulp and paper, this waste-to-value effort also unifies our proactive ESG measures.

Connection

Our Six Capitals	Our Key Stakeholder Groups	Our Strategic Priorities
	S2 S3 S4 S6 S7	

M8 ENERGY MANAGEMENT AND OPERATIONAL ECO-EFFICIENCY

Why Is This Topic Important To Us?	Our Response
We aspire to do more with less by empowering resource management with cutting-edge technology as well as renewable energy sources which allow us to optimise the use of resources, reduce the dependence on conventional energy sources and lower our carbon footprint.	We employ the 7Rs of Circularity as part of our acceleration of climate resilience adaption within our end-to-end supply chain where we utilise our green technology such as biogas, solar energy, water-saving etc as well as adoption of artificial intelligence in improving operational efficiency and managing energy consumption. In December 2023, we signed a 16-year service agreement with UMW Industrial Power Services Sdn Bhd for the maintenance of seven Jenbacher biogas engines to ensure optimal performance and longevity of our biogas engines as we move towards achieving our Group-wide net zero emissions target.

Connection

Our Six Capitals	Our Key Stakeholder Groups	Our Strategic Priorities
	S2 S3 S4 S6 S7	

M9 REGULATORY AND THIRD-PARTY COMPLIANCE

Why Is This Topic Important To Us?	Our Response
We strive to secure our operations from corporate scandals, data breaches, corruption, and fraud. We also subject our business to stringent regulatory scrutiny as we promulgate and commit to local and international regulations as well as proactively address risks and issues that may harm our reputation.	We show respect, trust, and transparency through collaboration and cooperation in projects and initiatives, such as joint research, innovation, or advocacy. This ensures alignment of objectives, expectations and outcomes within the industry as we adjust our strategy, operations and products accordingly.

Connection

Our Six Capitals	Our Key Stakeholder Groups	Our Strategic Priorities
	S2 S4 S6 S7	

M10 BIODIVERSITY AND CONSERVATION

Why Is This Topic Important To Us?	Our Response
We understand the importance of adopting forward-thinking approaches and policies to promote resilience and sustainability to protect and nurture biodiversity. By increasing our efforts through sustainable management of our resources and initiating collaborations with others, we can improve our biodiversity conservation and reduce the effects of climate change.	We have identified areas of improvement for conservation and livelihoods, and we are cognisant of the need for long-term assessment and monitoring as we operate in line with our No Deforestation, No New Planting on Peat and No Social Exploitation requirements as stated in our IOISP since 2016, and the newly revised Biodiversity and Ecosystem Enhancement Guidelines in addressing measures to strengthen biodiversity and natural ecosystem conservation.

Connection

Our Six Capitals	Our Key Stakeholder Groups	Our Strategic Priorities
	S2 S3 S4 S6 S7	

External ENVIRONMENT

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

VOLATILITY IN DEMAND & COMMODITY PRICE

Palm oil companies are facing fluctuations in palm oil demand and pricing due to weather conditions, geopolitical and macroeconomic factors.

Impact	How IOI is responding	IOI Outlook
Palm oil price volatility is expected to continue in a more moderate range. Adverse weather conditions associated with the occurrences of El Niño has a direct impact on the oil palm production. The tightening of monetary policy by global central bankers may result in looming credit crunch and dampen demands in general. New changes on mandates and incentives by regulators on usage of bioenergy will affect global vegetable oils demand.	We employ a fully integrated business model, with upstream and downstream businesses and efficient cost structure to mitigate the impact of commodity price fluctuations. We adopt water conservation practices, develop climate resilient planting materials and appropriate innovations to reduce the impact of the extreme weather. We have strategic presence in Malaysia and overseas that allows us to cater to different market segments. Our sales are diversified to more than 80 countries to mitigate exposure to localised risks in any particular market. We make continuous improvement to our market information systems, enhance monitoring and risk management through hedging activities and develop better strategies to improve resilience to unexpected price swings.	Palm oil price is expected to remain volatile as a result of weather patterns, geopolitical and macroeconomics developments and also impact from competing vegetable oils.

Connection

Our Strategic Priorities	Our Six Capitals	Our Material Matters
		M2 M7 M9

HIGH GLOBAL ENERGY PRICE AND INFLATION

Palm oil companies are experiencing a relatively high global energy price and inflation rate due to the ongoing Russia-Ukraine war.

Impact	How IOI is responding	IOI Outlook
High fuel and fertiliser prices have resulted in substantial increase in plantations' production cost. Soaring natural gas prices, particularly in Europe, has resulted in significant increase in processing cost for our downstream manufacturing plants.	We apply optimum amount of fertiliser and employ efficient application of empty fruit bunches ("EFB") to replace some of the inorganic fertilisers. We embark on energy efficiency projects and implement plans to replace natural gas supply with oil from our downstream plants. We strengthen our contract negotiation strategies to achieve better deals with suppliers leading to decreases in costs.	High energy price is expected to persist as long as the Russia-Ukraine war is not resolved. Global inflation is anticipated to rise gradually as US interest rate cut cycle which started in September this year.

Connection

Our Strategic Priorities	Our Six Capitals	Our Material Matters
		M7 M8

RESPONSIBLE & SUSTAINABLE AGRICULTURAL PRACTICES

Palm oil and agricultural companies are expected to maintain responsible and sustainable practices, contributing positively to the economy while addressing environmental challenges.

Impact	How IOI is responding	IOI Outlook
Climate change and environmental degradation present significant risks to both the global economy and business environment. Corporations are expected to increase their positive impacts on the economy, social development and the environment. The agricultural sector is expected to practise sustainable agriculture by incorporating circular economy solutions and regenerative agriculture practices to mitigate carbon emissions, reduce pollution, and safeguard biodiversity and our natural resources (e.g. forests, water, etc).	We implement sustainable agricultural practices in our plantation and resource-based manufacturing businesses. We adhere to internationally-recognised sustainability certifications, including the voluntary Roundtable on Sustainable Palm Oil ("RSPO"), the International Sustainability and Carbon Certification ("ISCC") and the mandatory Malaysian Sustainable Palm Oil ("MSPO"). We are committed towards No Deforestation, No New Planting on Peat and No Social Exploitation ("NDPE") and the protection of High Conservation Value ("HCV") and High Carbon Stock ("HCS") areas within our plantations. We drive sustainable practices, conduct compliance tracing and supply chain monitoring, and engage with suppliers through digital tools and innovative technologies.	Responsible production and sustainable agricultural practices are integral to conducting business in the palm oil sector. Plantation owners and growers must collaborate closely with all stakeholders to address their concerns and meet their expectations and requirements.

Connection

Our Strategic Priorities	Our Six Capitals	Our Material Matters
		M2 M3 M5 M7 M10

DEMAND FOR SUSTAINABLE PRODUCTS & CERTIFICATIONS

Palm oil companies are expected to meet the growing demand from downstream customers and consumers for traceable and RSPO-certified palm oil products.

Impact	How IOI is responding	IOI Outlook
The successful development of RSPO Supply Chain Certification Systems will require uptake from product manufacturers and will be driven by customer demand. The adoption of strict Environmental, Social and Governance ("ESG") standards by many multinational companies will require due diligence from product manufacturers. The complexity of downstream processes and the need for segregation may increase cost and logistics requirements.	We are capable of producing both RSPO Mass Balance ("MB") and Segregated ("SG") grades products in our refineries. All of our oleochemical products are available in the RSPO MB grade. In Germany, IOI Oleo GmbH has dedicated an entire product range to be made available only in RSPO-certified standards to boost sales. We have served as Chair of the ASEAN Oleochemical Manufacturers Group's RSPO Work Group since its inception. We leverage on our integrated supply chain and in-depth knowledge of RSPO Supply Chain Certification Systems to promote and assist customers to use our RSPO-certified products. We also collaborate with key fast-moving consumer goods ("FMCG") customers who have interest in RSPO SG grade and traceable raw material supply. We develop innovations such as production flexibility and formulations to support the manufacturing of RSPO SG grade products in a more practical and efficient manner.	The demand for RSPO MB and SG grades products will continue to grow in both food and non-food sectors. Demand will shift from RSPO certifications with lower premiums, such as RSPO MB grade, to higher prospects such as RSPO SG or Identity Preserved grades. Our RSPO SG grade products' production facilities will support IOI to meet growing customer demand, achieve economies of scale and improve our market position. However, certain customers may also opt for cheaper alternatives to RSPO-certified products by imposing their own standards.

Connection

Our Strategic Priorities	Our Six Capitals	Our Material Matters
		M5

EXTERNAL ENVIRONMENT

PRODUCT REGULATORY REQUIREMENTS

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

Impact

The development of regulatory requirements for Registration, Evaluation, Authorisation & Restriction of Chemicals ("REACH") in key markets create new compliance requirements.

Additional and non-REACH requirements will continue to evolve, notably in the premium nutrition, infant nutrition, health supplements, and pet foods sectors. Complying with these regulatory standards will require significant resources, cost and regulatory expertise.

How IOI is responding

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

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

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

We have begun pre-registration and registration processes for relevant products to comply with key regional requirements namely Korean REACH, UK REACH and Turkish KKDIK and the Bureau of India Standards ("BIS") Regulation.

IOI Outlook

The manufacturing segment is expected to benefit from the good demand for personal hygiene products. The heightened awareness for better nutrition and the shift to packaged food owing to convenience will increase demand for infant nutrition products, in which several of IOI's low 3-MCPD, Mineral Oil Saturated Hydrocarbons, Mineral Oil Aromatic Hydrocarbons and Glycidyl Esters products are included.

There is a growing concern from our customers on climate change-related matters especially on product carbon footprint. In line with our net zero carbon emissions commitment, we have participated in various customer reporting platforms and will continue to improve our product carbon footprint reporting by abiding to the ISO 14067 standards.

Connection

Our Strategic Priorities	Our Six Capitals	Our Material Matters
		M2 M5 M9 M10

COMPLYING WITH EUDR

Palm oil companies are to ensure that products and commodities imported into the European Union comply with the requirements of EUDR.

Impact

The stringent requirements of EUDR present significant challenges in sourcing raw materials (i.e. fatty acids).

Difficulties associated with the traceability and supply chain complexity leading to products shortage and prices hikes, causing shifts in market demand and strong competitive pressure.

How IOI is responding

We stay abreast with the implementation of the European Union Deforestation Regulation ("EUDR") and are committed to meeting its requirements to ensure an uninterrupted supply to our customers.

We evaluate our products to identify if our products fall under Annex 1 of the EUDR.

We develop a supply strategy to stay in a strong and competitive position.

We document detailed information about the logistics and scheduling of supply, ensuring transparency and accountability within supply chains.

We work together with associations and authorities to postpone or adapt to EUDR.

IOI Outlook

We will continue to improve our traceability data information to meet EUDR requirements before 2025.

We are expecting growing demand for EUDR-compliant products and we have carried out mitigation plans to meet the changing demands.

By adopting collaborative strategies in mitigating the impacts and our strong commitment to sustainability, we trust we are able to gain a competitive edge in the market.

Connection

Our Strategic Priorities	Our Six Capitals	Our Material Matters
		M2 M5 M9 M10

GROWING CUSTOMER INTEREST IN ETHICAL LABOUR PRACTICES

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

Impact

Downstream multinational customers encourage audits such as Sedex Members Ethical Trade Audit ("SMETA") and EcoVadis Site Verification to ensure that suppliers implement ethical labour practices concerning freedom of association, working time, workplace conditions, fair wages and vulnerability of migrant workers to improve labour welfare and human rights.

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

How IOI is responding

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

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

We develop action plans to address existing gaps in our practices, ensuring compliance with audit requirements and to ensure fair and decent working conditions for our workers.

We conduct corporate social responsibility activities, including health and educational programmes for community well-being to complement our business practices.

IOI Outlook

Audits support greater transparency, systematically shared reports with participating customers and encourage suppliers to take corrective actions to address labour rights risk, ensuring no social exploitation across our supply chain.

Our audit process and findings will continue to support us in improving the working conditions for our workers in line with our commitment to contribute to the United Nations Sustainable Development Goals.

Connection

Our Strategic Priorities	Our Six Capitals	Our Material Matters
		M1 M3 M4

Risk MANAGEMENT

IOI identifies the principal risks that potentially impact our Company's ability to create value through our strategic objectives. Below is a summary of the key business risks we have identified.

Further information on IOI Risk Management can be found in the Statement of Risk Management and Internal Control on pages 122-126.

R1 BUSINESS RESILIENCE

Description	How IOI Manages this Risk
We acknowledge the disruption to our global operations. Challenges to remain resilient amid new global phenomena e.g. geopolitical issues, palm oil alternatives, anti-palm oil movements, etc.	Continuous monitoring on government policies and geopolitical trends as well as their implications so that we can adjust our mitigation strategies and develop strategic collaborations with potential partners. Work closely with the Roundtable on Sustainable Palm Oil ("RSPO") to make sustainable palm oil the norm, and create positive impact on the environment and communities. Strengthen connections with our customers and suppliers to advance the sustainability practices within our supply chain and effectively manage their expectations. Expand grievance reporting mechanism to provide alternative channels for our stakeholders for preventive identification of potential concerns on our operational impacts.

Connection

Our Six Capitals	Our Key Stakeholder Groups	Our Material Matters
	S2 S3 S4 S6 S7	M1 M2 M3 M4 M5 M6 M7 M8 M9

R2 GLOBAL ECONOMY

Description	How IOI Manages this Risk
The global economic outlook reflects a mix of moderate growth prospects and significant uncertainties. Global inflation is heading for a soft landing, transitioning the economy towards steady growth.	Closely monitor financial market trends and conditions to identify market opportunities. Stay vigilant regarding raw material costs and explore alternative options. Implement proactive to retain current customers and acquire new ones.

Connection

Our Six Capitals	Our Key Stakeholder Groups	Our Material Matters
	S2 S3 S4 S7	M7 M8

R3 NEW TRADE REGULATIONS

Description	How IOI Manages this Risk
The new trade regulations by European Union, United States and United Kingdom to regulate commodity-linked deforestation are expected to have a significant impact on palm oil exports from Indonesia and Malaysia.	We are committed to the No Deforestation, No New Planting on Peat and No Social Exploitation ("NDPE"). We require all mills and refineries in the supply chain to disclose information such as Global Positioning System ("GPS") coordinates and ownership groups. Continuous engagement with relevant parties to share insights and explore the implications and opportunities arising from these regulations in ensuring a sustainable future of palm oil.

Connection

Our Six Capitals	Our Key Stakeholder Groups	Our Material Matters
	S3 S4 S5 S7	M5 M7 M9 M10

R4 SUPPLY CHAIN COMPLIANCE

Description	How IOI Manages this Risk
We are required to comply with the requirements of palm oil buyers. Risk of non-compliance with international supply chain standards such as RSPO or International Sustainability and Carbon Certification ("ISCC"). Risk of IOI supply chain not complying with the NDPE policy.	Continuous engagement with our suppliers to improve their sustainability practices and to address environmental challenges within our supply chain. Embark on a systematic framework with an online platform, Supplier Transformation System which consists of assessment, action planning, resources with practical diagnosis and reporting framework for our supply chain to meet our sustainability commitments. Consistently publish sustainability updates on our corporate website and Palm Oil Dashboard.

Connection

Our Six Capitals	Our Key Stakeholder Groups	Our Material Matters
	S2 S3 S4 S7	M2 M3 M5 M9

R5 RELIANCE ON MANUAL WORKERS

Description	How IOI Manages this Risk
The agricultural sector, including palm oil, is heavily reliant on manual workers, which makes the industry vulnerable to shortage of workers. The risk of workers shortage causes lost revenues and limits our future growth. Increased public scrutiny in disclosing our responsibility on human rights.	Implement digitalisation, automation and mechanisation at our estates to reduce reliance on manual workers as well as to support increased yield and productivity. Commit to capacity building and uphold high welfare standards for manual workers at our operations and supply chain.

Connection

Our Six Capitals	Our Key Stakeholder Groups	Our Material Matters
	S1 S7	M1 M3 M4 M9

R6 ENVIRONMENTAL SUSTAINABILITY

Description	How IOI Manages this Risk
Challenges in reducing climate change impact in our plantations and reducing greenhouse gas ("GHG") emissions. Adverse weather condition has a direct impact on oil palm production. Challenges in maintaining and upholding sustainability certifications.	Reduce GHG emissions from our operations through the Group-wide Climate Change Action initiative ("CCAi") and set a Group-wide target to achieve net zero GHG emissions for Scopes 1, 2 and 3 by 2040. Commit to the Science Based Target initiative ("SBTi") Forest, Land and Agriculture ("FLAG") requirements and undertake the calculation and reporting of GHG emissions for our business operations. Employ water conservation practices, develop climate-resilient planting materials and pursue appropriate engineered solutions to mitigate the increasing risks associated with climate change.

Connection

Our Six Capitals	Our Key Stakeholder Groups	Our Material Matters
	S2 S3 S4 S7	M2 M6 M7 M8 M9 M10

Stakeholders' ENGAGEMENT

We are committed to building constructive relationships with our stakeholders to effectively engage and deliver value as we strive to establish long-term sustainability of our businesses by taking an inclusive approach, underpinned by proactive and integrated decision-making across our value chain.

Refer to our Sustainability Report 2024 for a detailed review.

S1 EMPLOYEES

Why We Engage

Our employees are IOI's valuable assets and key business success.

Key Concerns

- Open communication and fair remuneration;
- Well-being and training benefits; and
- Transparent and progressive company culture.

Our Responses

We aim to attract and retain top talents, and be on top of our peoples' wellness and morale while creating a diverse and inclusive workplace that enables a sense of belonging.

Value Created For Stakeholders

We offer competitive remuneration and equal opportunities in learning and development through both online and offline training programmes.

Value Created For IOI

We have a value-added culture and thriving environment that caters to the employees' needs for fulfilling and rewarding careers.

S2 CUSTOMERS

Why We Engage

Our business growth depends on our customers who support our products.

Key Concerns

- Environmental, Social and Governance ("ESG") standards;
- Adherence to fair dealing principles (pricing, quality, consistency, reliability, credit); and
- Technical support.

Our Responses

Ongoing dialogue sessions and open feedback channels allow us to cater to our customers better, which leads to the creation of innovative products such as additive-free soap, chemical-free processing of glycerine, oleic acid and low 3-MCPD, Mineral Oil Saturated Hydrocarbons ("MOSH") and Mineral Oil Aromatic Hydrocarbons ("MOAH") products.

Value Created For Stakeholders

We advocate an ESG-compliant end-to-end supply chain as we strive to provide solutions and close gaps by aligning with customer expectations.

Value Created For IOI

We want to play an even bigger role in proactively shaping and accelerating our ESG practices, and not just react and adjust.

S3 COMMUNITIES

Why We Engage

Our business supports and positively contributes to the communities in which we operate.

Key Concerns

- Respectful, sustainable and equitable practices;
- Proper implementation of any project or programme development; and
- Provision of relief and assistance.

Our Responses

We improve sustainable livelihoods through job opportunities while empowering those in need with community investments (road repairs, landfilling, etc.), and providing financial assistance (education, human capital development, etc.).

Value Created For Stakeholders

We facilitate engagement that involves communication and expectations from our communities, and create opportunities to engage and add value.

Value Created For IOI

We recognise diverse perspectives and foster collaborative decision-making, driving projects towards equitable and sustainable outcomes that positively impact society.

S4 SUPPLIERS

Why We Engage

Our suppliers provide critical inputs for our business to function.

Key Concerns

- Climate-related procurement standards and principles; and
- Realistic, measurable, and actionable ESG practices.

Our Responses

Digital engagement tools, alongside conducive group sessions and workshops help to drive high standards to minimise risks and maximise opportunities across our supply chain.

Value Created For Stakeholders

We make continuous efforts to look beyond boundaries of our supply chain and into the total extended supply chain encompassing our business, suppliers, distribution networks and even their key suppliers.

Value Created For IOI

We leverage on mutually-beneficial partnerships that align with shifting priorities, and create value through incremental resources, funding and insight.

S5 REGULATORS

Why We Engage

A firm framework is paramount to our business.

Key Concerns

- External environment, such as the political, economic, social, technological, legal, and environmental factors that affect our business as well as emerging trends, issues, and opportunities within the industry, and how they impact our regulators and other stakeholders.

Our Responses

To be an exemplar of openness and transparency, we actively participate in focus group meetings, dialogue sessions, and task forces which are pertinent to outline the direction and deliverables on key regulatory decisions.

Value Created For Stakeholders

We aspire to sustain high standards of business conduct within the regulations that apply to us for optimal success and credibility expectations.

Value Created For IOI

We recognise the importance of adapting to an evolving regulatory frameworks and are committed to consistent and transparent engagement in order to create value so that we can raise our corporate profile and strengthen external affairs abilities.

S6 SHAREHOLDERS AND INVESTORS

Why We Engage

Steady financial capital input indicates confidence in the IOI brand.

Key Concerns

- Financial performance such as return on investment and earnings outlook of the company, future expansion plans, corporate strategies and sustainability material matters.

Our Responses

We facilitate timely and resolute disclosure to our shareholders and investors on matters pertaining to our operational performance and financial management that are essential for improving our corporate value.

Value Created For Stakeholders

We focus on generating sustainable value while maintaining strong returns and financial resilience, demonstrating the true value of the IOI brand.

Value Created For IOI

We strategise, plan and take action to enhance ESG performance in line with the key priorities of our shareholders and investors, impacting investments in the short, medium and long term.

S7 INDUSTRY ASSOCIATIONS/CIVIL SOCIETIES

Why We Engage

Our registered affiliations guarantee the delivery of environmentally superior products in our business.

Key Concerns

- Responsible and traceable best practices; and
- Opportunities for engagement and collaboration on industry-wide challenges.

Our Responses

We partner and form alliances through active collaborations with industry associations and civil societies on various engagement related to environmental protection and social initiatives. One of our latest milestones is our partnership with Nextgreen Global Berhad to produce wood-free pulp and paper from empty fruit bunches to ensure sustainable utilisation of agricultural waste.

Value Created For Stakeholders

We endeavour to create value through open engagement and active participation with all our stakeholders, towards improving the reputation of the palm oil industry and in creating a sustainable palm oil commodity.

Value Created For IOI

We foster trust and confidence among industry associations and civil societies, ensuring we create responsible business practices and partnership on strategic issues to secure our ability to create value.

Embedding SUSTAINABILITY IN ALL WE DO

Building on Strategic Achievements, we have made significant strides in fully integrating sustainability into our core businesses. By achieving a harmonious balance between development and conservation, we are well-positioned to safeguard the welfare of our employees, enhance the well-being of communities, protect the environment, and ensure the prosperity of our stakeholders. Looking ahead, we are confident that these sustainable practices will continue to drive positive outcomes and reinforce our commitment to long-term success and sustainability.

Strategic FRAMEWORK

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

OUR PURPOSE

Committed to sustainable agriculture and innovative products.

VISION

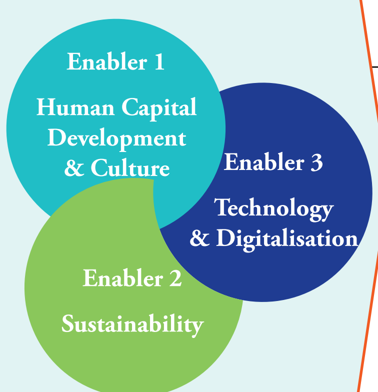
Our Vision is to be a leading and sustainable Malaysian business corporation with global presence.

MISSION

Our Mission is to achieve responsible and sustainable commercial success by addressing the interests of all our stakeholders, caring for the community and the environment, and adopting best practices to be globally competitive.

OUR GROUP'S FIVE-YEAR PLAN 2020-2024

3 STRATEGIC ENABLERS



5 STRATEGIC PRIORITIES	KEY METRICS
Increase Yield	• Increase Plantation Oil Yields by 15% by 2024. • Utilise Elite Clonal Palms in 50% of Our Replanting Materials. • Target High Early Yields from Young Mature Palm Age. • Ensure Proper Fertiliser Application to Increase Target Yields.
Optimise Workforce	• Reduce Workforce by More than 25% by 2024. • Increase Plantation Workers' Productivity by 3% Every Year. • Implement Mechanised Mainline Fresh Fruit Bunches Evacuation System in All Malaysian Estates by 2023.
Diversify Crops	• Plant 5,000 Hectares of Coconuts and 200 Hectares of Durians, Equivalent to 4% of Our Malaysian Plantations. • Plant Three Types of Fast-Growing and High Value Fruit Crops as Intercrop with Coconuts.
Increase the Non-CPO Segment	• Derive Revenue from Oil Palm By-Products and Processing Waste. • Commence Production of High-Performance Palm Wood Boards and Panels by Q3 of 2023. • Establish Oil Palm Trunks ("OPT") Research and Development and Technology Transfer. • Scale Up Business and Establish a Leading Market Position in OPT Products.
Grow the Oleochemical Segment	• Increase Oleochemical Segment's Sales Volume by 15%. • Derive Energy, Cost and Operational Efficiency Savings of 6%. • Improve the Oleochemical Segment's Profitability by 25%.

Refer to Strategic Enablers on pages 51-53 and Strategic Priorities on pages 54-59.

Strategic ENABLERS

Enabler 1
Human Capital Development & Culture

Connection

Our Key Stakeholder Groups
- S1 Employees
- S6 Shareholders and Investors

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

Our Risks
- R1 Business Resilience
- R5 Reliance on Manual Workers

IMPORTANCE FOR IOI

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

OUR APPROACH

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

KEY INITIATIVES

1. Cultivate an operational excellence work culture and create a highly disciplined and competent workforce.
2. Enhance employees' experience through HR digitalisation.
3. Continuously nurture future IOI leaders.
4. Expand employees' competency through reskilling and upskilling.
5. Promote empowerment and inclusion.
6. Enhance employee engagement and encourage workplace innovation.
7. Provide career advancement, offer competitive remuneration and enhance employee benefits.

KEY HIGHLIGHTS

1. Won the Employee Experience Awards ("EXA") 2023 – Gold Award in Best Executive Coaching Programme, two Silver Awards in Best Succession Planning Strategy and Best Soft Skills Training Programme.
2. Launched IOI Cares, a personalised employee wellness programme that fosters the employees' well-being holistically through an evidence-based digital health solution.
3. Collaborated with Third-Party Administrator to facilitate employee access to medication at their convenience.
4. Continued implementing employee engagement programme for plantation employees with the tagline "WE CARE".

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

5. Hosted festive celebrations to promote team spirit and employee engagement.
6. Continued with roadshows to prevent forced labour and uphold human rights.
7. Enhanced the Leadership Development Programmes for high-potential employees.
8. Rolled out an internal 360 Qualitative Survey for effective talent management.
9. Conducted an Employee Engagement Survey with an external provider to gather feedback and understand the pulse of the workforce.
10. Organised a refresher coaching programme for key senior leaders and departmental heads.
11. Continued engaging with the incumbents and using coaching logs to monitor their potential successor's progress and development.
12. Revised compensation and benefit packages to attract young interns and graduates.
13. Implemented staggered working hours, developed e-performance appraisal system, e-talent management and enhanced the Learning Management System ("LMS") at IOI Oleochemical Group.

FOCUS FOR FY2025

1. Enhance the digitalisation of HR processes to improve work efficiency, create a paperless environment and enhance employee experience.
2. Enhance the succession planning practices through collaboration with departmental heads and training providers.
3. Collaborate with various third-party providers to raise awareness and improve employees' well-being.
4. Improve our competitiveness to retain workforce.
5. Promote employee engagement, team bonding and participation in community works.

STRATEGIC ENABLERS

Enabler 2 Sustainability

Connection

Our Key Stakeholder Groups

- S1 Employees
- S2 Customers
- S3 Communities
- S4 Suppliers
- S6 Shareholders and Investors
- S7 Industry Associations/Civil Societies

Our Six Capitals

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

Our Risks

- R1 Business Resilience
- R3 New Trade Regulations
- R4 Supply Chain Compliance
- R5 Reliance on Manual Workers
- R6 Environmental Sustainability

Refer to our Sustainability Report 2024 for a detailed review.

IMPORTANCE FOR IOI

Our sustainability culture is firmly embedded within our organisation. We balance company growth and development with environmental protection and conservation as well as safeguarding the well-being of both our employees and the communities that may be affected by our operations. This course of action is in alignment with our three pillars of sustainability (People, Planet, Prosperity) + Partnership. For long-term sustainable value creation and achieving sustainability excellence, we integrate the 7Rs of the Circularity within all our operations and businesses.

OUR APPROACH

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

KEY INITIATIVES

1. Commit to implementing No Deforestation, No New Planting on Peat and No Social Exploitation ("NDPE") and Zero Burning Policy in our plantations.
2. Protect High Conservation Value ("HCV") and High Carbon Stock ("HCS") areas within our operations.
3. Progressively reduce greenhouse gas ("GHG") emissions from the operations and move towards our net zero target by 2040 through the Group-wide Climate Change Action initiative ("CCAi").
4. Adopt and practise the 7Rs of the Circularity, precision agriculture and regenerative agriculture methods.
5. Enforce policies and guidelines to protect human rights and ensure no child and forced labour.
6. Increase work productivity with technology, women empowerment and education for children in plantations.
7. Benchmark industry best practices through voluntary participation in Carbon Disclosure Project ("CDP"), Sustainability Policy Transparency Toolkit ("SPOTT"), Corporate Sustainability Assessment, FTSE Russell, Sustainalytics etc.
8. Practise the highest level of transparency and inclusivity in stakeholder engagement.
9. Continuously monitor all stages of the palm oil supply chain, including obtaining relevant certifications and complying with the required standards.

KEY HIGHLIGHTS

1. Made improvement in Environmental, Social and Governance ("ESG") ratings and assessments, and won the Gold Award for the Plantation Sector (Equity Category) at The Edge Malaysia ESG Awards 2023. *Full award list on pages 14-15.*
2. Received the EcoVadis Gold Certification for our two oleochemical plants in Johor and Germany.
3. Launched IOI Group Women and Empowerment Committee and conducted a panel discussion on Inspire Inclusion: Challenges and Opportunities during the International Women's Day celebration.
4. Completed the due diligence audit for recruitment agencies at the source country.
5. Verified IOI Pan-Century Oleochemicals Sdn Bhd's NDPE profile 2022 by Control Union.
6. Conducted ISO 14064 GHG emissions reporting verification by SIRIM auditors for oleochemical manufacturing operations in Penang and Johor.
7. Completed installation of water-saving projects such as rainwater harvesting system and condensate recovery systems at our oleochemical manufacturing operations.
8. Established an interdisciplinary team at IOI Oleo GmbH as an outcome of the Transformation Concept project aimed at realising net zero GHG emissions for Scopes 1, 2 and 3 by 2040.

FOCUS FOR FY2025

1. Digitalise sustainability data to enhance data accuracy, analytics and auditability through IOI ESG Digitalisation Platform.
2. Work with Roundtable on Sustainable Palm Oil ("RSPO") to finalise the revision of the PalmGHG calculator to be fully aligned with the GHG Protocol.
3. Continue reporting GHG emissions in line with Task Force on Climate-Related Financial Disclosures ("TCFD"), expanding to disclose financial impacts of climate change, and verification of Science Based Targets initiatives ("SBTi") Forest, Land and Agriculture ("FLAG") and non-FLAG targets.
4. Enhance biodiversity and ecosystem services through rehabilitation and regenerative agriculture.
5. Explore new technology and innovation for better energy efficiency in our operations.
6. Implement actions identified from the completed Transformation Concept project and plan for new phase 2 roll-out.
7. Intensify collaborations with relevant stakeholders in preparation of legislation changes.

Enabler 3 Technology & Digitalisation

Connection

Our Key Stakeholder Groups

- S1 Employees
- S2 Customers
- S4 Suppliers
- S6 Shareholders and Investors

Our Six Capitals

- Human
- Financial
- Manufactured
- Social and Relationship
- Intellectual

Our Risks

- R1 Business Resilience
- R5 Reliance on Manual Workers

Refer to Group Business Review on pages 72-84 for a detailed review of our digitalisation initiatives.

IMPORTANCE FOR IOI

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

OUR APPROACH

1. Ensuring the standardisation of business processes within our core business segments, drawing on various analytical and transactional capabilities of the SAP system to improve efficiencies.
2. Providing savings in plantation operations' support services based on SAP system and other integrated digital solutions. Implement electronic salary payment and enhance mobile network connectivity in the estates.
3. Adopting agricultural and manufacturing innovations and technologies.
4. Enhancing our estates' operational efficiency with efficient cost and reducing dependency on manual workers through mechanisation.
5. Embedding automation and digitalisation in our oleochemical manufacturing processes in line with the IR4 aspiration.

KEY INITIATIVES

1. **Upstream Digitalisation:**
   Ensure proper management and full utilisation of the SAP system, explore robotic process automation ("RPA") and other digital solutions, as well as embark on more automation projects in upstream and downstream manufacturing.
2. **Mechanisation:**
   Reduce worker dependency and increase workforce productivity in estates through mechanisation.
3. **Downstream Digitalisation:**
   Strategise digitalisation and automation projects and identify roll-out plans for IR4.

KEY HIGHLIGHTS

1. **Upstream Digitalisation:**
   a. Embarked further on SAP RISE Project to transition to the cloud and modernise our enterprise resource planning ("ERP") capabilities, while finalising the ERP system implementation for 20 operating units in Indonesia.
   b. Implemented SAP Business Process Automation ("BPA") to significantly boost productivity.
   c. Implemented e-Invoicing system and e-Know Your Customer ("e-KYC") system.
2. **Mechanised Mainline Fresh Fruit Bunches ("FFB") Evacuation System:**
   a. Implemented mainline evacuation system at 99% of terrain-suitable estates across Malaysia.
   b. Implemented infield evacuation system at 64% of potential hectarage in Malaysian estates.
   c. Introduced mainline and infield evacuation system in Indonesia.
3. **Downstream Digitalisation:**
   a. Upgraded SAP ERP to S4 RISE to extend the capabilities of S4 RISE ERP system for business process improvements.
   b. Adopted advance technology in warehouse automation to improve efficiency and reduce manpower.
   c. Optimised the Real-time Production Organiser – Operation Management ("RPO-OM") and Visual MESA Energy Management System ("EMS").

FOCUS FOR FY2025

1. **Upstream Digitalisation:**
   a. Leverage cognitive technology, artificial intelligence ("AI") and Internet of Things ("IoT") for bunch counting and audit in estate operations and explore possible integration with SAP.
   b. Enable modern workplace concept to revitalise workforce and boost productivity through collaborative tools and robust human capital management system.
   c. Explore the development of an AI chatbot to optimise IT support services.
2. **Mechanisation:**
   a. Expand the infield FFB evacuation system in Sabah and Indonesian estates.
   b. Convert selected diesel-powered infield machines to electric-powered machines by phases.
   c. Implement the application of global positioning system ("GPS") technology to optimise fleet operations in plantation.
3. **Downstream Digitalisation:**
   a. Enhance RPO-OM and upgrade tank gauging system for digitalisation of utility data to support the EMS.
   b. Prepare the Near-Infrared ("NIR") analytics to go live.
   c. Finalise the whole medium-chain triglycerides ("MCT") production efficiency and capacity increment project for IOI Oleo GmbH.

Strategic PRIORITIES

To maintain our focus on sustainable value creation, we have identified five strategic priorities for 2020–2024.

This focused approach ensures that we are on track to deliver sustainable growth and provide our stakeholders with valuable returns over the short, medium and long-term time frame. We have a resource allocation plan in place to execute these strategic priorities based on the capital inputs identified in our business model on pages 32-33.

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

STRATEGIC PRIORITY 1

Increase Yield

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

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

Refer to Group Business Review on Plantation on pages 72-77 for a detailed review.

Our Key Initiatives

We aim to produce palm oil sustainably to meet our market demand.

1. **Improved Planting Materials:** Produce more high-yielding and superior clonal planting materials for high yields and high returns.
2. **Mechanisation:** Expand mechanisation projects and adopt best options throughout our operations to increase operational efficiency.
3. **Agricultural and Field Management Practices:** Employ best agricultural practices, improve field conditions and optimise land usage in our oil palm plantations.
4. **Digital Tools:** Employ digital tracking system throughout our plantation operations.
5. **Fertilisation:** Adopt a balanced nutrients approach and application to achieve the desired target yields.

Achievements in 2024

- We have supplied high-yielding clonal palms produced by IOI Palm Biotech Sdn Bhd to our estate nurseries for replanting in 2025 and beyond, as well as planted third-generation hybrid palm seedlings from IOI Research Centre in suitable areas and terrains.
- Our Baturong Palm Oil Mill in Sabah achieved the highest average oil extraction rate ("OER") of 25.18% in FY2024, making it the most productive plantation company in OER within Peninsular Malaysia and Sabah as of June 2024.
- We have significantly expanded our estate mechanisation initiatives, successfully implementing block harvesting with tractor grabber mainline ("TGM") system across 99% of suitable estates, covering 92% of potential hectarage for mainline fresh fruit bunches ("FFB") evacuation.
- We deployed mini tractor grabber ("MTG") system across eight suitable estates in Peninsular Malaysia and Crawler 1 Ton ("C1T") in three estates in Sabah for infield FFB collection.
- We adhered to good replanting standards coupled with training and monitoring by experienced team, managed pest and diseases through extensive research and development ("R&D"), and implemented precision farming with timely fertiliser and weedicide applications.
- We enhanced land preparation by conducting soil ripping and pulverising of oil trunk chips for all oil palm and coconut replanting in Peninsular Malaysia's estates to minimise future infestation of *Ganoderma* and rhinoceros beetle.
- We performed scout harvesting from 20 months in most estates in Sabah.
- We improved estates' road condition and irrigation water management system.
- We implemented application of empty fruit bunches ("EFB"), palm oil mill effluent ("POME") and boiler ash from mill to improve palm soil nutrients at 15 estates.
- We desilted outlets and drains at flood-prone estates, and installed tidal gates, bunds and water pumps in low-lying areas at estates to ensure proper water level management and monitoring.
- We leveraged geographic information system ("GIS") technology, electronic plantation monitoring system ("ePMS") and drones to assess field performance and monitor our plantation.
- We provided ongoing training and monitoring on fertiliser application by IOI Research Centre.

These achievements have not only bolstered yield and productivity, but also reaffirmed our commitment to excellence and innovation, driving sustainable business growth and setting industry benchmarks.

Connection

Our Key Stakeholder Groups	Our Six Capitals	Our Risks	Our Material Matters
S1 S2 S3 S4 S5 S6 S7		R1 R2 R5 R6	M5 M6 M7 M10

STRATEGIC PRIORITIES

STRATEGIC PRIORITY 2

Optimise Workforce

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

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

Refer to Group Business Review on Plantation on pages 72-77 for a detailed review.

Our Key Initiatives

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

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

Achievements in 2024

- Our mechanised infield FFB collection implemented in selected estates with suitable terrain has improved harvesters' productivity and earnings, helping us to achieve an effective worker to land hectarage ratio of 1:22-1:24 especially at flat undulating terrain estates.
- We utilised mechanised machines, including motorised/electric power barrow, electric mechanical cart, mechanical cart, MTG and C1T for infield evacuation to improve harvesting productivity and enabled workers to achieve higher earnings.
- We used graphite harvesting poles, which are lighter than aluminium alternatives, to enhance harvesting efficiency in tall palm areas, significantly boosting productivity and enabling workers to earn higher wages.
- Our mechanical sprayer and fertiliser spreader have reduced manual worker dependency for upkeep work, while mechanical front loader has increased productivity of EFB/POME application.
- We continued to roll out training and briefing for our estates' personnel, and increased the number of skilled workers.
- We conducted Mechanisation Roadshow half-yearly for estate personnel in Peninsular Malaysia and Sabah to improve machine productivity.
- We provided proper housing and facilities to create a supportive environment for our workers.

Special Incentive for Harvesters

- We have allocated special incentives for harvesters based on their recorded working days.

These achievements have not only enhanced productivity and earnings, but also fostered well-being and commitment among our workers, empowering and inspiring them to innovate and pursue growth.

Connection

Our Key Stakeholder Groups	Our Six Capitals	Our Risks	Our Material Matters
S1 S5 S6 S7		R1 R2 R5	M1 M2 M3 M4 M9

STRATEGIC PRIORITY 3

Diversify Crops

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

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

Our Key Initiatives

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

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

Achievements in 2024

- We planted an accumulated total of 3,131 hectares ("ha") of coconuts, 568 ha of bananas, 87 ha of durians and 49 ha of pineapples as of FY2024.
- We produced a total of 36,494 banana ramets in FY2024.
- We have contributed significantly to the country's food security with a total 402 MT of bananas and almost 2.2 million coconuts.
- We have prepared to launch an online marketing campaign to promote the crops to wholesalers and consumers at the end of the year.

These achievements have broadened our agricultural portfolio and offerings with a variety of fruit crops, strengthening our revenue stream and market resilience.

Connection

Our Key Stakeholder Groups	Our Six Capitals	Our Risks	Our Material Matters
S1 S2 S4 S6		R1 R2 R3 R5 R6	M2 M6

STRATEGIC PRIORITIES

STRATEGIC PRIORITY 4

Increase the Non-Crude Palm Oil ("CPO") Segment

Oil palm by-products such as oil palm trunks ("OPT") and empty fruit bunches ("EFB") are an ideal source for cellulose-based natural fibres. Oil palm processing waste such as palm oil mill effluent ("POME") and others are a good source of bio-based raw materials.

Globally, there is a growing consumer demand for environmentally-friendly products and a shift towards sustainable production.

The non-CPO segment acts as a stimulus to moderate the impact of palm oil price volatility and provide an added advantage to our overall diversification strategy.

Our Key Initiatives

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

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

EFB: Repurpose into value-added products such as biofuel, paper and pulp, and bio-fertiliser.

POME: Repurpose into bio-fertiliser.

Achievements in 2024

- Our IOI Pam Wood factory in Segamat, Johor has commenced operations.
- We have worked with government bodies and other stakeholders to establish classification, verification, certification and quality standards for palm wood.
- We have launched the *OnCore*® product brand.
- We imported proprietary technology and operational expertise from Europe to deliver the highest manufacturing standards.
- We established a supply chain structure to effectively procure high-quality OPT supply from responsibly managed estates.
- We have enabled the use of OPT waste as the sole fuel for our energy plant.
- We have signed a shareholders' agreement with Nextgreen Global Berhad to develop the nation's first large-scale zero-waste paper pulp plant.

These achievements have successfully transformed oil palm by-products into valuable new products and ensured a promising supply of raw materials, setting a benchmark in turning waste into worth and reinforcing our commitment to innovation, circularity and sustainability.

Connection

Our Key Stakeholder Groups	Our Six Capitals	Our Risks	Our Material Matters
S1 S2 S4 S5 S6		R1 R2 R3 R4 R5 R6	M2 M6 M7 M8 M9 M10

STRATEGIC PRIORITY 5

Grow the Oleochemical Segment

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

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

Refer to Group Business Review on Resource-Based Manufacturing on pages 78-84 for a detailed review.

Our Key Initiatives

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

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

Achievements in 2024

Expand Capacity

- Our new soap noodles plant (144 TPD) has been commissioned with the latest technology in August 2023.
- We achieved automated refining process as part of our medium-chain triglycerides ("MCT") optimisation and capacity extension project which is ongoing.

Improve Efficiency

- We have equipped our packing plant with auto-printing machine to reduce human dependency and minimise error.
- We established Near-Infrared ("NIR") inline analytics to streamline production processes and improve energy efficiency.

New Product Applications and Markets

- We launched our first Polyglycerol Ester ("PGE") in cosmetic emollient applications.
- We secured local direct business with multinationals through our United States' local warehouse.

Focus on High-Value Products

- We expanded the production capability of selected high-value products such as P9818, P5608 and PS8317 in Johor to enhance duo site security of supply to key customers.
- We won two awards for both our latest launched products in cosmetic applications.
- We have aligned our new development plan to provide higher short-term margin income.
- Our adjusted PGE version was successfully produced as a fine powder via spray cooling.
- Our first volume of PGE from the scale-up production in Germany had been sold to an Expandable Polystyrene ("EPS") customer.
- We initiated fruitful discussions with strategic suppliers to enhance our partnerships.

These achievements have not only elevated our oleochemical production capabilities and product qualities to greater heights, but also enhanced value creation across the chain, establishing IOI as a leader in both upstream and downstream integration.

Connection

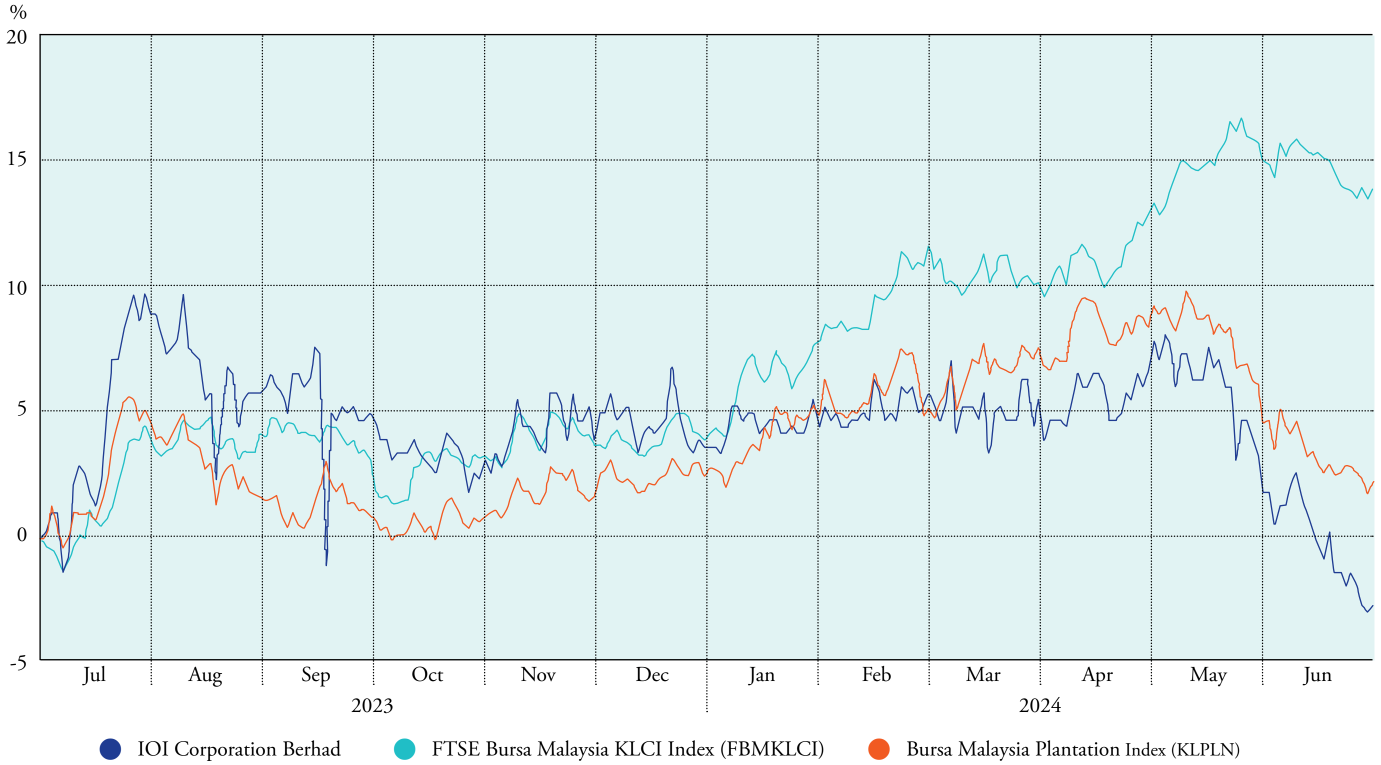
Our Key Stakeholder Groups	Our Six Capitals	Our Risks	Our Material Matters
S2 S3 S6		R1 R2 R3 R5	M2 M5 M6 M8 M9 M10

Building on Strategic Achievements, we have realised new milestones through the conversion of oil palm by-products and processing waste into value-added products at competitive costs, as well as the cultivation of higher value crops such as coconuts.

Our palm wood factory has been commissioned during the year, transforming oil palm trunks into high-performance palm wood boards and panels. This non-CPO segment underscores our commitment to innovation and diversification, positioning us for continued success and enhanced value creation in the future.

Increasing THE NON-CPO SEGMENT

Key INDICATORS



In RM million unless otherwise stated	2024	2023	2022	2021	2020
FINANCIAL					
Profit before interest and tax	**1,535.3**	1,815.5	2,494.2	1,747.5	1,137.9
Profit attributable to owners of the parent	**1,109.4**	1,114.2	1,725.3	1,394.3	600.9
Equity attributable to owners of the parent	**11,678.6**	11,330.8	10,943.7	10,005.4	9,296.2
Return on average shareholders' equity (%)	**9.64**	10.00	16.47	14.45	6.46
Basic earnings per share (sen)	**17.88**	17.95	27.74	22.26	9.57
Dividend per share (sen)	**9.5**	11.0	14.0	10.5	8.0
PLANTATION					
FFB production (MT)	**2,803,965**	2,686,356	2,726,516	2,917,621	3,097,262
Total oil palm area (Ha)	**172,107**	173,818	175,192	176,926	176,909
MANUFACTURING					
Oleochemical					
Plant utilisation (%)	**62**	61	67	76	77
Sales (MT)	**595,801**	532,493	573,942	648,130	669,854
Refinery					
Plant utilisation (%)	**55**	61	61	63	69
Sales (MT)	**1,365,646**	1,585,419	1,868,099	2,217,093	1,973,792

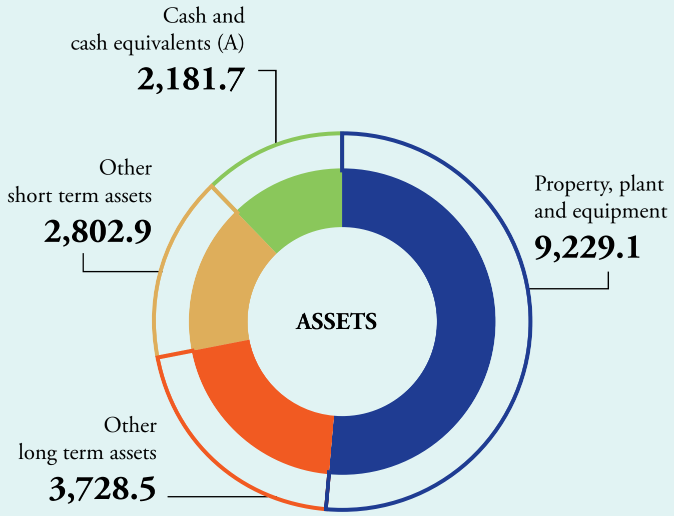
Five-Year FINANCIAL HIGHLIGHTS

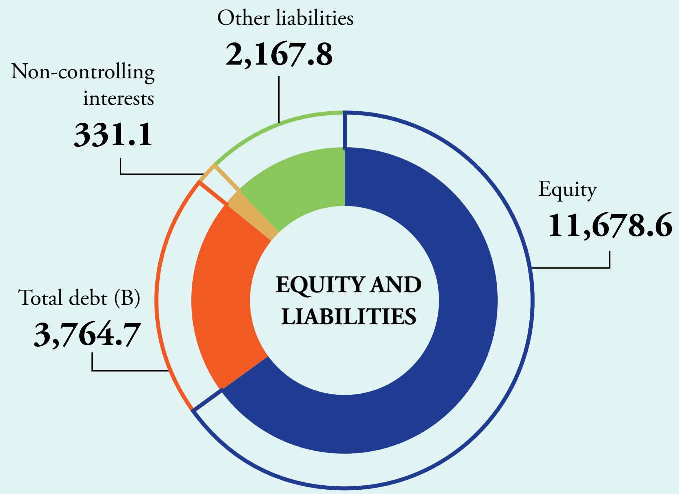
In RM million unless otherwise stated	2024	2023	2022	2021	2020
RESULTS					
Revenue	**9,603.6**	11,583.8	15,578.7	11,251.7	7,802.2
Profit before interest and tax	**1,535.3**	1,815.5	2,494.2	1,747.5	1,137.9
Net foreign currency translation (loss)/gain on foreign currency denominated borrowings and deposits	**(18.9)**	(174.5)	(12.8)	118.5	(207.9)
Net interest expense	**(117.9)**	(115.0)	(128.8)	(126.2)	(103.3)
Profit before tax	**1,398.5**	1,526.0	2,352.6	1,739.8	826.7
Tax expense	**(282.2)**	(396.0)	(583.7)	(323.5)	(225.0)
Profit for the financial year	**1,116.3**	1,130.0	1,768.9	1,416.3	601.7
Attributable to:					
Owners of the parent	**1,109.4**	1,114.2	1,725.3	1,394.3	600.9
Non-controlling interests	**6.9**	15.8	43.6	22.0	0.8
ASSETS					
Property, plant and equipment	**9,229.1**	8,995.2	8,709.2	8,608.7	8,531.8
Investments in associates	**3,103.3**	3,013.3	3,110.0	3,144.5	2,727.0
Other non-current assets	**625.2**	647.1	669.2	564.7	582.7
	12,957.6	12,655.6	12,488.4	12,317.9	11,841.5
Current assets	**4,984.6**	4,926.3	6,679.4	5,337.8	4,890.1
	17,942.2	17,581.9	19,167.8	17,655.7	16,731.6
EQUITY AND LIABILITIES					
Total shareholders' equity	**11,678.6**	11,330.8	10,943.7	10,005.4	9,296.2
Non-controlling interests	**331.1**	339.8	340.8	309.0	274.5
Total equity	**12,009.7**	11,670.6	11,284.5	10,314.4	9,570.7
Non-current liabilities	**4,351.7**	4,235.8	4,131.7	2,303.7	5,319.6
Current liabilities	**1,580.8**	1,675.5	3,751.6	5,037.6	1,841.3
Total liabilities	**5,932.5**	5,911.3	7,883.3	7,341.3	7,160.9
	17,942.2	17,581.9	19,167.8	17,655.7	16,731.6
Net operating profit after tax ("NOPAT")	**1,238.0**	1,243.5	1,889.9	1,541.6	732.1
Average shareholders' equity	**11,504.7**	11,137.3	10,474.5	9,650.8	9,297.9
Average capital employed [1]	**16,927.7**	17,178.3	17,062.6	16,178.7	15,752.7
FINANCIAL STATISTICS					
Basic earnings per share (sen)	**17.88**	17.95	27.74	22.26	9.57
Dividend per share (sen)	**9.5**	11.0	14.0	10.5	8.0
Net assets per share (sen)	**188**	183	176	160	148
Return on average shareholders' equity (%)	**9.64**	10.00	16.47	14.45	6.46
Return on average capital employed (%)	**7.31**	7.24	11.08	9.53	4.65
Net debt/Equity (%) [2]	**13.55**	13.99	22.80	29.37	28.62
SHARES PERFORMANCE					
Market share price (RM):					
- Highest	**4.22**	4.27	4.76	4.64	4.82
- Lowest	**3.69**	3.59	3.49	3.65	3.41
- Closing	**3.70**	3.73	3.84	3.76	4.34
Shares trading volume (million)	**557**	616	884	524	842
Market capitalisation	**22,953.7**	23,139.8	23,857.8	23,495.4	27,198.0

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

Group FINANCIAL OVERVIEW

STATEMENT OF FINANCIAL POSITION
as at 30 June 2024 (RM million)



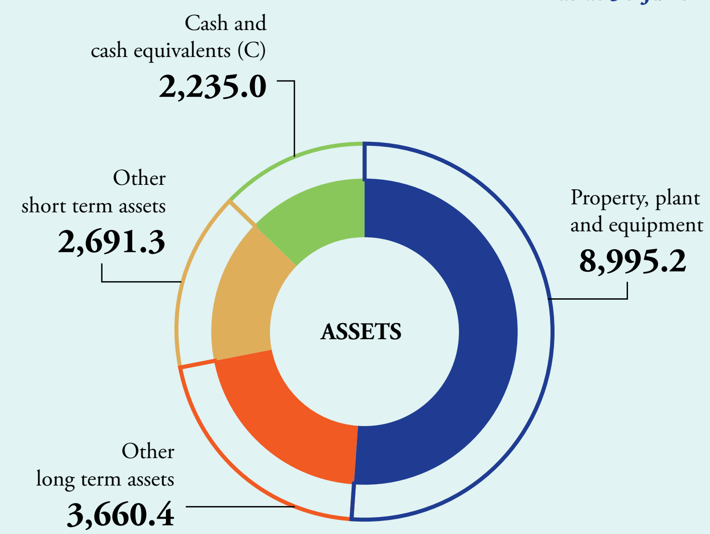


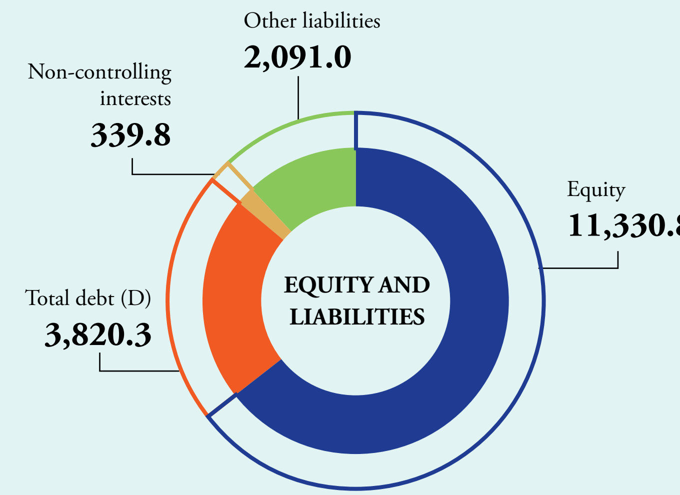
Net Debt = (B) - (A) = **RM1,583.0 million**

Net Gearing Ratio = **13.55%**

NET DEBT AS AT 30 JUNE 2024	RM million
Net cash flow generated from operation	1,233.8
Capital expenditure, net of disposal	(664.2)
Free cash flow from operation	569.6
Dividends received from investments	149.8
Investment in a joint venture	(0.5)
Additions to other investments	(25.6)
Repayment from plasma receivables	3.9
Repayment from a joint venture	1.2
Net interest paid	(118.7)
Proceeds from issuance of shares to a non-controlling interest	0.3
Dividend payments	
- Shareholders of the Company	(589.4)
- Shareholders of subsidiaries	(14.7)
Cash outflow in net debt	(24.1)
Transaction cost of borrowings	(0.8)
Accretion of borrowings	(1.5)
Lease interest expense	(3.8)
Reassessments and modifications of leases	1.0
Additions to lease liabilities	(9.9)
Increase in net debt	(39.1)
Net debt as at 30 June 2023	(1,585.3)
Translation difference	41.4
Net debt as at 30 June 2024	(1,583.0)

STATEMENT OF FINANCIAL POSITION
as at 30 June 2023 (RM million)





Net Debt = (D) - (C) = **RM1,585.3 million**

Net Gearing Ratio = **13.99%**

RETAINED EARNINGS AS AT 30 JUNE 2024	RM million
Segment results	1,539.9
Unallocated corporate net expenses	(4.6)
Profit before interest and tax	1,535.3
Net foreign currency translation loss on foreign currency denominated borrowings and deposits	(18.9)
Net interest expense	(117.9)
Profit before tax	1,398.5
Tax expense	(282.2)
Profit for the financial year	1,116.3
Other comprehensive loss	(0.7)
Total comprehensive income	1,115.6
Attributable to non-controlling interests	(6.9)
Total comprehensive income attributable to owners of the parent	1,108.7
Dividends paid	(589.4)
	519.3
Retained earnings as at 30 June 2023	10,562.4
Retained earnings as at 30 June 2024	11,081.7

Group PERFORMANCE HIGHLIGHTS

In RM million unless otherwise stated	2024	2023	+/(-)%
FINANCIAL PERFORMANCE			
Revenue	**9,603.6**	11,583.8	(17)
Profit before interest and tax	**1,535.3**	1,815.5	(15)
Profit before tax	**1,398.5**	1,526.0	(8)
Net operating profit after tax ("NOPAT")	**1,238.0**	1,243.5	-
Profit attributable to owners of the parent	**1,109.4**	1,114.2	-
Average shareholders' equity	**11,504.7**	11,137.3	3
Average capital employed	**16,927.7**	17,178.3	(1)
Operating margin (%)	**12.29**	13.30	(8)
Return on average shareholders' equity (%)	**9.64**	10.00	(4)
Return on average capital employed (%)	**7.31**	7.24	1
Basic earnings per share (sen)	**17.88**	17.95	-
Dividend per share (sen)	**9.5**	11.0	(14)
Net assets per share (sen)	**188**	183	3
Dividend cover (number of times)	**1.9**	1.6	19
Interest cover (number of times)	**9.7**	11.2	(13)
PLANTATION PERFORMANCE			
FFB production (MT)	**2,803,965**	2,686,356	4
Yield per mature hectare (MT)	**19.34**	18.66	4
Mill production (MT)			
Crude palm oil	**625,127**	580,688	8
Palm kernel	**112,059**	114,818	(2)
Oil extraction rate (%)			
Crude palm oil	**21.77**	20.92	4
Palm kernel	**3.90**	4.14	(6)
Average selling price (RM/MT)			
Crude palm oil	**3,856**	4,118	(6)
Palm kernel	**2,210**	2,233	(1)
MANUFACTURING PERFORMANCE			
Oleochemical			
Plant utilisation (%)	**62**	61	2
Sales (MT)	**595,801**	532,493	12
Refinery			
Plant utilisation (%)	**55**	61	18
Sales (MT)	**1,365,646**	1,585,419	(14)

Group QUARTERLY RESULTS

In RM million unless otherwise stated	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2024
Revenue	2,204.2	2,396.8	2,463.0	2,539.6	**9,603.6**
Operating profit	266.4	352.2	219.8	341.7	**1,180.1**
Share of results of associates	125.5	57.6	77.1	90.7	**350.9**
Share of results of joint ventures	1.3	1.2	1.1	0.7	**4.3**
Profit before interest and tax	393.2	411.0	298.0	433.1	**1,535.3**
Interest income	9.0	11.1	10.8	11.3	**42.2**
Finance costs	(40.2)	(39.4)	(40.3)	(40.2)	**(160.1)**
Net foreign currency translation gain/(loss) on foreign currency denominated borrowings and deposits	5.8	35.2	(84.2)	24.3	**(18.9)**
Profit before tax	367.8	417.9	184.3	428.5	**1,398.5**
Tax expense	(62.0)	(78.8)	(60.6)	(80.8)	**(282.2)**
Profit after tax	305.8	339.1	123.7	347.7	**1,116.3**
Attributable to:					
Owners of the parent	304.0	335.4	123.1	346.9	**1,109.4**
Non-controlling interests	1.8	3.7	0.6	0.8	**6.9**
	305.8	339.1	123.7	347.7	**1,116.3**
Basic earnings per share (sen)	4.90	5.41	1.98	5.59	**17.88**
Profit before interest and tax on segmental basis					
Plantation	330.8	319.4	244.9	314.2	**1,209.3**
Resource-based manufacturing	57.7	85.0	44.4	142.2	**329.3**
Other operations	1.4	(1.0)	0.8	0.1	**1.3**
	389.9	403.4	290.1	456.5	**1,539.9**
Unallocated corporate net income/(expense)	3.3	7.6	7.9	(23.4)	**(4.6)**
	393.2	411.0	298.0	433.1	**1,535.3**

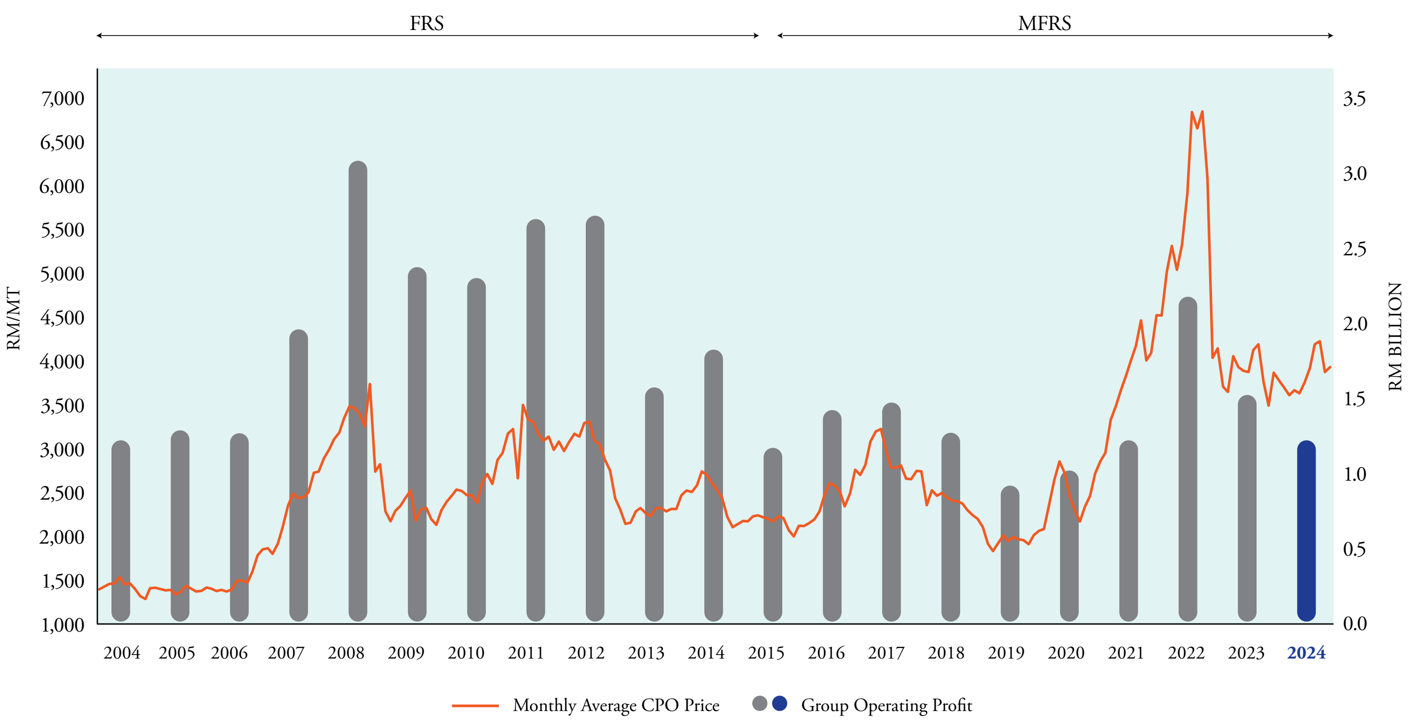
Financial CALENDAR

Financial Year End **30 June 2024**

Announcement of Results		**Payment of Dividends**		
1st Quarter	28 November 2023	1st Interim	Declaration	23 February 2024
2nd Quarter	23 February 2024		Entitlement	11 March 2024
3rd Quarter	24 May 2024		Payment	21 March 2024
4th Quarter	26 August 2024			
Notice of Annual General Meeting	7 October 2024	2nd Interim	Declaration	26 August 2024
Annual General Meeting	5 November 2024		Entitlement	18 September 2024
			Payment	26 September 2024

Group FINANCIAL REVIEW

Growing Through the Cycle



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

INTRODUCTION

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

KEY FINANCIAL INDICATORS

		2024	2023	Change %
Profit before interest and tax ("PBIT")	RM million	**1,535.3**	1,815.5	(15)
Profit before tax ("PBT")	RM million	**1,398.5**	1,526.0	(8)
Profit attributable to owners of the parent ("Net Earnings")	RM million	**1,109.4**	1,114.2	-
Return on average shareholders' equity ("ROE")	%	**9.64**	10.00	(4)
Return on average capital employed ("ROCE")	%	**7.31**	7.24	1
Net operating profit after tax ("NOPAT")	RM million	**1,238.0**	1,243.5	-
Total returns to shareholders				
- Capital appreciation per share	RM	**(0.03)**	(0.11)	73
- Dividend per share	sen	**9.5**	11.0	(14)
Net cash flow generated from operation	RM million	**1,233.8**	2,073.2	(41)
Net gearing ratio	%	**13.55**	13.99	(3)

FINANCIAL HIGHLIGHTS AND INSIGHTS

- The Group's revenue for FY2024 decreased by 17% to RM9.6 billion as compare to RM11.6 billion in FY2023, mainly from the resource-based manufacturing segment.
- At Group level, the results for FY2024 versus FY2023 are best compared and explained at three (3) levels, mainly, PBIT, PBT and Net Earnings, as different factors affected the changes between the two (2) fiscal years at the respective levels.
- Looking at **PBIT**, contributions from the segments are as follows:

	2024 RM million	Mix %	2023 RM million	Mix %	Change %
Plantation	**1,209.3**	**79**	1,151.3	63	5
Resource-based manufacturing	**329.3**	**21**	691.0	38	(52)
Total	**1,538.6**	**100**	1,842.3	101	(16)
Others including unallocated corporate net expenses	**(3.3)**	**-**	(26.8)	(1)	(88)
PBIT	**1,535.3**	**100**	1,815.5	100	(15)

- The plantation segment's PBIT increased by 5% to RM1,209.3 million, due mainly to higher FFB production and oil extraction rate ("OER") as well as higher share of associate results, partially offset by lower CPO and PK prices realised.
- The resource-based manufacturing segment's PBIT decreased by 52% to RM329.3 million. Excluding the fair value gain on derivative financial instruments of RM37.4 million (FY2023 – loss of RM58.1 million), the segment reported an underlying profit of RM291.9 million for FY2024 as compared to RM749.1 million for FY2023. The lower profit was due mainly to lower margins from oleochemical and refining sub-segments, mitigated by higher share of associate results. The higher margins recorded in FY2023 were due to stronger customer demand driven by global supply chain disruptions. In addition, Indonesia's policy restricting CPO exports during that period also contributed to the better margins for the refining sub-segment.
- Other PBIT for FY2023 includes fair value loss on put and call options of RM29.2 million and net gain on partial disposal of 10% equity interest in an associate of RM17.2 million.
- **PBT** decreased by 8% to RM1,398.5 million, mainly due to lower contribution from resourced-based manufacturing segment, mitigated by higher contribution from plantation segment and lower net foreign currency translation loss on foreign currency denominated borrowings and deposits of RM18.9 million (FY2023 – RM174.5 million).
- **Net Earnings** decreased to RM1,109.4 million. The decrease of the net earnings is due mainly to lower PBT as explained in the foregoing paragraphs.
- The Group's **Interest Cover** was 9.7 times (FY2023 – 11.2 times).
- With the decrease of net earnings, the Group recorded a **ROE** of 9.64% for FY2024 based on an average shareholders' equity of RM11,504.7 million (FY2023 – RM11,137.3 million), as compared to 10.00% recorded in the previous financial year.
- With the marginal decrease of NOPAT, the Group recorded a **ROCE** of 7.31% for FY2024 based on an average capital employed of RM16,927.7 million (FY2023 – RM17,178.3 million), as compared to 7.24% recorded in the previous financial year.

GROUP FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS AND INSIGHTS (Continued)

- The Group strives to enhance ROE and ROCE by continuous improvement in operating performance and by active management of its capital structure and commitment in execution of its five strategic priorities. Initiatives undertaken by the Group include maintaining dividend payouts, share buy-back (and cancellation) programme and a continuous review and adjustment of the Group's debt gearing ratio having regard to maintaining stable credit ratings.

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

In RM million	2024	2023
Cash dividend	**589.4**	869.4
Share buy-back	**-**	34.4
Total equity repayments	**589.4**	903.8

- The Group generated an **Operating Cash Flow** of RM1,233.8 million for FY2024 against RM2,073.2 million for FY2023. Similarly, **Free Cash Flow** decreased from RM1,472.5 million to RM569.6 million due mainly to decrease in net working capital.
- The inventory turnover days for FY2024 has increased to 56 days, as compared to inventory turnover days of 53 days for FY2023.
- The trade receivables turnover days for FY2024 has increased to 35 days, as compared to trade receivables turnover days of 33 days for FY2023.
- As for the cash and cash equivalents, it decreased from RM2.24 billion reported in FY2023 to RM2.18 billion reported in FY2024, due mainly to lower net cash from operating activities, increase in net cash used in investing activities, mitigated by decrease in net cash used in financing activities.
- The net gearing ratio of the Group was marginally decreased from 13.99% in FY2023 to 13.55% in FY2024.
- The Group's **Shareholders' Equity** as at 30 June 2024 stood at RM11.7 billion. The movement during the financial year included net earnings of RM1.1 billion, offset by total dividend payment of RM0.6 billion.
- For FY2024, the Group incurred a total of RM677.0 million (FY2023 – RM621.2 million) for **Capital Expenditure ("Capex")**.

RETURN TO SHAREHOLDERS

Two interim cash dividends totaling 9.5 sen per ordinary share amounting to a total payout of RM589.4 million were declared for FY2024.

If a shareholder had bought 1,000 ordinary shares in the Company ("IOIC Shares") when it was listed in 1980 and assuming the shareholder had subscribed/accepted for all rights issues and offer for sale to date and had not sold any of the shares, the shareholder would have as at 30 June 2024 76,000 IOIC Shares worth RM281,200 based on IOIC Share price of RM3.70 and 55,417 IOI Properties Group Berhad Shares ("IOIPG Shares") worth RM122,471 based on IOIPG Share price of RM2.21. The appreciation in value together with the dividends and IOIPG Shares received less capital outlay translates to a remarkable compounded annual rate of return of 15.5% for each of the 44 years since the Company was listed.

The Company continues to manage its capital in a proactive manner to provide value to shareholders, optimise gearing levels and provide for funding requirements. The Group also continues to maintain a healthy cash and bank balance, which as at 30 June 2024 stood at RM2.18 billion, and a net gearing ratio of 13.55%.

GROUP BUSINESS REVIEW: *Plantation*

WHO WE ARE & WHAT WE DO

Plantation is a core business of IOI, which is engaged in the cultivation of oil palm and processing of palm oil with operations in seed breeding, cultivation and crop oil extraction. Today, we have 98 estates, 14 palm oil mills, four research and development ("R&D") centres and one biotechnology centre across Malaysia and Indonesia. Our harvested fresh fruit bunches ("FFB") are processed by our own 14 milling facilities with a total installed capacity of 971 metric tonne ("MT") per hour of FFB.

Our current total planted area (including subsidiary companies) stands at 176,202 hectares ("ha") (FY2023: 176,925 ha), while our associate companies' planted area stands at about 127,800 ha (as of 30 June 2024). Our total oil palm planted area is 98% (FY2024: 172,107 ha compared to FY2023: 173,818 ha) and 86% (FY2023: 84%) is classified as mature. The weighted average oil palm age for the Group is 14 years.

IOI is diversifying into other higher value crops such as coconuts to generate higher returns from our existing landbank. As of FY2024, we have planted 3,131 ha of coconuts and target to plant 634 ha by next year. We have also started producing our own planting materials, including hybrid *Matag* coconuts, at our newly established seed garden, which has been set up to develop new and improved materials for the future expansion of the Group. Other non-palm segment crops include durians and avocados. As of FY2024, we have planted 87 ha of durians, and we plan to plant 20 ha of durians and 8 ha of avocados by next year.

In addition, we are increasing our crop diversity through intercropping to optimise the revenue of our operating units which are undergoing replanting programmes. As of FY2024, we have planted 568 ha of bananas and 49 ha of pineapples, which are considered cash crops, and we target to plant 150 ha of bananas and 10 ha of pineapples by next year.

IOI emphasises heavily on Environmental, Social and Governance ("ESG"), a crucial element for businesses in sustainability development, and has made marked improvements in various ESG efforts. We secured a second consecutive Gold Award for Plantation Sector (Equity Category) at The Edge Malaysia ESG Awards 2023 on 6 November 2023, reinforcing our leadership position in the ESG dimension and our commitment to adopting good ESG practices in our operations. We are consistently advancing the integration of ESG into our business strategies to achieve continuous progress each year.

KEY FOCUS AREAS

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

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

KEY BUSINESS HIGHLIGHTS

The total FFB production for the Group is 2.80 million MT in FY2024 compared to 2.69 million MT in FY2023. The FFB yield recorded in FY2024 is 19.34 MT per ha compared to 18.66 MT per ha in the previous year. The higher FFB productivity and yields are primarily due to having sufficient foreign workers this year compared with last year, coupled with the good yield from young mature palms in Indonesia and a higher crop trend in Peninsular Malaysia. Other factors, such as the prompt completion of our manuring programme, weeding and pruning, lower harvesting interval, higher FFB loose fruit collection, and mechanisation and digitalisation efforts, also contributed to the uptrend in our crop production, leading to higher crude palm oil ("CPO") production output.

Notwithstanding the higher CPO production, the unfavourable weather conditions affected our harvesting activities. In view of that, we continuously worked on improvements in road access and irrigation management, installing cableways in Indonesia to expedite crop evacuation while avoiding the sea route, and implementing infield mechanisation.

In FY2024, approximately 11,261 ha of young palms were brought into maturity, whilst 8,631 ha of old palms were replanted. Replanting remains a priority for the Group and we have replanted about 48,228 ha since FY2019 to improve the Group's overall average age profile. Our replanting programme is augmented through the use of our elite clonal palms and high-yielding third-generation hybrid palm seedlings to increase oil palm yields.

Top 3 Largest Companies* in Plantation Sector

** By market capitalisation on Bursa Malaysia*

Total Planted Area

176,202 Hectares*

** Excludes area owned by associate companies*

Total Oil Palm Estates

98*

** Located in Malaysia and Indonesia*

192,560 Hectares & 14 Mills

RSPO*-Certified in Malaysian and Indonesian Operations

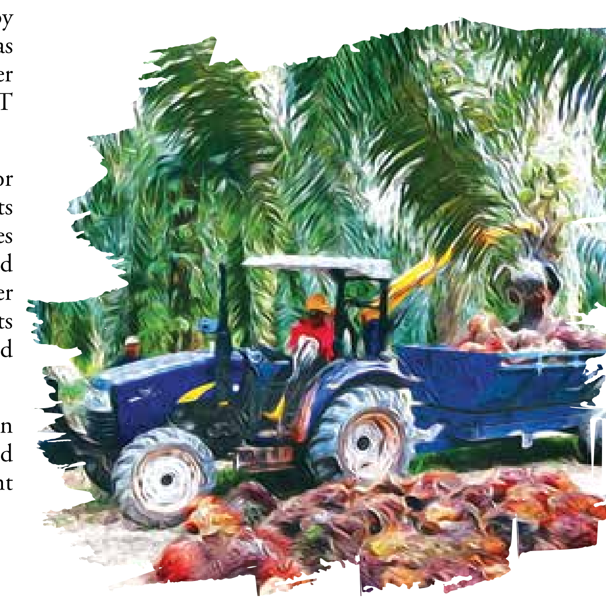
** Roundtable on Sustainable Palm Oil*

FINANCIAL HIGHLIGHTS

As of 30 June 2024, the Group's plantation segment's revenue increased 4% from RM2.7 billion in FY2023 to RM2.8 billion in FY2024. This year-on-year improvement was contributed by higher CPO and palm kernel ("PK") sales volume. The average CPO price for FY2024 was lower by RM262 per MT (FY2024: RM3,856 per MT compared to FY2023: RM4,118 per MT) and the average PK price was also lower by RM23 per MT (FY2024: RM2,210 per MT compared to FY2023: RM2,233 per MT).

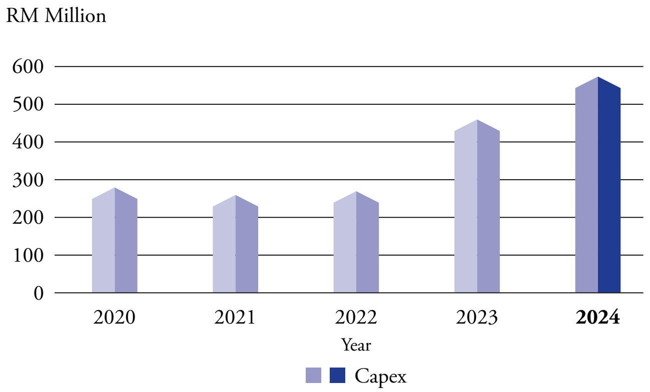
The plantation profit for FY2024 was RM1,209.3 million compared to RM1,151.3 million for FY2023. Excluding the net fair value gain on biological assets and derivative financial instruments of RM8.0 million (FY2023: loss of RM14.8 million), and impairment loss on plasma receivables of RM5.5 million, there was an underlying profit of RM1,206.8 million for FY2024 compared to RM1,166.1 million for FY2023. The higher profit reported was due mainly to higher FFB production and oil extraction rate ("OER") as well as higher share of associate results (FY2024: RM205.6 million vs FY2023: RM185.8 million), partially offset by lower CPO and PK prices realised.

The plantation segment incurred RM555.5 million in capital expenditure ("Capex") in FY2024 compared with RM444.5 million in FY2023. The investment primarily consisted of expenditure in replanting (East Malaysia), plant and machinery, plantation development infrastructure and a new mill in Indonesia.

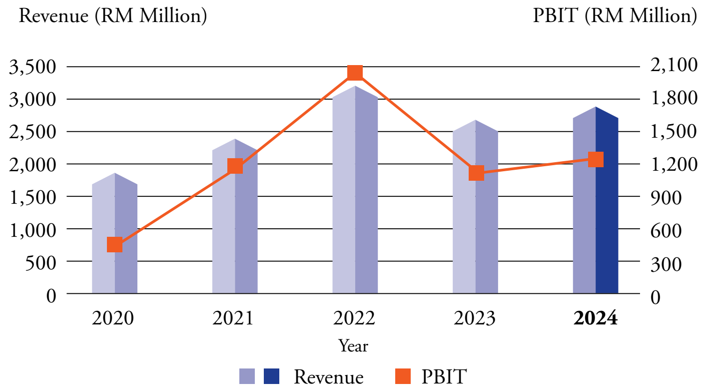


GROUP BUSINESS REVIEW: PLANTATION

CAPEX



REVENUE AND PROFIT BEFORE INTEREST AND TAX ("PBIT")

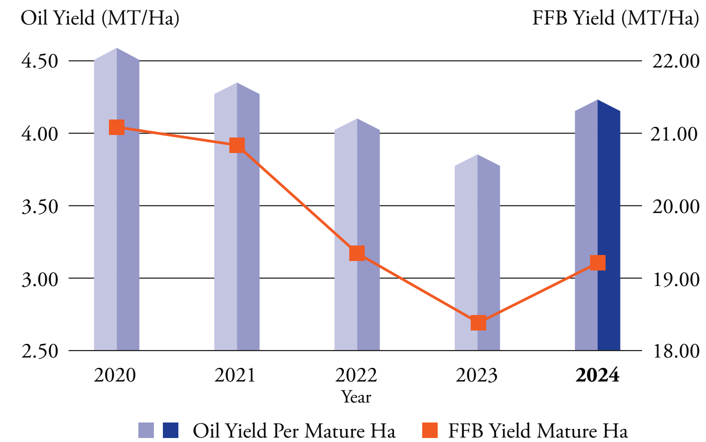


5-YEAR PLANTATION PERFORMANCE STATISTICS

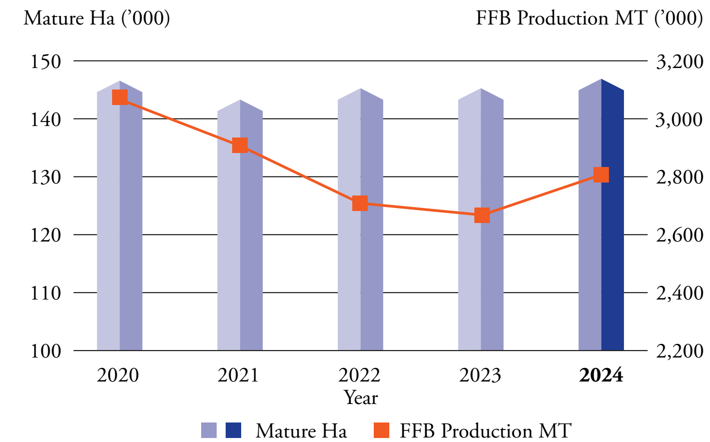
CROP STATEMENT	2024	2023	2022	2021	2020
OIL PALM					
Average mature area harvested (Ha)	**144,959**	143,996	141,011	140,418	145,802
FFB production (MT)	**2,803,965**	2,686,356	2,726,516	2,917,621	3,097,262
Yield per mature hectare (MT/Ha)	**19.34**	18.66	19.34	20.78	21.24
Mill production (MT)					
Crude palm oil	**625,127**	580,688	607,200	646,692	708,212
Palm kernel	**112,059**	114,818	124,114	135,853	151,473
Oil extraction rate (%)					
Crude palm oil	**21.77**	20.92	21.39	21.39	21.83
Palm kernel	**3.90**	4.14	4.37	4.49	4.67
Average selling price (RM/MT)					
Crude palm oil	**3,856**	4,118	4,688	3,076	2,314
Palm kernel	**2,210**	2,233	3,593	2,115	1,375

AREA STATEMENT IN HECTARES	2024	2023	2022	2021	2020
OIL PALM					
Mature	**147,152**	146,069	143,787	143,749	146,856
Immature	**24,955**	27,749	31,405	33,177	30,053
Total oil palm planted area	**172,107**	173,818	175,192	176,926	176,909
COCONUT					
Mature	**249**	249	54	54	54
Inmature	**2,882**	1,921	909	236	196
	3,131	2,170	963	290	250
Others	**964**	937	825	889	909
Total planted area	**176,202**	176,925	176,980	178,105	178,068
Nursery	**338**	358	324	254	248
Estate under development	**378**	462	532	554	836
Labour lines, building sites and others	**28,155**	29,384	29,277	28,074	27,415
Total area	**205,073**	207,129	207,113	206,987	206,567

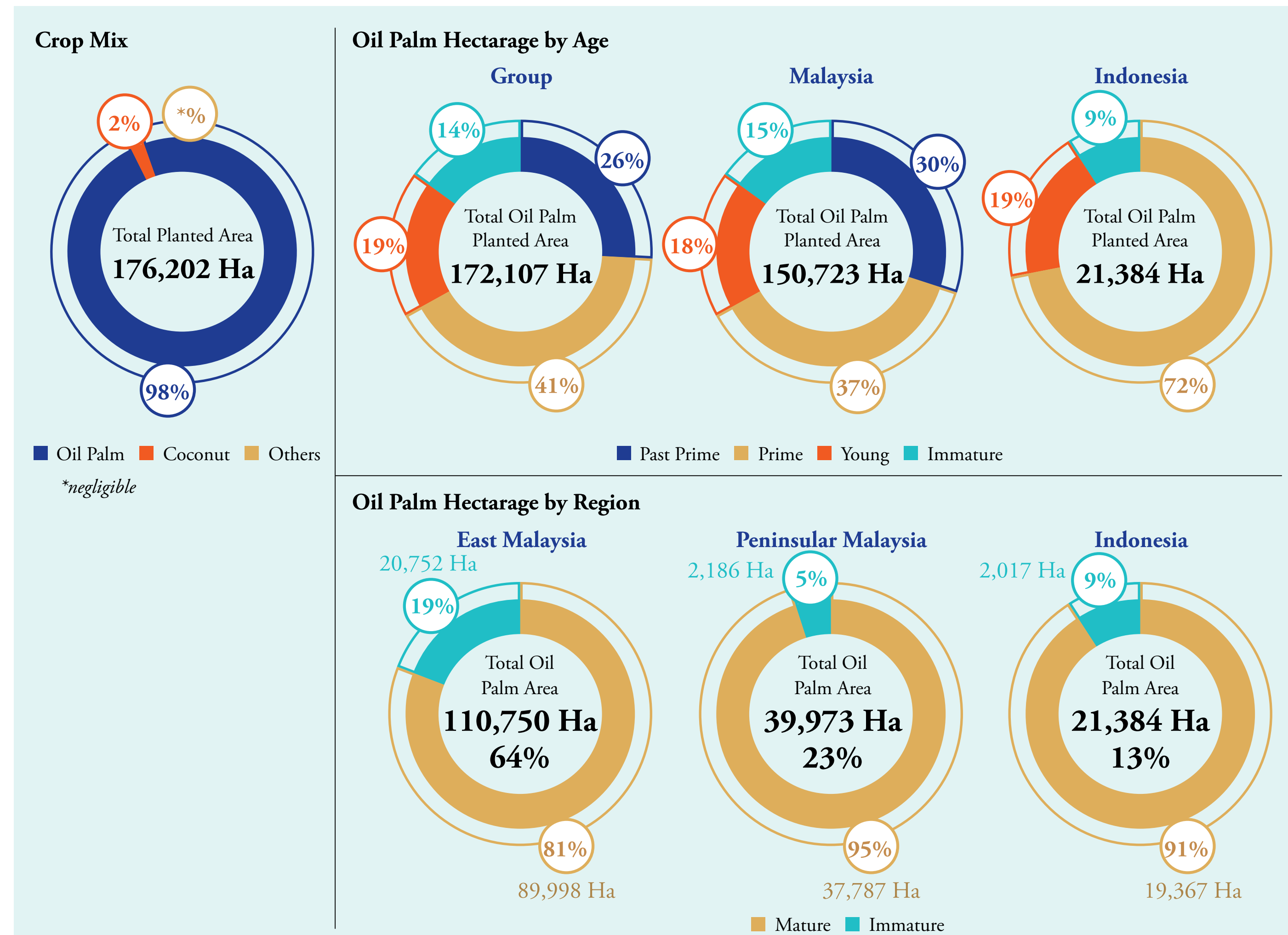
OIL YIELDS AND FFB YIELDS



AVERAGE MATURE OIL PALM AREA HARVESTED AND FFB PRODUCTION



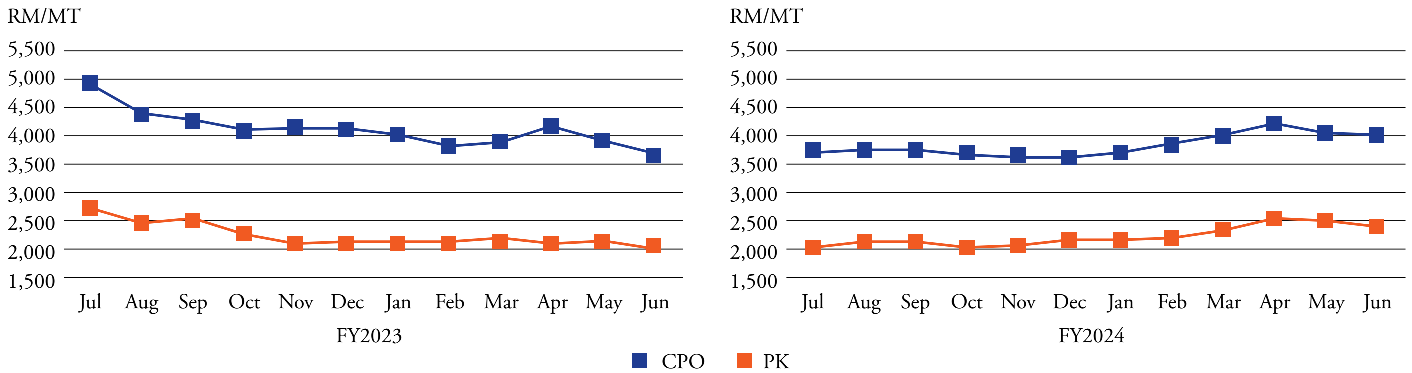
PLANTATION STATISTICS



GROUP BUSINESS REVIEW: PLANTATION

AVERAGE REALISED CPO AND PK PRICES

Average CPO Price	Average PK Price	Average CPO Price	Average PK Price
RM 4,118/MT	RM 2,233/MT	RM 3,856/MT	RM 2,210/MT



BUSINESS PERFORMANCE REVIEW 2024

Strategic Objectives

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

Key Initiatives

- Digitalisation
- Mechanisation
- Continued investment in R&D
- Better worker management
- Driving to maximise oil yields by innovating with high-yielding clonal palms, superior planting materials and achieving high early yields from young mature palms
- Embarking on conservation projects to minimise crop loss during adverse weather conditions

Achievements In FY2024

1. IOI continued to achieve high yields, as indicated by our top three best-performing estates compared with the industry's average yield of 3.14 MT/ha (Year 2023).

ESTATE	OIL YIELD
a) Detas	7.03 MT/ha
b) Bertam	7.02 MT /ha
c) Mamor	6.22 MT/ha

2. Our mills continued to achieve high OERs due to FFB crops derived from superior high-yielding palms, as indicated by our top three best-performing mills compared with the industry's average of 19.86% (Year 2023).

MILL	OER
a) Baturong (Sabah)	25.18%
b) Morisem (Sabah)	23.48%
c) Mayvin (Sabah)	22.76%

3. All our Malaysian plantation operating units are fully integrated with the SAP system and the electronic plantation monitoring system while 100% have been implemented with the e-wallet salary crediting system.
4. We have successfully initiated various mechanisation efforts:
   a. Implemented mechanised mainline FFB evacuation system (using FFB grabber in combination with bin transport system) in about 99% of terrain-suitable estates across Malaysia, which have improved productivity and enabled the workers to earn better wages.
   b. Implemented mechanised assisted infield FFB evacuation system (using motorised power barrow, mechanical cart, mini tractor grabber, etc) in 64% of potential hectarage in our Malaysian estates, which has increased harvesters' productivity by 25% to 32%, and reduced dependency on workers by improving harvester-to-land ratio from 1:16 ha to 1:21 ha.
   c. Implemented mechanical fertiliser spreader and mechanical weed sprayers at flat and undulating area for upkeep work to reduce manual labour dependency.
   d. Implemented mechanical front-end loader attached to a tractor for organic farming to increase the productivity of empty fruit bunch ("EFB") and dry palm oil mill effluent ("POME") application in the field.
   e. Provided continuous training and briefing for our estates' personnel, and increased the number of skilled workers.
5. We have continued to initiate various digitalisation efforts:
   a. Expanded more functionalities in robotic process automation ("RPA"), SAP Fiori and SAP Business Warehouse for smarter digitalisation.
   b. Implemented IOI ESG Digitalisation Platform.
   c. Continued implementing Enterprise Resource Planning ("ERP") system for Indonesia's plantation operating units.
   d. Started pilot phase for cognitive technology and artificial intelligence in bunch audit and bunch counting to improve efficiency and accuracy in operations.
   e. Started pilot phase for fleet management system to accurately monitor our fertilising vehicles and other vehicles used for FFB evacuation.
   f. Enabled smarter digitalisation by digitalising end-to-end FFB evacuation process with integration to SAP for accurate and faster data processing for precision agriculture management.

Challenges/Risks	Mitigation Actions
Shortage of foreign workers directly impacted the supply chain (from FFB harvesting to CPO and PK production and sales) leading to lower FFB and oil yields, and negatively impacting revenue.	1. Actively recruit more local workers with competitive incentives, improve employee welfare and amenities, and introduce a "worker-get-worker" scheme. 2. Introduce better work processes and intensify mechanisation or automation to improve the effectiveness and efficiency of the production chain. 3. Annually review pay rates for workers to remain competitive whilst addressing the falling exchange rate impact. 4. Liaise with the relevant authorities such as Ministry of Home Affairs, Ministry of Human Resources, Ministry of Plantation and Commodities and other government agencies through the Malaysian Palm Oil Association or East Malaysia Planters Association on labour-related issues and policies. 5. Strategic deployment of harvesters from replanting areas to cover other tall palm areas when there is a worker shortage.
Sporadic droughts in Peninsular Malaysia plus heavy rainfall and floods in Sabah and Indonesia, which impacted crop productivity and affected FFB production.	1. Accelerate mechanisation to enhance efficiency of FFB evacuation, particularly in areas with wet weather conditions. 2. Employ water conservation practices such as constructing conservation terraces, silt pits and bunds to retain soil and water. 3. Construct weirs at drainage and irrigation systems to maintain soil moisture. 4. Apply EFB as mulch to increase water holding capacity and maintain soil fertility. 5. Locate sites for water catchment areas such as unplantable steep ravines and low-lying waterlogged basins. 6. Desilt annually and improve drains to lead away excessive water during heavy rainfall.
Volatility of CPO prices caused by ongoing Russia-Ukraine crisis, trade friction between the United States and China, and drought in South America which affected soybean production.	1. Manage costs strategically by continuously improving operational efficiency and productivity through digitalisation and mechanisation efforts that reduce dependency on foreign workers. 2. Diversify to other crops to mitigate risk of relying solely on oil palm. 3. Enter into forward sales contracts to partly mitigate volatility of CPO prices.
Outbreak of insect pests (such as nettle caterpillars), vertebrate pests (such as rats and wild boars) and diseases (such as *Ganoderma* fungus), which damaged crops and attacked oil palm trees.	1. Implement integrated pest management approaches that prioritise biological control over chemical pesticides. 2. Employ different techniques during replanting such as soil ripping and ploughing to prevent *Ganoderma* outbreak; and pulverising trunk chips to minimise breeding of rhinoceros beetles in immature and young mature palms.
Approximately 26% of IOI's current oil palm trees are categorised as past prime (more than 21 years old and above), which are due for replanting, causing revenue and profit to be impacted by low FFB production.	1. Accelerate replanting programme by replanting 5% to 6% of planted area per year with superior planting materials to achieve early and high yields from a young mature palm age. 2. Replant with third-generation Limited Breeding Programme materials crossed with valid progeny-tested AVROS pisifera, which are expected to generate more than 33.0 MT of FFB per ha and have potential to generate more than 8.4 MT of CPO per ha from the seventh year onwards after planting. 3. Plan systematic 4% replanting per year of land area after completion of the 10-year replanting programme. 4. Replant with Advanced Planting Materials aged 16 to 18 months for early maturity.

OUTLOOK & PROSPECTS

FFB production is projected to be higher in FY2025 compared to FY2024 despite the accelerated replanting programme in Sabah. The growth is expected to be driven by the continuing labour productivity improvement in Peninsular Malaysia and increased FFB production from our young trees. Consequently, CPO production costs are anticipated to be lower than in FY2024 due to reductions in the costs of inputs such as fertiliser, diesel and chemicals.

In Sabah, we are continuing our accelerated replanting programme in our estates to maintain a good age profile for sustainable growth. We expect to replant about 6.0% of our Malaysian planted area with superior planting materials in FY2025. Overall, we are optimistic about the outlook and financial performance of the plantation segment in FY2025.

GROUP BUSINESS REVIEW: *Resource-Based Manufacturing*

WHO WE ARE & WHAT WE DO

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

FINANCIAL HIGHLIGHTS

The Group's resource-based manufacturing segment profit for FY2024 was RM329.3 million as compared to RM691.0 million for FY2023. Excluding the fair value gain on derivative financial instruments of RM37.4 million (FY2023: loss of RM58.1 million), the resource-based manufacturing segment reported an underlying profit of RM291.9 million for FY2024 as compared to RM749.1 million for FY2023. The lower profit reported was due mainly to lower margins from the refining and oleochemical sub-segments, mitigated by higher share of associate results (FY2024: RM145.3 million vs FY2023: RM87.0 million). The higher margins recorded in FY2023 were due to stronger customer demand driven by global supply chain disruptions. In addition, Indonesia's policy restricting CPO exports during that period also contributed to better margins for the refining sub-segment.

REFINING

Manufacturing Facilities
2

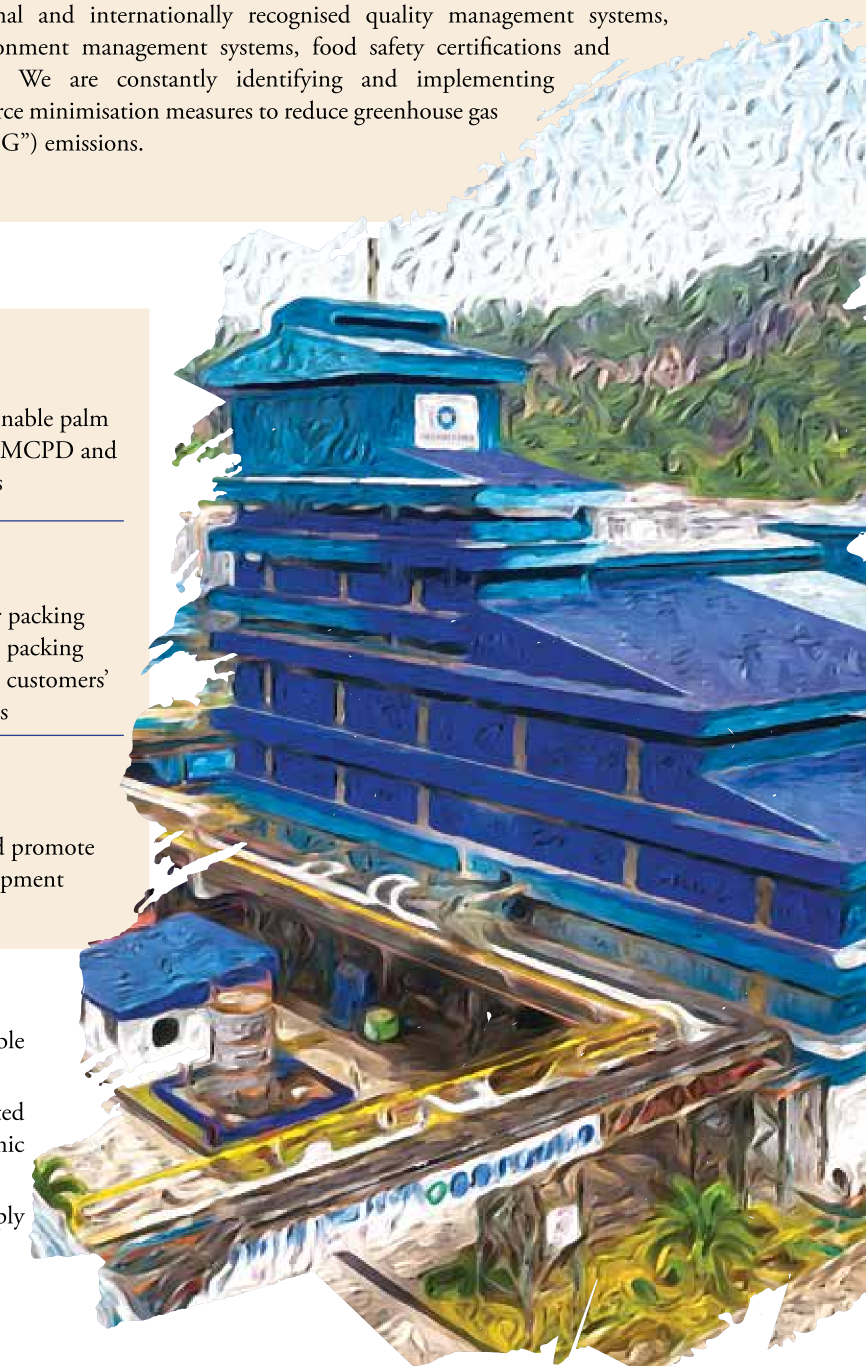
Combined Annual Refining Capacity
1.8 million MT

Sales of Total Certified Refined Products
214,803 MT

The Group has two wholly-owned refineries in Malaysia with a combined annual capacity of more than 1.8 million MT. They are strategically located in Pasir Gudang, Johor, and Sandakan, Sabah, which have gateways to major shipping routes with direct port access. Both refineries are closely located to our plantations and mills. They produce palm and palm kernel oil fractions for domestic and export markets, as well as feedstock for the Group's downstream activities. Our refineries are 100% Roundtable on Sustainable Palm Oil ("RSPO"), Malaysian Sustainable Palm Oil ("MSPO") and International Sustainability and Carbon Certification ("ISCC") certified. In addition, our manufacturing premises have attained various national and internationally recognised quality management systems, environment management systems, food safety certifications and more. We are constantly identifying and implementing resource minimisation measures to reduce greenhouse gas ("GHG") emissions.

KEY FOCUS AREAS

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



KEY BUSINESS HIGHLIGHTS

- Both refineries have recorded higher sales of certified sustainable refined products with improved customers' demand.
- The sales volume of our low 3-MCPD and GE products was affected by customers' demand due to geopolitical and macroeconomic factors.
- Our refineries' utilisation rates have been impacted by the supply tightness of raw materials and slow global vegetable oil demand.

GROUP BUSINESS REVIEW: RESOURCE-BASED MANUFACTURING

BUSINESS PERFORMANCE REVIEW 2024

Strategic Objectives	Key Initiatives	Achievements In FY2024
Drive innovation and promote sustainable development.	Continuous improvement on process and digitalisation, and reduction of GHG emissions and energy consumption.	• IOI Pan-Century Edible Oils Sdn Bhd successfully installed 100 solar panels, generating 6,250 kWh of solar energy per month and reducing GHG emissions by 4,673.33 kg CO_2 per month. • IOI Edible Oils Sdn Bhd improved the performance of its palmitic and lauric fractionation plants, reducing steam consumption and minimising electricity usage, resulting in GHG emissions reductions by an equivalent of 7,380 kg and 4,458 kg CO_2 per month, respectively. • IOI Edible Oils Sdn Bhd installed a new cooling tower with an enhanced design and performance for the vacuum system, achieving an estimated monthly steam savings of 319 tons and contributing to a GHG emissions reduction of 31,736 kg CO_2 per month. • Shared knowledge and experience in palm oil-related areas through the submission of three articles in *The Chemical Engineer* magazine and three journal articles published by the Sandakan Refinery team.
Expand certified sustainable palm oil products and low 3-MCPD and GE markets.	Focusing on expanding our markets for certified sustainable and value-added palm oil.	• Sales of certified refined palm products was 214,803 MT in FY2024 as compared to 200,785 MT in FY2023.
Maximise consumer packing capacities in various packing configurations to meet different customers' requirements.	Actively participate in World Food Programme tenders and expand other potential markets.	• Delivered 20 shipments totalling 33,833 MT for the United Nations World Food Programme this year.

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

OUTLOOK & PROSPECTS

We expect palm prices to be volatile, especially if macroeconomic conditions unexpectedly shift from their current slow but steady state. Looking ahead, an anticipated better soybean harvest in the United States ("US") and higher palm oil output could challenge CPO prices. Higher demand is expected from importing countries, particularly as Europe stocks up ahead of the European Union Deforestation Regulation ("EUDR"). Additionally, concerns over unpredictable weather and intensified geopolitical tensions disrupting the supply chain are likely to provide support for CPO prices.

On the demand side, we look forward to any biofuel and sustainable aviation fuel mandates to provide additional support. China's growing GDP is also expected to bolster demand. While the outlook for the refining sub-segment remains subdued due to low refining margins – largely driven by the overcapacity of refineries in Indonesia and the raw material price advantage from the country's CPO export duty policy – we remain confident. Our refining margins are expected to improve due to our capabilities in producing low-contaminant oils and our focus on cost optimisation. Overall, we are optimistic about the outlook of the palm oil industry and foresee that demand for palm oil will remain resilient and steady.

OLEOCHEMICAL

Manufacturing Facilities
4

Export to Over
80
Countries Worldwide

Combined Annual Oleochemical Capacity
890,000 MT

The principal activities of the Group's oleochemical sub-segment are manufacturing and sales of fatty acids, glycerine, soap noodles and downstream oleochemical products such as fatty esters and specialty derivatives. These versatile products are used in a wide variety of applications from industrial sectors such as automotive, construction and plastic to food, nutrition, pharmaceutical and cosmetics. Our oleochemical products are exported to more than 80 countries worldwide. Our main customers are located in Japan, China, Europe and the US, which include some of the world's most esteemed and well-known multinational corporations.

The Group's oleochemical manufacturing activities are undertaken by four manufacturing facilities – two are located in Peninsular Malaysia while another two are in Germany – with a total combined production capacity of up to 890,000 MT per annum. The Penang and Johor plants are exclusively palm oil-based whereas the plants in Germany use mainly palm oil supplemented by other vegetable oils such as coconut oil, rapeseed oil and sunflower oil. These plants complement and add value to each other through technical know-how collaborations and application of basic oleochemicals into niche derivatives.

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

KEY FOCUS AREAS

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

GROUP BUSINESS REVIEW: RESOURCE-BASED MANUFACTURING

KEY BUSINESS HIGHLIGHTS

- Our fatty acids sales underperformed in both sales volume and profit margin due to the weak global economy. During the first half of the financial year, the market was quiet due to high inventory, low market demand and geopolitical situation. Many of our customers including multinational companies have reduced their purchases. The margin was suppressed due to severe market competition. Towards the second half of the financial year, we have seen significant improvement in sales volume as the market seems to revive after a long absence. However, the geopolitical situation which leads to escalating freight, longer transit period and tight vessel space has created some constraint in the market. Nevertheless, we are committed to boosting cost efficiency and productivity with our new fatty acids plant, which will not only lower production costs but also provide the flexibility to tailor our products to meet diverse customer needs.
- Our soap noodles business has performed well primarily due to better margins contributed by multinational companies and key customers. The impact of the Indonesian palm oil duty and levy is still significant, taking away market share from standard products, especially in price-sensitive markets such as India and Africa. The new soap plant was successfully commissioned and has enhanced our ability to produce a variety of new products and also improve our cost efficiency. We managed to regain business from some regional customers through relentless effort and follow-up.
- Our specialty business performed well, with medium-chain triglycerides ("MCT") and isopropyl esters leading the way. MCT sales grew due to their multi functional qualities, ranging from basic personal care and cosmetics to specialised use in human and animal nutrition. While growth in volumes was satisfactory, the sharp spike in raw material prices impacted the margins' performance. Sales in the traditional markets of Asia Pacific, the Americas, and Europe remain challenging, while new sales growth in Mexico, Latin America, and the Indian subcontinent was encouraging as it provided impetus for new business and new regional expansion.
- Our German business had a difficult year due to a challenging economic environment. While sales volume and plant utilisation significantly improved in the second half of the financial year, margins were notably affected compared to the previous year. Amid the difficult year, our German team continued to work on their Vision 2030 which consists of the sustainable growth strategy for the pharma and personal care business units. The personal care business unit has successfully launched two new and innovative products for the personal care market. The pharma business unit has successfully scaled up trials of our new product platform, Polyglycerol Esters ("PGE"), for different applications. Efforts to improve plant efficiency and capacity of the MCT plant have taken a step forward with all planned activities realised during the year.

BUSINESS PERFORMANCE REVIEW 2024

Strategic Objectives	Key Initiatives	Achievements In FY2024
Drive business growth by increasing sales and expanding new market segments. **Enhance cost efficiency by optimising plant capacity and improving operational efficiency.** **Develop niche markets by exploring new product applications and launching new products.**	• Optimising plant manufacturing capacity. • Enhancing cost efficiency through plant automation and digitalisation. • Embarking on energy efficiency and water recycling projects. • Revamping and replacing ageing equipment. • Filing patents for new product applications. • Developing new product formulations in CARE Studio.	**IOI Oleochemical Industries Berhad, Penang:** • Adopted advanced technology in warehouse automation to improve efficiency and reduce manpower. • Optimised the Real-time Production Organiser – Operation Management and Visual MESA Energy Management System. • Extended our use of the SAP ERP system by upgrading to SAP S4/HANA Private Cloud Edition ("PCE") and adopting various business process transformations. IOI Oleochemical Industries Berhad and IOI Pan-Century Oleochemicals Sdn Bhd successfully went live with this upgrade in May 2024. **IOI Pan-Century Oleochemicals Sdn Bhd, Johor:** • Equipped packing plant with an auto-printing machine, reducing human dependency and minimising errors. • Expansion of production capability of selected high-value products such as P9818, P5608 and PS8317 to enhance duo site security of supply to key customers. • Digitalisation of biogas boiler at the effluent treatment plant. • Integrated water-jet vacuum system at the Soap Noodles Plant 2 with the existing soap noodles vacuum system and cooling tower. • Replaced the conventional tank farm's steam heating system with a hot water heating system sourced from solar and waste heat recovery. **IOI Oleo GmbH, Germany:** • Successfully filed a patent for the isolation of High-Mono-Ester from PGE to be used in pharma, nutrition and cosmetic applications, and another patent for PGE to be used as novel suppositories. • Developed 15 new personal care applied formulations (12 were launched and three will be launched in the second half of 2024). • Developed new cooling water conditioning treatment in the main production building of Witten site to improve process efficiency while reducing auxiliary consumption, emissions and costs. • Installed automated MCT refining lines at Wittenberge site to reduce the generation of waste and specific energy consumption.

Challenges/Risks	Mitigation Actions
Risk of higher competition in the pharma business unit as a result of the new EUDR imposed on second supplier strategy by customers.	• Intensification of the customer relationship and supply from Witten and Wittenberge.
Risk of eroding contribution margin due to increasing competition especially in our commodity-based businesses.	• Investing in projects to increase our process efficiency. • Focus on high-margin niche products.
Risk of a significant competitive disadvantage caused by scarcity and increase in the price of strategic raw materials caused by the EUDR.	• Development of a supply strategy that is adapted to the EUDR. • Cooperation with associations and authorities to postpone or adapt to the EUDR.

OUTLOOK & PROSPECTS

The uncertainties surrounding global economic growth and geopolitical conflicts are expected to affect the market. However, we expect better performance for the first half of FY2025 due to stock building by our European customers ahead of the EUDR implementation. Nevertheless, our strong Environmental, Social and Governance ("ESG") commitment coupled with our RSPO-certified palm oil will provide us the advantage to be prepared for the EUDR and thus give us a competitive edge in the European market.

We will continue to protect our market share, and look out for pockets of business opportunities in the new markets and new products with a special focus on the pharma and personal care business segments. We believe that our strength in producing innovative products for high-value markets as well as our prudent financial management, enhanced operation efficiencies and strong commitment to sustainability will give us a leading edge.

SPECIALTY OILS & FATS

Our associate company, Bunge Loders Croklaan Group BV ("BLC") is a leading global producer and supplier of sustainable plant-based specialty oils and fats for the food manufacturing and food service industry globally, and its products are used in a variety of applications from bakery and confectionery to culinary and infant nutrition. Oils and fats are indispensable ingredients that shape taste, nutrition and culinary experience and BLC's specialty oils and fats solutions meet evolving dietary needs and trends, delivering the functionality that the food and nutrition industry demands, and satisfying the diverse tastes of consumers in every part of the world.

Our partnership with Bunge Limited ("Bunge") to build BLC into a global leader in oil and fat ingredients for B2B customers and supplier of choice for many food manufacturers, bakeries, restaurants and food service operators has culminated to its unmatched global presence, with differentiated and comprehensive product offerings based on tropical and seed oils and world-class formulation and application capabilities.

BLC's performance is expected to be more favourable in FY2025 as inflation continues to subside in most parts of the world and demand for food is more resilient. However, the expiry of a lease over a refinery in Rotterdam, from where BLC produces raw material oils for its specialty fats plant in Amsterdam, at the end of 2024 could pose challenges for its European business in securing raw material oils from other sources at reasonable prices. This is a short-term challenge which will be resolved when its new bulk refinery plant complex in Amsterdam is completed around the fourth quarter of 2025.

GROUP BUSINESS REVIEW:
RESOURCE-BASED MANUFACTURING

PALM WOOD

The Group's non-crude palm oil subsidiary, IOI Palm Wood Sdn Bhd ("IOI Palm Wood"), has commissioned operations in Segamat, Johor, to convert oil palm by-products such as oil palm trunks ("OPT") into value-added products at a competitive cost under the *OnCore®* product brand. As the industry's pioneer, we have faced many challenges that included procurement, engineering and technical issues.

Currently, we are undergoing further developments to gain the engineering, operational and technical skills needed to process this abundant but very challenging raw material. The initiatives in the forthcoming year will be to optimise the operational technology to increase the capacity, to further reduce costs by installing solar photovoltaic panels, and to improve the recovery technology.

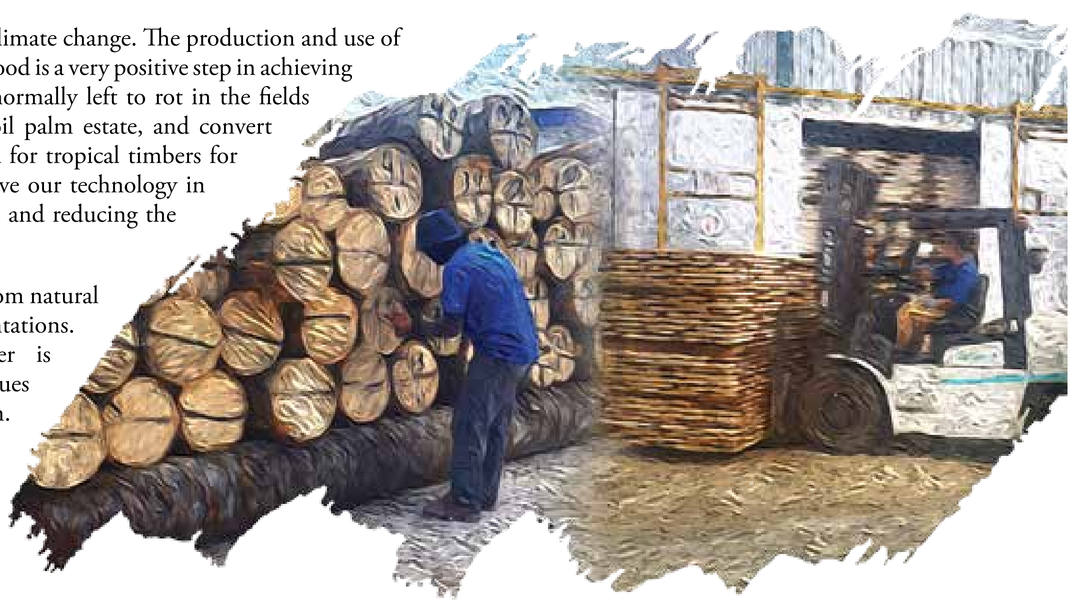
BUSINESS PERFORMANCE REVIEW 2024

Strategic Objectives	Key Initiatives	Achievements In FY2024
Develop new and environmentally friendly products. **Drive innovation and promote sustainable production.**	• Repurposing OPT and engineering them into quality palm wood panels that can replace certain timber products. • Establishing a Centre of Excellence for the sustainable processing of OPT. • Monetising the redundant biomass generated whilst producing palm wood.	• Successfully commissioned new palm wood factory. • Worked with government bodies and other stakeholders to establish quality standards, which include product sustainability verifications, environmental accreditations and chain of custody certifications. • Imported proprietary technologies and operational expertise from Europe. • Established a supply chain structure to effectively procure high-quality OPT from responsibly managed estates. • Enabled OPT waste to be used as 100% fuel for energy plant.

OUTLOOK & PROSPECTS

Global megatrends include the need to mitigate climate change. The production and use of a sustainable material such as our *OnCore®* palm wood is a very positive step in achieving this goal as we take a 'waste' material which is normally left to rot in the fields following the replanting cycle of a productive oil palm estate, and convert it into a material that can be directly substituted for tropical timbers for many applications. As we learn more and improve our technology in production, we will be sequestering more carbon and reducing the pressure to source timbers from natural forests.

Currently, industries rely on sourcing materials from natural forests, or from areas of gazetted forest plantations. The demand for sustainably sourced timber is increasing, but the supply is restricted due to issues regarding legality and sustainability certification. By using OPT as a raw material, we are essentially using an abundant source of sustainable biomass that is being repurposed from waste for these applications. We believe that as customers become more environmentally aware, they will become more discerning and will be looking for climate-positive materials for their furniture, interior design or construction items.



Corporate INFORMATION

BOARD OF DIRECTORS

TAN SRI PETER CHIN FAH KUI
Non-Independent Non-Executive Chairman

DATO' LEE YEOW CHOR
Group Managing Director and Chief Executive

LEE YEOW SENG
Non-Independent Non-Executive Director

DR NESADURAI KALANITHI
Independent Non-Executive Director

DATO' KONG SOOI LIN
Independent Non-Executive Director

LIM TUANG OOI
Independent Non-Executive Director

DATUK ZURINAH BINTI PAWANTEH
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

DATO' KONG SOOI LIN
Chairman

LIM TUANG OOI

DR NESADURAI KALANITHI

GOVERNANCE, NOMINATING AND REMUNERATION COMMITTEE

DATUK ZURINAH BINTI PAWANTEH
Chairman

DR NESADURAI KALANITHI

LIM TUANG OOI

BOARD SUSTAINABILITY COMMITTEE

DR NESADURAI KALANITHI
Chairman

DATO' KONG SOOI LIN

DATUK ZURINAH BINTI PAWANTEH

COMPANY SECRETARY

TAN CHOONG KHIANG
(SSM PC 201908000048)
(MAICSA 7018448)

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 29, IOI City Tower 2
Lebuh IRC, IOI Resort City
62502 Putrajaya
Wilayah Persekutuan (Putrajaya)
Malaysia
Tel +60 3 8947 8888
Fax +60 3 8947 8909
Email ioicosec@ioigroup.com

AUDITORS

BDO PLT
Chartered Accountants
Level 8
BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Tel +60 3 2616 2888
Fax +60 3 2616 3190/3191

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Tel +60 3 2783 9299
Fax +60 3 2783 9222
Email is.enquiry@my.tricorglobal.com

ADMINISTRATION AND POLLING AGENT

KPMG Management & Risk Consulting Sdn Bhd
Level 10, KPMG Tower
No. 8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel +60 3 7721 3388
(ext 7329, 7780, 7449)
Fax +60 3 7721 3399

LEGAL FORM AND DOMICILE

Public Limited Liability Company
Incorporated and Domiciled in Malaysia

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK CODE

1961

INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN) CODE

MYL1961OO001

WEBSITES

www.ioigroup.com
www.ioioleo.com
www.ioioleo.de
www.ioipalmwood.com

EMAIL ADDRESS

corp@ioigroup.com

Profile OF DIRECTORS

TAN SRI PETER CHIN FAH KUI

Non-Independent Non-Executive Chairman

Nationality	Age	Gender
Malaysian	79	Male

Date of Appointment
1 December 2014

Board Committee
-

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

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

Directorship of Other Listed Issuers/Public Companies

Other Listed Issuer
- None

Non-Profit Public Company
- Trustee of IOI Foundation
  (formerly known as Yayasan Tan Sri Lee Shin Cheng)

Other Public Company
- None

DATO' LEE YEOW CHOR

Group Managing Director and Chief Executive

Nationality	Age	Gender
Malaysian	57	Male

Date of Appointment
25 April 1996

Board Committee
-

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

Relevant Experience
- Chairman of the Malaysian Palm Oil Association since 2020
- Chairman of the Malaysian Palm Oil Council ("MPOC") from 2009 to 2020
- Board member of Central Bank of Malaysia from 2015 to 2018
- Board member of MGTC from 2011 to 2013
- Secretary General of the National Council of the Real Estate and Housing Developers' Association Malaysia from 2002 to 2006
- Served in the Malaysia Attorney General's Chambers and the Malaysian Judiciary Service from 1990 to 1994, last posting as a Magistrate

Directorship of Other Listed Issuers/Public Companies

Other Listed Issuers
- Non-Independent Non-Executive Director of IOI Properties Group Berhad ("IOIPG")
- Non-Independent Non-Executive Director of Bumitama Agri Ltd

Non-Profit Public Company
- Trustee of IOI Foundation
  (formerly known as Yayasan Tan Sri Lee Shin Cheng)

Other Public Companies
- Non-Executive Director of IOI Properties Berhad
- Director of IOI Oleochemical Industries Berhad
- Director of Unico-Desa Plantations Berhad
- Director of Dynamic Plantations Berhad

Board Committee:

Committee Chairman	Committee Member	ARMC Audit and Risk Management Committee	GNRC Governance, Nominating and Remuneration Committee	BSC Board Sustainability Committee

LEE YEOW SENG

Non-Independent Non-Executive Director

Nationality	Age	Gender
Malaysian	45	Male

Date of Appointment
3 June 2008

Board Committee
-

Qualification
- LLB (Honours), King's College, London
- Barrister-at-Law from the Bar of England and Wales, Inner Temple, London

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

Directorship of Other Listed Issuers/Public Companies

Other Listed Issuer
- Group Chief Executive Officer of IOIPG

Non-Profit Public Company
- Trustee of IOIPG Foundation Berhad

Other Public Companies
- Executive Director of IOI Properties Berhad
- Director of Resort Villa Golf Course Berhad
- Director of Property Village Berhad

DR NESADURAI KALANITHI

Independent Non-Executive Director

Nationality	Age	Gender
Malaysian	67	Female

Date of Appointment
8 July 2021

Board Committee
BSC ARMC GNRC

Length of Tenure as Independent Director (as at 7 October 2024)
3 years 3 months

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

Relevant Experience
- Advisor to the Food Science Council of Barbados Investment & Development Corporation since June 2022
- Mentor at LeadWomen and 30% Club
- Member of the Steering Committee of the CEO Action Network
- Co-founder of Climate Governance Malaysia, the Malaysian chapter of the World Economic Forum's Climate Governance Initiative
- Independent Director of FGV Holdings Berhad from 2018 to 2021
- Minister at the Malaysian Embassy based in Brussels, Belgium and was the Regional Manager for Malaysian Palm Oil Board ("MPOB") in Europe from 2013 to 2017
- Founding member of the Malaysian Chapter of the Society for Free Radical Research ("SFRR") and Past-President of SFRR Asia
- Director of Product Development and Advisory Services in MPOB from 2008 to 2012
- Visiting Fellow, Center for Animal Biotechnology, University of Melbourne, Australia between 2003 to 2004
- Senior Principal Research Scientist and Head of Nutrition Group in MPOB in 2000

Directorship of Other Listed Issuers/Public Companies

Other Listed Issuer
- Independent Non-Executive Director of Tan Chong Motor Holdings Berhad

Non-Profit Public Company
- None

Other Public Company
- None

PROFILE OF DIRECTORS

DATO' KONG SOOI LIN
Independent Non-Executive Director

Nationality	Age	Gender
Malaysian	63	Female

Date of Appointment
16 February 2022

Board Committee
ARMC BSC

Length of Tenure as Independent Director (as at 7 October 2024)
2 years 8 months

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

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

Directorship of Other Listed Issuers/Public Companies

Other Listed Issuers
- Independent Non-Executive Director of AMMB Holdings Berhad
- Independent Non-Executive Director of Eco World International Berhad
- Independent Non-Executive Director of PMB Technology Berhad

Non-Profit Public Company
- None

Other Public Company
- Independent Non-Executive Director of AmInvestment Bank Berhad

LIM TUANG OOI
Independent Non-Executive Director

Nationality	Age	Gender
Malaysian	62	Male

Date of Appointment
18 July 2023

Board Committee
ARMC GNRC

Length of Tenure as Independent Director (as at 7 October 2024)
1 year 3 months

Qualification
- Member of the Institute of Chartered Accountants in England and Wales
- Certified Public Accountant of the Malaysian Institute of Certified Public Accountants
- Member of MIA

Relevant Experience
- Chairman of the Board Risk Management Committee of Sumitomo Mitsui Banking Corporation Malaysia Berhad since February 2023
- Chairman of the Board Risk Management Committee of Allianz Malaysia Berhad since June 2022
- Senior Adviser and Director of Investment Risk and Governance at Khazanah Nasional Berhad from March 2019 to July 2021
- Senior General Manager and Head of the Risk Management Division (Chief Risk Officer) of Employees Provident Fund from 2007 to 2019
- Chief Financial Officer of Hong Leong Bank Berhad from 2005 to 2007
- Served in various roles in Citibank Berhad/Citigroup from 1989 to 2004, with the last position being Country Credit/Risk Director and Senior Credit Officer
- Spent six (6) years in KPMG Malaysia from 1982 to 1987 where he qualified as a Chartered Accountant and Certified Public Accountant and worked in the areas of audit, taxation and consultancy

Directorship of Other Listed Issuers/Public Companies

Other Listed Issuer
- None

Non-Profit Public Company
- None

Other Public Companies
- Independent Non-Executive Director of Allianz General Insurance Company (Malaysia) Berhad
- Independent Non-Executive Director of Sumitomo Mitsui Banking Corporation Malaysia Berhad

Board Committee:

Committee Chairman	Committee Member	ARMC Audit and Risk Management Committee	GNRC Governance, Nominating and Remuneration Committee	BSC Board Sustainability Committee

DATUK ZURINAH BINTI PAWANTEH
Independent Non-Executive Director

Nationality	Age	Gender
Malaysian	61	Female

Date of Appointment
1 September 2023

Board Committee
GNRC BSC

Length of Tenure as Independent Director (as at 7 October 2024)
1 year 1 month

Qualification
- Master of Business Administration from MARA Technology University (UiTM)
- Bachelor of Science from Texas Tech University
- Diploma in Public Administration from the National Institute of Public Administration (INTAN)

Relevant Experience
- Chairman of the Malaysian Rubber Board ("MRB")
- Non-Executive Chairman of Malaysian Kuwaiti Investment Co. Sdn Bhd since 1 February 2024
- Has been part of the Malaysian Administrative and Diplomatic Service since 1989 and served in prominent positions in numerous ministries and federal agencies in the Malaysian Government
- Former Secretary General of the Ministry of Plantation and Commodities, Ministry of Energy and Natural Resources, as well as Ministry of Water, Land and Natural Resources
- Former Chairman of the Forest Research Institute of Malaysia and MyPower Corporation
- Former Director/Trustee for the MPOB, MPOC, MRB, Malaysian Timber Industries Board, National Kenaf and Tobacco Board, Malaysian Rubber Council and Rubber Industry Smallholders Development Authority
- On a global scale, had represented Malaysia as a Director in the International Rubber Consortium
- Former Trustee of the Malaysia Forest Fund, as well as a former Director of the Sustainable Energy Development Authority and Pengurusan Aset Air Berhad

Directorship of Other Listed Issuers/Public Companies

Other Listed Issuer
- None

Non-Profit Public Company
- None

Other Public Company
- None

Notes:

1. Dato' Lee Yeow Chor ("Dato' Lee") and Mr Lee Yeow Seng ("Mr Lee") are members of the immediate family.

2. Details of the conflicts of interest involving Dato' Lee, Mr Lee, Mr Lim Tuang Ooi and Datuk Zurinah binti Pawanteh are disclosed in the Audit and Risk Management Committee Report in this Annual Report.

3. Save as disclosed in items (1) and (2), none of the Directors have:
   (a) any family relationship with any Directors/major shareholders of the Company;
   (b) any actual or potential conflict of interest (including interest in any competing business) with the Group;
   (c) any conviction for offences (other than traffic offences) within the past five (5) years; or
   (d) any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2024.

4. Details of Board meeting attendance of each Director in the financial year ended 30 June 2024 are disclosed in the Corporate Governance Overview Statement in this Annual Report.

Senior MANAGEMENT TEAM

The management team is headed by Dato' Lee Yeow Chor. He is assisted by the following senior management team:

DATO' LEE YEOW CHOR

Group Managing Director and Chief Executive

TAN KEAN HUA

Deputy Group Chief Executive Officer

SUDHAKARAN A/L NOTTATH BHASKARAN

Plantation Director

KONG KIAN BENG

Group Chief Financial Officer

LIM JIT UEI

Director of Commodity Marketing

KOO PING WUI

Director of Oleochemical, Malaysia

Plantation

Sudhakaran a/l Nottath Bhaskaran
Plantation Director

Subramaniam a/l Arumugam
Head of Plantations, Indonesia

Oleochemical

Koo Ping Wui
Director of Oleochemical, Malaysia

Sia Chieng Ho
Chief Operating Officer, Johor

Thomas Kummer
Chief Executive Officer, Germany

Teoh Bak Moi
Senior General Manager (Operation), Penang

Commodity Marketing

Lim Jit Uei
Director of Commodity Marketing

Refinery

Shyam a/l M. K. Lakshmanan
General Manager

Palm Wood

Hans Peter Fitch
Chief Executive Officer

Corporate

Tan Kean Hua
Deputy Group Chief Executive Officer

Kong Kian Beng
Group Chief Financial Officer

Dr Surina binti Ismail
Chief Sustainability Officer

Tan Choong Khiang
Company Secretary

Amir Mohd Hafiz bin Amir Khalid
Head of Group Strategy

Ling Kea Ang
Head of Group Internal Audit

Lee Chin Huat
Head of Group Business System and Information Technology

PLANTATION

SUDHAKARAN A/L NOTTATH BHASKARAN

Plantation Director

64 | Male | Date of Appointment to Current Position: 1 July 2017

Qualification
- Honours Degree in Mechanical Engineering from University of Technology Malaysia
- Diploma in Palm Oil Mill Engineering from Malaysian Palm Oil Board ("MPOB")

Skills and Experience

Mr Sudhakaran began his career at Felda Mills Corporation as a Mill Engineer and later joined Unilever Plantations where he held several positions such as Mill Manager, Estate Manager and General Manager of Plantations. He joined IOI Group in 2003 as General Manager of Sandakan Refinery and later assumed the position of General Manager of Sandakan Plantations before his posting to Head Office as Senior General Manager, Plantation Division. He was subsequently promoted to Plantation Director on 1 July 2017.

Directorship in Other Public Companies
- Dynamic Plantations Berhad
- Unico-Desa Plantations Berhad

SUBRAMANIAM A/L ARUMUGAM

Head of Plantations, Indonesia

60 | Male | Date of Appointment to Current Position: 1 March 2018

Qualification
- Bachelor of Science (Agribusiness) from Universiti Pertanian Malaysia

Skills and Experience

Mr Subramaniam has over thirty-six (36) years of working experience in the plantation industry and held positions of General Manager as well as Regional Controller in various large plantation companies in Malaysia and Indonesia. Prior to joining IOI Group, he was the Regional Controller at Sinarmas (Golden Agri Resources).

Directorship in Other Public Companies
- Nil

OLEOCHEMICAL

KOO PING WUI

Director of Oleochemical, Malaysia

60 | Male | Date of Appointment to Current Position: 1 July 2024

Qualification
- Master in Business Administration ("MBA") from Open University Malaysia
- Diploma in Marketing from Marketing Confederation of Australia

Skills and Experience

Prior to joining IOI Oleochemicals Industries Berhad, Mr Koo Ping Wui has worked in the pharmaceutical and medical supplies industry for sixteen (16) years. He joined IOI Oleochemical Division in 2003 and headed sales and marketing teams in various subsidiaries within IOI Oleochemical Division. In 2017, he was appointed Chief Marketing Officer at IOI Oleo GmbH based in Hamburg, Germany. Currently based in Penang, he was re-designated as Chief Operating Officer in Johor in 2020 before being promoted to his current position on 1 July 2024.

Directorship in Other Public Companies
- IOI Oleochemical Industries Berhad

SIA CHIENG HO

Chief Operating Officer, Johor

53 | Male | Date of Appointment to Current Position: 1 July 2024

Qualification
- Bachelor of Science in Chemical Engineering (Honors) from University of Texas, Austin, United States of America
- MBA from Hong Kong University of Science and Technology

Skills and Experience

Mr Sia Chieng Ho has more than thirty (30) years of working experience in the manufacturing industry. Prior to joining IOI Pan-Century Oleochemicals Sdn Bhd, Mr Sia spent seventeen (17) years with a leading oils and grains conglomerate, where he served as General Manager. He joined IOI Oleochemical Division in 2010 and has since held various management positions within the organisation. Currently based in Johor, he was previously the Senior General Manager before being promoted to his current position on 1 July 2024.

Directorship in Other Public Companies
- Nil

SENIOR MANAGEMENT TEAM

OLEOCHEMICAL

TEOH BAK MOI
Senior General Manager (Operation), Penang

54 | Male | Date of Appointment to Current Position: 1 January 2023

Qualification
- Bachelor's Degree in Chemical Engineering (Honours) from University of Malaya

Skills and Experience
Mr Teoh Bak Moi has thirty (30) years of experience in the oleochemical industry, with vast experience in project management, plant construction and operation. Currently based in Prai, he was previously the General Manager, Engineering and Ester Operation before being promoted to his current position on 1 January 2023.

Directorship in Other Public Companies
- Nil

THOMAS KUMMER
Chief Executive Officer, Germany

55 | Male | Date of Appointment to Current Position: 1 May 2024

Qualification
- Bachelor of Chemical Production and Management

Skills and Experience
Prior to IOI Group taking over the business from the former owner in 2016, Mr Thomas Kummer held a senior operation position in the former organisation and has more than twenty-two (22) years of experience in the oleochemical business in different management positions. He was previously the Chief Operating Officer before being promoted to his current position on 1 May 2024.

Directorship in Other Public Companies
- Nil

COMMODITY MARKETING

LIM JIT UEI
Director of Commodity Marketing

49 | Male | Date of Appointment to Current Position: 1 July 2024

Qualification
- Bachelor of Science in Real Estate (Honours) from National University of Singapore

Skills and Experience
Mr Lim Jit Uei has more than twenty-two (22) years of experience in the trading of agricultural commodities with leading commodity companies. Prior to joining IOI Group, he was the Regional Procurement Manager (Commodities) for a global food ingredients manufacturer. He also sits on the Management Board of the Palm Oil Refiners Association of Malaysia. He was previously the Head of Group Commodity Marketing before being promoted to his current position on 1 July 2024.

Directorship in Other Public Companies
- Nil

REFINERY

SHYAM A/L M. K. LAKSHMANAN
General Manager

61 | Male | Date of Appointment to Current Position: 1 February 2013

Qualification
- Master's Degree in Manufacturing Systems Engineering from University of Warwick
- Chartered Chemical Engineer, United Kingdom

Skills and Experience
Mr Shyam is a qualified Professional Engineer and a Registered Electrical Energy Manager. As a Chartered Scientist, he guides the Research and Development function at Sandakan Refinery to minimise the content of contaminants such as 3-Monochloropropanediol Ester (3-MCPD), Glycidyl Ester (GE), Mineral Oil Saturated Hydrocarbons (MOSH) and Mineral Oil Aromatic Hydrocarbons (MOAH) in our products. He also leads IOI Group's efforts in environmental conservation and in minimising resource utilisation.

Directorship in Other Public Companies
- Nil

PALM WOOD

HANS PETER FITCH
Chief Executive Officer

62 | Male | Date of Appointment to Current Position: 1 July 2020

Qualification
- Bachelor of Science from University of Reading, United Kingdom

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

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

Directorship in Other Public Companies
- Nil

CORPORATE

KONG KIAN BENG
Group Chief Financial Officer

47 | Male | Date of Appointment to Current Position: 1 March 2021

Qualification
- Fellow of the Association of Chartered Certified Accountants
- Member of the Malaysian Institute of Accountants

Skills and Experience
Mr Kong has more than twenty-six (26) years of experience in financial reporting, accounting and corporate finance. He was an Audit Manager at PricewaterhouseCoopers (*now known as PricewaterhouseCoopers PLT*) before joining IOI Corporation Berhad ("IOI") in March 2006 as Group Accounting Manager. His last position was Group Financial Controller, overseeing treasury, corporate finance, taxation and investor relation functions of IOI Group. He was also the Acting Group CFO of IOI from November 2016 to September 2017. He was subsequently appointed to the position of Group Chief Financial Officer on 1 March 2021.

Directorship in Other Public Companies
- Nil

CORPORATE

TAN KEAN HUA
Deputy Group Chief Executive Officer

60 | Male | Date of Appointment to Current Position: 1 July 2024

Qualification
- Executive MBA from University of Bath - Malaysian Institute of Management
- First Class Honours in Chemical Engineering from University of Malaya
- Fellow of Institution of Chemical Engineers, United Kingdom (FIChemE)
- Chartered Engineer of The Engineering Council, United Kingdom (CEng)

Skills and Experience
Mr Tan Kean Hua held a senior marketing position in an oleochemicals multinational company prior to joining IOI Group in 2004. He was the Chairman of the Malaysian Oleochemical Manufacturers Group from March 2010 to March 2017, during which period he also held the chair of the ASEAN Oleochemical Manufacturers Group twice. He was a member of the Board of MPOB for three (3) terms from May 2010 to May 2017. Previously, he was the Executive Director of IOI Oleochemical Division before being promoted to his current position on 1 July 2024.

Directorship in Other Public Companies
- IOI Oleochemical Industries Berhad

SENIOR MANAGEMENT TEAM

CORPORATE

DR SURINA BINTI ISMAIL
Chief Sustainability Officer

64 | Female | Date of Appointment to Current Position: 1 March 2024

Qualification
- Ph.D. in Bioorganic Polymer from University of Akron, United States of America
- Master of Science in Polymer Organic Chemistry from University of Massachusetts, United States of America
- Bachelor of Science (Honors) in Chemistry from Indiana University, United States of America

Skills and Experience

Dr Surina has more than twenty-five (25) years of experience working in several multinational and large Malaysian corporations. She brings with her diverse experience in intellectual property management, research and development, corporate strategy and planning and sustainability. She also has strong technical knowledge and experience in oleochemicals, palm oil, rubber products, ultraviolet coating and nanotechnology specifically in nanomaterials where she holds several international patents. Before her promotion to Chief Sustainability Officer of the Company, she was the Group Head of Sustainability of the Company since 2016.

Directorship in Other Public Companies
- Nil

AMIR MOHD HAFIZ BIN AMIR KHALID
Head of Group Strategy

44 | Male | Date of Appointment to Current Position: 1 March 2021

Qualification
- Intensive Diploma in Oil Palm Management and Technology, MPOB
- Advanced Management Programme at National University of Singapore
- Fellow of the Association of Chartered Certified Accountants
- Bachelor of Arts with Honours in Accounting and Finance from Liverpool John Moores University, United Kingdom

Skills and Experience

Encik Amir Hafiz has more than twenty-one (21) years of experience in financial management, corporate strategy, corporate finance, mergers and acquisitions, and investor relations.

He began his career as an Equity Analyst at Financial Times Interactive Data in Ireland in 2002. Previously, he had also worked abroad with BMI British Midland in United Kingdom as an Operational Cost Analyst. Prior to joining IOI Group, he was with PETRONAS and Ernst & Young, subsequently becoming the Chief Financial Officer of TDM Berhad.

Directorship in Other Public Companies
- Nil

TAN CHOONG KHIANG
Company Secretary

53 | Male | Date of Appointment to Current Position: 8 August 2011

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

Skills and Experience

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

He is the Chairman and Deputy Chairman of the National Investigation ("NIG") Sub Group B and NIG of MAICSA respectively, as well as a member of various committees of MAICSA. He was previously the Vice President of MAICSA and one of the representatives of MAICSA on the ASEAN Corporate Secretaries Network.

Directorship in Other Public Companies
- Nil

CORPORATE

LING KEA ANG
Head of Group Internal Audit

56 | Male | Date of Appointment to Current Position: 1 July 2015

Qualification
- Fellow of the Association of Chartered Certified Accountants
- Member of the Malaysian Institute of Accountants
- Member of the Institute of Internal Auditors

Skills and Experience

Mr Ling Kea Ang is a Chartered Accountant and has more than twenty-nine (29) years of experience in external and internal auditing. Prior to joining IOI Group, he was attached to one of the Big 4 international accounting firms and had acquired broad experience in the field of external and internal auditing, accounting and taxation of large public companies listed on Bursa Malaysia Securities Berhad, large multinational corporations and privately owned businesses which were involved in various business sectors of the Malaysian economy. He was also assigned to carry out internal audit and Sarbanes-Oxley Section 404 audit of multinational corporations and was also involved in other special assignments such as corporate listing and due diligence exercises.

Directorship in Other Public Companies
- Nil

LEE CHIN HUAT
Head of Group Business System and Information Technology

50 | Male | Date of Appointment to Current Position: 18 June 2018

Qualification
- Master of Science in Information Technology from Universiti Putra Malaysia

Skills and Experience

Mr Lee Chin Huat has more than twenty-five (25) years of experience in leading and transforming Information Technology ("IT") departments within diverse industries. He has a proven track record in driving digital transformation initiatives in business application Enterprise Resource Planning (ERP), aligning technology strategy with business goals and delivering innovative solutions that enhance operational efficiency and customer experience. He has led the development and implementation of a comprehensive IT Governance framework ensuring alignment with corporate strategy and regulatory requirements.

Directorship in Other Public Companies
- Nil

Notes:

1. Mr Lim Jit Uei has family relationship with Dato' Lee Yeow Chor and Mr Lee Yeow Seng, both of whom are the directors and major shareholders of the Company.
2. Details of the potential conflicts of interest involving certain senior management are disclosed in the Audit and Risk Management Committee Report in this Annual Report.
3. Save as disclosed in items (1) and (2), none of the senior management team members have:
   (a) any family relationship with any Directors and/or major shareholders of the Company;
   (b) any potential conflict of interest (including interest in any competing business) with the Group;
   (c) any conviction for offences (other than traffic offences) within the past five (5) years; or
   (d) any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
4. The shareholdings of the senior management team as at 30 August 2024 are disclosed on page 128 of this Annual Report.

Corporate Governance OVERVIEW STATEMENT

This Corporate Governance Overview Statement (the "Statement") provides insights into the corporate governance practices within IOI Group (the "Group") under the leadership of the Board of Directors (the "Board") of IOI Corporation Berhad. This Statement outlines the principles and features of the Group's corporate governance framework, highlighting the Board's key focus areas and priorities for the financial year ended 30 June 2024 ("FY2024").

The Group's governance framework extends beyond an abstract interest in governance or mere compliance with regulatory requirements. We see governance as a shared responsibility between the Board and the senior management. In line with this belief, concerted efforts have been made to strengthen the governance structures and processes within the Group, in order to ensure a cohesive Group-wide approach to upholding high governance standards.

As demonstrated by the Group's good performance and track record over the years, we believe that effective corporate governance is the key to sustainable long-term success and value for shareholders and other stakeholders. Our fundamental corporate governance principles are inspired by Vision IOI, with the aim to achieve responsible and balanced commercial success by addressing the interests of all stakeholders. Our employees are guided by IOI Core Values in conducting and managing the business and affairs of the Group.

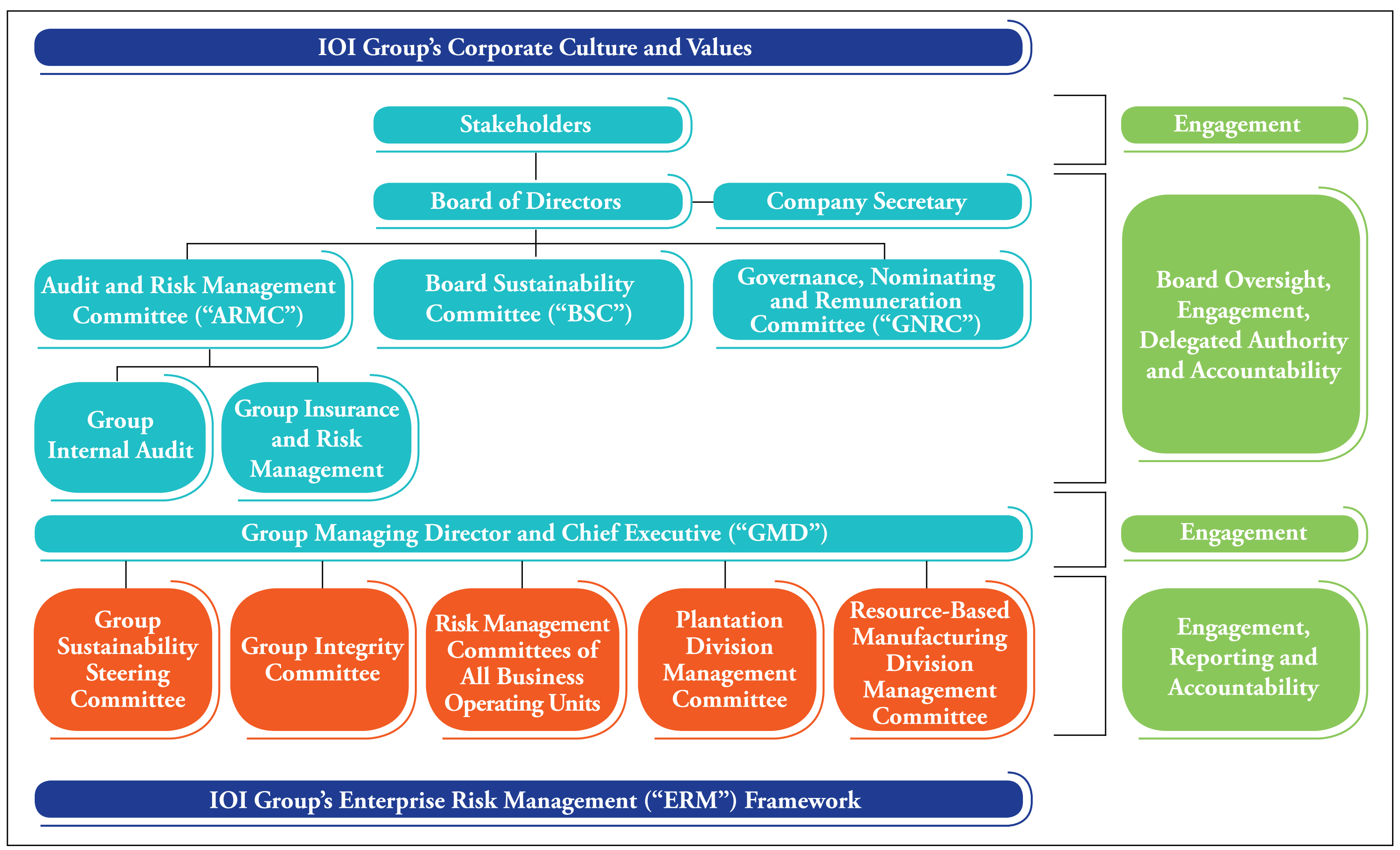
In tandem with the evolving corporate governance best practices and due to dynamic global landscapes, emerging technologies, and changing stakeholder expectations, we remain committed to continually assessing and refining the Group's governance practices, taking into account the needs of the Group.

HOW THE GROUP'S GOVERNANCE FRAMEWORK SUPPORTS THE GROUP'S STRATEGY

At the Group, we believe in the importance of having a good governance framework that facilitates good business conduct and provides appropriate focus in delivering the Group's strategy. Our value-based governance framework takes into consideration the following:

- Malaysian Code on Corporate Governance (the "CG Code");
- Main Market Listing Requirements (the "Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Malaysia");
- Corporate culture and values that guide ethical conduct and adherence to applicable legislations and regulations;
- Commitment to continuous improvement to strengthen all relevant governance aspects;
- Governance policies and practices, including the enterprise risk management framework; and
- Stakeholder reporting practices.

The governance framework of the Group is illustrated in the following chart:



The role of the Board within our governance framework is to create long-term sustainable value for the benefit of shareholders and wider stakeholders. The Board's high-level responsibilities are among others:

(i) To establish and review the Group's strategies and policies;

(ii) To oversee risk management and corporate governance processes within the Group;

(iii) To monitor the Group's progress in achieving its objectives and plans;

(iv) To consider the interests of all stakeholders, giving due accountability to shareholders for the proper conduct and long-term success of the business;

(v) To provide constructive challenge to the management to assess whether actions taken by the management are aligned with business strategies and future direction of the Group; and

(vi) To ensure that sustainability remains a core element of the Board's strategic planning and decision-making.

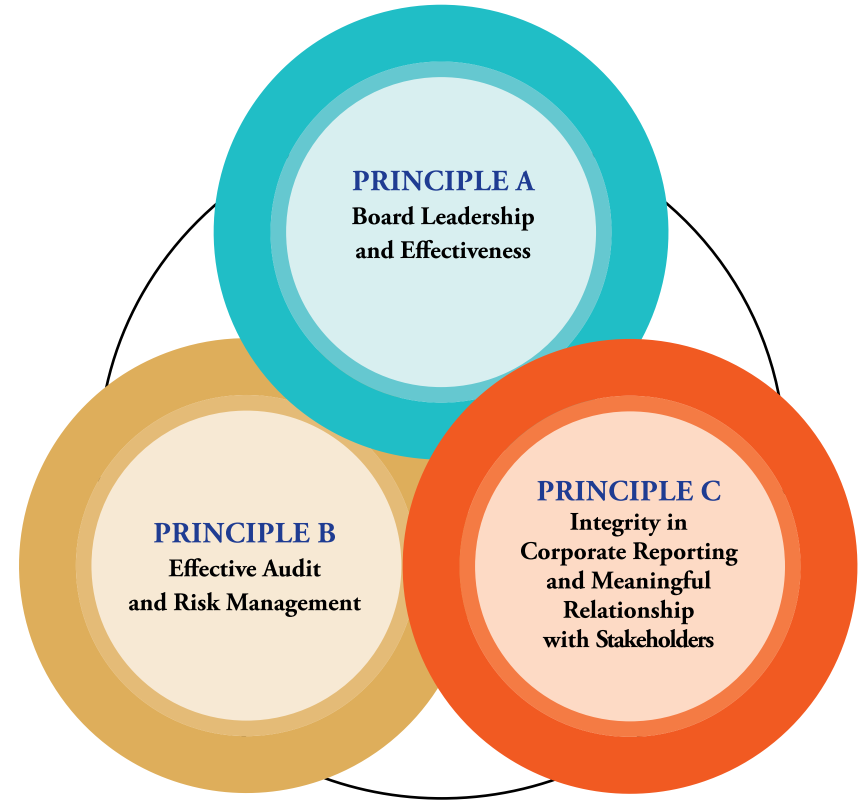
While the Board reviews and approves the Group's strategy, the development and implementation of the Group's strategies is delegated to the senior management, including the GMD. To ensure an appropriate and consistent approach is applied across the entire Group, authority for decision making is formally delegated by the Board and is cascaded down throughout the Group.

ADOPTION OF THE CG CODE

The Company had fully adopted all applicable principles as recommended by the CG Code during FY2024, save for Practice 8.2 of the CG Code where it requires the Board to disclose on a named basis the top five (5) senior management's remuneration in bands of RM50,000.

Details of how we applied the CG Code principles and complied with its practices are set out in the Corporate Governance Report ("CG Report") published on our website at https://www.ioigroup.com/governance. The explanation for departure from Practice 8.2 of the CG Code and disclosure of alternative practice are also disclosed in the CG Report.

This Statement is structured in accordance with the three (3) broad principles of the CG Code:



A. BOARD LEADERSHIP AND EFFECTIVENESS

A.1 BOARD LEADERSHIP, ROLES AND RESPONSIBILITIES

The Board serves as the Group's primary leadership organ, whose main function is to establish the Group's purpose, values and strategies, and to ensure that the Group's corporate culture aligns with these elements. An effective Board is instrumental in formulating and implementing effective company strategies and therefore, continual enhancement of the effectiveness of the Board remains our priority.

The Board's duties include reviewing and approving financial performance, critical business issues, annual Group budgets and strategic plans, while ensuring sustainability/ environmental, social and governance ("ESG") considerations are embedded throughout the Group's strategic and operational framework. The Board maintains a schedule of reserved matters, while also delegating its authority in specific areas to its Board Committees based on the written Terms of Reference of each Board Committee. Details on the work of the ARMC and the GNRC are disclosed in the respective sections of this Annual Report. The Terms of Reference of each of the Board Committees are available on our website at https://www.ioigroup.com/governance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

As illustrated below, a formal division of responsibilities exists between the Board and the management, ensuring clear lines of accountability and oversight.

Non-Executive Directors	Executive Director	Key Senior Management	
Chairman **Tan Sri Peter Chin Fah Kui** Leads the Board and is responsible for its overall effectiveness	**GMD** **Dato' Lee Yeow Chor** Responsible for day-to-day management of the business and implementation of the Group's strategies	**Deputy Group Chief Executive Officer** **Tan Kean Hua** *(Appointed on 1 July 2024)* Supports the GMD in the day-to-day management of the business and implementation of the Group's strategies	
Senior Independent Director (vacant) Supports the Chairman in matters of governance and Board performance, and serves as an intermediary for other Directors		**Group Chief Financial Officer ("Group CFO")** **Kong Kian Beng** Provides financial leadership and support in the development and implementation of the Group's strategies	
Independent and Non-Independent Non-Executive Directors Provide constructive challenge to the executive management		**Plantation Director** **Sudhakaran a/l Nottath Bhaskaran** **Director of Oleochemical, Malaysia** **Koo Ping Wui** *(Appointed on 1 July 2024)* **Director of Commodity Marketing** **Lim Jit Uei**	Oversees the success of business units through the development and implementation of the Group's strategies

COMPANY SECRETARY

The Board is supported by a Company Secretary, Mr Tan Choong Khiang who was appointed to the role on 8 August 2011. The Board has unfettered access to the services and advice of the Company Secretary. The major responsibilities of the Company Secretary are, among others:

- To advise the Board on all governance matters;
- To ensure adherence with Board procedures and applicable rules and regulations, taking into account best practices and recommendations of the CG Code;
- To promote effective communication flow between the Board and its Committees, and between senior management and Non-Executive Directors; and
- To facilitate communication of key decisions and policies between the Board, Board Committees and senior management.

In ensuring consistency of Board conduct and effective boardroom practices across the Group, the Company Secretary maintains oversight of the Group's corporate secretarial functions, both in Malaysia and in other regions where the Group operates. The appointment and removal of the Company Secretary is determined by the Board.

A.2 BOARD INDEPENDENCE

In an effort to strengthen the Board's independence and to maintain adequate women representation on the Board, the Board had undergone the following changes in its composition during FY2024:

- Mr Lim Tuang Ooi and Datuk Zurinah binti Pawanteh were appointed as new Independent Non-Executive Directors ("INEDs") in July and September 2023 respectively.
- At the 54th Annual General Meeting held on 27 October 2023, Tan Sri Dr Rahamat Bivi binti Yusoff and Mr Cheah Tek Kuang had retired from the Board.
- Following the above changes, the ARMC and GNRC had been re-constituted to ensure that each of the Board Committees comprises fully independent Directors.

The independence of each INED is assessed yearly by way of a self-evaluation process, whereby each INED is required to affirm that he/she has fulfilled the criteria of independence as set out in the Listing Requirements of Bursa Malaysia. Any prospective INED to be appointed to the Board is also required to provide a written confirmation of his/her independence for the GNRC's assessment prior to the Board's approval.

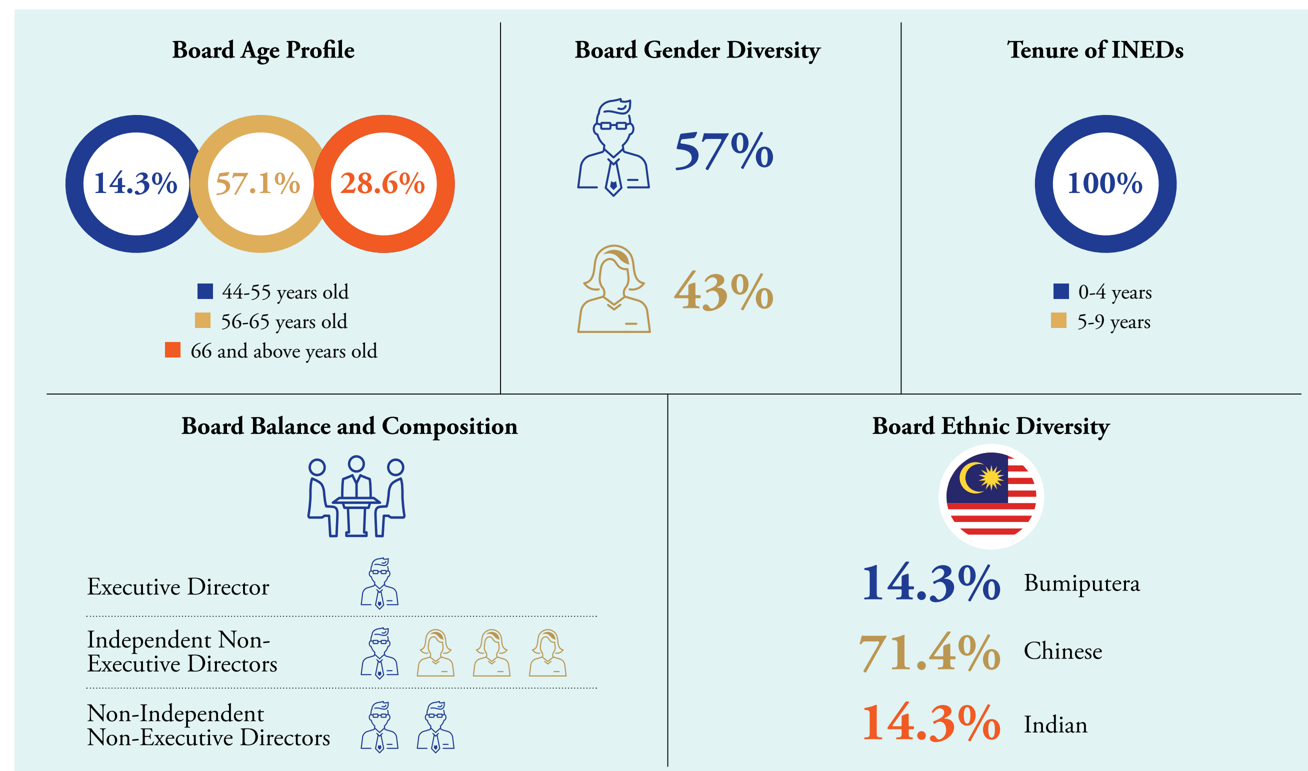
The ARMC also continue to monitor situations of potential conflict of interest involving any Director and key senior management, and provide recommendations to the Board on whether such situations should be authorised by the shareholders and if any conditions should be attached to such authorisations. The Directors are regularly reminded of their ongoing obligations in relation to conflicts of interest and are required to review and declare/confirm their external interests at least annually. This is essential in assessing the independence of INEDs.

After due consideration of the Directors' latest declarations/confirmations in respect of any actual or potential conflicts of interest, the Board concluded that all INEDs remain independent in character and judgement, and that the INEDs can continue to provide impartial, unbiased insights into the Group's affairs and to offer independent views to the Board. Each INED has consistently provided objective challenge to the management and they are able to express their viewpoints for the ultimate good of the Group and in the best interest of all stakeholders. The INEDs do not maintain any business or other relationships that could impair their ability to exercise objective judgement.

A.3 BOARD COMPOSITION AND DIVERSITY

The composition of the Board is reviewed at least once every financial year, to ensure that the Board brings to the Group a diverse range of experience, skills and expertise that complement the Group's strategies.

Board Composition as of 30 August 2024



CORPORATE GOVERNANCE OVERVIEW STATEMENT

Our Board Diversity Policy acknowledges and embraces the benefits of having a diverse Board, whereby all Board appointments are made based on merit and objective criteria within the context of the strategy of the Group. This includes diversity in terms of gender, social and ethnic backgrounds, cognitive and personal strengths, as well as skills, knowledge and experience required to enhance the Board's effectiveness. We believe that a diverse leadership team is essential for sound decision-making, by virtue of the wider perspectives and views that each Director can bring into Board discussions.

Furthermore, the Board sets the tone for inclusion and diversity across the Group in line with IOI Core Values. Diversity is embedded in our Code of Business Conduct and Ethics and associated workforce policies, therefore fostering a culture of diversity, respect, and equal opportunity where every employee's success, personal abilities and contributions are given due recognition. We also strive to treat our employees with fairness, integrity, honesty, courtesy, consideration, respect, and dignity, irrespective of gender, race, nationality, age, or other forms of diversity.

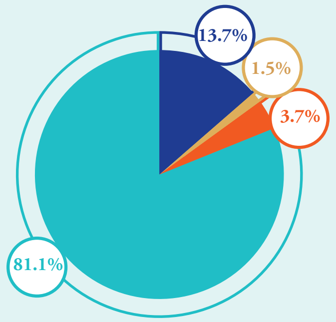
Currently, the Group does not set any specific measurable objectives for achieving gender diversity at the senior management level. Nevertheless, we ensure that recruitment and management of employees are done based on each individual's competence and performance, while respecting the unique attributes that each individual brings to the workplace. In our commitment to foster an inclusive and supportive culture that enables employees to develop their full potential, employees are given opportunities to develop their skills and experience by way of externally and internally organised training and mentoring programmes.

Gender Diversity as of 30 August 2024

Employees (inclusive of management)	**Management** (managers and above)
Male: 74.9%	Male: 74.6%
Female: 25.1%	Female: 25.4%

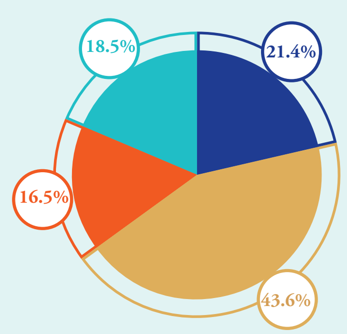
Ethnic Diversity as of 30 August 2024

Employees (inclusive of management)



■ Bumiputra ■ Chinese ■ Indian ■ Others

Management (managers and above)



■ Bumiputra ■ Chinese ■ Indian ■ Others

A.4 DIRECTOR APPOINTMENT AND INDUCTION

Appointments to the Board are made via a formal and transparent selection process, the flow chart of which is accessible through our website at https://www.ioigroup.com/governance.

The Board, through the GNRC, is guided by our Fit and Proper Policy which outlines the necessary criteria and processes for evaluation of candidates for appointment of new Directors to the Board. Generally, the following factors are taken into consideration when assessing the need for new Director appointment and the suitability of candidates:

- **01** Required skills, experience, characteristics and attributes, including but not limited to character and competency level
- **02** Current composition, diversity level, size, independence and performance of the Board and Board Committees
- **03** Time commitment required of the Directors, particularly if the Director sits on the boards of multiple companies
- **04** Performance evaluation of the Board, Board Committees and individual Directors
- **05** Board succession planning
- **06** The Group's operational context, including strategic goals and external environment
- **07** Relevant guidelines and legislations, as well as Board Charter and Terms of Reference

Every candidate for new Director appointments is subjected to a self-evaluation process to assess their fitness and propriety, including a declaration of conflict of interest, time commitment and financial standing. Where necessary, background checks covering previous employments, professional references, education history, criminal records and credit checks will be conducted (with the consent of the candidate) as part of the fitness and propriety assessment. The GNRC also interviews all candidates to facilitate the assessment of the candidates' readiness and ability to commit to their discharge of duties and responsibilities towards the Group.

The Board takes the time commitment of Directors seriously. Each Director must notify the Chairman of the GNRC prior to accepting a new appointment in another company outside of the Group, and the GNRC Chairman must notify the same to the Board.

Upon successful appointment of new Directors, induction programmes are arranged for the newly appointed Directors to familiarise themselves with all aspects of the Group's operations. The induction process includes, but is not limited to, estate and plant visits, briefings by the senior management on each business division, special sessions relating to areas of interest, and briefings by the Company Secretary on Board procedures, various governance-related matters, as well as Directors' legal obligations and responsibilities. New Directors may also request additional meetings with or information from the senior management in addition to the formal induction programmes. Site visits, being a key feature of the induction process, provide Directors with hands-on experience by directly observing our facilities and operations and via close interaction with the management, therefore allowing Directors to gain a deeper understanding and appreciation of the Group's activities.

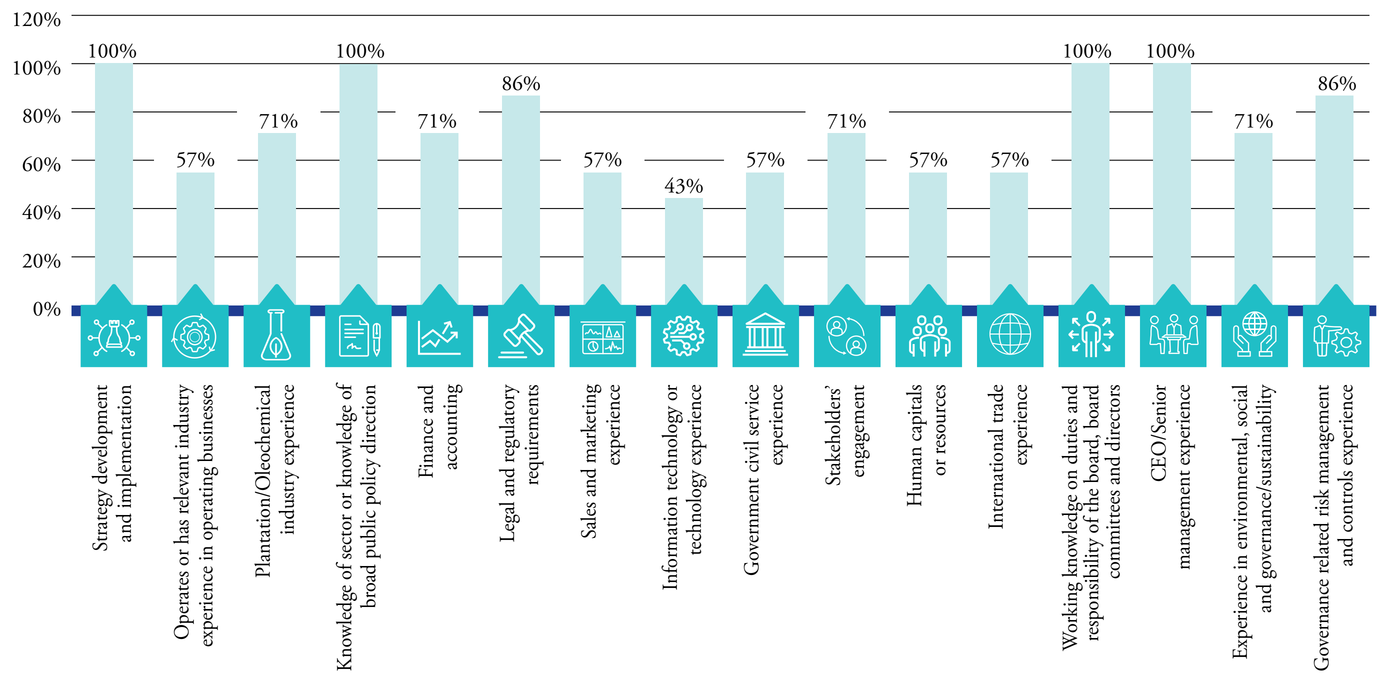
The activities of each subsidiary in the Group are overseen by its own board of directors. The Board's confidence in the subsidiaries' operations is rooted in the quality of each of the subsidiaries' directors and their commitment to the Group's objectives.

A.5 BOARD SKILLS MATRIX AND PROFESSIONAL DEVELOPMENT

The Board Skills Matrix is an important factor in our commitment to Board diversity. It facilitates Board succession planning and new Director selection process by enabling the Board, through the GNRC, to consider the core competencies, skills, knowledge and experience required for the Board to deliver its strategic objectives and govern the Group effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

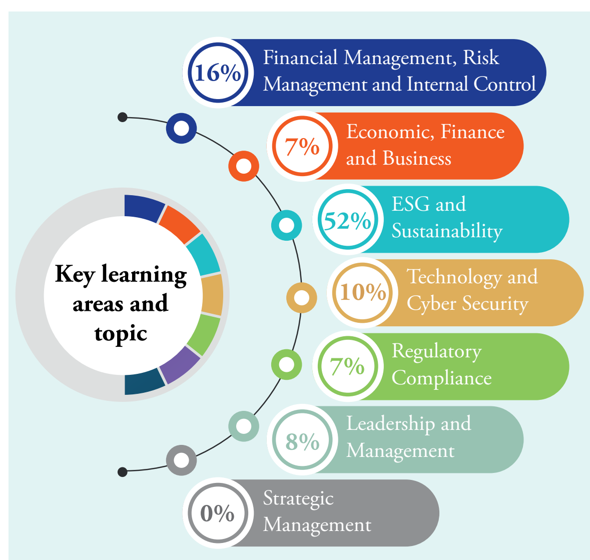
Each year, we undertake an assessment of the skills and experience of each Director and the combined capabilities of the Board ("Board Skills Matrix Assessment"). The Board Skills Matrix Assessment is conducted through self-rating questionnaires completed by each Director. The insights from our latest Board Skills Matrix Assessment are as depicted below:



The above results are a reflection of the Board's balance in terms of skills, experience and expertise in domains such as industry insider expertise, legal, risk management, financial accounting, economics, banking and government relations and sustainability. There is a strong alignment between the Directors' current skillsets and their responsibilities in the context of the Group. Upon evaluation of the results of the latest Board Skills Matrix Assessment, the Board is of the opinion that the current mix of skills, experience and expertise of Directors has enabled them to perform their responsibilities effectively and to contribute to robust Board discussions with their diverse views and perspectives.

All Directors have access to learning, development and training opportunities, whether internally or externally facilitated. The Directors participate in various training sessions, conferences, forums and seminars on their own initiative to address gaps in their knowledge and to receive updates on the latest industry developments and global trends. In addition, the Company Secretary identifies and recommends suitable programmes (including internal sessions organised by the management on specific topics) for the Directors based on their training needs. The Directors can also request specific training they deem necessary or useful.

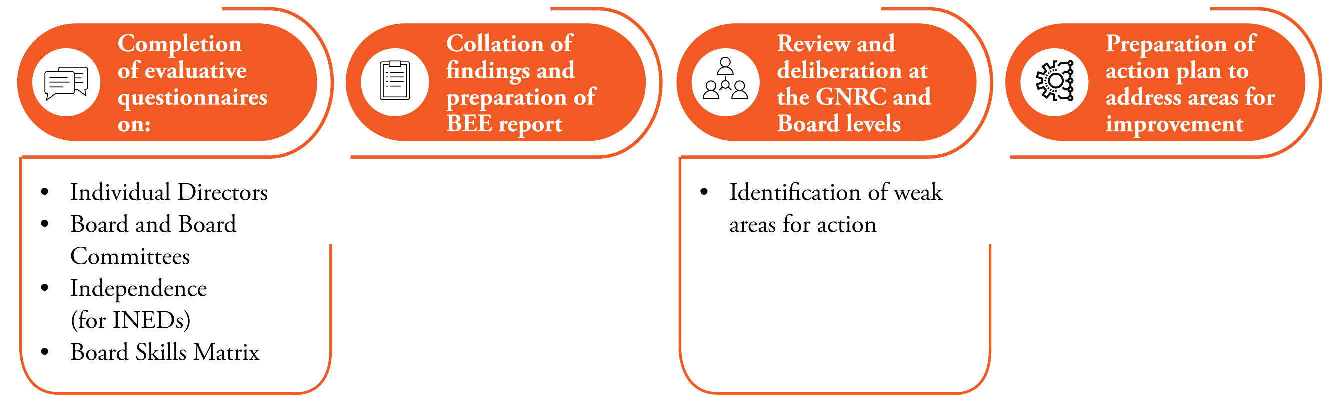
The key learning areas and topics for which the Directors had undergone training during FY2024 are depicted below:



The full list of training programmes attended by each Director during FY2024 is disclosed in our CG Report published on our website at https://www.ioigroup.com/governance.

A.6 BOARD EVALUATION

We conduct a Board effectiveness evaluation ("BEE") on a yearly basis to assess the performance of the Board, Board Committees and individual Directors as to whether they have discharged their duties and responsibilities in line with their respective roles within our governance framework. Such BEE exercise is usually conducted internally, while appointing an independent facilitator every three (3) years to strengthen the independence and effectiveness of the BEE exercise. In general, the BEE exercise follows the process as depicted below:



The BEE exercise in respect of FY2024 commenced with the distribution of questionnaires to each Director covering the following scope and criteria:

Scope	Criteria
Individual Directors (Peer Evaluation)	• Contribution and Performance • Calibre and Personality • Board Chairman's Role
Board and Board Committees	• Board Mix and Composition • Quality of Information and Decision Making • Boardroom Activities • Board Committees' Assessment
ARMC	• Skills and Competencies • Meeting Administration and Conduct • ARMC Members' Peer Evaluation • Individual Financial Literacy (Self-Evaluation)
INEDs	• Independence Self-Assessment
Board Skills Matrix	• Strategy and Entrepreneurship • Industry Knowledge/Experience • Technical Skills/Experience • Governance Competencies

The responses were then collated for the Company Secretary to prepare the BEE report summarising the results of the BEE. The BEE report was then presented at the GNRC and Board levels where the Directors reviewed and provided feedback on the BEE findings and weak areas that require further improvement. Action plans were then developed to address the areas for improvement and further enhance the effectiveness of the Board and its Committees.

Based on the BEE results in respect of FY2024, the Board was satisfied that the Directors have been discharging their respective duties and responsibilities effectively, and that the Board as a whole and its Committees continue to function effectively in accordance with the Board Charter and the Terms of Reference of each Board Committee. The Board was also of the view that the other directorships held by the Directors do not give rise to any conflict of interest and hence, do not impair the Directors' ability to discharge their duties effectively. Each of the Directors had committed sufficient time to carry out their responsibilities effectively during FY2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

A.7 MEETING ATTENDANCE

Directors are expected to attend all Board and Board Committee meetings, unless there are exceptional circumstances such as pre-existing business or personal commitments. The meeting calendar is drawn up and tabled to the Board in advance to allow Directors to schedule their commitments and to facilitate the management's planning.

The table below shows each Director's attendance at the meetings of the Board and Board Committees in FY2024:

Members	Board	ARMC	GNRC	BSC
Number of meetings held in FY2024	7	6	3	2
Executive Director Dato' Lee Yeow Chor	7/7 **(100%)**	6/6 **(100%)^**	3/3 **(100%)^**	2/2 **(100%)^**
Non-Executive Directors				
Tan Sri Peter Chin Fah Kui ●	7/7 **(100%)**	-	-	-
Tan Sri Dr Rahamat Bivi binti Yusoff #	3/3 **(100%)***	3/3 **(100%)***	2/2 **(100%)***	-
Dr Nesadurai Kalanithi ●	7/7 **(100%)**	3/3 **(100%)**	3/3 **(100%)**	2/2 **(100%)**
Dato' Kong Sooi Lin ●	7/7 **(100%)**	6/6 **(100%)**	-	1/2 **(50%)**
Cheah Tek Kuang	3/3 **(100%)***	3/3 **(100%)***	2/2 **(100%)***	-
Lee Yeow Seng	6/7 **(86%)**	-	-	-
Lim Tuang Ooi	7/7 **(100%)**	6/6 **(100%)**	1/1 **(100%)***	-
Datuk Zurinah binti Pawanteh ●	5/5 **(100%)***	-	2/2 **(100%)***	1/1 **(100%)***

● Board/Board Committee Chairman
\# Chairman of the GNRC prior to her retirement from the Board on 27 October 2023
^ Attended by invitation in his capacity as GMD (if not a Board Committee member)
* Reflects the attendance and the number of meetings held during the period the Director held office

A.8 BOARD ACTIVITIES DURING FY2024

The Board plans its agenda ahead of each financial year to ensure timely discussion of strategic, budget, sustainability, risk management and internal control, operational, financial performance and corporate governance matters during the Board meetings. The Board deliberations surrounding those topics were aimed at refining the execution of the Group's strategies, i.e. strengthening our position as an integrated plantation company, enhancing financial resilience, and delivering consistent returns through every business cycle. The long-term goals of the Group are also taken into consideration during such deliberations.

Since FY2022, the Board has held the annual Board Retreat for the purpose of providing input and suggestions to the management on the Group's Five (5)-Year Strategic Plans. In April 2024, the Board had a full-day engaging session with the management on the Group's long-term aspirations and strategic priorities for the next five (5) financial years, covering various business divisions.

The Board Charter, last revised in September 2022, continues to effectively clarify how the Board's constitutional powers and responsibilities are to be exercised. However, it will undergo a review during the planned externally facilitated BEE in FY2025. This review aims to ensure alignment with governance best practices, incorporating the latest amendments to the Terms of Reference for the respective Board Committees, as well as updates to governance policies such as the Related Party Transactions Policy and the Conflict of Interest Policy.

Key highlights of the Board's activities and priorities in FY2024 are summarised as follows:

Principal matters considered by the Board in FY2024

Strategic Matters	Governance, Assurance and Risk Management	Financial and Management Performance
Oversight of the Group's performance and five (5)-year strategic priorities	Review of year-end reports/statements such as CG Report, Sustainability Report, ARMC Report, Statement on Risk Management and Internal Control	Quarterly results announcements
Sustainability material matters, climate change action initiatives, net zero carbon emission targets, and compliance with European Union Deforestation Regulation	Review of Circular to Shareholders and Share Buy-Back Statement	New investments and capital expenditure approvals
Board and management succession planning	Internal annual BEE findings	Annual budget, forecasts and key performance targets and indicators
Dividend payout	Cyber security key performance indicators ("KPIs")	Group-wide operational efficiency
Potential growth opportunities such as mergers and acquisitions and collaborations on projects	Risk management and internal control reviews	External auditors' audit findings on the Group's audited financial statements and approval thereof
Ongoing digitalisation and mechanisation in the estates	ESG data integrity, internal audit plan and performance updates	Climate-related financial reporting, including adoption of the International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards
Variation of utilisation of proceeds	Establishment of new policies, i.e. Related Party Transactions Policy, Conflict of Interest Policy and Group Tax Governance Statement	
	Policy amendments, i.e. Business Ethics, Compliance, Anti-Corruption and Anti-Money Laundering Policy, Gifts and Hospitality Guidelines, and Policies and Procedures to Assess the Suitability and Independence of External Auditors	

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Principal matters considered by the Board in FY2024 (continued)

Strategic Matters	Governance, Assurance and Risk Management	Financial and Management Performance
	Amendments to the Terms of Reference of ARMC and GNRC	
	Quarterly internal audit findings	
	GMD's remuneration package, including integration of sustainability/ESG metrics into bonus calculation	
	Directors' remuneration and benefits	
	Change of Board composition	
	Re-constitution of Board Committees	
	Legal and regulatory compliance including CG Code, the Companies Act and listed company obligations	
	Yearly conflict of interest review involving Directors and senior management	
	Alignment of the Group's tax governance practices with the Inland Revenue Board of Malaysia's Tax Corporate Governance Framework	
	Implementation of e-Invoicing	

Looking ahead to FY2025

The Board's priorities for FY2025 include:

- Oversight on the new Five (5)-Year Strategic Plan 2025 - 2029
- Monitoring the external context, particularly in areas such as sustainability and technology
- Evaluation of organic growth strategies, mergers and acquisitions, and exploration of new business opportunities
- Review of the Board Charter of the Company

A.9 GNRC'S ACTIVITIES DURING FY2024

The GNRC's Terms of Reference, which are published on our website at https://www.ioigroup.com/governance, have been revised during FY2024 to provide more clarity on the objectives, functions, duties and proceedings of the GNRC, as well as to ensure consistency with the latest amendments to the Listing Requirements of Bursa Malaysia. Key highlights of the GNRC's FY2024 activities and priorities are summarised as follows:

GNRC Activities & Focus in FY2024

Strategic	Governance	Remuneration	Nomination
Oversight of the management succession planning, including the talent management system of the Group	Review of independence of INEDs	Review of GMD's remuneration package and linkage to ESG metrics	Review and recommendation of Directors standing for re-election at Annual General Meeting ("AGM")
Review of the composition of the Board and Board Committees and their dynamics	Review of the findings of the internal annual BEE	Review of Directors' remuneration and benefits for shareholders' approval	Review and recommendation of appointment of new INED
Re-constitution of Board Committees	Board diversity		
	Review of key executive performance evaluation		
	Review of year-end governance reports		
	Amendments to the Business Ethics, Compliance, Anti-Corruption and Anti-Money Laundering Policy, as well as Gifts and Hospitality Guidelines		
	Amendments to the Terms of Reference of GNRC		

A key element of the GNRC's remit is to lead the process for Board appointments in line with an appropriate succession plan. The GNRC had defined a set of specific criteria for potential new Directors, in particular giving consideration to the skills, expertise, experience and industry knowledge. The GNRC shall also have regard to the potential new Directors' qualities of character, integrity, competence, time availability and commitment as per the Fit and Proper Policy. All Directors are expected to demonstrate the highest level of integrity, credibility, independence of judgement (in the case of INEDs), maturity, collegiality and commitment in discharging their duties and responsibilities.

As part of the Board's succession planning, the GNRC reviews the Board structure, size and diversity periodically and considers any proposed changes to the Board composition. For the purpose of enhancing Board diversity and composition while ensuring continuity of experience, the Company has since September 2022, set a maximum tenure of nine (9) consecutive years for INEDs. As at 30 August 2024, the Board has 43% female representation and the Board will endeavour to maintain a minimum of 30% women as members of the Board. At the same time, the Board acknowledges that other forms of diversity such as professional backgrounds, diverse nationality and ethnic diversity should be given proper consideration as well.

The BEE results in respect of FY2024 have shown that there is effective discharge of duties and responsibilities by each Director, the Board as a whole and its Committees. The Board continues to have the appropriate mix of skills, knowledge and experience to oversee the effective delivery of the Group's strategies.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Directors' Remuneration

The Company has in place a remuneration policy and procedures for Directors and senior management which sets out an overarching framework for the development of a fair and transparent framework for the remuneration of Directors and senior management. As set out in the GNRC's Terms of Reference, the GNRC is responsible for (i) assisting the Board in determining the policy and structure for the remuneration of Non-Executive Directors, and (ii) recommending for the Board's approval the remuneration of Executive Director(s) and key senior management of the Group in all its forms, drawing from outside advice as necessary.

Each of the Directors receives a fixed base Director's fee and a meeting allowance for each Board, Board Committee, and general meeting they attend. The fee structure is benchmarked against industry practices to ensure that each Director is appropriately compensated based on the time commitment required and their level of contribution to the Group.

In September 2024, the GNRC proposed an adjustment to the fee structure, which has remained unchanged since 2019 for the overall fee structure and 2022 for the Board Chairman's fee, despite the Board's expanding responsibilities. With the increasing complexity of governance standards and the evolving regulatory landscape, the Directors are dedicating more time, commitment, and expertise to ensure the continued oversight and strategic guidance that drive the Group's growth and sustainability. Furthermore, this adjustment aligns with market benchmarks and ensures we remain competitive in attracting and retaining highly qualified Directors. The GNRC believes that this review is both timely and necessary to maintain the level of governance expected by our stakeholders.

The Board, upon the GNRC's recommendation, has approved the updated fee structure payable to the Company's Directors, which will take effect from FY2025 onwards, pending shareholders' approval. A comparison of the previous and updated fee structures is shown below:

	Before 30 June 2024 Per Annum RM	After 30 June 2024 Per Annum RM
Board of Directors		
– Base fee (for all Directors excluding Chairman)	130,000	150,000
– Chairman's fee	275,000	350,000
Audit and Risk Management Committee		
– ARMC Chairman's fee	50,000	70,000
– ARMC Member's fee	35,000	50,000
Governance, Nominating and Remuneration Committee		
– GNRC Chairman's fee	30,000	40,000
– GNRC Member's fee	20,000	30,000
Board Sustainability Committee		
– BSC Chairman's fee	30,000	40,000
– BSC Member's fee	20,000	30,000

The breakdown of FY2024 remuneration of each Director of the Company, including payments received or receivable from the Company and its subsidiaries in respect of FY2024, is disclosed in our CG Report under Practice 8.1 of the CG Code. The meeting allowance payable to each Director per Board and Board Committee meeting is RM1,500.

With effect from FY2025, the bonus component of GMD's remuneration is linked to sustainability/ESG metrics, more specifically the achievement of the Group's sustainability ratings as assessed by third-party agencies such as S&P Global Corporate Sustainability Assessment/ Dow Jones Sustainability Indices, Carbon Disclosure Project, FTSE4Good, Sustainalytics and SPOTT. Such sustainability/ESG metrics are externally evaluated by reputable rating agencies based on published methodologies, therefore ensuring transparency, credibility and objectivity in the assessment of the GMD's KPIs.

As for senior management's remuneration, performance targets relating to greenhouse gas reduction and ESG ratings have been incorporated into the senior management's KPIs to drive our sustainability/ESG efforts.

Looking ahead to FY2025

The GNRC will continue to focus on:

- Monitoring management succession and development plans to build the long-term talent pipeline
- Reviewing external independent BEE findings and recommendations
- Monitoring governance trends and amendments to the Listing Requirements of Bursa Malaysia
- Monitoring Board succession plan, and the skills and experiences of Board members to ensure that the Board is equipped to advance the Group's strategy and performance.

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

B.1 FINANCIAL REPORTING

The Board is assisted by the ARMC and relies on information provided by the management in assessing the completeness and accuracy of the Group's financial statements and related disclosures. The ARMC leverages their financial knowledge and commercial experience in overseeing, monitoring and assessing the reliability and quality of the Group's financial statements, financial risk management processes, financial reporting practices and internal control systems. The support provided by the ARMC enables the Board to discharge its fiduciary duties and present to shareholders a clear, balanced and meaningful evaluation of the Group's financial position, performance and prospects.

The integrity of the Group's periodic corporate reports is underpinned by structures and processes within the Group functions that support analytical review of financial reporting and non-financial metrics, validation of information and the maintenance of proper records. The Company's external auditor, BDO PLT, provides independent and objective assurance on the Group's financial statements.

The ARMC Report in this Annual Report contain further details on the activities of the Board and ARMC in terms of the Group's financial reporting process.

Directors' Responsibility for Preparing the Annual Audited Financial Statements

The Board is required by the Companies Act 2016 (the "Act") to prepare or cause to be prepared yearly financial statements which give a true and fair view of the Group and of the Company's state of affairs, results and cash flows. The Directors are of the opinion that the Group uses appropriate accounting policies that are consistently applied and supported by reasonable and prudent judgements and estimates, and that the financial statements have been prepared in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, the provisions of the Act and the Listing Requirements of Bursa Malaysia.

The Directors are also satisfied that the Group maintains reasonably accurate accounting records which provide a true and fair view of the financial position of the Group and of the Company. They have also taken the necessary steps to ensure that appropriate systems and controls are in place to safeguard the assets of the Group, as well as to detect and prevent fraud and other irregularities. The internal control system, by its nature, can only provide reasonable and not absolute assurance against material misstatements, losses and fraud.

B.2 RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining a robust internal control and risk management system that provides reasonable assurance that operations remain effective and efficient and that laws, regulations, internal procedures and guidelines are duly complied with across all segments of the Group. The ARMC supports the Board by overseeing the Group's ERM Framework and regularly evaluating its adequacy and effectiveness.

The Board conducts half-yearly reviews of the effectiveness of the Group's controls, risk management and high-level internal control processes. During such reviews, the Board received periodic reports from the Head of Group Internal Audit, Group Insurance and Risk Management Senior Manager, as well as the external auditor. Both the external and internal auditors have unrestricted access to all departments, records and systems of the Group as and when necessary to undertake their activities.

The Group's ERM Framework also facilitates identification, measurement, monitoring and reporting of sustainability/ESG risks and opportunities. The Board is aided by the ARMC, BSC, Group Sustainability Steering Committee and divisional Risk Management Committees in overseeing key aspects of sustainability/ESG risks, including climate and human rights violation risks. Regular updates on sustainability risks and opportunities are provided to the BSC, ARMC and Board accordingly. Our Climate Change Action initiative is aligned with the Task Force on Climate-Related Financial Disclosures recommendations. We are also progressively enhancing our sustainability disclosures in preparing for the adoption of IFRS Sustainability Standards which include IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*. More details on sustainability risk management can be found in our Sustainability Report which is available on our website at https://www.ioigroup.com/investor-relations/reports.

Based on the Board's evaluation in respect of FY2024, the Group's system of internal control and risk management remain sound and comprehensive, sufficient to mitigate risks, facilitate the attainment of the Group's objectives, and safeguard the Group's assets, shareholders' investments and stakeholders' interests. More details on the Group's ERM Framework and associated activities can be found in the ARMC Report and Statement on Risk Management and Internal Control in this Annual Report.

B.3 ANTI-BRIBERY AND CORRUPTION

Our IOI Core Values drive our behaviour, culture and conduct within the Group. We have a zero-tolerance approach towards misconduct of any kind and will take disciplinary action, up to and including dismissal, in the event of a breach of any provision in our Business Ethics, Compliance, Anti-Corruption and Anti-Money Laundering Policy (the "Policy"). This Policy was last updated in April 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board, through the ARMC, assumes overall responsibility for monitoring, managing and mitigating bribery and corruption risk. Our Group Legal Counsel, supported by a Compliance Officer, oversees the overall implementation of the Policy. The management has also established a Group Integrity Committee with the GMD as its chair and certain senior management personnel as its members, for the purpose of reviewing and promoting compliance with the Policy throughout the Group.

B.4 TAX GOVERNANCE

We are committed to complying with applicable tax laws and regulations across the countries and territories in which we operate. In September 2023, the Company adopted the Group Tax Governance Statement to create a structural approach for us to adjust to constantly evolving tax laws and regulations. The Group CFO is responsible for oversight of tax governance, with support from the Head of Group Tax. We take a low-tolerance approach towards tax compliance risk.

B.5 WHISTLEBLOWING

The Company's Whistleblowing Policy provides an avenue for all employees, agents, vendors, contractors, suppliers, consultants and customers of the Group and members of the public to raise concerns about any improper conduct within the Group. The Whistleblowing Policy also offers protection for all whistleblowers by ensuring anonymity and confidentiality of their identities, as well as assurance against reprisal or retaliation, and immunity from disciplinary action.

In line with the Whistleblowing Policy, the Group's employees are strongly encouraged to raise genuine concerns, through appropriate channels, about suspected or actual violations of the Group's Code of Business Conduct and Ethics, improprieties in financial reporting matters, non-compliance with laws and regulations, non-compliance with the Group's policies and procedures, as well as any improper conduct or other malpractices within the Group.

C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

C.1 STAKEHOLDER ENGAGEMENT

We recognise the importance of listening to and understanding the views of our stakeholders, who are instrumental in ensuring long-term sustainability of the Group. The views of stakeholders have been a key consideration in papers presented to the Board and its Committees and during boardroom discussions, thus influencing strategic planning and decision-making.

The Board ensures that the management handles engagements with the Company's stakeholders in a prudent manner in order to maintain strong and mutually beneficial relationships. Based on the influence of each stakeholder group on our business and their impact on our operations and organisational strategy, the management devises various engagement strategies catering to shareholders, investors, communities, non-profit organisations ("NGOs"), employees, regulators, suppliers, contractors and customers. Engagement initiatives such as direct meetings, workshops and dialogues with communities are conducted throughout the year to learn about their needs and to develop actions to meet those needs. Our stakeholders and NGOs actively engage with our GMD, Chief Sustainability Officer, stakeholder engagement team and Director of Commodity Marketing.

In FY2024, we had conducted surveys to evaluate engagement and pinpoint any areas needing attention. The data collected is meticulously analysed to identify trends over time and gauge the effectiveness of initiatives implemented in response to survey feedback. Our employee engagement remains robust, with a record participation rate of 89% and an engagement score of 70%.

More details on our stakeholder engagement activities can be found in the Stakeholders' Engagement section on pages 46 to 47 of this Annual Report, as well as in our Sustainability Report which is available on our website at https://www.ioigroup.com/investor-relations/reports.

C.2 COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

Our disclosure practices are guided by the CG Code as well as the Listing Requirements of Bursa Malaysia. In line with our Media Disclosure Policy published on our website at www.ioigroup.com/governance, we strive to ensure that all communications to the public, including Bursa Malaysia announcements and our press releases, are timely, factual, accurate and complete, while being mindful of the restrictions governing release of material and price-sensitive information. Our corporate website, www.ioigroup.com, serves as a main platform for our shareholders, investors, stakeholders and the public to access information regarding our Group, especially our financial results, Bursa Malaysia announcements, latest news and highlights, as well as sustainability initiatives and updates.

Our Investor Relations team, led by the Head of Group Strategy, acts as the main point of contact for investors throughout the year. Frequent discussions are held with shareholders, analysts and other investors on a range of issues.

Electronic Communication

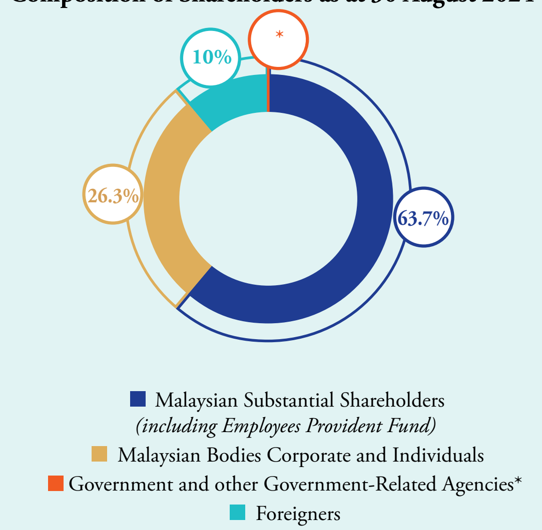
The Company had been authorised by shareholders to publish documents or notifications relating to shareholder communications (such as the Notice of AGM and the Annual Report and Sustainability Report) electronically on our corporate website, in lieu of sending paper copies to shareholders (unless upon request). While recognising that some shareholders may have different preferences about how they receive information from us, we will continue to promote the benefits of electronic communication given its advantages over traditional paper-based communications, both in terms of the configurability and accessibility of the information provided and the consequent cost savings and reduction in environmental impact.

We communicate formally with our shareholders at least six (6) times a year through the following main channels:

- Quarterly and full-year results announcements;
- Dividend declarations; and
- AGM.

As at 30 August 2024, approximately 67% of shareholders were registered to receive notices electronically. Our composition of shareholders is based on the Record of Depositors as at 30 August 2024 was as follows:

Composition of Shareholders as at 30 August 2024



* Negligible

Annual General Meetings

We encourage shareholders to participate in the AGM and pose questions to the Chairman and the Board. We provide clear and informative meeting notices and other communications, and all our meeting materials are available on our website.

Our 54th AGM held on 27 October 2023 was conducted in a hybrid manner, therefore providing our shareholders with more avenues to exercise their rights to participate, speak (whether in person or via submission of typed texts via the meeting platform) and vote at the 54th AGM. Although Mr Lee Yeow Seng, who is a Non-Executive Non-Independent Director, was unable to attend the 54th AGM due to his work commitments, all the other Directors were in full attendance. The minutes and webcast of the 54th AGM, along with the webcast and responses to queries posed by the Minority Shareholders Watch Group were published on our website at https://www.ioigroup.com/governance/shareholders-information in a timely manner.

This Statement was approved by the Board on 11 September 2024.

Audit and Risk Management COMMITTEE REPORT

The Board of Directors (the "Board") of IOI Corporation Berhad (the "Company") is pleased to present its Audit and Risk Management Committee ("ARMC") Report in relation to the financial year ended 30 June 2024 ("FY2024") ("ARMC Report").

The primary objectives of the ARMC are twofold:

(i) To serve as a focal point for communication between the Directors, external auditors and internal auditors with regard to their duties relating to financial reporting, internal controls, external audit and internal audit, and such other matters as the Board determines from time to time.

(ii) To assist the Board to fulfil its responsibilities by providing an independent review and supervision over financial reporting, ensuring the effectiveness of the internal control system of the Company and its subsidiaries (collectively, the "Group" or "IOI Group"), and ensuring the adequacy and effectiveness of the external auditors and internal audit function of the Group.

A. MEMBERS

Since the last financial year, there have been several changes to the composition of the ARMC, as detailed below. The biographies of the current ARMC members are set out in the Profile of Directors section of this Annual Report 2024.

CURRENT MEMBERS	FORMER MEMBERS
Dato' Kong Sooi Lin Chairman Independent Non-Executive Director	**Tan Sri Dr Rahamat Bivi binti Yusoff** Member Independent Non-Executive Director *(Retired on 27 October 2023)*
Lim Tuang Ooi Member Independent Non-Executive Director *(Appointed on 18 July 2023)*	**Cheah Tek Kuang** Member Non-Independent Non-Executive Director *(Retired on 27 October 2023)*
Dr Nesadurai Kalanithi Member Independent Non-Executive Director *(Appointed on 27 October 2023)*	

At present, all the ARMC members are Independent Non-Executive Directors, and none of them is an alternate director nor a former key audit partner of the external auditors. Not only that, all the ARMC members are financially literate and have the relevant experience and capabilities necessary to discharge their duties and responsibilities effectively. Dato' Kong Sooi Lin and Mr Lim Tuang Ooi are members of the Malaysian Institute of Accountants ("MIA"). Also, the ARMC Chairman is not the Chairman of the Board. Therefore, the composition of the ARMC is in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (the "Listing Requirements") and the Malaysian Code on Corporate Governance.

The Group Managing Director and Chief Executive, Group Chief Financial Officer, Head of Group Internal Audit, Group Insurance and Risk Management Senior Manager, certain senior management personnel and the Company's external auditors i.e. BDO PLT ("BDO") are usually invited to attend ARMC meetings to provide briefings, updates and clarifications on matters under the ARMC's purview. BDO also meets with the ARMC without the presence of the management at least twice during the financial year. The Company Secretary acts as the Secretary to the ARMC.

B. SUMMARY OF KEY RESPONSIBILITIES

The Terms of Reference ("TOR") of the ARMC had been revised by the Board on 24 May 2024, to take into account the latest amendments to the Listing Requirements, updates to the Group's internal policies, and the evolving role of the ARMC in particular on managing conflict of interest ("COI") situations within the Group. As empowered by the revised TOR, the duties and responsibilities of the ARMC are, among others:

(i) Overseeing the financial reporting process and monitoring the integrity of the Group's financial statements, annual and quarterly reports, and any other formal announcement relating to its financial performance;

(ii) Reviewing all reports and audit plans by the external auditors, overseeing all relationships with them, and evaluating BDO's independence and performance;

(iii) Monitoring the effectiveness of the Group's internal audit function;

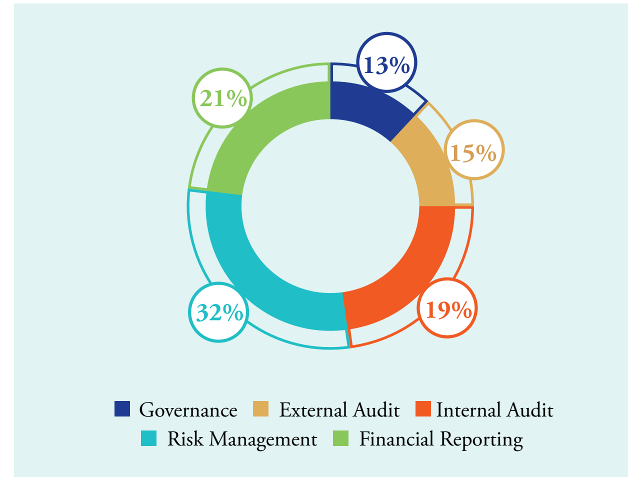
(iv) Reviewing any related party transactions ("RPTs") and COI situations, including measures taken to resolve, eliminate, or mitigate such conflicts; and

(v) Assessing the effectiveness of the Group's practices, processes, internal control system and risk management framework

For more details on the ARMC's duties and responsibilities, the full TOR of the ARMC is published on the Company's website at https://www.ioigroup.com/governance.

C. TIME SPENT

The proportion of time spent on specific key areas under the ARMC's purview is set out below:



D. SUMMARY OF WORK OF THE ARMC

Prior to each financial year, the ARMC plans its dynamic agenda comprising routine items that the ARMC is required to review on a regular basis, as well as any special matters that the ARMC intends to consider during the financial year.

The activities, focus areas and significant matters considered by the ARMC during or in respect of FY2024 are described below:

D.1 FINANCIAL STATEMENTS AND REPORTING

Throughout FY2024, the ARMC had performed the following main duties in relation to the Group's financial statements and financial reporting process:

(i) Monitoring of the Group's compliance with financial reporting standards.

(ii) Assessment of the appropriateness and consistent application of accounting policies throughout the financial year.

(iii) Evaluation of the appropriateness of estimates, judgements and key assumptions made by the management over the recognition, measurement and presentation of the financial results.

(iv) Review of BDO's audit plan, audit progress, as well as BDO's findings on areas of significant attention.

(v) Review of unaudited quarterly financial results and audited financial statements of the Group prior to recommendation for the Board's approval.

(vi) Review of BDO's reports on their assessment of the Group's internal controls and recommendations in respect of control weaknesses.

The significant financial matters considered by the ARMC in relation to FY2024 financial statements are set out below:

Impairment assessment of goodwill on consolidation

The ARMC evaluated the possible factors that could give rise to an impairment of the Group's goodwill, and whether those factors had arisen during FY2024. In doing so, the ARMC provided constructive challenge to the management in regard to the assumptions and judgements applied in arriving at the value-in-use of the assets that were subject to the impairment review. Such assumptions and judgements typically involved projected growth in future revenues and profit margins, cash flow forecasts, and associated pre-tax discount rates.

Upon evaluation of the input received from the management and BDO on this matter, the ARMC concurred with the goodwill impairment assessment in respect of FY2024.

Accounting for derivative financial instruments

In evaluating the carrying amounts of derivative assets and derivative liabilities of the Group, the management had performed reasonableness test based on certain inputs from available market information or contracts, and compared them against the fair value provided by financial institutions.

BDO had discussed with the management on the analysis of contractual terms and evaluated the accounting treatment adopted by the management, including the reasons for entering into derivative financial instruments. Not only that, BDO had assessed the management's process for deriving the fair value of derivative financial instruments.

BDO also reported no material exceptions based on the audit work carried out on this matter.

Based on the assessment of the work of the management and BDO on this matter, the ARMC had satisfied themselves that the derivative financial instruments had been valued appropriately in the Group's financial statements for FY2024.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Impairment assessment of property, plant and equipment ("PPE") for a loss-making subsidiary

The management had assessed the recoverable amount of the PPE of a loss-making subsidiary. The impairment assessment was performed, using the value-in-use method, due to the indication of impairment arising from the loss-making position in FY2024.

BDO's audit procedures on this matter included a comparison of cash flow forecast against recent performance. They had also assessed and compared the key assumptions in the projections to available external industry data where applicable. The disclosures relating to this assessment can be found at Note 14 to FY2024 audited financial statements of the Group.

The ARMC agreed with the impairment assessment performed by the management and BDO and concurred that no impairment is required on the PPE of the loss-making subsidiary for FY2024.

The ARMC also received sustainability updates from BDO relating to the standards issued by ISSB. The financial implications on the assumptions and judgements used by the management in the course of financial reporting of the Group were also considered by the ARMC.

Impairment assessment of goodwill on consolidation, accounting for derivative financial instruments, and impairment assessment of PPE for a loss-making subsidiary were considered as Key Audit Matters ("KAM") in respect of the Group's FY2024 financial statements. The identification of KAM was based on materiality and use of significant judgements and estimates in the following areas:

(i) Future results and key assumptions applied to cash flows projections of operating segments of the Group (i.e. plantation and resource-based manufacturing) in determining the recoverable amounts, including projected growth in future revenues and profit margins, as well as determining an appropriate pre-tax discount rate and growth rates.

(ii) Determination of fair values of derivative financial instruments in accordance with Malaysian Financial Reporting Standards (MFRS) 9 *Financial Instruments* where subjective variables are involved.

As for the year-end review of the Group's internal controls, BDO had discussions with the respective estate, mill, palm oil refinery or power plant managers and Regional Senior Plantation Controllers or General Managers, and communicated their findings for remedial actions. Equal emphasis was placed on information technology general controls that have financial reporting significance, where BDO's findings on the effectiveness of such controls were communicated to the ARMC, as well as the Head of Group Business System and Information Technology.

BDO also reported to the ARMC the unadjusted misstatement found in the course of their audit work, which was immaterial. The ARMC concurred with BDO that there were no material items remaining unadjusted in the financial statements for FY2024.

There were no other significant and unusual events or transactions highlighted by the management as well as by BDO during the course of their audit for FY2024.

D.2 GOING CONCERN ASSESSMENT

The ARMC reviewed the going concern assessment which serves as the basis for preparing the Group's consolidated financial statements, including the assumptions underlying the going concern statement and the period of assessment. The ARMC's assessment was based on various analyses from the management regarding the Group's capital and liquidity position. The ARMC also took note of the principal risks and uncertainties, the existing financial position, the Group's financial resources, and the expectations for future performance and capital expenditure.

Based on such assessment, the ARMC recommended to the Board that the financial statements should continue to be prepared on a going concern basis.

D.3 INTERNAL AUDIT

The ARMC reviewed the annual internal audit plan and budget in respect of the coming financial year, taking into consideration results of previous external and internal audit outcomes, the Group's material sustainability matters and feedback from the management. The ARMC also reviewed the adequacy of the scope, functions, competency and resources of the internal audit function, as part of the ARMC's discharge of its duties to ensure the Group's internal audit function remains effective. Emphasis was placed on sustainability/ environmental, social and governance ("ESG") related audits to be conducted at the operating unit level, given the identified significant risk of non-compliance to sustainability/ESG standards and regulations.

During FY2024, the ARMC had also received regular reports on the findings of the audit assignments undertaken by the internal audit function. Based on quarterly briefings provided by the Head of Group Internal Audit during the ARMC meetings, the ARMC assessed the adequacy and timeliness of the management's response to matters raised in the internal audit reports. In addition, the ARMC made enquiries to the Head of Group Internal Audit and the management to understand the root causes of any unfavourable audit findings, as well as the effectiveness of corrective actions taken or to be taken to address the audit findings. The ARMC also provided constructive challenge to the management as to the actions taken to minimise recurrence of unfavourable audit findings and to ensure satisfactory resolution of material issues raised during the course of the internal audits.

Furthermore, the ARMC held two (2) private sessions with the Head of Group Internal Audit without the presence of the management during FY2024. The purpose of these private sessions was to ensure smooth functioning of corporate accountability mechanisms and that there were no restrictions on the discharge of duties of the internal audit function.

The ARMC had also conducted an annual evaluation of the performance and competency of the Group Internal Audit Department for FY2024 and was satisfied that the internal audit function of the Group had discharged its duties effectively.

D.4 RISK MANAGEMENT

The responsibility to monitor the effectiveness of the Group's risk management and internal control systems had been delegated by the Board to the ARMC. The ARMC is supported by the Corporate Risk Management Department in carrying out its corporate governance responsibilities relating to risk management.

The Group's risk register contains the key risks and their likelihood and impact on the Group's operations, as well as the controls and procedures implemented to mitigate these risks. As part of the holistic approach in determining the risk level, the ARMC considers the impact of the identified risks on the achievement of Vision IOI and the Group's objectives. In doing so, the ARMC reviews Group key risk summary reports prepared by the Corporate Risk Management Department, which track residual risk exposures. Such reports allow the ARMC to assess the appropriateness of the management's action plans to ensure the risk tolerance set by the Board is not exceeded.

In FY2024, the ARMC continued its practice of conducting a review of the effectiveness of risk management and internal control processes, twice a year. The management, including functional heads of the Group, were present during the ARMC meetings to give direct presentations on the risks affecting their respective business divisions. Key risks identified during the period under review were, amongst others, global economic conditions, reputation, sustainability and climate related issues, exposure to trade regulation on commodity products, and commodity price fluctuations. These review sessions allowed the ARMC members to scrutinise key risks, identify emerging risks and define mitigation action plans that are adequate and practical.

Besides that, the ARMC also met with the Group Insurance and Risk Management Senior Manager once during FY2024 without the presence of the management. The main purpose of this private session was to address any issues and concerns that may hamper risk management activities throughout the Group.

In recent years, we have continued to enhance our cyber security controls and governance in response to the increasing threat of cyber risks to our businesses. This includes the further development of our security policies, practices, and training programmes. We remain committed to advancing the maturity of our cyber security capabilities by investing heavily in resources and initiatives necessary to uphold and improve our information security framework. This includes the implementation of preventative technologies such as end-point detection systems, user training, and regular health checks and testing. Regular alerts, email phishing tests and communications from the Group Business System and Information Technology team also help increase employees' awareness and understanding of cyber risks, therefore reinforcing the significance of cyber security for the entire Group.

The ARMC considered the current risk management process during FY2024 and deemed it effective for identifying, assessing and monitoring the Group's risks. Further details on the Group's risks and our risk management activities are reported on pages 122 to 126 of the Statement on Risk Management and Internal Control in this Annual Report.

D.5 RELATIONSHIP WITH EXTERNAL AUDITORS

The ARMC places great importance on high standards of quality and effectiveness of the external audit carried out by BDO. The annual audit plan in respect of FY2024 had been reviewed by the ARMC to ensure that it is consistent with the scope of the audit engagement and the provision of non-statutory audit services rendered to the Group. In reviewing the annual audit plan, the ARMC scrutinised the significant and elevated risk areas that could give rise to material errors in financial reporting, therefore requiring additional audit emphasis. The ARMC also considered the audit scope and materiality threshold to be applied to the Group.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The ARMC also met with BDO representatives (including audit engagement partners) at various stages during the audit process, with and without the presence of the management, to discuss their remit and any issues arising from the audit. This is to ensure BDO is able to work effectively as the Group's external auditors and the management is responsive to the audit findings and recommendations made by BDO. During FY2024, the ARMC met two (2) times with BDO privately without the management being present.

D.6 ASSESSMENT OF EFFECTIVENESS OF EXTERNAL AUDITORS (INCLUDING REVIEW ON THEIR RE-APPOINTMENT)

The ARMC had conducted the annual assessment of BDO's qualifications, expertise, resources and the effectiveness of the audit process in respect of FY2024. Part of this assessment involved a review of BDO's internal quality procedures as disclosed in BDO's annual Transparency Report. The following factors were considered during the said assessment:

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

Details on the ARMC's work in respect of the assessment on BDO are enumerated below:

(a) Auditor's effectiveness

The ARMC considered the quality of reports from BDO and the additional insights provided by the audit team, which are usually provided by the audit partner during meetings with the ARMC. The ARMC also considered BDO's assessment of key accounting and audit judgements, as well as their ability to provide constructive challenge and exercise professional scepticism in dealing with the management.

The ARMC remained satisfied with the effectiveness of the audit process and of BDO as external auditors, based on improvements made following previous year's statutory audit review, the quality of presentations received from BDO, the management's commentary on their relationship and rapport with BDO, BDO's technical insights and their demonstration of a clear understanding of the Group's business, the industry in which the Group operates and its key risks.

(b) Independence and objectivity

The ARMC reviews the work undertaken by BDO and assesses BDO's independence and objectivity annually. In doing so, it takes into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services.

The ARMC also monitors BDO's compliance with relevant regulatory, ethical and professional guidance on the rotation of audit partners. As per BDO's firm policy, the audit engagement partner is required to be rotated every seven (7) years with a five (5)-year cooling-off period. This is in accordance with the By-Laws (On Professional Ethics, Conduct and Practice) of MIA. For the audit in respect of FY2024, the audit engagement partner in charge of the Group had been rotated in compliance with the said By-Laws.

As part of the independence review process, the ARMC had received BDO's confirmation that the latter remains independent in relation to the audit for FY2024 and that its objectivity has not been compromised. Based on the reports provided by BDO, the ARMC remained satisfied with the objectivity and independence demonstrated by BDO in the course of the audit for FY2024.

(c) Non-audit services carried out by external auditors and affiliates during the financial year

The ARMC is guided by the Policies and Procedures to Assess the Suitability and Independence of External Auditors, which had recently been revised in November 2023 to enhance the policies of the ARMC in regard to the approval for provision of non-audit services by the external auditors and affiliates. Such policies are necessary for preserving the objectivity and independence of the external auditors.

The management had obtained prior approval of the ARMC before engaging the external auditors and affiliates to perform non-audit services. Fees paid to BDO and their affiliates for audit and non-audit services during FY2024 are set out in Note 10 to the audited financial statements of the Company for FY2024. BDO also provided in its engagement letter (i) specific safeguards put in place for each non-audit work, and (ii) a confirmation that the extent of the non-audit services provided and the non-audit fees charged would not pose any threat to BDO's independence as statutory auditors of the Company.

The nature of the non-audit services rendered to the Group for FY2024 comprised mainly tax compliance and advisory services, the fees of which constituted approximately 34% of the total audit fees. The ARMC, after carefully considering the non-audit services provided by BDO and their affiliates, was satisfied that the provision of those non-audit services did not compromise the external auditors' independence. Given BDO's in-depth knowledge of the Group, the ARMC believed that it is in the best interest of the Group for BDO and their affiliates to perform those non-audit services.

The ARMC believed that with the necessary safeguards in place, the provision of non-audit services by the external auditors did not reduce the quality of their audit work. The main safeguards that are in place to eliminate threats to BDO's independence or reduce such threats to an acceptable level are as follows:

(i) Non-audit services are performed by staff who are not part of the audit team to avoid self-review threat.

(ii) BDO do not provide services that are perceived to be materially in conflict with their role as external auditors.

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

(d) Audit fees

The amount of audit fees (on a group basis) payable in respect of the audit services provided by BDO and their affiliates were RM1.6 million for FY2024 (FY2023: RM1.5 million). The ARMC agreed that this level of audit fees was appropriate and that an effective audit could be conducted for such a fee. Based on the recommendation of the ARMC, the Board approved the current remuneration payable to BDO pursuant to the authority granted by the shareholders at the Company's 54th Annual General Meeting in 2023.

Recommendation for re-appointment

The main criteria guiding the ARMC's decision in this matter include an assessment of the external auditors' competence, audit quality, resource capacity, objectivity and independence. As part of this assessment, the ARMC had in FY2024 considered the information presented in the annual Transparency Report of BDO, which includes, among others, their measures to uphold audit quality and manage risks and resources, as well as the measurements of audit quality indicators.

Having reviewed the performance of BDO in FY2024, the ARMC had decided to recommend to the Board that BDO be re-appointed as the Company's external auditors for the next financial year ending 30 June 2025 ("FY2025"). A resolution to this effect will be proposed for shareholders' approval at the forthcoming 55th Annual General Meeting to be held on 5 November 2024.

D.7 REVIEW OF CONFLICT OF INTEREST SITUATIONS

In May 2024, the Conflict of Interest Policy (the "COI Policy") had been adopted for the purpose of assisting the Directors and key senior management in recognising and managing any potential COIs that may arise during the financial year, as well as any subsisting COIs that have existed since the previous years. This COI Policy applies to all Directors and key senior management of the Group. The COI Policy forms the foundation for managing COI situations by clearly defining what constitutes a COI. Beyond policies and procedures, the Group has been actively cultivating an organisational culture that underscores the importance of ethical behaviour through our IOI Core Values in effectively managing COI.

In line with Bursa Malaysia's Guidance on Conflict of Interest, the ARMC had reviewed and reported to the Board on the possible situations involving Directors and key senior management that may give rise to COI, together with the measures taken to resolve, eliminate or mitigate such COI. Based on such review, the ARMC viewed that the situations which give rise to such actual or potential COI had been adequately managed in accordance with the COI Policy and Bursa Malaysia's requirements.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Details on the actual or potential COI situations involving certain Directors and senior management of the Group for FY2024, together with the measures taken to address the COIs, are disclosed below:

COI involving Directors

No.	Nature of COI	Nature and Extent of Interest of Conflicted Director	Measures Taken to Address COI
1.	The Company has an indirect 32.1% equity interest in Bumitama Agri Ltd. ("BAL"), which is engaged in the oil palm plantation business in Indonesia.	Dato' Lee Yeow Chor ("Dato' Lee") is deemed as an indirect substantial shareholder of BAL, in view that he is a major shareholder of the Company via Progressive Holdings Sdn Bhd.	All of BAL's plantations are located in Indonesia and the crude palm oil produced by BAL is not sold to the Group. To ensure that all potential COI issues are properly addressed, BAL's board of directors has set up a Conflicts Resolution & Enterprise Risk Management Committee comprising independent directors. Dato' Lee does not participate in or influence any management decisions related to the day-to-day business operations of BAL. He also ensures a separation of interests under the Companies Act 2016 (the "Act") and adheres to strict governance protocols to prevent any potential COI. This disclosure is made in the interest of transparency and to uphold the highest standards of good governance, ensuring that all relevant information is readily available to stakeholders and reinforcing our commitment to accountability and ethical conduct.
2.	Persons connected to Directors are privately engaged in the oil palm plantation business through certain privately owned companies.	The sisters of Dato' Lee and Mr Lee Yeow Seng, i.e. Ms Lee Yoke Har and Ms Lee Yoke Ling, are shareholders of Instantstar Holdings Sdn Bhd, which owns certain private companies engaged in the oil palm plantation business.	Ms Lee Yoke Har and Ms Lee Yoke Ling are not involved in the day-to-day operations of such private business. They are also not the Directors of any entities within IOI Group. The crops produced by the private companies are not sold to any of the mills owned by the Group. The size of plantations owned by the private companies is small compared to IOI Group's plantations.
3.	A Director of the Company sits on the board of directors of Malaysian Kuwaiti Investment Co. Sdn Bhd ("MKIC"), whose businesses include oil palm plantation, coconut plantation and oil palm milling.	Datuk Zurinah binti Pawanteh ("Datuk Zurinah") had been appointed as the Non-Executive Chairman of MKIC under a two (2)-year fixed term contract since 1 February 2024.	MKIC is a government-linked company under the Ministry of Finance (Incorporated), which facilitated Datuk Zurinah's appointment in MKIC. The crude palm oil produced by MKIC is not sold to any of the Group's refineries. The size of plantations owned by MKIC is also relatively small compared to IOI Group's plantations. Datuk Zurinah's role ensures a separation of interests under the Act, and she adheres to strict governance protocols to prevent potential COI. This disclosure is made in the interest of transparency and to uphold the highest standards of good governance. It ensures that all relevant information is readily available to stakeholders, reinforcing our commitment to accountability and ethical conduct.
4.	Some of the GMD's family members are working for the Group in the managerial capacity.	Dato' Lee's son, Mr Ryan Lee Jia Teck ("Mr Ryan Lee"), is recently employed by IOI Global Services Sdn Bhd in the position of Assistant General Manager, Group Operations. Mr Ryan Lee currently reports to Dato' Lee. Dato' Lee's sister, Ms Lee Yoke Hean, is employed by IOI Plantation Services Sdn Bhd in the position of General Manager, Procurement and Administration. She currently reports to the Plantation Director, Mr Sudhakaran a/l Nottath Bhaskaran ("Mr Sudhakaran"). Dato' Lee's brother-in-law, Mr Lim Jit Uei ("Mr Lim"), is employed by IOI Global Services Sdn Bhd in the position of Director of Commodity Marketing. He currently reports to Dato' Lee.	The Group has developed a COI Policy and a Code of Business Conduct and Ethics, both of which clearly define expectations for all employees, including procedures for reporting potential conflicts and the consequences for failing to disclose or manage them appropriately. In addition, we have implemented strict measures to ensure the segregation of duties in areas where COI may arise. Specifically, key decisions related to the employment, performance evaluation, and career progression of any family member are made independently, without any direct or indirect influence from the GMD. This approach reinforces our commitment to fairness, transparency, and ethical governance across all levels of the Group. Mr Ryan Lee's reporting to Dato' Lee is a temporary transitional arrangement while the management progresses with succession planning to appoint an appropriate senior executive as his permanent superior. His performance appraisal and remuneration will be conducted in strict compliance with the Group's internal guidelines, ensuring transparency, fairness, and adherence to good governance principles under the new superior. As for Ms Lee Yoke Hean, who reports to the Plantation Director, her performance appraisal and remuneration are reviewed by the Plantation Director in accordance with the existing internal guidelines set by the Group. For Mr Lim, the GNRC shall play an oversight role over his performance appraisal and remuneration process, in accordance with the Remuneration Policy and Procedures for Directors and Senior Management.
5.	A Director of the Company sits on the board of directors of with Sumitomo Mitsui Banking Corporation Malaysia Berhad ("Sumitomo"), with whom the Group maintains current account and revolving credit facilities.	Mr Lim Tuang Ooi is presently an Independent Non-Executive Director of Sumitomo.	Mr Lim Tuang Ooi, by virtue of his position as an Independent Non-Executive Director of both Sumitomo and the Company, does not participate in or influence any management decisions related to the banking facilities and/or services provided or to be provided by Sumitomo to the Group. His role ensures a separation of interests under the Act, and he adheres to strict governance protocols to prevent any potential COI. This disclosure is made in the interest of transparency and to uphold the highest standards of good governance. It ensures that all relevant information is readily available to stakeholders, reinforcing our commitment to accountability and ethical conduct.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

COI involving Key Senior Management

No.	Nature of COI	Nature and Extent of Interest of Key Senior Management	Measures Taken to Address COI
1.	A family member of key senior management is currently employed by the Group.	Mr Sudhakaran's son is currently employed under the Plantation Division in the position of Executive, Sustainability.	The Group has developed a COI Policy and a Code of Business Conduct and Ethics, both of which clearly define expectations for all employees, including procedures for reporting potential conflicts and the consequences for failing to disclose or manage them appropriately. In addition, we have implemented strict measures to ensure the segregation of duties in areas where COI may arise. Specifically, key decisions related to the employment, performance evaluation, and career progression of any family member are made independently, without any direct or indirect influence from the affected senior management. This approach reinforces our commitment to fairness, transparency, and ethical governance across all levels of the Group.

Our GMD and key senior management are also directors of joint ventures and associate companies. They were nominated by the Company to act as directors of such companies pursuant to shareholders' agreements. They are to represent the Company's investment interest in these companies. Their role ensures a separation of interests under the Act, and they adhere to strict governance protocols to prevent any potential COI. This disclosure is made in the interest of transparency and to uphold the highest standards of good governance. It ensures that all relevant information is readily available to stakeholders, reinforcing our commitment to accountability and ethical conduct.

D.8 OTHER ACTIVITIES

The ARMC had also reviewed the following matters as part of its duties in addition to those stated above:

- Whistleblowing cases, if any, on a quarterly basis to monitor the actions taken by the Whistleblowing Secretariat and the management in respect of whistleblowing reports received.
- RPTs entered into by the Company and/or its subsidiaries.
- Cybersecurity key performance indicators of the Group on a half-yearly basis.
- Policies and Procedures to Assess the Suitability and Independence of External Auditors, RPTs Policy, and TOR of the ARMC.
- ARMC Report and Statement of Risk Management and Internal Control for inclusion in the Annual Report 2024.

E. GROUP INTERNAL AUDIT FUNCTION

The internal audit function of the Group provides independent, objective assurance and advisory services designed to add value and improve the operations of the Group. Its scope encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the Group's governance, risk management and internal control processes in relation to the Group's defined goals and objectives. The internal audit function is guided by the Internal Audit Charter, which sets out its role, scope, accountability and authority. The Internal Audit Charter was last revised and approved by the ARMC on 26 November 2019.

The Head of Group Internal Audit, who is a member of both MIA and Institute of Internal Auditors Malaysia, reports functionally to the ARMC. His full profile is set out on page 95 of this Annual Report 2024 under the Senior Management Team section. As at 30 June 2024, the Head of Group Internal Audit is supported by forty-five (45) personnel based in various regions where the Group operates. All of the internal audit personnel possess the requisite qualifications and have adequate knowledge of the Group's business operations, sustainability, business and financial risks, processes and internal controls. They also undergo regular training in terms of business operations, soft skills, and new auditing techniques and concepts.

The Group Internal Audit Department, as guided by the Group's Enterprise Risk Management ("ERM") Framework, adopts a risk-based approach when planning and conducting audits on various operating units within the Group. Risk is assessed on a holistic approach based on each business division's contribution, input from the management and outcomes of previous audit reviews. During FY2024, a total of ninety-three (93) audit assignments comprising eighty-five (85) routine and eight (8) special audit assignments were completed for various business divisions of the Group, i.e. plantation, resource-based manufacturing and corporate. Routine audit assignments covered oil palm estate operations, commodity marketing activities and refinery operations, as well as labour practices (particularly workers' housing, basic amenities and facilities) in oil palm estates. For special audit assignments, the Group Internal Audit Department had verified environmental and social data and information on key sustainability environmental and social matters of the Group, across forty-two (42) operating units under the plantation and resource-based manufacturing segments. The scope of this verification exercise covered environmental topics such as production, fuel and energy consumption, water, effluent and waste, as well as social topics such as headcount, occupational safety and health, and staff training.

Quarterly audit reports containing findings of these audits, recommended remedial actions to address weak areas, and the management's comments on these findings are issued to the affected operating units and tabled to the ARMC and Board. Recurring significant issues which are yet to be resolved satisfactorily are highlighted to the ARMC on a quarterly basis as well. Affected operating units are required to update the Group Internal Audit Department on the progress of remedial actions to address weak areas within three (3) months from the issuance of audit reports.

In addition to the above, the Group Internal Audit Department had conducted the annual review of the recurrent RPTs of the Group. The purpose of such review was to obtain reasonable assurance that (i) the recurrent RPTs had been carried out on an arm's length basis and on normal commercial terms; (ii) the relevant internal controls in place are adequate and effective; (iii) the applicable policies, procedures and requirements had been complied with; and (iv) the principle of competitive bidding is observed in the procurement of good and services.

The total costs incurred for the internal audit function of the Group for FY2024 was RM4.9 million (FY2023: RM4.7 million). The increase in the total costs incurred for FY2024 as compared with FY2023 was mainly due to additional internal audit staff headcount recorded in Sabah region as well as an overall increase in staff costs (due to annual increment and increase in bonus payout) and travelling expenses.

F. ATTENDANCE AT MEETING

The ARMC held six (6) meetings during FY2024 to discharge its duties in accordance with its TOR. Post FY2024 until the date of approval of this ARMC Report, another three (3) meetings were held to deliberate on matters in respect of FY2024.

The attendance record of each ARMC member are as follows:

	Attendance during FY2024	Attendance post-FY2024
Dato' Kong Sooi Lin	6/6	3/3
Tan Sri Dr Rahamat Bivi binti Yusoff ^	3/3	-
Cheah Tek Kuang ^	3/3	-
Lim Tuang Ooi #	6/6	3/3
Dr Nesadurai Kalanithi *	3/3	3/3

^ Prior to his/her retirement on 27 October 2023
# After his appointment on 18 July 2023
* After her appointment on 27 October 2023

G. ANNUAL REVIEW AND PERFORMANCE EVALUATION

As required by the TOR, the ARMC and its members had undergone an annual evaluation in relation to the composition, performance and effectiveness of the ARMC and its members. Such evaluation includes an assessment of the ARMC as a whole, as well as peer and self-evaluations.

The ARMC viewed that it has adopted a balanced work approach during the financial year in terms of focus, objectives and means utilised to obtain the necessary assurance on matters within the ARMC's purview. The ARMC also believed that it has retained appropriate standing within the Company and has maintained appropriate relations with the management and BDO, while remaining independent at all times for effective governance and oversight.

Based on the evaluation conducted by the ARMC members, the Board was satisfied that the ARMC and its members had effectively discharged their duties in accordance with the TOR in respect of FY2024.

Looking ahead to FY2025

The ARMC's focus areas for FY2025 in addition to routine business are as follows:

- Impact of climate change on accounting assumptions, financial reporting and related disclosures, particularly the adoption of ISSB standards
- Oversight of e-invoicing within the Group, which involves adjustments to the Group's internal systems and policies
- Review of cyber risk management strategies and practices in order to prepare and operationalise the Group's cyber incident response plan
- Ongoing review of the Group's tax processes and risk management measures pursuant to Tax Corporate Governance Framework

The ARMC Report was approved by the Board on 11 September 2024.

Statement on RISK MANAGEMENT AND INTERNAL CONTROL

A. INTRODUCTION

The Board of Directors (the "Board") is cognisant of its overall responsibility to establish a sound risk management and internal control system, including its role in providing risk oversight, setting the culture and assigning responsibility towards managing and responding to principal risks and risk to achieve the corporate objectives and strategies. The Board is pleased to present herewith the Statement on Risk Management and Internal Control (or the "Statement") of the Group in respect of the financial year ended 30 June 2024.

B. RESPONSIBILITIES AND ACCOUNTABILITIES

Board

The Board affirms its overall responsibility in ensuring independent oversight of internal control and risk management. The Board continually articulates, reviews the adequacy and effectiveness of the Group's Enterprise Risk Management ("ERM") framework and internal controls, and ensures alignment with business objectives. However, it should be noted that internal controls are designed to manage and minimise rather than absolute assurance against material misstatement of management and financial information, financial losses, fraud, and breaches of environmental law and regulation.

The ongoing risk management processes are established for identifying, evaluating, monitoring and managing the principal risks faced by the Group in its achievement of strategic objectives. This process has been in place for the year under review and up to the date of approval of this Statement.

Audit and Risk Management Committee

The Audit and Risk Management Committee ("ARMC") conducts bi-annual risk reviews with the respective division's Risk Management Committee. The ARMC also ensures the internal controls in place are adequate and effective to address the Group's principal risks.

Corporate Risk Management Department

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

Group Internal Audit Department

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

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

C. RISK MANAGEMENT FRAMEWORK

The Group adopts an ERM framework which was formalised in 2002. The framework had been revised in 2023 and adapted as reasonably practicable from the ISO 31000: 2018 Risk Management Guidelines.

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

i) Risks that offer opportunities for superior returns

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

ii) Risk management as a collective responsibility

By engaging every division as risk owners of their immediate sphere of risks, the Group aims to approach risk management holistically. This is managed through an oversight structure involving the Board, ARMC, GIAD, the management, and divisional Risk Management Committees.

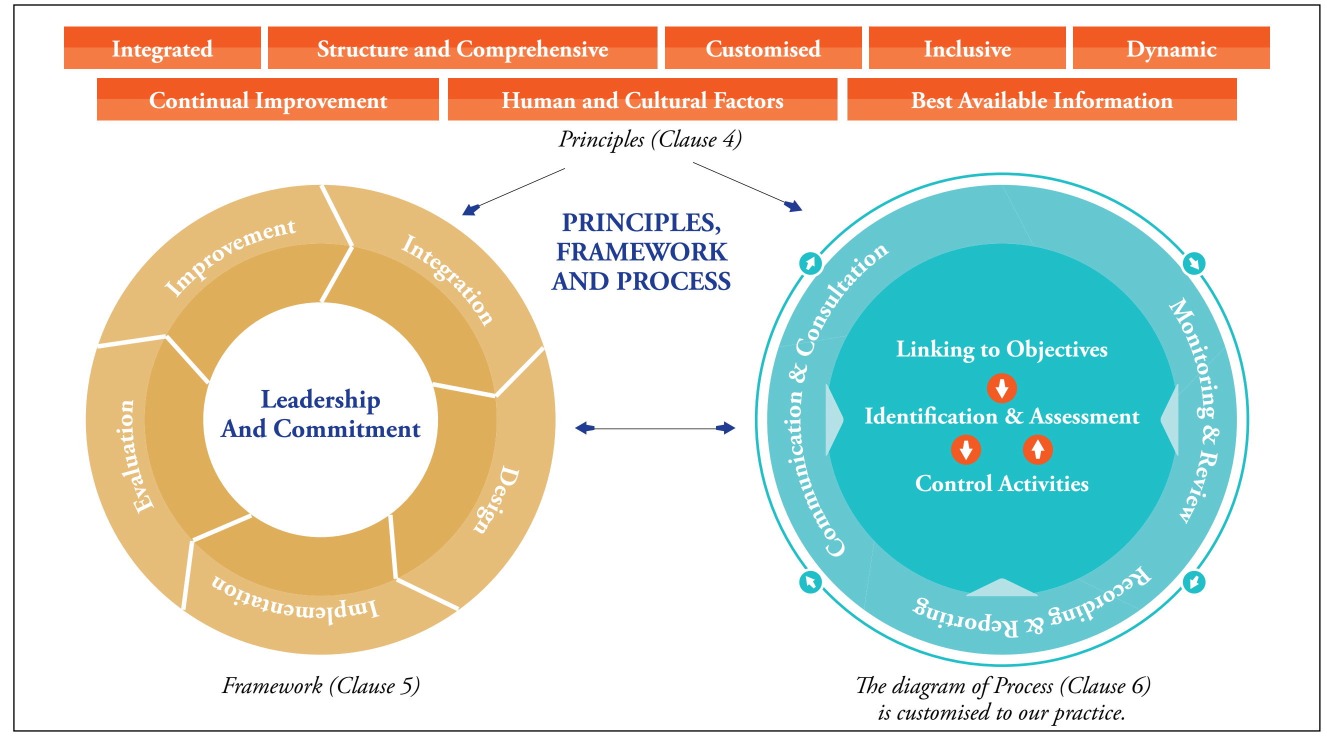
iii) Risk forbearance not exceeding capabilities and capacity to manage

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

iv) Risk management as both a control and strategic tool

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

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



(Source: ISO 31000: 2018 Risk Management Guidelines)

D. KEY RISK AREAS

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

Under the Group's ERM framework, the Group has relevant policies and guidelines on risk reporting and disclosure which cover the following principal risks:

Principal Risk	
Strategic Risk	The Group's vision is to be a leading and sustainable Malaysian business corporation with global presence. The senior management continually keeps abreast of strategic risk while being mindful of global trends, geo-political tensions, business resilience, industry disruption, and palm oil alternatives, and responds to them appropriately.
Financial Risk	The Group is exposed to various financial risks relating to foreign currency exchange, interest rates, credit, liquidity and prices. The Group's risk management objectives and policies coupled with the required quantitative and qualitative disclosures relating to its financial risks are set out in Note 38 to the financial statements on pages 208 to 238 of this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Principal Risk	
Operational Risk	The Group's policy is to assume operating risks that are within its core businesses and competencies to manage. Operational risk management ranges from managing strategic operating risks to managing diverse day-to-day operational risks. The management of the Group's day-to-day operational risks is primarily decentralised at the division unit level and guided by approved standard operating procedures. This includes risks relating to supply chain, production, marketing and distribution, safety, health and environment. Operational risks that cut across the organisation, including those relating to the enterprise resource planning system (which includes business information systems), treasury management, transfer pricing, group sustainability and reputation, are coordinated centrally.
Compliance Risk	The Group operates in diverse geographical locations and as such, is governed by relevant local and international laws, regulations, standards, certifications and accreditations, including Roundtable on Sustainable Palm Oil ("RSPO") standards, International Sustainability and Carbon Certification ("ISCC") and the mandatory Malaysian Sustainable Palm Oil ("MSPO") requirements. The Group Legal Counsel provides legal advisory, regulatory and litigation support while the Company Secretary assists the Board and senior management to promote effective operation of key elements of the Group's corporate governance culture and practices, and to support and meet the Group's regulatory compliance requirements related to, among others, Bursa Malaysia Securities Berhad, Securities Commission Malaysia, Companies Act 2016, Malaysian Code on Corporate Governance and any applicable securities laws in Malaysia and Indonesia.
Reputational Risk	Palm oil producers are constantly facing anti-palm oil sentiment and allegations from local and international NGOs. Public misconception is that oil palm plantation drives deforestation, destruction of peatland areas, forced labour issues, etc. The Group will not only seek to always ensure transparent and clear communication in order to mitigate this risk and keep key stakeholders informed but will also follow up with clear action plans to address any grievances.
Cyber Security Risk	The Group's business environment is exposed to cyber security risks such as malware, ransomware, unauthorised access, and loss of information. To mitigate the risks, IOI undertakes a robust and modern security infrastructure which includes machine-learning powered firewall, endpoints protection, and email filtering system. In addition to regular reviews of IT policies and operating procedures, IOI conducts periodic penetration testing and cyber security awareness campaigns to further enhance cyber security readiness. The Group also integrates IT governance best practices and technology risk management in its business operation to meet its cyber security objectives. Our primary goals and objectives focus on the priorities of confidentiality, integrity and availability based on the criticality of secure IT infrastructure and systems. The enterprise network of IOI incorporates the concept of defence in depth, where multiple layers of security controls and defence are placed throughout our enterprise network for resiliency.
Sustainability Risk	Sustainability including Environmental, Social and Governance ("ESG") related matters are embedded deeply within both IOI's plantation and resource-based manufacturing divisions, and therefore, a significant aspect of IOI's operations. Some of the global concerns on sustainability issues related to the palm oil industry are human rights at the workplace, forced labour, deforestation and peatland protection, climate change, traceability, etc. In managing sustainability risks, the Group had introduced and implemented the IOI Sustainable Palm Oil Policy ("SPOP"), together with the relevant policies and guidelines. The Group has further revised the SPOP to the IOI Sustainability Policy ("SP") to further reflect new sustainability requirements and concerns. On climate change, IOI had early on introduced the Climate Change Action initiative ("CCAi") in 2019 because we view this issue as material to all our operations. We are aligned with the Task Force for Climate-Related Financial Disclosures ("TCFD") and are committed to net zero by 2040.

E. INTERNAL CONTROL SYSTEMS

The Group's Core Values

The Group's corporate culture is embedded in its core values of integrity, commitment, team spirit, cost efficiency, innovation, and excellence in executions and to achieve the Group's vision and support its business objectives and goals.

Code of Business Conduct and Ethics

The Group communicates the Code of Business Conduct and Ethics (the "Code") to all employees upon their employment. The Code reinforces the Group's core value of integrity by providing guidance on moral and ethical behaviour that is expected from all employees in following the laws, policies, standards and procedures and for dealing with conflicts of interest situation.

Anti-Bribery and Corruption ("ABC")

The Group's ABC framework incorporates the principles from the Guidelines on Adequate Procedures issued by the Prime Minister's Department. These principles include:

1. Top Level Commitment: Ensuring leadership's dedication to ethical practices.
2. Risk Assessment: Identifying and evaluating potential risks of bribery and corruption.
3. Undertake Control Measures: Implementing necessary controls to mitigate identified risks.
4. Systematic Review, Monitoring, and Enforcement: Continuously reviewing and enforcing the controls.
5. Training and Communication: Educating and informing employees about ABC policies.

To support these principles, the Group has established specific policies and guidelines for proper conduct of business, which include:

- Business Ethics, Compliance, Anti-Corruption, and Anti-Money Laundering Policy
- Gifts and Hospitality Guidelines

The Group Integrity Committee ensures the Group maintains an effective corporate governance system aligned with global best practices.

Key initiatives have been taken to raise awareness among employees, which include:

- The ABC Forum with MACC officers
- The Anti-Bribery Badge
- The Annual Integrity Declaration

This is supplemented by GIAD's review of the ABC control measures on a periodic basis. During the financial year under review, all the Group's business units had participated in the bribery and corruption risk assessment.

Whistleblowing Channel

The Group's Whistleblowing Policy was established in 2013 which had been further revised in November 2022. The policy provides for a dedicated and confidential channel for employees and stakeholders to disclose or raise genuine concerns on possible improprieties, improper conduct or other malpractices within the Group in a transparent and confidential manner. The GIAD acts as the Whistleblowing Secretariat. The whistleblowing complaints received through the whistleblowing channel are escalated to designated officers for further investigation. The feedback and communications received through the whistleblowing channel are presented to the ARMC.

Internal Control

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

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

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

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

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

f) The Group 5-Year Strategic Plan charts the business direction and strategies of the key business divisions and is approved by the Board. The progress and the performance in achieving these targets are reviewed half yearly.

g) Business plans and operating and capital expenditure budgets are prepared by business divisions annually and are approved by the Board. Actual performance and significant variances against budget are monitored on an ongoing basis.

h) Key result areas and key performance indicators are established and aligned with the strategic business objectives and goals. The achievement of the key performance indicators is monitored on an ongoing basis.

i) Operation meetings are conducted regularly by the department heads and heads of the operating units on the day-to-day operations, followed by periodic management review by the divisional heads and the Group Managing Director and Chief Executive ("GMD").

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

RISK REVIEW FOR THE FINANCIAL YEAR

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

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

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

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

d) Ensured internal audit programmes cover identified principal risks. Audit findings throughout the financial period served as key feedback to validate the effectiveness of risk management activities and embedded internal controls.

e) Reviewed implementation progress of actionable programmes, and evaluated post-implementation effectiveness.

f) Reviewed the adequacy of all business resumption and contingency plans, and their readiness for rapid deployment.

The risk review includes the division's Internal Control Certification and Assessment Disclosure and the Questionnaire on Controls and Compliance. They adhere to the Corporate Governance Guide – Guidance on Effective Audit and Risk Management issued by Bursa Malaysia Securities Berhad.

The ARMC and the Board review bi-annually the principal risks of all divisions to ensure that appropriate mitigating measures are in place.

REVIEW OF THIS STATEMENT BY THE EXTERNAL AUDITORS

Under Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed the Statement on Risk Management and Internal Control of the Group for the financial year ended 30 June 2024. Their limited assurance review was conducted according to the guidelines outlined in Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems. AAPG 3 also does not require the external auditors to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

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

CONCLUSION

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

This Statement was approved by the Board on 11 September 2024.

Statement of DIRECTORS' INTERESTS

IN THE COMPANY AND ITS RELATED CORPORATIONS AS AT 30 AUGUST 2024

(Based on the Register of Directors' Shareholdings)

	No. of ordinary shares/redeemable preference shares*			
Name of Directors	**Direct**	**%^**	**Indirect**	**%^**
The Company				
Tan Sri Peter Chin Fah Kui	-	-	20,000[3]	#
Dato' Lee Yeow Chor	9,818,800	0.16	3,129,734,980[1]	50.45
Lee Yeow Seng	-	-	3,129,534,980[2]	50.45
Dato' Kong Sooi Lin	-	-	-	-
Dr Nesadurai Kalanithi	-	-	-	-
Datuk Zurinah binti Pawanteh	-	-	-	-
Lim Tuang Ooi	-	-	-	-
Ultimate Holding Company Progressive Holdings Sdn Bhd				
Dato' Lee Yeow Chor	18,600,000	77.5	-	-
Lee Yeow Seng	5,400,000	22.5	-	-
Dato' Lee Yeow Chor	794,794,275*	77.5	-	-
Lee Yeow Seng	230,746,725*	22.5	-	-

By virtue of Dato' Lee Yeow Chor and Lee Yeow Seng's interests in the ordinary shares of the Company and of its ultimate holding company, they are also deemed to be interested in the shares of all the subsidiaries of the Company and of its ultimate holding company to the extent that the Company and its ultimate holding company have an interest.

Notes:

1 *Deemed interested by virtue of his interest in Progressive Holdings Sdn Bhd ("PHSB"), pursuant to Section 8 of the Companies Act 2016 (the "Act") and also interest in shares of his spouse, Datin Joanne Wong Su-Ching 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 his interest in shares of his spouse, Puan Sri Ruby Wee Hui Kiang pursuant to Section 59(11)(c) of the Act*

Negligible

^ *Based on total number of issued voting shares (excluding 81,501,700 treasury shares)*

Shareholdings of SENIOR MANAGEMENT TEAM

Based on the Record of Depositors as at 30 August 2024, the details of shareholdings of our senior management team are as follows:

Name	Direct	%#	Indirect	%#
1. Sudhakaran a/l Nottath Bhaskaran	185,600	*	-	-
2. Subramaniam a/l Arumugam	-	-	-	-
3. Koo Ping Wui	15,000	*	-	-
4. Sia Chieng Ho	-	-	-	-
5. Thomas Kummer	-	-	-	-
6. Teoh Bak Moi	-	-	-	-
7. Lim Jit Uei	-	-	916,800^	0.01
8. Shyam a/l M.K. Lakshmanan	12,000	*	-	-
9. Hans Peter Fitch	31,000	*	-	-
10. Tan Kean Hua	41,000	*	-	-
11. Kong Kian Beng	-	-	-	-
12. Dr Surina binti Ismail	-	-	-	-
13. Tan Choong Khiang	-	-	-	-
14. Amir Mohd Hafiz bin Amir Khalid	-	-	-	-
15. Ling Kea Ang	-	-	-	-
16. Lee Chin Huat	-	-	-	-

Notes:
* *Negligible*
\# *Based on the total number of issued voting shares (excluding 81,501,700 treasury shares)*
^ *Deemed interested by virtue of his interest in shares of his spouse, Lee Yoke Hui*

Other INFORMATION

MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business) entered into by IOI Corporation Berhad ("IOIC" or the "Company") and its subsidiaries (the "Group") during the two (2) years immediately preceding the date of this Annual Report.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

Recurrent related party transactions of a revenue nature of the Group conducted pursuant to shareholders' mandate for the financial year ended 30 June 2024 are as follows:

Transacting Parties	Type of Recurrent Related Party Transactions	Interested Directors/ Major Shareholders and Persons Connected	Value of Transactions (RM million)
Nice Frontier Sdn Bhd ("NFSB") (1)	Purchase of fresh fruit bunches ("FFB") by Pamol Plantations Sdn Bhd ("PPSB") (1)	• Vertical Capacity Sdn Bhd ("VCSB")[2] • Progressive Holdings Sdn Bhd ("PHSB")[3] • Dato' Lee Yeow Chor ("Dato' Lee")[4] • Lee Yeow Seng ("LYS")[5] • Datin Joanne Wong Su-Ching ("DJW")[6] • Lee Yoke Ling ("LY Ling")[6] • Lee Yoke Har ("LY Har")[6] • Lee Yoke Hean ("LY Hean")[6] • Lee Yoke Hui ("LY Hui")[6]	20.64
GLM Emerald Industrial Park (Jasin) Sdn Berhad ("GLM") (1)	Purchase of FFB by Dynamic Plantations Berhad ("DPB") (1)	• VCSB[7] • PHSB[8] • Dato' Lee[9] • LYS[10] • DJW[6] • LY Ling[6] • LY Har[6] • LY Hean[6] • LY Hui[6]	10.61

Notes:
1 Details of the transacting parties:

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

2 VCSB is the ultimate holding company of IOIPG and a deemed Major Shareholder of NFSB.

3 PHSB is the ultimate holding company of IOIC and a deemed Major Shareholder of PPSB.

4 Dato' Lee is the Group Managing Director and Chief Executive ("GMD") of IOIC and a Director of IOIPG and a deemed Major Shareholder of both IOIC and IOIPG. He is the brother of LYS. Dato' Lee is also a Director of PPSB.

5 LYS is a Director of IOIC and the Group Chief Executive Officer ("Group CEO") of IOIPG and a deemed Major Shareholder of both IOIC and IOIPG. He is the brother of Dato' Lee. LYS is also a Director of NFSB.

6 DJW is the spouse of Dato' Lee. LY Ling, LY Har, LY Hean and LY Hui are the sisters of Dato' Lee and LYS.

OTHER INFORMATION

7 VCSB is the ultimate holding company of IOIPG, which in turn owns 31.96% effective equity interest in GLM.

8 PHSB is the ultimate holding company of IOIC and a deemed Major Shareholder of DPB.

9 Dato' Lee is the GMD of IOIC and a Director of IOIPG and a deemed Major Shareholder of both IOIC and IOIPG. He is the brother of LYS. Dato' Lee is also a Director of DPB.

10 LYS is a Director of IOIC and the Group CEO of IOIPG and a deemed Major Shareholder of both IOIC and IOIPG. He is the brother of Dato' Lee. LYS is also a Director of GLM.

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for services rendered by the external auditors, BDO PLT and their affiliated companies or firms to the Company and the Group for the financial year ended 30 June 2024 are as follows:

Fees	Company (RM million)	Group (RM million)
Audit Fees	0.156	1.570
Non-Audit Fees	0.007	0.531
Total	0.163	2.101

UTILISATION OF PROCEEDS

On 1 March 2018, the Group completed the disposal of 70% equity interest in Bunge Loders Croklaan Group BV with a preliminary disposal consideration of USD595.0 million plus EUR303.4 million (total approximately RM3,784.7 million) (the "Disposal"). On 23 October 2018, the Group received a net adjustment amount of EUR11.5 million (approximately RM55.0 million) upon finalisation of the intermediate disposal consideration in accordance with the terms of the sale and purchase agreement.

Subsequently, the Board of Directors (the "Board") revised the initial timeframe to fully utilise the proceeds received from the Disposal as follows, allowing the Board to further identify and evaluate the feasibility of the potential investments and to formulate the Group's strategies holistically:

Purpose	Proposed Utilisation (RM million)	Initial Timeframe	Revised Timeframe*	Second Revised Timeframe^	Third Revised Timeframe#
Future investment	959.9	Within 24 months	Within 42 months	Within 57 months	Within 69 months
Dividend to shareholders	767.9	Within 12 months	Within 30 months	-	-
Repayment of borrowings	1,919.9	Within 24 months	-	-	-
General working capital	182.4	Within 24 months	-	-	-
Transaction expenses	9.6	Immediate	-	-	-
Total	**3,839.7**				

* On 18 February 2020, the Board resolved to extend the initial utilisation timeframe for an additional period of 18 months (i.e. Revised Timeframe) to utilise the remaining proceeds.

^ On 24 August 2021, the Board resolved to further extend the Revised Timeframe for an additional period of 15 months (i.e. Second Revised Timeframe) to utilise the remaining proceeds.

On 25 November 2022, the Board resolved to further extend the Second Revised Timeframe for an additional period of 12 months (i.e. Third Revised Timeframe) to utilise the remaining proceeds.

As at 28 November 2023, the Company had yet to fully utilise the remaining proceeds received from the Disposal which were initially earmarked for future investments in accordance with the Third Revised Timeframe. Therefore, the Board had on even date resolved to vary the unutilised proceeds earmarked for future investments (i.e. RM97.4 million) to fund the general working capital of the Group ("Variation"). The remaining unutilised proceeds after the Variation had been fully utilised before 30 November 2023, as per the table below:

Purpose	Proposed Utilisation (RM million)	Actual Utilisation as at 28 November 2023 (RM million)	Remaining Available (RM million)	Variation to the Remaining Available (RM million)	Remaining Available after the Variation	Remaining Available as at 30 November 2023 (date of expiry of Third Revised Timeframe)
Future investment	959.9	862.5	97.4	(97.4)	-	-
Dividend to shareholders	767.9	767.9	-	-	-	-
Repayment of borrowings	1,919.9	1,919.9	-	-	-	-
General working capital	182.4	182.4	-	97.4	97.4	-
Transaction expenses	9.6	9.6	-	-	-	-
Total	**3,839.7**	**3,742.3**	**97.4**	**-**	**97.4**	**-**

Financial REPORT

Directors' REPORT

The Directors of IOI Corporation Berhad have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of an investment holding company.

The principal activities of the subsidiaries, associates and joint ventures are primarily involved in investment holding; oil palm cultivation and processing; commodities trading and refinery; manufacture and sales of fatty acids, soap noodles, glycerine and other oleochemical related products; manufacture and sale of plasticizer products, margarine, shortening and fat spreads; processing of oil palm trunks and other bio-matter derived from plantations to produce materials used in furniture, construction and building industries; processing of crude coconut oil; production and supply of palm-based renewable energy; as well as provision of management services and other related business activities. The principal activities and the details of the subsidiaries, associates and joint ventures are set out in Note 40 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

The audited financial results of the Group and of the Company for the financial year are as follows:

In RM million	**Group**	**Company**
Profit before tax	1,398.5	816.3
Tax expense	(282.2)	(11.5)
Profit for the financial year	1,116.3	804.8
Attributable to:		
Owners of the parent	1,109.4	804.8
Non-controlling interests	6.9	-
	1,116.3	804.8

DIVIDENDS

Dividends declared and paid since the end of the previous financial year were as follows:

In RM million	**Company**
In respect of the financial year ended 30 June 2023	
Second interim single tier dividend of 5.0 sen per ordinary share, paid on 22 September 2023	310.2
In respect of the financial year ended 30 June 2024	
First interim single tier dividend of 4.5 sen per ordinary share, paid on 21 March 2024	279.2
	589.4

On 26 August 2024, the Board of Directors declared a second interim single tier dividend of 5.0 sen per ordinary share, amounting to RM310.2 million in respect of the financial year ended 30 June 2024. The dividend is payable on 26 September 2024 to shareholders whose names appear in the Record of Depositors and Register of Members of the Company at the close of business on 18 September 2024.

No final dividend has been recommended by the Board of Directors for the financial year ended 30 June 2024.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

TREASURY SHARES

The shareholders of the Company, by an ordinary resolution passed at an extraordinary general meeting held on 18 November 1999, approved the Company's plan to repurchase up to 10% of the issued share capital of the Company ("Share Buy Back"). The authority granted by the shareholders was subsequently renewed during subsequent Annual General Meetings ("AGM") of the Company, including the last AGM held on 27 October 2023.

The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the Share Buy Back can be applied in the best interests of the Company.

The Company did not repurchase any of its issued ordinary shares from the open market during the financial year.

The Company has the right to cancel, resell and/or distribute the treasury shares as dividends or transfer the treasury shares as purchase consideration at a later date. As treasury shares, the rights attached to voting, dividends and participation in other distribution are suspended. None of the treasury shares repurchased had been sold, cancelled or transferred during the financial year.

At the end of the financial year, the number of ordinary shares in issue after deducting treasury shares is 6,203,697,295 ordinary shares.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

DIRECTORS

The Directors of the Company who have held office during the financial year until the date of this report are as follows:

Tan Sri Peter Chin Fah Kui
Dato' Lee Yeow Chor
Lee Yeow Seng
Dr Nesadurai Kalanithi
Dato' Kong Sooi Lin
Lim Tuang Ooi (Appointed on 18 July 2023)
Datuk Zurinah binti Pawanteh (Appointed on 1 September 2023)
Tan Sri Dr Rahamat Bivi binti Yusoff (Retired on 27 October 2023)
Cheah Tek Kuang (Retired on 27 October 2023)

DIRECTORS' REPORT

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and redeemable preference shares of the Company and of its related corporations during the financial year as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia are as follows:

	As at 1 July 2023	Acquired	Disposed	As at 30 June 2024
The Company				
Direct interest				
No. of ordinary shares				
Dato' Lee Yeow Chor	9,818,800	-	-	**9,818,800**
Indirect interests				
No. of ordinary shares				
Tan Sri Peter Chin Fah Kui	20,000	-	-	**20,000**
Dato' Lee Yeow Chor	3,129,664,980	70,000	-	**3,129,734,980**
Lee Yeow Seng	3,129,534,980	-	-	**3,129,534,980**
Ultimate Holding Company				
Progressive Holdings Sdn Bhd				
Direct interests				
No. of ordinary shares				
Dato' Lee Yeow Chor	18,600,000	-	-	**18,600,000**
Lee Yeow Seng	5,400,000	-	-	**5,400,000**
No. of redeemable preference shares				
Dato' Lee Yeow Chor	1,038,841,775	-	(244,047,500)	**794,794,275**
Lee Yeow Seng	301,599,225	-	(70,852,500)	**230,746,725**

By virtue of Dato' Lee Yeow Chor's and Lee Yeow Seng's interests in the ordinary shares of the Company and of its ultimate holding company, they are also deemed to be interested in the shares of all the subsidiaries of the Company and of its ultimate holding company to the extent that the Company and its ultimate holding company have an interest.

The other Directors holding office at the end of the financial year namely, Dr Nesadurai Kalanithi, Dato' Kong Sooi Lin, Lim Tuang Ooi and Datuk Zurinah binti Pawanteh did not have any interest in the ordinary shares and redeemable preference shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefits, which may be deemed to have arisen by virtue of the significant related party transactions entered into in the ordinary course of business as disclosed in Note 36 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 30 June 2024 were as follows:

In RM million	Group	Company
Fees	1.4	1.4
Remuneration	19.1	19.1
Total short term employee benefits	20.5	20.5
Post-employment benefits	2.1	2.1
	22.6	22.6

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains a corporate liability insurance for the Directors and officers of the Group throughout the financial year, which provides appropriate insurance cover for the Directors and officers of the Group. The amount of insurance premium paid by the Company for the financial year 2024 was RM127,000.

There was no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS OF THE GROUP AND OF THE COMPANY

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

i. to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

ii. to ensure that any current assets, other than debts, which were unlikely to realise their book values in the ordinary course of business of the Group and of the Company have been written down to an amount which they might be expected so to realise.

As at the date of this report, the Directors are not aware of any circumstances:

i. which would render the amount written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;

ii. which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

iii. which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

As at the date of this report, there does not exist:

i. any charge on the assets of the Group or of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; and

ii. any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve (12) months after the end of the financial year, which in the opinion of the Directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION

As at the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company that would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

i. the results of operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

ii. no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the Directors of the subsidiaries during the financial year until the date of this report are as follows:

Dato' Lee Yeow Chor
Lee Yeow Seng
Amir Mohd Hafiz bin Amir Khalid
Datuk Abdul Ghani bin Mohamed Yassin
Datu Monaliza binti Zaidel [^]
Datu Sr. Zaidi bin Mahdi [*]
Dr Klaus Kasimir Wilgenbus
Hans Peter Fitch
Joseph N Emuang JR
Kong Kian Beng
Koo Ping Wui
Law Kim Soon
Lee Nyuk Choon @ Jamilah Ariffin
Lee Suat Kwan [#]
Lee Yoke Hean
Lim Jit Uei (Lin Riwei)
Low Pei Chen
Mark Tuchen [*]
Poppe Engbert Braam [*]
René Fresen [*/^]
Risman
Sebastian Anak Baya
Subramaniam Arumugam
Sudhakaran a/l Nottath Bhaskaran
Shyam a/l M K Lakshmanan

LIST OF DIRECTORS OF SUBSIDIARIES (Continued)

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the Directors of the subsidiaries during the financial year until the date of this report are as follows (Continued):

Syaheddrul Rahman bin Joddari [*]
Tan Kean Hua
Tan Sri Dato' Sri Koh Kin Lip
Teah Chin Guan @ Teh Chin Guan
Teddy Firman bin Simanjuntak [^]
Teunis Eigenraam
Thomas Kummer [@]
Wong Yin Ling

^ Resigned during the financial year.
* Appointed during the financial year.
\# Ceased office due to dissolution of company.
@ Appointed after the financial year.

ULTIMATE HOLDING COMPANY

The ultimate holding company is Progressive Holdings Sdn Bhd, a company incorporated in Malaysia.

AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC")

The Directors who serve as members of the ARMC as at the date of this report are as follows:

Dato' Kong Sooi Lin (Chairman)
Lim Tuang Ooi (Appointed on 18 July 2023)
Dr Nesadurai Kalanithi (Appointed on 27 October 2023)

GOVERNANCE, NOMINATING AND REMUNERATION COMMITTEE ("GNRC")

The Directors who serve as members of the GNRC as at the date of this report are as follows:

Datuk Zurinah binti Pawanteh (Chairman) (Appointed on 27 October 2023)
Dr Nesadurai Kalanithi
Lim Tuang Ooi (Appointed on 27 October 2023)

BOARD SUSTAINABILITY COMMITTEE ("BSC")

The Directors who serve as members of the BSC as at the date of this report are as follows:

Dr Nesadurai Kalanithi (Chairman)
Dato' Kong Sooi Lin
Datuk Zurinah binti Pawanteh (Appointed on 1 September 2023)

DIRECTORS' REPORT

AUDITORS

The auditors, BDO PLT [201906000013 (LLP0018825-LCA) & AF 0206], have expressed their willingness to continue in office.

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and of the Company for the financial year ended 30 June 2024 were as follows:

In RM million	Group	Company
Statutory audit		
- BDO PLT	1.3	0.2
- Member firms of BDO International	0.3	-
- Other auditors	0.9	-
	2.5	0.2

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Tan Sri Peter Chin Fah Kui
Non-Independent Non-Executive Chairman

Dato' Lee Yeow Chor
Group Managing Director and Chief Executive

Putrajaya
11 September 2024

Statements of PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

In RM million	Note	Group 2024	Group 2023	Company 2024	Company 2023
Revenue	5	**9,603.6**	11,583.8	**868.2**	966.4
Cost of sales		**(7,576.9)**	(9,321.7)	**(3.5)**	(4.8)
Gross profit		**2,026.7**	2,262.1	**864.7**	961.6
Other operating income	6	**218.4**	1,003.4	**61.1**	362.5
Marketing and selling expenses		**(235.3)**	(243.4)	**-**	-
Administration expenses		**(376.4)**	(383.2)	**(27.3)**	(28.8)
Other operating expenses	7	**(453.3)**	(1,097.7)	**(81.8)**	(151.6)
Operating profit		**1,180.1**	1,541.2	**816.7**	1,143.7
Share of results of associates, net of tax		**350.9**	272.8	**-**	-
Share of results of joint ventures, net of tax		**4.3**	1.5	**-**	-
Profit before interest and tax		**1,535.3**	1,815.5	**816.7**	1,143.7
Interest income	8	**42.2**	34.4	**133.5**	141.4
Finance costs	9	**(160.1)**	(149.4)	**(117.4)**	(126.4)
Net foreign currency translation loss on foreign currency denominated borrowings		**(18.9)**	(193.5)	**(16.6)**	(93.3)
Net foreign currency translation gain on foreign currency denominated deposits		**-**	19.0	**0.1**	19.3
Profit before tax	10	**1,398.5**	1,526.0	**816.3**	1,084.7
Tax expense	11	**(282.2)**	(396.0)	**(11.5)**	(26.6)
Profit for the financial year		**1,116.3**	1,130.0	**804.8**	1,058.1
Attributable to:					
Owners of the parent		**1,109.4**	1,114.2	**804.8**	1,058.1
Non-controlling interests		**6.9**	15.8	**-**	-
		1,116.3	1,130.0	**804.8**	1,058.1
Earnings per ordinary share attributable to owners of the parent (sen)	12				
Basic		**17.88**	17.95		
Diluted		**17.88**	17.95		
Dividend per ordinary share (sen)	13				
First interim single tier dividend		**4.5**	6.0	**4.5**	6.0
Second interim single tier dividend		**5.0**	5.0	**5.0**	5.0
Total		**9.5**	11.0	**9.5**	11.0

The notes on pages 151 to 248 form an integral part of the financial statements.

Statements of COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

In RM million	Group 2024	Group 2023	Company 2024	Company 2023
Profit for the financial year	**1,116.3**	1,130.0	**804.8**	1,058.1
Other comprehensive (loss)/income that will not be reclassified subsequently to profit or loss				
Share of other comprehensive (loss)/income of associates	**(0.5)**	0.2	**-**	-
Re-measurements of the defined benefit obligations	**(0.5)**	3.2	**-**	-
Tax effect relating to re-measurements of the defined benefit obligations	**0.3**	(1.0)	**-**	-
	(0.7)	2.4	**-**	-
Other comprehensive (loss)/income that will be reclassified subsequently to profit or loss when specific conditions are met				
Exchange differences on translation of foreign operations	**(165.6)**	219.0	**-**	-
Other comprehensive loss reclassified subsequently to profit or loss arising from partial disposal of 10% equity interest in an associate	**-**	(14.1)	**-**	-
Share of other comprehensive loss of associates	**(4.3)**	(27.9)	**-**	-
Hedge of interest rate risk on issuance of Guaranteed Notes due 2031				
Reclassified to profit or loss	**(2.8)**	(2.7)	**-**	-
	(172.7)	174.3	**-**	-
Other comprehensive (loss)/income for the financial year, net of tax	**(173.4)**	176.7	**-**	-
Total comprehensive income for the financial year	**942.9**	1,306.7	**804.8**	1,058.1
Total comprehensive income attributable to:				
Owners of the parent	**937.2**	1,290.9	**804.8**	1,058.1
Non-controlling interests	**5.7**	15.8	**-**	-
	942.9	1,306.7	**804.8**	1,058.1

The notes on pages 151 to 248 form an integral part of the financial statements.

Statements of FINANCIAL POSITION
AS AT 30 JUNE 2024

In RM million	Note	Group 2024	Group 2023	Company 2024	Company 2023
ASSETS					
Non-current assets					
Property, plant and equipment	14	**9,229.1**	8,995.2	**83.2**	82.6
Intangible assets	15	**411.8**	414.8	**0.7**	0.7
Investments in subsidiaries	16	**-**	-	**6,735.5**	6,705.7
Amounts due from subsidiaries	16	**-**	-	**1,391.4**	1,202.1
Investments in associates	17	**3,103.3**	3,013.3	**683.2**	683.2
Derivative assets	18	**49.8**	107.3	**38.3**	46.3
Deferred tax assets	19	**15.9**	18.6	**13.4**	10.0
Other non-current assets	20	**147.7**	106.4	**7.2**	7.8
		12,957.6	12,655.6	**8,952.9**	8,738.4
Current assets					
Inventories	21	**1,221.2**	1,113.9	**-**	-
Trade and other receivables	22	**1,283.4**	1,307.1	**34.8**	33.4
Amounts due from subsidiaries	16	**-**	-	**892.4**	1,151.3
Amounts due from associates	23	**52.3**	34.3	**-**	-
Derivative assets	18	**41.6**	50.6	**-**	-
Other investments	24	**73.1**	67.4	**1.2**	1.1
Other current assets	25	**131.3**	118.0	**3.4**	0.4
Short term funds	26	**1,164.8**	1,158.0	**-**	-
Deposits with financial institutions	27	**267.3**	53.5	**142.5**	51.4
Cash and bank balances		**749.6**	1,023.5	**39.5**	65.0
		4,984.6	4,926.3	**1,113.8**	1,302.6
TOTAL ASSETS		**17,942.2**	17,581.9	**10,066.7**	10,041.0

The notes on pages 151 to 248 form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024

In RM million	Note	Group 2024	Group 2023	Company 2024	Company 2023
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	28	**791.1**	791.1	**791.1**	791.1
Treasury shares	28	**(309.8)**	(309.8)	**(309.8)**	(309.8)
Reserves	29	**115.6**	287.1	**-**	-
Retained earnings		**11,081.7**	10,562.4	**6,944.7**	6,729.3
		11,678.6	11,330.8	**7,426.0**	7,210.6
Non-controlling interests		**331.1**	339.8	**-**	-
Total equity		**12,009.7**	11,670.6	**7,426.0**	7,210.6
LIABILITIES					
Non-current liabilities					
Borrowings	30	**2,996.0**	2,895.7	**967.9**	818.7
Amounts due to subsidiaries	16	**-**	-	**986.0**	1,008.9
Lease liabilities	31	**50.6**	54.9	**-**	-
Deferred tax liabilities	19	**1,229.0**	1,206.7	**-**	-
Other non-current liabilities	32	**76.1**	78.5	**-**	-
		4,351.7	4,235.8	**1,953.9**	1,827.6
Current liabilities					
Borrowings	30	**708.7**	861.5	**498.1**	680.8
Trade and other payables	33	**788.5**	711.1	**111.6**	119.6
Amounts due to subsidiaries	16	**-**	-	**77.1**	199.8
Derivative liabilities	18	**12.4**	59.1	**-**	-
Lease liabilities	31	**9.4**	8.2	**-**	-
Other current liabilities	34	**61.8**	35.6	**-**	2.6
		1,580.8	1,675.5	**686.8**	1,002.8
Total liabilities		**5,932.5**	5,911.3	**2,640.7**	2,830.4
TOTAL EQUITY AND LIABILITIES		**17,942.2**	17,581.9	**10,066.7**	10,041.0

The notes on pages 151 to 248 form an integral part of the financial statements.

Statements of CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

			Non-distributable				Distributable			
In RM million	Share capital	Treasury shares	Capital reserves	Foreign currency translation reserve	Hedging reserve	Other reserves	Retained earnings	Total attributable to owners of the parent	Non-controlling interests	Total equity
Group										
As at 1 July 2022	791.1	(275.4)	7.7	88.5	23.1	(6.5)	10,315.2	10,943.7	340.8	11,284.5
Profit for the financial year	-	-	-	-	-	-	1,114.2	1,114.2	15.8	1,130.0
Re-measurements of the defined benefit obligations	-	-	-	-	-	-	2.2	2.2	-	2.2
Exchange differences on translation of foreign operations	-	-	-	219.0	-	-	-	219.0	-	219.0
Other comprehensive loss reclassified subsequently to profit or loss arising from partial disposal of 10% equity interest in an associate	-	-	-	(14.1)	-	-	-	(14.1)	-	(14.1)
Share of other comprehensive (loss)/income of associates	-	-	-	(34.0)	-	6.1	0.2	(27.7)	-	(27.7)
Hedge of interest rate risk on issuance of Guaranteed Notes due 2031	-	-	-	-	(2.7)	-	-	(2.7)	-	(2.7)
Total comprehensive income/(loss)	-	-	-	170.9	(2.7)	6.1	1,116.6	1,290.9	15.8	1,306.7
Transactions with owners										
Dividend paid in respect of current financial year (Note 13)	-	-	-	-	-	-	(372.4)	(372.4)	-	(372.4)
Dividend paid in respect of previous financial year (Note 13)	-	-	-	-	-	-	(497.0)	(497.0)	-	(497.0)
Repurchase of shares (Note 28.2)	-	(34.4)	-	-	-	-	-	(34.4)	-	(34.4)
Change in equity interest in a subsidiary	-	-	-	-	-	-	-	-	(2.7)	(2.7)
Issuance of ordinary shares to non-controlling interest in a subsidiary (Note 40)	-	-	-	-	-	-	-	-	0.3	0.3
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(14.4)	(14.4)
As at 30 June 2023	791.1	(309.8)	7.7	259.4	20.4	(0.4)	10,562.4	11,330.8	339.8	11,670.6

The notes on pages 151 to 248 form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

In RM million	Share capital	Treasury shares	Non-distributable Capital reserves	Non-distributable Foreign currency translation reserve	Non-distributable Hedging reserve	Non-distributable Other reserves	Distributable Retained earnings	Total attributable to owners of the parent	Non-controlling interests	Total equity
Group										
As at 1 July 2023	**791.1**	**(309.8)**	**7.7**	**259.4**	**20.4**	**(0.4)**	**10,562.4**	**11,330.8**	**339.8**	**11,670.6**
Profit for the financial year	-	-	-	-	-	-	**1,109.4**	**1,109.4**	**6.9**	**1,116.3**
Re-measurements of the defined benefit obligations	-	-	-	-	-	-	**(0.2)**	**(0.2)**	-	**(0.2)**
Exchange differences on translation of foreign operations	-	-	-	**(164.4)**	-	-	-	**(164.4)**	**(1.2)**	**(165.6)**
Share of other comprehensive income/(loss) of associates	-	-	-	**0.6**	-	**(4.9)**	**(0.5)**	**(4.8)**	-	**(4.8)**
Hedge of interest rate risk on issuance of Guaranteed Notes due 2031	-	-	-	-	**(2.8)**	-	-	**(2.8)**	-	**(2.8)**
Total comprehensive (loss)/income	-	-	-	**(163.8)**	**(2.8)**	**(4.9)**	**1,108.7**	**937.2**	**5.7**	**942.9**
Transactions with owners										
Dividend paid in respect of current financial year (Note 13)	-	-	-	-	-	-	**(279.2)**	**(279.2)**	-	**(279.2)**
Dividend paid in respect of previous financial year (Note 13)	-	-	-	-	-	-	**(310.2)**	**(310.2)**	-	**(310.2)**
Issuance of ordinary shares to non-controlling interest in a subsidiary (Note 40)	-	-	-	-	-	-	-	-	**0.3**	**0.3**
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	**(14.7)**	**(14.7)**
As at 30 June 2024	**791.1**	**(309.8)**	**7.7**	**95.6**	**17.6**	**(5.3)**	**11,081.7**	**11,678.6**	**331.1**	**12,009.7**

The notes on pages 151 to 248 form an integral part of the financial statements.

In RM million	Share capital	Treasury shares	Distributable Retained earnings	Total equity
Company				
As at 1 July 2022	791.1	(275.4)	6,540.6	7,056.3
Profit for the financial year	-	-	1,058.1	1,058.1
Total comprehensive income	-	-	1,058.1	1,058.1
Transactions with owners				
Dividend paid in respect of current financial year (Note 13)	-	-	(372.4)	(372.4)
Dividend paid in respect of previous financial year (Note 13)	-	-	(497.0)	(497.0)
Repurchase of shares (Note 28.2)	-	(34.4)	-	(34.4)
As at 30 June 2023	791.1	(309.8)	6,729.3	7,210.6
As at 1 July 2023	**791.1**	**(309.8)**	**6,729.3**	**7,210.6**
Profit for the financial year	**-**	**-**	**804.8**	**804.8**
Total comprehensive income	**-**	**-**	**804.8**	**804.8**
Transactions with owners				
Dividend paid in respect of current financial year (Note 13)	**-**	**-**	**(279.2)**	**(279.2)**
Dividend paid in respect of previous financial year (Note 13)	**-**	**-**	**(310.2)**	**(310.2)**
As at 30 June 2024	**791.1**	**(309.8)**	**6,944.7**	**7,426.0**

The notes on pages 151 to 248 form an integral part of the financial statements.

Statements of CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

In RM million	Note	Group 2024	Group 2023	Company 2024	Company 2023
Cash Flows From Operating Activities					
Profit before tax		**1,398.5**	1,526.0	**816.3**	1,084.7
Adjustments for:					
Depreciation of property, plant and equipment	14	**388.4**	367.0	**0.8**	1.2
Amortisation of intangible assets	15.2	**8.7**	7.2	**0.1**	0.2
Net fair value (gain)/loss on derivative financial instruments		**(34.2)**	51.8	**3.0**	(3.5)
Net fair value loss/(gain) on other investments		**9.3**	5.8	**(0.1)**	0.8
Net fair value loss on put and call options	7	**-**	29.2	**-**	29.2
Net (gain)/loss arising from changes in fair value of biological assets	25.1	**(8.2)**	17.6	**-**	0.3
Reversal of impairment loss on investment in a subsidiary		**-**	-	**-**	(5.2)
Net gain on partial disposal of 10% equity interest in an associate	17.1	**-**	(17.2)	**-**	(210.3)
Net gain on disposal of property, plant and equipment		**(8.2)**	(6.4)	**-**	-
Property, plant and equipment written off	7	**3.6**	2.0	**0.1**	0.6
Gain on reassessments and modifications of leases	6	**(0.1)**	(0.3)	**-**	-
Net reversal of inventories written down to net realisable value		**(42.0)**	(55.4)	**-**	-
Retirement benefits expenses	32.1	**4.7**	3.8	**-**	-
Amortisation of deferred income	32.2	**(2.5)**	(2.5)	**-**	-
Fair value changes on financial guarantee contracts	33.3	**-**	-	**(0.4)**	(0.2)
Dividend income from associates		**-**	-	**(3.6)**	(9.0)
Dividend income from subsidiaries		**-**	-	**(840.0)**	(925.2)
Share of results of associates		**(350.9)**	(272.8)	**-**	-
Share of results of joint ventures		**(4.3)**	(1.5)	**-**	-
Interest income	8	**(42.2)**	(34.4)	**(133.5)**	(141.4)
Finance costs	9	**160.1**	149.4	**117.4**	126.4
Net foreign currency translation loss on foreign currency denominated borrowings	10	**18.9**	193.5	**16.6**	93.3
Net unrealised foreign currency translation (gain)/loss		**(0.2)**	(10.6)	**36.9**	(53.3)
Others		**3.4**	(15.9)	**16.4**	(13.1)
Operating profit/(loss) before working capital changes		**1,502.8**	1,936.3	**30.0**	(24.5)
(Increase)/Decrease in inventories		**(63.3)**	546.3	**-**	-
(Increase)/Decrease in trade receivables		**(39.2)**	292.1	**-**	-
(Increase)/Decrease in other receivables, deposits and prepayments		**(4.0)**	55.3	**(1.3)**	8.3
Increase/(Decrease) in trade payables		**48.2**	(102.7)	**-**	-
Increase/(Decrease) in other payables and accruals		**27.5**	(118.3)	**(6.5)**	7.5
Cash generated from/(used in) operations		**1,472.0**	2,609.0	**22.2**	(8.7)
Retirement benefits paid	32.1	**(4.7)**	(3.4)	**-**	-
Tax refunded		**13.4**	17.4	**-**	-
Tax paid		**(246.9)**	(549.8)	**(20.3)**	(23.6)
Net cash from/(used in) operating activities		**1,233.8**	2,073.2	**1.9**	(32.3)

The notes on pages 151 to 248 form an integral part of the financial statements.

In RM million	Note	Group 2024	Group 2023	Company 2024	Company 2023
Cash Flows From Investing Activities					
Dividends received from associates		**147.1**	175.7	**3.6**	9.0
Dividends received from subsidiaries		**-**	-	**840.0**	925.2
Dividends received from other investments		**2.7**	2.2	**-**	0.4
Interest received		**42.3**	34.2	**3.1**	6.9
Proceeds from disposal of property, plant and equipment		**9.3**	14.4	**-**	-
Proceeds from partial disposal of 10% equity interest in an associate		**-**	465.8	**-**	465.8
Proceeds from disposal of a subsidiary		**-**	-	**-**	0.1
Return of capital contribution from other investment		**-**	5.2	**-**	-
Acquisitions of additional interests in subsidiaries		**-**	-	**(1.0)**	(8.2)
Acquisition of equity interest from a non-controlling interest		**-**	(7.1)	**-**	-
Additions to property, plant and equipment	14	**(663.9)**	(604.9)	**(1.5)**	(2.5)
Additions to investment properties		**(0.3)**	(0.3)	**-**	-
Additions to other investments		**(25.6)**	(21.4)	**-**	-
Additions to intangible assets	15.2	**(5.7)**	(6.1)	**(0.1)**	-
Additions to biological assets	25.1	**(3.6)**	(3.8)	**(0.2)**	(0.2)
Additional investment in an associate		**-**	(147.4)	**-**	(147.4)
Repayment from an associate		**-**	183.0	**-**	183.0
Investment in a joint venture		**(0.5)**	-	**-**	-
Repayment from a joint venture		**1.2**	-	**1.2**	-
Repayment from plasma receivables		**3.9**	-	**-**	-
(Advances to)/Repayment from subsidiaries		**-**	-	**(51.6)**	120.8
Subscriptions of redeemable preference shares of subsidiaries		**-**	-	**(82.2)**	(3.8)
Redemptions of redeemable preference shares of subsidiaries		**-**	-	**53.4**	0.9
Proceeds from share capital reduction of subsidiaries		**-**	-	**-**	1.1
Net cash (used in)/from investing activities		**(493.1)**	89.5	**764.7**	1,551.1

The notes on pages 151 to 248 form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

		Group		Company	
In RM million	Note	2024	2023	2024	2023
Cash Flows From Financing Activities					
Proceeds from issuance of shares to a non-controlling interest		**0.3**	0.3	**-**	-
Repurchase of shares	28.2	**-**	(34.4)	**-**	(34.4)
Dividends paid	13	**(589.4)**	(869.4)	**(589.4)**	(869.4)
Dividends paid to non-controlling interests		**(14.7)**	(14.4)	**-**	-
Net settlements of hedging instruments arising from repayments of borrowings		**-**	(0.3)	**-**	(0.3)
Repayments of Islamic financing facilities		**-**	(69.2)	**-**	(69.2)
Net repayments of short term borrowings		**(15.7)**	(1,350.8)	**(45.7)**	(522.7)
Payments of lease liabilities	31.2	**(12.0)**	(11.1)	**-**	-
Payments of lease interest expense	31.2	**(3.8)**	(3.9)	**-**	-
Finance costs paid		**(161.0)**	(150.1)	**(65.2)**	(50.9)
Net cash used in financing activities		**(796.3)**	(2,503.3)	**(700.3)**	(1,546.9)
Net (decrease)/increase in cash and cash equivalents		**(55.6)**	(340.6)	**66.3**	(28.1)
Cash and cash equivalents at beginning of financial year		**2,235.0**	2,552.9	**116.4**	127.4
Effects of exchange rate changes		**2.3**	22.7	**(0.7)**	17.1
Cash and cash equivalents at end of financial year	35	**2,181.7**	2,235.0	**182.0**	116.4

The notes on pages 151 to 248 form an integral part of the financial statements.

Notes to the FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

Both the registered office and principal place of business of the Company are located at Level 29, IOI City Tower 2, Lebuh IRC, IOI Resort City, 62502 Putrajaya, Wilayah Persekutuan (Putrajaya), Malaysia.

The principal activity of the Company is that of an investment holding company.

The principal activities of the subsidiaries, associates and joint ventures are primarily involved in investment holding; oil palm cultivation and processing; commodities trading and refinery; manufacture and sales of fatty acids, soap noodles, glycerine and other oleochemical related products; manufacture and sale of plasticizer products, margarine, shortening and fat spreads; processing of oil palm trunks and other bio-matter derived from plantations to produce materials used in furniture, construction and building industries; processing of crude coconut oil; production and supply of palm-based renewable energy; as well as provision of management services and other related business activities. The principal activities and the details of the subsidiaries, associates and joint ventures are set out in Note 40 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

The ultimate holding company is Progressive Holdings Sdn Bhd, which is incorporated in Malaysia.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency and all financial information presented in RM are rounded to the nearest million, except where otherwise stated.

3. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs

3.1 New MFRSs adopted during the current financial year

Title

MFRS 17 *Insurance Contracts*
Amendments to MFRS 17 *Initial Application of MFRS 17 and MFRS 9 – Comparative Information*
Amendments to MFRS 101 *Disclosure of Accounting Policies*
Amendments to MFRS 108 *Definition of Accounting Estimates*
Amendments to MFRS 112 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to MFRS 112 *International Tax Reform – Pillar Two Model Rules*

There is no material impact upon adoption of the above Standard and Amendments to MFRSs during the financial year.

Amendments to MFRS 112 *International Tax Reform – Pillar Two Model Rules*

The Amendments provide a temporary mandatory relief from deferred tax accounting for the top-up tax, which is effective immediately, and requirements about the Pillar Two exposure that are disclosed in Note 19 to the financial statements. The temporary mandatory relief applies retrospectively.

NOTES TO THE FINANCIAL STATEMENTS

3. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs (Continued)

3.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

Title	Effective Date
Amendments to MFRS 16 *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to MFRS 101 *Non-current Liabilities with Covenants*	1 January 2024
Amendments to MFRS 107 and MFRS 7 *Supplier Finance Arrangements*	1 January 2024
Amendments to MFRS 121 *Lack of Exchangeability*	1 January 2025
Amendments to MFRS 9 and MFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
MFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Group and the Company are in the process of assessing the impact of the adoption of these Standards and Amendments to MFRSs since the effects would only be observable in future financial years.

4. SEGMENTAL INFORMATION

The Group has two (2) reportable operating segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

Plantation	Cultivation of oil palm, rubber, coconut and other cash crops, and processing of palm oil
Resource-based manufacturing	Manufacturing of oleochemical and specialty oils and fats, refining of palm oil, crushing of palm kernel, and processing of oil palm trunks
Other operations	Other operations, which are not sizable to be reported separately

The Group's senior management team monitors the performance and results of its operating business units separately for the purpose of making decisions about resource allocation and regular assessment of performance in achieving the strategic priorities. Segment performance is assessed based on operating profit or loss, in certain respects as reported in the table below, is measured differently from the operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

Segment assets exclude tax assets and assets used primarily for corporate purposes.

Segment liabilities exclude tax liabilities, loans and borrowings that are managed under centralised treasury function.

Details are provided in the reconciliations from segment assets and segment liabilities to the Group position.

4. SEGMENTAL INFORMATION (Continued)

In RM million	Plantation	Resource-based manufacturing	Other operations	Elimination	Total
Group					
2024					
Revenue					
External sales	**413.0**	**9,172.5**	**18.1**	**-**	**9,603.6**
Inter-segment sales	**2,346.8**	**-**	**-**	**(2,346.8)**	**-**
Total revenue	**2,759.8**	**9,172.5**	**18.1**	**(2,346.8)**	**9,603.6**
Result					
Operating profit	**995.7**	**142.3**	**1.3**	**-**	**1,139.3**
Share of results of associates	**205.6**	**145.3**	**-**	**-**	**350.9**
Share of results of joint ventures	**-**	**4.3**	**-**	**-**	**4.3**
Segment results before fair value adjustments	**1,201.3**	**291.9**	**1.3**	**-**	**1,494.5**
Net fair value gain/(loss) on:					
Biological assets	**8.2**	**-**	**-**	**-**	**8.2**
Derivative financial instruments	**(0.2)**	**37.4**	**-**	**-**	**37.2**
Segment results	**1,209.3**	**329.3**	**1.3**	**-**	**1,539.9**
Assets					
Operating assets	**8,877.5**	**4,237.0**	**218.1**	**-**	**13,332.6**
Interests in associates	**1,409.5**	**1,693.8**	**-**	**-**	**3,103.3**
Interests in joint ventures	**-**	**11.1**	**-**	**-**	**11.1**
Segment assets	**10,287.0**	**5,941.9**	**218.1**	**-**	**16,447.0**
Liabilities					
Segment liabilities	**297.4**	**519.0**	**32.8**	**-**	**849.2**
Other Information					
Capital expenditure	**555.5**	**119.0**	**2.5**	**-**	**677.0**
Depreciation and amortisation	**275.3**	**112.8**	**9.1**	**-**	**397.2**
Impairment loss on property, plant and equipment	**2.5**	**-**	**-**	**-**	**2.5**
Non-cash items other than depreciation and amortisation	**15.4**	**9.7**	**43.9**	**-**	**69.0**

NOTES TO THE FINANCIAL STATEMENTS

4. SEGMENTAL INFORMATION (Continued)

In RM million	Plantation	Resource-based manufacturing	Other operations	Elimination	Total
Group					
2023					
Revenue					
External sales	312.0	11,252.2	19.6	-	11,583.8
Inter-segment sales	2,364.4	-	-	(2,364.4)	-
Total revenue	2,676.4	11,252.2	19.6	(2,364.4)	11,583.8
Result					
Operating profit/(loss)	980.3	660.6	(1.1)	-	1,639.8
Share of results of associates	185.8	87.0	-	-	272.8
Share of result of a joint venture	-	1.5	-	-	1.5
Segment results before fair value adjustments	1,166.1	749.1	(1.1)	-	1,914.1
Net fair value (loss)/gain on:					
Biological assets	(17.6)	-	-	-	(17.6)
Derivative financial instruments	2.8	(58.1)	-	-	(55.3)
Segment results	1,151.3	691.0	(1.1)	-	1,841.2
Assets					
Operating assets	8,662.6	3,996.9	308.5	-	12,968.0
Interests in associates	1,449.7	1,563.6	-	-	3,013.3
Interest in a joint venture	-	6.9	-	-	6.9
Segment assets	10,112.3	5,567.4	308.5	-	15,988.2
Liabilities					
Segment liabilities	430.3	473.3	35.0	-	938.6
Other Information					
Capital expenditure	444.5	171.3	5.4	-	621.2
Depreciation and amortisation	267.1	99.2	7.9	-	374.2
Non-cash items other than depreciation and amortisation	17.4	322.6	70.5	-	410.5

Included in the resource-based manufacturing segment is an amount of revenue from a major customer during the financial year amounting to RM1,270.4 million (2023 – RM1,570.4 million).

4. SEGMENTAL INFORMATION (Continued)

Reconciliation of reportable segment profit or loss, assets and liabilities to the Group's corresponding amounts is as follows:

In RM million	Group 2024	Group 2023
Profit or loss		
Segment results	**1,539.9**	1,841.2
Unallocated corporate net expenses	**(4.6)**	(25.7)
Profit before interest and tax	**1,535.3**	1,815.5
Interest income	**42.2**	34.4
Finance costs	**(160.1)**	(149.4)
Net foreign currency translation loss on foreign currency denominated borrowings	**(18.9)**	(193.5)
Net foreign currency translation gain on foreign currency denominated deposits	**-**	19.0
Profit before tax	**1,398.5**	1,526.0
Tax expense	**(282.2)**	(396.0)
Profit for the financial year	**1,116.3**	1,130.0
Assets		
Segment assets	**16,447.0**	15,988.2
Unallocated corporate assets	**1,495.2**	1,593.7
Total assets	**17,942.2**	17,581.9
Liabilities		
Segment liabilities	**849.2**	938.6
Unallocated corporate liabilities	**5,083.3**	4,972.7
Total liabilities	**5,932.5**	5,911.3

Geographical Segments

In RM million	Malaysia	Europe	North America	Asia	Others	Consolidated
Group						
2024						
Revenue from external customers by location of customers	**2,280.1**	**1,861.7**	**175.2**	**4,956.3**	**330.3**	**9,603.6**
Segment non-current assets by location of assets *	**9,919.6**	**1,549.2**	**1.3**	**1,311.6**	**-**	**12,781.7**
Capital expenditure by location of assets	**564.5**	**21.8**	**-**	**90.7**	**-**	**677.0**
2023						
Revenue from external customers by location of customers	2,896.7	2,775.8	264.6	5,336.7	310.0	11,583.8
Segment non-current assets by location of assets *	9,649.8	1,421.0	1.3	1,358.3	-	12,430.4
Capital expenditure by location of assets	556.0	16.4	-	48.8	-	621.2

* The amounts of non-current assets do not include financial instruments and deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS

5. REVENUE

In RM million	Group 2024	Group 2023	Company 2024	Company 2023
Revenue from contracts with customers				
Commodities, other products and services:				
- Sales of plantation produce and related products	**413.0**	312.0	**6.2**	7.6
- Resource-based manufacturing	**9,172.5**	11,252.2	**-**	-
Management fees and advisory fees	**5.8**	5.6	**18.4**	24.2
Others	**-**	1.8	**-**	-
	9,591.3	11,571.6	**24.6**	31.8
Other revenue				
Dividend income	**2.7**	2.2	**843.6**	934.6
Others	**9.6**	10.0	**-**	-
	12.3	12.2	**843.6**	934.6
Total Revenue	**9,603.6**	11,583.8	**868.2**	966.4

Disaggregation of revenue from contracts with customers is set out in Note 4 to the financial statements, which is presented based on geographical location from which the sales transactions originated. No revenue is recognised over time other than management fees and advisory fees.

5.1 Commodities, other products and services

Revenue is recognised at a point in time upon delivery of products and customer acceptance, if any, or performance of services, net of discounts.

There is no material right of return and warranty provided to the customers.

There is no significant financing component in the revenue as the revenue is made on the normal credit terms not exceeding twelve (12) months.

5.2 Management fees and advisory fees

Management fees and advisory fees are recognised over time when customers simultaneously receive and consume the benefits.

5.3 Dividend income

Dividend income is recognised when a shareholder's right to receive payment is established.

6. OTHER OPERATING INCOME

In RM million	Group 2024	Group 2023	Company 2024	Company 2023
Amortisation of deferred income	**2.5**	2.5	**-**	-
Fair value gain on derivative financial instruments	**43.3**	271.3	**-**	3.5
Fair value gain on other investments	**1.2**	7.2	**0.1**	-
Fair value gain on short term funds	**25.0**	31.5	**-**	-
Fair value gain on financial guarantee contracts	**-**	-	**0.4**	0.2
Foreign currency translation gain				
- Realised	**38.2**	15.8	**46.6**	15.4
- Unrealised	**31.8**	71.1	**11.4**	117.0
Gain on disposal of property, plant and equipment	**8.2**	6.4	**-**	-
Gain on reassessments and modifications of leases	**0.1**	0.3	**-**	-
Gain arising from share capital reduction of a subsidiary	**-**	-	**-**	0.2
Net gain on partial disposal of 10% equity interest in an associate	**-**	17.2	**-**	210.3
Net gain arising from changes in fair value of biological assets	**8.2**	-	**-**	-
Realised fair value gain on derivative financial instruments	**6.9**	530.3	**0.7**	0.1
Reversal of impairment loss on investment in a subsidiary	**-**	-	**-**	5.2
Reversal of impairment losses on advances to associates	**0.1**	1.6	**-**	1.5
Reversal of impairment losses on advances to a joint venture	**0.6**	-	**0.6**	-
Reversal of impairment losses on advances to subsidiaries	**-**	-	**1.3**	5.0
Reversal of impairment losses on trade receivables	**3.6**	1.0	**-**	-
Others	**48.7**	47.2	**-**	4.1
	218.4	1,003.4	**61.1**	362.5

7. OTHER OPERATING EXPENSES

In RM million	Group 2024	Group 2023	Company 2024	Company 2023
Depreciation of property, plant and equipment	**179.6**	168.3	**0.5**	0.5
Fair value loss on derivative financial instruments	**9.1**	323.1	**3.0**	-
Fair value loss on other investments	**10.5**	13.0	**-**	0.8
Net fair value loss on put and call options	**-**	29.2	**-**	29.2
Net loss arising from changes in fair value of biological assets	**-**	17.6	**-**	0.3
Foreign currency translation loss				
- Realised	**93.1**	162.2	**0.6**	1.8
- Unrealised	**31.6**	60.5	**48.3**	63.7
Impairment losses on property, plant and equipment	**2.5**	-	**-**	-
Impairment losses on advances to subsidiaries	**-**	-	**17.6**	5.8
Impairment losses on advances to associates	**-**	0.1	**-**	-
Impairment losses on trade receivables	**-**	0.3	**-**	-
Impairment losses on plasma receivables	**5.5**	-	**-**	-
Loss arising from share capital reduction of a subsidiary	**-**	-	**-**	5.3
Property, plant and equipment written off	**3.6**	2.0	**0.1**	0.6
Realised fair value loss on derivative financial instruments	**14.6**	222.0	**-**	-
Repair and maintenance	**51.5**	18.0	**-**	-
Research and development expenses	**20.4**	6.7	**-**	-
Others	**31.3**	74.7	**11.7**	43.6
	453.3	1,097.7	**81.8**	151.6

NOTES TO THE FINANCIAL STATEMENTS

8. INTEREST INCOME

In RM million	Group 2024	Group 2023	Company 2024	Company 2023
Short term funds	**15.8**	4.2	**-**	-
Short term deposits	**24.7**	24.5	**2.6**	4.5
Subsidiaries	**-**	-	**130.3**	134.4
Associate	**-**	2.1	**-**	2.1
Others	**1.7**	3.6	**0.6**	0.4
	42.2	34.4	**133.5**	141.4

Interest income is recognised in profit or loss as it accrues, unless recoverability is in doubt, in which case, it is recognised on receipt basis.

9. FINANCE COSTS

In RM million	Group 2024	Group 2023	Company 2024	Company 2023
Interest expense				
Term loans	**42.2**	40.4	**-**	-
Notes	**47.5**	45.5	**-**	-
Short term loans	**27.2**	32.7	**21.3**	18.5
Lease liabilities	**3.8**	4.0	**-**	-
Subsidiaries	**-**	-	**51.9**	73.7
Others	**2.3**	2.4	**0.8**	1.0
	123.0	125.0	**74.0**	93.2
Profit payment on Islamic financing	**43.4**	33.2	**43.4**	33.2
Total finance costs	**166.4**	158.2	**117.4**	126.4
Less: Interest capitalised (Note 14)	**(3.5)**	(6.1)	**-**	-
Hedging reserve reclassified to profit or loss (Note 29.3)	**(2.8)**	(2.7)	**-**	-
	(6.3)	(8.8)	**-**	-
Net finance costs	**160.1**	149.4	**117.4**	126.4

10. PROFIT BEFORE TAX

In RM million	Group 2024	Group 2023	Company 2024	Company 2023
a) Other than those disclosed in Notes 6 and 7 to the financial statements, profit before tax has been arrived at after charging:				
Depreciation of property, plant and equipment	**388.4**	367.0	**0.8**	1.2
Depreciation of investment properties	**0.1**	-	**-**	-
Amortisation of intangible assets	**8.7**	7.2	**0.1**	0.2
Auditors' remuneration				
BDO PLT and affiliates				
Statutory audit	**1.3**	1.2	**0.2**	0.1
Non-statutory audit				
- tax compliance and advisory services	**0.4**	0.4	**-**	-
Member firms of BDO International				
Statutory audit	**0.3**	0.3	**-**	-
Non-statutory audit				
- tax compliance and advisory services	**0.1**	0.1	**-**	-
Other auditors				
Statutory audit	**0.9**	0.8	**-**	-
Inventories written down to net realisable value	**4.8**	11.4	**-**	-
Net foreign currency translation loss on foreign currency denominated borrowings	**18.9**	193.5	**16.6**	93.3
and crediting:				
Dividends received from:				
- other quoted investments in Malaysia	**1.4**	1.4	**-**	0.4
- other unquoted investments in Malaysia	**1.3**	0.8	**-**	-
- unquoted subsidiaries	**-**	-	**840.0**	925.2
Net foreign currency translation gain on foreign currency denominated deposits	**-**	19.0	**0.1**	19.3
Rental income from:				
- investment properties	**4.0**	3.9	**-**	-
- others	**16.7**	14.7	**-**	-
Reversal of inventories written down to net realisable value	**46.8**	66.8	**-**	-

Rental income is accounted for on a straight-line basis over the lease term of an ongoing lease.

Cost of inventories of the Group recognised as an expense during the financial year amounted to RM5,106.1 million (2023 – RM4,526.7 million).

The Group and the Company do not present the net reversal of impairment losses/(impairment losses) on financial instruments determined in accordance with MFRS 9 separately in the statements of profit or loss as the amounts are not material.

NOTES TO THE FINANCIAL STATEMENTS

10. PROFIT BEFORE TAX (Continued)

b) Employee information

The employee benefits cost is as follows:

In RM million	Group 2024	Group 2023	Company 2024	Company 2023
Wages, salaries and others	**1,056.9**	1,023.7	**20.5**	21.7
Post-employment benefits	**40.9**	37.3	**2.1**	2.3
Retirement benefits expenses (Note 32.1)	**4.7**	3.8	**-**	-
	1,102.5	1,064.8	**22.6**	24.0

11. TAX EXPENSE

In RM million	Group 2024	Group 2023	Company 2024	Company 2023
Current year				
Malaysian income tax	**253.8**	316.8	**14.8**	24.0
Foreign tax	**4.5**	21.5	**-**	-
Deferred tax	**28.2**	52.1	**(3.4)**	0.1
	286.5	390.4	**11.4**	24.1
Prior years				
Malaysian income tax	**(1.8)**	(2.3)	**0.1**	2.5
Foreign tax	**-**	0.7	**-**	-
Deferred tax	**(2.5)**	7.2	**-**	-
	(4.3)	5.6	**0.1**	2.5
	282.2	396.0	**11.5**	26.6

11. TAX EXPENSE (Continued)

A numerical reconciliation between average effective tax rate and applicable tax rate of the Group and of the Company is as follows:

%	Group 2024	Group 2023	Company 2024	Company 2023
Applicable tax rate	**24.00**	24.00	**24.00**	24.00
Tax effects in respect of:				
Non allowable expenses	**6.48**	10.07	**5.89**	7.62
Non-taxable income	**(1.87)**	(2.62)	**(4.61)**	(9.80)
Tax exempt income	**(1.87)**	(0.54)	**(24.80)**	(20.20)
Tax incentives and allowances	**(0.40)**	(1.55)	**-**	-
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**(0.02)**	-	**-**	-
Deferred tax assets not recognised	**0.45**	0.30	**-**	-
Different tax rates in foreign jurisdiction	**0.47**	0.50	**-**	-
Share of post-tax results of associates	**(6.02)**	(4.29)	**-**	-
Share of post-tax results of joint ventures	**(0.07)**	(0.02)	**-**	-
Other items	**(0.66)**	(0.27)	**0.92**	0.60
	20.49	25.58	**1.40**	2.22
(Over)/Under provision in prior years	**(0.31)**	0.37	**0.01**	0.23
	20.18	25.95	**1.41**	2.45

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes on foreign dividend and interest income, real property gains taxes and capital gains taxes, if any.

Malaysian income tax is calculated at the statutory rate of 24% (2023 – 24%) of the estimated chargeable income for the year. Deferred tax is calculated on temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Other tax expenses for other tax authorities are calculated at the rates prevailing in the respective jurisdictions.

Subject to agreement with the tax authorities, certain subsidiaries of the Group have unutilised tax losses and unabsorbed capital allowances of approximately RM145.0 million (2023 – RM120.2 million), for which the related tax effects have not been recognised in the financial statements. These items are available to be carried forward for set off against future chargeable income when these subsidiaries derive future assessable income of a nature and amount sufficient for the tax losses to be utilised.

NOTES TO THE FINANCIAL STATEMENTS

12. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The basic earnings per ordinary share of the Group is calculated based on the profit for the financial year attributable to owners of the parent divided by the weighted average number of ordinary shares in issue during the financial year, after taking into consideration of treasury shares held by the Company.

	Group	
	2024	**2023**
In RM million		
Profit for the financial year attributable to owners of the parent	**1,109.4**	1,114.2
In million		
Weighted average number of ordinary shares in issue	**6,203.7**	6,208.7
In sen		
Basic earnings per ordinary share	**17.88**	17.95

Diluted earnings per ordinary share

The diluted earnings per ordinary share of the Group is calculated based on the profit for the financial year attributable to owners of the parent divided by the adjusted weighted average number of ordinary shares after taking into consideration all potential dilutive ordinary shares.

There is no dilution in earnings per ordinary share as there are no dilutive potential ordinary shares.

13. DIVIDENDS

	Group and Company	
In RM million	**2024**	**2023**
First interim single tier dividend in respect of financial year ended 30 June 2024 declared and paid of 4.5 sen per ordinary share	**279.2**	-
Second interim single tier dividend in respect of financial year ended 30 June 2023 declared and paid of 5.0 sen per ordinary share	**310.2**	-
First interim single tier dividend in respect of financial year ended 30 June 2023 declared and paid of 6.0 sen per ordinary share	**-**	372.4
Second interim single tier dividend in respect of financial year ended 30 June 2022 declared and paid of 8.0 sen per ordinary share	**-**	497.0
	589.4	869.4

On 26 August 2024, the Board of Directors declared a second interim single tier dividend of 5.0 sen per ordinary share, amounting to RM310.2 million in respect of the financial year ended 30 June 2024. The dividend is payable on 26 September 2024 to shareholders whose names appear in the Record of Depositors and Register of Members of the Company at the close of business on 18 September 2024.

No final dividend has been recommended by the Board of Directors for the financial year ended 30 June 2024.

14. PROPERTY, PLANT AND EQUIPMENT

Group

2024

In RM million	At beginning of financial year	Additions	Disposals	Foreign currency translation differences	Write-offs	Reclassifi-cations	Reassessments and modifications of leases	At end of financial year
At cost								
Freehold land	1,861.1	0.6	(1.1)	(0.1)	-	0.3	-	1,860.8
Leasehold land	3,844.2	3.1	-	(0.1)	-	-	-	3,847.2
Land use rights	43.8	10.7	-	(4.0)	-	-	-	50.5
Bearer plants	3,075.3	247.3	-	(33.2)	(158.1)	-	-	3,131.3
Buildings and improvements	1,209.3	21.3	-	(7.5)	(2.9)	107.4	0.1	1,327.7
Plant and machinery	3,035.3	102.2	(0.6)	(12.3)	(14.7)	134.2	(1.5)	3,242.6
Construction in progress	268.3	253.2	-	(3.2)	-	(280.4)	-	237.9
Other property, plant and equipment	652.7	38.9	(0.9)	(4.6)	(4.2)	38.5	-	720.4
	13,990.0	677.3	(2.6)	(65.0)	(179.9)	-	(1.4)	14,418.4

In RM million	At beginning of financial year	Current year depreciation charge	Disposals	Foreign currency translation differences	Write-offs	Reassessments and modifications of leases	At end of financial year
Accumulated depreciation							
Leasehold land	499.6	54.0	-	-	-	-	553.6
Land use rights	2.4	1.5	-	(0.2)	-	-	3.7
Bearer plants	1,267.6	113.6	-	(5.7)	(155.4)	-	1,220.1
Buildings and improvements	703.3	46.6	-	(3.5)	(2.6)	-	743.8
Plant and machinery	2,116.4	136.0	(0.6)	(6.5)	(14.1)	(0.5)	2,230.7
Other property, plant and equipment	383.1	36.7	(0.9)	(2.2)	(4.2)	-	412.5
	4,972.4	388.4	(1.5)	(18.1)	(176.3)	(0.5)	5,164.4

In RM million	At beginning of financial year	Current year impairment loss	At end of financial year
Accumulated impairment losses			
Leasehold land	3.2	-	3.2
Bearer plants	16.2	2.5	18.7
Buildings and improvements	2.0	-	2.0
Plant and machinery	0.1	-	0.1
Other property, plant and equipment	0.9	-	0.9
	22.4	2.5	24.9

NOTES TO THE FINANCIAL STATEMENTS

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

Group

2023

In RM million	At beginning of financial year	Additions	Disposals	Foreign currency translation differences	Write-offs	Reclassifi-cations	Reassessments and modifications of leases	At end of financial year
At cost								
Freehold land	1,858.2	1.8	-	1.1	-	-	-	1,861.1
Leasehold land	3,854.8	1.6	(8.8)	1.0	-	-	(4.4)	3,844.2
Land use rights	38.4	3.0	-	2.4	-	-	-	43.8
Bearer plants	2,971.3	234.6	-	21.0	(151.6)	-	-	3,075.3
Buildings and improvements	1,158.1	9.0	(0.1)	10.0	(2.1)	36.3	(1.9)	1,209.3
Plant and machinery	2,748.0	102.9	(2.4)	28.9	(8.6)	173.5	(7.0)	3,035.3
Construction in progress	257.5	238.3	-	2.2	-	(229.7)	-	268.3
Other property, plant and equipment	600.1	32.4	(0.9)	5.5	(4.3)	19.9	-	652.7
	13,486.4	623.6	(12.2)	72.1	(166.6)	-	(13.3)	13,990.0

In RM million	At beginning of financial year	Current year depreciation charge	Disposals	Foreign currency translation differences	Write-offs	Reassessments and modifications of leases	At end of financial year
Accumulated depreciation							
Leasehold land	451.0	54.0	(1.0)	-	-	(4.4)	499.6
Land use rights	1.3	0.9	-	0.2	-	-	2.4
Bearer plants	1,311.2	104.1	-	3.3	(151.0)	-	1,267.6
Buildings and improvements	655.3	47.0	-	4.9	(2.0)	(1.9)	703.3
Plant and machinery	1,986.9	125.1	(2.3)	17.0	(7.4)	(2.9)	2,116.4
Other property, plant and equipment	349.1	35.9	(0.9)	3.2	(4.2)	-	383.1
	4,754.8	367.0	(4.2)	28.6	(164.6)	(9.2)	4,972.4

In RM million	At beginning of financial year	Current year impairment loss	At end of financial year
Accumulated impairment losses			
Leasehold land	3.2	-	3.2
Bearer plants	16.2	-	16.2
Buildings and improvements	2.0	-	2.0
Plant and machinery	0.1	-	0.1
Other property, plant and equipment	0.9	-	0.9
	22.4	-	22.4

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company

2024

In RM million	At beginning of financial year	Additions	Write-offs	At end of financial year
At cost				
Freehold land	**71.9**	**-**	**-**	**71.9**
Bearer plants	**16.8**	**1.5**	**(3.9)**	**14.4**
Other property, plant and equipment	**2.0**	**-**	**-**	**2.0**
	90.7	**1.5**	**(3.9)**	**88.3**

In RM million	At beginning of financial year	Current year depreciation charge	Write-offs	At end of financial year
Accumulated depreciation				
Bearer plants	**6.8**	**0.5**	**(3.8)**	**3.5**
Other property, plant and equipment	**1.3**	**0.3**	**-**	**1.6**
	8.1	**0.8**	**(3.8)**	**5.1**

2023

In RM million	At beginning of financial year	Additions	Write-offs	At end of financial year
At cost				
Freehold land	71.9	-	-	71.9
Bearer plants	18.6	2.5	(4.3)	16.8
Other property, plant and equipment	2.0	-	-	2.0
	92.5	2.5	(4.3)	90.7

In RM million	At beginning of financial year	Current year depreciation charge	Write-offs	At end of financial year
Accumulated depreciation				
Bearer plants	9.6	0.9	(3.7)	6.8
Other property, plant and equipment	1.0	0.3	-	1.3
	10.6	1.2	(3.7)	8.1

NOTES TO THE FINANCIAL STATEMENTS

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

In RM million	Group 2024	Group 2023	Company 2024	Company 2023
Carrying amount				
Freehold land	**1,860.8**	1,861.1	**71.9**	71.9
Leasehold land	**3,290.4**	3,341.4	**-**	-
Land use rights	**46.8**	41.4	**-**	-
Bearer plants	**1,892.5**	1,791.5	**10.9**	10.0
Buildings and improvements	**581.9**	504.0	**-**	-
Plant and machinery	**1,011.8**	918.8	**-**	-
Construction in progress	**237.9**	268.3	**-**	-
Other property, plant and equipment	**307.0**	268.7	**0.4**	0.7
	9,229.1	8,995.2	**83.2**	82.6

Included in the Group's property, plant and equipment are right-of-use assets as follows:

In RM million	Leasehold land	Land use rights	Buildings and improvements	Plant and machinery	Total
Group					
2024					
At cost					
At beginning of financial year	**3,844.2**	**43.8**	**28.3**	**26.4**	**3,942.7**
Additions	**3.1**	**10.7**	**3.6**	**4.0**	**21.4**
Reassessments and modifications of leases	**-**	**-**	**0.1**	**(1.5)**	**(1.4)**
Write-offs	**-**	**-**	**(0.3)**	**-**	**(0.3)**
Foreign currency translation differences	**(0.1)**	**(4.0)**	**(0.1)**	**-**	**(4.2)**
At end of financial year	**3,847.2**	**50.5**	**31.6**	**28.9**	**3,958.2**
Accumulated depreciation					
At beginning of financial year	**499.6**	**2.4**	**16.3**	**9.0**	**527.3**
Current year depreciation charge	**54.0**	**1.5**	**4.4**	**6.4**	**66.3**
Reassessments and modifications of leases	**-**	**-**	**-**	**(0.5)**	**(0.5)**
Write-offs	**-**	**-**	**(0.3)**	**-**	**(0.3)**
Foreign currency translation differences	**-**	**(0.2)**	**(0.1)**	**-**	**(0.3)**
At end of financial year	**553.6**	**3.7**	**20.3**	**14.9**	**592.5**
Accumulated impairment loss					
At beginning of financial year/ At end of financial year	**3.2**	**-**	**-**	**-**	**3.2**
Carrying amount					
At end of financial year	**3,290.4**	**46.8**	**11.3**	**14.0**	**3,362.5**

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

Included in the Group's property, plant and equipment are right-of-use assets as follows (Continued):

In RM million	Leasehold land	Land use rights	Buildings and improvements	Plant and machinery	Total
Group					
2023					
At cost					
At beginning of financial year	3,854.8	38.4	27.2	24.1	3,944.5
Additions	1.6	3.0	1.7	9.3	15.6
Disposal	(8.8)	-	-	-	(8.8)
Reassessments and modifications of leases	(4.4)	-	(1.9)	(7.0)	(13.3)
Foreign currency translation differences	1.0	2.4	1.3	-	4.7
At end of financial year	3,844.2	43.8	28.3	26.4	3,942.7
Accumulated depreciation					
At beginning of financial year	451.0	1.3	12.3	6.5	471.1
Current year depreciation charge	54.0	0.9	4.8	5.3	65.0
Disposal	(1.0)	-	-	-	(1.0)
Reassessments and modifications of leases	(4.4)	-	(1.9)	(2.9)	(9.2)
Foreign currency translation differences	-	0.2	1.1	0.1	1.4
At end of financial year	499.6	2.4	16.3	9.0	527.3
Accumulated impairment loss					
At beginning of financial year/ At end of financial year	3.2	-	-	-	3.2
Carrying amount					
At end of financial year	3,341.4	41.4	12.0	17.4	3,412.2

Leasehold land for which the Group has land titles during the financial year amounted to RM3,285.8 million (2023 – RM3,338.1 million).

Included in the Group's bearer plants is an amount of interest expense capitalised during the financial year amounting to RM3.5 million (2023 – RM6.1 million).

Interest is capitalised at 7.29% (2023 – 7.32%) per annum.

Management assessed whether there were any indicators of impairment of property, plant and equipment during the financial year. In doing this management considered the current environment and performance of the Cash-generating Unit ("CGU"). Management considered the losses in certain subsidiaries in the current financial year as impairment indicators.

An impairment loss on property, plant and equipment amounting to RM2.5 million had been recognised during the financial year due to the recoverable amounts of the property, plant and equipment in certain CGUs, which is determined based on estimation of value-in-use, is lower than the carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

Impairment testing on property, plant and equipment of a non-CPO subsidiary

A non-CPO subsidiary of the Group is a pioneer palm wood factory operator in Segamat, Johor. Currently, the CGU is undergoing product development and process improvement to gain the engineering, operational and technical skills needed to convert oil palm trunks into high performance palm wood boards and panels. The CGU recorded a loss for the financial year ended 30 June 2024, and the carrying amount of property, plant and equipment of the CGU as of 30 June 2024 was RM132.2 million. The value-in-use is determined using a pre-tax discount rate of 8.30% per annum. Management has made estimates about the future results and key assumptions applied to cash flow projections of the CGU. These key assumptions are applied to cash flow projections of the CGU and include projected growth in future revenue and profit margins, as well as determining an appropriate pre-tax discount rate and growth rates.

The recoverable amount of property, plant and equipment based on value-in-use calculations covering a twenty-year period (the average economic useful lives of the assets) was higher than its carrying amount, therefore no impairment loss was required. However, the recoverable amount is sensitive to changes in certain key assumption. A decrease in gross profit margin by 11.90% or an increase in pre-tax discount rate by 2.60%, with all other variables held constant, will result in a breakeven outcome.

Capital expenditure for climate change mitigation

In line with the Group's commitment to sustainability, the Group has progressively undertaken various sustainability initiatives and investments within its operations. The investments in biogas plants and biogas engine focuses on harnessing waste to produce renewable energy. The biogas plant captures methane from decomposing material i.e. the palm oil mill effluents ("POME") and reduces greenhouse gas emission. The biogas engine further converts the methane captured to renewable energy sources, offering a sustainable energy solution for our mills and estate facilities. The Group has also undertaken investments in biomass and co-generation plants, heat recovery projects, energy efficient equipment, water stewardship programmes to mitigate water risk such as installation of anti-flood bunds, rainwater harvesting system, wastewater recycling system, and installation of solar panels on the rooftops of its main offices and canteen to reduce the dependency on fossil fuels at its oleochemical and refinery complexes.

In addition, the Group's non-CPO subsidiary has commissioned palm wood factory to convert oil palm trunks into value-added products. This attribute helps mitigate adverse impacts on climate change.

As at 30 June 2024, the Group incurred a total capital expenditure of RM342.6 million (2023 – RM195.2 million) for climate change mitigation. The breakdown of the costs is as follows:

	Group	
In RM million	**2024**	**2023**
At cost		
Plant and machinery	**286.5**	190.8
Buildings and improvements	**43.6**	3.0
Other property, plant and equipment	**12.5**	1.4
Total capital expenditure	**342.6**	195.2

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
In RM million	**2024**	**2023**	**2024**	**2023**
Additions to property, plant and equipment	**677.3**	623.6	**1.5**	2.5
Interest capitalised (Note 9)	**(3.5)**	(6.1)	**-**	-
Additions via lease liabilities (Note 31.2)	**(9.9)**	(12.6)	**-**	-
Cash payments on purchase of property, plant and equipment	**663.9**	604.9	**1.5**	2.5

14.1 Property, plant and equipment excluding right-of-use assets

All items of property, plant and equipment excluding right-of-use assets are initially measured at cost.

After initial recognition, property, plant and equipment excluding right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Bearer plants are living plants that are used in the production or supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce, except for incidental scrap sales. The bearer plants that are available for use are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes plantation expenditure, which represents the total cost incurred from land clearing to the point of harvesting. Bearer plants have an average life cycle of twenty-five (25) years with the first three (3) years as immature bearer plants and the remaining years as mature bearer plants. The mature bearer plants are depreciated over their remaining useful lives of twenty-two (22) years on a straight-line basis. The immature bearer plants are not depreciated until such time when they are available for use.

Freehold land has an unlimited useful life and therefore is not depreciated.

Construction in progress is not depreciated until such time when the asset is available for use.

Other property, plant and equipment are depreciated on the straight-line basis so as to write-off the cost of the assets over their estimated useful lives. The principal depreciation annual rates are as follows:

Buildings and improvements	2% – 10%
Plant and machinery	4% – 20%
Other property, plant and equipment	4% – 33%

14.2 Right-of-use assets under property, plant and equipment

The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease terms. The principal depreciation periods are as follows:

Leasehold land	over the lease periods from 4 to 99 years
Land use rights	over the lease periods of up to 35 years
Buildings and improvements	over the lease periods from 2 to 10 years
Plant and machinery	over the lease periods from 2 to 5 years

NOTES TO THE FINANCIAL STATEMENTS

15. INTANGIBLE ASSETS

In RM million	Group 2024	Group 2023	Company 2024	Company 2023
Goodwill (Note 15.1)	**335.5**	335.5	**-**	-
Other intangible assets (Note 15.2)	**76.3**	79.3	**0.7**	0.7
	411.8	414.8	**0.7**	0.7

15.1 Goodwill

In RM million	Group 2024	Group 2023
At cost		
At beginning of financial year	**337.5**	337.1
Foreign currency translation differences	**-**	0.4
	337.5	337.5
Less: Impairment losses	**(2.0)**	(2.0)
	335.5	335.5

The goodwill recognised on the acquisitions was attributable mainly to the skills and technical talents of the acquired business's work force and the synergies expected to be achieved from integrating the company into the Group's existing business.

For the purpose of impairment testing, goodwill is allocated to the Group's CGUs identified according to the operating segments as follows:

In RM million	Group 2024	Group 2023
Plantation	**126.5**	126.5
Resource-based manufacturing	**209.0**	209.0
	335.5	335.5

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGUs based on estimation of the value-in-use, which requires significant judgements, estimates about the future results and key assumptions made by the management. Value-in-use is determined by discounting the future cash flows to be generated from the continuing use of the CGUs based on the following assumptions:

i. Cash flows are projected based on the management's most recent five-year business plan with terminal value for all companies with the exception of plantation companies. For plantation companies, cash flows are projected based on the average life cycle of oil palm trees.

ii. Discount rate used for cash flows discounting purpose is the Group's weighted average cost of capital adjusted for specific risks relating to the relevant segments. The average discount rate applied for cash flow projections is 8.30% (2023 – 10.20%).

iii. Growth rates for the plantation segment are determined based on the management's estimate of commodity prices, Fresh Fruit Bunches ("FFB") yields, oil extraction rates and also costs of production whilst growth rates of other segments are determined based on the industry trends and past performances of the segments. CPO price is based on average historical price in the previous financial years while FFB yields are based on the average yields achieved in the previous financial years throughout the life cycle of oil palm trees.

iv. Profit margins are projected based on the industry trends and historical profit margins achieved.

The management is not aware of any reasonably possible change in the above key assumptions that would cause the carrying amounts of the CGUs to materially exceed their recoverable amounts.

15. INTANGIBLE ASSETS (Continued)

15.2 Other intangible assets

In RM million	Brand names	Computer software	Total
Group			
2024			
At cost			
At beginning of financial year	**66.8**	**55.5**	**122.3**
Additions	**-**	**5.7**	**5.7**
At end of financial year	**66.8**	**61.2**	**128.0**
Accumulated amortisation			
At beginning of financial year	**25.0**	**18.0**	**43.0**
Current year amortisation charge	**1.8**	**6.9**	**8.7**
At end of financial year	**26.8**	**24.9**	**51.7**
Carrying amount			
At end of financial year	**40.0**	**36.3**	**76.3**
2023			
At cost			
At beginning of financial year	66.8	50.4	117.2
Additions	-	6.1	6.1
Write-off	-	(1.1)	(1.1)
Foreign currency translation differences	-	0.1	0.1
At end of financial year	66.8	55.5	122.3
Accumulated amortisation			
At beginning of financial year	23.3	13.0	36.3
Current year amortisation charge	1.7	5.5	7.2
Write-off	-	(0.5)	(0.5)
At end of financial year	25.0	18.0	43.0
Carrying amount			
At end of financial year	41.8	37.5	79.3

NOTES TO THE FINANCIAL STATEMENTS

15. INTANGIBLE ASSETS (Continued)

15.2 Other intangible assets (Continued)

In RM million	Computer software	Total
Company		
2024		
At cost		
At beginning of financial year	**1.0**	**1.0**
Additions	**0.1**	**0.1**
At end of financial year	**1.1**	**1.1**
Accumulated amortisation		
At beginning of financial year	**0.3**	**0.3**
Current year amortisation charge	**0.1**	**0.1**
At end of financial year	**0.4**	**0.4**
Carrying amount		
At end of financial year	**0.7**	**0.7**
2023		
At cost		
At beginning of financial year/At end of financial year	1.0	1.0
Accumulated amortisation		
At beginning of financial year	0.1	0.1
Current year amortisation charge	0.2	0.2
At end of financial year	0.3	0.3
Carrying amount		
At end of financial year	0.7	0.7

Other intangible assets are initially measured at cost of acquisition.

After initial recognition, other intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

Brand names

The costs of brand names recognised in a business combination are their fair values as at the date of acquisition. Brand names with finite lives are amortised on a straight-line basis over the estimated economic useful lives ranging from three (3) to thirty (30) years.

Computer software

Computer software that do not form an integral part of the related hardware are treated as intangible assets with finite lives and are amortised on a straight-line basis over the estimated useful lives ranging from five (5) to ten (10) years.

Computer software are not amortised until such time when the assets are available for use.

16. SUBSIDIARIES

16.1 Investments in subsidiaries

	Company	
In RM million	2024	2023
At cost		
Unquoted shares in Malaysia	**6,175.0**	6,196.3
Unquoted shares outside Malaysia	**609.2**	558.1
	6,784.2	6,754.4
Less: Impairment losses	**(48.7)**	(48.7)
	6,735.5	6,705.7

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses, if any.

If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstance, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at either fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Details of the subsidiaries are set out in Note 40 to the financial statements.

2024

During the financial year, the Company:

i. subscribed for an additional 1,000,000 ordinary shares in IOI Palm Wood Sdn Bhd with cash payments of RM1.0 million.

ii. subscribed for an additional 17,360,000 redeemable preference shares in Eglinton Investments Pte Ltd with cash payments equivalent to RM82.2 million.

iii. redeemed 900,000 redeemable preference shares in Morisem Consolidated Sdn Bhd with total redemption amount of RM0.9 million.

iv. redeemed 21,400,000 redeemable preference shares in IOI Plantation Sdn Bhd with total redemption amount of RM21.4 million.

v. redeemed 12,000,000 redeemable preference shares in Lynwood Capital Resources Pte Ltd with total redemption amount equivalent to RM31.1 million.

NOTES TO THE FINANCIAL STATEMENTS

16. SUBSIDIARIES (Continued)

16.2 Amounts due from and to subsidiaries

The amounts due from and to subsidiaries represent outstanding amounts arising from inter-company sales and purchases, both at normal credit terms, advances and payments made on behalf of or by subsidiaries, which are unsecured and interest-free except for amounts due from subsidiaries amounting to RM2,275.1 million (2023 – RM2,387.2 million), which bear interest at rates ranging from 2.61% to 7.29% (2023 – 1.66% to 7.32%) per annum and amounts due to subsidiaries amounting to RM1,046.0 million (2023 – RM1,188.9 million), which bear interest at rates ranging from 1.87% to 4.67% (2023 – 1.87% to 5.00%) per annum.

The current amounts due from and to subsidiaries are payable within the next twelve (12) months in cash and cash equivalents. The non-current amounts due from and to subsidiaries are either not payable within the next twelve (12) months or payable on a back-to-back basis with the corresponding borrowings of the Group. The carrying amounts of non-current amounts due from and to subsidiaries approximate their fair values as their interest rates are priced at reasonable approximation of the market interest rates as at the end of the reporting period.

Impairment for amounts due from subsidiaries are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss ("ECL") model as disclosed in Note 22.2 to the financial statements.

The reconciliation of movements in the impairment losses accounts for amounts due from subsidiaries is as follows:

In RM million	**Lifetime ECL – not credit impaired**	**Lifetime ECL – credit impaired**	**Total**
Company			
2024			
At beginning of financial year	**56.3**	**1.6**	**57.9**
Charge for the financial year	**17.6**	**-**	**17.6**
Reversal of impairment losses	**(1.3)**	**-**	**(1.3)**
At end of financial year	**72.6**	**1.6**	**74.2**
2023			
At beginning of financial year	51.0	6.1	57.1
Charge for the financial year	5.8	-	5.8
Reversal of impairment losses	(0.5)	(4.5)	(5.0)
At end of financial year	56.3	1.6	57.9

Credit impaired refers to individually determined subsidiaries who are in significant financial difficulties as at the end of the reporting period.

16.3 Material non-controlling interests

The Group does not have any subsidiary that has non-controlling interests, which are individually material to the Group as at 30 June 2024.

17. ASSOCIATES

17.1 Investments in associates

	Group		**Company**	
In RM million	**2024**	**2023**	**2024**	**2023**
At cost				
Shares quoted outside Malaysia	**434.0**	434.0	**-**	-
Unquoted shares outside Malaysia	**1,072.5**	1,072.5	**658.3**	658.3
Unquoted shares in Malaysia	**86.9**	86.9	**24.9**	24.9
	1,593.4	1,593.4	**683.2**	683.2
Share of post-acquisition results and reserves	**1,509.9**	1,419.9	**-**	-
	3,103.3	3,013.3	**683.2**	683.2
At Market Value				
Shares quoted outside Malaysia	**1,373.3**	1,057.0	**-**	-

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses, if any. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting based on the latest financial statements of the associates concerned, from the date significant influence commences until the date the Group ceases to have significant influence over the associates. The investments in associates in the consolidated statement of financial position are initially recognised at cost and adjusted thereafter for the post-acquisition changes in the Group's share of net assets of the investments.

Details of the associates are set out in Note 40 to the financial statements.

On 5 August 2022, the Company completed the sale of 10% equity interest in Bunge Loders Croklaan Group BV ("BLC") to Koninklijke Bunge BV ("KBBV") for a total cash consideration of USD84,416,807.30 plus EUR19,724,815.30 (equivalent to RM465.8 million) (the "Share Sale Consideration"). The fair value less cost to sell of the 10% of the Group's equity interest in BLC, which was derived based on Share Sales Consideration, was lower than its carrying amount as at 30 June 2022. As a result, an impairment loss on the 10% of the Group's equity interest in BLC amounted to RM33.9 million was recognised in the previous financial years. Following the completion of sale of 10% equity interest in BLC, the impairment loss of RM33.9 million was reversed in the previous financial year.

The analysis of the above sales of 10% equity interest in BLC was summarised as follows:

In RM million	**Group**	**Company**
Disposal proceeds	465.8	465.8
Carrying amount of 10% equity interest in BLC	(496.6)	(255.5)
Reversal of impairment loss on Group's interest in BLC	33.9	-
Reclassification of foreign currency translation reserve to profit or loss	14.1	-
Net gain on partial disposal of 10% equity interest in BLC	17.2	210.3

In the previous financial year, the Company made a cash contribution of RM147.4 million paid in share premium into an associate.

NOTES TO THE FINANCIAL STATEMENTS

17. ASSOCIATES (Continued)

17.2 Material associates and summary of financial information

The Group regards Bumitama Agri Ltd ("Bumitama") and BLC as material associates.

Bumitama

The summary of unaudited financial information of Bumitama for the periods ended 30 June 2024 and 30 June 2023 are summarised as follows:

In RM million	Bumitama 2024	Bumitama 2023
Assets and liabilities		
Current assets	**1,377.5**	1,262.3
Non-current assets	**4,342.8**	4,803.0
Total assets	**5,720.3**	6,065.3
Current liabilities	**(326.2)**	(925.1)
Non-current liabilities	**(1,026.8)**	(600.3)
Total liabilities	**(1,353.0)**	(1,525.4)
Net assets	**4,367.3**	4,539.9
Non-controlling interests	**(637.8)**	(685.0)
Net assets attributable to shareholders of Bumitama	**3,729.5**	3,854.9
Results		
Revenue	**4,613.9**	4,452.1
Profit for the financial period	**629.1**	559.7
Other comprehensive (loss)/income	**(35.7)**	12.5
Total comprehensive income	**593.4**	572.2

17. ASSOCIATES (Continued)

17.2 Material associates and summary of financial information (Continued)

BLC

The summary of unaudited financial information of BLC for the periods ended 30 June 2024 and 30 June 2023 are summarised as follows:

In RM million	BLC 2024	BLC 2023
Assets and liabilities		
Current assets	**4,063.9**	3,771.0
Non-current assets	**3,759.4**	3,292.9
Total assets	**7,823.3**	7,063.9
Current liabilities	**(1,111.7)**	(1,129.2)
Non-current liabilities	**(922.3)**	(788.4)
Total liabilities	**(2,034.0)**	(1,917.6)
Net assets attributable to shareholders of BLC	**5,789.3**	5,146.3
Results		
Revenue	**9,985.8**	10,504.8
Profit for the financial period	**647.2**	293.0
Other comprehensive income/(loss)	**33.7**	(176.5)
Total comprehensive income	**680.9**	116.5

The information above represents the unaudited amounts in the financial statements of associates and does not reflect the Group's proportionate share in those amounts.

NOTES TO THE FINANCIAL STATEMENTS

17. ASSOCIATES (Continued)

17.2 Material associates and summary of financial information (Continued)

The reconciliation of the above summarised unaudited financial information to the carrying amount of the Group's interests in associates is as follows:

In RM million	**Bumitama**	**BLC**
2024		
Net assets attributable to shareholders of associates	**3,729.5**	**5,789.3**
Proportion of ownership interest held by the Group	**32.10%**	**20.00%**
Group's share of net assets	**1,197.1**	**1,157.9**
Goodwill	**168.7**	**-**
Gain on re-measurement	**-**	**228.0**
Carrying amount of the Group's interests in associates	**1,365.8**	**1,385.9**
Dividend received during the financial year	**129.3**	**-**
2023		
Net assets attributable to shareholders of associates	3,854.9	5,146.3
Proportion of ownership interest held by the Group	32.10%	20.00%#
Group's share of net assets	1,237.4	1,029.3
Goodwill	168.7	-
Gain on re-measurement	-	228.0
Carrying amount of the Group's interests in associates	1,406.1	1,257.3
Dividend received during the financial year	148.9	-

Note:

In the previous financial year, the Company completed the sale of 1,800 shares ("Share Sale"), which representing its 10% shareholdings in BLC to KBBV as disclosed in Note 17.1 to the financial statements. With the completion of the Share Sale, the Company's equity interest in BLC was reduced from 30% to 20%.

17.3 Other associates and summary of financial information

The summarised unaudited financial information based on the Group's interests in the individually immaterial associates in aggregate is as follows:

	Group	
In RM million	**2024**	**2023**
Profit for the financial period	**19.6**	28.7
Total comprehensive income	**19.6**	28.7
Carrying amount	**351.6**	349.9

Dividends received from immaterial associates during the financial year amounted to RM17.8 million (2023 – RM26.8 million).

18. DERIVATIVE FINANCIAL INSTRUMENTS

	Contract/ Notional amount	**Fair value**	
In RM million	**Net (short)/long**	**Financial Assets**	**Financial Liabilities**
Group			
2024			
Forward foreign exchange contracts	**(1,788.2)**	**3.3**	**4.8**
Commodity forward contracts	**(415.9)**	**33.0**	**6.6**
Commodity futures	**279.1**	**5.3**	**1.0**
Cross currency swap contracts	**875.6**	**42.2**	**-**
Interest rate swap contract	**118.0**	**7.6**	**-**
Total derivative financial instruments		**91.4**	**12.4**
Less: Current portion		**(41.6)**	**(12.4)**
Non-current portion		**49.8**	**-**
2023			
Forward foreign exchange contracts	(1,471.3)	0.4	42.4
Commodity forward contracts	(234.8)	22.9	15.2
Commodity futures	403.3	27.3	1.5
Cross currency swap contracts	935.7	96.7	-
Interest rate swap contract	117.0	10.6	-
Total derivative financial instruments		157.9	59.1
Less: Current portion		(50.6)	(59.1)
Non-current portion		107.3	-
Company			
2024			
Cross currency swap contracts	**259.7**	**30.7**	**-**
Interest rate swap contract	**118.0**	**7.6**	**-**
Total derivative financial instruments		**38.3**	**-**
Less: Current portion		**-**	**-**
Non-current portion		**38.3**	**-**
2023			
Cross currency swap contracts	257.5	35.7	-
Interest rate swap contract	117.0	10.6	-
Total derivative financial instruments		46.3	-
Less: Current portion		-	-
Non-current portion		46.3	-

NOTES TO THE FINANCIAL STATEMENTS

18. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

i. Forward foreign exchange contracts

Forward foreign exchange contracts were entered into as hedges for sales and purchases denominated in foreign currencies and to limit the exposure to potential changes in foreign exchange rates with respect to the Group's foreign currencies denominated financial assets and financial liabilities.

ii. Commodity forward contracts and futures

The commodities forward contracts and futures were entered into with the objective of managing and hedging the respective exposure of the Group's plantation segment and resource-based manufacturing segment to adverse price movements in vegetable oil commodities. The fair values of these components except for forward contracts identified and entered into for own use, which is continue to be held to receive or deliver the commodities have been determined based on published market prices or quoted prices from reputable and credible financial services industry.

iii. Cross currency swap contracts

The cross currency swap contracts of the Group are mainly used to hedge against its exposures of borrowings, except for:

a) Cross currency swap contract, which swapped a floating rate of USD55.0 million liability to a fixed rate of EUR48.6 million liability ("USDEUR CCS") to serve as a net investment hedge against the Group's Euro denominated assets. The carrying amount of derivative asset in respect of the USDEUR CCS as at end of the financial year is RM30.7 million (2023 – RM35.7 million). The USDEUR CCS will mature in the financial year 2026.

iv. Interest rate swap contract

Interest rate swap contract is used to hedge the Group's exposures to movements in interest rates.

All the above derivatives were initially recognised at fair value on the date the derivative contracts were entered into. The derivatives were subsequently remeasured at fair value and the changes in fair value were recognised as follows:

i. Derivatives recognised in the other comprehensive income pursuant to hedge accounting

a) Cross currency swap contract, which swapped a floating rate USD55.0 million liability to a fixed rate EUR48.6 million liability. This cross currency swap contact will mature in the financial year 2026.

ii. Derivatives recognised in the profit or loss

a) All other derivatives other than those mentioned in (i) above.

During the financial year, the Group recognised total fair value gain of RM46.7 million (2023 – RM399.6 million) arising from fair value changes of derivative liabilities and the fair value changes of derivative liabilities recognised by the Company is Nil (2023 – gain of RM82.6 million). The determination of the fair values of the derivative financial instruments involves significant judgements and assumptions made by the management. The methods and assumptions applied in determining the fair values of derivatives are disclosed in Note 38.6 to the financial statements.

19. DEFERRED TAX

In RM million	Group 2024	Group 2023	Company 2024	Company 2023
At beginning of financial year	**1,188.1**	1,128.4	**(10.0)**	(10.1)
Recognised in profit or loss				
- Current year	**28.2**	52.1	**(3.4)**	0.1
- Prior years	**(2.5)**	7.2	**-**	-
	25.7	59.3	**(3.4)**	0.1
Recognised in other comprehensive income	**(0.3)**	1.0	**-**	-
Foreign currency translation differences	**(0.4)**	(0.6)	**-**	-
At end of financial year	**1,213.1**	1,188.1	**(13.4)**	(10.0)

Presented after appropriate offsetting as follows:

In RM million	Group 2024	Group 2023	Company 2024	Company 2023
Deferred tax liabilities, net *	**1,229.0**	1,206.7	**-**	-
Deferred tax assets, net *	**(15.9)**	(18.6)	**(13.4)**	(10.0)
	1,213.1	1,188.1	**(13.4)**	(10.0)

Note:

* The amounts of set-off between deferred tax liabilities and deferred tax assets were RM43.2 million (2023 – RM21.0 million) and RM5.7 million (2023 – RM5.3 million) for the Group and the Company respectively.

NOTES TO THE FINANCIAL STATEMENTS

19. DEFERRED TAX (Continued)

The movements of deferred tax liabilities and deferred tax assets during the financial year prior to offsetting are as follows:

In RM million	Group 2024	Group 2023	Company 2024	Company 2023
Deferred tax liabilities				
At beginning of financial year	**1,227.7**	1,205.2	**5.3**	5.4
Recognised in profit or loss				
Temporary differences on property, plant and equipment	**36.6**	28.0	**0.4**	-
Other temporary differences	**8.4**	(5.7)	**-**	(0.1)
	45.0	22.3	**0.4**	(0.1)
Foreign currency translation differences	**(0.5)**	0.2	**-**	-
At end of financial year	**1,272.2**	1,227.7	**5.7**	5.3
Deferred tax assets				
At beginning of financial year	**39.6**	76.8	**15.3**	15.5
Recognised in profit or loss				
Temporary differences on unutilised tax losses	**(1.5)**	(3.4)	**-**	-
Other deductible temporary differences	**20.8**	(33.6)	**3.8**	(0.2)
	19.3	(37.0)	**3.8**	(0.2)
Recognised in other comprehensive income	**0.3**	(1.0)	**-**	-
Foreign currency translation differences	**(0.1)**	0.8	**-**	-
At end of financial year	**59.1**	39.6	**19.1**	15.3

The components of deferred tax liabilities and deferred tax assets at the end of the financial year comprise the tax effects of:

In RM million	Group 2024	Group 2023	Company 2024	Company 2023
Deferred tax liabilities				
Temporary differences on property, plant and equipment	**1,255.7**	1,219.5	**5.7**	5.3
Other temporary differences	**16.5**	8.2	**-**	-
	1,272.2	1,227.7	**5.7**	5.3
Deferred tax assets				
Temporary differences on unutilised tax losses	**8.9**	10.4	**-**	-
Other deductible temporary differences	**50.2**	29.2	**19.1**	15.3
	59.1	39.6	**19.1**	15.3

19. DEFERRED TAX (Continued)

The amount of temporary differences for which no deferred tax assets have been recognised in the statements of financial position is as follows:

In RM million	Group 2024	Group 2023
Unutilised tax losses expire in year of assessment ("YA")		
YA2028	**73.6**	73.6
YA2029	**2.3**	2.3
YA2030	**1.0**	1.0
YA2033	**8.3**	9.3
YA2034	**19.5**	-
Unabsorbed capital allowances	**40.3**	34.0
	145.0	120.2

The Group has assessed the likelihood of sufficient future profits available to recover the amount of deductible temporary differences. Deferred tax assets of certain subsidiaries of the Group have not been recognised in respect of these items as it is not probable that taxable income of the subsidiaries will be available against which the deductible temporary differences can be utilised.

The amount and availability of these items to be carried forward up to the period as disclosed above are subject to the agreement of the respective tax authorities.

During the 2024 Budget Announcement on 13 October 2023, the Minister of Finance announced that the Global Minimum Tax ("GMT") would be implemented in Malaysia. On 29 December 2023, the parliament has gazetted the GMT legislation via the Finance Act (No. 2) 2023 and the said rules will come into effect from financial years beginning on or after 1 January 2025. GMT shall apply if a group has annual revenue of EUR750 million or more as specified in the consolidated financial statements of the Ultimate Parent Entity ("UPE") in at least two of the four consecutive financial years immediately preceding tested financial year. The assessment needs to be carried out for each tested financial year to determine whether the group is within the scope or not. Based on the past years annual revenue recorded in the consolidated financial statements of the UPE, the Group is within the scope of the enacted GMT legislation for financial year 2026. However, the Group applies the exception to recognise and disclose information about deferred tax assets and liabilities related to GMT.

Under the GMT legislation, the Group is liable to pay top-up tax for the difference between the minimum rate of 15% and the Group's jurisdictional effective tax rate ("ETR") determined under the GMT rules (GloBE ETR) for each jurisdiction where the Group has operation therein. Due to uncertainties surrounding when and how each jurisdiction will enact the legislations, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. The Group is currently working with tax specialists to assess the impact of the GMT legislation on the Group.

NOTES TO THE FINANCIAL STATEMENTS

20. OTHER NON-CURRENT ASSETS

In RM million	Group 2024	Group 2023	Company 2024	Company 2023
Investment properties (Note 20.1)	**7.2**	7.0	**-**	-
Interests in joint ventures (Note 20.2)	**11.1**	6.9	**7.2**	7.8
Other investments – non-current (Note 20.3)	**104.0**	92.5	**-**	-
Plasma receivables – non-current (Note 22.3)	**25.4**	-	**-**	-
	147.7	106.4	**7.2**	7.8

20.1 Investment properties

Investment properties are initially measured at cost, including transaction costs.

After initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land under investment properties has an unlimited useful life and therefore is not depreciated. The principal depreciation periods for the buildings component of the investment properties are 22 to 30.5 years.

The fair value of the investment properties for disclosure purposes, which is at Level 3 fair value, is based on Directors' estimation by reference to the market evidence of transaction prices for similar properties and recent experience in the location and category of the property being valued.

The fair value of the investment properties at the end of the reporting period is RM10.8 million (2023 – RM8.8 million).

20.2 Interests in joint ventures

In RM million	Group 2024	Group 2023	Company 2024	Company 2023
Unquoted shares, at cost	**36.5**	36.0	**36.0**	36.0
Less: Impairment loss	**(9.9)**	(9.9)	**(35.0)**	(35.0)
	26.6	26.1	**1.0**	1.0
Amount due from a joint venture	**11.7**	12.9	**11.7**	12.9
Less: Impairment loss	**(5.5)**	(6.1)	**(5.5)**	(6.1)
	6.2	6.8	**6.2**	6.8
Share of post-acquisition results and reserves	**(21.7)**	(26.0)	**-**	-
	11.1	6.9	**7.2**	7.8

Details of the joint ventures are set out in Note 40 to the financial statements.

20. OTHER NON-CURRENT ASSETS (Continued)

20.2 Interests in joint ventures (Continued)

Investments in joint ventures are stated at cost less impairment loss in the separate financial statements. The Group recognises its interests in joint ventures as investment and accounts for that investment using the equity method of accounting.

Amount due from a joint venture represents outstanding amount arising from advances and payments made on behalf of a joint venture, which are unsecured, bear interest at 3.50% (2023 – 3.50%) per annum, except for an amount of RM0.1 million (2023 – RM0.1 million), which is interest-free. The amount due from a joint venture is not repayable within the next twelve (12) months in cash and cash equivalents. The carrying amount of non-current amount due from a joint venture approximates its fair value as its interest rate is priced at reasonable approximation of the market interest rate as at the end of the reporting period.

Impairment for non-trade amount due from a joint venture is recognised based on the general approach within MFRS 9 using the forward looking expected credit loss ("ECL") model as disclosed in Note 22.2 to the financial statements.

The reconciliation of movements in the impairment loss account for amount due from a joint venture is as follows:

In RM million	Lifetime ECL – not credit impaired 2024	Lifetime ECL – not credit impaired 2023
Group and Company		
At beginning of financial year	**6.1**	6.1
Reversal of impairment losses	**(0.6)**	-
At end of financial year	**5.5**	6.1

The summarised financial information based on the Group's interest in the individually joint ventures in aggregate is as follows:

In RM million	Group 2024	Group 2023
Profit for the financial period	**4.3**	1.5
Total comprehensive income	**4.3**	1.5
Carrying amount	**11.1**	6.9

20.3 Other investments – non-current

In RM million	Group 2024	Group 2023
At fair value through profit or loss		
Outside Malaysia		
- Unquoted equity investments	**104.0**	92.5

NOTES TO THE FINANCIAL STATEMENTS

21. INVENTORIES

In RM million	Group 2024	Group 2023
At cost		
Plantation produce	**98.6**	100.8
Raw materials and consumables	**152.6**	215.0
Nursery inventories	**51.6**	57.2
Finished goods	**497.8**	411.4
Semi-finished goods	**87.9**	37.7
Others	**6.9**	6.8
	895.4	828.9
At net realisable value		
Raw materials and consumables	**69.4**	21.7
Finished goods	**201.2**	209.8
Semi-finished goods	**55.2**	53.5
	325.8	285.0
	1,221.2	1,113.9

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on a weighted average basis. Cost comprises the original cost of purchase plus the cost of bringing the inventories to their intended location and condition. The cost of plantation produce and finished goods includes the cost of raw materials, direct labour and a proportion of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

A write down of inventories to net realisable value of RM4.8 million (2023 – RM11.4 million) was made by the Group during the financial year.

The Group reversed RM46.8 million (2023 – RM66.8 million) in respect of inventories written down in the previous financial year that were subsequently not required due to the increase in selling prices of commodities and products.

22. TRADE AND OTHER RECEIVABLES

In RM million	Group 2024	Group 2023	Company 2024	Company 2023
Trade receivables (Note 22.1)	**937.0**	921.1	**-**	-
Other receivables, deposits and prepayments (Note 22.2)	**273.7**	270.2	**34.8**	33.4
Plasma receivables – current (Note 22.3)	**72.7**	115.8	**-**	-
	1,283.4	1,307.1	**34.8**	33.4

22.1 Trade receivables

In RM million	Group 2024	Group 2023
Trade receivables	**942.4**	930.2
Less: Impairment losses	**(5.4)**	(9.1)
	937.0	921.1

i. The normal trade credit terms granted by the Group range from 2 to 120 days (2023 – 2 to 120 days). They are recognised at their original invoiced amounts, which represent their fair values on initial recognition.

ii. Impairment for trade receivables and trade amounts due from associates that do not contain a significant financing component are recognised based on the simplified approach by applying the provisional matrix approach using the flow-rate model to calculate the lifetime expected credit losses ("ECL").

Lifetime ECL are the ECL that result from all possible default events over the expected life of the asset. The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions by market segment of the Group as identified in Note 4 to the financial statements to estimate the amount of expected impairment losses. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probabilities of non-payments by the trade receivables and trade amounts due from associates are adjusted by forward looking information and multiplied by the amounts of the expected losses arising from defaults to determine the lifetime ECL for the trade receivables and trade amounts due from associates. The Group has identified the Gross Domestic Product, crude palm oil prices and unemployment rate as the key macroeconomic factors. For trade receivables and trade amounts due from associates, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within the statements of profit or loss. On confirmation that the trade receivables and trade amounts due from associates would not be collectable, the gross carrying values of the assets would be written off against the associated impairment.

Individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full.

It requires management to exercise significant judgement in determining the probabilities of default by trade receivables and trade amounts due from associates and appropriate forward looking information.

NOTES TO THE FINANCIAL STATEMENTS

22. TRADE AND OTHER RECEIVABLES (Continued)

22.1 Trade receivables (Continued)

iii. The reconciliation of movements in the impairment losses accounts for trade receivables is as follows:

In RM million	Lifetime ECL	Credit impaired	Total
Group			
2024			
At beginning of financial year	**9.0**	**0.1**	**9.1**
Write-off	**-**	**(0.1)**	**(0.1)**
Reversal of impairment losses	**(3.6)**	**-**	**(3.6)**
At end of financial year	**5.4**	**-**	**5.4**
2023			
At beginning of financial year	9.7	0.1	9.8
Charge for the financial year	0.3	-	0.3
Reversal of impairment losses	(1.0)	-	(1.0)
At end of financial year	9.0	0.1	9.1

Credit impaired refers to individually determined debtors who are in significant financial difficulties as at the end of the reporting period.

22.2 Other receivables, deposits and prepayments

	Group		Company	
In RM million	2024	2023	2024	2023
Other receivables	**168.1**	173.7	**0.7**	0.6
Deposits	**43.2**	56.5	**32.0**	29.7
Prepayments	**62.4**	40.0	**2.1**	3.1
	273.7	270.2	**34.8**	33.4

22. TRADE AND OTHER RECEIVABLES (Continued)

22.2 Other receivables, deposits and prepayments (Continued)

i. Impairment for other receivables, financial guarantee contracts, amounts due from subsidiaries, associates and a joint venture are recognised based on the three-stage general approach within MFRS 9 using the forward looking expected credit loss ("ECL") model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month ECL along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime ECL along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime ECL along with interest income on a net basis are recognised.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the asset, while twelve-month ECL are the portion of ECL that result from default events that are possible within the twelve months after the end of the reporting period. The maximum period considered when estimating ECL is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment delays and past due information.

The probabilities of non-payments by other receivables, financial guarantee contracts and amounts due from subsidiaries, associates and a joint venture are adjusted by forward looking information and multiplied by the amounts of the expected losses arising from defaults to determine the twelve-month or lifetime ECL for the other receivables, financial guarantee contracts and amounts due from subsidiaries, associates and a joint venture. The Group has identified the Gross Domestic Product, crude palm oil prices and unemployment rate as the key macroeconomic factors.

It requires management to exercise significant judgement in determining the probabilities of default by other receivables, financial guarantee contracts and amounts due from subsidiaries, associates and a joint venture, appropriate forward looking information and significant increase in credit risk.

ii. No ECL is recognised arising from other receivables as the amount is negligible.

NOTES TO THE FINANCIAL STATEMENTS

22. TRADE AND OTHER RECEIVABLES (Continued)

22.3 Plasma receivables

In RM million	Group 2024	Group 2023
Gross plasma receivables	**102.9**	115.8
Less: Impairment losses	**(4.8)**	-
	98.1	115.8
Less: plasma receivables – current	**(72.7)**	(115.8)
Plasma receivables – non-current	**25.4**	-

i. In accordance with the policy of the Government of the Republic of Indonesia, nucleus companies involved in plantation developments are required to provide support to develop and cultivate palm oil lands for local communities as part of their social obligation which is known as "plasma" schemes.

Plasma receivables represent costs incurred for plasma plantations development which are temporary self-funded by the Group and will be repaid by plasma farmers via financed through banks finance facilities or reimbursed directly by the plasma farmers.

ii. Impairment for plasma receivables are recognised based on the general approach using lifetime expected credit losses ("ECL") method in accordance with MFRS 9, which are derived from a probability-weighted outcomes for low to high default risks. Management expects that payments will be obtained from the utilisation of available banking facilities as well as sustainable cash flows generated from the operations by the plasma farmers. The estimated future cash flows recoverable from plasma receivables are determined based on the expected repayment period of the plasma scheme, adjusted for anticipated repayment pattern after taking into considerations of various factors and information, including time value of money. Discount rate used for cash flows discounting purpose is at 8.26%.

Management is of the view that the ECL of plasma receivables are adequate based on the analysis of probability of default by plasma receivables, appropriate forward-looking information, significant increase in credit risk and estimated cash flows recoverable based on expectation of repayment patterns from plasma receivables.

iii. The reconciliation of movements in the impairment losses accounts for plasma receivables is as follows:

In RM million	Group 2024
At beginning of financial year	**-**
Charge for the financial year	**5.5**
Foreign currency translation differences	**(0.7)**
At end of financial year	**4.8**

23. AMOUNTS DUE FROM ASSOCIATES

In RM million	Group 2024	Group 2023
Amounts due from associates	**52.5**	34.6
Less: Accumulated impairment losses	**(0.2)**	(0.3)
	52.3	34.3

Amounts due from associates represent outstanding amounts arising from sales, management income, advances and payments made on behalf by associates, which are unsecured, interest-free and payable within the next twelve (12) months in cash and cash equivalents.

Impairment for receivables from trade amounts due from associates are recognised based on the simplified approach using the lifetime expected credit losses ("ECL") as disclosed in Note 22.1 to the financial statements.

Impairment for receivables from non-trade amounts due from associates are recognised based on the three-stage general approach within MFRS 9 using the forward looking ECL model as disclosed in Note 22.2 to the financial statements.

The reconciliation of movements in the impairment losses accounts for amounts due from associates is as follows:

In RM million	12 months ECL	Lifetime ECL – Not credit impaired	Total
Group			
2024			
At beginning of financial year	**-**	**0.3**	**0.3**
Reversal of impairment losses	**-**	**(0.1)**	**(0.1)**
At end of financial year	**-**	**0.2**	**0.2**
2023			
At beginning of financial year	1.5	0.3	1.8
Charge for the financial year	-	0.1	0.1
Reversal of impairment losses	(1.5)	(0.1)	(1.6)
At end of financial year	-	0.3	0.3
Company			
2024			
At beginning of financial year/ At end of financial year	**-**	**-**	**-**
2023			
At beginning of financial year	1.5	-	1.5
Reversal of impairment loss	(1.5)	-	(1.5)
At end of financial year	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

24. OTHER INVESTMENTS

In RM million	Group 2024	Group 2023	Company 2024	Company 2023
At fair value through profit or loss				
In Malaysia				
- Quoted shares	**63.6**	59.1	**1.0**	1.1
- Unquoted shares	**9.5**	8.3	**0.2**	-
	73.1	67.4	**1.2**	1.1

25. OTHER CURRENT ASSETS

In RM million	Group 2024	Group 2023	Company 2024	Company 2023
Biological assets (Note 25.1)	**54.4**	44.9	**0.6**	0.4
Current tax assets	**76.9**	73.1	**2.8**	-
	131.3	118.0	**3.4**	0.4

25.1 Biological assets

In RM million	Group 2024	Group 2023	Company 2024	Company 2023
At fair value				
Plantation expenditure for orchard				
At beginning of financial year	**1.7**	1.2	**0.2**	-
Additions	**3.6**	3.8	**0.2**	0.2
Transfer to inventories	**(2.0)**	(3.3)	**-**	-
At end of financial year	**3.3**	1.7	**0.4**	0.2
Fresh fruit bunches				
At beginning of financial year	**43.2**	60.6	**0.2**	0.5
Changes in fair value less costs to sell	**8.2**	(17.6)	**-**	(0.3)
Foreign currency translation differences	**(0.3)**	0.2	**-**	-
At end of financial year	**51.1**	43.2	**0.2**	0.2
Total biological assets	**54.4**	44.9	**0.6**	0.4

25. OTHER CURRENT ASSETS (Continued)

25.1 Biological assets (Continued)

The biological assets of the Group and the Company comprise:

i. Plantation expenditure for orchard

The Group deems the fair value less costs to sell of the plantation expenditure for orchard to approximate cost.

The fair value of planting expenditure of the Group is categorised within Level 3 of the fair value hierarchy. There were no transfers between all three (3) levels of the fair value hierarchy during the financial year.

ii. Fresh Fruit Bunches ("FFB") prior to harvest

The valuation model adopted by the Group considers the present value of the net cash flows expected to be generated from the sales of FFB. To arrive at the fair value, the management has considered the oil content of the unripe FFB and derived the assumption that the net cash flows to be generated from FFB prior to more than 15 days to harvest is negligible, therefore quantity of unripe FFB on bearer plant of up to 15 days prior to harvest was used for valuation purpose. The value of the unripe FFB was estimated to be approximately 80% of the ripe FFB, based on actual oil extraction rate and kernel extraction rate of the unripe FFB from the laboratory tests. Costs to sell include harvesting cost, transport and windfall profit levy.

During the financial year, the Group and the Company harvested approximately 2,803,965 tonnes (2023 – 2,686,356 tonnes) and 6,421 tonnes (2023 – 8,497 tonnes) of FFB respectively.

As at 30 June 2024, none of the biological assets are pledged as securities for liabilities.

The fair value measurement of the Group's biological assets is categorised within Level 3 of the fair value hierarchy. If the FFB selling price changes by 10%, profit or loss for the Group would have equally increased or decreased by approximately RM6.3 million (2023 – RM5.4 million) and no significant impact for profit or loss for the Company.

There were no transfers between all three (3) levels of the fair value hierarchy during the financial year.

26. SHORT TERM FUNDS

In RM million	Group 2024	Group 2023
At fair value through profit or loss		
Investments in trust funds in Malaysia	**1,164.8**	1,158.0

Investments in trust funds in Malaysia represent investments in highly liquid money market instruments, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

27. DEPOSITS WITH FINANCIAL INSTITUTIONS

In RM million	Group 2024	Group 2023	Company 2024	Company 2023
Deposits with licensed banks	**267.3**	53.5	**142.5**	51.4

No expected credit loss is recognised arising from deposits with licensed banks because the probability of default by these financial institutions is negligible.

NOTES TO THE FINANCIAL STATEMENTS

28. SHARE CAPITAL AND TREASURY SHARES

28.1 Share capital

	2024 No. of shares	2024 Amount RM million	2023 No. of shares	2023 Amount RM million
Group and Company				
Issued and fully paid with no par value				
Ordinary shares				
At beginning of financial year/ At end of financial year	**6,285,198,995**	**791.1**	6,285,198,995	791.1

i. The owners of the parent are entitled to receive dividends as declared from time to time and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

ii. Of the total 6,285,198,995 (2023 – 6,285,198,995) issued and fully paid-up ordinary shares, 81,501,700 (2023 – 81,501,700) shares are held as treasury shares as disclosed in Note 28.2 to the financial statements. Accordingly, the number of ordinary shares in issue and fully paid-up after deducting treasury shares as at end of the financial year is 6,203,697,295 (2023 – 6,203,697,295).

28.2 Treasury shares

The shareholders of the Company, by an ordinary resolution passed at an extraordinary general meeting held on 18 November 1999, approved the Company's plan to repurchase up to 10% of the issued share capital of the Company ("Share Buy Back"). The authority granted by the shareholders was subsequently renewed during subsequent Annual General Meetings ("AGM") of the Company, including the last AGM held on 27 October 2023.

The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the Share Buy Back can be applied in the best interests of the Company.

The Company has the right to cancel, resell and/or distribute the treasury shares as dividends or transfer the treasury shares as purchase consideration at a later date. As treasury shares, the rights attached to voting, dividends and participation in other distribution are suspended. None of the treasury shares repurchased had been sold, cancelled or transferred during the financial year.

The Company did not repurchase any of its issued ordinary shares from the open market during the financial year.

28. SHARE CAPITAL AND TREASURY SHARES (Continued)

28.2 Treasury shares (Continued)

In the previous financial year, the Company repurchased its issued ordinary shares from the open market as follows:

	No. of Shares	Cost RM million	Purchase Price * Highest RM	Purchase Price * Lowest RM	Purchase Price * Average RM
2023					
At beginning of financial year	72,226,500	275.4	4.48	3.61	3.81
Purchased during the financial year					
July 2022	613,000	2.3	3.74	3.74	3.74
October 2022	4,385,500	16.1	3.68	3.66	3.67
February 2023	800,000	3.0	3.77	3.77	3.77
March 2023	822,000	3.1	3.76	3.73	3.73
June 2023	2,654,700	9.9	3.77	3.73	3.75
	9,275,200	34.4	3.77	3.66	3.71
At end of financial year	81,501,700	309.8	4.48	3.61	3.80

* Purchase price includes stamp duty, brokerage and clearing fees.

The transactions under Share Buy Back were financed by internally generated funds. The repurchased ordinary shares of the Company were held as treasury shares in accordance with the provision of Section 127 of the Companies Act 2016 in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

29. RESERVES

In RM million	Group 2024	2023
Capital reserves (Note 29.1)	**7.7**	7.7
Foreign currency translation reserve (Note 29.2)	**95.6**	259.4
Hedging reserves (Note 29.3)	**17.6**	20.4
Other reserves (Note 29.4)	**(5.3)**	(0.4)
	115.6	287.1

The movements in reserves are shown in the statements of changes in equity.

29.1 Capital reserves

In RM million	Group 2024	2023
Net accretion in Group's share of net assets arising from shares issued by certain subsidiaries to non-controlling shareholders	**7.7**	7.7
	7.7	7.7

29.2 Foreign currency translation reserve

The foreign currency translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items, which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

29.3 Hedging reserves

Hedging reserves of the Group comprise:

i. The effective portion of cumulative gain or loss on hedging instruments relating to the hedges of the Group's net investment in a foreign operation; and

ii. Realised gain on settlement of Treasury lock contract ("T-lock"), which was used to hedge the fluctuations in benchmark interest rate risk of the U.S. Treasury Bill yield for the issuance of USD300 million 3.375% Guaranteed Notes due 2031 under a Euro Medium Term Note Programme as disclosed in Note 30.5 to the financial statements. A portion of the realised gain on the T-lock amounting to RM2.8 million (2023 – RM2.7 million) has been reclassified to profit or loss as an adjustment of the interest expense on the Notes during the financial year.

29.4 Other reserves

The other reserves arising from the Group's share of associates' post-acquisition other reserves.

30. BORROWINGS

	Group		Company	
In RM million	2024	2023	2024	2023
Non-current liabilities				
Unsecured				
Term loans (Note 30.1)	**615.9**	678.2	**-**	-
Islamic financing facilities (Note 30.2)	**897.0**	888.6	**897.0**	888.6
Less: Portion due within 12 months included under short term borrowings	**(141.6)**	(69.9)	**(141.6)**	(69.9)
	755.4	818.7	**755.4**	818.7
Islamic revolving credit financing facilities – Long term (Note 30.3)	**212.5**	-	**212.5**	-
Guaranteed Notes due 2031 (Note 30.5)	**1,403.2**	1,389.7	**-**	-
Finance lease obligation	**9.2**	9.3	**-**	-
Less: Portion due within 12 months included under short term borrowings	**(0.2)**	(0.2)	**-**	-
	9.0	9.1	**-**	-
	2,996.0	2,895.7	**967.9**	818.7
Current liabilities				
Unsecured				
Islamic financing facilities – portion due within 12 months (Note 30.2)	**141.6**	69.9	**141.6**	69.9
Revolving credits (Note 30.6)	**314.0**	367.5	**314.0**	367.5
Trade financing (Note 30.7)	**210.4**	180.5	**-**	-
Islamic revolving credit financing facilities (Note 30.3)	**42.5**	243.4	**42.5**	243.4
Finance lease obligation – portion due within 12 months	**0.2**	0.2	**-**	-
	708.7	861.5	**498.1**	680.8
Total borrowings	**3,704.7**	3,757.2	**1,466.0**	1,499.5

NOTES TO THE FINANCIAL STATEMENTS

30. BORROWINGS (Continued)

30.1 Term loans

The term loans of the Group include:

Unsecured

i. 30-year JPY15.0 billion fixed-rate loan due 2037 that was drawn down on 22 January 2007 by a wholly-owned subsidiary incorporated in Labuan. This fixed-rate loan bears interest at 4.325% per annum. The outstanding amount as at the end of the financial year is JPY15.0 billion (2023 – JPY15.0 billion) and is repayable in full on 22 January 2037.

ii. 30-year JPY6.0 billion fixed-rate loan due 2038 that was drawn down on 5 February 2008 by a wholly-owned subsidiary incorporated in Labuan. This fixed-rate loan bears interest at 4.50% per annum. The outstanding amount as at end of the financial year is JPY6.0 billion (2023 – JPY6.0 billion) and is repayable in full on 5 February 2038.

30.2 Islamic financing facilities

The Islamic financing facilities of the Group include:

Unsecured

i. Commodity Murabahah Financing Facility of USD30.0 million that was drawn down on 31 May 2019 by the Company. The profit rate of this fixed-rate Islamic financing facility is 1.75% per annum and is repayable in two (2) annual instalments of USD15.0 million each commencing 48 months from the first drawn date. Part of the Commodity Murabahah Financing Facility of USD15.0 million was repaid in the previous financial year. The remaining Commodity Murabahah Financing Facility of USD15.0 million extended its maturity date from 1 June 2024 to 1 August 2024 with revised profit rate at 0.50% plus SOFR with effective from 2 June 2024. The outstanding amount as at end of the financial year is USD15.0 million (2023 – USD15.0 million) and is repayable in full on 1 August 2024.

ii. Commodity Murabahah Financing Facility of USD15.0 million that was drawn down on 21 July 2020 by the Company. The profit rate of this fixed-rate Islamic financing facility is 1.25% per annum. The outstanding amount as at end of the financial year is USD15.0 million (2023 – USD15.0 million) and is repayable in full on 1 August 2024.

iii. Commodity Murabahah Foreign Currency Term Financing Facility of USD55.0 million that was drawn down on 13 December 2021 by the Company. The profit rate of this Islamic financing facility is 1.015% plus SOFR and is repayable in two (2) annual instalments of USD27.5 million each commencing 48 months from the first drawn date. The outstanding amount as at end of the financial year is USD55.0 million (2023 – USD55.0 million).

iv. Commodity Murabahah Foreign Currency Term Financing Facility of USD25.0 million and USD30.0 million that were drawn down on 29 December 2021 and 29 April 2022 respectively by the Company. The profit rate of this Islamic financing facility is 1.015% plus SOFR and is repayable in two (2) annual instalments of USD27.5 million each commencing 48 months from the first drawn date. The outstanding amount as at end of the financial year is USD55.0 million (2023 – USD55.0 million).

v. Commodity Murabahah Foreign Currency Term Financing Facility of USD50.0 million that was drawn down on 22 June 2022 by the Company. The profit rate of this Islamic financing facility is 1.162% plus SOFR and is repayable in two (2) annual instalments of USD30.0 million and USD20.0 million commencing 48 months from the first drawn date. The outstanding amount as at end of the financial year is USD50.0 million (2023 – USD50.0 million).

30. BORROWINGS (Continued)

30.3 Islamic revolving credit financing facilities

Unsecured

On 27 June 2024, the Company converted USD45.0 million of Commodity Murabahah Revolving Credit-I facility to a 36-month tenure long term Islamic revolving credit financing facility, with final maturity date on 28 June 2027. The profit rate of this Islamic financing facility is 0.75% plus SOFR. The outstanding amount as at end of the financial year is USD45.0 million (2023 – Nil).

The other short term Islamic revolving credit financing facilities (Commodity Murabahah Revolving Credit) are subject to profit rates ranging from 5.70% to 5.89% (2023 – 0.30% to 5.68%) per annum.

30.4 Repayment schedule

The term loans, Islamic financing facilities and the long term Islamic revolving credit financing facilities are repayable by instalments of varying amounts or upon maturity over the following periods:

	Group		Company	
In RM million	**2024**	**2023**	**2024**	**2023**
Less than 1 year	**141.6**	69.9	**141.6**	69.9
1 – 2 years	**401.4**	69.6	**401.4**	69.6
2 – 3 years	**566.5**	398.1	**566.5**	398.1
3 – 4 years	**-**	351.0	**-**	351.0
4 – 5 years	**-**	-	**-**	-
More than 5 years	**615.9**	678.2	**-**	-
	1,725.4	1,566.8	**1,109.5**	888.6

30.5 USD300 Million 3.375% Guaranteed Notes due 2031 ("Guaranteed Notes due 2031")

On 15 May 2012, the Company's wholly-owned subsidiary, IOI Investment (L) Berhad ("IOI Investment"), a company incorporated in the Federal Territory of Labuan under the Labuan Companies Act, 1990, established a Euro Medium Term Note Programme, with an initial programme size of USD1.5 billion ("EMTN Programme").

On 26 October 2021, IOI Investment issued USD300 million 3.375% Notes due 2031 at an issue price of 99.053% ("Guaranteed Notes due 2031") under the EMTN Programme. The Guaranteed Notes due 2031 are listed on the Singapore Exchange Securities Trading Limited. The Guaranteed Notes due 2031 carry an interest rate of 3.375% per annum payable semi-annually in arrears on 2 May and 2 November commencing 2 May 2022 and will mature on 2 November 2031. The Guaranteed Notes due 2031 are fully and unconditionally guaranteed by the Company.

Prior to the issuance of Guaranteed Notes due 2031, the Group entered into a Treasury lock contract ("T-lock"), which was akin to a forward contract on U.S. Treasury Bill yield ("UST"). The T-lock hedged the fluctuations in benchmark interest rate risk of the UST, which formed part of the pricing of the Guaranteed Notes due 2031. Upon the settlement of the T-lock, a realised gain of USD6.0 million (equivalent to RM24.8 million) was recognised in other comprehensive income in the previous financial year as disclosed in Note 29.3 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30. BORROWINGS (Continued)

30.5 USD300 Million 3.375% Guaranteed Notes due 2031 ("Guaranteed Notes due 2031") (Continued)

At initial recognition, the Guaranteed Notes due 2031 were recognised in the Group's statement of financial position as follows:

In RM million	Group
Principal amount	**1,259.2**
Discount on issue price	**(11.9)**
Net proceeds received	**1,247.3**
Transaction cost	**(3.4)**
	1,243.9

The movements of the Guaranteed Notes due 2031 during the financial year are as follows:

	Group	
In RM million	2024	2023
At beginning of financial year	**1,389.7**	1,305.9
Foreign currency translation differences	**12.0**	82.4
Interest expense	**1.5**	1.4
At end of financial year	**1,403.2**	1,389.7

30.6 Revolving credit financing facilities

Unsecured

The revolving credit financing facilities are subject to interest rates ranging from 5.67% to 5.99% (2023 – 1.29% to 5.67%) per annum.

30.7 Trade financing

Unsecured

Trade financing utilised during the financial year are subject to interest rates ranging from 3.41% to 5.50% (2023 – 2.03% to 5.22%) per annum.

30.8 Reconciliation of liabilities from financing activities to the statements of financial position and statements of cash flows

	Group		Company	
In RM million	2024	2023	2024	2023
At beginning of financial year	**3,757.2**	4,982.0	**1,499.5**	1,995.0
Cash flows				
- Islamic financing facilities	**-**	(69.2)	**-**	(69.2)
- Short term borrowings	**(15.7)**	(1,350.8)	**(45.7)**	(522.7)
Non-cash flows				
- Interest expense	**2.3**	2.4	**0.8**	1.0
- Foreign currency translation differences	**(39.1)**	192.8	**11.4**	95.4
At end of financial year	**3,704.7**	3,757.2	**1,466.0**	1,499.5

31. LEASE LIABILITIES

31.1 The Group as lessee

	Group	
In RM million	2024	2023
Non-current liabilities	**50.6**	54.9
Current liabilities	**9.4**	8.2
Total lease liabilities	**60.0**	63.1

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the Group's incremental borrowing rates ranging from 4.55% to 7.09% (2023 – 4.55% to 7.09%).

After initial recognition, lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessments or lease modifications.

The Group determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group.

The Group has recognised the lease payments associated with short term leases of twelve (12) months or less and low value assets of RM20,000 and below on a straight-line basis over the lease terms and recognised as rental expenses as follows:

	Group	
In RM million	2024	2023
Short term leases	**0.8**	1.2
Low value assets	**0.3**	0.1

31.2 Reconciliation of liabilities from financing activities to the statements of financial position and statements of cash flows

	Group	
In RM million	2024	2023
At beginning of financial year	**63.1**	65.8
Cash flows		
- Payments of lease liabilities	**(12.0)**	(11.1)
- Payments of lease interest expense	**(3.8)**	(3.9)
Non-cash flows		
- Additions	**9.9**	12.6
- Interest expense	**3.8**	4.0
- Reassessments and modifications of leases	**(1.0)**	(4.4)
- Foreign currency translation differences	**-**	0.1
At end of financial year	**60.0**	63.1

During the financial year, the Group had total cash outflow for leases of RM16.9 million (2023 – RM16.3 million).

NOTES TO THE FINANCIAL STATEMENTS

32. OTHER NON-CURRENT LIABILITIES

	Group	
In RM million	**2024**	**2023**
Retirement benefits (Note 32.1)	**55.1**	55.0
Deferred income (Note 32.2)	**21.0**	23.5
	76.1	78.5

32.1 Retirement benefits

	Group	
In RM million	**2024**	**2023**
Present value of unfunded obligations	**55.1**	55.0
Recognised liability for defined benefit obligations	**55.1**	55.0

The plans of the subsidiaries are operated on an unfunded basis. The benefits payable on retirement are generally based on the length of service and average salary of the eligible employees.

The last actuarial valuations for the unfunded plans were carried out on 30 June 2024.

Movements in the net liabilities recognised in the statements of financial position:

Present value of unfunded obligations

	Group	
In RM million	**2024**	**2023**
At beginning of financial year	**55.0**	54.5
Benefits paid	**(4.7)**	(3.4)
Expenses recognised in profit or loss (Note 10(b))	**4.7**	3.8
Re-measurements		
- Actuarial gain recognised in other comprehensive income	**0.5**	(3.2)
Foreign currency translation differences	**(0.4)**	3.3
At end of financial year	**55.1**	55.0

Expenses recognised in profit or loss:

	Group	
In RM million	**2024**	**2023**
Current service cost	**2.2**	1.9
Interest cost	**2.2**	1.9
Past service cost	**0.3**	-
	4.7	3.8

32. OTHER NON-CURRENT LIABILITIES (Continued)

32.1 Retirement benefits (Continued)

Liability for defined benefit obligations

Principal actuarial assumption used at the end of the reporting period (expressed as weighted averages):

	Group	
%	**2024**	**2023**
Discount rate	**3.8**	3.8

Sensitivity analysis

The impact on changes of the significant actuarial assumption as at the end of the reporting period is as follows:

	Group	
In RM million	**2024**	**2023**
Discount rate increase by 0.1%	**(0.6)**	(0.5)
Discount rate decrease by 0.1%	**0.8**	0.7

32.2 Deferred income

Government grant

	Group	
In RM million	**2024**	**2023**
At beginning of financial year	**23.5**	26.0
Current year amortisation charge	**(2.5)**	(2.5)
At end of financial year	**21.0**	23.5

Deferred income represents government grant received from the Malaysian Palm Oil Board to build a new fatty ester and specialty oleo derivative production facility. The grant is amortised over the remaining useful life of eight (8) years of the plant.

33. TRADE AND OTHER PAYABLES

	Group		Company	
In RM million	**2024**	**2023**	**2024**	**2023**
Trade payables (Note 33.1)	**333.4**	282.5	**-**	-
Other payables and accruals (Note 33.2)	**455.1**	428.6	**107.5**	115.1
Financial guarantee contracts (Note 33.3)	**-**	-	**4.1**	4.5
	788.5	711.1	**111.6**	119.6

NOTES TO THE FINANCIAL STATEMENTS

33. TRADE AND OTHER PAYABLES (Continued)

33.1 Trade payables

Credit terms of trade payables vary from 1 to 60 days (2023 – 2 to 60 days) from date of invoices.

33.2 Other payables and accruals

	Group		Company	
In RM million	**2024**	**2023**	**2024**	**2023**
Other payables	**218.2**	201.5	**37.9**	39.1
Customer deposits and other deposits	**4.8**	4.1	**-**	-
Accruals	**232.1**	223.0	**69.6**	76.0
	455.1	428.6	**107.5**	115.1

33.3 Financial guarantee contracts

Financial guarantee contracts are subject to forward looking expected credit loss model based on the general approach within MFRS 9 as disclosed in Note 22.2 to the financial statements.

Financial guarantee contracts issued by the Group and the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the term of a debt instrument.

Financial guarantee contracts are recognised as financial liabilities at the time the guarantees are issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantee is determined based on the present value of the different in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

The nominal amounts of financial guarantee provided are as follows:

	Group		Company	
In RM million	**2024**	**2023**	**2024**	**2023**
Guarantee in respect of banking facilities granted to:				
- subsidiaries	**-**	-	**2,279.5**	2,259.9
- plasma receivables	**31.3**	-	**-**	-

The movements of the financial guarantee contracts during the financial year are as follows:

	Company	
In RM million	**2024**	**2023**
At beginning of financial year	**4.5**	4.7
Fair value changes on financial guarantee contracts	**(0.4)**	(0.2)
At end of financial year	**4.1**	4.5

No fair value is recognised arising from financial guarantee for banking facilities granted to plasma receivables as the amount is negligible on initial recognition. As at the end of the reporting period, there was no indication that the plasma receivables would default on repayment.

34. OTHER CURRENT LIABILITIES

	Group		Company	
In RM million	**2024**	**2023**	**2024**	**2023**
Amounts due to associates (Note 34.1)	**4.3**	4.8	**-**	-
Current tax liabilities	**57.5**	30.8	**-**	2.6
	61.8	35.6	**-**	2.6

34.1 Amounts due to associates

Amounts due to associates represent outstanding amounts arising from purchases, advances and payments made on behalf by associates, which are unsecured, interest-free and payable within the next twelve (12) months in cash and cash equivalents.

35. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the financial year comprise:

	Group		Company	
In RM million	**2024**	**2023**	**2024**	**2023**
Short term funds (Note 26)	**1,164.8**	1,158.0	**-**	-
Deposits with financial institutions with maturities of 3 months or less (Note 27)	**267.3**	53.5	**142.5**	51.4
Cash and bank balances	**749.6**	1,023.5	**39.5**	65.0
	2,181.7	2,235.0	**182.0**	116.4

The Group has undrawn borrowing facilities of RM8,491.4 million (2023 – RM8,300.0 million) at the end of the financial year, and this includes undrawn facilities equivalent to RM5,665.8 million (2023 – RM5,617.2 million) in respect of the EMTN Programme as disclosed in Note 30.5 to the financial statements.

Cash and cash equivalents include cash and bank balances, bank overdrafts, deposits and other short term, highly liquid investments and short term funds, which are readily convertible to cash and are subject to insignificant risk of changes in value.

No expected credit loss is recognised arising from cash and bank balances and deposits with financial institutions because the probability of default by these financial institutions is negligible.

NOTES TO THE FINANCIAL STATEMENTS

36. SIGNIFICANT RELATED PARTY DISCLOSURES

36.1 Identity of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operation decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group include:

i. Progressive Holdings Sdn Bhd, the ultimate holding company;
ii. Direct and indirect subsidiaries as disclosed in Note 40 to the financial statements;
iii. Associates and joint ventures as disclosed in Note 40 to the financial statements;
iv. Key management personnel, which comprises persons (including the Directors of the Company) having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly; and
v. Affiliates, companies in which the Directors are also the substantial shareholders of the Company and have substantial shareholding interests.

36.2 Significant related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

In RM million	2024	2023
Group		
Associates		
Sales of oleochemical products and palm products	**488.2**	531.6
Purchases of oleochemical products and palm products	**74.1**	94.9
Rental income on storage tank	**10.0**	8.8
Interest income	**-**	2.1
Affiliates		
Management fees income	**5.5**	5.3
Agency fees income	**3.4**	2.6
Purchases of palm products	**53.9**	41.4
Rental paid	**4.6**	4.7
Company		
Subsidiaries		
Sales of palm products	**6.2**	7.6
Advisory fees income	**18.4**	24.2
Management fees expenses	**9.8**	9.5
Interest income	**130.3**	134.4
Interest expense	**51.9**	73.7
Associate		
Interest income	**-**	2.1

The related party transactions described above were carried out on terms and conditions not materially different from those obtainable in transactions with unrelated parties.

Information regarding outstanding balances arising from related party transactions as at 30 June 2024 is disclosed in Note 16.2, Note 20.2, Note 23 and Note 34.1 to the financial statements.

36. SIGNIFICANT RELATED PARTY DISCLOSURES (Continued)

36.3 Key management personnel compensation

The remuneration of key management personnel during the financial year is as follows:

	Group		Company	
In RM million	2024	2023	2024	2023
Directors				
Fees	**1.4**	1.3	**1.4**	1.3
Remuneration	**19.1**	20.4	**19.1**	20.4
Total short term employee benefits	**20.5**	21.7	**20.5**	21.7
Post-employment benefits	**2.1**	2.3	**2.1**	2.3
	22.6	24.0	**22.6**	24.0
Other key management personnel				
Short term employee benefits	**3.3**	4.1	**-**	-
Post-employment benefits	**0.4**	0.5	**-**	-
	3.7	4.6	**-**	-

37. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that the entities of the Group are able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity mix. The overall strategy of the Group remains unchanged from that in financial year ended 30 June 2023.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. Capital of the Group comprises equity, borrowings and other long term liabilities. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, buy back shares or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2024 and 30 June 2023.

The Group monitors capital using a gearing ratio, which is net debt divided by equity attributable to owners of the parent. The Group's net debt includes borrowings and lease liabilities less cash and cash equivalents. The Group has an appropriate target gearing ratio, which is monitored by the Group on an ongoing basis.

	Group		Company	
In RM million	2024	2023	2024	2023
Borrowings (Note 30)	**3,704.7**	3,757.2	**1,466.0**	1,499.5
Lease liabilities (Note 31.1)	**60.0**	63.1	**-**	-
	3,764.7	3,820.3	**1,466.0**	1,499.5
Less: Cash and cash equivalents (Note 35)	**(2,181.7)**	(2,235.0)	**(182.0)**	(116.4)
Net debt	**1,583.0**	1,585.3	**1,284.0**	1,383.1
Equity attributable to owners of the parent	**11,678.6**	11,330.8	**7,426.0**	7,210.6
Gearing ratio (%)	**13.55%**	13.99%	**17.29%**	19.18%

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than the 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial year ended 30 June 2024.

The Group is not subject to any other externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

38. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks, including foreign currency risk, interest rate risk, price fluctuation risk, credit risk and liquidity and cash flow risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders whilst minimising potential adverse effects on its financial performance and positions. The Group operates within an established risk management framework and clearly defined guidelines that are approved by the Board of Directors.

The Group operates within an established Enterprise Risk Management framework with clearly defined policies and guidelines, which are administered via divisional Risk Management Committees. Divisional Risk Management Committees report regularly to the Audit and Risk Management Committee, which oversees the management of risk in the Group on behalf of the Board of Directors.

38.1 Foreign currency risk

The Group operates internationally and is exposed to various currencies, mainly US Dollar ("USD"), Euro ("EUR") and Japanese Yen ("JPY"). Foreign currency denominated assets and liabilities together with expected cash flows from committed purchases and sales give rise to foreign currency exposures.

The Group's foreign currency risk management objective is to minimise foreign currency exposure that gives rise to economic impact, both at transaction and reporting period translation levels.

38.1.1 Risk management approach

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country, in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

Foreign currency exposures in transactional currencies other than the functional currencies of the operating entities are kept to an acceptable level. Material foreign currency transaction exposures are hedged with derivative financial instruments such as forward foreign exchange contracts and options on a back-to-back basis.

The downstream segment's forward contractual commitments intended to be physically settled are fully hedged with respect to its currency risk on a back-to-back basis with currency forward contracts. Where the netting of forward sales against forward purchases with matching currency risk characteristics is possible, these would first be netted before hedging the net currency exposure with forward contracts. Currency risk on forward contractual commitments with clear intention for net-cash settlement (i.e. paper trading) are not considered for hedging until the exercising of the net settlement.

38. FINANCIAL INSTRUMENTS (Continued)

38.1 Foreign currency risk (Continued)

38.1.1 Risk management approach (Continued)

The hedging methods that the Group adopts in managing its currency risk depend on the principal forms of foreign currency exposure, as discussed below:

i. Structural foreign currency exposure from its net investment in foreign operations (subsidiaries and associates)

Background

The Group's foreign operations of various functional currencies when translated into its parent's reporting currency based on closing rates (for assets and liabilities) and average transaction rates (for income and expenses) at consolidation, gives rise to foreign currency translation gain or loss that will be recognised in other comprehensive income. Intragroup transactions with foreign operations involving monetary financial instruments will also result in foreign currency translation gain or loss that cannot be eliminated on consolidation, but has to be recognised either in profit or loss or in other comprehensive income. However, non-monetary financial items translated at historical exchange rates will not give rise to foreign currency risk. Resulting from its net investment in foreign operations, the Group's current and future profit stream in various foreign currencies will also be exposed to foreign currency risk.

Hedging method

Where feasible, the Group would match its foreign currency borrowing with the functional currency of its foreign operations. Nevertheless, the Group considers such foreign currencies' overall fiscal position and borrowing costs before deciding on the major currency to be carried as debt in its book. In this regard, the Group has major foreign currency borrowings denominated in USD, EUR and JPY, which do not necessarily match all the functional currencies of its foreign operations. Where appropriate, exposures from mismatch in foreign currency borrowings are hedged with Cross Currency Swap.

ii. Transactional obligations or rights denominated in foreign currency

Background

The majority of the Group's transactional currency risk arises from its foreign currency based forward sales and purchases of commodity items, contracted by its subsidiaries along the palm value chain. These forward commodity contracts for "own use" purposes are non-financial instruments and are generally not recognised in the statements of financial position. However, these non-financial forward contracts denominated in foreign currency are exposed to economic risk due to currency fluctuations. Certain product-streams underlying the forward contracts are net-cash settled or have contract provisions for net-cash settlement, and these are accounted by the Group as financial instruments with fair valuation impact to its financial statements. Regardless of "own use" or fair value through profit or loss, these forward contracts on fulfilment at maturity will result in book receivables or payables in foreign currency.

Hedging method

Intra-day transactions or forward contracts in foreign currencies are first netted based on matching characteristics. The net exposure is then hedged off with vanilla foreign exchange forwards.

NOTES TO THE FINANCIAL STATEMENTS

38. FINANCIAL INSTRUMENTS (Continued)

38.1 Foreign currency risk (Continued)

38.1.1 Risk management approach (Continued)

In general, currency exposure from foreign investments and borrowings is managed centrally at the Group HQ level, whilst currency exposure arising from transactions or contractual obligations is managed at the respective entity or business unit's level. The Group adopts a uniform Foreign Currency Risk Management Policy and Guide, which sets out the authority and limits for inception of foreign currency derivatives; types of approved foreign currency derivatives; acceptable hedging practices and methods; and over-sight structure and controls. Below are extracts of key policies:

a) Speculative positioning on foreign currency is prohibited;

b) Net currency exposure on trade transactions and forward contracts are to be hedged in full on back-to-back basis. Hedging on portfolio basis (or macro-hedging) comprising unmatched mixed maturity and amount is disallowed;

c) Inception of foreign currency derivatives as hedging instrument against forecast trade transactions in foreign currency is disallowed;

d) Hedging with foreign currency futures on traded exchanges is generally disallowed;

e) Inception of over-the-counter structured derivatives for hedging purposes and each contract is subject to executive management's approval; and

f) Subsidiaries inception of foreign currency derivative for hedging purposes are confined to vanilla foreign currency forwards and plain European style foreign currency options.

The Group's entire currency exposure (as hedge items) and corresponding foreign currency derivative hedging instruments are marked-to-market and fair valued once a month primarily for operational hedge effectiveness testing and for executive management reporting and oversight. Weekly long-short positions on foreign currencies and foreign currency derivatives are also produced for timely control and intervention.

38. FINANCIAL INSTRUMENTS (Continued)

38.1 Foreign currency risk (Continued)

38.1.2 Foreign currency risk exposure

The analysis of the Group's and the Company's foreign currencies long/(short) positions for each class of financial instruments with separate lines on currency derivative is as follows:

In RM million

Contract based currency	USD		EUR		JPY		Others	
Maturity	**<1 year**	**> 1 year**	**<1 year**	**> 1 year**	**<1 year**	**> 1 year**	**<1 year**	**> 1 year**
Group								
2024								
Financial assets in foreign currencies								
Cash and bank balances	**77.0**	-	**21.0**	-	-	-	**1.9**	-
Deposits with financial institutions	-	-	-	-	-	-	**142.5**	-
Trade and other receivables	**724.7**	-	**31.6**	-	**8.7**	-	**5.1**	-
Amount due from associates	**0.4**	-	-	-	-	-	-	-
Derivative assets	**25.5**	-	-	-	-	-	**0.2**	-
Financial liabilities in foreign currencies								
Trade and other payables	**(51.2)**	-	**(2.5)**	-	**(0.5)**	-	**(0.6)**	-
Borrowings *	**(569.4)**	**(2,384.4)**	-	-	-	**(615.9)**	-	-
Amount due to associates	**(0.3)**	-	-	-	-	-	-	-
Currency derivatives								
Foreign currency forwards	**(1,600.6)**	-	**(138.6)**	-	**(27.3)**	-	**(21.7)**	-
Structured and hybrids	-	**(603.3)**	-	**(245.6)**	-	**615.9**	-	-
Net exposure	**(1,393.9)**	**(2,987.7)**	**(88.5)**	**(245.6)**	**(19.1)**	-	**127.4**	-
2023								
Financial assets in foreign currencies								
Cash and bank balances	74.1	-	36.1	-	-	-	0.1	-
Trade and other receivables	696.5	-	23.5	-	17.1	-	8.7	-
Derivative assets	14.0	-	-	-	-	-	0.2	-
Financial liabilities in foreign currencies								
Trade and other payables	(42.4)	-	(1.3)	-	-	-	(3.1)	-
Borrowings *	(791.6)	(2,223.5)	-	-	-	(678.2)	-	-
Currency derivatives								
Foreign currency forwards	(1,347.4)	-	(85.7)	-	(31.7)	-	(6.5)	-
Structured and hybrids	-	(598.1)	-	(247.3)	-	678.2	-	-
Net exposure	(1,396.8)	(2,821.6)	(27.4)	(247.3)	(14.6)	-	(0.6)	-

* Excluding transaction cost.

NOTES TO THE FINANCIAL STATEMENTS

38. FINANCIAL INSTRUMENTS (Continued)

38.1 Foreign currency risk (Continued)

38.1.2 Foreign currency risk exposure (Continued)

In RM million						
Contract based currency	**USD**		**EUR**		**Others**	
Maturity	**<1 year**	**> 1 year**	**<1 year**	**> 1 year**	**<1 year**	**> 1 year**
Company						
2024						
Financial assets in foreign currencies						
Cash and bank balances	**15.3**	**-**	**20.4**	**-**	**1.9**	**-**
Deposits with financial institutions	**-**	**-**	**-**	**-**	**142.5**	**-**
Amounts due from subsidiaries	**81.7**	**1,336.8**	**0.7**	**-**	**-**	**-**
Financial liabilities in foreign currencies						
Borrowings	**(498.1)**	**(967.9)**	**-**	**-**	**-**	**-**
Amounts due to subsidiaries	**(16.4)**	**(863.0)**	**-**	**-**	**-**	**-**
Currency derivatives						
Structured and hybrids	**-**	**259.7**	**-**	**(245.6)**	**-**	**-**
Net exposure	**(417.5)**	**(234.4)**	**21.1**	**(245.6)**	**144.4**	**-**
2023						
Financial assets in foreign currencies						
Cash and bank balances	23.5	-	34.2	-	0.1	-
Amounts due from subsidiaries	877.8	1,160.8	-	-	-	-
Financial liabilities in foreign currencies						
Borrowings *	(681.1)	(819.2)	-	-	-	-
Amounts due to subsidiaries	(16.3)	(855.6)	-	-	-	-
Currency derivatives						
Structured and hybrids	-	257.5	-	(247.3)	-	-
Net exposure	203.9	(256.5)	34.2	(247.3)	0.1	-

* Excluding transaction cost.

38. FINANCIAL INSTRUMENTS (Continued)

38.1 Foreign currency risk (Continued)

38.1.2 Foreign currency risk exposure (Continued)

i. The Group is net short in USD by USD0.9 billion (equivalent to RM4.4 billion) (2023 – net short by USD0.9 billion (equivalent to RM4.2 billion)) and net short in EUR by EUR0.1 billion (equivalent to RM0.3 billion) (2023 – net short by EUR0.1 billion (equivalent to RM0.3 billion)), where USD0.6 billion (equivalent to RM3.0 billion) (2023 – USD0.6 billion (equivalent to RM2.8 billion)) and EUR0.1 billion (equivalent to RM0.2 billion) (2023 – EUR0.1 billion (equivalent to RM0.2 billion)) are due beyond twelve (12) months. These short positions are expected to be met from their future revenue stream mainly denominated in USD and EUR;

ii. The foreign currency long-short mismatch between forward commodity contracts (as hedge items) and foreign currency forward derivatives (as hedging instruments) is attributed to intragroup forward commodity sales and purchases that give rise to net currency exposure at the entity level. Foreign currency long-short position from forward commodity contracts of both related entities are eliminated on consolidation (but not necessarily its fair value gain or loss arising from foreign currency) i.e. leaving behind the currency long-short on foreign currency forward derivatives.

The cross currency swap contracts of the Group and of the Company are as follows:

Group

2024

i. Cross currency swaps contract to swap JPY liability of JPY21.0 billion to USD liability of USD182.7 million. These were entered into as a cash flow hedge for the Group's principal repayment for the loan obtained. The effective period for these cross currency swaps is from January 2007 to February 2038.

ii. Cross currency swaps contract to swap USD liability of USD55.0 million to fixed rate EUR liability of EUR48.6 million. These were entered into as a net investments hedge against the Group's EUR denominated assets. The effective period for these cross currency swaps is from December 2021 to December 2026.

2023

i. Cross currency swaps contract to swap JPY liability of JPY21.0 billion to USD liability of USD182.7 million. These were entered into as a cash flow hedge for the Group's principal repayment for the loan obtained. The effective period for these cross currency swaps is from January 2007 to February 2038.

ii. Cross currency swaps contract to swap USD liability of USD55.0 million to fixed rate EUR liability of EUR48.6 million. These were entered into as a net investments hedge against the Group's EUR denominated assets. The effective period for these cross currency swaps is from December 2021 to December 2026.

Company

2024

Cross currency swaps contract to swap USD liability of USD55.0 million to fixed rate EUR liability of EUR48.6 million. These were entered into as a net investments hedge against the Group's EUR denominated assets. The effective period for these cross currency swaps is from December 2021 to December 2026.

2023

Cross currency swaps contract to swap USD liability of USD55.0 million to fixed rate EUR liability of EUR48.6 million. These were entered into as a net investments hedge against the Group's EUR denominated assets. The effective period for these cross currency swaps is from December 2021 to December 2026.

NOTES TO THE FINANCIAL STATEMENTS

38. FINANCIAL INSTRUMENTS (Continued)

38.1 Foreign currency risk (Continued)

38.1.3 Sensitivity analysis

The Group and the Company's exposure to foreign currency risk is primarily from foreign currency denominated borrowings, deposits and cash and bank balances. A 1,000 pips increase or decrease in foreign currency rate of foreign currency denominated borrowings, deposits and cash and bank balances would have equally decreased or increased the profit for the Group and the Company by approximately RM68.7 million (2023 – RM73.3 million) and RM25.5 million (2023 – RM30.2 million) respectively.

The effect to the equity of the Group and the Company are not presented as they are not affected by the changes in the exchange rates.

38.2 Interest rate risk

The Group's interest rate risk arises from its interest bearing financial instruments that could impact fair value and future cash flows due to fluctuation in market interest rates.

The Group's objective on interest rate risk management is to achieve a balance in repricing risks and the optimisation of its cost of funds whilst ensuring sufficient liquidity to meet funding needs.

38.2.1 Risk management approach

The Group actively reviews its debt portfolio, taking into account the nature and requirements of its businesses as well as the current business and economic environment. This strategy allows it to achieve an optimum cost of capital whilst locking in long term funding rates for long term investments.

Funds held for liquidity purposes and temporary surpluses are placed in short term interest bearing financial instruments. Changes in market interest rates will be re-priced immediately into these floating interest bearing financial instruments.

38. FINANCIAL INSTRUMENTS (Continued)

38.2 Interest rate risk (Continued)

38.2.2 Interest rate risk exposure

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the financial year and the remaining repricing brackets of the Group's and the Company's financial instruments that are exposed to interest rate risk:

		Repricing Brackets					Total	
In RM million	Note	Less than 1 year	1 – 2 years	2 – 3 years	3 – 4 years	More than 4 years	Amount	Weighted average effective interest rate %
Group								
2024								
Interest bearing financial assets								
Fixed rate instruments								
Deposits with financial institutions	27	267.3	-	-	-	-	267.3	*3.10*
Amount due from a joint venture	20.2	-	0.8	2.8	8.0	-	11.6	*3.50*
		267.3	0.8	2.8	8.0	-	278.9	
Floating rate instruments								
Short term funds	26	1,164.8	-	-	-	-	1,164.8	*3.50*
Cash and bank balances	35	749.6	-	-	-	-	749.6	*2.32*
		1,914.4	-	-	-	-	1,914.4	
Total assets repricing		2,181.7	0.8	2.8	8.0	-	2,193.3	
Interest bearing financial liabilities								
Fixed rate instruments								
Term loans	30.1	-	-	-	-	615.9	615.9	*4.38*
Notes *	30.5	-	-	-	-	1,416.5	1,416.5	*3.32*
Trade financing	30.7	210.4	-	-	-	-	210.4	*4.36*
Finance lease obligation	30	0.2	0.2	0.2	0.4	8.2	9.2	*2.00*
Islamic financing facilities	30.2	141.6	-	-	-	-	141.6	*1.55*
Lease liabilities	31	9.4	40.8	2.4	6.8	0.6	60.0	*6.31*
		361.6	41.0	2.6	7.2	2,041.2	2,453.6	
Floating rate instruments								
Islamic financing facilities	30.2	755.4	-	-	-	-	755.4	*3.74*
Revolving credits	30.6	314.0	-	-	-	-	314.0	*5.91*
Islamic revolving credit financing facilities	30.3	255.0	-	-	-	-	255.0	*5.80*
		1,324.4	-	-	-	-	1,324.4	
Total liabilities repricing		1,686.0	41.0	2.6	7.2	2,041.2	3,778.0	
Net repricing gap		495.7	(40.2)	0.2	0.8	(2,041.2)	(1,584.7)	

* Excluding transaction cost.

NOTES TO THE FINANCIAL STATEMENTS

38. FINANCIAL INSTRUMENTS (Continued)

38.2 Interest rate risk (Continued)

38.2.2 Interest rate risk exposure (Continued)

In RM million	Note	Repricing Brackets: Less than 1 year	1 – 2 years	2 – 3 years	3 – 4 years	More than 4 years	Total: Amount	Weighted average effective interest rate %
Group								
2023								
Interest bearing financial assets								
Fixed rate instruments								
Deposits with financial institutions	27	53.5	-	-	-	-	53.5	*3.30*
Amount due from a joint venture	20.2	-	0.8	-	4.0	8.0	12.8	*3.50*
		53.5	0.8	-	4.0	8.0	66.3	
Floating rate instruments								
Short term funds	26	1,158.0	-	-	-	-	1,158.0	*3.19*
Cash and bank balances	35	1,023.5	-	-	-	-	1,023.5	*2.40*
		2,181.5	-	-	-	-	2,181.5	
Total assets repricing		2,235.0	0.8	-	4.0	8.0	2,247.8	
Interest bearing financial liabilities								
Fixed rate instruments								
Term loans	30.1	-	-	-	-	678.2	678.2	*4.38*
Notes *	30.5	-	-	-	-	1,404.3	1,404.3	*3.32*
Trade financing	30.7	180.5	-	-	-	-	180.5	*4.59*
Finance lease obligation	30	0.2	0.2	0.2	0.2	8.5	9.3	*2.00*
Islamic financing facilities *	30.2	70.2	70.2	-	-	-	140.4	*1.50*
Lease liabilities	31	8.2	27.6	4.4	5.6	17.3	63.1	*6.10*
		259.1	98.0	4.6	5.8	2,108.3	2,475.8	
Floating rate instruments								
Islamic financing facilities	30.2	749.0	-	-	-	-	749.0	*2.95*
Revolving credits	30.6	367.5	-	-	-	-	367.5	*4.20*
Islamic revolving credit financing facilities	30.3	243.4	-	-	-	-	243.4	*5.66*
		1,359.9	-	-	-	-	1,359.9	
Total liabilities repricing		1,619.0	98.0	4.6	5.8	2,108.3	3,835.7	
Net repricing gap		616.0	(97.2)	(4.6)	(1.8)	(2,100.3)	(1,587.9)	

* Excluding transaction cost.

38. FINANCIAL INSTRUMENTS (Continued)

38.2 Interest rate risk (Continued)

38.2.2 Interest rate risk exposure (Continued)

In RM million	Note	Repricing Brackets: Less than 1 year	1 – 2 years	2 – 3 years	3 – 4 years	More than 4 years	Total: Amount	Weighted average effective interest rate %
Company								
2024								
Interest bearing financial assets								
Fixed rate instruments								
Deposit with a financial institution	27	**142.5**	-	-	-	-	**142.5**	***3.12***
Amount due from a joint venture	20.2	-	**0.8**	**2.8**	**8.0**	-	**11.6**	***3.50***
		142.5	**0.8**	**2.8**	**8.0**	-	**154.1**	
Floating rate instruments								
Cash and bank balances	35	**39.5**	-	-	-	-	**39.5**	***1.51***
Amounts due from subsidiaries	16.2	**2,275.1**	-	-	-	-	**2,275.1**	***5.90***
		2,314.6	-	-	-	-	**2,314.6**	
Total assets repricing		**2,457.1**	**0.8**	**2.8**	**8.0**	-	**2,468.7**	
Interest bearing financial liabilities								
Fixed rate instruments								
Amounts due to subsidiaries	16.2	**60.0**	-	-	-	**863.0**	**923.0**	***4.65***
Islamic financing facilities	30.2	**141.6**	-	-	-	-	**141.6**	***1.55***
		201.6	-	-	-	**863.0**	**1,064.6**	
Floating rate instruments								
Islamic financing facilities	30.2	**755.4**	-	-	-	-	**755.4**	***3.74***
Revolving credits	30.6	**314.0**	-	-	-	-	**314.0**	***5.91***
Islamic revolving credit financing facilities	30.3	**255.0**	-	-	-	-	**255.0**	***5.80***
Amount due to a subsidiary	16.2	**123.0**	-	-	-	-	**123.0**	***4.67***
		1,447.4	-	-	-	-	**1,447.4**	
Total liabilities repricing		**1,649.0**	-	-	-	**863.0**	**2,512.0**	
Net repricing gap		**808.1**	**0.8**	**2.8**	**8.0**	**(863.0)**	**(43.3)**	

NOTES TO THE FINANCIAL STATEMENTS

38. FINANCIAL INSTRUMENTS (Continued)

38.2 Interest rate risk (Continued)

38.2.2 Interest rate risk exposure (Continued)

In RM million	Note	Repricing Brackets Less than 1 year	1 – 2 years	2 – 3 years	3 – 4 years	More than 4 years	Total Amount	Weighted average effective interest rate %
Company								
2023								
Interest bearing financial assets								
Fixed rate instruments								
Deposit with a financial institution	27	51.4	-	-	-	-	51.4	*3.33*
Amount due from a joint venture	20.2	-	0.8	-	4.0	8.0	12.8	*3.50*
		51.4	0.8	-	4.0	8.0	64.2	
Floating rate instruments								
Cash and bank balances	35	65.0	-	-	-	-	65.0	*1.53*
Amounts due from subsidiaries	16.2	2,387.2	-	-	-	-	2,387.2	*5.63*
		2,452.2	-	-	-	-	2,452.2	
Total assets repricing		2,503.6	0.8	-	4.0	8.0	2,516.4	
Interest bearing financial liabilities								
Fixed rate instruments								
Amounts due to subsidiaries	16.2	180.0	60.0	-	-	855.6	1,095.6	*4.81*
Islamic financing facilities *	30.2	70.2	70.2	-	-	-	140.4	*1.50*
		250.2	130.2	-	-	855.6	1,236.0	
Floating rate instruments								
Islamic financing facilities	30.2	749.0	-	-	-	-	749.0	*2.95*
Revolving credits	30.6	367.5	-	-	-	-	367.5	*4.20*
Islamic revolving credit financing facilities	30.3	243.4	-	-	-	-	243.4	*5.66*
Amount due to a subsidiary	16.2	93.3	-	-	-	-	93.3	*4.42*
		1,453.2	-	-	-	-	1,453.2	
Total liabilities repricing		1,703.4	130.2	-	-	855.6	2,689.2	
Net repricing gap		800.2	(129.4)	-	4.0	(847.6)	(172.8)	

* Excluding transaction cost.

38. FINANCIAL INSTRUMENTS (Continued)

38.2 Interest rate risk (Continued)

38.2.2 Interest rate risk exposure (Continued)

i. The interest rate swap contract of the Group and of the Company is as follows:

2024

Interest rate swap contract to swap notional principal amount of USD25.0 million from floating interest rate to fixed interest rate to hedge against interest rate fluctuations. The effective period for this interest rate swap is from December 2021 to December 2026.

2023

Interest rate swap contract to swap notional principal amount of USD25.0 million from floating interest rate to fixed interest rate to hedge against interest rate fluctuations. The effective period for this interest rate swap is from December 2021 to December 2026.

ii. The Treasury lock contract of the Group is as follows:

2024

Treasury lock contract used to hedge the fluctuation in benchmark U.S. Treasury Bill yield for the issuance of USD300 million 3.375% Guaranteed Notes due 2031 under a Euro Medium Term Note Programme as disclosed in Note 30.5 to the financial statements.

2023

Treasury lock contract used to hedge the fluctuation in benchmark U.S. Treasury Bill yield for the issuance of USD300 million 3.375% Guaranteed Notes due 2031 under a Euro Medium Term Note Programme as disclosed in Note 30.5 to the financial statements.

38.2.3 Sensitivity analysis

Sensitivity analysis on interest rate is applied on floating rate financial instruments (after taking into consideration of interest rate swap) only, as the carrying amount of fixed rate financial instruments are not affected by changes in interest rates.

A 50 basis points increase or decrease in interest rates would have equally increased or decreased the profit for the Group by approximately RM4.7 million (2023 – RM6.0 million) and equally increased or decreased the profit for the Company by approximately RM6.2 million (2023 – RM6.8 million) respectively.

The effect to the equity of the Group and the Company are not presented as they are not affected by the changes in the interest rates.

38.2.4 Interest rate benchmark reform ("IBOR")

As at 30 June 2023, the IBOR exposure of the Group and the Company were indexed to US Dollar London Interbank Offer Rate ("LIBOR"). The alternative reference rate for US Dollar LIBOR is the Secured Overnight Financing Rate ("SOFR"). The Group and the Company have finalised the process of implementing appropriate fallback clauses for all US Dollar LIBOR indexed exposures in the previous financial year. These clauses will automatically switch the instruments from US Dollar LIBOR to SOFR in July 2023. The Group and the Company have applied the practical expedients offered under *Interest Rate Benchmark Reform - Phase 2* (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16) on the financial instruments and there was no significant financial impact to the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

38. FINANCIAL INSTRUMENTS (Continued)

38.3 Price fluctuation risk

The Group's plantation and resource-based manufacturing segments are inversely exposed to price fluctuation risk on sales and purchases of vegetable oil commodities. These two (2) operating segments enter into commodity future contracts with the objective of managing and hedging their respective exposures to price volatility in the commodity markets.

The Group's objective on price risk management is to limit the Group's exposure to fluctuations in market prices and to achieve expected margins on revenue.

38.3.1 Risk management approach

The Group manages its price fluctuation risk by having strict policies and procedures governing forward and futures positions with dynamic limits on volume and tenure, mark-to-market losses, and on approvals. The Group's marketing and trading operations are centralised, and the long-short and mark-to-market positions are monitored daily and reported to Senior Management weekly.

The Group's commodity price risk management activities are integrated with its commodity sales and marketing activities, which is centralised at the corporate level. The operation is governed by formalised policies and procedures of which an outline is extracted below:

i. Forward sales commitment is generally not exceeding period of six (6) months, depending on product type;

ii. Volume that can be committed to forward sales is limited to a certain percentage of forecast production (generally not exceeding 70% of monthly production, depending on product type);

iii. Forward contracts can only be incepted with pre-approved counterparties. (Limits on volume and forward period are further established for each counterparty);

iv. Commodity futures can only be traded by authorised officers with established volume limits; and

v. Each portfolio (by product category and legal entity) is subject to further limits on net volume exposure, payment exposure and net mark-to-market fair value ("MTM FV") loss limit (that serves as trigger for intervention).

Trade positions are compiled daily, and mark-to-market fair value is reviewed weekly. An exposure report on the Group's total long-short position (of all physical contracts, futures contracts and uncommitted inventory) with mark-to-market fair value is produced monthly for executive oversight.

38. FINANCIAL INSTRUMENTS (Continued)

38.3 Price fluctuation risk (Continued)

38.3.2 Price risk exposure

Detailed in the table below is a summary of the Group's and the Company's financial instruments subject to price risk along with their contract values and mark-to-market fair value on closing, plus fair value recognised over the financial year.

	Contract and Notional amount			Fair value attributed to price changes at period closing		
In RM million	< 1 year	> 1 year	Total	< 1 year	> 1 year	Total
Group						
2024						
Commodity based						
Forward sales contracts	**(783.1)**	**-**	**(783.1)**	**18.1**	**-**	**18.1**
Forward purchase contracts	**367.2**	**-**	**367.2**	**8.3**	**-**	**8.3**
Commodity futures	**279.1**	**-**	**279.1**	**4.3**	**-**	**4.3**
Equity based						
Other investments	**69.4**	**-**	**69.4**	**63.6**	**-**	**63.6**
				94.3	**-**	**94.3**
2023						
Commodity based						
Forward sales contracts	(516.6)	-	(516.6)	(0.5)	-	(0.5)
Forward purchase contracts	281.8	-	281.8	8.2	-	8.2
Commodity futures	403.3	-	403.3	25.8	-	25.8
Equity based						
Other investments	64.5	-	64.5	59.1	-	59.1
				92.6	-	92.6
Company						
2024						
Equity based						
Other investments	**1.4**	**-**	**1.4**	**1.0**	**-**	**1.0**
				1.0	**-**	**1.0**
2023						
Equity based						
Other investments	1.6	-	1.6	1.1	-	1.1
				1.1	-	1.1

38.3.3 Sensitivity analysis

The Group's exposure to price volatility was derived from palm products and other investments. If the price changes by 7.5%, profit or loss for the Group and the Company would have equally increased or decreased by approximately RM5.5 million (2023 – RM17.0 million) and RM0.1 million (2023 – RM0.1 million) respectively.

The effect to the equity of the Group and the Company are not presented as they are not affected by the price volatility.

NOTES TO THE FINANCIAL STATEMENTS

38 FINANCIAL INSTRUMENTS (Continued)

38.4 Credit risk

The Group's credit risk exposure is mainly related to external counterparty credit risk on monetary financial assets and trade credits. Credit risk is managed at the business unit level, but macro Group-wide policies on the granting of credit and credit control are issued and monitored centrally, such as those relating to credit risk concentration, adequacy of formal credit rating and evaluation of counterparties, credit impairment and unit level credit control performance.

Credit risk from monetary financial assets is generally low as the counterparties involved are strongly rated financial institutions or authorised exchanges. The Group does not extend any loans or financial guarantees to third parties except for its own subsidiaries, plasma receivables and a joint venture.

The Group's objective on credit risk management is to avoid significant exposure to any individual customer or counterparty and to minimise concentration of credit risk.

38.4.1 Risk management approach

Credit risk or financial loss from the failure of customers or counterparties to discharge their financial and contractual obligations from trade credits is managed through the application of credit approvals, credit limits, insurance programmes and monitoring procedures on an ongoing basis. If necessary, the Group may obtain collateral from counterparties as a means of mitigating losses in the event of default.

The Group's credit risk varies with the different classes of counterparties as outlined below:

i. Plantation and resource-based manufacturing

Most of the upstream sales are intragroup to downstream "resource-based manufacturing". Upstream sales to external parties are mainly payment on delivery and/or secured with trade financing documentation. Resource-based manufacturing sales are mostly to external parties with credit terms ranging from 2 to 120 days and across global markets of varying sovereign risk. The Group also engages in forward sales and forward procurement of feedstock. Such forward contracts may have positive fair valuation giving rise to counterparty default risk.

Policies and procedures

a) Customers are assessed for credit and sovereign nation risks (where applicable) on both quantitative and qualitative elements prior to the approval of credit exposure and limits. In this regard, external credit rating services such as Moody's Investors Service or Dun & Bradstreet are used. Where customers are approved for forward physical contracts, limits on contractual forward periods and value are established. Regular reviews are made;

b) Credit risk authority is decentralised to the respective entities' credit committee – but supervised centrally at the corporate level; and

c) Credit exposure is monitored on limits and ageing, managed and reviewed periodically. Customers with emerging credit problems are identified early and remedial actions are taken promptly to minimise further exposure and to restore past due status.

Collateral and credit enhancement

In general, a combination of:

a) Corporate guarantee may be required for globe-wide credit facilities for multinational corporations;

b) Cash deposits/advances may be required for certain customers or orders;

c) Transactional documentation (i.e. Letter of Credit or Cash against Document) for export sales; and

d) Credit insurance coverage (up to certain established limits) for downstream Oleochemical and Specialty Fats' credit sales - leaving some credit exposure on declined coverage and those beyond approved limits.

38. FINANCIAL INSTRUMENTS (Continued)

38.4 Credit risk (Continued)

38.4.1 Risk management approach (Continued)

ii. Financial institutions and exchanges

The Group places its working capital and surplus funds in current account, money market, and time-deposits with banks; and investment trusts managed by licensed institutions. The Group also enters into financial derivative contracts with licensed financial institutions and into commodity futures contracts with licensed exchanges for hedging purposes. Beyond the minimal deposit guarantee offered by certain sovereign nation's deposit insurance schemes, the Group is exposed to a degree of counterparties' credit risk in times of severe economic or financial crisis.

Policies and procedures

a) Funds are placed only with licensed financial institutions with credit rating of "A- and above". Similar requirement is enforced on counterparties for financial derivatives in addition to the mandatory International Swaps and Derivatives Association master agreements;

b) Funds placements are centrally monitored, and where applicable are spread out based on location needs; and

c) Commodity futures are incepted only with main licensed exchanges.

Collateral and credit enhancement

In general, a combination of:

a) National deposit insurance; and

b) Fidelity guarantee.

In general, all business units in the Group have a comprehensive policy that governs the need for formal credit rating system and evaluation on counterparties prior to any contractual arrangement that would result in credit risk exposure. Besides exposure amount, credit risk is also measured and monitored by way of credit quality segregation, ageing analysis, and limits breach alerts. Reviews on credit impairment needs are made quarterly based on objective evidence of loss events.

NOTES TO THE FINANCIAL STATEMENTS

38. FINANCIAL INSTRUMENTS (Continued)

38.4 Credit risk (Continued)

38.4.2 Credit risk exposures and concentration

The Group's credit risks are mainly on financial assets relating to trade receivables, cash deposits, and securities placements, investments and amounts due from subsidiaries as summarised in the table below for both the Group and the Company level.

In RM million	Note	Maximum exposure	Collateral and credit enhancement obtained	Net exposure to credit risk	Collateral and credit enhancement obtained
Group					
Financial assets					
2024					
Cash and bank balances	35	**749.6**	-	**749.6**	
Deposits with financial institutions	27	**267.3**	-	**267.3**	
Trade and other receivables, excluded deposits and prepayments		**1,088.9**	**63.1**	**1,025.8**	
Other investments		**177.1**	-	**177.1**	Letter of credit and credit insurance
Short term funds	26	**1,164.8**	-	**1,164.8**	
Amounts due from associates	23	**52.5**	-	**52.5**	
Amount due from a joint venture	20.2	**11.7**	-	**11.7**	
Derivative assets	18	**91.4**	-	**91.4**	
		3,603.3	**63.1**	**3,540.2**	
2023					
Cash and bank balances	35	1,023.5	-	1,023.5	
Deposits with financial institutions	27	53.5	-	53.5	
Trade and other receivables, excluded deposits and prepayments		1,156.4	40.0	1,116.4	
Other investments		159.9	-	159.9	Letter of credit and credit insurance
Short term funds	26	1,158.0	-	1,158.0	
Amounts due from associates	23	34.6	-	34.6	
Amount due from a joint venture	20.2	12.9	-	12.9	
Derivative assets	18	157.9	-	157.9	
		3,756.7	40.0	3,716.7	

38. FINANCIAL INSTRUMENTS (Continued)

38.4 Credit risk (Continued)

38.4.2 Credit risk exposures and concentration (Continued)

In RM million	Note	Maximum exposure	Collateral and credit enhancement obtained	Net exposure to credit risk	Collateral and credit enhancement obtained
Company					
Financial assets					
2024					
Cash and bank balances	35	**39.5**	-	**39.5**	
Deposit with a financial institution	27	**142.5**	-	**142.5**	
Other investments	24	**1.2**	-	**1.2**	
Amounts due from subsidiaries		**2,358.0**	-	**2,358.0**	
Amount due from a joint venture	20.2	**11.7**	-	**11.7**	
Derivative assets	18	**38.3**	-	**38.3**	
		2,591.2	-	**2,591.2**	
2023					
Cash and bank balances	35	65.0	-	65.0	
Deposit with a financial institution	27	51.4	-	51.4	
Other investments	24	1.1	-	1.1	
Amounts due from subsidiaries		2,411.3	-	2,411.3	
Amount due from a joint venture	20.2	12.9	-	12.9	
Derivative assets	18	46.3	-	46.3	
		2,588.0	-	2,588.0	

The maximum credit risk exposure of the financial guarantee issued by the Group and the Company is limited to the credit amount utilised of RM31.3 million (2023 – Nil) and RM2,279.5 million (2023 – RM2,259.9 million) respectively. The financial guarantees have low credit risk at the end of the year as the probability of plasma receivables and subsidiaries defaulting on the credit line is remote.

NOTES TO THE FINANCIAL STATEMENTS

38. FINANCIAL INSTRUMENTS (Continued)

38.4 Credit risk (Continued)

38.4.2 Credit risk exposures and concentration (Continued)

The table below outlines the credit quality analysis of the Group's and the Company's financial assets together with the impairment charged/(reversed) during the financial year.

In RM million	Not past due Strong	Not past due Medium	Not past due Weak	Past due	Total	Impairment charged/ (reversed) in the financial year	Impairment losses at end of financial year
Group							
2024							
Cash and bank balances	**749.6**	**-**	**-**	**-**	**749.6**	**-**	**-**
Deposits with financial institutions	**267.3**	**-**	**-**	**-**	**267.3**	**-**	**-**
Trade and other receivables, excluded deposits and prepayments	**898.3**	**128.4**	**-**	**62.2**	**1,088.9**	**1.9**	**10.2**
Other investments	**177.1**	**-**	**-**	**-**	**177.1**	**-**	**-**
Short term funds	**1,164.8**	**-**	**-**	**-**	**1,164.8**	**-**	**-**
Amounts due from associates	**48.1**	**-**	**-**	**4.4**	**52.5**	**(0.1)**	**0.2**
Amount due from a joint venture	**-**	**-**	**11.7**	**-**	**11.7**	**(0.6)**	**5.5**
Derivative assets	**91.4**	**-**	**-**	**-**	**91.4**	**-**	**-**
	3,396.6	**128.4**	**11.7**	**66.6**	**3,603.3**	**1.2**	**15.9**
2023							
Cash and bank balances	1,023.5	-	-	-	1,023.5	-	-
Deposits with financial institutions	53.5	-	-	-	53.5	-	-
Trade and other receivables, excluded deposits and prepayments	904.6	118.1	-	133.7	1,156.4	(0.7)	9.1
Other investments	159.9	-	-	-	159.9	-	-
Short term funds	1,158.0	-	-	-	1,158.0	-	-
Amounts due from associates	32.0	0.2	-	2.4	34.6	(1.5)	0.3
Amount due from a joint venture	-	-	12.9	-	12.9	-	6.1
Derivative assets	157.9	-	-	-	157.9	-	-
	3,489.4	118.3	12.9	136.1	3,756.7	(2.2)	15.5

38. FINANCIAL INSTRUMENTS (Continued)

38.4 Credit risk (Continued)

38.4.2 Credit risk exposures and concentration (Continued)

In RM million	Not past due Strong	Not past due Medium	Not past due Weak	Past due	Total	Impairment charged/ (reversed) in the financial year	Impairment losses at end of financial year
Company							
2024							
Cash and bank balances	**39.5**	**-**	**-**	**-**	**39.5**	**-**	**-**
Deposit with a financial institution	**142.5**	**-**	**-**	**-**	**142.5**	**-**	**-**
Other investments	**1.2**	**-**	**-**	**-**	**1.2**	**-**	**-**
Amounts due from subsidiaries	**2,358.0**	**-**	**-**	**-**	**2,358.0**	**16.3**	**74.2**
Amount due from a joint venture	**-**	**-**	**11.7**	**-**	**11.7**	**(0.6)**	**5.5**
Derivative assets	**38.3**	**-**	**-**	**-**	**38.3**	**-**	**-**
	2,579.5	**-**	**11.7**	**-**	**2,591.2**	**15.7**	**79.7**
2023							
Cash and bank balances	65.0	-	-	-	65.0	-	-
Deposit with a financial institution	51.4	-	-	-	51.4	-	-
Other investments	1.1	-	-	-	1.1	-	-
Amounts due from subsidiaries	2,411.3	-	-	-	2,411.3	0.8	57.9
Amount due from a joint venture	-	-	12.9	-	12.9	-	6.1
Derivative assets	46.3	-	-	-	46.3	-	-
	2,575.1	-	12.9	-	2,588.0	0.8	64.0

Credit quality is analysed into the categories of Strong, Medium and Weak, whereby:

Strong: Strong financial standing, low probability of default
Medium: Low to moderate risk of default
Weak: Weak financial standing, history of past due

NOTES TO THE FINANCIAL STATEMENTS

38. FINANCIAL INSTRUMENTS (Continued)

38.4 Credit risk (Continued)

38.4.2 Credit risk exposures and concentration (Continued)

Receivables class using simplified approach

Ageing analysis of the receivables class using simplified approach is as follows:

In RM million	Current	1 – 30 days	31 – 60 days	61 – 90 days	91 – 120 days	>120 days	Credit impaired	Total	Estimated fair values of collateral and credit enhancement obtained
Group									
2024									
Trade receivables									
Gross receivables	**880.2**	**58.6**	**3.4**	**-**	**-**	**0.2**	**-**	**942.4**	**63.1**
Impairment losses	**(4.7)**	**(0.7)**	**- ***	**-**	**-**	**- ***	**-**	**(5.4)**	**-**
	875.5	**57.9**	**3.4**	**-**	**-**	**0.2**	**-**	**937.0**	**63.1**
Amounts due from associates (Trade)									
Gross receivables	**48.1**	**4.4**	**-**	**-**	**-**	**-**	**-**	**52.5**	**-**
Impairment losses	**(0.2)**	**- ***	**-**	**-**	**-**	**-**	**-**	**(0.2)**	**-**
	47.9	**4.4**	**-**	**-**	**-**	**-**	**-**	**52.3**	**-**
2023									
Trade receivables									
Gross receivables	796.5	126.2	6.6	-	-	0.8	0.1	930.2	40.0
Impairment losses	(7.8)	(1.1)	(0.1)	-	-	- *	(0.1)	(9.1)	-
	788.7	125.1	6.5	-	-	0.8	-	921.1	40.0
Amounts due from associates (Trade)									
Gross receivables	32.2	2.4	-	-	-	-	-	34.6	-
Impairment losses	(0.3)	- *	-	-	-	-	-	(0.3)	-
	31.9	2.4	-	-	-	-	-	34.3	-

* The expected credit loss is immaterial.

38. FINANCIAL INSTRUMENTS (Continued)

38.4 Credit risk (Continued)

38.4.2 Credit risk exposures and concentration (Continued)

Credit risk concentration by geographic location and business segment

The credit risk concentration of the Group is mainly in the "receivables" class, except for deposits and prepayments, and this is further analysed below to reveal the credit risk concentration by geographic location and business segment.

	Plantation		Resource-based manufacturing		Others		Total	
In RM million	Amount	%	Amount	%	Amount	%	Amount	%
Group								
2024								
Malaysia	**17.9**	**14**	**169.5**	**17**	**17.4**	**100**	**204.8**	**18**
Europe	**-**	**-**	**265.0**	**26**	**-**	**-**	**265.0**	**23**
Asia (excluding Malaysia)	**106.0**	**86**	**497.9**	**49**	**-**	**-**	**603.9**	**52**
North America	**-**	**-**	**33.5**	**3**	**-**	**-**	**33.5**	**3**
Others	**-**	**-**	**45.9**	**5**	**-**	**-**	**45.9**	**4**
	123.9	**100**	**1,011.8**	**100**	**17.4**	**100**	**1,153.1**	**100**
2023								
Malaysia	13.4	8	176.9	18	24.6	67	214.9	18
Europe	-	-	177.5	18	-	-	177.5	15
Asia (excluding Malaysia)	144.4	92	598.4	59	-	-	742.8	62
North America	-	-	15.3	1	-	-	15.3	1
Others	-	-	41.1	4	12.3	33	53.4	4
	157.8	100	1,009.2	100	36.9	100	1,203.9	100

	Company			
	2024		2023	
In RM million	Amount	%	Amount	%
Malaysia	**1,186.6**	**50**	1,352.8	56
Asia (excluding Malaysia)	**1,182.4**	**50**	1,071.4	44
Europe	**0.7**	**-**	-	-
	2,369.7	**100**	2,424.2	100

NOTES TO THE FINANCIAL STATEMENTS

38. FINANCIAL INSTRUMENTS (Continued)

38.5 Liquidity and cash flow risk

Liquidity or cash flow risk arises when financial resources are insufficient to meet financial obligations as and when they fall due, or have to be met at excessive cost. The Group's liquidity risk includes non-financial instruments and forward contract obligations.

The Group's liquidity risk management objective is to ensure that all foreseeable funding commitments can be met as and when due and in a cost-effective manner.

38.5.1 Risk management approach

The Group leverages on IOI Corporation Berhad as the public listed parent company whereby treasury related activities are centralised and where the optimal weighted-average-costs-of funds is managed. The holding company and the treasury management company play a central liquidity management role where the Group's longer term funding requirements are managed based on business and liquidity needs, whilst the day-to-day operational liquidity needs are decentralised at the business unit level. The Group practises an arm's-length market based policy with regard to funding costs and encourages its business units to seek localised trade financing facilities where appropriate.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure all operating, investing and financing needs are met. To mitigate liquidity risk, management measures and forecasts its cash commitments, monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and investment activities. In addition, the Group strives to maintain available banking facilities at a reasonable level against its overall debt position.

The Group manages its liquidity risk with a combination of the following methods:

i. Maintain a balanced contractual maturity profile of financial assets to meet financial liabilities (particularly on near and immediate term maturity);

ii. Maintain a diversified range of funding sources with adequate back-up facilities;

iii. Maintain debt financing and servicing plan; and

iv. Maintain medium to long term cash flow planning incorporating funding positions and requirements of all its subsidiaries.

As the Group's policy, all business units conform to the following processes in ensuring its liquidity profiles are balanced and that all its obligations can be met when due:

i. Perform annual cash flow budgeting and medium term cash flow planning, in which the timing of operational cash flows and its resulting surplus or deficit is reasonably determined. (Such aggregation allows for an overview of the Group's forecasted cash flow and liquidity position, which in turn facilitates further consolidated cash flow planning);

ii. Manage contingent liquidity commitments and exposures;

iii. Monitor liquidity ratios against internal thresholds;

iv. Manage working capital for efficient use of tied-in funds and optimise cash conversion cycle; and

v. Manage concentration and maturity profile of both financial and non-financial liabilities.

38. FINANCIAL INSTRUMENTS (Continued)

38.5 Liquidity and cash flow risk (Continued)

38.5.2 Liquidity risk exposure

The following table details the maturity profile of the Group's and the Company's financial liabilities at the end of the financial year based on contractual undiscounted repayment obligations.

In RM million	**Less than 1 year**	**1 – 2 years**	**2 – 3 years**	**3 – 4 years**	**More than 4 years**	**Total**
Group						
Financial liabilities						
2024						
Trade and other payables	**720.0**	**-**	**-**	**-**	**-**	**720.0**
Borrowings	**861.1**	**527.2**	**677.4**	**90.5**	**2,876.4**	**5,032.6**
Lease liabilities	**15.7**	**16.9**	**35.8**	**2.2**	**57.3**	**127.9**
Amounts due to associates	**4.3**	**-**	**-**	**-**	**-**	**4.3**
Derivative liabilities – net settlement	**12.4**	**-**	**-**	**-**	**-**	**12.4**
	1,613.5	**544.1**	**713.2**	**92.7**	**2,933.7**	**5,897.2**
2023						
Trade and other payables	648.8	-	-	-	-	648.8
Borrowings	1,004.7	182.2	505.6	447.1	2,894.1	5,033.7
Lease liabilities	14.7	14.3	12.2	9.6	85.5	136.3
Amounts due to associates	4.8	-	-	-	-	4.8
Derivative liabilities – net settlement	59.1	-	-	-	-	59.1
	1,732.1	196.5	517.8	456.7	2,979.6	5,882.7
Company						
Financial liabilities						
2024						
Other payables	**105.8**	**-**	**-**	**-**	**-**	**105.8**
Borrowings	**560.1**	**436.7**	**586.8**	**-**	**-**	**1,583.6**
Amounts due to subsidiaries	**131.4**	**62.8**	**61.8**	**65.9**	**1,250.6**	**1,572.5**
	797.3	**499.5**	**648.6**	**65.9**	**1,250.6**	**3,261.9**
2023						
Other payables	113.2	-	-	-	-	113.2
Borrowings	734.5	92.4	415.9	357.4	-	1,600.2
Amounts due to subsidiaries	257.3	122.0	60.2	59.3	1,250.4	1,749.2
	1,105.0	214.4	476.1	416.7	1,250.4	3,462.6

Maturity profile of financial guarantee contracts of the Group and of the Company at the end of each reporting period based on contractual undiscounted obligations is repayable upon any default by the plasma receivables and subsidiaries in respect of the guaranteed bank facilities of RM31.3 million (2023 – Nil) and RM2,279.5 million (2023 – RM2,259.9 million) respectively.

NOTES TO THE FINANCIAL STATEMENTS

38. FINANCIAL INSTRUMENTS (Continued)

38.5 Liquidity and cash flow risk (Continued)

38.5.2 Liquidity risk exposure (Continued)

i. The Group and the Company maintain a level of cash and cash equivalents and banking facilities to meet their financial liabilities and obligations maturing in the next twelve (12) months;

ii. The Group also strives to maintain a balance between long term and short term borrowings to ensure continuity of funding at a cost efficient manner to meet its financial obligations on a timely basis. In this regard, the Group had issued Guaranteed Notes due 2031 as disclosed in Note 30.5 to the financial statements in the previous financial year, to provide an adequate liquidity buffer; and

iii. Financial liabilities contractual maturity periods exceeding twelve (12) months are within comfortable levels, and should be well covered by its annual free cash flows to be generated from its operations.

38.6 Fair values

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

38. FINANCIAL INSTRUMENTS (Continued)

38.6 Fair values (Continued)

Fair value hierarchy (Continued)

	Financial instruments carried at fair value			
	Hierarchy of the underlying variable input used in measuring fair valuation			
In RM million	**Level 1**	**Level 2**	**Level 3**	**Total**
Group				
2024				
Derivatives				
Forward foreign exchange contracts	**-**	**(1.5)**	**-**	**(1.5)**
Commodity forward contracts	**-**	**26.4**	**-**	**26.4**
Commodity futures	**4.3**	**-**	**-**	**4.3**
Cross currency swap contracts	**-**	**42.2**	**-**	**42.2**
Interest rate swap contract	**-**	**7.6**	**-**	**7.6**
Equity based				
Other investments	**63.6**	**-**	**113.5**	**177.1**
Short term funds	**1,164.8**	**-**	**-**	**1,164.8**
	1,232.7	**74.7**	**113.5**	**1,420.9**
2023				
Derivatives				
Forward foreign exchange contracts	-	(42.0)	-	(42.0)
Commodity forward contracts	-	7.7	-	7.7
Commodity futures	25.8	-	-	25.8
Cross currency swap contracts	-	96.7	-	96.7
Interest rate swap contract	-	10.6	-	10.6
Equity based				
Other investments	59.1	-	100.8	159.9
Short term funds	1,158.0	-	-	1,158.0
	1,242.9	73.0	100.8	1,416.7

There were no transfers between all three (3) levels of the fair value hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

38. FINANCIAL INSTRUMENTS (Continued)

38.6 Fair values (Continued)

Fair value hierarchy (Continued)

In RM million	Financial instruments carried at fair value — Hierarchy of the underlying variable input used in measuring fair valuation: Level 1	Level 2	Level 3	Total
Company				
2024				
Derivatives				
Cross currency swap contracts	**-**	**30.7**	**-**	**30.7**
Interest rate swap contract	**-**	**7.6**	**-**	**7.6**
Equity based				
Other investments	**1.2**	**-**	**-**	**1.2**
	1.2	**38.3**	**-**	**39.5**
2023				
Derivatives				
Cross currency swap contracts	-	35.7	-	35.7
Interest rate swap contract	-	10.6	-	10.6
Equity based				
Other investments	1.1	-	-	1.1
	1.1	46.3	-	47.4

There were no transfers between all three (3) levels of the fair value hierarchy during the financial year.

Reconciliation of fair value measurements of Level 3 financial instruments

In RM million	Group 2024	Group 2023	Company 2024	Company 2023
Financial assets/liabilities designated at fair value through profit or loss				
At beginning of financial year	**100.8**	120.0	**-**	29.2
Additions	**20.5**	21.4	**-**	-
Return of capital contribution from other investments	**-**	(5.2)	**-**	-
Net fair value loss recognised in profit or loss	**(8.9)**	(40.9)	**-**	(29.2)
Foreign currency translation differences	**1.1**	5.5	**-**	-
At end of financial year	**113.5**	100.8	**-**	-

38. FINANCIAL INSTRUMENTS (Continued)

38.6 Fair values (Continued)

The carrying amounts of financial assets and financial liabilities, which are not carried at fair values, would approximate their fair values as at the end of the financial year. This is due to the relatively short term nature of the financial instruments or there is no significant difference between the historical interest rate at the point when liabilities were undertaken and the current prevailing market interest rate.

The following methods and assumptions were used to estimate the fair values of financial instruments:

i. The carrying amounts of financial assets and financial liabilities maturing within twelve (12) months approximate fair values due to the relatively short term maturity of these financial instruments.

ii. The fair values of quoted investments are their quoted market prices at the end of the financial year. The fair values of current unquoted investments are estimated based on a valuation approach by reference to discounted price to book ratio for comparable public companies of similar industry and size.

iii. The fair values of non-current unquoted equity investments are determined by reference to their last transaction prices at initial recognition. The non-current unquoted equity investments are then subsequently measured at fair value using the net asset value approach.

iv. The fair values of the Group's borrowings are estimated using discounted cash flow analysis, based on current incremental lending rates for similar types of lending and borrowing arrangements and of the same remaining maturities.

v. The fair values of derivative financial instruments are the estimated amounts that the Group would expect to pay or receive on the termination of the outstanding positions as at the end of the financial year arising from such contracts. They are determined by reference to the difference between the contracted rate and the forward rate as at the end of the financial year applied to a contract of similar amount and maturity profile.

vi. The fair values of short term funds are determined by reference to the quoted prices at the close of the business at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

38. FINANCIAL INSTRUMENTS (Continued)

38.7 Classification of financial instruments

The financial assets and financial liabilities are classified into the following categories after initial recognition for the purpose of subsequent measurement:

In RM million	**Amortised cost**	**Fair value through profit or loss**	**Fair value through other comprehensive income**	**Total**
Group				
Financial assets				
2024				
Trade and other receivables, excluded deposits and prepayments	**1,078.7**	**-**	**-**	**1,078.7**
Amounts due from associates	**52.3**	**-**	**-**	**52.3**
Amount due from a joint venture	**6.2**	**-**	**-**	**6.2**
Derivative assets	**-**	**60.7**	**30.7**	**91.4**
Other investments	**-**	**177.1**	**-**	**177.1**
Short term funds	**-**	**1,164.8**	**-**	**1,164.8**
Deposits with financial institutions	**267.3**	**-**	**-**	**267.3**
Cash and bank balances	**749.6**	**-**	**-**	**749.6**
	2,154.1	**1,402.6**	**30.7**	**3,587.4**
2023				
Trade and other receivables, excluded deposits and prepayments	1,147.3	-	-	1,147.3
Amounts due from associates	34.3	-	-	34.3
Amount due from a joint venture	6.8	-	-	6.8
Derivative assets	-	122.2	35.7	157.9
Other investments	-	159.9	-	159.9
Short term funds	-	1,158.0	-	1,158.0
Deposits with financial institutions	53.5	-	-	53.5
Cash and bank balances	1,023.5	-	-	1,023.5
	2,265.4	1,440.1	35.7	3,741.2

38. FINANCIAL INSTRUMENTS (Continued)

38.7 Classification of financial instruments (Continued)

In RM million	**Amortised cost**	**Fair value through profit or loss**	**Total**
Group			
Financial liabilities			
2024			
Borrowings	**3,704.7**	**-**	**3,704.7**
Lease liabilities	**60.0**	**-**	**60.0**
Trade and other payables	**720.0**	**-**	**720.0**
Amounts due to associates	**4.3**	**-**	**4.3**
Derivative liabilities	**-**	**12.4**	**12.4**
	4,489.0	**12.4**	**4,501.4**
2023			
Borrowings	3,757.2	-	3,757.2
Lease liabilities	63.1	-	63.1
Trade and other payables	648.8	-	648.8
Amounts due to associates	4.8	-	4.8
Derivative liabilities	-	59.1	59.1
	4,473.9	59.1	4,533.0

NOTES TO THE FINANCIAL STATEMENTS

38. FINANCIAL INSTRUMENTS (Continued)

38.7 Classification of financial instruments (Continued)

In RM million	Amortised cost	Fair value through profit or loss	Total
Company			
Financial assets			
2024			
Amounts due from subsidiaries	**2,283.8**	**-**	**2,283.8**
Amount due from a joint venture	**6.2**	**-**	**6.2**
Derivative assets	**-**	**38.3**	**38.3**
Other investments	**-**	**1.2**	**1.2**
Deposit with a financial institution	**142.5**	**-**	**142.5**
Cash and bank balances	**39.5**	**-**	**39.5**
	2,472.0	**39.5**	**2,511.5**
2023			
Amounts due from subsidiaries	2,353.4	-	2,353.4
Amount due from a joint venture	6.8	-	6.8
Derivative assets	-	46.3	46.3
Other investments	-	1.1	1.1
Deposit with a financial institution	51.4	-	51.4
Cash and bank balances	65.0	-	65.0
	2,476.6	47.4	2,524.0
Financial liabilities			
2024			
Borrowings	**1,466.0**	**-**	**1,466.0**
Other payables	**109.9**	**-**	**109.9**
Amounts due to subsidiaries	**1,063.1**	**-**	**1,063.1**
	2,639.0	**-**	**2,639.0**
2023			
Borrowings	1,499.5	-	1,499.5
Other payables	117.7	-	117.7
Amounts due to subsidiaries	1,208.7	-	1,208.7
	2,825.9	-	2,825.9

39. COMMITMENTS

39.1 Capital commitments

	Group		Company	
In RM million	2024	2023	2024	2023
Authorised capital expenditure not provided for in the financial statements				
Additions of property, plant and equipment				
- Contracted	**317.6**	307.1	**-**	-
- Not contracted	**596.6**	603.6	**-**	-
Additions of intangible assets				
- Contracted	**4.5**	-	**0.3**	-
- Not contracted	**0.3**	13.5	**-**	-

39.2 Lease commitments

39.2.1 The Group as lessor

The minimum lease payments receivable under non-cancellable operating leases contracted for as at end of the financial year but not recognised as receivables are not material to the Group.

NOTES TO THE FINANCIAL STATEMENTS

40. LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The subsidiaries, associates and joint ventures, incorporated and principally based in Malaysia except as otherwise stated, are as follows:

Name of Company	Effective Group Interest 2024	Effective Group Interest 2023	Principal Activities
Direct Subsidiaries			
Plantation			
B. A. Plantations Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm and investment holding
IOI Plantation Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm, plantation produce and investment holding
Pine Capital Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm and investment holding
Mayvin Incorporated Sdn Bhd	**100.0%**	100.0%	Processing of palm oil and investment holding
Dynamic Plantations Berhad	**100.0%**	100.0%	Cultivation of oil palm and processing of palm oil
Halusah Ladang Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm and processing of palm oil
Ladang Sabah Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm and processing of palm oil
Morisem Palm Oil Mill Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm and processing of palm oil
Morisem Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm and processing of palm oil
Perusahaan Mekassar (M) Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm and processing of palm oil
Syarikat Pukin Ladang Kelapa Sawit Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm and processing of palm oil
Pamol Plantations Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm, processing of palm oil and investment holding
Syarimo Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm, processing of palm oil and investment holding
Right Purpose Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm and softwood timber
Ladang Asas Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Ladang Cantawan (Sabah) Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Laksana Kemas Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Meriteam Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Morisem Plantation Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Morisem (Sabah) Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Palmco Plantations (Sabah) Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Palmco Properties Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Permodalan Plantations Sdn Bhd	**70.0%**	70.0%	Cultivation of oil palm
PR Enterprise Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm

40. LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

Name of Company	Effective Group Interest 2024	Effective Group Interest 2023	Principal Activities
Direct Subsidiaries (Continued)			
Plantation (Continued)			
Priceland Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Safima Plantations Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Sakilan Desa Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Terusan Baru Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
IOI Commodity Trading Sdn Bhd	**100.0%**	100.0%	Trading of palm oil commodities
IOI Palm Biotech Sdn Bhd	**100.0%**	100.0%	Commercialisation of high quality clonal ramets through tissue culturing process and its biotechnology related research and development activities
IOI Plantation Services Sdn Bhd	**100.0%**	100.0%	Provision of management services
Zonec Plus Sdn Bhd	**100.0%**	100.0%	Provision of management services
Mayvin (Sabah) Sdn Bhd	**100.0%**	100.0%	Investment holding
Lynwood Capital Resources Pte Ltd * *(Incorporated and principally based in Singapore)*	**100.0%**	100.0%	Investment holding
Oakridge Investments Pte Ltd * *(Incorporated and principally based in Singapore)*	**100.0%**	100.0%	Investment holding
Oleander Capital Resources Pte Ltd * *(Incorporated and principally based in Singapore)*	**100.0%**	100.0%	Investment holding
Cantawan Oil Palms Sdn Bhd	**100.0%**	100.0%	Investment holding ^
Fruitful Plantations Sdn Bhd	**100.0%**	100.0%	Investment holding ^
Hill Land Sdn Bhd *(In member's voluntary winding-up)*	**100.0%**	100.0%	Investment holding ^
Sri Cantawan Sdn Bhd	**100.0%**	100.0%	Investment holding ^
Unipamol Malaysia Sdn Bhd	**100.0%**	100.0%	Investment holding ^

NOTES TO THE FINANCIAL STATEMENTS

40. LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

Name of Company	Effective Group Interest 2024	Effective Group Interest 2023	Principal Activities
Direct Subsidiaries (Continued)			
Resource-based Manufacturing			
IOI Bio-Energy Sdn Bhd	**100.0%**	100.0%	Producing and supplying palm-based renewable energy
IOI Edible Oils Sdn Bhd	**100.0%**	100.0%	Investment holding and palm oil trading and refinery
IOI Global Services Sdn Bhd	**100.0%**	100.0%	Commodities trading, international procurement of palm oil related products, provision of marketing and management services
IOI Oleochemical Industries Berhad *	**100.0%**	100.0%	Investment holding and provision of management services
IOI Loders Croklaan Procurement Company Sdn Bhd	**100.0%**	100.0%	Investment holding ^
IOI Speciality Fats Sdn Bhd	**100.0%**	100.0%	Investment holding ^
IOI Organic Oils BV ** *(Incorporated and principally based in The Netherlands)*	**100.0%**	100.0%	Trading in oilseeds, edible oils and fats and the processing of raw materials for the edible oils and fats industry
IOI Palm Wood Sdn Bhd ^^	**80.0%**	80.0%	Processing of oil palm trunks and other bio-matter derived from plantations to produce materials used in furniture, construction and building industries
Non-Segment			
IOI Management Sdn Bhd	**100.0%**	100.0%	Provision of treasury management services to its related companies
Kayangan Heights Sdn Bhd @	**100.0%**	100.0%	Property development
Rapat Jaya Sendirian Berhad	**100.0%**	100.0%	Property development, property investment and cultivation of plantation produce
IOI Investment (L) Berhad *(Incorporated and principally based in the Federal Territory of Labuan)*	**100.0%**	100.0%	Issuance of Exchangeable Bonds
IOI Ventures (L) Berhad *(Incorporated and principally based in the Federal Territory of Labuan)*	**100.0%**	100.0%	Issuance of Guaranteed Notes
IOI Green Energy Sdn Bhd *(Formerly known as IOI Biofuel Sdn Bhd)*	**100.0%**	100.0%	Production and supply of renewable energy
IOI Green Tech Services Sdn Bhd	**100.0%**	-	Provision of green energy technology services

40. LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

Name of Company	Effective Group Interest 2024	Effective Group Interest 2023	Principal Activities
Direct Subsidiaries (Continued)			
Non-Segment (Continued)			
IOI Palm Products Sdn Bhd	**100.0%**	100.0%	Manufacturing and trading of oil palm related by-products ^
IOI Paper Pulp Sdn Bhd *(Formerly known as IOI Copra Mill Sdn Bhd)*	**100.0%**	100.0%	Manufacturers of and dealers in paper pulps of all kinds ^
Eglinton Investments Pte Ltd # *(Incorporated and principally based in Singapore)*	**100.0%**	100.0%	Investment holding
Morisem Consolidated Sdn Bhd	**100.0%**	100.0%	Investment holding
Luminous Aspect Sdn Bhd	**100.0%**	100.0%	Investment holding ^
Indirect Subsidiaries			
Plantation			
Subsidiary of Mayvin (Sabah) Sdn Bhd			
Sri Mayvin Plantation Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Subsidiaries of Pine Capital Sdn Bhd			
Sri Vagas Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Ladang Tebu Batu Putih Sdn Bhd	**100.0%**	100.0%	Investment holding ^
Sayang Segama Sdn Bhd	**100.0%**	100.0%	Investment holding ^
Sri Yongdankong Sdn Bhd	**100.0%**	100.0%	Investment holding ^
Subsidiary of Mayvin Incorporated Sdn Bhd			
Gamore Corporation Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Subsidiaries of Syarimo Sdn Bhd			
Agroplex (Sabah) Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Maxgrand Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Mewahandal Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Syarikat Best Cocoa Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Very Good Estate Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Fastscope Development Sdn Bhd	**100.0%**	100.0%	Cultivation of softwood timber

NOTES TO THE FINANCIAL STATEMENTS

40. LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

Name of Company	Effective Group Interest 2024	Effective Group Interest 2023	Principal Activities
Indirect Subsidiaries (Continued)			
Plantation (Continued)			
Subsidiaries of Pamol Plantations Sdn Bhd			
IOI Organic Oils (M) Sdn Bhd	**100.0%**	100.0%	Cultivation of organic oil palm and processing of organic palm oil
Pamol Estates (Sabah) Sdn Bhd	**70.0%**	70.0%	Cultivation of oil palm, processing of palm oil and investment holding
Subsidiary of Pamol Estates (Sabah) Sdn Bhd			
Milik Berganda Sdn Bhd	**70.0%**	70.0%	Cultivation of oil palm
Subsidiaries of Oleander Capital Resources Pte Ltd			
PT Berkat Agro Sawitindo # *(Incorporated and principally based in the Republic of Indonesia)*	**100.0%**	100.0%	Management consulting services and investment holding
PT Sawit Nabati Agro # *(Incorporated and principally based in the Republic of Indonesia)*	**100.0%**	100.0%	Management consulting services and investment holding
Subsidiaries of PT Sawit Nabati Agro			
PT Bumi Sawit Sejahtera # *(Incorporated and principally based in the Republic of Indonesia)*	**95.0%**	95.0%	Cultivation of oil palm
PT Berkat Nabati Sejahtera # *(Incorporated and principally based in the Republic of Indonesia)*	**95.0%**	95.0%	Cultivation of oil palm
PT Kalimantan Prima Agro Mandiri # *(Incorporated and principally based in the Republic of Indonesia)*	**95.0%**	95.0%	Cultivation of oil palm
PT Sukses Karya Sawit # *(Incorporated and principally based in the Republic of Indonesia)*	**95.0%**	95.0%	Cultivation of oil palm
PT Ketapang Sawit Lestari # *(Incorporated and principally based in the Republic of Indonesia)*	**100.0%**	100.0%	Cultivation of oil palm ^

40. LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

Name of Company	Effective Group Interest 2024	Effective Group Interest 2023	Principal Activities
Indirect Subsidiaries (Continued)			
Plantation (Continued)			
Subsidiaries of IOI Plantation Sdn Bhd			
Future Growth Sdn Bhd	**100.0%**	100.0%	Cultivation, harvesting and marketing of coconut
IOI Coconut Oil Sdn Bhd *(Formerly known as IOI Pulp & Paper Sdn Bhd)*	**100.0%**	100.0%	Processing of copra, crude coconut oil and other related coconut products
Unico-Desa Plantations Berhad	**100.0%**	100.0%	Cultivation of oil palm, palm oil milling, sales of crude palm oil and palm kernel and investment holding
IOI Pelita Plantation Sdn Bhd	**70.0%**	70.0%	Cultivation of oil palm
Subsidiaries of Unico-Desa Plantations Berhad			
Unico Plantations Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm and investment holding
Basic Plantation (S) Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Builtec Agricultural & Development Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Gelodar Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Golden Focus Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Korop Holdings Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Zutaland Development Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Subsidiaries of Unico Plantations Sdn Bhd			
Fasgro Plantation Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Segaco Plantation Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Supercrop Plantation Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Syarikat Zuba Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Topcrop Plantation Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Tutico Plantation Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Unico Oil Mill Sdn Bhd	**100.0%**	100.0%	Processing of palm oil

NOTES TO THE FINANCIAL STATEMENTS

40. LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

Name of Company	Effective Group Interest 2024	Effective Group Interest 2023	Principal Activities
Indirect Subsidiaries (Continued)			
Resource-based Manufacturing			
Subsidiaries of IOI Oleochemical Industries Berhad			
IOI Acidchem Sdn Bhd *	**100.0%**	100.0%	Manufacture and sale of fatty acids, soap noodles, glycerine and other related products
IOI Derichem Sdn Bhd *	**100.0%**	100.0%	Investment holding ^
IOI Esterchem (M) Sdn Bhd *	**100.0%**	100.0%	Manufacturing and trading of fatty esters
IOI Pan-Century Edible Oils Sdn Bhd *	**100.0%**	100.0%	Refining and processing of crude palm oil for sale to local and overseas market
IOI Pan-Century Oleochemicals Sdn Bhd *	**100.0%**	100.0%	Manufacturing of oleochemical products and soap noodles
Palmco Oil Mill Sendirian Berhad *	**100.0%**	100.0%	Sale of crude palm kernel oil, crude palm kernel olein and renting of storage tanks
Stabilchem (M) Sdn Bhd *	**100.0%**	100.0%	Investment holding ^
Subsidiaries of IOI Acidchem Sdn Bhd			
IOI Oleo GmbH * *(Incorporated and principally based in Germany)*	**100.0%**	100.0%	Manufacture and sale of oleochemical specialty products
Acidchem (USA) Inc * *(Incorporated and principally based in United States of America)*	**100.0%**	100.0%	Trading in fatty acids and glycerine
Subsidiaries of IOI Oleo GmbH			
KetoLipix Therapeutics GmbH ** *(Incorporated and principally based in Germany)*	**100.0%**	100.0%	Development of proprietary keto-ester portfolio
IOI Oleo Beteiligungs GmbH ** *(Incorporated and principally based in Germany)*	**100.0%**	-	Holding and management of its own assets, shareholdings in the chemical and pharmaceutical products business
Subsidiary of IOI Oleo Beteiligungs GmbH			
IOI Oleo U.S. Corp ** *(Incorporated and principally based in United States of America)*	**100.0%**	-	Dormant

40. LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

Name of Company	Effective Group Interest 2024	Effective Group Interest 2023	Principal Activities
Indirect Subsidiaries (Continued)			
Non-Segment			
Subsidiaries of IOI Oleochemical Industries Berhad			
Palmco Jaya Sendirian Berhad *	**100.0%**	100.0%	Provision of bulk cargo warehousing facilities
Palmco International (HK) Limited * *(Incorporated and principally based in Hong Kong)*	**100.0%**	100.0%	Investment holding
Palmco Management Services Sdn Bhd *	**100.0%**	100.0%	Investment holding ^
Palmina Sendirian Berhad *	**100.0%**	100.0%	Investment holding ^
Pamol Bintang Sdn Bhd *	**100.0%**	100.0%	Investment holding ^
Performance Chemicals (M) Sdn Bhd *	**100.0%**	100.0%	Investment holding ^
Quantum Green Sdn Bhd *	**100.0%**	100.0%	Provision of management services
Subsidiaries of Palmco International (HK) Limited			
Palmco Engineering Limited * *(Incorporated and principally based in Hong Kong)*	**100.0%**	100.0%	Investment holding ^
Acidchem (Singapore) Pte Ltd * *(Struck off from the Registrar on 6 July 2024)*	**-**	100.0%	Investment holding ^

Notes:

* Not audited by BDO PLT and member firms of BDO International.

** Statutory audit not required as at 30 June 2024.

Audited by member firms of BDO International.

^ The companies remained dormant during the financial year.

^^ During the financial year, IOI Palm Wood Sdn Bhd increased its number of issued and fully paid-up ordinary shares from 22,750,000 to 24,000,000 (2023 - 21,500,000 to 22,750,000) by way of issuance of 1,250,000 (2023 - 1,250,000) ordinary shares to the Company and to an individual respectively in the proportion of 80:20 at an issue price of RM1.00 each for cash. Accordingly, the individual has acquired 250,000 (2023 - 250,000) ordinary shares in IOI Palm Wood Sdn Bhd, at a purchase consideration of RM0.3 million (2023 – RM0.3 million).

@ In the previous financial year, the Company acquired 100,000 shares, representing 40% shareholdings in Kayangan Heights Sdn Bhd ("KHSB") from a non-controlling interest for a cash consideration of RM7.1 million. Subsequently, the effective interests of the Group in KHSB, had been increased from 60% to 100%.

NOTES TO THE FINANCIAL STATEMENTS

40. LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

Name of Company	Effective Group Interest 2024	Effective Group Interest 2023	Principal Activities
Associates			
Plantation			
Reka Halus Sdn Bhd	**30.0%**	30.0%	Cultivation of oil palm and investment holding
Associate of Lynwood Capital Resources Pte Ltd and Oakridge Investments Pte Ltd			
Bumitama Agri Ltd *(Incorporated and principally based in Singapore)*	**32.1%**	32.1%	Investment holding
Resource-based Manufacturing			
Bunge Loders Croklaan Group BV ## *(Incorporated and principally based in The Netherlands)*	**20.0%**	20.0%	Investment holding
Associates of IOI Oleochemical Industries Berhad			
Fatty Chemical (Malaysia) Sdn Bhd	**30.0%**	30.0%	Manufacturing and sale of fatty alcohols, refined glycerine and olefin
Kao Plasticizer (Malaysia) Sdn Bhd	**30.0%**	30.0%	Manufacturing and sale of plasticizer products
Peter Greven Asia Sdn Bhd	**40.0%**	40.0%	Production, marketing and distribution of metallic stearates
Malaysia Pakistan Venture Sdn Bhd	**25.0%**	25.0%	Investment holding
Joint Ventures			
Resource-based Manufacturing			
Adeka Foods (Asia) Sdn Bhd	**40.0%**	40.0%	Manufacturing of margarine, shortening and fat spreads
Joint Venture of Luminous Aspect Sdn Bhd			
Rosa RE Pte Ltd *(Incorporated and principally based in Singapore)*	**20.0%**	-	Generation of electricity by other sources (e.g. solar power, biofuels etc.)
Joint Venture of IOI Paper Pulp Sdn Bhd *(Formerly known as IOI Copra Mill Sdn Bhd)*			
Nextgreen IOI Pulp Sdn Bhd	**45.0%**	-	Manufacturing, import, export and trading of pulp

Notes:

In the previous financial year, the Company completed the sale of 1,800 shares ("Share Sale"), which representing its 10% shareholdings in BLC to KBBV as disclosed in Note 17 to the financial statements. With the completion of the Share Sale, the Company's equity interest in BLC was reduced from 30% to 20%.

41. AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 30 June 2024 were authorised for issue by the Board of Directors on 11 September 2024.

Statement by DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 141 to 248 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors:

Tan Sri Peter Chin Fah Kui
Non-Independent Non-Executive Chairman

Dato' Lee Yeow Chor
Group Managing Director and Chief Executive

Putrajaya
11 September 2024

Statutory DECLARATION

I, Kong Kian Beng (CA 19179) being the officer primarily responsible for the financial management of IOI Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 141 to 248 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
by the abovenamed)
at Puchong, Selangor Darul Ehsan) **Kong Kian Beng**
this 11 September 2024)

Before me

Lim Cin Wei
Commissioner for Oaths
No. B630

Independent Auditors' Report
TO THE MEMBERS OF IOI CORPORATION BERHAD
(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of IOI Corporation Berhad, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 141 to 248.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Impairment assessment of the carrying amounts of goodwill

Goodwill of the Group is allocated to two (2) Cash-generating Units ("CGUs") identified according to the operating segments. Management has considered that plantation and resource-based manufacturing as the operating segments of the Group, with carrying amounts of goodwill of RM126.5 million and RM209.0 million respectively as disclosed in Note 15.1 to the financial statements. There was no impairment loss on goodwill in the current financial year.

We determined this to be a key audit matter because it requires significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the CGUs in determining the recoverable amounts. These key assumptions include projected growth in future revenue and profit margins, as well as determining an appropriate pre-tax discount rate and growth rates.

Our audit procedures included the following:

(i) compared prior period projections to actual outcomes to assess reliability of management forecasting process;

(ii) compared cash flow forecast against recent performance, and assessed and compared the key assumptions in projections to available external industry sources of data, where applicable;

(iii) verified projected profit margins and growth rates to support the key assumptions in projections;

(iv) verified pre-tax discount rate used by management for each CGU to the weighted average cost of capital of the Group and its relevant risk factors; and

(v) performed sensitivity analysis of our own to stress test the key assumptions in the impairment model.

Key Audit Matters (Continued)

(b) Accounting for derivative financial instruments

The Group and the Company use derivative financial instruments such as forward foreign exchange contracts, commodity forward contracts and futures, cross currency swap contracts and interest rate swap contract to hedge their risks associated with foreign currency, commodity price fluctuations and interest rates, as set out in Note 18 to the financial statements.

As at 30 June 2024, the total derivative financial instruments of the Group and of the Company that were carried at fair value comprised financial assets of RM91.4 million and RM38.3 million respectively and financial liabilities of the Group of RM12.4 million.

The determination of the fair values of the derivative financial instruments is a key audit matter because it involves significant judgements and is subject to estimation uncertainty as subjective variables need to be used in order to derive the fair values.

Our audit procedures included the following:

(i) obtained an understanding on the overall commodity trading process and treasury function of derivative financial instruments;

(ii) read and discussed with management on the analysis of the contractual terms and evaluated the accounting treatments adopted by management, including the reasons for entering into derivative financial instruments;

(iii) assessed and compared the key inputs used to determine the fair value against observable market data, where applicable; and

(iv) vouched to statements and/or confirmations from banks and other financial institutions to compare the fair values of the derivative financial instruments recorded in the accounting system, where applicable.

(c) Impairment assessment of property, plant and equipment for a loss-making subsidiary

As at 30 June 2024, the carrying amount of property, plant and equipment of a loss making subsidiary was RM132.2 million as disclosed in Note 14 to the financial statements. Management has performed an impairment assessment in accordance with the requirements of MFRS 136 *Impairment of Assets*. The recoverable amount of property, plant and equipment based on value in use calculations was higher than the carrying amounts, therefore no impairment loss was required.

We determined this to be a key audit matter because it requires significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the subsidiary in determining the recoverable amount. The key assumptions include projected growth in future revenue and profit margins, as well as determining an appropriate pre-tax discount rate and growth rates.

Our audit procedures included the following:

(i) compared prior period projections to actual outcomes to assess reliability of management forecasting process;

(ii) compared cash flow forecast against recent performance, and assessed and compared the key assumptions in projections to available external industry sources of data, where applicable;

(iii) verified projected profit margins and growth rates to support the key assumptions in projections;

(iv) verified pre-tax discount rate used by management for the subsidiary to the weighted average cost of capital of the Group and its relevant risk factors; and

(v) performed sensitivity analysis of our own to stress test the key assumptions in the impairment model.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF IOI CORPORATION BERHAD
(INCORPORATED IN MALAYSIA)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Continued)

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 40 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Rejeesh A/L Balasubramaniam
02895/08/2026 J
Chartered Accountant

Kuala Lumpur
11 September 2024

Group PROPERTIES

A. PLANTATION ESTATES

Location	Tenure	Area (Hectare)	Crop Planted	Factory/ Mill	Year of Acquisition	Net Carrying Amount as at 30 June 2024 RM million
Malaysia						
Pahang Darul Makmur						
Bukit Dinding Estate, Bentong	Freehold	1,660	OP	-	1983	117.2
Pukin Estate, Pekan Rompin	Leasehold expiring 2071, 2074, 2077	2,435	OP	1	1985	115.6
Mekassar Estate, Pekan Rompin	Leasehold expiring 2075	1,215	OP	-	1985	54.5
Detas Estate, Pekan	Leasehold expiring 2081	2,301	OP	-	1989	120.9
Bukit Leelau Estate, Pekan	Leasehold expiring 2088	2,096	OP	1	1989	122.8
Merchong Estate, Pekan	Leasehold expiring 2075	1,953	OP	-	1990	88.8
Leepang A Estate, Rompin	Leasehold expiring 2067	2,404	OP	-	2000	95.7
Laukin A Estate, Rompin	Leasehold expiring 2067	1,620	OP	-	2000	63.6
Shahzan IOI Estate 1, Rompin	Leasehold expiring 2062	1,562	OP	-	2002	58.6
Shahzan IOI Estate 2, Rompin	Leasehold expiring 2062	1,640	OP	-	2002	45.1
Negeri Sembilan Darul Khusus						
Regent Estate, Tampin	Freehold	2,300	OP	-	1990	179.7
Bahau Estate, Kuala Pilah	Freehold	2,544	OP	-	1990	188.6
Kuala Jelei Estate, Kuala Pilah	Freehold	679	OP	-	1990	45.6
Johor Darul Takzim						
Gomali Estate, Segamat	Freehold	2,556	OP R	1	1990	196.1
Paya Lang Estate, Segamat	Freehold	2,445	OP R C	-	1990	178.2
Tambang Estate, Segamat	Freehold	2,006	OP C	-	1990	158.2
Bukit Serampang Estate, Tangkak	Freehold	2,725	OP C	-	1990	185.5
Kahang Estate, Kluang	Leasehold expiring 2082	2,420	OP	-	1990	101.4
Sagil Estate, Tangkak	Freehold	2,379	OP C	-	1990	212.2
Segamat Estate, Segamat	Freehold	1,340	OP	-	1990	106.8
Pamol Plantations Estate, Kluang	Freehold	8,090	OP	1	2003	603.2
Sabah						
Morisem 1 Estate, Kinabatangan	Leasehold expiring 2080	2,032	OP	-	1993	47.6
Morisem 2 Estate, Kinabatangan	Leasehold expiring 2038, 2087, 2090	2,042	OP	-	1993 - 2009	55.9
Morisem 3 Estate, Kinabatangan	Leasehold expiring 2087, 2088	2,014	OP	-	1993	67.3
Morisem 4 Estate, Kinabatangan	Leasehold expiring 2089	2,023	OP	-	1993	64.9
Morisem 5 Estate, Kinabatangan	Leasehold expiring 2078	1,878	OP	-	1993	51.5
Baturong 1-3 Estates, Kunak	Leasehold expiring 2081	7,485	OP	1	1991	268.8
Halusah Estate, Lahad Datu	Leasehold expiring 2076, 2078	813	OP	-	1991	24.3
Syarimo 1-9 Estates, Kinabatangan	Leasehold expiring 2035, 2077-2097, 2963-2990	18,417	OP	1	1985-2000	541.1
Permodalan Estate, Kinabatangan	Leasehold expiring 2078	8,094	OP	-	1995	197.0
Laukin Estate, Sugut	Leasehold expiring 2077	2,128	OP	-	1996	74.0
Sakilan Estate, Sandakan	Leasehold expiring 2887	2,278	OP	1	1996	109.7

A. PLANTATION ESTATES (Continued)

Location	Tenure	Area (Hectare)	Crop Planted	Factory/ Mill	Year of Acquisition	Net Carrying Amount as at 30 June 2024 RM million
Malaysia (Continued)						
Sabah (Continued)						
Ladang Sabah Estates, Labuk-Sugut	Leasehold expiring 2077, 2082, 2087, 2089	12,194	OP	1	1998-2003	416.4
Cantawan Estate, Lahad Datu	Leasehold expiring 2061, 2066, 2078-2080	1,452	OP	-	1998	42.1
Tas Estate, Kinabatangan	Leasehold expiring 2077	1,209	OP	-	1998	36.6
Tangkulap Estate, Labuk-Sugut	Leasehold expiring 2080-2086	2,277	OP	-	2001	118.4
Bimbingan Estate, Labuk-Sugut	Leasehold expiring 2083	3,893	OP	-	2001	189.8
Pamol Plantations, Labuk-Sugut	Leasehold expiring 2037, 2081, 2097	1,792	OP	-	2003-2007	42.5
Pamol Estates, Labuk-Sugut	Leasehold expiring 2888	8,186	OP	1	2003	405.6
Milik Berganda Estate, Labuk-Sugut	Leasehold expiring 2090	5,278	OP	-	2003	149.6
Linbar 1-2 Estates, Kinabatangan	Leasehold expiring 2081	4,840	OP	-	2003	173.8
Mayvin 1-2 Estates, Labuk-Sugut	Leasehold expiring 2079-2081, 2090, 2092	3,423	OP	1	2003	136.3
Mayvin 5-6 Estates, Kinabatangan	Leasehold expiring 2082	3,602	OP	-	2003	107.7
Leepang 1-5 Estates, Kinabatangan	Leasehold expiring 2030-2039, 2078-2102	10,032	OP	2	2003 - 2009	247.1
Unico 1-5 Estates, Kinabatangan	Leasehold expiring 2081-2101	11,396	OP	1	2013	416.8
Unico 6 Estate, Lahad Datu	Leasehold expiring 2074, 2077-2079	2,264	OP	-	2013	62.3
Sarawak						
Sejap Estate, Baram	Leasehold expiring 2058	4,960	OP	-	2002	7.7
Tegai Estate, Baram	Leasehold expiring 2067, 2095	4,038	OP	-	2002	5.9
Indonesia						
Kalimantan Barat						
Dusun Arang-arang, Desa Air Hitam Hulu, Kec. Kendawangan, Kab. Ketapang	Hak Guna Usaha expiring 2052, 2056	6,016	OP	1	2009	84.7
Dusun Arang-arang, Desa Air Hitam Besar, Kec. Kendawangan, Kab. Ketapang	Hak Guna Usaha expiring 2055, 2058	6,166	OP	-	2009	127.7
Dusun Natai Maju, Desa Natai Kuini, Kec. Kendawangan, Kab. Ketapang	Hak Guna Usaha expiring 2052, 2056	7,533	OP	-	2013	120.3
Desa Danau Buntar, Desa Jambi & Desa Suka Ramai, Kec. Kendawangan & Kec. Manis Mata, Kab. Ketapang	Hak Guna Usaha expiring 2058	6,682	OP	-	2018	112.4

OP Oil palm
R Rubber
C Coconut

GROUP PROPERTIES

B. INVESTMENT PROPERTY

Location	Tenure	Land Area	Net Lettable Area	Usage	Age of Building (Year)	Net Carrying Amount as at 30 June 2024 RM million
No. 7 Jalan Kenari 5 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan	Freehold	465 sq m	17,168 sq ft	1 unit 3½ storey shop office	29	6.5
Palmco Jaya Warehouse Bulk Cargo Terminal 13600 Prai Penang	Leasehold expiring 2025	13,491 sq m	13,491 sq m	Bulk cargo terminal	50	0.7

C. INDUSTRIAL PROPERTIES

Location	Tenure	Land Area	Usage	Age of Building (Year)	Year of Acquisition	Net Carrying Amount as at 30 June 2024 RM million
Lorong Perusahaan Satu Prai Industrial Complex 13600 Prai Penang	Leasehold expiring between 2069-2114	180,263 sq m	Offices and factory sites	45	2001	85.5
			Factory site	2-23		29.0
Deep Water Wharves 12100 Butterworth Penang	Leasehold expiring 2030	8,615 sq m	Bulking installation	50	2001	-
PT 110296 Jalan Pekeliling Mukim Plentong Pasir Gudang Johor Bahru Johor Darul Takzim	Leasehold expiring 2052	2.3 hectares	Factory complex and vacant industrial land	32	2007	16.7
PT 216213 Jalan Pekeliling Mukim Plentong Pasir Gudang Johor Bahru Johor Darul Takzim	Freehold	3.6 hectares	Factory complex and vacant industrial land	47	2007	2.0
Lot 51693 Jalan Pekeliling PT 101373 & PT 80565 Jalan Timah Pasir Gudang Johor Bahru Johor Darul Takzim	Leasehold expiring 2038, 2047, 2051	8.3 hectares	Factory complex	33-46	2007	13.9

C. INDUSTRIAL PROPERTIES (Continued)

Location	Tenure	Land Area	Usage	Age of Building (Year)	Year of Acquisition	Net Carrying Amount as at 30 June 2024 RM million
PTD13060 & 13061 Mukim Pogoh, Segamat Johor	Freehold	8.2 hectares	Palm wood factory	1	2021	47.9
Country lease 075365632, 075376279 075376260 & 075469340 Sg Mowtas and Batu Sapi Sandakan Sabah	Leasehold expiring 2039, 2042, 2044	22 hectares	Palm oil refinery and palm based renewable energy	27	1995	49.0
Zur Hafenspitze 15 19322 Wittenberge Germany	Freehold	60,000 sq m	Factory complex	23	2016	9.2
Arthur-Imhausen-Strasse 92 D-58453 Witten Germany	Perpetual lease	24,000 sq m	Factory complex	33	2016	33.5

GROUP PROPERTIES

D. OTHER PROPERTIES

Location	Tenure	Land Area	Usage	Age of Building (Year)	Year of Acquisition	Net Carrying Amount as at 30 June 2024 RM million
Geran 199129, Lot 40337 Mukim Petaling Selangor Darul Ehsan	Freehold	1,803 sq m	Petrol station land	-	1992	-
Lot 40476 & 40480 Daerah Wilayah Persekutuan Kuala Lumpur	Freehold	3,018 sq m	Bungalow plots	-	1992	2.0
Geran 1341, Lot 12040 Mukim of Tangkak Johor Darul Takzim	Freehold	2 hectares	Vacant land	-	1998	0.1
Lots 429, 432 & 434 Bukit Sebukor Bukit Baru, Melaka Tengah Melaka	Freehold	19 hectares	Future development land	-	1990	1.2
HS(D) 41664 PT 1349 Mukim 01 Seberang Perai Tengah Penang	Leasehold expiring 2043	24,615 sq m	Warehouse	1	2020	14.0
302-H, Jalan Relau Desaria, 11900 Sg Ara Penang	Freehold	167 sq m	Shoplot	29	2001	0.2
Lot 8165, Mukim 12 Sg Ara Estate Penang	Freehold	1,799 sq m	Future development land	-	2001	0.2
Country lease 115325534 New Wharf Road Lahad Datu Sabah	Leasehold expiring 2914	2 hectares	Vacant land	-	1993	0.1
Country lease 115325543, 116179269 New Wharf Road Lahad Datu Sabah	Leasehold expiring 2058, 2914	5 hectares	Vacant land	-	1993	0.1
Country lease 115310926 Jalan Segama Lahad Datu Sabah	Leasehold expiring 2932	1 hectare	Regional office	23	1993	-

D. OTHER PROPERTIES (Continued)

Location	Tenure	Land Area	Usage	Age of Building (Year)	Year of Acquisition	Net Carrying Amount as at 30 June 2024 RM million
Country lease 075349343, 075349352 Lot 34, Phase 7A Northern Ring Road Sandakan Sabah	Leasehold expiring 2882	417 sq m	3 storey shop/office	10	2015	1.0
Jl. Samari, Kelurahan Madurejo Kec. Arut Selatan, Kab. Kotawaringin Barat, Provinsi Kalimantan Tengah Indonesia	Hak Guna Bangunan expiring 2047	1,885 sq m	Vacant land	-	2017	0.1
Jl. Utama Pasir Panjang, Desa Batu Belaman, Kec. Kumai, Kab. Kotawaringin Barat, Provinsi Kalimantan Tengah Indonesia	Hak Guna Bangunan expiring 2050	7,002 sq m	Vacant land	-	2020	0.5

Shareholders INFORMATION
AS AT 30 AUGUST 2024

Issued shares : 6,285,198,995 Ordinary shares
(Including 81,501,700 treasury shares)

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

Number of shareholders : 20,604

ANALYSIS OF SHAREHOLDINGS

Size of holdings	No. of holders	Total holdings	%
1 - 99	2,386	27,699	*
100 - 1,000	4,475	3,179,326	0.05
1,001 - 10,000	10,019	39,434,858	0.64
10,001 - 100,000	2,944	80,586,813	1.30
100,001 – 310,184,863	778	2,537,511,962	40.90
310,184,864 and above	2	3,542,956,637	57.11
Total	20,604	6,203,697,295	100.00

* Negligible

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

Name	No. of shares held	%
1. Progressive Holdings Sdn Bhd	1,382,166,880	22.28
2. Progressive Holdings Sdn Bhd	1,017,285,200	16.40
3. Progressive Holdings Sdn Bhd	643,082,900	10.37
4. Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board*	500,421,657	8.07
5. AmanahRaya Trustees Berhad *Amanah Saham Bumiputera*	256,710,000	4.14
6. Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (Islamic)*	235,731,506	3.80
7. Kumpulan Wang Persaraan (Diperbadankan)	203,522,590	3.28
8. Annhow Holdings Sdn Bhd	115,372,300	1.86
9. AmanahRaya Trustees Berhad *Amanah Saham Malaysia*	90,000,000	1.45
10. HLB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Progressive Holdings Sdn Bhd*	87,000,000	1.40
11. Lembaga Tabung Haji	68,504,500	1.10
12. AmanahRaya Trustees Berhad *Amanah Saham Malaysia 2 - Wawasan*	55,536,600	0.90
13. Cartaban Nominees (Asing) Sdn Bhd *Exempt Authorised Nominee for State Street Bank & Trust Company*	50,301,450	0.81

Name	No. of shares held	%
14. HSBC Nominees (Asing) Sdn Bhd *JPMCB NA for Vanguard Total International Stock Index Fund*	41,599,038	0.67
15. HSBC Nominees (Asing) Sdn Bhd *JPMCB NA for Vanguard Emerging Markets Stock Index Fund*	38,553,290	0.62
16. Permodalan Nasional Berhad	37,982,700	0.61
17. Citigroup Nominees (Asing) Sdn Bhd *Exempt Authorised Nominee for UBS AG Singapore*	36,000,000	0.58
18. Citigroup Nominees (Tempatan) Sdn Bhd *Exempt Authorised Nominee for AIA Bhd*	34,930,501	0.56
19. Citigroup Nominees (Tempatan) Sdn Bhd *Great Eastern Life Assurance (Malaysia) Berhad*	31,083,313	0.50
20. Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board*	31,018,000	0.50
21. Cartaban Nominees (Tempatan) Sdn Bhd *PAMB for PRULink Equity Fund*	29,024,801	0.47
22. AmanahRaya Trustees Berhad *Amanah Saham Malaysia 3*	25,300,400	0.41
23. Maybank Nominees (Tempatan) Sdn Bhd *Maybank Trustees Berhad for Public Ittikal Fund*	24,770,000	0.40
24. Cartaban Nominees (Tempatan) Sdn Bhd *Prudential Assurance Malaysia Berhad for PRULink Strategic Fund*	23,927,200	0.39
25. AmanahRaya Trustees Berhad *Amanah Saham Bumiputera 3 - Didik*	21,991,700	0.35
26. Pertubuhan Keselamatan Sosial	21,971,690	0.35
27. HSBC Nominees (Asing) Sdn Bhd *JPMCB NA For Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II*	20,876,800	0.34
28. HSBC Nominees (Tempatan) Sdn Bhd *Exempt Authorised Nominee for UBS AG*	19,481,750	0.31
29. Citigroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account - UBS AG Singapore for Annhow Holdings Sdn Bhd*	19,130,000	0.31
30. CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB for Tan Kim Heung*	18,600,000	0.30
Total	**5,181,876,766**	**83.53**

SHAREHOLDERS INFORMATION AS AT 30 AUGUST 2024

Substantial Shareholders
(Based on the Register of Substantial Shareholders)

	No. of ordinary shares held#			
Name of substantial shareholders	**Direct**	**%**	**Indirect***	**%**
Dato' Lee Yeow Chor	9,818,800	0.16	3,129,534,980	50.45
Lee Yeow Seng	-	-	3,129,534,980	50.45
Progressive Holdings Sdn Bhd ("PHSB")	3,129,534,980	50.45	-	-
Employees Provident Fund Board	809,660,013	13.05	-	-

Notes:
* *Deemed interested by virtue of his interest in PHSB pursuant to Section 8 of the Companies Act 2016*
\# *Based on the total number of issued voting shares (excluding 81,501,700 treasury shares)*

Glossary

3-monochloropropanediol ("3-MCPD")	Organic chemical compounds formed during oil/food production and preparation at high temperatures (above 200°C). These process contaminants can be minimised or eliminated entirely through changes to how oil/food is produced.
Active Pharmaceutical Ingredient ("API")	Active components in a pharmaceutical drug that produce the required effect on the body to treat a condition.
Carbon Disclosure Project ("CDP")	A not-for-profit charity that provides a platform for all suppliers to manage their environmental impacts.
CARE Studio	An in-house application laboratory of IOI Oleo GmbH located at Hamburg, Germany, is primarily used for developing new ideas and formulations as well as providing advanced training and seminars for our customers.
Climate Change Action initiative ("CCAi")	IOI's Group-wide long-term action plans to mitigate and reduce greenhouse gas emissions from our diverse operations. The ultimate aim of this initiative is to achieve net zero by 2040.
Crude Palm Oil ("CPO")	An edible oil derived from the pulp of oil palm fruits.
Dow Jones Sustainability Indices ("DJSI")	Benchmarks the sustainability performance of leading companies based on economic, environmental, social and governance criteria.
Enterprise Resource Planning ("ERP")	A system that ties together a multitude of business processes within a company and enables the flow of data between them.
European Union Deforestation Regulation ("EUDR")	Under the EUDR, operators (companies who first place products in the single market) will be required to implement the due diligence on their supply chains to ensure they are deforestation-free, while traders will be responsible for storing and sharing information on their supply chain to operators.
Environmental, Social and Governance ("ESG")	Three key factors which are used to measure the sustainability and ethical impacts of an investment in a business or company.
Electronic Plantation Monitoring System ("ePMS")	An operations management software implemented by the Group/IOI in palm oil plantations to grade fresh fruit bunches in a handheld device.
Expandable Polystyrene ("EPS")	Used in a large variety of industries as an insulation or packaging material.
European Union-Good Manufacturing Practice ("EU-GMP")	A quality assurance which ensures that the quality of medicinal products is maintained throughout all stages of the supply chain.
Fresh Fruit Bunches ("FFB")	Bunches harvested from the oil palm trees.
Fast-moving consumer goods ("FMCG")	Products that are highly in demand, sold quickly and affordable.
Food Safety System Certification ("FSSC") 22000	A robust, ISO-based, internationally recognised certification scheme for auditing and certification of food safety for organisations in the food supply chain.
Geographic Information System ("GIS")	A computer system for capturing, storing, checking and displaying data related to positions on Earth's surface.

GLOSSARY

Greenhouse Gas ("GHG")	Gases in Earth's atmosphere that trap heat and act like glass walls of a greenhouse. The main GHGs include carbon dioxide, methane, nitrous oxides, and water vapour which cause global warming.
Global Reporting Initiative ("GRI")	An international independent organisation that helps businesses, governments and other organisations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others.
Glycidyl Esters ("GEs")	Contaminants primarily found in refined oils, mainly formed during the deodorisation step in the refining process of edible oils.
High Conservation Value ("HCV")	Biological, ecological, social or cultural values which are significant or critically important at the national, regional or global level.
High Carbon Stock ("HCS") areas	Tropical forests that hold large reserves of carbon and biodiversity, which are released and lost when these forests are cleared.
High-Mono-Ester	High cloud point ester designed for improved emulsion stability in high electrolyte conditions.
International Labour Organization ("ILO")	A United Nations agency which sets international labour standards, promotes rights at work and encourages decent employment opportunities, the enhancement of social protection and the strengthening of dialogue on work-related issues.
International Sustainability & Carbon Certification ("ISCC")	An independent multi-stakeholder organisation providing a globally applicable certification system for the sustainability of raw materials and products.
International Sustainability Standards Board ("ISSB")	An effort to develop a superior standard for disclosures regarding sustainability in order to help investors and potential stakeholders.
IOI Cares	A personalised and comprehensive employee wellness programme that fosters employees' well-being holistically through Naluri's evidence-based digital health platform.
IOI Foundation	Formerly known as Yayasan Tan Sri Lee Shin Cheng, a charity arm solely funded by IOI Group.
IOI Group Sustainability Policy ("IOISP")	Formerly known as the Sustainable Palm Oil Policy ("SPOP"), this revised policy incorporates new sustainability requirements and reflects IOI's latest commitments.
Isopropyl Esters	Widely used in food and cosmetics due to characteristics such as non-toxicity and skin-friendly nature.
Learning Management System ("LMS")	A software tool to create, deliver and report on employees' training courses and programmes.
Malaysian Sustainable Palm Oil Certification ("MSPO")	A national scheme in Malaysia for oil palm plantations, independent and organised smallholdings, and palm oil processing facilities to be certified against the requirements of the MSPO Standards.
Medium-Chain Triglycerides ("MCT")	Lipids that can be derived from palm kernel oils for people who cannot tolerate other types of oils which primarily contain long-chain triglycerides.
Mineral Oil Hydrocarbons ("MOH")	Chemical substances found in mineral oils which can contaminate food and are potentially toxic to humans. The source of contamination could be from the environment, agriculture, processing, transport and packaging materials. Two main types of MOH are Mineral Oil Saturated Hydrocarbons ("MOSH") and Mineral Oil Aromatic Hydrocarbons ("MOAH").
No Deforestation, No New Planting on Peat and No Social Exploitation ("NDPE")	A commitment which can be achieved by protecting HCV and HCS areas, avoiding planting on peat and protecting human rights, workers' rights and the rights of local communities and indigenous people.
Near-Infrared ("NIR") Online System	An online system installed at IOI Oleo GmbH that enables real-time reaction monitoring within the esterification reactors which allows optimisation of reaction and analysis times.
Net Zero	A state in which the GHG entering the atmosphere are balanced by removal from the atmosphere.
Novel Suppository	PGE component instead of standard hard fats which is used to deliver a drug by insertion into a body orifice. IOI Oleo GmbH produces hard fats for suppositories and ovules under the WITEPSOL® brand name.
Oil Extraction Rate ("OER")	The quantity of oil that is obtained from fresh fruit bunches.
Oil Palm Trunks ("OPT")	One of the oil palm biomass wastes with high carbon content that can be commercially and sustainably converted into eco-friendly, sustainable and high-performance palm wood panels.
OnCore®	A premium-grade thermally modified palm lumber, blockboards and engineered palm wood panels that are produced by IOI Palm Wood.
Open Innovation Programme	A programme designed to collaborate with external stakeholders to advance IOI's innovation agenda and address our challenges or pain points.
Palm Kernel ("PK")	The edible seed of oil palm fruit that yields palm kernel oils.
PalmGHG calculator	An online calculator created by Roundtable on Sustainable Palm Oil ("RSPO") to enable oil palm growers to estimate and monitor their net GHG emissions as well as allow them to easily identify and address gaps in their production chain.
Palm Oil Mill Effluent ("POME")	Wastewater generated from palm oil milling activities which requires effective treatment before discharging into watercourses.
Polyglycerol Esters ("PGE")	A class of emulsifiers widely used in pharmaceutical and cosmetics.
Precision Project	A sales and operations planning project in IOI Oleo GmbH involving an integrated planning process that is aligned with demand, supply and financial planning.
Regenerative Agriculture ("RA")	A conservation and rehabilitation approach to farming system which focuses on improving soil health and biodiversity by protecting soil from erosion and improves water infiltration, water retention and others.
Registration, Evaluation, Authorisation & Restriction of Chemicals ("REACH")	A regulation to evaluate chemical risk while protecting human health and the environment.
Robotic Process Automation ("RPA")	Known as software robotics, uses intelligent automation technologies to perform high volume repetitive office tasks of human workers.
Science Based Target initiative ("SBTi") Forest, Land and Agriculture ("FLAG")	A framework that provides standard guidance for companies to develop verifiable science-based emissions reduction targets in line with the latest climate science. IOI Group has committed to this initiative since March 2023.

GLOSSARY

Scope 1 Emissions	Covers all direct GHG emissions from owned or controlled sources.
Scope 2 Emissions	Covers indirect GHG emissions from the generation of purchased energy including electricity, steam, heating and cooling that is consumed by the reporting company.
Scope 3 Emissions	Includes all other indirect GHG emissions that occur in a company's value chain.
Sustainability Advisory Panel ("SAP")	Formed in January 2017 and tasked with overseeing the execution of IOI Group's Sustainability Implementation Plan. It also advises on sustainability issues raised by multi-stakeholders such as non-governmental organisations and the RSPO.
Sustainability Policy Transparency Toolkit ("SPOTT")	A free, online platform assessing commodity producers, processors and traders on their public disclosure regarding their organisation, policies, and practices related to ESG issues.
Sustainability Consultation Forum ("SCF")	Set up by IOI Group with the SAP as its core members, to gather feedback and perceptions from external stakeholders on selected and complex sustainability issues as well as bottom-up feedback from IOI's management and sustainability team.
Sustainable Palm Oil Policy ("SPOP")	The keystone policy for IOI Group's commitment to sustainability practices and the implementation of a responsible global palm oil supply chain, now known as the IOI Group Sustainability Policy ("IOISP").
Task Force on Climate-Related Financial Disclosures ("TCFD")	A set of disclosure recommendations created by the Financial Stability Board to help companies, banks and investors in disclosing consistent climate-related financial information to their stakeholders.
Transformation Concept project	A project that commenced in March 2023 specifying the measures IOI Oleo GmbH is implementing over the next ten years to achieve climate neutrality.
Yayasan Tan Sri Lee Shin Cheng ("Yayasan TSLSC")	The charity arm of IOI Group, established by and named after the late founder, Tan Sri (Dr) Lee Shin Cheng. It is now known as IOI Foundation.

Notice of ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-Fifth Annual General Meeting ("55th AGM") of IOI Corporation Berhad (the "Company") will be convened and held physically (Physical Meeting) at Millennium Ballroom 1 (Level 1), Le Méridien Putrajaya, Lebuh IRC, IOI Resort City, 62502 Putrajaya, Malaysia ("Meeting Venue") and by way of electronic means (Virtual Meeting) using Remote Participation and Electronic Voting facilities hosted at https://conveneagm.my/ioicorpagm2024 *(Domain Registration No. D6A475992)* on Tuesday, 5 November 2024 at 10:00 am (Malaysia time) for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2024 and the Reports of the Directors and Auditors thereon.

   Please refer to Explanatory Note C(1)

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

   (i) Lee Yeow Seng **Resolution 1**
   (ii) Dr Nesadurai Kalanithi **Resolution 2**

   Please refer to Explanatory Note C(2)

3. To approve the payment of Directors' fees (inclusive of Board Committees' fees) of RM1,620,000 for the financial year ending 30 June 2025 payable quarterly in arrears after each month of completed service of the Directors during the financial year. **Resolution 3**

   Please refer to Explanatory Note C(3)

4. To approve the payment of Directors' benefits (other than Directors' fees) of up to RM350,000 for the period from 6 November 2024 until the next Annual General Meeting to be held in year 2025. **Resolution 4**

   Please refer to Explanatory Note C(3)

5. To re-appoint BDO PLT, the retiring Auditors for the financial year ending 30 June 2025 and to authorise the Directors to fix their remuneration. **Resolution 5**

   Please refer to Explanatory Note C(4)

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

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

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (the "Act"), the Board of Directors (the "Board" or the "Directors") be hereby authorised with full powers to issue and allot shares in the Company from time to time and upon such terms and conditions and for such purposes as they may deem fit subject always to the approval of the relevant authorities being obtained for such issuance and allotment provided that the aggregate number of shares to be issued and allotted pursuant to this resolution does not exceed **five percent (5%)** of the total number of issued shares (excluding treasury shares) [the "New Shares"] of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so allotted (the "Mandate").

   AND THAT in connection to the above, pursuant to Section 85 of the Act read together with Article 55 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emption rights to be offered New Shares and the Company be given the approval to disapply the statutory pre-emption rights conferred upon the shareholders of the Company and that the Directors are exempted from the obligation to offer such New Shares first to the existing shareholders of the Company arising from any issuance of the New Shares ranking pari passu with the existing shares, pursuant to the Mandate." **Resolution 6**

   Please refer to Explanatory Note C(5)

NOTICE OF ANNUAL GENERAL MEETING

6.2 Proposed Renewal of Existing Share Buy-Back Authority

"THAT subject to compliance with applicable laws, regulations and the approval of all relevant authorities, approval be 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 (the "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, resold on Bursa Securities and/or otherwise dealt with by the Directors in the manners allowed by the Companies Act 2016.

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

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

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

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

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

whichever is the earlier but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities or any other relevant authorities." **Resolution 7**

Please refer to Explanatory Note C(6)

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

"THAT subject always to the provisions of the Companies Act 2016 (the "Act"), the Constitution of the Company, Main Market Listing Requirements of Bursa Malaysia Securities Berhad or other regulatory authorities, approval be 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 (the "Related Parties"), as detailed in Part B, Section 4 of the Circular to Shareholders of the Company dated 7 October 2024 (the "Shareholders' Mandate") subject to the following:

(i) the transactions are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and

(ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year.

THAT the authority conferred by this resolution will commence immediately upon the passing of this resolution and shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless renewed by a resolution passed by the shareholders of the Company in a general meeting;

(ii) the expiration of the period within which the next Annual General Meeting of the Company after that date is required to be held pursuant to Section 340(2) of the Act *(but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act)*; or

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

whichever is the earlier,

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Shareholders' Mandate." **Resolution 8**

Please refer to Explanatory Note C(7)

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

By Order of the Board,

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

Putrajaya
7 October 2024

Notes:

A. Mode of Meeting

1 The 55th AGM of the Company will be held on a hybrid basis whereby shareholders, proxies and corporate representatives will have the option to be physically present at the Meeting Venue or to participate and vote remotely via Remote Participation and Electronic Voting ("RPEV") facilities available on the ConveneAGM Meeting Platform at https://conveneagm.my/ioicorpagm2024.

2 All shareholders, proxies and corporate representatives who wish to participate either in person (physically) or virtually using RPEV facilities at the 55th AGM are required to pre-register online at ConveneAGM Meeting Platform (https://conveneagm.my/ioicorpagm2024). **Please follow the registration procedures provided in the Administrative Guide of the 55th AGM.**

3 For all of the above resolutions which are proposed as ordinary resolutions, the resolutions will be carried if more than half of the votes cast are in favour of those resolutions. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), all resolutions shall be put to vote by way of a poll.

4 Only shareholders whose names appear in the Record of Depositors and Register of Members as at **18 October 2024** shall be eligible to participate and vote at the 55th AGM or to appoint proxy to participate and vote on his or her behalf.

B. Appointment of Proxy

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

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

3 A shareholder of the Company [including an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 and Exempt Authorised Nominee who holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (the "Omnibus Account")] may appoint more than one (1) proxy, provided that the shareholder specifies the proportion of his or her shareholdings to be represented by each proxy. When two (2) or more valid but differing appointments of proxy are delivered or received for the same share for use at the same meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others in respect of that share. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that share.

4 An instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument.

NOTICE OF ANNUAL GENERAL MEETING

5 The proxy form may be submitted in hard copy or by electronic means, **not less than forty-eight (48) hours** before the time for holding the 55th AGM or any adjournment thereof, as follows:

(i) In hard copy form

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

(ii) By electronic means

The proxy form can also be lodged electronically via the ConveneAGM Meeting Platform at https://conveneagm.my/ioicorpagm2024 **or** via email to support_conveneagm@kpmg.com.my. Please follow the procedures provided in the Administrative Guide for the 55th AGM on how to deposit the proxy form electronically.

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

C. Explanatory Notes to the Agenda

1. Audited Financial Statements for the financial year ended 30 June 2024

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

The Chairman will extend an invitation to shareholders, proxies and corporate representatives to pose questions and offer feedback concerning the Directors' Report, Audited Financial Statements and the Group's performance, in accordance with the mode of communication as stated in the Administrative Guide.

Shareholders, proxies and corporate representatives will also be given an opportunity to pose questions to the representative(s) of the Company's Auditors, BDO PLT ("BDO") on matters relevant to the audit of financial statements, including the Auditors' Report.

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

Lee Yeow Seng ("Mr Lee") and Dr Nesadurai Kalanithi ("Dr Kalanithi"), who retire in accordance with Article 91 of the Company's Constitution, are eligible for re-election and hence, they have offered themselves for re-election at the 55th AGM. The re-election of retiring Directors shall be voted on individually.

Each of the retiring Directors standing for re-election had undergone a performance evaluation and had provided his/her annual declaration on his/her fitness and propriety to continue acting as Directors of the Company in accordance with the Fit and Proper Policy of the Group, as well as the confirmation of their independence (as the case may be).

In determining the eligibility of the Directors to stand for re-election at the 55th AGM of the Company, the Governance, Nominating and Remuneration Committee ("GNRC") had considered the following:

(i) Evaluation of the effectiveness of the Directors in terms of character, experience, integrity, competency and time in discharging their roles as Directors of the Company; and

(ii) For Dr Kalanithi, the ability to continually provide constructive challenge to the management as well as to express her own views independent of the management or other Directors.

The retiring Directors standing for re-election have been demonstrating these attributes and desired behaviours as circumstances require.

The Board of Directors (the "Board") (save for retiring Directors who had abstained from deliberations and decisions on their own re-election) has endorsed the GNRC's recommendations and agreed to propose to the shareholders of the Company the re-election of the retiring Directors, based on the following justifications:

Retiring Director	Justification for Re-election
a) Mr Lee	• Based on the GNRC's assessment, the performance and suitability of Mr Lee as a Director are found to be satisfactory. Mr Lee has demonstrated his commitment to the role, exercised due care and carried out his professional duties proficiently. • The Board has endorsed the GNRC's foregoing assessment, acknowledging the effectiveness of Mr Lee as a valuable member of the Board.
b) Dr Kalanithi	• The GNRC viewed that Dr Kalanithi fulfils the independence requirements as set out in the Main Market Listing Requirements of Bursa Securities ("Listing Requirements") and has exhibited commitment and suitability in her role as a Director. She has been able to contribute effectively and significantly as a valuable member of the Board and in her duties within the Board Committees. • The Board has endorsed the foregoing assessment by the GNRC, viewing that her re-election would bring benefits to the Company by virtue of her insights and wealth of experience.

The detailed profile of each retiring Director, including their career history, competencies and qualifications can be found on page 87 of this Annual Report.

Save for conflict of interest disclosures on pages 118 to 119 of the Audit and Risk Management Committee ("ARMC") Report in this Annual Report, there is no other information that needs to be disclosed pursuant to the Listing Requirements, nor are there other matters that need to be brought to the attention of shareholders in respect of the retiring Directors standing for re-election at the 55th AGM.

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

The GNRC has proposed an adjustment to the Directors' fee structure, which has remained unchanged since 2019 for overall fee structure and 2022 for Board Chairman's fee, despite the Board's expanding responsibilities. With the increasing complexity of governance standards and the evolving regulatory landscape, the Directors are dedicating more time, commitment and expertise to ensure the continued oversight and strategic guidance that drive the Group's growth and sustainability. Furthermore, this adjustment aligns with market benchmarks and ensures we remain competitive in attracting and retaining highly qualified Directors. The GNRC believes that this review is both timely and necessary to maintain the level of governance expected by our stakeholders. The details of the revised fee structure can be found in the Corporate Governance Overview Statement in this Annual Report.

The GNRC and the Board had reviewed the Directors' fees, taking into account fee levels and trends for similar positions in the market, as well as time commitment required from the Directors. The payment of Directors' fees (inclusive of Board Committees' fees) for the financial year ending 30 June 2025 shall be payable quarterly in arrears after each month of completed service of the Directors during the financial year.

The Directors' benefits (other than Directors' fees) for the period from 6 November 2024 until the next AGM of the Company to be held in year 2025 consist of meeting attendance allowances, insurance coverage and golf privileges to Non-Executive Directors. In determining the estimated total amount of Directors' benefits, the Board had considered the estimated number of meetings of the Board and its Committees, the estimated proportionate insurance premium, and the estimated usage of golf facilities based on the limits provided by the Company during the relevant period.

4. Ordinary Resolution 5: Re-appointment of Auditors

The ARMC had conducted an evaluation of the performance and effectiveness of BDO, including an assessment of BDO's independence and objectivity. The ARMC, being satisfied with the performance, suitability and independence of BDO as external auditors, has recommended to the Board that BDO be re-appointed at the 55th AGM and its remuneration be determined by the Board. The Board in turn has endorsed the ARMC's recommendation. The representatives of BDO will be present at the 55th AGM.

5. Ordinary Resolution 6: Authority to Directors to issue and allot shares

Ordinary Resolution 6 is to seek a renewal of the general mandate which was approved at the 54th AGM of the Company held on 27 October 2023 and will lapse at the conclusion of the 55th AGM to be held on 5 November 2024. This is also to approve the disapplication of statutory pre-emption rights under Section 85 of the Act, to allot new shares (or to grant rights over shares) without first offering them to existing shareholders in proportion to their holdings pursuant to the general mandate.

The general mandate, if approved, will provide flexibility to the Company for any possible fund-raising activities, including but not limited to the placing of shares for the purpose of funding future investment project(s), acquisition(s) and for strategic reasons or such other purposes as the Directors consider will be in the best interest of the Company. In order to eliminate any delay and costs in convening a general meeting to specifically approve such issuance of shares, it is considered appropriate that the Directors be empowered, as proposed under the Ordinary Resolution 6, to issue and allot shares in the Company up to an amount not exceeding in total **five percent (5%)** of the total number of issued shares of the Company for the time being. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company to be held in year 2025.

The Company did not issue any new shares pursuant to Sections 75 and 76 of the Act under the general mandate which was approved at the 54th AGM of the Company.

6. Ordinary Resolution 7: Proposed Renewal of Existing Share Buy-Back Authority ("SBB Authority")

Ordinary Resolution 7 is to seek the renewal of the SBB Authority granted by the shareholders to the Company at the 54th AGM of the Company held on 27 October 2023, which will lapse at the conclusion of the 55th AGM to be held on 5 November 2024. The resolution, if passed, will authorise the Company to make market purchases of its own ordinary shares as permitted by the Act.

If the SBB Authority is renewed at the 55th AGM, the Board will be allowed to purchase up to **ten percent (10%)** of the Company's total number of issued shares, should market conditions and price justify such purchase(s). The Board will only make such purchase(s) under the SBB Authority if doing so could lead to an increase in the net asset value per share held by the remaining shareholders and the purchase(s) are in the best interests of the Company in general, having due regard to appropriate gearing levels, alternative investment opportunities and the overall financial position of the Company.

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

As at 30 August 2024, the Company had bought back 81,501,700 ordinary shares at an average price of RM3.80 per ordinary share, all of which are currently being held as treasury shares.

Please refer to Part A, Share Buy-Back Statement in the Circular to Shareholders dated 7 October 2024 for the explanatory information on the SBB authority.

7. Ordinary Resolution 8: Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature (the "Proposed Shareholders' Mandate")

Ordinary Resolution 8 is to seek approval from the shareholders for renewal of the shareholders' mandate for RRPT granted at the 54th AGM held on 27 October 2023. The Proposed Shareholders' Mandate will enable the Company and its subsidiaries to enter into any of the RRPT of a revenue or trading nature which are necessary for the day-to-day operations involving the interest of Directors, major shareholders or persons connected to the Directors and/or major shareholders of the Company and its subsidiaries (the "Related Parties"), subject to the transactions being in the ordinary course of business, on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. The Proposed Shareholders' Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company to be held in year 2025.

Please refer to Part B of the Circular to Shareholders dated 7 October 2024 for more details on this proposal.

NOTICE OF ANNUAL GENERAL MEETING

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING
[Pursuant to Paragraph 8.27(2) of the Listing Requirements]

1. **Details of individuals who are standing for election as Directors**

   Other than the retiring Directors standing for re-election at the 55th AGM, no individual is seeking election as a Director at the forthcoming 55th AGM.

2. **Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements**

   Details of the general mandate to issue and allot shares in the Company pursuant to Sections 75 and 76 of the Act are set out in Explanatory Note C(5) to the Agenda.

Personal Data Privacy

By (i) submitting an instrument appointing proxy(ies) and/or representative(s) to participate and vote at the 55th AGM and/or any adjournment thereof, (ii) completing the pre-registration to attend the Physical Meeting or Virtual Meeting in accordance to this Notice, and/or (iii) submitting questions relating to resolutions to be tabled at the 55th AGM, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxy(ies) and representative(s) appointed for the 55th AGM (including any adjournment thereof), the preparation and compilation of the attendance lists and other documents relating to the 55th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing requirements, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

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

No. of Shares Held	
CDS Account No.	

IOI GROUP

Proxy FORM

I/We ____
(full name in block letters)

MyKad/Passport/Company Registration No. ____________________ having Mobile Phone No. ____________________

of ____
(full address/email address)

being shareholder(s) of **IOI Corporation Berhad**, hereby appoint:

First Proxy "A"			
Full Name (as per MyKad/passport in block letters):	MyKad/Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Full Address:	Email Address:		
	Mobile Phone No.:		

AND/OR (delete as appropriate)

Second Proxy "B"			
Full Name (as per MyKad/passport in block letters):	MyKad/Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Full Address:	Email Address:		
	Mobile Phone No.:		

or failing him/her, the Chairman of the Fifty-Fifth Annual General Meeting of the Company ("55th AGM") as my/our proxy/proxies to vote on my/our behalf at the 55th AGM which will be convened and held physically **(Physical Meeting)** at Millennium Ballroom 1 (Level 1), Le Méridien Putrajaya, Lebuh IRC, IOI Resort City, 62502 Putrajaya, Malaysia **(Meeting Venue)** and by way of electronic means **(Virtual Meeting)** using Remote Participation and Electronic Voting facilities hosted at ConveneAGM Meeting Platform (https://conveneagm.my/ioicorpagm2024) *(Domain Registration No. D6A475992)* on **Tuesday, 5 November 2024 at 10:00 am (Malaysia time)** or any adjournment thereof.

My/our proxy/proxies shall vote as follows:

(Please indicate with "X" or "√" in the space provided as to how you wish your votes to be cast. If you do not do so, the proxy/proxies will vote or abstain from voting on the resolutions at his/her/their discretion.)

No.	Ordinary Resolutions	First Proxy "A"		Second Proxy "B"	
		For	Against	For	Against
1.	To re-elect Lee Yeow Seng as a Director.				
2.	To re-elect Dr Nesadurai Kalanithi as a Director.				
3.	To approve the payment of Directors' fees (inclusive of Board Committees' fees) of RM1,620,000 for the financial year ending 30 June 2025 payable quarterly in arrears after each month of completed service of the Directors during the financial year.				
4.	To approve the payment of Directors' benefits (other than Directors' fees) of up to RM350,000 for the period from 6 November 2024 until the next Annual General Meeting.				
5.	To re-appoint BDO PLT, the retiring Auditors for the financial year ending 30 June 2025 and to authorise the Directors to fix their remuneration.				
6.	To authorise the Directors to issue and allot shares of up to 5% of the total issued shares.				
7.	To approve the proposed renewal of existing share buy-back authority.				
8.	To approve the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature.				

Dated this _______ day of _____________ 2024

Signature/Common Seal of Shareholder(s)

Notes:

1. Only shareholders whose names appear in the Record of Depositors and Register of Members as at **18 October 2024** shall be eligible to participate and vote at the 55th AGM or appoint proxy to participate and vote on his or her behalf.
2. A shareholder may appoint any person to be his or her proxy and there shall be no restriction as to the qualification of the proxy.
3. If an instrument appointing a proxy is submitted in hard copy, it must be in writing under the hand of the appointor or of his or her attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of two (2) authorised officers, one (1) of whom shall be a director, or of its attorney duly authorised in writing.
4. A shareholder of the Company [including an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 and Exempt Authorised Nominee who holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (Omnibus Account)] may appoint more than one (1) proxy, provided that the shareholder specifies the proportion of his or her shareholdings to be represented by each proxy. When two (2) or more valid but differing appointments of proxy are delivered or received for the same share for use at the same meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others in respect of that share. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that share.
5. An instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument.
6. The proxy form may be submitted in hard copy or by electronic means, **not less than forty-eight (48) hours** before the time for holding the 55th AGM or any adjournment thereof, as follows:

   (i) In hard copy form

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

   (ii) By electronic means

   The proxy form can also be lodged electronically via **ConveneAGM Meeting Platform** at https://conveneagm.my/ioicorpagm2024 **or** via email to support_conveneagm@kpmg.com.my. Please follow the procedures provided in the Administrative Guide for the 55th AGM on how to deposit the proxy form electronically.
7. Any corporation which is a shareholder can appoint one (1) or more corporate representatives who may exercise on its behalf all of its power as a shareholder in accordance with the Companies Act 2016.

Personal Data Privacy

By (i) submitting an instrument appointing proxy(ies) and/or representative(s) to participate and vote at the 55th AGM and/or any adjournment thereof, (ii) completing the pre-registration to attend the Physical Meeting or Virtual Meeting in accordance to this Form, and/or (iii) submitting questions relating to resolutions to be tabled at the 55th AGM, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxy(ies) and representative(s) appointed for the 55th AGM (including any adjournment thereof), the preparation and compilation of the attendance lists and other documents relating to the 55th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing requirements, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

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STAMP

THE ADMINISTRATION AND POLLING AGENT OF
IOI CORPORATION BERHAD
Company Registration No. 196901000607 (9027-W)

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

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196901000607 (9027-W)
IOI City Tower 2, Lebuh IRC, IOI Resort City,
62502 Putrajaya, Malaysia.

www.ioigroup.com