

SUSPENSION OF ROUNDTABLE ON SUSTAINABLE PALM OIL (“RSPO”) MEMBERSHIP

The Board of Directors of IOI Corporation Berhad (“**IOI**” or the “**Company**”) regret to announce that the Company has received RSPO’s letter dated 25 March 2016 notifying the suspension of RSPO certification for the entire IOI Group’s oil palm production effective 1 April 2016 in respect of complaints against our Indonesian subsidiaries’ plantation estates, of which produced approximately 2% of IOI Group’s annual crude palm oil production.

According to the complaints by a non-governmental organisation (“NGO”), the Indonesia plantations are alleged to be non-compliance with various RSPO Principles and Criteria and requirements as follows:-

Item No.	Issues / Complaints
(1)	Non-compliance to the RSPO Certification Systems Regulations.
(2)	For failing to submit the New Planting Procedure (“NPP”) documentations within the prescribed time.
(3)	Non-adherence to the RSPO Principles and Criteria (“RSPO P&Cs”) pertaining to the development of Palm Oil Plantation.

RSPO has stated in their letter dated 14 March 2016, concerning Items (1) and (2) above that IOI has at all times taken the necessary actions to be in full compliance and as such not conclusive and not tenable respectively. RSPO has found for item (3) that IOI has not strictly adhered to the required time frame, procedures and the RSPO P&C; it is noted that this matter was previously closed by RSPO on the 3 May 2012.

As a founding member of the RSPO, IOI Group recognises the importance of sustainability and has played an active role in promoting sustainable practices since its inception in 2004. IOI Group has been fully committed in upholding the requirements of RSPO and will continue to deliver sustainable palm oil to the market.

IOI Group is always fully committed to adhere the RSPO requirements and place great importance and emphasis in ensuring the systems and processes are in place to support the sustainability practices, particularly, in Indonesia. IOI Group has, on 23 March 2016, submitted a detailed and comprehensive action plan (“Action Plan”) which is in accordance to the prescribed format to the CP and is actively engaging with RSPO to review the Action Plan and to resolve the issues without further delay. The steps to be taken in the Action Plan are, among others, summarised as follows:-

- Preparation of the legal register detailing all relevant Indonesian legislation, regulations and guidelines related to the development and operations of palm oil plantation;

- Conduct stakeholder engagement with all the relevant governmental department and ministry regulating the palm oil industry in Indonesia, particularly the local governor's office, forestry department, Ministry of Agriculture and the Department of Environment to ensure comprehensive understanding of the legal procedures and processes;
- Preparation and compilation of our standard operating procedures and a checklist concerning compliance with all legal and regulatory requirements concerning the development and operations of palm oil plantation in Indonesia;
- Conduct internal capacity building for all relevant personnel responsible for legal and regulatory compliance; and
- Provide records of all existing completed compliance records, such as, licences, permits and approvals for all our operations in Indonesia.

We believe that the above measures are comprehensive and will resolve the complaints.

IOI is very concerned about the impact on its stakeholders and reputation if the Group is not able to supply certified palm oil in the future due to prolonged suspension; these potential sales losses are not quantifiable.

For enquiries on RSPO issues and investors relation matters, we can be reached as follows:-

Mr Kevin Wong
 Chief Financial Officer
 IOI Corporation Berhad
 Two IOI Square, IOI Resort City, Putrajaya, 62502 Malaysia
 Phone: +603 8947 8888
 Email: kevin.wong @ioigroup.com

Ms Yeo Lee Nya
 Senior Sustainability Manager
 IOI Corporation Berhad
 Two IOI Square, IOI Resort City, Putrajaya, 62502 Malaysia
 Phone: +603 8947 8888
 Email: yeo.leenya@ioigroup.com

This announcement is dated 29 March 2016.