



IOI GROUP

IOI CORPORATION BERHAD (9027-W)

(Incorporated in Malaysia)

**Interim Report
For The Financial Period Ended
31 December 2018**



IOI GROUP

IOI CORPORATION BERHAD (9027-W)
(Incorporated in Malaysia)

Interim Report For The Financial Period Ended 31 December 2018

(The figures have not been audited)

Condensed Consolidated Statement of Profit or Loss

	INDIVIDUAL QUARTER (Q2)			CUMULATIVE QUARTER (6 Mths)		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	Changes (%)	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	Changes (%)
	31/12/2018 RM Million	31/12/2017 RM Million		31/12/2018 RM Million	31/12/2017 RM Million	
CONTINUING OPERATIONS						
Revenue [^]	1,880.6	2,009.6	-6%	3,756.3	3,875.2	-3%
Operating profit	237.7	436.9	-46%	473.2	824.1	-43%
Share of results of associates	45.7	30.9	48%	97.4	63.1	54%
Share of results of joint ventures	(1.7)	(0.6)	-183%	(1.7)	(1.5)	-13%
Profit before interest and taxation	281.7	467.2	-40%	568.9	885.7	-36%
Interest income	23.7	16.8	41%	39.7	34.4	15%
Finance costs	(43.6)	(49.2)	-11%	(90.5)	(103.3)	-12%
Net foreign currency translation (loss)/gain on foreign currency denominated borrowings	(24.8)	196.4	nm	(108.4)	265.0	nm
Net foreign currency translation gain/(loss) on foreign currency denominated deposits	2.0	(8.3)	nm	24.5	(8.8)	nm
Profit before taxation	239.0	622.9	-62%	434.2	1,073.0	-60%
Taxation	(43.4)	(97.3)	-55%	(97.4)	(203.7)	-52%
Profit from continuing operations	195.6	525.6	-63%	336.8	869.3	-61%
DISCONTINUED OPERATIONS						
Profit from discontinued operations	-	77.5	nm	-	96.6	nm
Profit for the period	195.6	603.1	-68%	336.8	965.9	-65%
Attributable to owners of the parent:						
From continuing operations	195.5	518.4	-62%	339.3	859.3	-61%
From discontinued operations	-	77.5	nm	-	96.6	nm
	195.5	595.9	-67%	339.3	955.9	-65%
Attributable to non-controlling interests						
	0.1	7.2	-99%	(2.5)	10.0	nm
	195.6	603.1	-68%	336.8	965.9	-65%

*nm = not meaningful

[^]: Exclude inter-operations sales to discontinued operations.

(The condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to this interim financial report.)



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(The figures have not been audited)

Condensed Consolidated Statement of Profit or Loss (Continued)

	INDIVIDUAL QUARTER (Q2)			CUMULATIVE QUARTER (6 Mths)		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	Changes	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	Changes
	31/12/2018 RM Million	31/12/2017 RM Million	(%)	31/12/2018 RM Million	31/12/2017 RM Million	(%)
Earnings per share for profit attributable to owners of the parent (sen)						
Basic earnings per share						
From continuing operations	3.11	8.25	-62%	5.40	13.67	-60%
From discontinued operations	-	1.23	nm	-	1.54	nm
Total	3.11	9.48	-67%	5.40	15.21	-64%
Diluted earnings per share						
From continuing operations	3.11	8.25	-62%	5.40	13.67	-60%
From discontinued operations	-	1.23	nm	-	1.54	nm
Total	3.11	9.48	-67%	5.40	15.21	-64%

(The condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to this interim financial report.)



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(The figures have not been audited)

Condensed Consolidated Statement of Other Comprehensive Income

	INDIVIDUAL QUARTER (Q2)			CUMULATIVE QUARTER (6 Mths)		
	CURRENT YEAR	PRECEDING YEAR	Changes	CURRENT YEAR	PRECEDING YEAR	Changes
	QUARTER	CORRESPONDING QUARTER		TO DATE	CORRESPONDING PERIOD	
	31/12/2018	31/12/2017	(%)	31/12/2018	31/12/2017	(%)
	RM Million	RM Million		RM Million	RM Million	
Profit for the period	195.6	603.1	-68%	336.8	965.9	-65%
Other comprehensive loss that will not be reclassified subsequently to profit or loss						
Share of other comprehensive loss of associates	(0.5)	(2.9)	-83%	-	(3.4)	nm
	(0.5)	(2.9)	-83%	-	(3.4)	nm
Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss when specific conditions are met						
Exchange differences on translation of foreign operations	24.8	(21.1)	nm	28.8	(88.6)	nm
Share of other comprehensive loss of associates	(6.0)	(4.4)	36%	(30.2)	(5.7)	430%
Hedge of net investments in foreign operations	(2.9)	(1.2)	142%	2.2	(7.2)	nm
Other comprehensive income/(loss) for the period	15.9	(26.7)	nm	0.8	(101.5)	nm
Total comprehensive income for the period, net of tax	211.0	573.5	-63%	337.6	861.0	-61%
Total comprehensive income attributable to:						
Owners of the parent	212.6	567.4	-63%	341.2	846.6	-60%
Non-controlling interests	(1.6)	6.1	nm	(3.6)	14.4	nm
	211.0	573.5	-63%	337.6	861.0	-61%

(The condensed consolidated statement of other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to this interim financial report.)



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(The figures have not been audited)

Condensed Consolidated Statement of Financial Position

	AS AT END OF CURRENT QUARTER 31/12/2018 RM Million	AS AT PRECEDING FINANCIAL YEAR END 30/06/2018 RM Million
ASSETS		
Non-current assets		
Property, plant and equipment	8,430.0	8,411.2
Intangible assets	394.1	394.9
Investments in associates	2,571.6	2,491.1
Derivative assets	145.5	155.4
Deferred tax assets	16.8	14.7
Other non-current assets	63.7	51.6
	11,621.7	11,518.9
Current assets		
Inventories	958.1	949.1
Receivables	933.4	816.2
Derivative assets	449.5	398.9
Other investments	69.6	86.1
Amount due from associates	92.4	147.4
Other current assets	123.5	61.4
Short term funds	1,248.0	1,087.9
Deposits with financial institutions	727.6	1,276.0
Cash and bank balances	550.7	400.7
	5,152.8	5,223.7
TOTAL ASSETS	16,774.5	16,742.6

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to this interim financial report.)



Interim Report For The Financial Period Ended 31 December 2018

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position (Continued)

	AS AT END OF CURRENT QUARTER 31/12/2018 RM Million	AS AT PRECEDING FINANCIAL YEAR END 30/06/2018 RM Million
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	787.0	786.7
Other reserves	(15.1)	(16.9)
Retained earnings	8,406.0	8,386.5
	<u>9,177.9</u>	<u>9,156.3</u>
Non-controlling interests	248.1	259.4
Total equity	<u>9,426.0</u>	<u>9,415.7</u>
Non-current liabilities		
Borrowings	4,352.3	4,284.5
Derivative liabilities	37.3	53.6
Deferred tax liabilities	1,106.7	1,114.7
Lease liabilities	49.1	-
Other long term liabilities	56.8	55.7
	<u>5,602.2</u>	<u>5,508.5</u>
Current liabilities		
Payables	598.7	650.1
Derivative liabilities	200.4	213.3
Short term borrowings	883.7	894.8
Other current liabilities	63.5	60.2
	<u>1,746.3</u>	<u>1,818.4</u>
Total liabilities	<u>7,348.5</u>	<u>7,326.9</u>
TOTAL EQUITY AND LIABILITIES	<u>16,774.5</u>	<u>16,742.6</u>
Net assets per share attributable to owners of the parent (RM)		
	1.46	1.46

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to this interim financial report.)



IOI GROUP

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(The figures have not been audited)

Condensed Consolidated Statement of Cash Flows

	6 Months Ended 31/12/2018 RM Million	6 Months Ended 31/12/2017 RM Million
Operating Activities		
Profit before taxation		
From continuing operations	434.2	1,073.0
From discontinued operations	-	125.4
	<u>434.2</u>	<u>1,198.4</u>
Adjustments for:		
Depreciation and amortisation	190.3	220.3
Other non-cash items	(11.8)	(299.3)
	<u>612.7</u>	<u>1,119.4</u>
Operating profit before working capital changes		
Increase in inventories	(3.2)	(71.4)
Decrease in payables and other liabilities	(58.0)	(110.3)
Increase in receivables and other assets	(64.6)	(3.8)
	<u>486.9</u>	<u>933.9</u>
Cash generated from operations		
Other payments	(1.8)	(0.6)
Net taxes paid	(179.1)	(180.1)
Net cash inflow from operating activities	<u>306.0</u>	<u>753.2</u>
Investing Activities		
Additional proceeds from disposal of subsidiaries	55.0	-
Interest received	35.4	23.2
Dividends received	14.9	14.5
Repayment from an associate	4.7	-
Proceeds from disposal of property, plant and equipment	0.4	4.8
Acquisition of additional interest in an associate	(3.0)	(1.5)
Additions to property, plant and equipment	(196.3)	(231.0)
Additions to prepaid lease payments	-	(1.4)
Net cash outflow from investing activities	<u>(88.9)</u>	<u>(191.4)</u>
Financing Activities		
Issuance of shares	0.2	-
Payment of lease	(4.4)	-
Dividends paid to non-controlling interests	(7.7)	(9.0)
Net (repayment)/drawdown of other borrowings	(33.4)	150.2
Repayment of term loans	(38.0)	(58.0)
Payment of finance costs	(92.4)	(97.7)
Payment of dividends	(282.8)	(314.2)
Net cash outflow from financing activities	<u>(458.5)</u>	<u>(328.7)</u>
Net (decrease)/increase in cash and cash equivalents	(241.4)	233.1
Cash and cash equivalents at beginning of period	2,764.6	1,522.1
Effect of exchange rate changes	3.1	(4.0)
	<u>2,526.3</u>	<u>1,751.2</u>
Cash and cash equivalents transferred to disposal group		
held for sale	-	(203.6)
Cash and cash equivalents at end of period	<u>2,526.3</u>	<u>1,547.6</u>

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to this interim financial report.)

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(The figures have not been audited)

Condensed Consolidated Statement of Changes In Equity

(RM Million)	Non-distributable					Distributable	Total attributable to owners of the parent	Non-controlling interests	Total equity
	Share capital	Capital reserve	Other reserve	Hedging reserve	Foreign currency translation reserve	Retained earnings			
As at 1 July 2018	786.7	24.1	(12.8)	(4.2)	(24.0)	8,386.5	9,156.3	259.4	9,415.7
Effect of adopting MFRS 9,15 & 16	-	-	-	-	-	(37.0)	(37.0)	-	(37.0)
As restated	786.7	24.1	(12.8)	(4.2)	(24.0)	8,349.5	9,119.3	259.4	9,378.7
Total comprehensive income/(loss)	-	-	-	2.2	(0.3)	339.3	341.2	(3.6)	337.6
Transactions with owners									
Dividends paid in respect of previous financial year	-	-	-	-	-	(282.8)	(282.8)	-	(282.8)
Issue of shares arising from exercise of share options	0.3	(0.1)	-	-	-	-	0.2	-	0.2
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(7.7)	(7.7)
As at 31 December 2018	787.0	24.0	(12.8)	(2.0)	(24.3)	8,406.0	9,177.9	248.1	9,426.0

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to this interim financial report.)

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(The figures have not been audited)

Condensed Consolidated Statement of Changes In Equity (Continued)

(RM Million)	Non-distributable					Distributable	Total attributable to owners of the parent	Non- controlling interests	Total equity
	Share capital	Capital reserve	Other reserve	Hedging reserve	Foreign currency translation reserve	Retained earnings			
As at 1 July 2017	783.8	26.8	(7.9)	(5.6)	25.1	6,635.2	7,457.4	261.3	7,718.7
Total comprehensive (loss)/income	-	-	(3.4)	(7.2)	(98.7)	955.9	846.6	14.4	861.0
Transactions with owners									
Dividends paid in respect of previous financial year	-	-	-	-	-	(314.2)	(314.2)	-	(314.2)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(9.0)	(9.0)
As at 31 December 2017	783.8	26.8	(11.3)	(12.8)	(73.6)	7,276.9	7,989.8	266.7	8,256.5

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to this interim financial report.)



IOI GROUP

Interim Report For The Financial Period Ended 31 December 2018

(The figures have not been audited)

a) Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 *Interim Financial Reporting*, IAS 34 *Interim Financial Reporting*, provision of the Companies Act 2016 in Malaysia and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2018.

The explanatory notes attached to this interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2018.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended June 2018 except for the adoption of the following new/revised MFRSs and amendments to MFRSs:

Title	Effective Date
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarification to MFRS 15	1 January 2018
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48
MFRS 16 <i>Leases</i>	1 January 2019

The adoption of the above MFRSs, amendments to MFRSs and IC Interpretations do not have any significant financial impact on the results and the financial position of the Group for the current quarter except for the following:

i. MFRS 9 *Financial Instruments*

MFRS 9 replaces MFRS 139 and introduces new requirements for classification and measurement of financial assets and financial liabilities, impairment and hedge accounting. MFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018.

Retrospective application is required but restatement of comparative information is not compulsory. The Group has applied this standard for financial year beginning on 1 July 2018 where no restatement of comparatives was made.



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(The figures have not been audited)

a) Accounting Policies (continued)

i. MFRS 9 *Financial Instruments* (continued)

Classification and measurement

MFRS 9 requires for a financial asset to be measured at amortised cost if the financial assets is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through other comprehensive income (“FVOCI”) if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets will be measured at fair value through profit or loss (“FVTPL”) if the assets that are held for trading or such financial assets are not qualify for neither held at amortised costs nor at FVOCI. Equity instruments that were not elected for FVOCI will be measured at FVTPL.

Classification and measurement of financial liabilities will remain largely unchanged.

Overall, there is no significant impact to the financial statements in the area of classification and measurement for financial assets and financial liabilities for the Group.

Impairment

MFRS 9 impairment requirements are based on an Expected Credit Loss (“ECL”) model that replaces the Incurred Loss model under MFRS 139. The ECL model applies to financial assets that are measured at amortised cost or at FVOCI and issued financial guarantee contracts, which will include trade receivables, advances to related companies and financial guarantee provided to third party in securing borrowings of related companies.

The Group has elected to use the Simplified Approach and to apply the provisional matrix approach, flow-rate model, to calculate the ECL for third party trade receivables. For financial assets other than trade receivables, including related company loans, the Group applies the Three-stage General Approach, ECL model, which takes into effect the 12-Month ECL for assets that are within Stage 1, and lifetime ECL for all financial instruments for which there have been significant increases in credit risk.

The initial application of the new ECL model does not have any significant impact on the financial statements of the Group.



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a) Accounting Policies (continued)

i. *MFRS 9 Financial Instruments* (continued)

Hedge accounting

The requirement for general hedge accounting in MFRS 9 have been simplified and may result in more designation of hedge items for accounting purposes.

The Group has retained the present hedge accounting when applying MFRS 9 and there is no impact on the financial statements of the Group.

ii. *MFRS 15 Revenue from Contracts with Customers*

MFRS 15 establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cashflows arising from an entity's contracts with customers. MFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018.

MFRS 15 supersedes the following standards:

- MFRS 111 *Construction Contracts*
- MFRS 118 *Revenue*
- IC Interpretation 13 *Customer Loyalty Programmes*
- IC Interpretation 15 *Agreements for the Construction of Real Estate*
- IC Interpretation 18 *Transfers of Assets from Customers*
- IC Interpretation 131 *Revenue – Barter Transactions Involving Advertising Services*

The Group has applied this standard using retrospective approach with cumulative effect method, the cumulative effect of initially applying this standard is an adjustment to the opening balance on initial application of MFRS 15 on 1 July 2018.

The principles in MFRS 15 requires for an entity to measure and recognise revenue through a five-step model as follows:

- 1) Identify the contract(s) with a customer;
- 2) Identify the performance obligation in the contract;
- 3) Determine the transaction price;
- 4) Allocate the transaction price to the performance obligations in the contract; and
- 5) Recognise revenue when (or as) the entity satisfies a performance obligation.

The initial application of MFRS 15 does not have any significant impact on the financial statements of the Group.



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(The figures have not been audited)

a) Accounting Policies (continued)

iii. *MFRS 16 Leases*

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires for lessee to account for all leases under a single on-balance sheet model. MFRS 16 will supersede MFRS 117 *Leases*, IC Interpretation 4 *Determining whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Lease – Incentives* and IC Interpretation 127 *Evaluating the Substance of Transaction Involving the Legal Form of a Lease*.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019 but early application is permitted. The Group has decided to early adopt and apply this standard using the cumulative effect approach, the cumulative effect of the initial application of this standard was adjusted to the opening balances on 1 July 2018.

The initial application of MFRS 16 does not have any significant impact on the financial statements of the Group.

iv. *Financial Impact*

The financial impact from the initial application of MFRS 9, 15 and 16 as at 1 July 2018 are as follows:

Condensed Consolidated Statement of Financial Position

	As previously stated RM Million	Effects of adoption MFRS 9 RM Million	Effects of adoption MFRS 15 RM Million	Effects of adoption MFRS 16 RM Million	As restated RM Million
As at 1 July 2018					
Assets					
Deferred tax assets	14.7	0.7	-	-	15.4
Other non-current assets	51.6	(2.4)	-	19.9	69.1
Trade and other receivables	816.2	(2.7)	-	-	813.5
Amounts due from associates	147.4	(1.1)	-	-	146.3
Liabilities					
Lease liabilities	-	-	-	51.8	51.8
Deferred tax liabilities	1,114.7	(0.4)	-	-	1,114.3
Equity					
Retained earnings	8,386.5	(5.1)	-	(31.9)	8,349.5



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b) Seasonal or Cyclical Factors

There were no significant seasonal or cyclical factors that affect the business of the Group for the quarter under review.

c) Unusual Items

There are no unusual items affecting assets, liabilities, equity, net income, and cash flows for the period under review.

d) Material Changes in Estimates of Amounts Reported

There are no changes in estimates of amounts reported in prior interim periods or financial years that have a material effect in the current financial period.

e) Details of Changes in Debt and Equity Securities

During the current financial period-to-date, the Company issued 55,000 shares for cash at RM4.42 per share arising from the exercise of options granted under the Company's Executive Share Option Scheme.

f) Dividends Paid

	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM Million	RM Million
Second interim single tier dividend in respect of financial year ended 30 June 2018		
- 4.5 sen per ordinary share	282.8	-
Second interim single tier dividend in respect of financial year ended 30 June 2017		
- 5.0 sen per ordinary share	-	314.2
	282.8	314.2

**IOI CORPORATION BERHAD** (9027-W)

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g) Segment Revenue & Results

(RM Million)	Plantation	Resource-based Manufacturing	Other Operations	Elimination	Total Continuing Operations	Discontinued Operations	Elimination	Total
6 Months Ended 31/12/18								
REVENUE								
External Sales	94.3	3,652.6	9.4	-	3,756.3	-	-	3,756.3
Inter-segment sales	747.5	-	-	(747.5)	-	-	-	-
Total Revenue	841.8	3,652.6	9.4	(747.5)	3,756.3	-	-	3,756.3
RESULT								
Operating profit	208.8	193.9	3.1	-	405.8	-	-	405.8
Share of results of associates	59.1	38.3	-	-	97.4	-	-	97.4
Share of results of joint ventures	-	(1.7)	-	-	(1.7)	-	-	(1.7)
Segment results before fair value adjustments	267.9	230.5	3.1	-	501.5	-	-	501.5
Fair value (loss)/gain on:								
Biological assets	(1.4)	-	-	-	(1.4)	-	-	(1.4)
Derivative financial instruments	0.3	38.0	-	-	38.3	-	-	38.3
Segment results	266.8	268.5	3.1	-	538.4	-	-	538.4

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g) Segment Revenue & Results (Continued)

(RM Million)	Plantation	Resource-based Manufacturing	Other Operations	Elimination	Total Continuing Operations	Discontinued Operations	Elimination	Total
6 Months Ended 31/12/17								
REVENUE								
External Sales	146.2	3,722.5	6.5	-	3,875.2	3,575.6	-	7,450.8
Inter-segment sales	1,144.6	-	-	(1,144.6)	-	-	-	-
Inter-operation sales*	-	730.6	-	-	730.6	182.0	(912.6)	-
Total Revenue	1,290.8	4,453.1	6.5	(1,144.6)	4,605.8	3,757.6	(912.6)	7,450.8
RESULT								
Operating profit	603.9	180.9	3.7	-	788.5	101.5	-	890.0
Share of results of associates	52.2	10.9	-	-	63.1	-	-	63.1
Share of results of joint ventures	-	(1.5)	-	-	(1.5)	-	-	(1.5)
Segment results before fair value adjustments	656.1	190.3	3.7	-	850.1	101.5	-	951.6
Fair value (loss)/gain on								
Biological assets	(9.5)	-	-	-	(9.5)	-	-	(9.5)
Derivative financial instruments	(0.1)	44.6	-	-	44.5	37.2	-	81.7
Segment results	646.5	234.9	3.7	-	885.1	138.7	-	1,023.8

*: Inter-operations sales within continuing operations and discontinued operations.

**IOI CORPORATION BERHAD** (9027-W)

(Incorporated in Malaysia)

IOI GROUP**Interim Report For The Financial Period Ended 31 December 2018**

(The figures have not been audited)

g) Segment Revenue & Results (Continued)

The reconciliations of the total reportable segment results are as follows:

	6 Months Ended 31/12/2018				6 Months Ended 31/12/2017			
	Continuing operations RM Million	Discontinued operations RM Million	Adjustment* RM Million	Total RM Million	Continuing operations RM Million	Discontinued operations RM Million	Adjustment* RM Million	Total RM Million
Total segment results	538.4	-	-	538.4	885.1	138.7	-	1,023.8
Unallocated corporate net income	30.5	-	-	30.5	0.6	-	-	0.6
Profit before interest and taxation	568.9	-	-	568.9	885.7	138.7	-	1,024.4
Finance costs	(90.5)	-	-	(90.5)	(103.3)	(18.2)	13.9	(107.6)
Interest income	39.7	-	-	39.7	34.4	4.9	(13.9)	25.4
Net foreign currency translation (loss)/gain on foreign currency denominated borrowings	(108.4)	-	-	(108.4)	265.0	-	-	265.0
Net foreign currency translation gain/(loss) on foreign currency denominated deposits	24.5	-	-	24.5	(8.8)	-	-	(8.8)
Profit before taxation	434.2	-	-	434.2	1,073.0	125.4	-	1,198.4
Taxation	(97.4)	-	-	(97.4)	(203.7)	(28.8)	-	(232.5)
Profit for the period	336.8	-	-	336.8	869.3	96.6	-	965.9

*: Inter-operations transactions within continuing operations and discontinued operations.

There were no material changes in segment assets and segment liabilities from the amount disclosed in the last audited annual financial statements.



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(The figures have not been audited)

h) Material Events Subsequent to the End of Financial Period

There were no material events subsequent to 31 December 2018 that have not been reflected in the financial statements.

i) Changes in the Composition of the Group

There were no material changes in the composition of the Group during the financial period ended 31 December 2018.

j) Contingent Liabilities

There were no significant changes in contingent liabilities since the last annual reporting date.



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(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

1) Detailed Analysis of the Performance of All Operating Segments of the Group

a) Q2 FY2019 vs. Q2 FY2018

For Q2 FY2019, the Group reported a profit before taxation (“PBT”) of RM239.0 million as compared to RM622.9 million reported for Q2 FY2018. The lower PBT is due mainly to lower operating profit and total net foreign currency translation loss on foreign currency denominated borrowings and deposits. Excluding the total net foreign currency translation loss of RM22.8 million (Q2 FY2018 – gain of RM188.1 million) on foreign currency denominated borrowings and deposits as well as lower fair value gain on derivative financial instruments from the resource-based manufacturing segment of RM17.8 million (Q2 FY2018 – RM66.1 million), the underlying PBT of RM244.0 million for Q2 FY2019 is 34% lower than the underlying PBT of RM368.7 million for Q2 FY2018, due mainly to lower contribution from plantation segment, mitigated by higher contribution from the resource-based manufacturing segment.

Plantation

The plantation segment profit for Q2 FY2019 of RM117.3 million is 66% lower than the profit for Q2 FY2018 of RM340.9 million. The lower profit reported is due mainly to lower CPO and PK prices realised. Average CPO price realised for Q2 FY2019 was RM1,932/MT (Q2 FY2018 – RM2,644/MT) and average PK price realised for Q2 FY2019 was RM1,444/MT (Q2 FY2018 – RM2,621/MT).

Resource-based Manufacturing

The resource-based manufacturing segment profit of RM139.3 million for Q2 FY2019 is higher than profit of RM128.3 million reported for Q2 FY2018. Excluding the fair value gain on derivative financial instruments, the underlying profit for resource-based manufacturing segment of RM121.5 million for Q2 FY2019 is 95% higher than the profit for Q2 FY2018 of RM62.2 million. The higher profit is mainly due to higher sales volume and margins from oleochemical and refining sub-segments as well as share of associate result from Bunge Loders Croklaan Group B.V. (“Loders”) (taken up as discontinued operations in Q2 FY2018 prior to the completion of divestment of Loders).



Interim Report For The Financial Period Ended 31 December 2018

(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

1) **Detailed Analysis of the Performance of All Operating Segments of the Group (Continued)**

a) **Q2 FY2019 vs. Q2 FY2018 (Continued)**

The analysis of contribution by segment is as follow:

	CURRENT YEAR QUARTER				PRECEDING YEAR CORRESPONDING QUARTER				DIFFERENCE RM Million
	Continuing operations RM Million	Discontinued operations RM Million	Adjustment* RM Million	Total RM Million	Continuing operations RM Million	Discontinued operations RM Million	Adjustment* RM Million	Total RM Million	
Plantation before fair value adjustments	127.3	-	-	127.3	352.2	-	-	352.2	(224.9)
Fair value loss on biological assets	(10.3)	-	-	(10.3)	(10.5)	-	-	(10.5)	0.2
Fair value gain/(loss) on derivative financial instruments	0.3	-	-	0.3	(0.8)	-	-	(0.8)	1.1
Plantation	117.3	-	-	117.3	340.9	-	-	340.9	(223.6)
Resource-based manufacturing before fair value gain on derivative financial instruments	121.5	-	-	121.5	62.2	90.6	-	152.8	(31.3)
Fair value gain on derivative financial instruments	17.8	-	-	17.8	66.1	12.4	-	78.5	(60.7)
Resource-based manufacturing	139.3	-	-	139.3	128.3	103.0	-	231.3	(92.0)
Other operations	3.2	-	-	3.2	1.9	-	-	1.9	1.3
Segment results	259.8	-	-	259.8	471.1	103.0	-	574.1	(314.3)
Unallocated corporate net income/(expenses)	21.9	-	-	21.9	(3.9)	-	-	(3.9)	25.8
Profit before interest and taxation	281.7	-	-	281.7	467.2	103.0	-	570.2	(288.5)
Finance costs	(43.6)	-	-	(43.6)	(49.2)	(8.2)	6.2	(51.2)	7.6
Interest income	23.7	-	-	23.7	16.8	4.3	(6.2)	14.9	8.8
Net foreign currency translation (loss)/gain on foreign currency denominated borrowings	(24.8)	-	-	(24.8)	196.4	-	-	196.4	(221.2)
Net foreign currency translation gain/(loss) on foreign currency denominated deposits	2.0	-	-	2.0	(8.3)	-	-	(8.3)	10.3
Profit before taxation	239.0	-	-	239.0	622.9	99.1	-	722.0	(483.0)

*: Inter-operations charges within continuing operations and discontinued operations.



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(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

- 1) **Detailed Analysis of the Performance of All Operating Segments of the Group (Continued)**
- b) **Q2 YTD FY2019 vs. Q2 YTD FY2018**

For Q2 YTD FY2019, the Group reported a PBT of RM434.2 million as compared to RM1,073.0 million reported for Q2 YTD FY2018. The lower PBT is due mainly to lower operating profit and total net foreign currency translation loss on foreign currency denominated borrowings and deposits. Excluding the total net foreign currency translation loss of RM83.9 million (Q2 YTD FY2018 – gain of RM256.2 million) on foreign currency denominated borrowings and deposits as well as fair value gain on derivative financial instruments from the resource-based manufacturing segment of RM38.0 million (Q2 YTD FY2018 – RM44.6 million), the underlying PBT of RM480.1 million for Q2 YTD FY2019 is 38% lower than the underlying PBT of RM772.2 million for Q2 YTD FY2018, due mainly to lower contribution from plantation segment, mitigated by higher contribution from the resource-based manufacturing segment.

Plantation

The plantation segment profit for Q2 YTD FY2019 of RM266.8 million is 59% lower than the profit for Q2 YTD FY2018 of RM646.5 million. The lower profit reported is due mainly to lower CPO and PK prices realised as well as lower FFB production. Average CPO and PK prices realised for Q2 YTD FY2019 were RM2,081/MT (Q2 YTD FY2018 – RM2,650/MT) and RM1,576/MT (Q2 YTD FY2018 – RM 2,468/MT) respectively. FFB production for Q2 YTD FY2019 was 1,696,476MT as compared to 1,886,192MT for Q2 YTD FY2018.

Resource-based Manufacturing

The resource-based manufacturing segment profit of RM268.5 million for Q2 YTD FY2019 is higher than profit of RM234.9 million reported for Q2 YTD FY2018. Excluding the fair value gain on derivative financial instruments, the underlying profit for resource-based manufacturing segment of RM230.5 million for Q2 YTD FY2019 is 21% higher than the profit of RM190.3 million for Q2 YTD FY2018. The higher profit is mainly due to higher sales volume and margins from oleochemical sub-segment and share of associate result from Bunge Lodders Croklaan Group B.V. (“Lodders”) (taken up as discontinued operations in Q2 YTD FY2018 prior to the completion of divestment of Lodders).



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(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

2) **Material Change in Profit Before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter**

The Group reported a PBT of RM239.0 million for Q2 FY2019 as compared to PBT of RM195.2 million for Q1 FY2019. Excluding the total net foreign currency translation loss of RM22.8 million (Q1 FY2019 – RM61.1 million) on foreign currency denominated borrowings and deposits as well as fair value gain on derivative financial instruments from the resource-based manufacturing segment of RM17.8 million (Q1 FY2019 – RM20.2 million), the underlying PBT of RM244.0 million for Q2 FY2019 is marginally higher than the underlying PBT of RM236.1 million for Q1 FY2019, due mainly to higher contribution from the resource-based manufacturing segment, offset by lower contribution from plantation segment.

Details of the segmental results are as follows:

Plantation

The plantation segment profit for Q2 FY2019 of RM117.3 million is 22% lower than the profit for Q1 FY2019 of RM149.5 million. The lower profit reported is due mainly to lower CPO price realised, mitigated by higher FFB production. Average CPO price realised for Q2 FY2019 was RM1,932/MT (Q1 FY2019 – RM2,255/MT) and FFB production for Q2 FY2019 was 983,147MT as compared to 713,329MT for Q1 FY2019.

Resource-based Manufacturing

The resource-based manufacturing segment reported a profit of RM139.3 million for Q2 FY2019 as compared to RM129.2 million reported for Q1 FY2019. Excluding the fair value gain on derivative financial instruments, the underlying profit for resource-based manufacturing segment of RM121.5 million for Q2 FY2019 is 11% higher than the underlying profit of RM109.0 million for Q1 FY2019 mainly due to higher sales volume and margins from refining sub-segment.



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(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

2) Material Change in Profit Before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter (Continued)

The analysis of contribution by segment is as follows:

	CURRENT QUARTER RM Million	PRECEDING QUARTER RM Million	DIFFERENCE RM Million
Plantation before fair value adjustments	127.3	140.6	(13.3)
Fair value (loss)/gain on biological assets	(10.3)	8.9	(19.2)
Fair value gain on derivative financial instruments	0.3	-	0.3
Plantation	117.3	149.5	(32.2)
Resource-based manufacturing before fair value gain on derivative financial instruments	121.5	109.0	12.5
Fair value gain on derivative financial instruments	17.8	20.2	(2.4)
Resource-based manufacturing	139.3	129.2	10.1
Other operations	3.2	(0.1)	3.3
Segment results	259.8	278.6	(18.8)
Unallocated corporate net income	21.9	8.6	13.3
Profit before interest and taxation	281.7	287.2	(5.5)
Finance costs	(43.6)	(46.9)	3.3
Interest income	23.7	16.0	7.7
Net foreign currency translation loss on foreign currency denominated borrowings	(24.8)	(83.6)	58.8
Net foreign currency translation gain on foreign currency denominated deposits	2.0	22.5	(20.5)
Profit before taxation	239.0	195.2	43.8



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Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

3) Prospects

Crude palm oil (“CPO”) price has improved from the three-year low in November 2018 to the current RM2,200 to RM2,300 per metric ton range. The current price is expected to be sustained with the possibility of further price increase during the second quarter of year 2019, when palm oil stock is expected to decline to below three million metric tons.

For our plantation segment, fresh fruit bunches (“FFB”) production is expected to decline in Q3 FY2019 in line with seasonal trend, and after the substantial increase in Q2 FY2019. However, with the increase in CPO price as mentioned earlier, we foresee a slight improvement in financial performance from the plantation segment during Q3 FY2019.

Price of palm kernel oil, a key raw material for our oleochemical business, has not increased in line with the increase in palm oil price. Coupled with the consistent demand for fatty acids and fatty esters, we expect our oleochemical sub-segment to continue to perform well in the coming quarter.

Our 30%-owned specialty fats associate company, Bunge Loders Croklaan, is expected to perform well with higher sales volume in the confectionery and nutrition categories, coupled with synergies arising from the integration of the company into the Bunge edible oils organisation. As a result, the resource-based manufacturing segment is expected to perform well.

Movements in the US Dollar–Ringgit and Euro–Ringgit exchange rates will continue to result in non-cash forex translation gain or loss on our USD and Euro–denominated borrowings. The Ringgit has been one of the better performing regional currencies which have appreciated against US Dollar and Euro since the beginning of this year.

Overall, the Group is expected to perform satisfactorily during the next two quarters in FY2019.

4) Achievability of Forecast Results

Not applicable.

5) Variance of Actual Profit from Forecast Results or Profit Guarantee

Not applicable.



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(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

6) Taxation

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER (6 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM Million	RM Million	RM Million	RM Million
The tax expense comprises the following:				
Current taxation				
- Current year	52.8	105.5	103.4	204.4
- Prior years	(0.2)	0.7	2.8	4.1
Deferred taxation				
- Current year	(9.4)	(8.9)	(9.0)	(4.8)
- Prior years	0.2	-	0.2	-
	43.4	97.3	97.4	203.7

The effective tax rate of the Group for Q2 FY2019 and Q2 YTD FY2019 are lower than the statutory tax rate due principally to the non-taxable net foreign currency translation gain on foreign currency denominated deposits and other non-taxable income offset against non-allowable net foreign currency translation loss on foreign currency denominated borrowings.

7) Corporate Proposal

- a) There was no corporate proposal announced by the Group but not completed as at 13 February 2019 (being a date not earlier than 7 days from the date of issue of the quarterly report).
- b) On 1 March 2018, the Group completed the disposal of 70% equity interest in Loders Croklaan Group B.V. with a preliminary disposal consideration of USD595.0 million plus EUR303.4 million (total approximately RM3,784.7 million). On 23 October 2018, the Group had received a net adjustment amount of EUR11.5 million (approximately RM55.0 million) upon finalisation of the intermediate disposal consideration in accordance with the terms of the sale and purchase agreement.

The status of utilisation of proceeds raised from the Corporate proposal as at 13 February 2019 (being a date not earlier than 7 days from the date of issue of the quarterly report) is as follows:

Purpose	Proposed Utilisation		Actual Utilisation		Intended Timeframe for Utilisation	Deviation	
	(%)	(RM Million)	(RM Million)	(RM Million)		Amount	%
Future investment	25.00	959.9	-	-	Within 24 months	-	-
Dividend to shareholders	20.00	767.9	722.7	722.7	Within 12 months	-	-
Repayment of borrowings	50.00	1,919.9	1,918.3	1,918.3	Within 24 months	-	-
General working capital	4.75	182.4	142.8	142.8	Within 24 months	-	-
Transaction expenses	0.25	9.6	9.6	9.6	Immediate	-	-
Total	100.00	3,839.7	2,793.4	2,793.4		-	-



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(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

8) Group Borrowings and Debts Securities

As at 31 December 2018	Long term		Short term		Total borrowings	
	Foreign currency (Million)	RM Equivalent (Million)	Foreign currency (Million)	RM Equivalent (Million)	Foreign currency (Million)	RM Equivalent (Million)
Unsecured						
Denominated in USD						
Notes	597.8	2,477.7	-	-	597.8	2,477.7
Islamic financing facilities	220.0	911.3	119.0	493.2	339.0	1,404.5
Trade financing	-	-	37.1	153.7	37.1	153.7
Denominated in JPY						
Term loans	21,000.0	788.6	-	-	21,000.0	788.6
Denominated in EUR						
Islamic financing facilities	35.0	166.1	-	-	35.0	166.1
Trade financing	-	-	26.5	125.7	26.5	125.7
Finance lease obligation	1.8	8.6	-	-	1.8	8.6
Denominated in RM						
Trade financing	-	-	-	111.1	-	111.1
Total		4,352.3		883.7		5,236.0

As at 31 December 2017	Long term		Short term		Total borrowings	
	Foreign currency (Million)	RM Equivalent (Million)	Foreign currency (Million)	RM Equivalent (Million)	Foreign currency (Million)	RM Equivalent (Million)
Continuing operations						
Unsecured						
Denominated in USD						
Notes	597.2	2,424.5	-	-	597.2	2,424.5
Islamic financing facilities	360.0	1,460.5	318.9	1,294.6	678.9	2,755.1
Trade financing	-	-	49.7	201.6	49.7	201.6
Denominated in JPY						
Term loans	21,000.0	755.1	-	-	21,000.0	755.1
Denominated in EUR						
Islamic financing facilities	58.0	281.4	10.0	48.5	68.0	329.9
Trade financing	-	-	27.2	132.0	27.2	132.0
Finance lease obligation	1.8	8.8	-	-	1.8	8.8
Denominated in IDR						
Trade financing	-	-	9,000.0	2.7	9,000.0	2.7
		4,930.3		1,679.4		6,609.7
Discontinued operations						
Unsecured						
Denominated in USD						
Trade financing	-	-	14.0	56.5	14.0	56.5
Denominated in EUR						
Trade financing	-	-	74.4	360.8	74.4	360.8
Denominated in RM						
Trade financing	-	-	-	50.4	-	50.4
		-		467.7		467.7
Total		4,930.3		2,147.1		7,077.4

Exchange rates applied

USD/RM
JPY100/RM
EUR/RM
IDR1000/RM

As at 31 December 2018

As at 31 December 2017

4.1445
3.7553
4.7430
0.2847
4.0595
3.5955
4.8489
0.2993



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(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

9) Derivative Financial Instruments

a) The outstanding forward foreign exchange contracts as at 31 December 2018 are as follows:

	Contract/Notional Value (Million) Net (short)/long				Fair Value – (liabilities)/assets (RM Million)				
	Base Currency	<1 year	1 year to 3 years	More than 3 years	Total	<1 year	1 year to 3 years	More than 3 years	Total
Vanilla Contracts									
USD/RM	USD	(164.1)	-	-	(164.1)	(0.3)	-	-	(0.3)
EUR/RM	EUR	(19.5)	-	-	(19.5)	0.8	-	-	0.8
JPY/RM	JPY	(568.2)	-	-	(568.2)	(0.2)	-	-	(0.2)
GBP/RM	GBP	(1.1)	-	-	(1.1)	0.1	-	-	0.1
RM/RMB	RMB	(11.7)	-	-	(11.7)	-	-	-	-
						0.4	-	-	0.4

The above 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 liabilities.

There is minimal credit risk as the contracts were entered into with reputable banks.

b) The outstanding commodity contracts as at 31 December 2018 are as follows:

	Contract/Notional Value (Million) Net (short)/long				Fair Value – assets/(liabilities) (RM Million)				
	Base Currency	<1 year	1 year to 3 years	More than 3 years	Total	<1 year	1 year to 3 years	More than 3 years	Total
Forward Contracts									
	USD	(146.5)	-	-	(146.5)	47.8	-	-	47.8
	RM	146.4	-	-	146.4	2.9	-	-	2.9
						50.7	-	-	50.7
Futures	RM	70.2	-	-	70.2	(3.3)	-	-	(3.3)
						(3.3)	-	-	(3.3)

The above commodity contracts 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 associated credit risk is minimal as these contracts were entered into with brokers of commodity exchanges.



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(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

9) Derivative Financial Instruments (Continued)

c) The outstanding cross currency swap contracts as at 31 December 2018 are as follows:

	Contract/Notional Value (Million)				Fair Value – assets/(liabilities) (RM Million)				
	Base Currency	<1 year	1 year to 3 years	More than 3 years	Total	<1 year	1 year to 3 years	More than 3 years	Total
JPY liability to USD liability ¹	JPY	-	-	15,000.0	15,000.0	-	-	98.6	98.6
JPY liability to USD liability ²	JPY	-	-	6,000.0	6,000.0	-	-	38.1	38.1
Fixed rate USD liability to fixed rate EUR liability ³	USD	-	-	100.0	100.0	-	-	(30.2)	(30.2)
Floating rate USD liability to fixed rate EUR liability ⁴	USD	-	100.0	-	100.0	-	(7.1)	-	(7.1)

¹ The contracts effectively swapped the Group's JPY15.0 billion 30-year Fixed Rate Term Loan due 2037 into USD128 million liability and serve as a cashflow hedge for the Group's principal repayment for the JPY loan obtained.

² The contracts effectively swapped the Group's JPY6.0 billion 30-year Fixed Rate Term Loan due 2038 into USD55 million liability and serve as a cashflow hedge for the Group's principal repayment for the JPY loan obtained.

³ The contracts effectively swapped part of the Group's USD600 million 4.375% Guaranteed Notes due 2022 into fixed rate EUR liability and serve as a net investments hedge against the Group's Euro denominated assets.

⁴ The contracts effectively swapped part of the Group's USD110 million floating rate Foreign Currency Revolving Credit Facility-i (FCRC-i) into fixed rate EUR liability and serve as a net investments hedge against the Group's Euro denominated assets.

There is minimal credit risk as the swaps were entered into with reputable banks.

d) The outstanding interest rate swap contracts as at 31 December 2018 are as follows:

	Contract/Notional Value (Million)				Fair Value – assets (RM Million)				
	Base Currency	<1 year	1 year to 3 years	More than 3 years	Total	<1 year	1 year to 3 years	More than 3 years	Total
Interest Rate Swaps ¹	USD	-	-	110.0	110.0	-	-	8.8	8.8

¹ The contracts effectively swapped the Group's floating interest rate to fixed interest rate to hedge against interest rate fluctuations.

There is minimal credit risk as the swaps were entered into with reputable banks.



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(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

9) Derivative Financial Instruments (Continued)

e) Put and call options contract

Following the disposal of 70% in Loders Croklaan Group B.V. (“Loders”), the Company has on 1 March 2018 entered into a shareholders’ agreement (“SHA”) with Loders and Koninklijke Bunge B.V. (“Bunge”). Under the SHA, for a period of 5 years from 1 March 2018 (“Option Period”), the Company shall have the right to require Bunge to purchase all, but not less than all, of the Company’s equity interest in Loders (“Put Option”) for a purchase price calculated in accordance with the SHA (“Put Price”). During the Option Period, Bunge shall have the right to require the Company to sell all, but not less than all, of the Company’s equity interest in Loders (“Call Option”) for a purchase price equals to 25% above such Put Price.

The outstanding put and call options as at 31 December 2018 are as follows:

	Contract/Notional Value (Million)	Fair Value – assets/(liabilities) (RM Million)
Put Option	USD255.0 million plus EUR128.0 million (“Put Price”) ¹	348.2
Call Option	125% of Put Price	(146.9)
		201.3

¹ The Put Price is subject to adjustments in accordance with the terms of SHA.

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
 - Cross currency swap contract which swapped a fixed rate USD100.0 million liability to a fixed rate EUR90.9 million liability; and
 - Cross currency swap contract which swapped a floating rate USD100.0 million liability to a fixed rate EUR90.1 million liability.
- ii. Derivatives recognised in the profit or loss
 - All other derivatives other than those mentioned in (i) above.



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(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

10) Fair Value Changes of Financial Liabilities

Type of Financial Liability	Fair Value gain/(loss)		Basis of Fair Value Measurement	Reason for gain/(loss)
	Current Quarter	Current Year To Date		
	RM Million	RM Million		
Forward foreign exchange contracts	19.4	14.8	The difference between the contracted rates and the market forward rates	The exchange rates have moved favourably for the Group from the last measurement date
Commodity futures	0.2	(2.2)	The difference between the contracted prices rate and forward prices	The prices for the respective commodity futures have moved favourably for/unfavourably against the Group from the last measurement date
Commodity forward contracts	(17.1)	(27.1)	The difference between the contracted prices rate and forward prices	The prices for the respective commodity forward contracts have moved unfavourably against the Group from the last measurement date
Cross currency swap contracts	15.9	16.2	Based on spot, forward and interest rate term structure for the respective currencies	The forward and interest rate term structure for the respective currencies have moved favourably for the Group from the last measurement date
Call option	8.8	27.5	The difference between strike prices and underlying prices	The prices for the call option have moved favourably for the Group from the last measurement date



Interim Report For The Financial Period Ended 31 December 2018

(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

11) Notes to the Condensed Consolidated Statement of Comprehensive Income

Profit for the period has been arrived after (crediting)/charging:

	CURRENT YEAR QUARTER 31/12/18 RM Million	CURRENT YEAR TO DATE 31/12/18 RM Million
Continuing operations		
Interest income	(23.7)	(39.7)
Other income including investment income		
- Dividend income	(1.7)	(2.3)
Finance costs	43.6	90.5
Depreciation and amortisation	97.3	190.3
Net receivables written back	(8.6)	(8.6)
Net inventories written back	(9.9)	(9.1)
Net foreign currency translation loss on foreign currency denominated borrowings	24.8	108.4
Net foreign currency translation gain on foreign currency denominated deposits	(2.0)	(24.5)
Foreign currency exchange loss	4.1	8.4
Fair value gain on derivatives	(18.1)	(38.3)
Fair value gain on put and call options	(6.8)	(25.3)
Net loss arising from changes in fair value of biological assets	10.3	1.4

Other than as per disclosed above, the group does not have other material items that recognised as profit/loss in the statement of profit or loss and statement of other comprehensive income.

12) Material Litigation

There is no new material litigation or significant changes to the status of material litigations which are pending disposal in the courts since 30 June 2018.



IOI GROUP

IOI CORPORATION BERHAD (9027-W)
(Incorporated in Malaysia)

Interim Report For The Financial Period Ended 31 December 2018

(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

13) Dividend

The Board has on 20 February 2019 declared an interim single tier dividend of 3.5 sen (31 December 2017: 4.5 sen) per ordinary share in respect of the financial year ending 30 June 2019 which is not taxable in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the Income Tax Act 1967.

The dividend will be payable on 22 March 2019 to shareholders whose names appear in the Record of Depositors and Register of Members of the Company at the close of business on 12 March 2019.

A Depositor shall qualify for entitlement only in respect of:

- a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 12 March 2019 in respect of transfers; and
- b) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 8 March 2019 (in respect of shares which are exempted from mandatory deposit); and
- c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

The total cash dividend declared to date for the current financial year is a single tier dividend of 3.5 sen (31 December 2017: 4.5 sen) per ordinary share.



Interim Report For The Financial Period Ended 31 December 2018

(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

14) Earnings per Share

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER (6 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM Million	RM Million	RM Million	RM Million
a) Basic earnings per share				
Profit for the period attributable to owners of the parent				
From continuing operations	195.5	518.4	339.3	859.3
From discontinued operations	-	77.5	-	96.6
	195.5	595.9	339.3	955.9
Weighted average number of ordinary shares in issue (Million)	6,284.4	6,283.9	6,284.4	6,283.9
Basic (sen)				
From continuing operations	3.11	8.25	5.40	13.67
From discontinued operations	-	1.23	-	1.54
Total	3.11	9.48	5.40	15.21
b) Diluted earnings per share				
Profit for the period attributable to owners of the parent				
From continuing operations	195.5	518.4	339.3	859.3
From discontinued operations	-	77.5	-	96.6
	195.5	595.9	339.3	955.9
Adjusted weighted average number of ordinary shares in issue (Million)				
Weighted average number of ordinary shares in issue	6,284.4	6,283.9	6,284.4	6,283.9
Assumed exercise of Executive Share Options at beginning of period	-	0.3	0.2	0.3
	6,284.4	6,284.2	6,284.6	6,284.2
Diluted (sen)				
From continuing operations	3.11	8.25	5.40	13.67
From discontinued operations	-	1.23	-	1.54
Total	3.11	9.48	5.40	15.21



Interim Report For The Financial Period Ended 31 December 2018

(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

15) Audit Qualification

The audit report on the Group's preceding year's financial statements is not qualified.

By Order of the Board

Tan Choong Kiang
Company Secretary

Putrajaya
20 February 2019



Interim Report For The Financial Period Ended 31 December 2018

(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

Group Plantation Statistics

		As At 31/12/2018	As At 31/12/2017
Planted Area			
Oil palm			
Mature	<i>(hectares)</i>	151,498	149,980
Total planted	<i>(hectares)</i>	175,272	175,198
Rubber			
Mature	<i>(hectares)</i>	415	415
Total planted	<i>(hectares)</i>	475	470
Total Titled Area	<i>(hectares)</i>	217,919	217,760

		31/12/2018 (6 months)	31/12/2017 (6 months)
Average Mature Area Harvested			
Oil Palm	<i>(hectares)</i>	149,207	147,426
Production			
Oil Palm			
FFB production	<i>(tonnes)</i>	1,696,476	1,886,192
Yield per mature hectare	<i>(tonnes)</i>	11.37	12.79
FFB processed	<i>(tonnes)</i>	1,750,242	1,939,153
Crude palm oil production	<i>(tonnes)</i>	376,955	408,269
Palm kernel production	<i>(tonnes)</i>	80,624	93,512
Crude palm oil extraction rate	<i>(%)</i>	21.54%	21.05%
Palm kernel extraction rate	<i>(%)</i>	4.61%	4.82%
Average Selling Price Realised			
Oil palm			
Crude palm oil	<i>(RM/tonne)</i>	2,081	2,650
Palm kernel	<i>(RM/tonne)</i>	1,576	2,468