



**IOI GROUP**

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

(Incorporated in Malaysia)

**Interim Report  
For The Financial Period Ended  
31 March 2019**



IOI GROUP

# IOI CORPORATION BERHAD (9027-W)

(Incorporated in Malaysia)

## Interim Report For The Financial Period Ended 31 March 2019

(The figures have not been audited)

### Condensed Consolidated Statement of Profit or Loss

	INDIVIDUAL QUARTER (Q3)			CUMULATIVE QUARTER (9 Mths)		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	Changes (%)	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	Changes (%)
	31/03/2019 RM Million	31/03/2018 RM Million		31/03/2019 RM Million	31/03/2018 RM Million	
<b>CONTINUING OPERATIONS</b>						
Revenue ^	<b>1,891.1</b>	1,740.3	9%	<b>5,647.4</b>	5,615.5	1%
<b>Operating profit</b>	<b>289.2</b>	262.2	10%	<b>762.4</b>	1,086.3	-30%
Share of results of associates	<b>48.4</b>	35.4	37%	<b>145.8</b>	98.5	48%
Share of results of joint ventures	<b>(0.7)</b>	(0.9)	22%	<b>(2.4)</b>	(2.4)	0%
<b>Profit before interest and taxation</b>	<b>336.9</b>	296.7	14%	<b>905.8</b>	1,182.4	-23%
Interest income	<b>17.5</b>	13.8	27%	<b>57.2</b>	48.2	19%
Finance costs	<b>(46.2)</b>	(50.2)	-8%	<b>(136.7)</b>	(153.5)	-11%
Net foreign currency translation gain/(loss) on foreign currency denominated borrowings	<b>67.3</b>	201.9	-67%	<b>(41.1)</b>	466.9	nm
Net foreign currency translation (loss)/gain on foreign currency denominated deposits	<b>(10.1)</b>	(31.5)	-68%	<b>14.4</b>	(40.3)	nm
<b>Profit before taxation</b>	<b>365.4</b>	430.7	-15%	<b>799.6</b>	1,503.7	-47%
Taxation	<b>(125.4)</b>	(76.1)	65%	<b>(222.8)</b>	(279.8)	-20%
<b>Profit from continuing operations</b>	<b>240.0</b>	354.6	-32%	<b>576.8</b>	1,223.9	-53%
<b>DISCONTINUED OPERATIONS</b>						
Profit from discontinued operations	-	55.3	nm	-	151.9	nm
Gain on disposal of discontinued operations	-	1,199.2	nm	-	1,199.2	nm
Gain on re-measurement of share of associate	-	299.3	nm	-	299.3	nm
Recognition of fair value of put-call options	-	162.5	nm	-	162.5	nm
	-	1,716.3	nm	-	1,812.9	nm
<b>Profit for the period</b>	<b>240.0</b>	2,070.9	-88%	<b>576.8</b>	3,036.8	-81%
<b>Attributable to owners of the parent:</b>						
From continuing operations	<b>245.8</b>	352.5	-30%	<b>585.1</b>	1,211.8	-52%
From discontinued operations	-	1,716.3	nm	-	1,812.9	nm
	<b>245.8</b>	2,068.8	-88%	<b>585.1</b>	3,024.7	-81%
<b>Attributable to non-controlling interests</b>						
	<b>(5.8)</b>	2.1	nm	<b>(8.3)</b>	12.1	nm
	<b>240.0</b>	2,070.9	-88%	<b>576.8</b>	3,036.8	-81%

\*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 (Q3)			CUMULATIVE QUARTER (9 Mths)		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	Changes (%)	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	Changes (%)
	31/03/2019 RM Million	31/03/2018 RM Million		31/03/2019 RM Million	31/03/2018 RM Million	
<b>Earnings per share for profit attributable to owners of the parent (sen)</b>						
<b>Basic earnings per share</b>						
From continuing operations	3.91	5.61	-30%	9.31	19.28	-52%
From discontinued operations	-	27.31	nm	-	28.85	nm
Total	<b>3.91</b>	<b>32.92</b>	<b>-88%</b>	<b>9.31</b>	<b>48.13</b>	<b>-81%</b>
<b>Diluted earnings per share</b>						
From continuing operations	3.91	5.61	-30%	9.31	19.28	-52%
From discontinued operations	-	27.31	nm	-	28.85	nm
Total	<b>3.91</b>	<b>32.92</b>	<b>-88%</b>	<b>9.31</b>	<b>48.13</b>	<b>-81%</b>

(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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**IOI CORPORATION BERHAD** (9027-W)  
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**Interim Report For The Financial Period Ended 31 March 2019**

(The figures have not been audited)

**Condensed Consolidated Statement of Other Comprehensive Income**

	INDIVIDUAL QUARTER (Q3)			CUMULATIVE QUARTER (9 Mths)		
	CURRENT YEAR	PRECEDING YEAR	Changes	CURRENT YEAR	PRECEDING YEAR	Changes
	QUARTER	CORRESPONDING QUARTER		TO DATE	CORRESPONDING PERIOD	
	31/03/2019	31/03/2018	(%)	31/03/2019	31/03/2018	(%)
	RM Million	RM Million		RM Million	RM Million	
<b>Profit for the period</b>	<b>240.0</b>	<b>2,070.9</b>	<b>-88%</b>	<b>576.8</b>	<b>3,036.8</b>	<b>-81%</b>
<b>Other comprehensive (loss)/income that will not be reclassified subsequently to profit or loss</b>						
Share of other comprehensive loss of associates	(2.1)	(2.3)	9%	(2.1)	(5.7)	63%
Share of reserves of associates arising from changes in accounting estimates	-	9.9	nm	-	9.9	nm
Actuarial loss on defined benefit obligation	(0.5)	-	nm	(0.5)	-	nm
	<b>(2.6)</b>	<b>7.6</b>	<b>nm</b>	<b>(2.6)</b>	<b>4.2</b>	<b>nm</b>
<b>Other comprehensive (loss)/income that will be reclassified subsequently to profit or loss when specific conditions are met</b>						
Exchange differences on translation of foreign operations	(13.4)	48.4	nm	15.4	(40.2)	nm
Share of other comprehensive income/(loss) of associates	31.6	(1.6)	nm	1.4	(7.3)	nm
Hedge of net investments in foreign operations	2.0	11.2	-82%	4.2	4.0	5%
<b>Other comprehensive income/(loss) for the period</b>	<b>20.2</b>	<b>58.0</b>	<b>-65%</b>	<b>21.0</b>	<b>(43.5)</b>	<b>nm</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>257.6</b>	<b>2,136.5</b>	<b>-88%</b>	<b>595.2</b>	<b>2,997.5</b>	<b>-80%</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the parent	263.9	2,130.5	-88%	605.1	2,977.1	-80%
Non-controlling interests	(6.3)	6.0	nm	(9.9)	20.4	nm
	<b>257.6</b>	<b>2,136.5</b>	<b>-88%</b>	<b>595.2</b>	<b>2,997.5</b>	<b>-80%</b>

(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**

	<b>AS AT END OF CURRENT QUARTER 31/03/2019 RM Million</b>	<b>AS AT PRECEDING FINANCIAL YEAR END 30/06/2018 RM Million</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	8,435.0	8,411.2
Intangible assets	393.5	394.9
Investments in associates	2,590.3	2,491.1
Derivative assets	145.5	155.4
Deferred tax assets	15.0	14.7
Other non-current assets	62.1	51.6
	<b>11,641.4</b>	<b>11,518.9</b>
<b>Current assets</b>		
Inventories	946.4	949.1
Receivables	787.0	816.2
Derivative assets	423.7	398.9
Other investments	72.5	86.1
Amount due from associates	107.0	147.4
Other current assets	110.7	61.4
Short term funds	1,276.3	1,087.9
Deposits with financial institutions	563.2	1,276.0
Cash and bank balances	474.2	400.7
	<b>4,761.0</b>	<b>5,223.7</b>
<b>TOTAL ASSETS</b>	<b>16,402.4</b>	<b>16,742.6</b>

(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.)



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**Condensed Consolidated Statement of Financial Position (Continued)**

	AS AT END OF CURRENT QUARTER 31/03/2019 RM Million	AS AT PRECEDING FINANCIAL YEAR END 30/06/2018 RM Million
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	787.8	786.7
Other reserves	3.3	(16.9)
Retained earnings	8,431.4	8,386.5
	<u>9,222.5</u>	<u>9,156.3</u>
<b>Non-controlling interests</b>	<u>239.7</u>	<u>259.4</u>
<b>Total equity</b>	<u>9,462.2</u>	<u>9,415.7</u>
<b>Non-current liabilities</b>		
Borrowings	4,237.9	4,284.5
Derivative liabilities	16.3	53.6
Deferred tax liabilities	1,162.0	1,114.7
Long term lease liabilities	41.6	-
Other long term liabilities	58.7	55.7
	<u>5,516.5</u>	<u>5,508.5</u>
<b>Current liabilities</b>		
Payables	651.9	650.1
Derivative liabilities	141.0	213.3
Short term borrowings	560.8	894.8
Other current liabilities	70.0	60.2
	<u>1,423.7</u>	<u>1,818.4</u>
<b>Total liabilities</b>	<u>6,940.2</u>	<u>7,326.9</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>16,402.4</u>	<u>16,742.6</u>
<b>Net assets per share attributable to owners of the parent (RM)</b>	<b>1.47</b>	<b>1.46</b>

(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.)



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**Interim Report For The Financial Period Ended 31 March 2019**

(The figures have not been audited)

**Condensed Consolidated Statement of Cash Flows**

	<b>9 Months Ended 31/03/2019 RM Million</b>	<b>9 Months Ended 31/03/2018 RM Million</b>
<b>Operating Activities</b>		
Profit before taxation		
From continuing operations	799.6	1,503.7
From discontinued operations	-	1,840.5
	<u>799.6</u>	<u>3,344.2</u>
Adjustments for:		
Depreciation and amortisation	282.6	317.5
Other non-cash items	(107.7)	(2,080.7)
Operating profit before working capital changes	<u>974.5</u>	<u>1,581.0</u>
Decrease in inventories	3.2	104.1
Decrease in payables and other liabilities	(34.2)	(406.8)
Decrease in receivables and other assets	39.8	171.4
Cash generated from operations	<u>983.3</u>	<u>1,449.7</u>
Other payments	(2.1)	(0.9)
Net taxes paid	(228.3)	(287.8)
<b>Net cash inflow from operating activities</b>	<u><b>752.9</b></u>	<u><b>1,161.0</b></u>
<b>Investing Activities</b>		
Additional proceeds from disposal of subsidiaries	55.0	-
Interest received	54.6	34.3
Dividends received	42.9	17.7
Repayment from an associate	4.7	-
Proceeds from disposal of property, plant and equipment	1.3	22.0
Acquisition of additional interest in an associate	(3.0)	(1.5)
Additions to property, plant and equipment	(295.3)	(356.9)
Proceeds from disposal of the discontinued operations, net of cash and cash equivalents disposed	-	3,462.1
Additions to prepaid lease payments	-	(1.9)
<b>Net cash (outflow)/inflow from investing activities</b>	<u><b>(139.8)</b></u>	<u><b>3,175.8</b></u>
<b>Financing Activities</b>		
Issuance of shares	0.9	1.7
Payment of lease	(7.4)	-
Dividends paid to non-controlling interests	(9.8)	(9.0)
Repayment of term loans	(84.4)	(535.3)
Payment of finance costs	(117.3)	(140.6)
Net repayment of other borrowings	(342.6)	(75.5)
Payment of dividends	(502.8)	(1,319.7)
<b>Net cash outflow from financing activities</b>	<u><b>(1,063.4)</b></u>	<u><b>(2,078.4)</b></u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u><b>(450.3)</b></u>	<u><b>2,258.4</b></u>
<b>Cash and cash equivalents at beginning of period</b>	<u><b>2,764.6</b></u>	<u><b>1,522.1</b></u>
<b>Effect of exchange rate changes</b>	<u><b>(0.6)</b></u>	<u><b>(41.4)</b></u>
<b>Cash and cash equivalents at end of period</b>	<u><b>2,313.7</b></u>	<u><b>3,739.1</b></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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**IOI GROUP****Interim Report For The Financial Period Ended 31 March 2019**

(The figures have not been audited)

**Condensed Consolidated Statement of Changes In Equity**

(RM Million)	Non-distributable					Distributable		Non-controlling interests	Total equity
	Share capital	Capital reserve	Other reserve	Hedging reserve	Foreign currency translation reserve	Retained earnings	Total attributable to owners of the parent		
<b>As at 1 July 2018</b>	<b>786.7</b>	<b>24.1</b>	<b>(12.8)</b>	<b>(4.2)</b>	<b>(24.0)</b>	<b>8,386.5</b>	<b>9,156.3</b>	<b>259.4</b>	<b>9,415.7</b>
Effect of adopting MFRS 9,15 & 16	-	-	-	-	-	(37.0)	(37.0)	-	(37.0)
As restated	<b>786.7</b>	<b>24.1</b>	<b>(12.8)</b>	<b>(4.2)</b>	<b>(24.0)</b>	<b>8,349.5</b>	<b>9,119.3</b>	<b>259.4</b>	<b>9,378.7</b>
<b>Total comprehensive (loss)/income</b>	<b>-</b>	<b>-</b>	<b>(2.1)</b>	<b>4.2</b>	<b>18.3</b>	<b>584.7</b>	<b>605.1</b>	<b>(9.9)</b>	<b>595.2</b>
<b>Transactions with owners</b>									
Dividends paid in respect of current financial year	-	-	-	-	-	(220.0)	(220.0)	-	(220.0)
Dividends paid in respect of previous financial year	-	-	-	-	-	(282.8)	(282.8)	-	(282.8)
Issue of shares arising from exercise of share options	<b>1.1</b>	<b>(0.2)</b>	-	-	-	-	<b>0.9</b>	-	<b>0.9</b>
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(9.8)	(9.8)
<b>As at 31 March 2019</b>	<b>787.8</b>	<b>23.9</b>	<b>(14.9)</b>	<b>-</b>	<b>(5.7)</b>	<b>8,431.4</b>	<b>9,222.5</b>	<b>239.7</b>	<b>9,462.2</b>

(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 CORPORATION BERHAD** (9027-W)

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**IOI GROUP****Interim Report For The Financial Period Ended 31 March 2019**

(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			
<b>As at 1 July 2017</b>	783.8	26.8	(7.9)	(5.6)	25.1	6,635.2	7,457.4	261.3	7,718.7
<b>Total comprehensive (loss)/income</b>	-	-	(5.8)	4.0	(55.9)	3,034.8	2,977.1	20.4	2,997.5
<b>Transactions with owners</b>									
Dividends paid in respect of current financial year	-	-	-	-	-	(282.8)	(282.8)	-	(282.8)
Special dividends in respect of current financial year	-	-	-	-	-	(722.7)	(722.7)	-	(722.7)
Dividends paid in respect of previous financial year	-	-	-	-	-	(314.2)	(314.2)	-	(314.2)
Issue of shares arising from exercise of share options	1.7	-	-	-	-	-	1.7	-	1.7
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(9.0)	(9.0)
<b>As at 31 March 2018</b>	<b>785.5</b>	<b>26.8</b>	<b>(13.7)</b>	<b>(1.6)</b>	<b>(30.8)</b>	<b>8,350.3</b>	<b>9,116.5</b>	<b>272.7</b>	<b>9,389.2</b>

(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 March 2019**

(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:

<b>Title</b>	<b>Effective Date</b>
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.

**Interim Report For The Financial Period Ended 31 March 2019**

(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.



**Interim Report For The Financial Period Ended 31 March 2019**

(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
<b>As at 1 July 2018</b>					
<b>Assets</b>					
Deferred tax assets	14.7	0.7	-	-	<b>15.4</b>
Other non-current assets	51.6	(2.4)	-	19.9	<b>69.1</b>
Trade and other receivables	816.2	(2.7)	-	-	<b>813.5</b>
Amounts due from associates	147.4	(1.1)	-	-	<b>146.3</b>
<b>Liabilities</b>					
Lease liabilities	-	-	-	51.8	<b>51.8</b>
Deferred tax liabilities	1,114.7	(0.4)	-	-	<b>1,114.3</b>
<b>Equity</b>					
Retained earnings	8,386.5	(5.1)	-	(31.9)	<b>8,349.5</b>



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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 195,000 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**

	<b>CURRENT YEAR TO DATE</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD</b>
	<b>RM Million</b>	<b>RM Million</b>
First interim single tier dividend in respect of financial year ended 30 June 2019		
- 3.5 sen per ordinary share	<b>220.0</b>	-
Second interim single tier dividend in respect of financial year ended 30 June 2018		
- 4.5 sen per ordinary share	<b>282.8</b>	-
First interim single tier dividend in respect of financial year ended 30 June 2018		
- 4.5 sen per ordinary share	-	282.8
Special single tier dividend in respect of financial year ended 30 June 2018		
- 11.5 sen per ordinary share	-	722.7
Second interim single tier dividend in respect of financial year ended 30 June 2017		
- 5.0 sen per ordinary share	-	314.2
	<b>502.8</b>	<b>1,319.7</b>

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**g) Segment Revenue & Results**

(RM Million)	Plantation	Resource-based Manufacturing	Other Operations	Elimination	Total Continuing Operations	Discontinued Operations	Elimination	Total
<b>9 Months Ended 31/03/19</b>								
<b>REVENUE</b>								
External Sales	140.3	5,495.3	11.8	-	5,647.4	-	-	5,647.4
Inter-segment sales	1,185.0	-	-	(1,185.0)	-	-	-	-
<b>Total Revenue</b>	<b>1,325.3</b>	<b>5,495.3</b>	<b>11.8</b>	<b>(1,185.0)</b>	<b>5,647.4</b>	<b>-</b>	<b>-</b>	<b>5,647.4</b>
<b>RESULT</b>								
Operating profit	322.4	339.3	1.2	-	662.9	-	-	662.9
Share of results of associates	78.2	67.6	-	-	145.8	-	-	145.8
Share of results of joint ventures	-	(2.4)	-	-	(2.4)	-	-	(2.4)
Segment results before fair value adjustments	400.6	404.5	1.2	-	806.3	-	-	806.3
Fair value (loss)/gain on:								
Biological assets	(1.1)	-	-	-	(1.1)	-	-	(1.1)
Derivative financial instruments	(0.1)	60.6	-	-	60.5	-	-	60.5
<b>Segment results</b>	<b>399.4</b>	<b>465.1</b>	<b>1.2</b>	<b>-</b>	<b>865.7</b>	<b>-</b>	<b>-</b>	<b>865.7</b>

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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
<b>9 Months Ended 31/03/18</b>								
<b>REVENUE</b>								
External Sales	208.0	5,398.1	9.4	-	5,615.5	4,692.9	-	10,308.4
Inter-segment sales	1,653.3	-	-	(1,653.3)	-	-	-	-
Inter-operation sales*	-	1,436.0	-	-	1,436.0	240.3	(1,676.3)	-
<b>Total Revenue</b>	<b>1,861.3</b>	<b>6,834.1</b>	<b>9.4</b>	<b>(1,653.3)</b>	<b>7,051.5</b>	<b>4,933.2</b>	<b>(1,676.3)</b>	<b>10,308.4</b>
<b>RESULT</b>								
Operating profit	813.6	250.5	3.9	-	1,068.0	169.8	-	1,237.8
Share of results of associates	85.0	13.5	-	-	98.5	-	-	98.5
Share of results of joint ventures	-	(2.4)	-	-	(2.4)	-	-	(2.4)
<b>Segment results before fair value adjustments</b>	<b>898.6</b>	<b>261.6</b>	<b>3.9</b>	<b>-</b>	<b>1,164.1</b>	<b>169.8</b>	<b>-</b>	<b>1,333.9</b>
Fair value (loss)/gain on:								
Biological assets	(13.8)	-	-	-	(13.8)	-	-	(13.8)
Derivative financial instruments	-	37.4	-	-	37.4	25.9	-	63.3
<b>Segment results</b>	<b>884.8</b>	<b>299.0</b>	<b>3.9</b>	<b>-</b>	<b>1,187.7</b>	<b>195.7</b>	<b>-</b>	<b>1,383.4</b>

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



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**g) Segment Revenue & Results (Continued)**

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

	<b>9 Months Ended 31/03/2019</b>				<b>9 Months Ended 31/03/2018</b>			
	<b>Continuing operations RM Million</b>	<b>Discontinued operations RM Million</b>	<b>Adjustment* RM Million</b>	<b>Total RM Million</b>	<b>Continuing operations RM Million</b>	<b>Discontinued operations RM Million</b>	<b>Adjustment* RM Million</b>	<b>Total RM Million</b>
Total segment results	<b>865.7</b>	-	-	<b>865.7</b>	1,187.7	195.7	-	1,383.4
Unallocated corporate net income/(expense)	<b>40.1</b>	-	-	<b>40.1</b>	(5.3)	-	-	(5.3)
Profit before interest and taxation	<b>905.8</b>	-	-	<b>905.8</b>	1,182.4	195.7	-	1,378.1
Finance costs	<b>(136.7)</b>	-	-	<b>(136.7)</b>	(153.5)	(22.5)	16.8	(159.2)
Interest income	<b>57.2</b>	-	-	<b>57.2</b>	48.2	6.3	(16.8)	37.7
Net foreign currency translation (loss)/gain on foreign currency denominated borrowings	<b>(41.1)</b>	-	-	<b>(41.1)</b>	466.9	-	-	466.9
Net foreign currency translation gain/(loss) on foreign currency denominated deposits	<b>14.4</b>	-	-	<b>14.4</b>	(40.3)	-	-	(40.3)
Profit before taxation	<b>799.6</b>	-	-	<b>799.6</b>	1,503.7	179.5	-	1,683.2
Taxation	<b>(222.8)</b>	-	-	<b>(222.8)</b>	(279.8)	(27.6)	-	(307.4)
	<b>576.8</b>	-	-	<b>576.8</b>	1,223.9	151.9	-	1,375.8
Gain on disposal of discontinued operations	-	-	-	-	-	1,199.2	-	1,199.2
Gain on re-measurement of share of associate	-	-	-	-	-	299.3	-	299.3
Recognition of fair value of put-call options	-	-	-	-	-	162.5	-	162.5
Profit for the period	<b>576.8</b>	-	-	<b>576.8</b>	1,223.9	1,812.9	-	3,036.8

\*: 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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**h) Material Events Subsequent to the End of Financial Period**

There were no material events subsequent to 31 March 2019 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 March 2019.

**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) Q3 FY2019 vs. Q3 FY2018**

For Q3 FY2019, the Group reported a profit before taxation (“PBT”) of RM365.4 million as compared to RM430.7 million reported for Q3 FY2018. The lower PBT is due mainly to lower net foreign currency translation gain on foreign currency denominated borrowings and deposits. Excluding the total net foreign currency translation gain of RM57.2 million (Q3 FY2018 – RM170.4 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 RM22.6 million (Q3 FY2018 – loss of RM7.2 million), the underlying PBT of RM285.6 million for Q3 FY2019 is 7% higher than the underlying PBT of RM267.5 million for Q3 FY2018, due mainly to higher contribution from the resource-based manufacturing segment, offset by lower contribution from the plantation segment.

**Plantation**

The plantation segment profit for Q3 FY2019 of RM132.6 million is 44% lower than the profit for Q3 FY2018 of RM238.3 million. The lower profit reported is due mainly to lower CPO and PK prices realised. Average CPO and PK prices realised for Q3 FY2019 were RM1,971/MT (Q3 FY2018 – RM2,471/MT) and RM1,312/MT (Q3 FY2018 – RM2,201/MT) respectively.

**Resource-based Manufacturing**

The resource-based manufacturing segment profit for Q3 FY2019 of RM196.6 million is higher than the profit for Q3 FY2018 of RM64.1 million. Excluding the fair value gain/loss on derivative financial instruments, the underlying profit for resource-based manufacturing segment of RM174.0 million for Q3 FY2019 is 144% higher than the underlying profit of RM71.3 million for Q3 FY2018. The higher profit is due mainly to higher sales volume and margins from refining sub-segment as well as share of associate results from Bunge Loders Croklaan Group B.V. (“Loders”) (taken up as discontinued operations in Q3 FY2018 prior to the completion of divestment of Loders).

At the net profit level, the Group reported a net profit of RM240.0 million for Q3 FY2019 as compared to RM2,070.9 million for Q3 FY2018. The lower net profit is due mainly to lower PBT as explained above as well as higher tax expenses as a result of the revision of Real Property Gain Tax rate and no material disposal gain recorded in Q3 FY2019. In Q3 FY2018, the Group recognised a disposal gain of RM1,661.0 million arising from the divestment of 70% equity interest in Loders.



**Interim Report For The Financial Period Ended 31 March 2019**

(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) **Q3 FY2019 vs. Q3 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	132.7	-	-	132.7	242.5	-	-	242.5	(109.8)
Fair value gain/(loss) on biological assets	0.3	-	-	0.3	(4.3)	-	-	(4.3)	4.6
Fair value (loss)/gain on derivative financial instruments	(0.4)	-	-	(0.4)	0.1	-	-	0.1	(0.5)
Plantation	132.6	-	-	132.6	238.3	-	-	238.3	(105.7)
Resource-based manufacturing before fair value gain/(loss) on derivative financial instruments	174.0	-	-	174.0	71.3	68.3	-	139.6	34.4
Fair value gain/(loss) on derivative financial instruments	22.6	-	-	22.6	(7.2)	(11.3)	-	(18.5)	41.1
Resource-based manufacturing	196.6	-	-	196.6	64.1	57.0	-	121.1	75.5
Other operations	(1.9)	-	-	(1.9)	0.2	-	-	0.2	(2.1)
Segment results	327.3	-	-	327.3	302.6	57.0	-	359.6	(32.3)
Unallocated corporate net income/(expenses)	9.6	-	-	9.6	(5.9)	-	-	(5.9)	15.5
Profit before interest and taxation	336.9	-	-	336.9	296.7	57.0	-	353.7	(16.8)
Finance costs	(46.2)	-	-	(46.2)	(50.2)	(4.3)	2.9	(51.6)	5.4
Interest income	17.5	-	-	17.5	13.8	1.4	(2.9)	12.3	5.2
Net foreign currency translation gain on foreign currency denominated borrowings	67.3	-	-	67.3	201.9	-	-	201.9	(134.6)
Net foreign currency translation loss on foreign currency denominated deposits	(10.1)	-	-	(10.1)	(31.5)	-	-	(31.5)	21.4
Profit before taxation	365.4	-	-	365.4	430.7	54.1	-	484.8	(119.4)

\*: 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) **Q3 YTD FY2019 vs. Q3 YTD FY2018**

For Q3 YTD FY2019, the Group reported a PBT of RM799.6 million as compared to RM1,503.7 million reported for Q3 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 RM26.7 million (Q3 YTD FY2018 – gain of RM426.6 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 RM60.6 million (Q3 YTD FY2018 – RM37.4 million), the underlying PBT of RM765.7 million for Q3 YTD FY2019 is 26% lower than the underlying PBT of RM1,039.7 million for Q3 YTD FY2018, due mainly to lower contribution from the plantation segment, mitigated by higher contribution from the resource-based manufacturing segment.

**Plantation**

The plantation segment profit for Q3 YTD FY2019 of RM399.4 million is 55% lower than the profit for Q3 YTD FY2018 of RM884.8 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 Q3 YTD FY2019 were RM2,039/MT (Q3 YTD FY2018 – RM2,593/MT) and RM1,474/MT (Q3 YTD FY2018 – RM 2,376/MT) respectively. FFB production for Q3 YTD FY2019 was 2,594,111MT as compared to 2,752,983MT for Q3 YTD FY2018.

**Resource-based Manufacturing**

The resource-based manufacturing segment profit for Q3 YTD FY2019 of RM465.1 million is higher than the profit for Q3 YTD FY2018 of RM299.0 million. Excluding the fair value gain on derivative financial instruments, the underlying profit for resource-based manufacturing segment of RM404.5 million for Q3 YTD FY2019 is 55% higher than the underlying profit of RM261.6 million for Q3 YTD FY2018. The higher profit is due mainly to higher margins from all sub-segments and share of associate results from Lodders (taken up as discontinued operations in Q3 YTD FY2018 prior to the completion of divestment of Lodders).

At the net profit level, the Group reported a net profit of RM576.8 million for Q3 YTD FY2019 as compared to RM3,036.8 million for Q3 YTD FY2018. The lower net profit is due mainly to lower PBT as explained above as well as no material disposal gain recorded in Q3 YTD FY2019. In Q3 YTD FY2018, the Group recognised a disposal gain of RM1,661.0 million arising from the divestment of 70% equity interest in Lodders.



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### **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 RM365.4 million for Q3 FY2019 as compared to PBT of RM239.0 million for Q2 FY2019. Excluding the total net foreign currency translation gain of RM57.2 million (Q2 FY2019 – loss of RM22.8 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 RM22.6 million (Q2 FY2019 – RM17.8 million), the underlying PBT of RM285.6 million for Q3 FY2019 is higher than the underlying PBT of RM244.0 million for Q2 FY2019, due mainly to higher contribution from the resource-based manufacturing segment.

Details of the segmental results are as follows:

#### **Plantation**

The plantation segment profit for Q3 FY2019 of RM132.6 million is 13% higher than the profit for Q2 FY2019 of RM117.3 million. Excluding the fair value changes on other investments and biological assets, the underlying profit for plantation segment of RM129.2 million for Q3 FY2019 is 12% lower than the underlying profit of RM146.8 million for Q2 FY2019 due mainly to lower FFB production. FFB production for Q3 FY2019 was 897,636MT as compared to 983,145MT for Q2 FY2019.

#### **Resource-based Manufacturing**

The resource-based manufacturing segment reported a profit of RM196.6 million for Q3 FY2019 as compared to RM139.3 million for Q2 FY2019. Excluding the fair value gain on derivative financial instruments, the underlying profit for resource-based manufacturing segment for Q3 FY2019 of RM174.0 million is 43% higher than the underlying profit for Q2 FY2019 of RM121.5 million due mainly to higher margins from refining sub-segment.



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**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:

	<b>CURRENT QUARTER RM Million</b>	<b>PRECEDING QUARTER RM Million</b>	<b>DIFFERENCE RM Million</b>
Plantation before fair value adjustments	132.7	127.3	5.4
Fair value gain/(loss) on biological assets	0.3	(10.3)	10.6
Fair value (loss)/gain on derivative financial instruments	(0.4)	0.3	(0.7)
Plantation	132.6	117.3	15.3
Resource-based manufacturing before fair value gain on derivative financial instruments	174.0	121.5	52.5
Fair value gain on derivative financial instruments	22.6	17.8	4.8
Resource-based manufacturing	196.6	139.3	57.3
Other operations	(1.9)	3.2	(5.1)
Segment results	327.3	259.8	67.5
Unallocated corporate net income	9.6	21.9	(12.3)
Profit before interest and taxation	336.9	281.7	55.2
Finance costs	(46.2)	(43.6)	(2.6)
Interest income	17.5	23.7	(6.2)
Net foreign currency translation gain/(loss) on foreign currency denominated borrowings	67.3	(24.8)	92.1
Net foreign currency translation (loss)/gain on foreign currency denominated deposits	(10.1)	2.0	(12.1)
Profit before taxation	365.4	239.0	126.4



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

**3) Prospects**

Crude palm oil (“CPO”) price is expected to remain weak due to ample supply of soy bean and high palm oil stock. The higher biodiesel mandates in Malaysia and Indonesia will help to ease the palm oil stockpile, albeit at a gradual pace.

For our plantation segment, fresh fruit bunches (“FFB”) production for the Group is expected to be slightly lower in Q4 FY2019 when compared to Q3 FY2019 due to the change in the seasonality of the Malaysian production pattern and the lower harvesting productivity during Ramadan. Coupled with the weak palm oil price, the plantation segment is expected to perform below average in Q4 FY2019.

Operating profit from the resource-based manufacturing segment has exceeded that from the plantation segment during Q3 FY2019. We expect the oleochemical sub-segment to continue to perform well in Q4 FY2019 with good demand for our products and lower raw material prices.

Our 30%-owned specialty fats associate company, Bunge Loders Croklaan, is anticipated to continue to deliver good performance in Q4 FY2019 with higher volume in the confectionary and human nutrition categories, coupled with the synergies derived from the integration of the company into Bunge’s edible oils business.

The Ringgit is expected to remain weak versus US Dollar in Q4 FY2019 due to the escalation of the trade war between USA and China and the short-term subdued growth outlook for the Malaysian economy. The weak Ringgit will result in forex translation loss arising from our medium to long term USD-denominated borrowings.

Overall, the Group expects its performance in the next quarter to be satisfactory.

**4) Achievability of Forecast Results**

Not applicable.

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

Not applicable.





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

**6) Taxation**

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER (9 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	70.6	72.2	173.9	276.6
- Prior years	(2.0)	6.8	0.9	10.9
Deferred taxation				
- Current year	56.5	(2.9)	47.5	(7.7)
- Prior years	0.3	-	0.5	-
	<b>125.4</b>	<b>76.1</b>	<b>222.8</b>	<b>279.8</b>

The effective tax rate of the Group for Q3 FY2019 and Q3 YTD FY2019 are higher than the statutory tax rate due principally to the effect of changes in tax rates on deferred tax and other non-deductible expenses offset against other non-taxable income.

**7) Corporate Proposal**

- a) There was no corporate proposal announced by the Group but not completed as at 14 May 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 14 May 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)	%
Future investment	25.00	959.9	-	Within 24 months	-	-
Dividend to shareholders *	20.00	767.9	722.7	Within 12 months	45.2	6
Repayment of borrowings	50.00	1,919.9	1,919.9	Within 24 months	-	-
General working capital	4.75	182.4	182.4	Within 24 months	-	-
Transaction expenses	0.25	9.6	9.6	Immediate	-	-
Total	100.00	3,839.7	2,834.6		45.2	6

\*Actual dividend to be distributed is dependent on the final disposal consideration. As at 14 May 2019, the disposal consideration is still pending the final adjustments in accordance with the terms of the sale and purchase agreement.



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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 March 2019	Long term		Short term		Total borrowings	
	Foreign currency (Million)	RM Equivalent (Million)	Foreign currency (Million)	RM Equivalent (Million)	Foreign currency (Million)	RM Equivalent (Million)
<b><u>Unsecured</u></b>						
<b><u>Denominated in USD</u></b>						
Notes	598.0	2,440.6	-	-	598.0	2,440.6
Islamic financing facilities	220.0	897.5	65.0	265.3	285.0	1,162.8
Trade financing	-	-	38.6	157.6	38.6	157.6
<b><u>Denominated in JPY</u></b>						
Term loans	21,000.0	776.8	-	-	21,000.0	776.8
<b><u>Denominated in EUR</u></b>						
Islamic financing facilities	25.0	114.7	-	-	25.0	114.7
Trade financing	-	-	23.5	107.7	23.5	107.7
Finance lease obligation	1.8	8.3	-	-	1.8	8.3
<b><u>Denominated in RM</u></b>						
Trade financing	-	-	-	30.2	-	30.2
<b>Total</b>		<b>4,237.9</b>		<b>560.8</b>		<b>4,798.7</b>

As at 31 March 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)
<b><u>Unsecured</u></b>						
<b><u>Denominated in USD</u></b>						
Notes	597.4	2,307.1	-	-	597.4	2,307.1
Islamic financing facilities	250.0	964.8	378.9	1,463.3	628.9	2,428.1
Trade financing	-	-	53.2	204.5	53.2	204.5
<b><u>Denominated in JPY</u></b>						
Term loans	21,000.0	763.2	-	-	21,000.0	763.2
<b><u>Denominated in EUR</u></b>						
Islamic financing facilities	58.0	275.8	-	-	58.0	275.8
Trade financing	-	-	28.1	133.6	28.1	133.6
Finance lease obligation	1.8	8.6	-	-	1.8	8.6
<b>Total</b>		<b>4,319.5</b>		<b>1,801.4</b>		<b>6,120.9</b>

**Exchange rates applied**

	As at 31 March 2019	As at 31 March 2018
USD/RM	4.0815	3.8620
JPY100/RM	3.6992	3.6340
EUR/RM	4.5835	4.7513



**Interim Report For The Financial Period Ended 31 March 2019**

(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 March 2019 are as follows:

	Contract/Notional Value (Million) Net (short)/long				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
<b>Vanilla Contracts</b>									
USD/RM	<b>USD</b>	(355.6)	-	-	<b>(355.6)</b>	9.0	-	-	<b>9.0</b>
EUR/RM	<b>EUR</b>	(54.2)	-	-	<b>(54.2)</b>	2.2	-	-	<b>2.2</b>
JPY/RM	<b>JPY</b>	(485.8)	-	-	<b>(485.8)</b>	0.1	-	-	<b>0.1</b>
GBP/RM	<b>GBP</b>	(1.0)	-	-	<b>(1.0)</b>	-	-	-	-
SGD/RM	<b>SGD</b>	0.2	-	-	<b>0.2</b>	-	-	-	-
RM/RMB	<b>RMB</b>	(4.5)	-	-	<b>(4.5)</b>	-	-	-	-
						11.3	-	-	<b>11.3</b>

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 March 2019 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
<b>Forward Contracts</b>									
	<b>USD</b>	(106.9)	-	-	<b>(106.9)</b>	58.2	-	-	<b>58.2</b>
	<b>RM</b>	184.4	-	-	<b>184.4</b>	4.2	-	-	<b>4.2</b>
						62.4	-	-	<b>62.4</b>
<b>Futures</b>	<b>RM</b>	69.8	-	-	<b>69.8</b>	(3.6)	-	-	<b>(3.6)</b>
						(3.6)	-	-	<b>(3.6)</b>

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 March 2019 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 <sup>1</sup>	JPY	-	-	15,000.0	15,000.0	-	-	100.6	100.6
JPY liability to USD liability <sup>2</sup>	JPY	-	-	6,000.0	6,000.0	-	-	40.2	40.2
Fixed rate USD liability to fixed rate EUR liability <sup>3</sup>	USD	-	-	100.0	100.0	-	-	(16.1)	(16.1)
Floating rate USD liability to fixed rate EUR liability <sup>4</sup>	USD	-	100.0	-	100.0	-	(0.2)	-	(0.2)

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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 March 2019 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 <sup>1</sup>	USD	-	-	110.0	110.0	-	-	4.7	4.7

<sup>1</sup> 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 March 2019 are as follows:

	<b>Contract/Notional Value (Million)</b>	<b>Fair Value – assets/(liabilities) (RM Million)</b>
Put Option	USD255.0 million plus EUR128.0 million (“Put Price”) <sup>1</sup>	<b>333.1</b>
Call Option	125% of Put Price	<b>(120.5)</b>
		<b>212.6</b>

<sup>1</sup> 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.



**Interim Report For The Financial Period Ended 31 March 2019**

(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		
<b>Forward foreign exchange contracts</b>	6.6	21.4	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
<b>Commodity futures</b>	0.8	(1.4)	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
<b>Commodity forward contracts</b>	25.5	(1.6)	The difference between the contracted prices rate and forward prices	The prices for the respective commodity forward contracts have moved favourably for/unfavourably against the Group from the last measurement date
<b>Cross currency swap contracts</b>	21.1	37.3	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
<b>Call option</b>	26.4	53.9	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 March 2019**

(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:

	<b>CURRENT YEAR QUARTER 31/03/19 RM Million</b>	<b>CURRENT YEAR TO DATE 31/03/19 RM Million</b>
<b>Continuing operations</b>		
Interest income	<b>(17.5)</b>	<b>(57.2)</b>
Other income including investment income		
- Dividend income	<b>(0.1)</b>	<b>(2.4)</b>
Finance costs	<b>46.2</b>	<b>136.7</b>
Depreciation and amortisation	<b>92.3</b>	<b>282.6</b>
Net receivables written down/(back)	<b>3.8</b>	<b>(4.8)</b>
Net inventories written down/(back)	<b>8.7</b>	<b>(0.4)</b>
Net foreign currency translation (gain)/loss on foreign currency denominated borrowings	<b>(67.3)</b>	<b>41.1</b>
Net foreign currency translation loss/(gain) on foreign currency denominated deposits	<b>10.1</b>	<b>(14.4)</b>
Foreign currency exchange loss	<b>16.0</b>	<b>24.4</b>
Fair value gain on derivatives	<b>(22.2)</b>	<b>(60.5)</b>
Fair value gain on put and call options	<b>(11.3)</b>	<b>(36.6)</b>
Net (gain)/loss arising from changes in fair value of biological assets	<b>(0.3)</b>	<b>1.1</b>

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.



**Interim Report For The Financial Period Ended 31 March 2019**

(The figures have not been audited)

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

**13) Dividend**

The Board had on 20 February 2019 declared an interim single tier dividend of 3.5 sen per ordinary share in respect of the financial year ending 30 June 2019. The dividend was paid on 22 March 2019.

No dividend has been proposed for this quarter (31 March 2018: nil).

The total cash dividend declared to date for the current financial year is a single tier dividend of 3.5 sen (31 March 2018: 16.0 sen) per ordinary share.

**14) Earnings per Share**

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER (9 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM Million	RM Million	RM Million	RM Million
<b>a) Basic earnings per share</b>				
Profit for the period attributable to owners of the parent				
From continuing operations	245.8	352.5	585.1	1,211.8
From discontinued operations	-	1,716.3	-	1,812.9
	<b>245.8</b>	<b>2,068.8</b>	<b>585.1</b>	<b>3,024.7</b>
Weighted average number of ordinary shares in issue ('Million)	<b>6,284.5</b>	6,283.9	<b>6,284.5</b>	6,283.9
Basic (sen)				
From continuing operations	3.91	5.61	9.31	19.28
From discontinued operations	-	27.31	-	28.85
Total	<b>3.91</b>	<b>32.92</b>	<b>9.31</b>	<b>48.13</b>
<b>b) Diluted earnings per share</b>				
Profit for the period attributable to owners of the parent				
From continuing operations	245.8	352.5	585.1	1,211.8
From discontinued operations	-	1,716.3	-	1,812.9
	<b>245.8</b>	<b>2,068.8</b>	<b>585.1</b>	<b>3,024.7</b>
Adjusted weighted average number of ordinary shares in issue ('Million)	<b>6,284.5</b>	6,283.9	<b>6,284.5</b>	6,283.9
Weighted average number of ordinary shares in issue	<b>6,284.5</b>	6,283.9	<b>6,284.5</b>	6,283.9
Assumed exercise of Executive Share Options at beginning of period	<b>0.4</b>	1.1	<b>0.3</b>	0.6
	<b>6,284.9</b>	<b>6,285.0</b>	<b>6,284.8</b>	<b>6,284.5</b>
Diluted (sen)				
From continuing operations	3.91	5.61	9.31	19.28
From discontinued operations	-	27.31	-	28.85
Total	<b>3.91</b>	<b>32.92</b>	<b>9.31</b>	<b>48.13</b>





**IOI GROUP**

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

**Interim Report For The Financial Period Ended 31 March 2019**

(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  
21 May 2019



**Interim Report For The Financial Period Ended 31 March 2019**

(The figures have not been audited)

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

**Group Plantation Statistics**

		<b>As At 31/03/2019</b>	<b>As At 31/03/2018</b>
<b>Planted Area</b>			
Oil palm			
Mature	<i>(hectares)</i>	<b>149,626</b>	152,250
Total planted	<i>(hectares)</i>	<b>175,879</b>	174,235
Rubber			
Mature	<i>(hectares)</i>	<b>415</b>	415
Total planted	<i>(hectares)</i>	<b>475</b>	475
<b>Total Titled Area</b>	<i>(hectares)</i>	<b>217,937</b>	217,919

		<b>31/03/2019 (9 months)</b>	<b>31/03/2018 (9 months)</b>
<b>Average Mature Area Harvested</b>			
Oil Palm	<i>(hectares)</i>	<b>148,592</b>	148,052
<b>Production</b>			
Oil Palm			
FFB production	<i>(tonnes)</i>	<b>2,594,111</b>	2,752,983
Yield per mature hectare	<i>(tonnes)</i>	<b>17.46</b>	18.60
FFB processed	<i>(tonnes)</i>	<b>2,681,349</b>	2,834,245
Crude palm oil production	<i>(tonnes)</i>	<b>575,908</b>	590,324
Palm kernel production	<i>(tonnes)</i>	<b>127,842</b>	137,985
Crude palm oil extraction rate	<i>(%)</i>	<b>21.48%</b>	20.83%
Palm kernel extraction rate	<i>(%)</i>	<b>4.77%</b>	4.87%
<b>Average Selling Price Realised</b>			
Oil palm			
Crude palm oil	<i>(RM/tonne)</i>	<b>2,039</b>	2,593
Palm kernel	<i>(RM/tonne)</i>	<b>1,474</b>	2,376