



IOI GROUP

IOI CORPORATION BERHAD (9027-W)

(Incorporated in Malaysia)

**Interim Report
For The Financial Period Ended
30 September 2019**



IOI GROUP

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

Interim Report For The Financial Period Ended 30 September 2019

(The figures have not been audited)

Condensed Consolidated Statement of Profit or Loss

	INDIVIDUAL QUARTER (Q1)			CUMULATIVE QUARTER (3 Mths)		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	Changes	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	Changes
	30/09/2019 RM Million	30/09/2018 RM Million	(%)	30/09/2019 RM Million	30/09/2018 RM Million	(%)
Revenue	1,775.5	1,875.7	-5%	1,775.5	1,875.7	-5%
Operating profit	237.7	235.5	1%	237.7	235.5	1%
Share of results of associates	42.3	51.7	-18%	42.3	51.7	-18%
Share of results of joint venture	(0.3)	-	nm	(0.3)	-	nm
Profit before interest and taxation	279.7	287.2	-3%	279.7	287.2	-3%
Interest income	17.7	16.0	11%	17.7	16.0	11%
Finance costs	(42.9)	(46.9)	-9%	(42.9)	(46.9)	-9%
Net foreign currency translation loss on foreign currency denominated borrowings	(57.9)	(83.6)	-31%	(57.9)	(83.6)	-31%
Net foreign currency translation gain on foreign currency denominated deposits	2.0	22.5	-91%	2.0	22.5	-91%
Profit before taxation	198.6	195.2	2%	198.6	195.2	2%
Taxation	(50.9)	(54.0)	-6%	(50.9)	(54.0)	-6%
Profit for the period	147.7	141.2	5%	147.7	141.2	5%
Profit attributable to:						
Owners of the parent	149.0	143.8	4%	149.0	143.8	4%
Non-controlling interests	(1.3)	(2.6)	-50%	(1.3)	(2.6)	-50%
	147.7	141.2	5%	147.7	141.2	5%
Earnings per share for profit attributable to owners of the parent (sen)						
Basic	2.37	2.29	3%	2.37	2.29	3%
Diluted	2.37	2.29	3%	2.37	2.29	3%

*nm = not meaningful

(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 2019 and the accompanying explanatory notes attached to this interim financial report.)



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IOI CORPORATION BERHAD (9027-W)
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(The figures have not been audited)

Condensed Consolidated Statement of Other Comprehensive Income

	INDIVIDUAL QUARTER (Q1)			CUMULATIVE QUARTER (3 Mths)		
	CURRENT YEAR	PRECEDING YEAR	Changes (%)	CURRENT YEAR	PRECEDING YEAR	Changes (%)
	QUARTER	CORRESPONDING QUARTER		TO DATE	CORRESPONDING PERIOD	
	30/09/2019 RM Million	30/09/2018 RM Million		30/09/2019 RM Million	30/09/2018 RM Million	
Profit for the period	147.7	141.2	5%	147.7	141.2	5%
Other comprehensive (loss)/income that will be reclassified subsequently to profit or loss when specific conditions are met						
Exchange differences on translation of foreign operations	(4.6)	4.0	nm	(4.6)	4.0	nm
Share of other comprehensive income/(loss) of associates	29.1	(23.7)	nm	29.1	(23.7)	nm
Hedge of net investments in foreign operations	5.4	5.1	6%	5.4	5.1	6%
Other comprehensive income/(loss) for the period	29.9	(14.6)	nm	29.9	(14.6)	nm
Total comprehensive income for the period, net of tax	177.6	126.6	40%	177.6	126.6	40%
Total comprehensive income attributable to:						
Owners of the parent	179.7	128.6	40%	179.7	128.6	40%
Non-controlling interests	(2.1)	(2.0)	5%	(2.1)	(2.0)	5%
	177.6	126.6	40%	177.6	126.6	40%

*nm = not meaningful

(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 2019 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 30/09/2019 RM Million	AS AT PRECEDING FINANCIAL YEAR END 30/06/2019 RM Million
ASSETS		
Non-current assets		
Property, plant and equipment	8,466.8	8,458.8
Intangible assets	419.3	412.2
Investments in associates	2,649.6	2,610.1
Derivative assets	137.5	154.3
Deferred tax assets	10.1	9.5
Other non-current assets	60.2	60.4
	11,743.5	11,705.3
Current assets		
Inventories	859.4	778.0
Receivables	612.4	773.5
Derivative assets	404.4	407.7
Other investments	69.7	69.2
Amount due from associates	101.5	94.4
Other current assets	81.7	73.5
Short term funds	1,897.7	1,775.7
Deposits with financial institutions	268.9	302.6
Cash and bank balances	519.3	520.3
	4,815.0	4,794.9
TOTAL ASSETS	16,558.5	16,500.2

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019 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 (Continued)

	AS AT END OF CURRENT QUARTER 30/09/2019 RM Million	AS AT PRECEDING FINANCIAL YEAR END 30/06/2019 RM Million
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	788.1	788.1
Other reserves	65.3	34.6
Retained earnings	8,625.9	8,476.9
	9,479.3	9,299.6
Non-controlling interests	209.0	211.1
Total equity	9,688.3	9,510.7
Non-current liabilities		
Borrowings	4,490.3	4,451.9
Derivative liabilities	2.2	30.3
Deferred tax liabilities	1,158.0	1,153.0
Long term lease liabilities	38.9	38.3
Other non-current liabilities	92.5	93.4
	5,781.9	5,766.9
Current liabilities		
Payables	631.1	600.3
Derivative liabilities	136.2	149.5
Short term borrowings	253.0	408.7
Other current liabilities	68.0	64.1
	1,088.3	1,222.6
Total liabilities	6,870.2	6,989.5
TOTAL EQUITY AND LIABILITIES	16,558.5	16,500.2
Net assets per share attributable to owners of the parent (RM)	1.51	1.48

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to this interim financial report.)



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IOI CORPORATION BERHAD (9027-W)
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(The figures have not been audited)

Condensed Consolidated Statement of Cash Flows

	3 Months Ended 30/09/2019 RM Million	3 Months Ended 30/09/2018 RM Million
Operating Activities		
Profit before taxation	198.6	195.2
Adjustments for:		
Depreciation and amortisation	92.4	93.0
Other non-cash items	3.6	(5.9)
Operating profit before working capital changes	<u>294.6</u>	282.3
Decrease/(Increase) in receivables and other assets	152.7	(76.6)
Increase/(Decrease) in payables and other liabilities	12.1	(24.1)
(Increase)/Decrease in inventories	<u>(66.1)</u>	18.9
Cash generated from operations	393.3	200.5
Other payments	(0.4)	(0.4)
Net taxes paid	<u>(40.8)</u>	(101.5)
Net cash inflow from operating activities	<u>352.1</u>	<u>98.6</u>
Investing Activities		
Interest received	18.9	15.1
Dividends received	7.4	13.1
Proceeds from disposal of property, plant and equipment	0.8	-
Additions to other intangible assets	(8.4)	-
Additions to property, plant and equipment	<u>(99.2)</u>	(77.3)
Repayment from an associate	-	4.7
Acquisition of additional interest in an associate	<u>-</u>	(3.0)
Net cash outflow from investing activities	<u>(80.5)</u>	<u>(47.4)</u>
Financing Activities		
Payments of lease interests	(0.1)	(0.2)
Payments of lease liabilities	(1.8)	(1.7)
Payments of finance costs	<u>(26.2)</u>	(27.7)
Net repayment of other borrowings	(154.6)	(29.3)
Issuance of shares	-	0.1
Payment of dividends	<u>-</u>	(282.8)
Net cash outflow from financing activities	<u>(182.7)</u>	<u>(341.6)</u>
Net increase/(decrease) in cash and cash equivalents	88.9	(290.4)
Cash and cash equivalents at beginning of period	2,598.6	2,764.6
Effect of exchange rate changes	<u>(1.6)</u>	19.1
Cash and cash equivalents at end of period	<u>2,685.9</u>	<u>2,493.3</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 2019 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 2019	788.1	25.1	(16.7)	5.9	20.3	8,476.9	9,299.6	211.1	9,510.7
Total comprehensive income/(loss)	-	-	0.4	5.4	24.9	149.0	179.7	(2.1)	177.6
As at 30 September 2019	788.1	25.1	(16.3)	11.3	45.2	8,625.9	9,479.3	209.0	9,688.3
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
Effects on adoption of MFRSs 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)	-	-	0.5	5.1	(20.8)	143.8	128.6	(2.0)	126.6
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	0.2	(0.1)	-	-	-	-	0.1	-	0.1
As at 30 September 2018	786.9	24.0	(12.3)	0.9	(44.8)	8,210.5	8,965.2	257.4	9,222.6

(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 2019 and the accompanying explanatory notes attached to this interim financial report.)



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Interim Report For The Financial Period Ended 30 September 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 2019.

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 2019.

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 2019 except for the adoption of the following IC Interpretation and amendments to MFRSs:

Title	Effective Date
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 – 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 – 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 – 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 – 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019

The adoption of the above IC Interpretation and amendments to MFRSs do not have any significant financial impact on the results and the financial position of the Group for the current quarter.

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.



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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

There are no material changes in debt and equity for the current financial period.

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
	-	282.8



Interim Report For The Financial Period Ended 30 September 2019

(The figures have not been audited)

g) Segment Revenue & Results

(RM Million)	Plantation	Resource-based Manufacturing	Other Operations	Elimination	Total
3 Months Ended 30/09/19					
REVENUE					
External sales	54.5	1,715.2	5.8	-	1,775.5
Inter-segment sales	401.2	-	-	(401.2)	-
Total Revenue	455.7	1,715.2	5.8	(401.2)	1,775.5
RESULT					
Operating profit	104.4	109.4	2.3	-	216.1
Share of results of associates	11.4	30.9	-	-	42.3
Share of results of joint venture	-	(0.3)	-	-	(0.3)
Segment results before fair value adjustments	115.8	140.0	2.3	-	258.1
Fair value gain/(loss) on:					
Biological assets	10.8	-	-	-	10.8
Derivative financial instruments	-	(3.5)	-	-	(3.5)
Segment results	126.6	136.5	2.3	-	265.4
3 Months Ended 30/09/18					
REVENUE					
External sales	52.8	1,820.1	2.8	-	1,875.7
Inter-segment sales	375.6	-	-	(375.6)	-
Total Revenue	428.4	1,820.1	2.8	(375.6)	1,875.7
RESULT					
Operating profit	106.4	91.5	(0.1)	-	197.8
Share of results of associates	34.2	17.5	-	-	51.7
Segment results before fair value adjustments	140.6	109.0	(0.1)	-	249.5
Fair value gain on:					
Biological assets	8.9	-	-	-	8.9
Derivative financial instruments	-	20.2	-	-	20.2
Segment results	149.5	129.2	(0.1)	-	278.6



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(The figures have not been audited)

g) Segment Revenue & Results (Continued)

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

	3 Months Ended 30/09/2019 RM Million	3 Months Ended 30/09/2018 RM Million
Total segment results	265.4	278.6
Unallocated corporate net income	<u>14.3</u>	<u>8.6</u>
Profit before interest and taxation	279.7	287.2
Finance costs	(42.9)	(46.9)
Interest income	17.7	16.0
Net foreign currency translation loss on foreign currency denominated borrowings	(57.9)	(83.6)
Net foreign currency translation gain on foreign currency denominated deposits	<u>2.0</u>	<u>22.5</u>
Profit before taxation	198.6	195.2
Taxation	<u>(50.9)</u>	<u>(54.0)</u>
Profit for the period	<u><u>147.7</u></u>	<u><u>141.2</u></u>

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

h) Material Events Subsequent to the End of Financial Period

There were no material events subsequent to 30 September 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 30 September 2019.

j) Contingent Liabilities

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



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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

Q1 FY2020 vs. Q1 FY2019

For Q1 FY2020, the Group reported a profit before taxation (“PBT”) of RM198.6 million as compared to RM195.2 million reported for Q1 FY2019. Excluding the total net foreign currency translation loss of RM55.9 million (Q1 FY2019 – RM61.1 million) on foreign currency denominated borrowings and deposits as well as fair value loss on derivative financial instruments from the resource-based manufacturing segment of RM3.5 million (Q1 FY2019 – gain of RM20.2 million), the underlying PBT of RM258.0 million for Q1 FY2020 is 9% higher than the underlying PBT of RM236.1 million for Q1 FY2019, due mainly to higher contribution from resource-based manufacturing segment.

Plantation

The plantation segment profit for Q1 FY2020 of RM126.6 million is 15% lower than the profit for Q1 FY2019 of RM149.5 million. The lower profit reported is due mainly to lower share of associate results and lower CPO and PK prices realised. Average CPO and PK prices realised for Q1 FY2020 were RM2,014/MT (Q1 FY2019 – RM2,236/MT) and RM1,126/MT (Q1 FY2019 – RM1,766/MT) respectively.

Resource-based Manufacturing

The resource-based manufacturing segment profit for Q1 FY2020 of RM136.5 million is 6% higher than the profit for Q1 FY2019 of RM129.2 million. Excluding the fair value loss/gain on derivative financial instruments, the underlying profit for resource-based manufacturing segment reported a profit of RM140.0 million for Q1 FY2020 as compared to RM109.0 million for Q1 FY2019. The higher profit is due mainly to higher sales volume and margins from refining sub-segment and higher share of associate results from Bunge Lodders Crocklaan Group B.V. (“Lodders”), offset by lower sales volume and margins from oleochemical 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

The Group reported a PBT of RM198.6 million for Q1 FY2020 as compared to PBT of RM73.0 million for Q4 FY2019. Excluding the total net foreign currency translation loss of RM55.9 million (Q4 FY2019 – RM75.4 million) on foreign currency denominated borrowings and deposits as well as fair value loss on derivative financial instruments from the resource-based manufacturing segment of RM3.5 million (Q4 FY2019 – RM31.7 million), the underlying PBT of RM258.0 million for Q1 FY2020 is 43% higher than the underlying PBT of RM180.1 million for Q4 FY2019, due mainly to higher contribution from all segments.

Details of the segmental results are as follows:

Plantation

The plantation segment profit for Q1 FY2020 of RM126.6 million is 50% higher than the profit for Q4 FY2019 of RM84.5 million. The higher profit reported is due mainly to higher crude palm oil extraction rate (“OER”) achieved by the Malaysia regions and fair value gain on biological assets. OER for Q1 FY2020 was 22.25% as compared to 21.31% for Q4 FY2019.

Resource-based Manufacturing

The resource-based manufacturing segment reported a profit of RM136.5 million for Q1 FY2020 as compared to RM88.3 million for Q4 FY2019. Excluding the fair value loss on derivative financial instruments, the underlying profit for resource-based manufacturing segment for Q1 FY2020 of RM140.0 million is 17% higher than the underlying profit for Q4 FY2019 of RM120.0 million due mainly to higher contribution from oleochemical sub-segment and higher share of associate results from 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 (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	115.8	88.9	26.9
Fair value gain/(loss) on biological assets	10.8	(4.5)	15.3
Fair value gain on derivative financial instruments	-	0.1	(0.1)
Plantation	126.6	84.5	42.1
Resource-based manufacturing before fair value loss on derivative financial instruments	140.0	120.0	20.0
Fair value loss on derivative financial instruments	(3.5)	(31.7)	28.2
Resource-based manufacturing	136.5	88.3	48.2
Other operations	2.3	1.7	0.6
Segment results	265.4	174.5	90.9
Unallocated corporate net income/(expenses)	14.3	(3.5)	17.8
Profit before interest and taxation	279.7	171.0	108.7
Finance costs	(42.9)	(38.8)	(4.1)
Interest income	17.7	16.2	1.5
Net foreign currency translation loss on foreign currency denominated borrowings	(57.9)	(82.3)	24.4
Net foreign currency translation gain on foreign currency denominated deposits	2.0	6.9	(4.9)
Profit before taxation	198.6	73.0	125.6

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

3) Prospects

Palm oil price has moved up significantly since October 2019, due to lower than expected production and strong export drawing down palm oil stocks. This positive price trend is expected to continue with the seasonally lower production in the coming months. Additionally, the biodiesel mandates of B20 and B30 to be implemented by Malaysia and Indonesia governments respectively in 2020 are also a major factor in supporting prices.

For our plantation segment, we anticipate lower FFB production due to more intensive replanting program which is partly mitigated by the higher production from our young Indonesian plantings. Overall, in view of the bullish palm oil prices, we expect the plantation segment to perform better for the remaining periods of FY2020.

As for the resource-based manufacturing segment, the operating environment continues to remain challenging amid the global economic slowdown. Nevertheless, we expect the performance of the oleochemical sub-segment for the remaining periods of FY2020 to be satisfactory with our strong reputation in the international oleochemical market coupled with our continuous effort to strive for operational excellence and cost efficiency.

The performance of our 30%-owned specialty fats associate company, Bunge Loders Croklaan, is expected to be satisfactory for the remaining periods of FY2020 with higher volume in the confectionary category, coupled with synergies arising from the integration of the company into Bunge's edible oils business.

The US Dollar-Ringgit exchange rate which affects the foreign exchange translation gain/loss arising from our mainly medium to long term USD-denominated borrowings will continue to remain volatile as a result of the US-China trade war and the continuing uncertainties faced by Asian currencies over the US Federal Reserve interest rate policy.

Overall, the Group expects its operating performance for the remaining periods of FY2020 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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(The figures have not been audited)

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

6) Taxation

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 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	46.9	50.6	46.9	50.6
- Prior years	(0.1)	3.0	(0.1)	3.0
Deferred taxation				
- Current year	4.3	0.4	4.3	0.4
- Prior years	(0.2)	-	(0.2)	-
	50.9	54.0	50.9	54.0

The effective tax rate of the Group for Q1 FY2020 and Q1 YTD FY2020 are higher than the statutory tax rate due principally to the non-allowable net foreign currency translation loss on foreign currency denominated borrowings 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 19 November 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 19 November 2019 (being a date not earlier than 7 days from the date of issue of the quarterly report) is as follows:

Purpose	Proposed		Actual		Deviation	
	Utilisation (%)	(RM Million)	Utilisation (RM Million)	Intended Timeframe for Utilisation	(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 19 November 2019, the disposal consideration is still pending the final adjustments in accordance with the terms of the sale and purchase agreement.



Interim Report For The Financial Period Ended 30 September 2019

(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 30 September 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)
<u>Unsecured</u>						
<u>Denominated in USD</u>						
Notes	598.2	2,505.8	-	-	598.2	2,505.8
Islamic financing facilities	250.0	1,046.8	30.0	125.6	280.0	1,172.4
Trade financing	-	-	11.8	49.4	11.8	49.4
<u>Denominated in JPY</u>						
Term loans	21,000.0	814.9	-	-	21,000.0	814.9
<u>Denominated in EUR</u>						
Islamic financing facilities	25.0	114.5	-	-	25.0	114.5
Trade financing	-	-	17.0	78.0	17.0	78.0
Finance lease obligation	1.8	8.3	-	-	1.8	8.3
Total		4,490.3		253.0		4,743.3

As at 30 September 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)
<u>Unsecured</u>						
<u>Denominated in USD</u>						
Notes	597.7	2,477.0	-	-	597.7	2,477.0
Islamic financing facilities	220.0	911.2	159.0	659.0	379.0	1,570.2
Trade financing	-	-	30.6	126.7	30.6	126.7
<u>Denominated in JPY</u>						
Term loans	21,000.0	767.5	-	-	21,000.0	767.5
<u>Denominated in EUR</u>						
Islamic financing facilities	43.0	207.6	-	-	43.0	207.6
Trade financing	-	-	21.1	101.9	21.1	101.9
Finance lease obligation	1.8	8.8	-	-	1.8	8.8
Total		4,372.1		887.6		5,259.7

Exchange rates applied

USD/RM

JPY100/RM

EUR/RM

As at 30 September 2019

4.1885

3.8804

4.5797

As at 30 September 2018

4.1445

3.6549

4.8242



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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 30 September 2019 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	(302.3)	-	-	(302.3)	(5.8)	-	-	(5.8)
EUR/RM	EUR	(15.7)	-	-	(15.7)	1.8	-	-	1.8
JPY/RM	JPY	(498.2)	-	-	(498.2)	(0.1)	-	-	(0.1)
GBP/RM	GBP	(0.4)	-	-	(0.4)	-	-	-	-
SGD/RM	SGD	0.2	-	-	0.2	-	-	-	-
RMB/RM	RMB	(2.3)	-	-	(2.3)	-	-	-	-
						(4.1)	-	-	(4.1)

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 30 September 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
Forward Contracts									
	USD	(109.6)	-	-	(109.6)	38.3	-	-	38.3
	RM	119.3	-	-	119.3	2.7	-	-	2.7
						41.0	-	-	41.0
Futures	RM	28.5	-	-	28.5	(2.0)	-	-	(2.0)
						(2.0)	-	-	(2.0)

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.



Interim Report For The Financial Period Ended 30 September 2019

(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 30 September 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
JPY liability to USD liability ¹	JPY	-	-	15,000.0	15,000.0	-	-	94.3	94.3
JPY liability to USD liability ²	JPY	-	-	6,000.0	6,000.0	-	-	34.2	34.2
Fixed rate USD liability to fixed rate EUR liability ³	USD	-	100.0	-	100.0	-	0.6	-	0.6
Floating rate USD liability to fixed rate EUR liability ⁴	USD	-	100.0	-	100.0	-	8.4	-	8.4

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 30 September 2019 are as follows:

	Contract/Notional Value (Million)				Fair Value – 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
Interest Rate Swaps ¹	USD	-	110.0	-	110.0	-	(2.2)	-	(2.2)

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.



Interim Report For The Financial Period Ended 30 September 2019

(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 30 September 2019 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	350.4
Call Option	125% of Put Price	(117.1)
		233.3

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 (loss)/gain		Basis of Fair Value Measurement	Reason for (loss)/gain
	Current Quarter	Current Year To Date		
	RM Million	RM Million		
Forward foreign exchange contracts	(2.6)	(2.6)	The difference between the contracted rates and the market forward rates	The exchange rates have moved unfavourably against the Group from the last measurement date
Commodity forward contracts	6.4	6.4	The difference between the contracted prices rate and forward prices	The prices for the respective commodity forward contracts have moved favourably for the Group from the last measurement date
Cross currency swap contracts	29.1	29.1	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
Interest rate swap contracts	(1.1)	(1.1)	The difference between fixed and floating interest rates	The floating interest rate has moved unfavourably against the Group from the last measurement date
Call option	9.6	9.6	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



IOI GROUP

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

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(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 30/09/19 RM Million	CURRENT YEAR TO DATE 30/09/19 RM Million
Interest income	(17.7)	(17.7)
Other income including investment income		
- Dividend income	(1.0)	(1.0)
Finance costs	42.9	42.9
Depreciation and amortisation	92.4	92.4
Net receivables written back	(1.2)	(1.2)
Net inventories written back	(15.3)	(15.3)
Net foreign currency translation loss on foreign currency denominated borrowings	57.9	57.9
Net foreign currency translation gain on foreign currency denominated deposits	(2.0)	(2.0)
Foreign currency exchange loss	0.5	0.5
Fair value loss on derivatives	3.5	3.5
Fair value gain on put and call options	(13.6)	(13.6)
Net gain arising from changes in fair value of biological assets	(10.8)	(10.8)

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 2019.

13) Dividend

No dividend has been proposed for the quarter under review (30 September 2018: Nil).



IOI GROUP

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

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(The figures have not been audited)

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

14) Earnings per Share

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 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	149.0	143.8	149.0	143.8
Weighted average number of ordinary shares in issue ('Million)	6,284.6	6,284.4	6,284.6	6,284.4
Basic (sen)	<u>2.37</u>	<u>2.29</u>	<u>2.37</u>	<u>2.29</u>
b) Diluted earnings per share				
Profit for the period attributable to owners of the parent	149.0	143.8	149.0	143.8
Adjusted weighted average number of ordinary shares in issue ('Million)				
Weighted average number of ordinary shares in issue	6,284.6	6,284.4	6,284.6	6,284.4
Assumed exercise of Executive Share Options at beginning of period	-	0.4	-	0.4
	<u>6,284.6</u>	<u>6,284.8</u>	<u>6,284.6</u>	<u>6,284.8</u>
Diluted (sen)	<u>2.37</u>	<u>2.29</u>	<u>2.37</u>	<u>2.29</u>

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
26 November 2019



Interim Report For The Financial Period Ended 30 September 2019

(The figures have not been audited)

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

Group Plantation Statistics

		As At 30/09/2019	As At 30/09/2018
Planted Area			
Oil palm			
Mature	<i>(hectares)</i>	150,755	154,392
Total planted	<i>(hectares)</i>	176,787	174,109
Rubber			
Mature	<i>(hectares)</i>	457	415
Total planted	<i>(hectares)</i>	475	475
Total Titled Area	<i>(hectares)</i>	217,931	217,915

		30/09/2019 (3 months)	30/09/2018 (3 months)
Average Mature Area Harvested			
Oil Palm	<i>(hectares)</i>	148,736	149,400
Production			
Oil Palm			
FFB production	<i>(tonnes)</i>	801,548	713,329
Yield per mature hectare	<i>(tonnes)</i>	5.39	4.77
FFB processed	<i>(tonnes)</i>	834,151	741,333
Crude palm oil production	<i>(tonnes)</i>	185,630	160,484
Palm kernel production	<i>(tonnes)</i>	38,785	33,084
Crude palm oil extraction rate	<i>(%)</i>	22.25%	21.65%
Palm kernel extraction rate	<i>(%)</i>	4.65%	4.46%
Average Selling Price Realised			
Oil palm			
Crude palm oil	<i>(RM/tonne)</i>	2,014	2,236
Palm kernel	<i>(RM/tonne)</i>	1,126	1,766