



IOI GROUP

IOI CORPORATION BERHAD 196901000607 (9027-W)

(Incorporated in Malaysia)

**Interim Report
For The Financial Period Ended
30 September 2021**



IOI GROUP

Interim Report For The Financial Period Ended 30 September 2021

(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 (%)
	30/09/2021 RM Million	30/09/2020 RM Million		30/09/2021 RM Million	30/09/2020 RM Million	
Revenue	3,632.4	2,477.2	47%	3,632.4	2,477.2	47%
Operating profit	434.3	257.9	68%	434.3	257.9	68%
Share of results of associates	70.4	35.1	101%	70.4	35.1	101%
Share of results of a joint venture	(0.9)	(0.5)	-80%	(0.9)	(0.5)	-80%
Profit before interest and taxation	503.8	292.5	72%	503.8	292.5	72%
Interest income	9.4	10.2	-8%	9.4	10.2	-8%
Finance costs	(40.1)	(41.0)	-2%	(40.1)	(41.0)	-2%
Net foreign currency translation (loss)/gain on foreign currency denominated borrowings	(26.6)	100.6	nm	(26.6)	100.6	nm
Net foreign currency translation gain/(loss) on foreign currency denominated deposits	0.3	(2.1)	nm	0.3	(2.1)	nm
Profit before taxation	446.8	360.2	24%	446.8	360.2	24%
Taxation	(157.1)	(77.4)	103%	(157.1)	(77.4)	103%
Profit for the period	289.7	282.8	2%	289.7	282.8	2%
Profit attributable to:						
Owners of the parent	277.6	277.9	0%	277.6	277.9	0%
Non-controlling interests	12.1	4.9	147%	12.1	4.9	147%
	289.7	282.8	2%	289.7	282.8	2%
Earning per share for profit attributable to owners of the parent (sen)						
Basic	4.45	4.43	0%	4.45	4.43	0%
Diluted	4.45	4.43	0%	4.45	4.43	0%

*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 2021 and the accompanying explanatory notes attached to this interim financial report.)



IOI GROUP

Interim Report For The Financial Period Ended 30 September 2021

(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	
	30/09/2021 RM Million	30/09/2020 RM Million	(%)	30/09/2021 RM Million	30/09/2020 RM Million	(%)
Profit for the period	289.7	282.8	2%	289.7	282.8	2%
Other comprehensive (loss)/income that will not be reclassified subsequently to profit or loss						
Re-measurements of the defined benefit obligations	(0.7)	-	nm	(0.7)	-	nm
Tax effect relating to re-measurements of the defined benefit obligations	0.2	-	nm	0.2	-	nm
	(0.5)	-	nm	(0.5)	-	nm
Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss when specific conditions are met						
Exchange differences on translation of foreign operations	24.4	(80.9)	nm	24.4	(80.9)	nm
Share of other comprehensive income/(loss) of associates	14.5	(18.2)	nm	14.5	(18.2)	nm
Fair value changes of hedging derivatives	24.2	-	nm	24.2	-	nm
Hedge of net investments in foreign operations	0.9	(1.8)	nm	0.9	(1.8)	nm
	64.0	(100.9)		64.0	(100.9)	
Other comprehensive income/(loss) for the period	63.5	(100.9)	nm	63.5	(100.9)	nm
Total comprehensive income for the period, net of tax	353.2	181.9	94%	353.2	181.9	94%
Total comprehensive income attributable to:						
Owners of the parent	341.9	174.5	96%	341.9	174.5	96%
Non-controlling interests	11.3	7.4	53%	11.3	7.4	53%
	353.2	181.9	94%	353.2	181.9	94%

*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 2021 and the accompanying explanatory notes attached to this interim financial report.)



IOI GROUP

Interim Report For The Financial Period Ended 30 September 2021

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position

	AS AT END OF CURRENT QUARTER 30/09/2021 RM Million	AS AT PRECEDING FINANCIAL YEAR END 30/06/2021 RM Million
ASSETS		
Non-current assets		
Property, plant and equipment	8,635.4	8,608.7
Intangible assets	421.9	423.4
Investments in associates	2,912.7	3,144.5
Derivative assets	87.5	87.4
Deferred tax assets	24.6	22.4
Other non-current assets	42.2	31.5
	12,124.3	12,317.9
Current assets		
Inventories	1,250.1	1,296.6
Receivables	1,452.9	1,427.2
Derivative assets	411.3	372.3
Amount due from associates	58.8	16.0
Other investments	64.3	106.9
Other current assets	114.4	93.9
Short term funds	1,298.4	1,391.0
Deposits with financial institutions	14.5	47.8
Cash and bank balances	824.7	586.1
	5,489.4	5,337.8
TOTAL ASSETS	17,613.7	17,655.7

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial report.)



IOI GROUP

Interim Report For The Financial Period Ended 30 September 2021

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position (Continued)

	AS AT END OF CURRENT QUARTER 30/09/2021 RM Million	AS AT PRECEDING FINANCIAL YEAR END 30/06/2021 RM Million
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	791.1	791.1
Treasury shares	(221.3)	(141.2)
Other reserves	90.1	25.3
Retained earnings	9,233.3	9,330.2
	9,893.2	10,005.4
Non-controlling interests	322.9	309.0
Total equity	10,216.1	10,314.4
Non-current liabilities		
Long term borrowings	985.3	978.6
Long term lease liabilities	57.8	58.2
Deferred tax liabilities	1,193.4	1,172.5
Other non-current liabilities	94.6	94.4
	2,331.1	2,303.7
Current liabilities		
Payables	778.9	767.8
Derivative liabilities	400.9	270.0
Short term borrowings	3,739.1	3,919.0
Other current liabilities	147.6	80.8
	5,066.5	5,037.6
Total liabilities	7,397.6	7,341.3
TOTAL EQUITY AND LIABILITIES	17,613.7	17,655.7
Net assets per share attributable to owners of the parent (RM)	1.59	1.60

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial report.)



IOI GROUP

Interim Report For The Financial Period Ended 30 September 2021

(The figures have not been audited)

Condensed Consolidated Statement of Cash Flows

	3 Months Ended 30/09/2021 RM Million	3 Months Ended 30/09/2020 RM Million
Operating Activities		
Profit before taxation	446.8	360.2
Adjustments for:		
Depreciation and amortisation	90.0	89.9
Other non-cash items	110.7	(24.7)
Operating profit before working capital changes	647.5	425.4
Decrease in payables and other liabilities	(6.9)	(101.0)
Decrease in inventories	46.4	46.2
Increase in receivables and other assets	(69.2)	(28.2)
Cash generated from operations	617.8	342.4
Retirement benefits paid	(0.4)	(0.5)
Net taxes paid	(68.8)	(46.4)
Net cash inflow from operating activities	548.6	295.5
Investing Activities		
Dividends received	316.8	8.4
Interest received	9.5	10.3
Proceeds from disposal of property, plant and equipment	0.2	0.1
Proceeds from disposal of other investments	37.9	10.9
Additions to property, plant and equipment	(106.3)	(78.2)
Additions to other investments	(12.8)	(4.7)
Additions to other intangible assets	(0.1)	(0.1)
Additions to biological assets	(0.1)	-
Net cash inflow/(outflow) from investing activities	245.1	(53.3)
Financing Activities		
Proceeds from issuance of shares to non-controlling interest	2.6	0.5
Repurchase of shares	(80.1)	-
Payment of dividends	(374.0)	(250.7)
Drawdown of Islamic financing facilities	-	60.5
Repayment of Islamic financing facilities	-	(38.4)
Net repayment of short term borrowings	(203.8)	(244.6)
Payment of lease liabilities	(2.1)	(1.9)
Payment of lease interests	(0.4)	(0.1)
Payment of finance costs	(23.1)	(23.8)
Net cash outflow from financing activities	(680.9)	(498.5)
Net increase/(decrease) in cash and cash equivalents	112.8	(256.3)
Cash and cash equivalents at beginning of financial year	2,024.9	2,313.0
Effect of exchange rate changes	(0.1)	(1.5)
Cash and cash equivalents at end of period	2,137.6	2,055.2

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial report.)



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Interim Report For The Financial Period Ended 30 September 2021

(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	Treasury shares	Capital reserve	Foreign currency translation reserve	Hedging reserve	Other reserve	Retained earnings			
As at 1 July 2021	791.1	(141.2)	7.7	0.9	35.8	(19.1)	9,330.2	10,005.4	309.0	10,314.4
Total comprehensive income	-	-	-	41.2	25.1	(1.5)	277.1	341.9	11.3	353.2
Transactions with owners										
Dividends paid in respect of previous financial year	-	-	-	-	-	-	(374.0)	(374.0)	-	(374.0)
Repurchase of shares	-	(80.1)	-	-	-	-	-	(80.1)	-	(80.1)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	2.6	2.6
As at 30 September 2021	791.1	(221.3)	7.7	42.1	60.9	(20.6)	9,233.3	9,893.2	322.9	10,216.1

(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 2021 and the accompanying explanatory notes attached to this interim financial report.)



IOI GROUP

IOI CORPORATION BERHAD 196901000607 (9027-W)
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Interim Report For The Financial Period Ended 30 September 2021

(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	Treasury shares	Capital reserve	Foreign currency translation reserve	Hedging reserve	Other reserve	Retained earnings			
As at 1 July 2020	790.2	(68.1)	24.2	60.4	41.2	(20.7)	8,469.0	9,296.2	274.5	9,570.7
Total comprehensive (loss)/income	-	-	-	(101.6)	(1.8)	-	277.9	174.5	7.4	181.9
Transactions with owners										
Dividends paid in respect of previous financial year	-	-	-	-	-	-	(250.7)	(250.7)	-	(250.7)
Changes in equity interest in subsidiaries	-	-	-	-	-	-	-	-	0.5	0.5
As at 30 September 2020	790.2	(68.1)	24.2	(41.2)	39.4	(20.7)	8,496.2	9,220.0	282.4	9,502.4

(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 2021 and the accompanying explanatory notes attached to this interim financial report.)



IOI GROUP

Interim Report For The Financial Period Ended 30 September 2021

(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 2021.

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 2021.

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 2021.

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 has repurchased 21,536,100 of its issued shares capital from the open market. The average price paid for the shares repurchased was RM3.72 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirement of Section 127 of the Companies Act, 2016.

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 2021 - 6.0 sen per ordinary share	374.0	-
Second interim single tier dividend in respect of financial year ended 30 June 2020 - 4.0 sen per ordinary share	-	250.7
	374.0	250.7



IOI GROUP

Interim Report For The Financial Period Ended 30 September 2021

(The figures have not been audited)

g) Segment Revenue & Results

(RM Million)	Plantation	Resource-based Manufacturing	Other Operations	Elimination	Total
3 Months Ended 30/09/21					
REVENUE					
External Sales	92.7	3,535.8	3.9	-	3,632.4
Inter-segment sales	667.9	-	-	(667.9)	-
Total Revenue	760.6	3,535.8	3.9	(667.9)	3,632.4

RESULT

Operating profit	407.8	142.9	3.1	-	553.8
Share of results of associates	57.6	12.8	-	-	70.4
Share of results of a joint venture	-	(0.9)	-	-	(0.9)
Segment results before fair value adjustments	465.4	154.8	3.1	-	623.3
Fair value gain/(loss) on:					
Biological assets	21.6	-	-	-	21.6
Derivative financial instruments	-	(108.7)	-	-	(108.7)
Segment results	487.0	46.1	3.1	-	536.2

3 Months Ended 30/09/20

REVENUE

External Sales	82.8	2,390.3	4.1	-	2,477.2
Inter-segment sales	500.3	-	-	(500.3)	-
Total Revenue	583.1	2,390.3	4.1	(500.3)	2,477.2

RESULT

Operating profit	236.4	72.3	2.1	-	310.8
Share of results of associates	17.5	17.6	-	-	35.1
Share of results of a joint venture	-	(0.5)	-	-	(0.5)
Segment results before fair value adjustments	253.9	89.4	2.1	-	345.4
Fair value gain/(loss) on:					
Biological assets	20.4	-	-	-	20.4
Derivative financial instruments	(0.7)	(49.8)	-	-	(50.5)
Segment results	273.6	39.6	2.1	-	315.3



Interim Report For The Financial Period Ended 30 September 2021

(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 30/09/2021 RM Million	3 Months Ended 30/09/2020 RM Million
Total segment results	536.2	315.3
Unallocated corporate net expense	(32.4)	(22.8)
Profit before interest and taxation	503.8	292.5
Finance costs	(40.1)	(41.0)
Interest income	9.4	10.2
Net foreign currency translation (loss)/gain on foreign currency denominated borrowings	(26.6)	100.6
Net foreign currency translation gain/(loss) on foreign currency denominated deposits	0.3	(2.1)
Profit before taxation	446.8	360.2
Taxation	(157.1)	(77.4)
Profit for the period	289.7	282.8

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 2021 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 2021.

j) Contingent Liabilities

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

Interim Report For The Financial Period Ended 30 September 2021

(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****Q1 FY2022 vs. Q1 FY2021**

For Q1 FY2022, the Group reported a profit before taxation (“PBT”) of RM446.8 million as compared to RM360.2 million reported for Q1 FY2021. Excluding the total net foreign currency translation loss of RM26.3 million (Q1 FY2021 – gain of RM98.5 million) on foreign currency denominated borrowings and deposits and net fair value loss on derivative financial instruments of RM134.4 million (Q1 FY2021 – RM79.8 million), the underlying PBT of RM607.5 million for Q1 FY2022 was 78% higher than the underlying PBT of RM341.5 million for Q1 FY2021, due mainly to higher contribution from all segments.

Plantation

The plantation segment profit for Q1 FY2022 of RM487.0 million was 78% higher than the profit for Q1 FY2021 of RM273.6 million due mainly to higher CPO and PK prices realised, partly offset by lower FFB production. Average CPO and PK prices realised for Q1 FY2022 were RM4,032/MT (Q1 FY2021 – RM2,579/MT) and RM2,551/MT (Q1 FY2021 – RM1,486/MT) respectively.

Resource-based Manufacturing

The resource-based manufacturing segment profit for Q1 FY2022 of RM46.1 million was 16% higher than the profit for Q1 FY2021 of RM39.6 million. Excluding the fair value loss on derivative financial instruments of RM108.7 million (Q1 FY2021 – RM49.8 million), the resource-based manufacturing segment reported an underlying profit of RM154.8 million for Q1 FY2022 as compared to RM89.4 million for Q1 FY2021. The higher profit was due mainly to higher contribution from both oleochemical and refining sub-segments with improvement in margins, partly offset by lower share of results from our specialty fats associate, Bunge Loders Crocklaan Group B.V. (“Loders”).

Interim Report For The Financial Period Ended 30 September 2021

(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements**2) Material Change in Profit Before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter**

The Group reported a PBT of RM446.8 million for Q1 FY2022 as compared to PBT of RM473.7 million for Q4 FY2021. Excluding the total net foreign currency translation loss of RM26.3 million (Q4 FY2021 – RM30.0 million) on foreign currency denominated borrowings and deposits and net fair value loss on derivative financial instruments of RM134.4 million (Q4 FY2021 – gain of RM42.2 million), the underlying PBT of RM607.5 million for Q1 FY2022 was 32% higher than the underlying PBT of RM461.5 million for Q4 FY2021, due mainly to higher contribution from all segments.

Details of the segmental results were as follows:

Plantation

The plantation segment profit for Q1 FY2022 of RM487.0 million was 19% higher than the profit for Q4 FY2021 of RM409.8 million. The higher profit reported was due mainly to higher CPO price realised as well as higher FFB production. Average CPO price realised for Q1 FY2022 was RM4,032/MT (Q4 FY2021 – RM3,648/MT) whilst FFB production for Q1 FY2022 was 746,307MT as compared to 727,653MT for Q4 FY2021.

Resource-based Manufacturing

The resource-based manufacturing segment profit for Q1 FY2022 was RM46.1 million as compared to RM165.0 million for Q4 FY2021. Excluding the fair value loss on derivative financial instruments of RM108.7 million (Q4 FY2021 – gain of RM71.4 million), the resource-based manufacturing segment reported an underlying profit of RM154.8 million for Q1 FY2022 as compared to RM93.6 million for Q4 FY2021. The higher profit was due mainly to higher contribution from both oleochemical and refining sub-segments with improvement in margins, partly offset by lower share of associate results from Lodders.



Interim Report For The Financial Period Ended 30 September 2021

(The figures have not been audited)

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

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

The analysis of contribution by segment is as follows:

	CURRENT QUARTER RM Million	PRECEDING QUARTER RM Million	DIFFERENCE RM Million
Plantation before fair value adjustments	465.4	406.9	58.5
Fair value gain on biological assets	21.6	3.0	18.6
Fair value loss on derivative financial instruments	-	(0.1)	0.1
Plantation	487.0	409.8	77.2
Resource-based manufacturing before fair value (loss)/gain on derivative financial instruments	154.8	93.6	61.2
Fair value (loss)/gain on derivative financial instruments	(108.7)	71.4	(180.1)
Resource-based manufacturing	46.1	165.0	(118.9)
Other operations	3.1	4.1	(1.0)
Segment results	536.2	578.9	(42.7)
Unallocated corporate net expenses	(32.4)	(42.3)	9.9
Profit before interest and taxation	503.8	536.6	(32.8)
Finance costs	(40.1)	(41.7)	1.6
Interest income	9.4	8.8	0.6
Net foreign currency translation loss on foreign currency denominated borrowings	(26.6)	(30.3)	3.7
Net foreign currency translation gain on foreign currency denominated deposits	0.3	0.3	-
Profit before taxation	446.8	473.7	(26.9)



IOI GROUP

Interim Report For The Financial Period Ended 30 September 2021

(The figures have not been audited)

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

3) Prospects

Crude palm oil (“CPO”) price continued to rally in the current financial year and reached a historical high of above RM5,000 per metric tonne in October and November 2021. We anticipate the CPO price to remain high until early 2022, supported by the global edible oil supply tightness as well as good demand as the global economy continues to improve.

For our plantation segment, the CPO production is expected to be lower than initially anticipated due to the impact from adverse weather arising from the La Nina phenomenon and unresolved labour shortage situation. Nevertheless, with the strong CPO price and the increased mechanisation in our estates, we foresee our plantation segment to perform well during the current financial year.

Our refinery and commodity marketing sub-segment has been enjoying almost two quarters of positive refining and fractionation margins. We expect the performance of this sub-segment to be satisfactory due to the positive margins and the strategic location of our refinery complex in Sandakan, Sabah.

The performance of the oleochemical sub-segment has been supported by robust demand due to the global economy recovery coupled with good margins. However, the considerable hike in raw material prices in recent times coupled with persistent high freight costs pose a huge challenge to the sub-segment. Nevertheless, we believe that our relentless effort to strive for cost efficiency, enhanced productivity and growth in specialty business will enable the sub-segment to sustain its profitability.

For the specialty fats sub-segment comprising our associate company Bunge Loders Croklaan Group B.V., we expect the sub-segment to perform better in the current financial year, supported by good performance from North American region and new product launches.

The US Dollar-Ringgit exchange rate which affects the foreign exchange translation gain/loss arising from our USD-denominated borrowings is expected to remain volatile in the near term.

The Group expects our overall operating performance for the remaining periods of the current financial year to be good on the back of strong performance from our plantation segment.

4) Achievability of Forecast Results

Not applicable.

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

Not applicable.



Interim Report For The Financial Period Ended 30 September 2021

(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	138.4	76.8	138.4	76.8
- Prior years	-	(3.2)	-	(3.2)
Deferred taxation				
- Current year	18.5	7.0	18.5	7.0
- Prior years	0.2	(3.2)	0.2	(3.2)
	157.1	77.4	157.1	77.4

The effective tax rate of the Group for Q1 FY2021 and Q1 YTD FY2021 are higher than the statutory tax rate due principally to non-deductible expenses offset against non-taxable income.

7) Corporate Proposal

- a) There was no corporate proposal announced by the Group but not completed as at 17 November 2021 (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 17 November 2021 (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		Initial Timeframe	Revised Timeframe ^{N1}	Second Revised Timeframe ^{N2}	Deviation	
	(%)	(RM Million)	(RM Million)					(RM Million)	%
Future investment	25.00	959.9	200.0	Within 24 months	Within 42 months	Within 57 months	-	-	
Dividend to shareholders	20.00	767.9	767.9	Within 12 months	Within 30 months	-	-	-	
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	3,079.8				-	-	

Note:

¹ On 18 February 2020, the Board of Directors resolved and approved to extend the initial utilisation timeframe for an additional period of 18 months (revised timeframe) to utilise the remaining proceeds.

² On 24 August 2021, the Board of Directors resolved and approved to extend the Revised utilisation timeframe for an additional period of 15 months (Second revised timeframe) to utilise the remaining proceeds.



Interim Report For The Financial Period Ended 30 September 2021

(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 2021	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	-	-	599.5	2,510.7	599.5	2,510.7
Islamic financing facilities	45.0	186.2	130.0	544.4	175.0	730.6
Revolving credit	-	-	20.0	83.8	20.0	83.8
Trade financing	-	-	55.4	232.1	55.4	232.1
<u>Denominated in JPY</u>						
Term loans	21,000.0	790.3	-	-	21,000.0	790.3
<u>Denominated in EUR</u>						
Islamic financing facilities	-	-	45.0	218.9	45.0	218.9
Finance lease obligation	1.8	8.8	-	-	1.8	8.8
<u>Denominated in RM</u>						
Trade financing	-	-	-	149.2	-	149.2
Total		985.3		3,739.1		4,724.4

As at 30 September 2020	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	598.9	2,487.7	-	-	598.9	2,487.7
Islamic financing facilities	155.0	640.7	110.0	456.8	265.0	1,097.5
Trade financing	-	-	21.9	91.1	21.9	91.1
<u>Denominated in JPY</u>						
Term loans	21,000.0	825.4	-	-	21,000.0	825.4
<u>Denominated in EUR</u>						
Islamic financing facilities	-	-	7.0	34.2	7.0	34.2
Trade financing	-	-	2.9	14.0	2.9	14.0
Finance lease obligation	1.8	8.9	-	-	1.8	8.9
<u>Denominated in RM</u>						
Trade financing	-	-	-	20.5	-	20.5
Total		3,962.7		616.6		4,579.3

Exchange rates applied

	As at 30 September 2021	As at 30 September 2020
USD/RM	4.1880	4.1540
JPY100/RM	3.7631	3.9306
EUR/RM	4.8596	4.8791



IOI GROUP

Interim Report For The Financial Period Ended 30 September 2021

(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 2021 are as follows:

	Contract/Notional Value (Million) Net short				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	(635.3)	-	-	(635.3)	(2.2)	-	-	(2.2)
EUR/RM	EUR	(31.8)	-	-	(31.8)	3.2	-	-	3.2
JPY/RM	JPY	(781.4)	-	-	(781.4)	0.4	-	-	0.4
GBP/RM	GBP	(1.6)	-	-	(1.6)	0.2	-	-	0.2
RMB/RM	RMB	(2.0)	-	-	(2.0)	-	-	-	-
						1.6	-	-	1.6

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 2021 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
Forward Contracts									
	USD	(311.6)	-	-	(311.6)	(104.5)	-	-	(104.5)
	RM	141.0	-	-	141.0	(1.0)	-	-	(1.0)
						(105.5)	-	-	(105.5)
Futures	USD	29.1	-	-	29.1	(3.3)	-	-	(3.3)
Futures	RM	68.7	-	-	68.7	15.8	-	-	15.8
						12.5	-	-	12.5

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 2021

(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 2021 are as follows:

	Contract/Notional Value (Million)					Fair Value – assets/(liabilities) (RM Million)			
	Base Currency	<1 year	1 year to 3 years	More than 3 years	Total	<1 year	1 year to 3 years	More than 3 years	Total
JPY liability to USD liability ¹	JPY	-	-	15,000.0	15,000.0	-	-	68.0	68.0
JPY liability to USD liability ²	JPY	-	-	6,000.0	6,000.0	-	-	19.5	19.5
Fixed rate USD liability to fixed rate EUR liability ³	USD	100.0	-	-	100.0	(17.7)	-	-	(17.7)
Floating rate USD liability to fixed rate EUR liability ⁴	USD	50.0	-	-	50.0	(9.4)	-	-	(9.4)

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 USD55 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 2021 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	55.0	-	-	55.0	(2.6)	-	-	(2.6)

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 2021

(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 2021 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	211.6
Call Option	125% of Put Price	(104.3)
		107.3

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

f) Treasury lock

During the quarter under review, the Group has decided to partially refinance the existing USD600 million 4.375% Guaranteed Notes issued under a Euro Medium Term Note programme (“EMTN Programme”) which due in June 2022 by issuance of new notes under the same EMTN Programme. The new notes were to be priced at a spread over the benchmark US Treasury (“UST”) Yield. In view of the volatility of the UST, the Group has entered into a Treasury Lock to hedge the benchmark UST Yield by locking in the 10-year UST at 1.345% for USD300 million pending the issuance of the new notes.

The outstanding treasury lock as at 30 September 2021 are as follows:

	Contract/Notional Value (Million)	Fair Value – assets (RM Million)
Treasury lock	10-year UST for USD 300 million Bond @ 1.345%	24.2
		24.2

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 MFRS 9 *Financial Instruments*
 - Cross currency swap contract which swapped a fixed rate USD100.0 million liability to a fixed rate EUR90.9 million liability;
 - Cross currency swap contract which swapped a floating rate USD50.0 million liability to a fixed rate EUR45.0 million liability; and
 - Treasury lock which hedged the fluctuation in UST to a fixed rate of 1.345%.
- 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 30 September 2021

(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		
	RMMillion	RMMillion		
Forward foreign exchange contracts	9.4	9.4	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
Commodity futures	(10.5)	(10.5)	The difference between the contracted prices rate and forward prices	The prices for the respective commodity futures have moved unfavourably against the Group from the last measurement date
Commodity forward contracts	(156.4)	(156.4)	The difference between the contracted prices rate and forward prices	The prices for the respective commodity forward contracts have moved unfavourably against the Group from the last measurement date
Cross currency swap contracts	17.4	17.4	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	0.9	0.9	The difference between fixed and floating interest rates	The floating interest rate have moved favourably for the Group from the last measurement date
Call option	8.3	8.3	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

Interim Report For The Financial Period Ended 30 September 2021

(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 30/09/21 RM Million	CURRENT YEAR TO DATE 30/09/21 RM Million
Interest income	(9.4)	(9.4)
Other income including investment income		
- Dividend income	(1.1)	(1.1)
Finance costs	40.1	40.1
Depreciation and amortisation	90.0	90.0
Impairment loss on trade receivables	0.2	0.2
Net inventories written down	0.1	0.1
Net foreign currency translation loss on foreign currency denominated borrowings	26.6	26.6
Net foreign currency translation gain on foreign currency denominated deposits	(0.3)	(0.3)
Foreign currency exchange loss	31.5	31.5
Fair value loss on other investments	5.6	5.6
Fair value loss on derivative financial instruments		
- Put and call options	25.7	25.7
- Others	108.7	108.7
Net gain arising from changes in fair value of biological assets	(21.6)	(21.6)

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 2021.

13) Dividend

No dividend has been proposed for the quarter under review (30 September 2020: Nil).



IOI GROUP

Interim Report For The Financial Period Ended 30 September 2021

(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 for the period				
Profit for the period attributable to owners of the parent	277.6	277.9	277.6	277.9
Weighted average number of ordinary shares in issue (Million)	6,235.3	6,266.8	6,235.3	6,266.8
Basic (sen)	4.45	4.43	4.45	4.43
b) Diluted earnings for the period				
Profit for the period attributable to owners of the parent	277.6	277.9	277.6	277.9
Adjusted weighted average number of ordinary shares in issue (Million)				
Weighted average number of ordinary shares in issue	6,235.3	6,266.8	6,235.3	6,266.8
Assumed exercise of Executive Share Options at beginning of period	-	-	-	-
	6,235.3	6,266.8	6,235.3	6,266.8
Diluted (sen)	4.45	4.43	4.45	4.43

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 Khiang
Company Secretary

Putrajaya
24 November 2021



Interim Report For The Financial Period Ended 30 September 2021

(The figures have not been audited)

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

Group Plantation Statistics

		As At 30/09/2021	As At 30/09/2020
Planted Area			
Oil palm			
Mature	<i>(hectares)</i>	144,622	143,877
Total planted	<i>(hectares)</i>	176,551	176,908
Rubber			
Mature	<i>(hectares)</i>	457	457
Total planted	<i>(hectares)</i>	457	457
Total Titled Area	<i>(hectares)</i>	206,988	206,567

		30/09/2021 (3 months)	30/09/2020 (3 months)
Average Mature Area Harvested			
Oil Palm	<i>(hectares)</i>	141,182	141,948
Production			
Oil Palm			
FFB production	<i>(tonnes)</i>	746,307	878,701
Yield per mature hectare	<i>(tonnes)</i>	5.29	6.19
FFB processed	<i>(tonnes)</i>	779,375	892,456
Crude palm oil production	<i>(tonnes)</i>	169,754	192,425
Palm kernel production	<i>(tonnes)</i>	34,320	42,090
Crude palm oil extraction rate	<i>(%)</i>	21.78%	21.56%
Palm kernel extraction rate	<i>(%)</i>	4.40%	4.72%
Average Selling Price Realised			
Oil palm			
Crude palm oil	<i>(RM/tonne)</i>	4,032	2,579
Palm kernel	<i>(RM/tonne)</i>	2,551	1,486