



IOI GROUP

IOI CORPORATION BERHAD 196901000607 (9027-W)

(Incorporated in Malaysia)

**Interim Report
For The Financial Period Ended
31 December 2021**



IOI GROUP

Interim Report For The Financial Period Ended 31 December 2021

(The figures have not been audited)

Condensed Consolidated Statement of Profit or Loss

	INDIVIDUAL QUARTER (Q2)			CUMULATIVE QUARTER (6 Mths)		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	Changes	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	Changes
	31/12/2021 RM Million	31/12/2020 RM Million	(%)	31/12/2021 RM Million	31/12/2020 RM Million	(%)
Revenue	4,112.3	2,454.7	68%	7,744.7	4,931.9	57%
Operating profit	632.1	280.3	126%	1,066.4	538.2	98%
Share of results of associates	35.3	85.7	-59%	105.7	120.8	-13%
Share of results of a joint venture	(0.6)	(0.7)	14%	(1.5)	(1.2)	-25%
Profit before interest and taxation	666.8	365.3	83%	1,170.6	657.8	78%
Interest income	9.6	9.6	0%	19.0	19.8	-4%
Finance costs	(39.6)	(40.2)	-1%	(79.7)	(81.2)	-2%
Net foreign currency translation gain on foreign currency denominated borrowings	29.6	98.3	-70%	3.0	198.9	-98%
Net foreign currency translation gain/(loss) on foreign currency denominated deposits	0.1	(3.0)	nm	0.4	(5.1)	nm
Profit before taxation	666.5	430.0	55%	1,113.3	790.2	41%
Taxation	(158.7)	(67.2)	136%	(315.8)	(144.6)	118%
Profit for the period	507.8	362.8	40%	797.5	645.6	24%
Profit attributable to:						
Owners of the parent	494.7	355.7	39%	772.3	633.6	22%
Non-controlling interests	13.1	7.1	85%	25.2	12.0	110%
	507.8	362.8	40%	797.5	645.6	24%
Earning per share for profit attributable to owners of the parent (sen)						
Basic	7.95	5.68	40%	12.40	10.11	23%
Diluted	7.95	5.68	40%	12.40	10.11	23%

*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 31 December 2021

(The figures have not been audited)

Condensed Consolidated Statement of Other Comprehensive Income

	INDIVIDUAL QUARTER (Q2)			CUMULATIVE QUARTER (6 Mths)		
	CURRENT YEAR	PRECEDING YEAR	Changes (%)	CURRENT YEAR	PRECEDING YEAR	Changes (%)
	QUARTER	CORRESPONDING QUARTER		TO DATE	CORRESPONDING PERIOD	
	31/12/2021 RM Million	31/12/2020 RM Million		31/12/2021 RM Million	31/12/2020 RM Million	
Profit for the period	507.8	362.8	40%	797.5	645.6	24%
Other comprehensive (loss)/income that will not be reclassified subsequently to profit or loss						
Share of other comprehensive loss of associates	(0.4)	(0.9)	56%	(0.4)	(0.9)	56%
Re-measurements of the defined benefit obligations	-	-	nm	(0.7)	-	nm
Tax effect relating to re-measurements of the defined benefit obligations	-	-	nm	0.2	-	nm
	(0.4)	(0.9)	-56%	(0.9)	(0.9)	0%
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	(17.2)	41.9	nm	7.2	(39.0)	nm
Share of other comprehensive income/(loss) of associates	22.1	(9.3)	nm	36.6	(27.5)	nm
Fair value changes of hedging derivatives	0.2	-	nm	24.4	-	nm
Hedge of net investments in foreign operations			nm			nm
Net change in fair value	(10.7)	(17.2)	-38%	(9.8)	(19.0)	-48%
Reclassified to profit or loss	8.1	13.2	-39%	8.1	13.2	-39%
	2.5	28.6		66.5	(72.3)	
Other comprehensive income/(loss) for the period	2.1	27.7	-92%	65.6	(73.2)	nm
Total comprehensive income for the period, net of tax	509.9	390.5	31%	863.1	572.4	51%
Total comprehensive income attributable to:						
Owners of the parent	497.0	385.1	29%	838.9	559.6	50%
Non-controlling interests	12.9	5.4	139%	24.2	12.8	89%
	509.9	390.5	31%	863.1	572.4	51%

*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 31 December 2021

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position

	AS AT END OF CURRENT QUARTER 31/12/2021 RM Million	AS AT PRECEDING FINANCIAL YEAR END 30/06/2021 RM Million
ASSETS		
Non-current assets		
Property, plant and equipment	8,640.5	8,608.7
Intangible assets	418.5	423.4
Investments in associates	2,935.6	3,144.5
Derivative assets	77.2	87.4
Deferred tax assets	26.8	22.4
Other non-current assets	84.2	31.5
	12,182.8	12,317.9
Current assets		
Inventories	1,556.9	1,296.6
Receivables	1,862.1	1,427.2
Derivative assets	259.1	372.3
Amount due from associates	78.4	16.0
Other investments	65.3	106.9
Other current assets	96.9	93.9
Short term funds	1,590.5	1,391.0
Deposits with financial institutions	135.6	47.8
Cash and bank balances	671.0	586.1
	6,315.8	5,337.8
TOTAL ASSETS	18,498.6	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 31 December 2021

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position (Continued)

	AS AT END OF CURRENT QUARTER 31/12/2021 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	(275.4)	(141.2)
Other reserves	92.8	25.3
Retained earnings	9,727.6	9,330.2
	10,336.1	10,005.4
Non-controlling interests	336.2	309.0
Total equity	10,672.3	10,314.4
Non-current liabilities		
Long term borrowings	2,526.1	978.6
Long term lease liabilities	56.3	58.2
Derivative liabilities	0.4	-
Deferred tax liabilities	1,181.9	1,172.5
Other non-current liabilities	93.9	94.4
	3,858.6	2,303.7
Current liabilities		
Payables	794.7	767.8
Derivative liabilities	244.6	270.0
Short term borrowings	2,691.5	3,919.0
Other current liabilities	236.9	80.8
	3,967.7	5,037.6
Total liabilities	7,826.3	7,341.3
TOTAL EQUITY AND LIABILITIES	18,498.6	17,655.7
Net assets per share attributable to owners of the parent (RM)		
	1.66	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 31 December 2021

(The figures have not been audited)

Condensed Consolidated Statement of Cash Flows

	6 Months Ended 31/12/2021 RM Million	6 Months Ended 31/12/2020 RM Million
Operating Activities		
Profit before taxation	1,113.3	790.2
Adjustments for:		
Depreciation and amortisation	178.9	176.6
Other non-cash items	96.0	(81.2)
Operating profit before working capital changes	<u>1,388.2</u>	885.6
Increase/(Decrease) in payables and other liabilities	13.0	(40.0)
(Increase)/Decrease in inventories	(261.9)	23.8
Increase in receivables and other assets	(507.1)	(115.4)
Cash generated from operations	<u>632.2</u>	754.0
Retirement benefits paid	(0.7)	(1.6)
Net taxes paid	(144.7)	(89.5)
Net cash inflow from operating activities	<u>486.8</u>	662.9
Investing Activities		
Dividends received	317.2	53.2
Interest received	17.2	20.0
Proceeds from disposal of property, plant and equipment	0.4	0.1
Proceeds from disposal of other investments	38.8	26.6
Additions to property, plant and equipment	(201.5)	(185.2)
Additions to other investments	(46.3)	(28.1)
Additions to other intangible assets	(0.4)	(7.0)
Additions to biological assets	(0.5)	-
Net cash inflow/(outflow) from investing activities	<u>124.9</u>	(120.4)
Financing Activities		
Proceeds from issuance of shares to non-controlling interest	3.0	0.5
Issuance of shares	-	0.7
Repurchase of shares	(134.2)	(2.8)
Payment of dividends	(374.0)	(250.7)
Dividends paid to non-controlling interests	-	(12.1)
Repurchase of Guaranteed Notes due 2022	(1,258.2)	-
Issue of new Guaranteed Notes due 2031	1,242.7	-
Drawdown of Islamic financing facilities	335.8	60.5
Repayment of Islamic financing facilities	(231.5)	(262.0)
Net drawdown of short term borrowings	229.5	24.7
Net settlement of T-lock	24.8	-
Payment of lease liabilities	(4.3)	(3.7)
Payment of lease interests	(1.4)	(0.9)
Payment of finance costs	(70.7)	(77.9)
Net cash outflow from financing activities	<u>(238.5)</u>	(523.7)
Net increase in cash and cash equivalents	373.2	18.8
Cash and cash equivalents at beginning of financial year	2,024.9	2,313.0
Effect of exchange rate changes	(1.0)	(4.9)
Cash and cash equivalents at end of period	<u>2,397.1</u>	<u>2,326.9</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 2021 and the accompanying explanatory notes attached to this interim financial report.)



Interim Report For The Financial Period Ended 31 December 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	-	-	-	41.3	22.7	3.5	771.4	838.9	24.2	863.1
Transactions with owners										
Dividends paid in respect of previous financial year	-	-	-	-	-	-	(374.0)	(374.0)	-	(374.0)
Repurchase of shares	-	(134.2)	-	-	-	-	-	(134.2)	-	(134.2)
Capital contribution by non- controlling interests	-	-	-	-	-	-	-	-	3.0	3.0
As at 31 December 2021	791.1	(275.4)	7.7	42.2	58.5	(15.6)	9,727.6	10,336.1	336.2	10,672.3

(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.)



Interim Report For The Financial Period Ended 31 December 2021

(The figures have not been audited)

Condensed Consolidated Statement of Changes In Equity (Continued)

(RM Million)	Non-distributable						Distributable		Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital reserve	Foreign currency translation reserve	Hedging reserve	Other reserve	Retained earnings	Total attributable to owners of the parent		
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	-	-	-	(69.6)	(5.8)	2.3	632.7	559.6	12.8	572.4
Transactions with owners										
Dividends paid in respect of previous financial year	-	-	-	-	-	-	(250.7)	(250.7)	-	(250.7)
Issue of shares arising from exercise of share options	0.9	-	(0.2)	-	-	-	-	0.7	-	0.7
Repurchase of shares	-	(2.8)	-	-	-	-	-	(2.8)	-	(2.8)
Changes in equity interest in subsidiaries	-	-	-	3.1	-	-	(17.6)	(14.5)	33.9	19.4
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(12.1)	(12.1)
As at 31 December 2020	791.1	(70.9)	24.0	(6.1)	35.4	(18.4)	8,833.4	9,588.5	309.1	9,897.6

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



IOI GROUP

Interim Report For The Financial Period Ended 31 December 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 repurchase 35,801,200 of its issued shares capital from the open market. The average price paid for the shares repurchase was RM3.75 per share. The repurchase transactions were financed by internally generated funds. The shares repurchase 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 31 December 2021

(The figures have not been audited)

g) Segment Revenue & Results

(RM Million)	Plantation	Resource-based Manufacturing	Other Operations	Elimination	Total
6 Months Ended 31/12/21					
REVENUE					
External Sales	206.1	7,531.8	6.8	-	7,744.7
Inter-segment sales	1,479.1	-	-	(1,479.1)	-
Total Revenue	1,685.2	7,531.8	6.8	(1,479.1)	7,744.7
RESULT					
Operating profit	930.1	271.7	5.4	-	1,207.2
Share of results of associates	122.8	(17.1)	-	-	105.7
Share of results of a joint venture	-	(1.5)	-	-	(1.5)
Segment results before fair value adjustments	1,052.9	253.1	5.4	-	1,311.4
Fair value gain/(loss) on:					
Biological assets	10.0	-	-	-	10.0
Derivative financial instruments	0.1	(54.2)	-	-	(54.1)
Segment results	1,063.0	198.9	5.4	-	1,267.3
6 Months Ended 31/12/20					
REVENUE					
External Sales	179.3	4,745.1	7.5	-	4,931.9
Inter-segment sales	1,051.1	-	-	(1,051.1)	-
Total Revenue	1,230.4	4,745.1	7.5	(1,051.1)	4,931.9
RESULT					
Operating profit	541.2	145.9	3.7	-	690.8
Share of results of associates	64.3	56.5	-	-	120.8
Share of results of a joint venture	-	(1.2)	-	-	(1.2)
Segment results before fair value adjustments	605.5	201.2	3.7	-	810.4
Fair value gain/(loss) on:					
Biological assets	8.5	-	-	-	8.5
Derivative financial instruments	(0.1)	(140.4)	-	-	(140.5)
Segment results	613.9	60.8	3.7	-	678.4



Interim Report For The Financial Period Ended 31 December 2021

(The figures have not been audited)

g) Segment Revenue & Results (Continued)

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

	6 Months Ended 31/12/2021 RM Million	6 Months Ended 31/12/2020 RM Million
Total segment results	1,267.3	678.4
Unallocated corporate net expense	(96.7) [^]	(20.6)
Profit before interest and taxation	1,170.6	657.8
Finance costs	(79.7)	(81.2)
Interest income	19.0	19.8
Net foreign currency translation gain on foreign currency denominated borrowings	3.0	198.9
Net foreign currency translation gain/(loss) on foreign currency denominated deposits	0.4	(5.1)
Profit before taxation	1,113.3	790.2
Taxation	(315.8)	(144.6)
Profit for the period	797.5	645.6

[^] Include loss on repurchase of Guarantee Notes due 2022 (RM29.4 million) and fair value loss on put and call options (RM70.8 million)

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 31 December 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 31 December 2021.

j) Contingent Liabilities

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



IOI GROUP

Interim Report For The Financial Period Ended 31 December 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

a) Q2 FY2022 vs. Q2 FY2021

For Q2 FY2022, the Group reported a profit before taxation (“PBT”) of RM666.5 million as compared to RM430.0 million reported for Q2 FY2021. Excluding the non-operating and one-off items as tabulated below, the underlying PBT of RM712.0 million for Q2 FY2022 was 66% higher than the underlying PBT of RM429.4 million for Q2 FY2021, due mainly to higher contribution from all segments:

	Q2 FY2022	Q2 FY2021
	RM Million	RM Million
Net foreign currency translation gain on foreign currency denominated borrowings and deposits	29.7	95.3
Net fair value gain/(loss) on derivative financial instruments	9.5	(94.7)
Share of impairment loss of specialty fats associate, Bunge Loders Croklaan Group B.V. ("Loders")	(55.3)	-
Loss on repurchase of Guaranteed Notes due 2022	<u>(29.4)</u>	<u>-</u>
	<u>(45.5)</u>	<u>0.6</u>

Plantation

The plantation segment profit for Q2 FY2022 of RM576.0 million was 69% higher than the profit for Q2 FY2021 of RM340.3 million due mainly to higher CPO and PK prices realised. Average CPO and PK prices realised for Q2 FY2022 were RM4,565/MT (Q2 FY2021 – RM2,992/MT) and RM3,678/MT (Q2 FY2021 – RM1,982/MT) respectively.

Resource-based Manufacturing

The resource-based manufacturing segment profit for Q2 FY2022 is RM152.8 million as compared to RM21.2 million for Q2 FY2021. Excluding the fair value gain on derivative financial instruments of RM54.5 million (Q2 FY2021 – loss of RM90.6 million) and share of Loders’s impairment loss of RM55.3 million (Q2 FY2021 – nil), the resource-based manufacturing segment reported an underlying profit of RM153.6 million for Q2 FY2022 as compared to RM111.8 million for Q2 FY2021. The higher profit was due mainly to higher contribution from oleochemical sub-segment with improvement in margins offset by lower contribution from the refining sub-segment.



Interim Report For The Financial Period Ended 31 December 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 (Continued)

a) Q2 FY2022 vs. Q2 FY2021 (Continued)

The analysis of contribution by segment is as follow:

	CURRENT YEAR QUARTER RM Million	PRECEDING YEAR CORRESPONDING QUARTER RM Million	DIFFERENCE RM Million
Plantation before fair value adjustments	587.5	351.6	235.9
Fair value loss on biological assets	(11.6)	(11.9)	0.3
Fair value gain on derivative financial instruments	0.1	0.6	(0.5)
Plantation	576.0	340.3	235.7
Resource-based manufacturing before fair value adjustments	98.3	111.8	(13.5)
Fair value gain/(loss) on derivative financial instruments	54.5	(90.6)	145.1
Resource-based manufacturing	152.8	21.2	131.6
Other operations	2.3	1.6	0.7
Segment results	731.1	363.1	368.0
Unallocated corporate net (expenses)/income	(64.3) ^	2.2	(66.5)
Profit before interest and taxation	666.8	365.3	301.5
Finance costs	(39.6)	(40.2)	0.6
Interest income	9.6	9.6	-
Net foreign currency translation gain on foreign currency denominated borrowings	29.6	98.3	(68.7)
Net foreign currency translation gain/(loss) on foreign currency denominated deposits	0.1	(3.0)	3.1
Profit before taxation	666.5	430.0	236.5

^ Include loss on repurchase of Guaranteed Notes due 2022 (RM29.4 million) and fair value loss on put and call options (RM45.1 million)



IOI GROUP

Interim Report For The Financial Period Ended 31 December 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 (Continued)**
- b) **Q2 YTD FY2022 vs. Q2 YTD FY2021 (Continued)**

For Q2 YTD FY2022, the Group reported a PBT of RM1,113.3 million as compared to RM790.2 million reported for Q2 YTD FY2021. Excluding the non-operating and one-off items as tabulated below, the underlying PBT of RM1,319.5 million for Q2 YTD FY2022 was 71% higher than the underlying PBT of RM771.0 million for Q2 YTD FY2021, due mainly to higher contribution from all segments:

	Q2 YTD FY2022	Q2 YTD FY2021
	RM Million	RM Million
Net foreign currency translation gain on foreign currency denominated borrowings and deposits	3.4	193.8
Net fair value loss on derivative financial instruments	(124.9)	(174.6)
Share of impairment loss of specialty fats associate, Bunge Loders Croklaan Group B.V. ("Loders")	(55.3)	-
Loss on repurchase of Guaranteed Notes due 2022	(29.4)	-
	<u>(206.2)</u>	<u>19.2</u>

Plantation

The plantation segment profit for Q2 YTD FY2022 of RM1,063.0 million was 73% higher than the profit for Q2 YTD FY2021 of RM613.9 million. The higher profit reported was due mainly to higher CPO and PK prices realised, partly offset by lower FFB production. Average CPO and PK prices realised for Q2 YTD FY2022 were RM4,305/MT (Q2 YTD FY2021 – RM2,782/MT) and RM3,112/MT (Q2 YTD FY2021 – RM1,725/MT).

Resource-based Manufacturing

The resource-based manufacturing segment profit for Q2 YTD FY2022 was RM198.9 million as compared to RM60.8 million for Q2 YTD FY2021. Excluding the fair value loss on derivative financial instruments of RM54.2 million (Q2 YTD FY2021 – RM140.4 million) and share of Loders's impairment loss of RM55.3 million (Q2 YTD FY2021 – nil), the resource-based manufacturing segment reported an underlying profit of RM308.4 million for Q2 YTD FY2022 as compared to RM201.2 million for Q2 YTD FY2021. The higher profit was due mainly to higher contribution from oleochemical sub-segment with improvement in margins.



Interim Report For The Financial Period Ended 31 December 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 RM666.5 million for Q2 FY2022 as compared to PBT of RM446.8 million for Q1 FY2022. Excluding the non-operating and one-off items as tabulated below, the underlying PBT of RM712.0 million for Q2 FY2022 was 17% higher than the underlying PBT of RM607.5 million for Q1 FY2022, due mainly to higher contribution from plantation segment:

	Q2 FY2022	Q1 FY2022
	RM Million	RM Million
Net foreign currency translation gain/(loss) on foreign currency denominated borrowings and deposits	29.7	(26.3)
Net fair value gain/(loss) on derivative financial instruments	9.5	(134.4)
Share of impairment loss of specialty fats associate, Bunge Loders Croklaan Group B.V. ("Loders")	(55.3)	-
Loss on repurchase of Guaranteed Notes due 2022	(29.4)	-
	<u>(45.5)</u>	<u>(160.7)</u>

Details of the segmental results were as follows:

Plantation

The plantation segment profit for Q2 FY2022 of RM576.0 million was 18% higher than the profit for Q1 FY2022 of RM487.0 million. The higher profit reported was due mainly to higher CPO and PK prices realised as well as higher FFB production. Average CPO and PK prices realised for Q2 FY2022 were RM4,565/MT (Q1 FY2022 – RM4,032/MT) and RM3,678/MT (Q1 FY2022 – RM2,551/MT) respectively.

Resource-based Manufacturing

The resource-based manufacturing segment profit for Q2 FY2022 was RM152.8 million as compared to RM46.1 million for Q1 FY2022. Excluding the fair value gain on derivative financial instruments of RM54.5 million (Q1 FY2022 – loss of RM108.7 million) and share of Loders's impairment loss of RM55.3 million (Q1 FY2022 – nil), the resource-based manufacturing segment reported an underlying profit of RM153.6 million for Q2 FY2022 as compared to RM154.8 million for Q1 FY2022. The slightly lower profit was due to lower contribution from the refining sub-segment which was offset by higher contribution from oleochemical sub-segment.



Interim Report For The Financial Period Ended 31 December 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	587.5	465.4	122.1
Fair value (loss)/gain on biological assets	(11.6)	21.6	(33.2)
Fair value gain on derivative financial instruments	0.1	-	0.1
Plantation	576.0	487.0	89.0
Resource-based manufacturing before fair value adjustments	98.3	154.8	(56.5)
Fair value gain/(loss) on derivative financial instruments	54.5	(108.7)	163.2
Resource-based manufacturing	152.8	46.1	106.7
Other operations	2.3	3.1	(0.8)
Segment results	731.1	536.2	194.9
Unallocated corporate net expenses	(64.3)	(32.4)	(31.9)
Profit before interest and taxation	666.8	503.8	163.0
Finance costs	(39.6)	(40.1)	0.5
Interest income	9.6	9.4	0.2
Net foreign currency translation gain/(loss) on foreign currency denominated borrowings	29.6	(26.6)	56.2
Net foreign currency translation gain on foreign currency denominated deposits	0.1	0.3	(0.2)
Profit before taxation	666.5	446.8	219.7



IOI GROUP

Interim Report For The Financial Period Ended 31 December 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 has risen in February 2022, trending close to the RM6,000 per metric tonne mark, following the news of India’s import duty cut as well as Indonesia’s new palm oil export restriction rules. We anticipate the CPO price to remain strong until at least the middle of this year, supported by the global edible oil supply tightness as well as the growth in global economy as we transition from the Covid pandemic to the Covid endemic phase.

For our plantation segment, the FFB production for the remaining periods of FY2022 is expected to be impacted by the seasonal effects, labour shortage as well as other operational disruptions due to the recent Omicron outbreak. Nevertheless, with the strong palm oil price and intensified mechanisation initiatives in our estates, the plantation segment is expected to perform well during the rest of the current financial year.

The palm refining and kernel crushing margins in Malaysia continue to be affected by the high CPO and kernel prices as well as export duty regulations in Indonesia. However, we expect the performance of our refinery and commodity marketing sub-segment to remain resilient due to our efficient business model in respect of the Sabah refinery.

For the oleochemical sub-segment, our product margins is expected to be affected by the sharp rise in palm kernel oil feedstock price since December 2021, although the pent-up demand for our products remain strong due to the earlier supply chain bottlenecks and in line with the growth in global economy. We expect this sub-segment to perform satisfactorily for the remaining periods of FY2022.

For the remaining periods of FY2022, we foresee an improvement in the operating performance of the specialty fats sub-segment comprising our associate company Bunge Lodgers Croklaan with the continued growth in the global economy, although the operating environment still present challenges such as high freight cost and rising energy cost.

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.

Overall, the Group expects its performance during the remaining periods of FY2022 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 31 December 2021

(The figures have not been audited)

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

6) Taxation

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER (6 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM Million	RM Million	RM Million	RM Million
The tax expense comprises the following:				
Current taxation				
- Current year	172.7	83.1	311.1	159.8
- Prior years	-	(0.8)	-	(4.0)
Deferred taxation				
- Current year	(13.2)	(16.7)	5.3	(9.7)
- Prior years	(0.8)	1.6	(0.6)	(1.5)
	158.7	67.2	315.8	144.6

The effective tax rate of the Group for Q2 FY2022 and Q2 YTD FY2022 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 16 February 2022 (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 16 February 2021 (being a date not earlier than 7 days from the date of issue of the quarterly report) is as follows:

Purpose	Proposed	Actual	Initial	Revised	Second Revised	Deviation		
	Utilisation (%) (RM Million)	Utilisation (RM Million)				Timeframe	Timeframe ^{N1}	Timeframe ^{N2}
Future investment	25.00	959.9	221.3	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	3,101.1				-	-

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 31 December 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 31 December 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	296.1	1,236.1	304.6	1,271.5	600.7	2,507.6
Islamic financing facilities	125.0	519.7	69.0	288.0	194.0	807.7
Revolving credit	-	-	20.0	83.5	20.0	83.5
Trade financing	-	-	162.4	678.1	162.4	678.1
<u>Denominated in JPY</u>						
Term loans	21,000.0	761.7	-	-	21,000.0	761.7
<u>Denominated in EUR</u>						
Islamic financing facilities	-	-	45.0	212.9	45.0	212.9
Finance lease obligation	1.8	8.6	-	-	1.8	8.6
<u>Denominated in RM</u>						
Trade financing	-	-	-	157.5	-	157.5
Total		2,526.1		2,691.5		5,217.6

As at 31 December 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	599.0	2,413.5	-	-	599.0	2,413.5
Islamic financing facilities	100.0	400.0	110.0	443.2	210.0	843.2
Trade financing	-	-	29.5	119.0	29.5	119.0
<u>Denominated in JPY</u>						
Term loans	21,000.0	819.4	-	-	21,000.0	819.4
<u>Denominated in EUR</u>						
Islamic financing facilities	-	-	52.0	258.0	52.0	258.0
Trade financing	-	-	1.1	5.4	1.1	5.4
Finance lease obligation	1.8	9.0	-	-	1.8	9.0
<u>Denominated in RM</u>						
Trade financing	-	-	-	46.1	-	46.1
Total		3,641.9		871.7		4,513.6

Exchange rates applied

	As at 31 December 2021	As at 31 December 2020
USD/RM	4.1740	4.0290
JPY100/RM	3.6270	3.9021
EUR/RM	4.7274	4.9578



Interim Report For The Financial Period Ended 31 December 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 31 December 2021 are as follows:

	Contract/Notional Value (Million) Net short				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
Vanilla Contracts									
USD/RM	USD	(685.2)	-	-	(685.2)	8.8	-	-	8.8
EUR/RM	EUR	(32.0)	-	-	(32.0)	2.5	-	-	2.5
JPY/RM	JPY	(1,080.7)	-	-	(1,080.7)	0.7	-	-	0.7
GBP/RM	GBP	(2.1)	-	-	(2.1)	0.1	-	-	0.1
RMB/RM	RMB	(3.5)	-	-	(3.5)	-	-	-	-
						12.1	-	-	12.1

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 31 December 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	(305.0)	-	-	(305.0)	(54.5)	-	-	(54.5)
	RM	(180.1)	-	-	(180.1)	(7.8)	-	-	(7.8)
						(62.3)	-	-	(62.3)
Futures									
	USD	23.2	-	-	23.2	(3.0)	-	-	(3.0)
	RM	386.9	-	-	386.9	16.2	-	-	16.2
						13.2	-	-	13.2

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 31 December 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 31 December 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	-	-	59.7	59.7
JPY liability to USD liability ²	JPY	-	-	6,000.0	6,000.0	-	-	17.0	17.0
Fixed rate USD liability to fixed rate EUR liability ³	USD	100.0	-	-	100.0	(9.2)	-	-	(9.2)
Floating rate USD liability to fixed rate EUR liability ⁴	USD	-	-	55.0	55.0	-	-	0.5	0.5

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 the Group's USD55 million floating rate Foreign Currency Term Financing-i (FC TERM-i) due 2026 into fixed rate EUR liability and serve as a net investments hedge against the Group's Euro denominated assets.

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

d) The outstanding interest rate swap contracts as at 31 December 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	-	25.0	80.0	(1.5)	-	(0.4)	(1.9)

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 31 December 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 31 December 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	163.2
Call Option	125% of Put Price	(101.0)
		62.2

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 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 USD55.0 million liability to a fixed rate EUR48.6 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 December 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		
	RM Million	RM Million		
Forward foreign exchange contracts	3.2	12.6	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	13.6	3.1	The difference between the contracted prices rate and forward prices	The prices for the respective commodity futures have moved favourably for the Group from the last measurement date
Commodity forward contracts	117.3	(39.1)	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
Cross currency swap contracts	17.8	35.2	Based on spot, forward and interest rate term structure for the respective currencies	The forward and interest rate term structure for the respective currencies have moved favourably for the Group from the last measurement date
Interest rate swap contracts	0.6	1.5	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	3.4	11.7	The difference between strike prices and underlying prices	The prices for the call option have moved favourably for the Group from the last measurement date



Interim Report For The Financial Period Ended 31 December 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 31/12/21 RM Million	CURRENT YEAR TO DATE 31/12/21 RM Million
Interest income	(9.6)	(19.0)
Other income including investment income		
- Dividend income	(0.4)	(1.5)
Finance costs	39.6	79.7
Depreciation and amortisation	88.9	178.9
Impairment loss on trade receivables	2.6	2.8
Net inventories written down	1.5	1.6
Net foreign currency translation gain on foreign currency denominated borrowings	(29.6)	(3.0)
Net foreign currency translation gain on foreign currency denominated deposits	(0.1)	(0.4)
Foreign currency exchange (gain)/loss	(12.8)	18.7
Fair value gain on other investments	(10.9)	(5.3)
Fair value loss/(gain) on derivative financial instruments		
- Put and call options	45.1	70.8
- Others	(54.6)	54.1
Net loss/(gain) arising from changes in fair value of biological assets	11.6	(10.0)
Loss on repurchase of Guaranteed Notes due 2022	29.4	29.4

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

12) Material Litigation

There is no new material litigation or significant changes to the status of material litigations which are pending disposal in the courts since 30 June 2021.



IOI GROUP

IOI CORPORATION BERHAD 196901000607 (9027-W)
(Incorporated in Malaysia)

Interim Report For The Financial Period Ended 31 December 2021

(The figures have not been audited)

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

13) Dividend

The Board has on 23 February 2022 declared a first interim single tier dividend of 6.0 sen (31 December 2020: 4.5 sen) per ordinary share in respect of the financial year ending 30 June 2022 which is not taxable in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the Income Tax Act 1967.

The dividend will be payable on 25 March 2022 to shareholders whose names appear in the Record of Depositors and Register of Members of the Company at the close of business on 10 March 2022.

A Depositor shall qualify for entitlement only in respect of:

- a) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 10 March 2022 in respect of transfers; and
- b) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 8 March 2022 (in respect of shares which are exempted from mandatory deposit); and
- c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

The total cash dividend declared to date for the current financial period is a single tier dividend of 6.0 sen (31 December 2020: 4.5 sen) per ordinary share.



Interim Report For The Financial Period Ended 31 December 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 (Q2)		CUMULATIVE QUARTER (6 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM Million	RM Million	RM Million	RM Million
a) Basic earnings for the period				
Profit for the period attributable to owners of the parent	494.7	355.7	772.3	633.6
Weighted average number of ordinary shares in issue ('Million)	6,221.0	6,266.4	6,228.2	6,266.6
Basic (sen)	7.95	5.68	12.40	10.11
b) Diluted earnings for the period				
Profit for the period attributable to owners of the parent	494.7	355.7	772.3	633.6
Adjusted weighted average number of ordinary shares in issue ('Million)				
Weighted average number of ordinary shares in issue	6,221.0	6,266.4	6,228.2	6,266.6
Assumed exercise of Executive Share Options at beginning of period	-	-	-	0.1
	6,221.0	6,266.4	6,228.2	6,266.7
Diluted (sen)	7.95	5.68	12.40	10.11

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
23 February 2022



IOI GROUP

Interim Report For The Financial Period Ended 31 December 2021

(The figures have not been audited)

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

Group Plantation Statistics

		As At 31/12/2021	As At 31/12/2020
Planted Area			
Oil palm			
Mature	<i>(hectares)</i>	144,837	142,737
Total planted	<i>(hectares)</i>	176,325	176,867
Rubber			
Mature	<i>(hectares)</i>	449	457
Total planted	<i>(hectares)</i>	449	457
Total Titled Area	<i>(hectares)</i>	206,988	206,567

		31/12/2021 (6 months)	31/12/2020 (6 months)
Average Mature Area Harvested			
Oil Palm	<i>(hectares)</i>	141,404	140,730
Production			
Oil Palm			
FFB production	<i>(tonnes)</i>	1,515,452	1,639,444
Yield per mature hectare	<i>(tonnes)</i>	10.72	11.65
FFB processed	<i>(tonnes)</i>	1,574,920	1,681,198
Crude palm oil production	<i>(tonnes)</i>	342,316	361,197
Palm kernel production	<i>(tonnes)</i>	69,816	77,991
Crude palm oil extraction rate	<i>(%)</i>	21.74%	21.48%
Palm kernel extraction rate	<i>(%)</i>	4.43%	4.64%
Average Selling Price Realised			
Oil palm			
Crude palm oil	<i>(RM/tonne)</i>	4,305	2,782
Palm kernel	<i>(RM/tonne)</i>	3,112	1,725