



**IOI GROUP**

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

**Interim Report  
For The Financial Period Ended  
30 September 2022**



IOI GROUP

**Interim Report For The Financial Period Ended 30 September 2022**

(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 (%)
	30/09/2022 RM Million	30/09/2021 RM Million		30/09/2022 RM Million	30/09/2021 RM Million	
Revenue	3,668.7	3,632.4	1%	3,668.7	3,632.4	1%
<b>Operating profit</b>	<b>406.0</b>	435.2	-7%	<b>406.0</b>	435.2	-7%
Share of results of associates	79.7	70.4	13%	79.7	70.4	13%
Share of results of a joint venture	0.2	(0.9)	nm	0.2	(0.9)	nm
<b>Profit before interest and tax</b>	<b>485.9</b>	504.7	-4%	<b>485.9</b>	504.7	-4%
Interest income	9.6	9.4	2%	9.6	9.4	2%
Finance costs	(38.3)	(40.1)	-4%	(38.3)	(40.1)	-4%
Net foreign currency translation loss on foreign currency denominated borrowings	(147.3)	(27.5)	436%	(147.3)	(27.5)	436%
Net foreign currency translation gain on foreign currency denominated deposits	5.2	0.3	1633%	5.2	0.3	1633%
<b>Profit before tax</b>	<b>315.1</b>	446.8	-29%	<b>315.1</b>	446.8	-29%
Tax expense	(142.1)	(157.1)	-10%	(142.1)	(157.1)	-10%
<b>Profit for the period</b>	<b>173.0</b>	289.7	-40%	<b>173.0</b>	289.7	-40%
<b>Profit attributable to:</b>						
Owners of the parent	167.5	277.6	-40%	167.5	277.6	-40%
Non-controlling interests	5.5	12.1	-55%	5.5	12.1	-55%
	<b>173.0</b>	289.7	-40%	<b>173.0</b>	289.7	-40%
<b>Earning per share for profit attributable to owners of the parent (sen)</b>						
Basic	2.70	4.45	-39%	2.70	4.45	-39%
Diluted	2.70	4.45	-39%	2.70	4.45	-39%

\*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 2022 and the accompanying explanatory notes attached to this interim financial report.)



IOI GROUP

**Interim Report For The Financial Period Ended 30 September 2022**

(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	
	30/09/2022	30/09/2021	(%)	30/09/2022	30/09/2021	(%)
	RM Million	RM Million		RM Million	RM Million	
<b>Profit for the period</b>	<b>173.0</b>	<b>289.7</b>	<b>-40%</b>	<b>173.0</b>	<b>289.7</b>	<b>-40%</b>
<b>Other comprehensive (loss)/ income that will not be reclassified subsequently to profit or loss</b>						
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
<b>Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss when specific conditions are met</b>						
Exchange differences on translation of foreign operations	35.6	24.4	46%	35.6	24.4	46%
Other comprehensive loss reclassified subsequently to profit or loss arising from disposal of 10% interest of an associate	(4.0)	-	nm	(4.0)	-	nm
Share of other comprehensive income of associates	28.6	14.5	97%	28.6	14.5	97%
Hedge of interest rate risk on issuance of Guaranteed Notes due 2031						
Net change in fair value	-	24.2	nm	-	24.2	nm
Reclassified to profit or loss	(0.7)	-	nm	(0.7)	-	nm
Hedge of net investments in foreign operations						
Net change in fair value	10.1	0.9	1022%	10.1	0.9	1022%
Reclassified to profit or loss	(10.1)	-	nm	(10.1)	-	nm
	59.5	64.0	-7%	59.5	64.0	-7%
<b>Other comprehensive income for the period</b>	<b>59.5</b>	<b>63.5</b>	<b>-6%</b>	<b>59.5</b>	<b>63.5</b>	<b>-6%</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>232.5</b>	<b>353.2</b>	<b>-34%</b>	<b>232.5</b>	<b>353.2</b>	<b>-34%</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the parent	227.0	341.9	-34%	227.0	341.9	-34%
Non-controlling interests	5.5	11.3	-51%	5.5	11.3	-51%
	232.5	353.2	-34%	232.5	353.2	-34%

\*nm = not meaningful

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.)



**Interim Report For The Financial Period Ended 30 September 2022**

(The figures have not been audited)

**Condensed Consolidated Statement of Financial Position**

	<b>AS AT END OF CURRENT QUARTER 30/09/2022 RM Million</b>	<b>AS AT PRECEDING FINANCIAL YEAR END 30/06/2022 RM Million</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	8,761.8	8,709.2
Intangible assets	414.5	416.0
Investments in associates	2,745.7	3,110.0
Derivative assets	142.8	118.8
Deferred tax assets	32.7	39.3
Other non-current assets	94.5	95.1
	<b>12,192.0</b>	<b>12,488.4</b>
<b>Current assets</b>		
Inventories	1,407.3	1,601.5
Receivables	1,588.0	1,607.6
Amount due from associates	121.3	225.1
Derivative assets	178.9	534.5
Other investments	58.8	61.0
Other current assets	162.8	96.8
Short term funds	849.7	1,102.6
Deposits with financial institutions	229.1	230.9
Cash and bank balances	1,166.4	1,219.4
	<b>5,762.3</b>	<b>6,679.4</b>
<b>TOTAL ASSETS</b>	<b>17,954.3</b>	<b>19,167.8</b>

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.)



IOI GROUP

**Interim Report For The Financial Period Ended 30 September 2022**

(The figures have not been audited)

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

	<b>AS AT END OF CURRENT QUARTER 30/09/2022 RM Million</b>	<b>AS AT PRECEDING FINANCIAL YEAR END 30/06/2022 RM Million</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	791.1	791.1
Treasury shares	(277.7)	(275.4)
Other reserves	172.3	112.8
Retained earnings	9,985.7	10,315.2
	<u>10,671.4</u>	<u>10,943.7</u>
<b>Non-controlling interests</b>	<b>346.3</b>	<b>340.8</b>
<b>Total equity</b>	<b><u>11,017.7</u></b>	<b><u>11,284.5</u></b>
<b>Non-current liabilities</b>		
Long term borrowings	2,936.3	2,826.6
Long term lease liabilities	57.3	56.9
Deferred tax liabilities	1,182.3	1,167.7
Other non-current liabilities	80.4	80.5
	<u>4,256.3</u>	<u>4,131.7</u>
<b>Current liabilities</b>		
Short term borrowings	1,477.0	2,155.4
Payables	772.2	940.8
Derivative liabilities	322.6	458.7
Other current liabilities	108.5	196.7
	<u>2,680.3</u>	<u>3,751.6</u>
<b>Total liabilities</b>	<b><u>6,936.6</u></b>	<b><u>7,883.3</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>17,954.3</u></b>	<b><u>19,167.8</u></b>
 <b>Net assets per share attributable to owners of the parent (RM)</b>	 <b>1.72</b>	 <b>1.76</b>

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.)



**IOI GROUP**

**Interim Report For The Financial Period Ended 30 September 2022**

(The figures have not been audited)

**Condensed Consolidated Statement of Cash Flows**

	<b>3 Months Ended 30/09/2022 RM Million</b>	<b>3 Months Ended 30/09/2021 RM Million</b>
<b>Operating Activities</b>		
Profit before tax	315.1	446.8
Adjustments for:		
Depreciation and amortisation	91.8	90.0
Other non-cash items	318.7	110.7
Operating profit before working capital changes	<u>725.6</u>	647.5
Decrease in payables and other liabilities	(169.5)	(6.9)
Decrease in inventories	142.8	46.4
Decrease/(Increase) in receivables and other assets	<u>77.2</u>	(69.2)
Cash generated from operations	776.1	617.8
Retirement benefits paid	(0.4)	(0.4)
Net taxes paid	<u>(289.0)</u>	(68.8)
<b>Net cash from operating activities</b>	<u><b>486.7</b></u>	<u><b>548.6</b></u>
<b>Investing Activities</b>		
Dividends received	23.3	316.8
Interest received	9.6	9.5
Proceeds from disposal of property, plant and equipment	12.1	0.2
Proceeds from disposal of equity interest in an associate	465.8	-
Proceeds from disposal of other investments	-	37.9
Return of capital contribution from other investment	8.0	-
Additions to property, plant and equipment	(135.1)	(106.3)
Additions to other investments	(2.9)	(12.8)
Additions to other intangible assets	(0.6)	(0.1)
Additions to biological assets	(1.6)	(0.1)
Repayment from an associate	<u>111.6</u>	-
<b>Net cash from investing activities</b>	<u><b>490.2</b></u>	<u><b>245.1</b></u>
<b>Financing Activities</b>		
Proceeds from issuance of shares to non-controlling interest	-	2.6
Repurchase of shares	(2.3)	(80.1)
Payment of dividends	(497.0)	(374.0)
Net repayment of short term borrowings	(757.1)	(203.8)
Payment of lease liabilities	(2.1)	(2.1)
Payment of lease interests	(1.0)	(0.4)
Payment of finance costs	<u>(35.9)</u>	(23.1)
<b>Net cash used in financing activities</b>	<u><b>(1,295.4)</b></u>	<u><b>(680.9)</b></u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(318.5)</b>	112.8
<b>Cash and cash equivalents at beginning of financial year</b>	<b>2,552.9</b>	2,024.9
<b>Effect of exchange rate changes</b>	<b>10.8</b>	(0.1)
<b>Cash and cash equivalents at end of period</b>	<u><b>2,245.2</b></u>	<u><b>2,137.6</b></u>

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.)



**Interim Report For The Financial Period Ended 30 September 2022**

(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 2022	791.1	(275.4)	7.7	88.5	23.1	(6.5)	10,315.2	10,943.7	340.8	11,284.5
Total comprehensive income/ (loss)	-	-	-	55.2	(0.7)	5.0	167.5	227.0	5.5	232.5
<b>Transactions with owners</b>										
Dividends paid in respect of previous financial year	-	-	-	-	-	-	(497.0)	(497.0)	-	(497.0)
Repurchase of shares	-	(2.3)	-	-	-	-	-	(2.3)	-	(2.3)
As at 30 September 2022	791.1	(277.7)	7.7	143.7	22.4	(1.5)	9,985.7	10,671.4	346.3	11,017.7

(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 2022 and the accompanying explanatory notes attached to this interim financial report.)



**Interim Report For The Financial Period Ended 30 September 2022**

(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			
<b>As at 1 July 2021</b>	791.1	(141.2)	7.7	0.8	35.9	(19.1)	9,330.2	10,005.4	309.0	10,314.4
<b>Total comprehensive income/ (loss)</b>	-	-	-	41.2	25.1	(1.5)	277.1	341.9	11.3	353.2
<b>Transactions with owners</b>										
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
<b>As at 30 September 2021</b>	791.1	(221.3)	7.7	42.0	61.0	(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 2022 and the accompanying explanatory notes attached to this interim financial report.)





**IOI GROUP**

**Interim Report For The Financial Period Ended 30 September 2022**

(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 2022.

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 2022.

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 2022.

**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 613,000 of its issued shares capital from the open market. The average price paid for the shares repurchased was RM3.74 per share. The repurchased 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 2022		
- 8.0 sen per ordinary share	497.0	-
Second interim single tier dividend in respect of financial year ended 30 June 2021		
- 6.0 sen per ordinary share	-	374.0
	497.0	374.0



**Interim Report For The Financial Period Ended 30 September 2022**

(The figures have not been audited)

**g) Segment Revenue & Results**

(RM Million)	Plantation	Resource-based Manufacturing	Other Operations	Elimination	Total
<b>3 Months Ended 30/09/22</b>					
<b>REVENUE</b>					
External Sales	81.1	3,582.6	5.0	-	3,668.7
Inter-segment sales	626.2	-	-	(626.2)	-
Total Revenue	<b>707.3</b>	<b>3,582.6</b>	<b>5.0</b>	<b>(626.2)</b>	<b>3,668.7</b>

**RESULT**

Operating profit	294.5	307.2	0.4	-	602.1
Share of results of associates	65.6	14.1	-	-	79.7
Share of results of a joint venture	-	0.2	-	-	0.2
Segment results before fair value adjustments	<b>360.1</b>	<b>321.5</b>	<b>0.4</b>	<b>-</b>	<b>682.0</b>
Fair value (loss)/gain on:					
Biological assets	(10.9)	-	-	-	(10.9)
Derivative financial instruments	2.6	(193.0)	-	-	(190.4)
Segment results	<b>351.8</b>	<b>128.5</b>	<b>0.4</b>	<b>-</b>	<b>480.7</b>

**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	<b>760.6</b>	<b>3,535.8</b>	<b>3.9</b>	<b>(667.9)</b>	<b>3,632.4</b>

**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	<b>465.4</b>	<b>154.8</b>	<b>3.1</b>	<b>-</b>	<b>623.3</b>
Fair value gain/(loss) on:					
Biological assets	21.6	-	-	-	21.6
Derivative financial instruments	-	(108.7)	-	-	(108.7)
Segment results	<b>487.0</b>	<b>46.1</b>	<b>3.1</b>	<b>-</b>	<b>536.2</b>



IOI GROUP

**Interim Report For The Financial Period Ended 30 September 2022**

(The figures have not been audited)

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

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

	<b>3 Months Ended 30/09/2022 RM Million</b>	<b>3 Months Ended 30/09/2021 RM Million</b>
Total segment results	<b>480.7</b>	536.2
Unallocated corporate net income/(expense)	<b>5.2</b>	(31.5)
Profit before interest and tax	<b>485.9</b>	504.7
Interest income	<b>9.6</b>	9.4
Finance costs	<b>(38.3)</b>	(40.1)
Net foreign currency translation loss on foreign currency denominated borrowings	<b>(147.3)</b>	(27.5)
Net foreign currency translation gain on foreign currency denominated deposits	<b>5.2</b>	0.3
Profit before tax	<b>315.1</b>	446.8
Tax expense	<b>(142.1)</b>	(157.1)
Profit for the period	<b>173.0</b>	289.7

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 2022 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 2022.

**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 30 September 2022**

(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 FY2023 vs. Q1 FY2022**

For Q1 FY2023, the Group reported a profit before tax (“PBT”) of RM315.1 million as compared to RM446.8 million reported for Q1 FY2022. Excluding the non-operating and one-off items as tabulated below, the underlying PBT of RM656.0 million for Q1 FY2023 was 8% higher than the underlying PBT of RM606.6 million for Q1 FY2022, due mainly to higher contribution from resourced-based manufacturing segment, partly offset by lower contribution from plantation segment:

	<b>Q1 FY2023</b>	<b>Q1 FY2022</b>
	<b>RM Million</b>	<b>RM Million</b>
Profit before tax	<b>315.1</b>	446.8
Exclude:		
Non-operating and one-off items		
Net foreign currency translation loss on foreign currency denominated borrowings and deposits	<b>142.1</b>	26.3
Net fair value loss on derivative financial instruments	<b>216.0</b>	133.5
Gain on disposal of 10% equity interest of an associate	<b>(17.2)</b>	-
	<b>340.9</b>	159.8
Underlying profit before tax	<b>656.0</b>	606.6

**Plantation**

The plantation segment profit for Q1 FY2023 of RM351.8 million was 28% lower than the profit for Q1 FY2022 of RM487.0 million due mainly to lower FFB production and higher cost of production mitigated by higher CPO price realised. Average CPO price realised for Q1 FY2023 was RM4,496/MT (Q1 FY2022 – RM4,032/MT).

**Resource-based Manufacturing**

The resource-based manufacturing segment profit for Q1 FY2023 is RM128.5 million as compared to RM46.1 million for Q1 FY2022. Excluding the fair value loss on derivative financial instruments of RM193.0 million (Q1 FY2022 – RM108.7 million), the resource-based manufacturing segment reported an underlying profit of RM321.5 million for Q1 FY2023 was 108% higher than the underlying profit of RM154.8 million for Q1 FY2022. The higher profit was due mainly to higher margins from oleochemical and refining sub-segments, partly offset by lower sales volume from these sub-segments.



**Interim Report For The Financial Period Ended 30 September 2022**

(The figures have not been audited)

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

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

The Group reported a PBT of RM315.1 million for Q1 FY2023 as compared to PBT of RM658.4 million for Q4 FY2022. Excluding the non-operating and one-off items as tabulated below, the underlying PBT of RM656.0 million for Q1 FY2023 was 3% lower than the underlying PBT of RM675.8 million for Q4 FY2022, due mainly to lower contribution from plantation segment mitigated by higher contribution from resource-based manufacturing segment:

	Q1 FY2023 RM Million	Q4 FY2022 RM Million
Profit before tax	315.1	658.4
Exclude:		
Non-operating and one-off items		
Net foreign currency translation loss on foreign currency denominated borrowings and deposits	142.1	55.1
Net fair value loss/(gain) on derivative financial instruments	216.0	(71.6)
Gain on disposal of 10% equity interest of an associate	(17.2)	-
Impairment loss on investment in Loders	-	33.9
	<b>340.9</b>	17.4
Underlying profit before tax	<b>656.0</b>	675.8

Details of the segmental results were as follows:

**Plantation**

The plantation segment profit for Q1 FY2023 of RM351.8 million was 30% lower than the profit for Q4 FY2022 of RM502.7 million. The lower profit reported was due mainly to lower CPO and PK prices realised, higher cost of production as well as lower share of associate results from Bumitama Agri Ltd (“BAL”) mitigated by higher FFB production. Average CPO and PK prices realised for Q1 FY2023 were RM4,496/MT (Q4 FY2022 – RM5,260/MT) and RM2,524/MT (Q4 FY2022 – RM3,850/MT) respectively.

**Resource-based Manufacturing**

The resource-based manufacturing segment profit for Q1 FY2023 was RM128.5 million as compared to RM292.6 million for Q4 FY2022. Excluding the fair value loss on derivative financial instruments of RM193.0 million (Q4 FY2022 – gain of RM103.6 million), the resource-based manufacturing segment reported an underlying profit of RM321.5 million for Q1 FY2023 was 70% higher than the underlying profit of RM189.0 million for Q4 FY2022. The higher profit was due mainly to higher margins from oleochemical and refining sub-segments as well as higher sales volume from refining sub-segment.



**Interim Report For The Financial Period Ended 30 September 2022**

(The figures have not been audited)

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

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

The analysis of contribution by segment is as follows:

	<b>CURRENT QUARTER RM Million</b>	<b>PRECEDING QUARTER RM Million</b>	<b>DIFFERENCE RM Million</b>
Plantation before fair value adjustments	<b>360.1</b>	530.6	(170.5)
Fair value loss on biological assets	<b>(10.9)</b>	(25.4)	14.5
Fair value gain/(loss) on derivative financial instruments	<b>2.6</b>	(2.5)	5.1
Plantation	<b>351.8</b>	502.7	(150.9)
Resource-based manufacturing before fair value adjustments	<b>321.5</b>	189.0	132.5
Fair value (loss)/gain on derivative financial instruments	<b>(193.0)</b>	103.6	(296.6)
Resource-based manufacturing	<b>128.5</b>	292.6	(164.1)
Other operations	<b>0.4</b>	2.6	(2.2)
Segment results	<b>480.7</b>	797.9	(317.2)
Unallocated corporate net income/(expenses)	<b>5.2</b>	(50.4)	55.6
Profit before interest and taxation	<b>485.9</b>	747.5	(261.6)
Finance costs	<b>(38.3)</b>	(40.6)	2.3
Interest income	<b>9.6</b>	6.6	3.0
Net foreign currency translation loss on foreign currency denominated borrowings	<b>(147.3)</b>	(58.3)	(89.0)
Net foreign currency translation gain on foreign currency denominated deposits	<b>5.2</b>	3.2	2.0
Profit before taxation	<b>315.1</b>	658.4	(343.3)



IOI GROUP

## **Interim Report For The Financial Period Ended 30 September 2022**

(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 declined to a low of RM3,300 per tonne level in September, before rebounding to RM4,000 level since the end of October this year. The price recovery is due primarily to uncertainty about extension of the Black Sea’s grain export arrangement as well as the high rainfall in Malaysia and Indonesia which is expected to hamper the harvesting of oil palm fruits. These factors, coupled with the seasonal low in oil palm production during Q1 2023, are expected to sustain CPO price at a level above RM3,700 per tonne until Q1 2023.

For our plantation segment, our Q2 FY2023 oil palm fruits production is expected to drop only slightly, against the seasonal downward trend, as our young palm trees are entering into a delayed peak production cycle and as more migrant workers are employed in our plantations. With CPO holding firm, the financial performance of our plantation segment is expected to be satisfactory in Q2 FY2023.

As for our refinery and commodity marketing sub-segment, demand for palm oil is expected to moderate during the winter months in the Northern Hemisphere while margins are volatile due to changes in Indonesia’s palm oil export levy structure.

Operating conditions in our oleochemical sub-segment are expected to be challenging with high energy costs and the economic slowdown in various parts of the world. On the other hand, raw material price in particular palm kernel oil price has been low and there is potential upside with China announcing plans indicating a relaxation in its strict Covid policies starting Q1 2023.

The same factors are in play for our specialty fats sub-segment, although the demand for food is normally more resilient.

Although our USD-denominated borrowings have declined substantially since June 2022, the highly volatile USD exchange rate is still impacting our forex translation loss on our USD-denominated borrowings. Going forward, USD exchange rate is expected to be elevated and volatile, in line with the monetary policy tightening stance of the US Federal Reserve.

Overall, the financial performance of the Group for the remaining periods of FY2023 is expected to be satisfactory amidst challenging operating conditions, due to the anticipated firm CPO price during the next two quarters.

#### **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 2022**

(The figures have not been audited)

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

**6) Tax expense**

	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 tax				
- Current year	120.2	138.4	120.2	138.4
- Prior years	0.6	-	0.6	-
Deferred tax				
- Current year	19.8	18.5	19.8	18.5
- Prior years	1.5	0.2	1.5	0.2
	<b>142.1</b>	<b>157.1</b>	<b>142.1</b>	<b>157.1</b>

The effective tax rate of the Group for Q1 FY2023 and Q1 YTD FY2023 are higher than the statutory tax rate due principally to the loss from tax exempt entity and 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 18 November 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 18 November 2022 (being a date not earlier than 7 days from the date of issue of the quarterly report) is as follows:

Purpose	Proposed Utilisation (%)	Proposed Utilisation (RM Million)	Actual Utilisation (RM Million)	Initial Timeframe	Revised Timeframe <sup>N1</sup>	Second Revised Timeframe <sup>N2</sup>	Third Revised Timeframe <sup>N3</sup>
Future investment	25.00	959.9	537.3	Within 24 months	Within 42 months	Within 57 months	Within 69 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	3,417.1				

Note:

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> On 25 November 2022, the Board of Directors resolved and approved to extend the Revised utilisation timeframe for an additional period of 12 months (Third revised timeframe) to utilise the remaining proceeds.





**Interim Report For The Financial Period Ended 30 September 2022**

(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 2022	Long term		Short term		Total borrowings	
	Foreign currency (Million)	RM Equivalent (Million)	Foreign currency (Million)	RM Equivalent (Million)	Foreign currency (Million)	RM Equivalent (Million)
<b><u>Unsecured</u></b>						
<b><u>Denominated in USD</u></b>						
Notes	296.6	1,375.5	-	-	296.6	1,375.5
Islamic financing facilities	190.0	879.9	59.5	275.6	249.5	1,155.5
Revolving credit	-	-	109.0	505.4	109.0	505.4
Trade financing	-	-	122.0	565.8	122.0	565.8
<b><u>Denominated in JPY</u></b>						
Term loans	21,000.0	672.8	-	-	21,000.0	672.8
<b><u>Denominated in EUR</u></b>						
Finance lease obligation	1.8	8.1	-	0.2	1.8	8.3
<b><u>Denominated in RM</u></b>						
Trade financing	-	-	-	130.0	-	130.0
<b>Total</b>		<b>2,936.3</b>		<b>1,477.0</b>		<b>4,413.3</b>

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)
<b><u>Unsecured</u></b>						
<b><u>Denominated in USD</u></b>						
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
<b><u>Denominated in JPY</u></b>						
Term loans	21,000.0	790.3	-	-	21,000.0	790.3
<b><u>Denominated in EUR</u></b>						
Islamic financing facilities	-	-	45.0	218.9	45.0	218.9
Finance lease obligation	1.8	8.8	-	-	1.8	8.8
<b><u>Denominated in RM</u></b>						
Trade financing	-	-	-	149.2	-	149.2
<b>Total</b>		<b>985.3</b>		<b>3,739.1</b>		<b>4,724.4</b>

**Exchange rates applied**

USD/RM

JPY100/RM

EUR/RM

As at 30 September 2022

4.6370

3.2037

4.5547

As at 30 September 2021

4.1880

3.7631

4.8596



**Interim Report For The Financial Period Ended 30 September 2022**

(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 2022 are as follows:

	Contract/Notional Value (Million)				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
<b>Vanilla Contracts</b>									
USD/RM	<b>USD</b>	(494.6)	-	-	<b>(494.6)</b>	(99.9)	-	-	<b>(99.9)</b>
EUR/RM	<b>EUR</b>	(36.5)	-	-	<b>(36.5)</b>	(0.5)	-	-	<b>(0.5)</b>
JPY/RM	<b>JPY</b>	(1,412.9)	-	-	<b>(1,412.9)</b>	0.5	-	-	<b>0.5</b>
GBP/RM	<b>GBP</b>	(1.4)	-	-	<b>(1.4)</b>	0.3	-	-	<b>0.3</b>
RMB/RM	<b>RMB</b>	(3.0)	-	-	<b>(3.0)</b>	-	-	-	-
						(99.6)	-	-	<b>(99.6)</b>

The above contracts were entered into as hedges for sales and purchases denominated in foreign currencies and to limit the exposure to potential changes in foreign exchange rates with respect to the Group's foreign currencies denominated financial assets and liabilities.

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

b) The outstanding commodity contracts as at 30 September 2022 are as follows:

	Contract/Notional Value (Million)				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
<b>Forward Contracts</b>									
	<b>USD</b>	(0.1)	-	-	<b>(0.1)</b>	(46.5)	-	-	<b>(46.5)</b>
	<b>RM</b>	(46.3)	-	-	<b>(46.3)</b>	2.4	-	-	<b>2.4</b>
						(44.1)	-	-	<b>(44.1)</b>
<b>Futures</b>	<b>RM</b>	231.2	-	-	<b>231.2</b>	-	-	-	-
						-	-	-	-

The above commodity contracts were entered into with the objective of managing and hedging the respective exposure of the Group's plantation segment and resource-based manufacturing segment to adverse price movements in vegetable oil commodities.

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



**Interim Report For The Financial Period Ended 30 September 2022**

(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 2022 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 <sup>1</sup>	JPY	-	-	15,000.0	15,000.0	-	-	57.2	57.2
JPY liability to USD liability <sup>2</sup>	JPY	-	-	6,000.0	6,000.0	-	-	19.4	19.4
Floating rate USD liability to fixed rate EUR liability <sup>3</sup>	USD	-	-	55.0	55.0	-	-	55.5	55.5

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

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

<sup>3</sup> The contracts effectively swapped 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 contract as at 30 September 2022 is as follows:

	Contract/Notional Value (Million)					Fair Value – assets (RM Million)			
	Base Currency	<1 year	1 year to 3 years	More than 3 years	Total	<1 year	1 year to 3 years	More than 3 years	Total
Interest Rate Swap <sup>1</sup>	USD	-	-	25.0	25.0	-	-	10.7	10.7

<sup>1</sup> The contract 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 swap was entered into with reputable bank.

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 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 30 September 2022**

(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		
<b>Forward foreign exchange contracts</b>	(31.7)	(31.7)	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
<b>Commodity futures</b>	87.5	87.5	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
<b>Commodity forward contracts</b>	(2.3)	(2.3)	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
<b>Call option</b>	82.6	82.6	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

**Interim Report For The Financial Period Ended 30 September 2022**

(The figures have not been audited)

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

**11) Notes to the Condensed Consolidated Statement of Comprehensive Income**

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

	<b>CURRENT YEAR QUARTER 30/09/22 RM Million</b>	<b>CURRENT YEAR TO DATE 30/09/22 RM Million</b>
Interest income	(9.6)	(9.6)
Other income including investment income		
- Dividend income	(0.8)	(0.8)
Finance costs	38.3	38.3
Depreciation and amortisation	91.8	91.8
Impairment loss on receivables	0.5	0.5
Net inventories written down	53.0	53.0
Net foreign currency translation loss on foreign currency denominated borrowings	147.3	147.3
Net foreign currency translation gain on foreign currency denominated deposits	(5.2)	(5.2)
Foreign currency exchange loss	43.5	43.5
Fair value loss on other investments	2.2	2.2
Fair value loss on derivative financial instruments		
- Put and call options	29.2	29.2
- Others	186.8	186.8
Net loss arising from changes in fair value of biological assets	10.9	10.9
Gain on disposal of 10% equity interest of an associate	(17.2)	(17.2)

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 2022.

**13) Dividend**

No dividend has been proposed for the quarter under review (30 September 2021: Nil).



**Interim Report For The Financial Period Ended 30 September 2022**

(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
<b>a) Basic earnings for the period</b>				
Profit for the period attributable to owners of the parent	167.5	277.6	167.5	277.6
Weighted average number of ordinary shares in issue ('Million)	6,212.4	6,235.3	6,212.4	6,235.3
Basic (sen)	<u>2.70</u>	<u>4.45</u>	<u>2.70</u>	<u>4.45</u>
<b>b) Diluted earnings for the period</b>				
The Group has no dilution in its earnings per ordinary share for the financial period under review as there are no dilutive potential ordinary shares.				

**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  
25 November 2022



**Interim Report For The Financial Period Ended 30 September 2022**

(The figures have not been audited)

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

**Group Plantation Statistics**

		<b>As At 30/09/2022</b>	<b>As At 30/09/2021</b>
<b>Planted Area</b>			
Oil palm			
Mature	<i>(hectares)</i>	<b>148,295</b>	144,622
Total planted	<i>(hectares)</i>	<b>175,142</b>	176,551
Rubber			
Mature	<i>(hectares)</i>	<b>449</b>	457
Total planted	<i>(hectares)</i>	<b>449</b>	457
<b>Total Titled Area</b>	<i>(hectares)</i>	<b>207,131</b>	206,988

		<b>30/09/2022 (3 months)</b>	<b>30/09/2021 (3 months)</b>
<b>Average Mature Area Harvested</b>			
Oil Palm	<i>(hectares)</i>	<b>144,972</b>	141,182
<b>Production</b>			
Oil Palm			
FFB production	<i>(tonnes)</i>	<b>665,761</b>	746,307
Yield per mature hectare	<i>(tonnes)</i>	<b>4.59</b>	5.29
FFB processed	<i>(tonnes)</i>	<b>692,006</b>	779,375
Crude palm oil production	<i>(tonnes)</i>	<b>145,536</b>	169,754
Palm kernel production	<i>(tonnes)</i>	<b>28,053</b>	34,320
Crude palm oil extraction rate	<i>(%)</i>	<b>21.03%</b>	21.78%
Palm kernel extraction rate	<i>(%)</i>	<b>4.05%</b>	4.40%
<b>Average Selling Price Realised</b>			
Oil palm			
Crude palm oil	<i>(RM/tonne)</i>	<b>4,496</b>	4,032
Palm kernel	<i>(RM/tonne)</i>	<b>2,524</b>	2,551