



IOI GROUP

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

**Interim Report
For The Financial Period Ended
30 September 2023**



IOI GROUP

Interim Report For The Financial Period Ended 30 September 2023

(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
	30/09/2023 RM Million	30/09/2022 RM Million	(%)	30/09/2023 RM Million	30/09/2022 RM Million	(%)
Revenue	2,204.2	3,668.7	-40%	2,204.2	3,668.7	-40%
Operating profit	266.4	406.0	-34%	266.4	406.0	-34%
Share of results of associates	125.5	79.7	57%	125.5	79.7	57%
Share of results of a joint venture	1.3	0.2	550%	1.3	0.2	550%
Profit before interest and tax	393.2	485.9	-19%	393.2	485.9	-19%
Interest income	9.0	9.6	-6%	9.0	9.6	-6%
Finance costs	(40.2)	(38.3)	5%	(40.2)	(38.3)	5%
Net foreign currency translation gain/(loss) on foreign currency denominated borrowings	7.9	(147.3)	nm	7.9	(147.3)	nm
Net foreign currency translation (loss)/gain on foreign currency denominated deposits	(2.1)	5.2	nm	(2.1)	5.2	nm
Profit before tax	367.8	315.1	17%	367.8	315.1	17%
Tax expense	(62.0)	(142.1)	-56%	(62.0)	(142.1)	-56%
Profit for the period	305.8	173.0	77%	305.8	173.0	77%
Profit attributable to:						
Owners of the parent	304.0	167.5	81%	304.0	167.5	81%
Non-controlling interests	1.8	5.5	-67%	1.8	5.5	-67%
	305.8	173.0	77%	305.8	173.0	77%
Earning per share for profit attributable to owners of the parent (sen)						
Basic	4.90	2.70	81%	4.90	2.70	81%
Diluted	4.90	2.70	81%	4.90	2.70	81%

*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 2023 and the accompanying explanatory notes attached to this interim financial report.)



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Interim Report For The Financial Period Ended 30 September 2023

(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		TO DATE	CORRESPONDING	
	30/09/2023	30/09/2022	(%)	30/09/2023	30/09/2022	(%)
	RM Million	RM Million		RM Million	RM Million	
Profit for the period	305.8	173.0	77%	305.8	173.0	77%
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	(94.2)	35.6	nm	(94.2)	35.6	nm
Other comprehensive loss reclassified subsequently to profit or loss arising from partial disposal of 10% equity interest in an associate	-	(4.0)	nm	-	(4.0)	nm
Share of other comprehensive (loss)/income of associates	(27.7)	28.6	nm	(27.7)	28.6	nm
Hedge of interest rate risk on issuance of Guaranteed Notes due 2031						
Reclassified to profit or loss	(0.7)	(0.7)	0%	(0.7)	(0.7)	0%
	(122.6)	59.5	nm	(122.6)	59.5	nm
Other comprehensive (loss)/income for the period, net of tax	(122.6)	59.5	nm	(122.6)	59.5	nm
Total comprehensive income for the period	183.2	232.5	-21%	183.2	232.5	-21%
Total comprehensive income attributable to:						
Owners of the parent	181.4	227.0	-20%	181.4	227.0	-20%
Non-controlling interests	1.8	5.5	-67%	1.8	5.5	-67%
	183.2	232.5	-21%	183.2	232.5	-21%

*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 2023 and the accompanying explanatory notes attached to this interim financial report.)



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Interim Report For The Financial Period Ended 30 September 2023

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position

	AS AT END OF CURRENT QUARTER 30/09/2023 RM Million	AS AT PRECEDING FINANCIAL YEAR END 30/06/2023 RM Million
ASSETS		
Non-current assets		
Property, plant and equipment	9,054.5	8,995.2
Intangible assets	413.2	414.8
Investments in associates	3,020.7	3,013.3
Derivative assets	105.2	107.3
Deferred tax assets	19.9	18.6
Other non-current assets	108.2	106.4
	12,721.7	12,655.6
Current assets		
Inventories	1,260.3	1,113.9
Receivables	1,140.4	1,307.1
Amount due from associates	28.6	34.3
Derivative assets	27.3	50.6
Other investments	65.2	67.4
Other current assets	158.7	118.0
Short term funds	1,035.5	1,158.0
Deposits with financial institutions	2.0	53.5
Cash and bank balances	885.7	1,023.5
	4,603.7	4,926.3
TOTAL ASSETS	17,325.4	17,581.9

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to this interim financial report.)



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Interim Report For The Financial Period Ended 30 September 2023

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position (Continued)

	AS AT END OF CURRENT QUARTER 30/09/2023 RM Million	AS AT PRECEDING FINANCIAL YEAR END 30/06/2023 RM Million
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	791.1	791.1
Treasury shares	(309.8)	(309.8)
Other reserves	164.5	287.1
Retained earnings	10,556.2	10,562.4
	11,202.0	11,330.8
Non-controlling interests	337.5	339.8
Total equity	11,539.5	11,670.6
Non-current liabilities		
Long term borrowings	2,811.1	2,895.7
Long term lease liabilities	56.1	54.9
Deferred tax liabilities	1,205.4	1,206.7
Other non-current liabilities	77.1	78.5
	4,149.7	4,235.8
Current liabilities		
Short term borrowings	833.0	861.5
Payables	692.4	711.1
Derivative liabilities	34.4	59.1
Other current liabilities	76.4	43.8
	1,636.2	1,675.5
Total liabilities	5,785.9	5,911.3
TOTAL EQUITY AND LIABILITIES	17,325.4	17,581.9
Net assets per share attributable to owners of the parent (RM)	1.81	1.83

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to this interim financial report.)



IOI GROUP

Interim Report For The Financial Period Ended 30 September 2023

(The figures have not been audited)

Condensed Consolidated Statement of Cash Flows

	3 Months Ended 30/09/2023 RM Million	3 Months Ended 30/09/2022 RM Million
Operating Activities		
Profit before tax	367.8	315.1
Adjustments for:		
Depreciation and amortisation	100.0	91.8
Other non-cash items	(127.7)	318.7
Operating profit before working capital changes	340.1	725.6
Decrease in payables and other liabilities	(25.0)	(169.5)
(Increase)/Decrease in inventories	(135.6)	142.8
Decrease in receivables and other assets	156.0	77.2
Cash generated from operations	335.5	776.1
Retirement benefits paid	(0.7)	(0.4)
Net taxes paid	(53.5)	(289.0)
Net cash from operating activities	281.3	486.7
Investing Activities		
Dividends received	25.5	23.3
Interest received	9.1	9.6
Proceeds from disposal of property, plant and equipment	0.3	12.1
Proceeds from partial disposal of 10% equity interest in an associate	-	465.8
Return of capital contribution from other investment	-	8.0
Additions to property, plant and equipment	(176.9)	(135.1)
Additions to other investments	(0.5)	(2.9)
Additions to other intangible assets	(0.5)	(0.6)
Additions to biological assets	(0.8)	(1.6)
Repayment from an associate	-	111.6
Net cash (used in)/from investing activities	(143.8)	490.2
Financing Activities		
Proceeds from issuance of shares to a non-controlling interest	0.3	-
Repurchase of shares	-	(2.3)
Dividends paid	(310.2)	(497.0)
Dividends paid to non-controlling interests	(4.4)	-
Net repayments of short term borrowings	(96.5)	(757.1)
Payments of lease liabilities	(2.3)	(2.1)
Payments of lease interest	(1.0)	(1.0)
Finance costs paid	(38.0)	(35.9)
Net cash used in financing activities	(452.1)	(1,295.4)
Net decrease in cash and cash equivalents	(314.6)	(318.5)
Cash and cash equivalents at beginning of financial year	2,235.0	2,552.9
Effect of exchange rate changes	2.8	10.8
Cash and cash equivalents at end of period	1,923.2	2,245.2

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to this interim financial report.)



Interim Report For The Financial Period Ended 30 September 2023

(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 2023	791.1	(309.8)	7.7	259.4	20.4	(0.4)	10,562.4	11,330.8	339.8	11,670.6
Total comprehensive (loss)/income	-	-	-	(81.2)	(0.7)	(40.7)	304.0	181.4	1.8	183.2
Transactions with owners										
Dividends paid in respect of previous financial year	-	-	-	-	-	-	(310.2)	(310.2)	-	(310.2)
Issuance of ordinary shares to non-controlling interests in a subsidiary	-	-	-	-	-	-	-	-	0.3	0.3
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(4.4)	(4.4)
As at 30 September 2023	791.1	(309.8)	7.7	178.2	19.7	(41.1)	10,556.2	11,202.0	337.5	11,539.5

(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 2023 and the accompanying explanatory notes attached to this interim financial report.)



Interim Report For The Financial Period Ended 30 September 2023

(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 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
Transactions with owners										
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 2023 and the accompanying explanatory notes attached to this interim financial report.)



IOI GROUP

Interim Report For The Financial Period Ended 30 September 2023

(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 2023.

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 2023.

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 2023 except for the adoption of the following new MFRS and amendments to MFRSs:

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 – Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

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

b) Seasonal or Cyclical Factors

There were no significant seasonal or cyclical factors that affect the business of the Group for the quarter under review.

c) Unusual Items

There are no unusual items affecting assets, liabilities, equity, net income, and cash flows for the period under review.

Interim Report For The Financial Period Ended 30 September 2023

(The figures have not been audited)

d) Material Changes in Estimates of Amounts Reported

There are no changes in estimates of amounts reported in prior interim periods or financial years that have a material effect in the current financial period.

e) Details of Changes in Debt and Equity Securities

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

f) Dividends Paid

	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM Million	RM Million
Second interim single tier dividend in respect of financial year ended 30 June 2023 - 5.0 sen per ordinary share	310.2	-
Second interim single tier dividend in respect of financial year ended 30 June 2022 - 8.0 sen per ordinary share	-	497.0
	310.2	497.0



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Interim Report For The Financial Period Ended 30 September 2023

(The figures have not been audited)

g) Segment Revenue & Results

(RM Million)	Plantation	Resource- based Manufacturing	Other Operations	Elimination	Total
3 Months Ended 30/09/2023					
REVENUE					
External Sales	108.3	2,090.0	5.9	-	2,204.2
Inter-segment sales	570.4	-	-	(570.4)	-
Total Revenue	678.7	2,090.0	5.9	(570.4)	2,204.2

RESULT

Operating profit	228.8	15.3	1.4	-	245.5
Share of results of associates	85.7	39.8	-	-	125.5
Share of results of a joint venture	-	1.3	-	-	1.3
Segment results before fair value adjustments	314.5	56.4	1.4	-	372.3
Fair value gain/(loss) on:					
Biological assets	16.5	-	-	-	16.5
Derivative financial instruments	(0.2)	1.3	-	-	1.1
Segment results	330.8	57.7	1.4	-	389.9

3 Months Ended 30/09/2022

REVENUE

External Sales	81.1	3,582.6	5.0	-	3,668.7
Inter-segment sales	626.2	-	-	(626.2)	-
Total Revenue	707.3	3,582.6	5.0	(626.2)	3,668.7

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	360.1	321.5	0.4	-	682.0
Fair value (loss)/gain on:					
Biological assets	(10.9)	-	-	-	(10.9)
Derivative financial instruments	2.6	(193.0)	-	-	(190.4)
Segment results	351.8	128.5	0.4	-	480.7



Interim Report For The Financial Period Ended 30 September 2023

(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 30/09/2023 RM Million	3 Months Ended 30/09/2022 RM Million
Total segment results	389.9	480.7
Unallocated corporate net expense	3.3	5.2
Profit before interest and tax	393.2	485.9
Interest income	9.0	9.6
Finance costs	(40.2)	(38.3)
Net foreign currency translation gain/(loss) on foreign currency denominated borrowings	7.9	(147.3)
Net foreign currency translation (loss)/gain on foreign currency denominated deposits	(2.1)	5.2
Profit before tax	367.8	315.1
Tax expense	(62.0)	(142.1)
Profit for the period	305.8	173.0

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 2023 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 2023.

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 2023

(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 FY2024 vs. Q1 FY2023

For Q1 FY2024, the Group reported a profit before tax (“PBT”) of RM367.8 million as compared to RM315.1 million reported for Q1 FY2023. Excluding the non-operating and one-off items as tabulated below, the underlying PBT of RM360.9 million for Q1 FY2024 was 45% lower than the underlying PBT of RM656.0 million for Q1 FY2023, due mainly to lower contribution from all segments:

	Q1 FY2024 RM Million	Q1 FY2023 RM Million
Profit before tax	367.8	315.1
Exclude:		
Non-operating and one-off items		
Net foreign currency translation (gain)/loss on foreign currency denominated borrowings and deposits	(5.8)	142.1
Net fair value (gain)/loss on derivative financial instruments	(1.1)	216.0
Net gain on partial disposal of 10% equity interest in an associate	-	(17.2)
	(6.9)	340.9
Underlying profit before tax	360.9	656.0

Plantation

The plantation segment profit for Q1 FY2024 of RM330.8 million was 6% lower than the profit for Q1 FY2023 of RM351.8 million due mainly to lower CPO and PK prices realised, mitigated by higher FFB production and higher share of associates results of RM85.7 million (Q1 FY2023 – RM65.6 million). Average CPO and PK prices realised for Q1 FY2024 were RM3,789/MT (Q1 FY2023 – RM4,496/MT) and RM2,100/MT (Q1 FY2023 – RM2,524/MT) respectively.

Resource-based Manufacturing

The resource-based manufacturing segment profit for Q1 FY2024 is RM57.7 million as compared to RM128.5 million for Q1 FY2023. Excluding the fair value gain on derivative financial instruments of RM1.3 million (Q1 FY2023 – loss of RM193.0 million), the resource-based manufacturing segment reported an underlying profit of RM56.4 million for Q1 FY2024 which was 82% lower than the underlying profit of RM321.5 million for Q1 FY2023. The lower profit was due mainly to lower margins from oleochemical and refining sub-segments as well as lower sales volume from refining sub-segment, mitigated by higher share of associate results from Bunge Lodgers Crokiaan Group BV (“BLC”).



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(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 RM367.8 million for Q1 FY2024 as compared to PBT of RM93.1 million for Q4 FY2023. Excluding the non-operating items as tabulated below, the underlying PBT of RM360.9 million for Q1 FY2024 was 45% higher than the underlying PBT of RM249.6 million for Q4 FY2023, due mainly to higher contribution from all segments:

	Q1 FY2024 RM Million	Q4 FY2023 RM Million
Profit before tax	367.8	93.1
Exclude:		
Non-operating items		
Net foreign currency translation (gain)/loss on foreign currency denominated borrowings and deposits	(5.8)	171.5
Net fair value gain on derivative financial instruments	(1.1)	(15.0)
	(6.9)	156.5
Underlying profit before tax	360.9	249.6

Details of the segmental results were as follows:

Plantation

The plantation segment profit for Q1 FY2024 of RM330.8 million was 32% higher than the profit for Q4 FY2023 of RM250.1 million. The higher profit reported was due mainly to higher FFB production, partly offset by lower CPO price realised. Average CPO price realised for Q1 FY2024 was RM3,789/MT (Q4 FY2023 – RM3,906/MT).

Resource-based Manufacturing

The resource-based manufacturing segment profit for Q1 FY2024 was RM57.7 million as compared to RM47.4 million for Q4 FY2023. Excluding the fair value gain on derivative financial instruments of RM1.3 million (Q4 FY2023 – RM12.6 million), the resource-based manufacturing segment reported an underlying profit of RM56.4 million for Q1 FY2024 was 62% higher than the underlying profit of RM34.8 million for Q4 FY2023. The higher profit was due mainly to higher margins from refining sub-segment and higher share of associate results from BLC, partly offset by lower margins from oleochemical sub-segment.



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(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:

	CURRENT QUARTER RM Million	PRECEDING QUARTER RM Million	DIFFERENCE RM Million
Plantation before fair value adjustments	314.5	252.4	62.1
Fair value gain/(loss) on biological assets	16.5	(2.8)	19.3
Fair value (loss)/gain on derivative financial instruments	(0.2)	0.5	(0.7)
Plantation	330.8	250.1	80.7
Resource-based manufacturing before fair value adjustments	56.4	34.8	21.6
Fair value gain on derivative financial instruments	1.3	12.6	(11.3)
Resource-based manufacturing	57.7	47.4	10.3
Other operations	1.4	(2.0)	3.4
Segment results	389.9	295.5	94.4
Unallocated corporate net income/(expenses)	3.3	(1.6)	4.9
Profit before interest and tax	393.2	293.9	99.3
Interest income	9.0	7.6	1.4
Finance costs	(40.2)	(36.9)	(3.3)
Net foreign currency translation gain/(loss) on foreign currency denominated borrowings	7.9	(175.7)	183.6
Net foreign currency translation (loss)/gain on foreign currency denominated deposits	(2.1)	4.2	(6.3)
Profit before tax	367.8	93.1	274.7



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

3) Prospects

Crude palm oil (“CPO”) price has been moving within a relatively narrow price range in recent weeks with the unfriendly factor of high palm oil stock in Malaysia being balanced by the relatively low palm oil stock in Indonesia and worries about the effect of the El Nino phenomenon on palm fruits production in coming months. We expect CPO price to remain range-bound between RM3,750 to RM4,050 per tonne in the next two months before moving higher, as the anticipated monsoon rains in Malaysia during December 2023 and January 2024 may disrupt palm fruits harvesting and cause a drop in palm oil stock over the first quarter of 2024.

For our plantation segment, we anticipate a moderate increase in FFB production for FY2024 compared to FY2023 despite the ongoing accelerated replanting programme in Sabah. The growth is expected to be driven primarily by sufficient workers in Peninsular Malaysia and higher production from the young palm trees in our Indonesian and Peninsular plantations. Concurrently, production cost is expected to be lower due to the higher palm fruits yield and decline in fertiliser as well as diesel costs compared to FY2023. We continue to hold a positive outlook on the financial performance of the plantation segment for the remaining financial quarters.

Concerning our refinery and commodity marketing sub-segment, we expect that the current low or negative refining margins to remain. This is largely due to stiff competition from Indonesian refiners who benefit from their country’s CPO export duty policy. Nevertheless, our refineries’ efficient cost structure and capability in producing low 3-MCPDE & GE oil blends will give us a competitive advantage in the challenging operating environment.

The outlook for our oleochemical sub-segment remains subdued in light of the weak global economic environment and rising geopolitical tensions that undermined global trade. In response to these challenges, our focus on cost control and plant efficiency is vital. Our new fatty acid and soap noodle plants have reduced our production cost and at the same time give us the flexibility to tailor our products to meet customer requirements.

For our specialty fats sub-segment comprising our associate company, Bunge Lodders Croklaan (“BLC”), its performance is less dependent on global economic growth as demand for food is more resilient. We anticipate that BLC’s financial performance will continue to be driven by the strong performance of the North America business and the introduction of innovative product applications.

The US Dollar-Ringgit exchange rate which affects the foreign exchange translation gain/loss arising from our USD-denominated borrowings will be volatile with the uncertainties in US Federal Reserve’s monetary policy and new conflict in the Middle East region.

Overall, the Group expects its operating and financial performance for the remaining quarters of FY2024 to be satisfactory.

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 2023

(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	64.3	120.2	64.3	120.2
- Prior years	0.1	0.6	0.1	0.6
Deferred tax				
- Current year	(1.9)	19.8	(1.9)	19.8
- Prior years	(0.5)	1.5	(0.5)	1.5
	62.0	142.1	62.0	142.1

The effective tax rates of the Group for Q1 FY2024 and Q1 YTD FY2024 are lower than the statutory tax rate due principally to the profit from tax exempt entity and non-taxable income offset against non-deductible expenses.

7) Corporate Proposal

- a) There was no corporate proposal announced by the Group but not completed as at 21 November 2023 (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 21 November 2023 (being a date not earlier than 7 days from the date of issue of the quarterly report) is as follows:

Purpose	Proposed Utilisation (%)	(RM Million)	Actual Utilisation (RM Million)	Variation to the	Remaining	Initial Timeframe	Revised Timeframe
				Remaining Available ^{N4} (RM Million)	Available after the Variation (RM Million)		
Future investment	25.00	959.9	(862.5)	(97.4)	-	Within 24 months	Within 69 months ^{N1,2,3}
Dividend to shareholders	20.00	767.9	(767.9)	-	-	Within 12 months	Within 30 months ^{N1}
Repayment of borrowings	50.00	1,919.9	(1,919.9)	-	-	Within 24 months	-
General working capital	4.75	182.4	(182.4)	97.4	97.4	Within 24 months	refer Note 4
Transaction expenses	0.25	9.6	(9.6)	-	-	Immediate	-
Total	100.00	3,839.7	(3,742.3)	-	97.4		

Note:

¹ On 18 February 2020, the Board of Directors (the "Board") had resolved 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 had resolved to extend the Revised Timeframe for an additional period of 15 months ("Second Revised Timeframe") to utilise the remaining proceeds.

³ On 25 November 2022, the Board had resolved to extend the Second Revised Timeframe for an additional period of 12 months ("Third Revised Timeframe") to utilise the remaining proceeds.

⁴ On 28 November 2023, the Board had resolved to vary the remaining unutilised proceeds earmarked for future investments to fund the general working capital of the Group ("Variation"). The Variation is in the best interest of the Group and is not expected to have any material adverse effect on the financial performance of the Group. The remaining unutilised proceeds after the Variation is expected to be fully utilised on or before 30 November 2023, being the expiry of the Third Revised Timeframe.



Interim Report For The Financial Period Ended 30 September 2023

(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 2023	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	297.0	1,392.6	-	-	297.0	1,392.6
Islamic financing facilities	160.0	750.3	30.0	140.1	190.0	890.4
Islamic revolving credit financing facilities	-	-	44.0	206.3	44.0	206.3
Revolving credit	-	-	76.5	358.7	76.5	358.7
Trade financing	-	-	4.4	20.7	4.4	20.7
<u>Denominated in JPY</u>						
Term loans	21,000.0	659.4	-	-	21,000.0	659.4
<u>Denominated in EUR</u>						
Finance lease obligation	1.8	8.8	-	0.2	1.8	9.0
<u>Denominated in RM</u>						
Trade financing	-	-	-	107.0	-	107.0
Total		2,811.1		833.0		3,644.1

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)
<u>Unsecured</u>						
<u>Denominated in USD</u>						
Notes	296.6	1,375.5	-	-	296.6	1,375.5
Islamic financing facilities	190.0	879.9	15.0	69.2	205.0	949.1
Islamic revolving credit financing facilities	-	-	44.5	206.4	44.5	206.4
Revolving Credit	-	-	109.0	505.4	109.0	505.4
Trade financing	-	-	122.0	565.8	122.0	565.8
<u>Denominated in JPY</u>						
Term loans	21,000.0	672.8	-	-	21,000.0	672.8
<u>Denominated in EUR</u>						
Finance lease obligation	1.8	8.1	-	0.2	1.8	8.3
<u>Denominated in RM</u>						
Trade financing	-	-	-	130.0	-	130.0
Total		2,936.3		1,477.0		4,413.3

Exchange rates applied

USD/RM
JPY100/RM
EUR/RM

As at 30 September 2023

4.6895
3.1400
4.9575

As at 30 September 2022

4.6370
3.2037
4.5547



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(The figures have not been audited)

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

9) Derivative Financial Instruments

a) The outstanding forward foreign exchange contracts as at 30 September 2023 are as follows:

	Contract/Notional Value (Million)				Fair Value – (liabilities)/assets (RMMillion)				
	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	(326.9)	-	-	(326.9)	(23.5)	-	-	(23.5)
EUR/RM	EUR	(16.1)	-	-	(16.1)	0.3	-	-	0.3
JPY/RM	JPY	(850.0)	-	-	(850.0)	0.6	-	-	0.6
GBP/RM	GBP	(0.7)	-	-	(0.7)	0.1	-	-	0.1
RMB/RM	RMB	(11.7)	-	-	(11.7)	(0.1)	-	-	(0.1)
						(22.6)	-	-	(22.6)

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 2023 are as follows:

	Contract/Notional Value (Million)				Fair Value – assets (RMMillion)				
	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	(26.0)	-	-	(26.0)	11.7	-	-	11.7
	RM	(30.3)	-	-	(30.3)	0.9	-	-	0.9
						12.6	-	-	12.6
Futures									
	USD	(1.7)	-	-	(1.7)	0.2	-	-	0.2
	RM	0.4	-	-	0.4	2.7	-	-	2.7
						2.9	-	-	2.9

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 licensed brokers of commodity exchanges.



Interim Report For The Financial Period Ended 30 September 2023

(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 2023 are as follows:

	Contract/Notional Value (Million)					Fair Value – assets (RM Million)			
	Base Currency	<1 year	1 year to 3 years	More than 3 years	Total	<1 year	1 year to 3 years	More than 3 years	Total
JPY liability to USD liability ¹	JPY	-	-	15,000.0	15,000.0	-	-	42.5	42.5
JPY liability to USD liability ²	JPY	-	-	6,000.0	6,000.0	-	-	12.5	12.5
Floating rate USD liability to fixed rate EUR liability ³	USD	-	-	55.0	55.0	-	-	39.6	39.6

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 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 2023 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 ¹	USD	-	-	25.0	25.0	-	-	10.6	10.6

¹ 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 2023

(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	19.3	19.3	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	(0.2)	(0.2)	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	5.6	5.6	The difference between the contracted prices rate and forward prices	The prices for the respective commodity forward contracts have moved favourably for the Group from the last measurement date



Interim Report For The Financial Period Ended 30 September 2023

(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 30/09/23 RM Million	CURRENT YEAR TO DATE 30/09/23 RM Million
Interest income	(9.0)	(9.0)
Other income including investment income		
- Dividend income	(1.8)	(1.8)
Finance costs	40.2	40.2
Depreciation and amortisation	100.0	100.0
Impairment loss on receivables	2.1	2.1
Net inventories written back	(10.5)	(10.5)
Net foreign currency translation gain on foreign currency denominated borrowings	(7.9)	(7.9)
Net foreign currency translation loss on foreign currency denominated deposits	2.1	2.1
Foreign currency exchange loss	15.3	15.3
Fair value loss on other investments	2.3	2.3
Fair value gain on derivative financial instruments	(1.1)	(1.1)
Net gain arising from changes in fair value of biological assets	(16.5)	(16.5)

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 2023.

13) Dividend

No dividend has been proposed for the quarter under review (30 September 2022: Nil).



Interim Report For The Financial Period Ended 30 September 2023

(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	304.0	167.5	304.0	167.5
Weighted average number of ordinary shares in issue ('Million)	6,203.7	6,212.4	6,203.7	6,212.4
Basic (sen)	4.90	2.70	4.90	2.70

b) Diluted earnings for the period

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
28 November 2023



Interim Report For The Financial Period Ended 30 September 2023

(The figures have not been audited)

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

Group Plantation Statistics

		As At 30/09/2023	As At 30/09/2022
Planted Area			
Oil palm			
Mature	<i>(hectares)</i>	148,215	148,295
Total planted	<i>(hectares)</i>	173,574	175,142
Rubber			
Mature	<i>(hectares)</i>	449	449
Total planted	<i>(hectares)</i>	449	449
Total Titled Area	<i>(hectares)</i>	207,126	207,131

		30/09/2023 (3 months)	30/09/2022 (3 months)
Average Mature Area Harvested			
Oil Palm	<i>(hectares)</i>	145,700	144,972
Production			
Oil Palm			
FFB production	<i>(tonnes)</i>	734,062	665,761
Yield per mature hectare	<i>(tonnes)</i>	5.04	4.59
FFB processed	<i>(tonnes)</i>	757,550	692,006
Crude palm oil production	<i>(tonnes)</i>	165,301	145,536
Palm kernel production	<i>(tonnes)</i>	28,606	28,053
Crude palm oil extraction rate	<i>(%)</i>	21.82%	21.03%
Palm kernel extraction rate	<i>(%)</i>	3.78%	4.05%
Average Selling Price Realised			
Oil palm			
Crude palm oil	<i>(RM/tonne)</i>	3,789	4,496
Palm kernel	<i>(RM/tonne)</i>	2,100	2,524