



IOI GROUP

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

**Interim Report
For The Financial Period Ended
31 December 2023**



IOI GROUP

Interim Report For The Financial Period Ended 31 December 2023

(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
	31/12/2023 RM Million	31/12/2022 RM Million	(%)	31/12/2023 RM Million	31/12/2022 RM Million	(%)
Revenue	2,396.8	3,304.0	-27%	4,601.0	6,972.7	-34%
Operating profit	352.2	728.2	-52%	618.6	1,134.2	-45%
Share of results of associates	57.6	35.7	61%	183.1	115.4	59%
Share of results of a joint venture	1.2	0.1	1100%	2.5	0.3	733%
Profit before interest and tax	411.0	764.0	-46%	804.2	1,249.9	-36%
Interest income	11.1	9.5	17%	20.1	19.1	5%
Finance costs	(39.4)	(38.8)	2%	(79.6)	(77.1)	3%
Net foreign currency translation gain/(loss) on foreign currency denominated borrowings	33.3	122.4	-73%	41.2	(24.9)	nm
Net foreign currency translation gain/(loss) on foreign currency denominated deposits	1.9	(0.1)	nm	(0.2)	5.1	nm
Profit before tax	417.9	857.0	-51%	785.7	1,172.1	-33%
Tax expense	(78.8)	(141.9)	-44%	(140.8)	(284.0)	-50%
Profit for the period	339.1	715.1	-53%	644.9	888.1	-27%
Profit attributable to:						
Owners of the parent	335.4	712.1	-53%	639.4	879.6	-27%
Non-controlling interests	3.7	3.0	23%	5.5	8.5	-35%
	339.1	715.1	-53%	644.9	888.1	-27%
Earning per share for profit attributable to owners of the parent (sen)						
Basic	5.41	11.47	-53%	10.31	14.16	-27%
Diluted	5.41	11.47	-53%	10.31	14.16	-27%

*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.)



IOI GROUP

Interim Report For The Financial Period Ended 31 December 2023

(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	
	31/12/2023	31/12/2022	(%)	31/12/2023	31/12/2022	(%)
	RM Million	RM Million		RM Million	RM Million	
Profit for the period	339.1	715.1	-53%	644.9	888.1	-27%
Other comprehensive (loss)/income that will not be reclassified subsequently to profit or loss						
Share of other comprehensive (loss)/income of associates	(0.6)	2.4	nm	(0.6)	2.4	nm
Re-measurements of the defined benefit obligations	(0.3)	-	nm	(0.3)	-	nm
Tax effect relating to re-measurements of the defined benefit obligations	0.1	-	nm	0.1	-	nm
	(0.8)	2.4	nm	(0.8)	2.4	nm
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	(9.8)	(120.5)	-92%	(104.0)	(84.9)	22%
Other comprehensive loss reclassified subsequently to profit or loss arising from partial disposal of 10% equity interest in an associate	-	-	nm	-	(4.0)	nm
Share of other comprehensive income/(loss) of associates	16.1	(31.4)	nm	(11.6)	(2.8)	314%
Hedge of interest rate risk on issuance of Guaranteed Notes due 2031						
Reclassified to profit or loss	(0.7)	(0.6)	17%	(1.4)	(1.3)	8%
	5.6	(152.5)	nm	(117.0)	(93.0)	26%
Other comprehensive income/(loss) for the period, net of tax	4.8	(150.1)	nm	(117.8)	(90.6)	30%
Total comprehensive income for the period	343.9	565.0	-39%	527.1	797.5	-34%
Total comprehensive income attributable to:						
Owners of the parent	341.4	562.0	-39%	522.8	789.0	-34%
Non-controlling interests	2.5	3.0	-17%	4.3	8.5	-49%
	343.9	565.0	-39%	527.1	797.5	-34%

*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.)



IOI GROUP

Interim Report For The Financial Period Ended 31 December 2023

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position

	AS AT END OF CURRENT QUARTER 31/12/2023 RM Million	AS AT PRECEDING FINANCIAL YEAR END 30/06/2023 RM Million
ASSETS		
Non-current assets		
Property, plant and equipment	9,114.4	8,995.2
Intangible assets	411.5	414.8
Investments in associates	3,102.8	3,013.3
Derivative assets	85.1	107.3
Deferred tax assets	21.2	18.6
Other non-current assets	130.7	106.4
	<u>12,865.7</u>	<u>12,655.6</u>
Current assets		
Inventories	1,282.0	1,113.9
Receivables	1,140.6	1,307.1
Amount due from associates	35.5	34.3
Derivative assets	43.6	50.6
Other investments	69.8	67.4
Other current assets	133.1	118.0
Short term funds	1,073.6	1,158.0
Deposits with financial institutions	52.7	53.5
Cash and bank balances	932.0	1,023.5
	<u>4,762.9</u>	<u>4,926.3</u>
TOTAL ASSETS	<u>17,628.6</u>	<u>17,581.9</u>

(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 31 December 2023
(The figures have not been audited)

Condensed Consolidated Statement of Financial Position (Continued)

	AS AT END OF CURRENT QUARTER 31/12/2023 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	171.3	287.1
Retained earnings	10,890.8	10,562.4
	11,543.4	11,330.8
Non-controlling interests	340.0	339.8
Total equity	11,883.4	11,670.6
Non-current liabilities		
Long term borrowings	2,786.1	2,895.7
Long term lease liabilities	53.4	54.9
Deferred tax liabilities	1,207.9	1,206.7
Other non-current liabilities	78.1	78.5
	4,125.5	4,235.8
Current liabilities		
Short term borrowings	836.2	861.5
Payables	698.9	711.1
Derivative liabilities	18.0	59.1
Other current liabilities	66.6	43.8
	1,619.7	1,675.5
Total liabilities	5,745.2	5,911.3
TOTAL EQUITY AND LIABILITIES	17,628.6	17,581.9
Net assets per share attributable to owners of the parent (RM)	1.86	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 31 December 2023

(The figures have not been audited)

Condensed Consolidated Statement of Cash Flows

	6 Months Ended 31/12/2023 RM Million	6 Months Ended 31/12/2022 RM Million
Operating Activities		
Profit before tax	785.7	1,172.1
Adjustments for:		
Depreciation and amortisation	202.0	184.2
Other non-cash items	(190.8)	(16.7)
Operating profit before working capital changes	796.9	1,339.6
Decrease in payables and other liabilities	(18.5)	(209.5)
(Increase)/Decrease in inventories	(159.4)	260.1
Decrease in receivables and other assets	121.3	348.6
Cash generated from operations	740.3	1,738.8
Retirement benefits paid	(1.1)	(1.0)
Net taxes paid	(127.4)	(397.7)
Net cash from operating activities	611.8	1,340.1
Investing Activities		
Dividends received	25.6	24.6
Interest received	20.1	19.1
Proceeds from disposal of property, plant and equipment	0.6	12.8
Proceeds from partial disposal of 10% equity interest in an associate	-	465.8
Return of capital contribution from other investment	-	7.2
Additions to property, plant and equipment	(339.3)	(307.0)
Additions to other investments	(16.4)	(16.1)
Additions to other intangible assets	(0.5)	(1.1)
Additions to biological assets	(1.6)	(2.6)
Repayment from an associate	-	192.5
Additional investment in an associate	-	(14.8)
Net cash (used in)/from investing activities	(311.5)	380.4
Financing Activities		
Proceeds from issuance of shares to a non-controlling interest	0.3	-
Repurchase of shares	-	(18.5)
Dividends paid	(310.2)	(497.0)
Dividends paid to non-controlling interests	(4.4)	(5.8)
Net repayments of short term borrowings	(78.0)	(1,265.2)
Payments of lease liabilities	(5.0)	(4.9)
Payments of lease interest	(1.9)	(2.0)
Finance costs paid	(79.5)	(77.5)
Net cash used in financing activities	(478.7)	(1,870.9)
Net decrease in cash and cash equivalents	(178.4)	(150.4)
Cash and cash equivalents at beginning of financial year	2,235.0	2,552.9
Effect of exchange rate changes	1.7	8.7
Cash and cash equivalents at end of period	2,058.3	2,411.2

(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.)



IOI GROUP

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

Interim Report For The Financial Period Ended 31 December 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	-	-	-	(110.0)	(1.4)	(4.4)	638.6	522.8	4.3	527.1
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 31 December 2023	791.1	(309.8)	7.7	149.4	19.0	(4.8)	10,890.8	11,543.4	340.0	11,883.4

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



Interim Report For The Financial Period Ended 31 December 2023

(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 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)	-	-	-	(99.0)	(1.3)	7.3	882.0	789.0	8.5	797.5
Transactions with owners										
Dividends paid in respect of previous financial year	-	-	-	-	-	-	(497.0)	(497.0)	-	(497.0)
Repurchase of shares	-	(18.5)	-	-	-	-	-	(18.5)	-	(18.5)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(5.8)	(5.8)
As at 31 December 2022	791.1	(293.9)	7.7	(10.5)	21.8	0.8	10,700.2	11,217.2	343.5	11,560.7

(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 31 December 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 31 December 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
	<hr/> 310.2 <hr/>	<hr/> 497.0 <hr/>



Interim Report For The Financial Period Ended 31 December 2023

(The figures have not been audited)

g) Segment Revenue & Results

(RM Million)	Plantation	Resource-based Manufacturing	Other Operations	Elimination	Total
6 Months Ended 31/12/23					
REVENUE					
External Sales	216.0	4,375.5	9.5	-	4,601.0
Inter-segment sales	1,213.9	-	-	(1,213.9)	-
Total Revenue	1,429.9	4,375.5	9.5	(1,213.9)	4,601.0

RESULT

Operating profit	520.3	48.5	0.4	-	569.2
Share of results of associates	124.2	58.9	-	-	183.1
Share of results of a joint venture	-	2.5	-	-	2.5
Segment results before fair value adjustments	644.5	109.9	0.4	-	754.8
Fair value gain					
Biological assets	4.5	-	-	-	4.5
Derivative financial instruments	1.2	32.8	-	-	34.0
Segment results	650.2	142.7	0.4	-	793.3

6 Months Ended 31/12/22

REVENUE

External Sales	164.3	6,796.6	11.8	-	6,972.7
Inter-segment sales	1,315.7	-	-	(1,315.7)	-
Total Revenue	1,480.0	6,796.6	11.8	(1,315.7)	6,972.7

RESULT

Operating profit	619.3	555.3	2.5	-	1,177.1
Share of results of associates	67.8	47.6	-	-	115.4
Share of results of a joint venture	-	0.3	-	-	0.3
Segment results before fair value adjustments	687.1	603.2	2.5	-	1,292.8
Fair value (loss)/gain on:					
Biological assets	(11.0)	-	-	-	(11.0)
Derivative financial instruments	3.9	(10.4)	-	-	(6.5)
Segment results	680.0	592.8	2.5	-	1,275.3



IOI GROUP

Interim Report For The Financial Period Ended 31 December 2023

(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 31/12/2023 RM Million	6 Months Ended 31/12/2022 RM Million
Total segment results	793.3	1,275.3
Unallocated corporate net income/(expense)	10.9	(25.4)
Profit before interest and tax	804.2	1,249.9
Interest income	20.1	19.1
Finance costs	(79.6)	(77.1)
Net foreign currency translation gain/(loss) on foreign currency denominated borrowings	41.2	(24.9)
Net foreign currency translation (loss)/gain on foreign currency denominated deposits	(0.2)	5.1
Profit before tax	785.7	1,172.1
Tax expense	(140.8)	(284.0)
Profit for the period	644.9	888.1

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 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 31 December 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 31 December 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

a) Q2 FY2024 vs. Q2 FY2023

For Q2 FY2024, the Group reported a profit before tax (“PBT”) of RM417.9 million as compared to RM857.0 million reported for Q2 FY2023. Excluding the non-operating items, fair value adjustments or one-off items (“Non-underlying items”) as tabulated below, the underlying PBT of RM383.6 million for Q2 FY2024 was 30% lower than the underlying PBT of RM551.9 million for Q2 FY2023, due mainly to lower contribution from resource-based manufacturing segment:

	Q2 FY2024 RM Million	Q2 FY2023 RM Million
Profit before tax	417.9	857.0
Exclude:		
Non-underlying items		
Net foreign currency translation gain on foreign currency denominated borrowings and deposits	(35.2)	(122.3)
Net fair value loss on biological assets	12.0	0.1
Net fair value gain on derivative financial instruments	(29.8)	(182.9)
Impairment loss on plasma receivables	18.7	-
	(34.3)	(305.1)
Underlying profit before tax	383.6	551.9

Plantation

The plantation segment profit for Q2 FY2024 of RM319.4 million was 3% lower than the profit for Q2 FY2023 of RM328.2 million. Excluding the fair value loss on biological assets and derivative financial instruments of RM10.6 million (Q2 FY2023 – gain of RM1.2 million), and impairment loss on plasma receivables of RM18.7 million (Q2 FY2023 – nil), the plantation segment reported an underlying profit of RM348.7 million for Q2 FY2024 which was 7% higher than the underlying profit of RM327.0 million for Q2 FY2023. The higher profit reported was due mainly to higher share of associates results (Q2 FY2024 – RM38.5 million vs Q2 FY2023 – RM2.2 million), higher FFB production and OER, partially offset by lower CPO price realised. Average CPO price realised for Q2 FY2024 was RM3,689/MT (Q2 FY2023 – RM4,127/MT).

Resource-based Manufacturing

The resource-based manufacturing segment profit for Q2 FY2024 is RM85.0 million as compared to RM464.3 million for Q2 FY2023. Excluding the fair value gain on derivative financial instruments of RM31.5 million (Q2 FY2023 – RM182.6 million), the resource-based manufacturing segment reported an underlying profit of RM53.5 million for Q2 FY2024 which was 81% lower than the underlying profit of RM281.7 million for Q2 FY2023. The lower profit reported was due mainly to lower margins from oleochemical and refining sub-segments as well as lower sales volume from refining sub-segment.



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

a) **Q2 FY2024 vs. Q2 FY2023 (Continued)**

The analysis of contribution by segment is as follow:

	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	DIFFERENCE
	RM Million	RM Million	RM Million
Plantation before fair value adjustments	330.0	327.0	3.0
Fair value loss on biological assets	(12.0)	(0.1)	(11.9)
Fair value gain on derivative financial instruments	1.4	1.3	0.1
Plantation	319.4	328.2	(8.8)
Resource-based manufacturing before fair value adjustments	53.5	281.7	(228.2)
Fair value gain on derivative financial instruments	31.5	182.6	(151.1)
Resource-based manufacturing	85.0	464.3	(379.3)
Other operations	(1.0)	2.1	(3.1)
Segment results	403.4	794.6	(391.2)
Unallocated corporate net income/(expenses)	7.6	(30.6)	38.2
Profit before interest and tax	411.0	764.0	(353.0)
Interest income	11.1	9.5	1.6
Finance costs	(39.4)	(38.8)	(0.6)
Net foreign currency translation gain on foreign currency denominated borrowings	33.3	122.4	(89.1)
Net foreign currency translation gain/(loss) on foreign currency denominated deposits	1.9	(0.1)	2.0
Profit before tax	417.9	857.0	(439.1)



IOI GROUP

Interim Report For The Financial Period Ended 31 December 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 (Continued)**
- b) **Q2 YTD FY2024 vs. Q2 YTD FY2023**

For Q2 YTD FY2024, the Group reported a PBT of RM785.7 million as compared to RM1,172.1 million reported for Q2 YTD FY2023. Excluding the non-underlying items as tabulated below, the underlying PBT of RM728.0 million for Q2 YTD FY2024 was 40% lower than the underlying PBT of RM1,218.8 million for Q2 YTD FY2023, due mainly to lower contribution from all segments:

	Q2 YTD FY2024 RM Million	Q2 YTD FY2023 RM Million
Profit before tax	785.7	1,172.1
Exclude:		
Non-underlying items		
Net foreign currency translation (gain)/loss on foreign currency denominated borrowings and deposits	(41.0)	19.8
Net fair value (gain)/loss on biological assets	(4.5)	11.0
Net fair value (gain)/loss on derivative financial instruments	(30.9)	33.1
Impairment loss on plasma receivables	18.7	-
Gain on disposal of 10% equity interest of an associate	-	(17.2)
	(57.7)	46.7
Underlying profit before tax	728.0	1,218.8

Plantation

The plantation segment profit for Q2 YTD FY2024 was RM650.2 million as compared to RM680.0 million for Q2 YTD FY2023. Excluding the fair value gain on biological assets and derivative financial instruments of RM5.7 million (Q2 YTD FY2023 – loss of RM7.1 million), and impairment loss on plasma receivables of RM18.7 million (Q2 YTD FY2023 – nil), the plantation segment reported an underlying profit of RM663.2 million for Q2 YTD FY2024 as compared to RM687.1 million for Q2 YTD FY2023. The lower profit reported was due mainly to lower CPO and PK prices realised, mitigated by higher FFB production (Q2 YTD FY2024 – 1.55 million MT vs Q2 YTD FY2023 – 1.44 million MT) and OER as well as higher share of associate results (Q2 YTD FY2024 – RM124.2 million vs Q2 YTD FY2023 – RM67.8 million). Average CPO and PK prices realised for Q2 YTD FY2024 were RM3,736/MT (Q2 YTD FY2023 – RM4,294/MT) and RM2,085/MT (Q2 YTD FY2023 – RM2,330/MT) respectively.

Resource-based Manufacturing

The resource-based manufacturing segment profit for Q2 YTD FY2024 was RM142.7 million as compared to RM592.8 million for Q2 YTD FY2023. Excluding the fair value gain on derivative financial instruments of RM32.8 million (Q2 YTD FY2023 – loss of RM10.4 million), the resource-based manufacturing segment reported an underlying profit of RM109.9 million for Q2 YTD FY2024 as compared to RM603.2 million for Q2 YTD FY2023. The lower profit reported was due mainly to lower margins from oleochemical and refining sub-segments as well as lower sales volume from refining sub-segment. The higher margins recorded in Q2 YTD FY2023 were due to strong customer demand driven by global supply chain disruptions. In addition, Indonesia’s policy restricting CPO exports during that period also contributed to the better margins.



Interim Report For The Financial Period Ended 31 December 2023

(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 RM417.9 million for Q2 FY2024 as compared to PBT of RM367.8 million for Q1 FY2024. Excluding the non-underlying items as tabulated below, the underlying PBT of RM383.6 million for Q2 FY2024 was 11% higher than the underlying PBT of RM344.4 million for Q1 FY2024, due mainly to higher contribution from plantation segment:

	Q2 FY2024 RM Million	Q1 FY2024 RM Million
Profit before tax	417.9	367.8
Exclude:		
Non-underlying items		
Net foreign currency translation gain on foreign currency denominated borrowings and deposits	(35.2)	(5.8)
Net fair value loss/(gain) on biological assets	12.0	(16.5)
Net fair value gain on derivative financial instruments	(29.8)	(1.1)
Impairment loss on plasma receivables	18.7	-
	(34.3)	(23.4)
Underlying profit before tax	383.6	344.4

Plantation

The plantation segment profit for Q2 FY2024 was RM319.4 million as compared to RM330.8 million for Q1 FY2024. Excluding the fair value loss on biological assets and derivative financial instruments of RM10.6 million (Q1 FY2024 – gain of RM16.3 million), and impairment loss on plasma receivables of RM18.7 million (Q1 FY2024 – nil), the plantation segment reported an underlying profit of RM348.7 million for Q2 FY2024 was 11% higher than the underlying profit of RM314.5 million for Q1 FY2024. The higher profit reported was due mainly to higher FFB production (Q2 FY2024 – 0.82 million MT vs Q1 FY2024 – 0.73 million MT), partly offset by lower share of associates results (Q2 FY2024 – RM38.5 million vs Q1 FY2024 – RM85.7 million).

Resource-based Manufacturing

The resource-based manufacturing segment profit for Q2 FY2024 was RM85.0 million as compared to RM57.7 million for Q1 FY2024. Excluding the fair value gain on derivative financial instruments of RM31.5 million (Q1 FY2024 – RM1.3 million), the resource-based manufacturing segment reported an underlying profit of RM53.5 million for Q2 FY2024 was 5% lower than the underlying profit of RM56.4 million for Q1 FY2024. The lower profit reported was due mainly to lower share of associates results, mitigated by higher contribution from refining sub-segment.



Interim Report For The Financial Period Ended 31 December 2023

(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	330.0	314.5	15.5
Fair value (loss)/gain on biological assets	(12.0)	16.5	(28.5)
Fair value gain/(loss) on derivative financial instruments	1.4	(0.2)	1.6
Plantation	319.4	330.8	(11.4)
Resource-based manufacturing before fair value adjustments	53.5	56.4	(2.9)
Fair value gain on derivative financial instruments	31.5	1.3	30.2
Resource-based manufacturing	85.0	57.7	27.3
Other operations	(1.0)	1.4	(2.4)
Segment results	403.4	389.9	13.5
Unallocated corporate net income	7.6	3.3	4.3
Profit before interest and tax	411.0	393.2	17.8
Interest income	11.1	9.0	2.1
Finance costs	(39.4)	(40.2)	0.8
Net foreign currency translation gain on foreign currency denominated borrowings	33.3	7.9	25.4
Net foreign currency translation gain/(loss) on foreign currency denominated deposits	1.9	(2.1)	4.0
Profit before tax	417.9	367.8	50.1



IOI GROUP

Interim Report For The Financial Period Ended 31 December 2023

(The figures have not been audited)

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

3) Prospects

Since the end of 2023, palm oil stock in Malaysia has been declining due to the seasonally low palm fruits production as well as the effects of the El Nino phenomenon. Coupled with the expected increase in palm oil consumption during the Ramadan month, crude palm oil (“CPO”) price is anticipated to increase moderately to levels close to or above RM4,000 a tonne in March and April this year. However, the projected good soybean harvest in the middle of this year may put some pressure on palm oil price during the second quarter of 2024.

For our plantation segment, we project our palm fruits production to be moderately higher than the last financial year corresponding period, mainly due to labour productivity improvement as well as higher production from the young palm trees in our Indonesian and Peninsular Malaysian plantations. We continue to hold a positive outlook on the operating performance for our plantation segment during the remaining periods of FY2024.

For our refinery and commodity marketing sub-segment, we expect the current low or negative refining margins to persist. This is largely due to the overcapacity of refineries in Indonesia coupled with the raw material price advantage from their country’s CPO export duty policy. Nevertheless, our Malaysian refineries’ efficient cost structure and capability in producing low 3-MCPD & GE oil blends will give us a competitive advantage in this challenging operating environment.

The outlook for our oleochemical sub-segment continues to be challenging due to the uncertain outlook on the global economy and US-China geopolitical tension which undermine global trade. The recent attacks in Red Sea has also resulted in shipping disruptions and increased freight costs. In response to these challenges, we have been focusing on cost control and plant efficiency. Our new fatty acid and soap noodle plants have reduced 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 Loders Croklaan (“BLC”), its performance is less dependent on global economic growth as demand for food is more resilient. We anticipate BLC’s financial performance to continue to be driven by the strong performance of its North American 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 is expected to remain volatile during the first half of 2024.

Overall, the Group anticipates its operating performance for the remaining quarters of FY2024 to be satisfactory amidst a challenging global economic environment.

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 2023

(The figures have not been audited)

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

6) Tax expense

	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 tax				
- Current year	79.1	120.7	143.4	240.9
- Prior years	(1.8)	-	(1.7)	0.6
Deferred tax				
- Current year	3.0	20.3	1.1	40.1
- Prior years	(1.5)	0.9	(2.0)	2.4
	78.8	141.9	140.8	284.0

The effective tax rates of the Group for Q2 FY2024 and Q2 YTD FY2024 are lower than the statutory tax rate due principally to the non-taxable income and profit from tax exempt entity offset against non-deductible expenses.

7) Corporate Proposal

- a) There was no corporate proposal announced by the Group but not completed as at 16 February 2024 (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 2024 (being a date not earlier than 7 days from the date of issue of the quarterly report) is as follows:

Purpose	Proposed Utilisation		Variation to the Remaining Available ^{N4}	Actual Utilisation	Remaining Available after the Variation	Initial Timeframe	Revised Timeframe
	(%)	(RM Million)					
Future investment	25.00	959.9	(97.4)	(862.5)	-	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	97.4	(279.8)	-	Within 24 months	refer Note 4
Transaction expenses	0.25	9.6	-	(9.6)	-	Immediate	-
Total	100.00	3,839.7	-	(3,839.7)	-		

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 remaining unutilised proceeds after the Variation were fully utilised before 30 November 2023, being the expiry of the Third Revised Timeframe.



Interim Report For The Financial Period Ended 31 December 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 31 December 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	1,362.6	-	-	297.0	1,362.6
Islamic financing facilities	160.0	734.0	30.0	137.3	190.0	871.3
Islamic revolving credit financing facilities	-	-	44.0	201.9	44.0	201.9
Revolving credit	-	-	76.5	350.9	76.5	350.9
Trade financing	-	-	7.8	35.9	7.8	35.9
<u>Denominated in JPY</u>						
Term loans	21,000.0	680.4	-	-	21,000.0	680.4
<u>Denominated in EUR</u>						
Finance lease obligation	1.8	9.1	-	0.2	1.8	9.3
<u>Denominated in RM</u>						
Trade financing	-	-	-	110.0	-	110.0
Total		2,786.1		836.2		3,622.3

As at 31 December 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	296.7	1,309.3	-	-	296.7	1,309.3
Islamic financing facilities	190.0	837.4	15.0	66.1	205.0	903.5
Islamic revolving credit financing facilities	-	-	35.5	156.6	35.5	156.6
Revolving Credit	-	-	100.0	441.2	100.0	441.2
Trade financing	-	-	49.0	216.1	49.0	216.1
<u>Denominated in JPY</u>						
Term loans	21,000.0	699.0	-	-	21,000.0	699.0
<u>Denominated in EUR</u>						
Finance lease obligation	1.8	8.4	-	0.2	1.8	8.6
<u>Denominated in RM</u>						
Trade financing	-	-	-	30.0	-	30.0
Total		2,854.1		910.2		3,764.3

Exchange rates applied

USD/RM
JPY100/RM
EUR/RM

As at 31 December 2023

4.5875
3.2401
5.0830

As at 31 December 2022

4.4125
3.3287
4.7021



Interim Report For The Financial Period Ended 31 December 2023

(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 2023 are as follows:

	Contract/Notional Value (Million)				Fair Value – assets/(liabilities)				
	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	(280.0)	-	-	(280.0)	22.2	-	-	22.2
EUR/RM	EUR	(20.7)	-	-	(20.7)	(0.8)	-	-	(0.8)
JPY/RM	JPY	(566.9)	-	-	(566.9)	(0.3)	-	-	(0.3)
GBP/RM	GBP	(1.0)	-	-	(1.0)	-	-	-	-
RMB/RM	RMB	(13.1)	-	-	(13.1)	-	-	-	-
						21.1	-	-	21.1

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 2023 are as follows:

	Contract/Notional Value (Million)				Fair Value – assets/(liabilities)				
	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	(47.1)	-	-	(47.1)	3.7	-	-	3.7
	RM	(34.1)	-	-	(34.1)	(0.2)	-	-	(0.2)
						3.5	-	-	3.5
Futures									
	USD	3.1	-	-	3.1	(0.8)	-	-	(0.8)
	RM	(65.8)	-	-	(65.8)	1.8	-	-	1.8
						1.0	-	-	1.0

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

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



Interim Report For The Financial Period Ended 31 December 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 31 December 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	-	-	44.0	44.0
JPY liability to USD liability ²	JPY	-	-	6,000.0	6,000.0	-	-	11.3	11.3
Floating rate USD liability to fixed rate EUR liability ³	USD	-	55.0	-	55.0	-	22.4	-	22.4

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

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

³ The contracts effectively swapped 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 31 December 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	-	7.4	-	7.4

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 31 December 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		
	RM Million	RM Million		
Forward foreign exchange contracts	22.3	41.6	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	(3.6)	(3.8)	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	(2.3)	3.3	The difference between the contracted prices rate and forward prices	The prices for the respective commodity forward contracts have moved (unfavourably against)/ favourably for the Group from the last measurement date



IOI GROUP

Interim Report For The Financial Period Ended 31 December 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 31/12/23 RM Million	CURRENT YEAR TO DATE 31/12/23 RM Million
Interest income	(11.1)	(20.1)
Other income including investment income		
- Dividend income	(0.1)	(1.9)
Finance costs	39.4	79.6
Depreciation and amortisation	102.0	202.0
Impairment loss on receivables	18.0	20.1
Net inventories written down/(back)	2.3	(8.2)
Net foreign currency translation gain on foreign currency denominated borrowings	(33.3)	(41.2)
Net foreign currency translation (gain)/loss on foreign currency denominated deposits	(1.9)	0.2
Foreign currency exchange loss	34.5	49.8
Fair value gain on other investments	(12.4)	(10.1)
Fair value gain on derivative financial instruments	(29.8)	(30.9)
Net loss/(gain) arising from changes in fair value of biological assets	12.0	(4.5)

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.



IOI GROUP

Interim Report For The Financial Period Ended 31 December 2023

(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 2024 declared a first interim single tier dividend of 4.5 sen (31 December 2022: 6.0 sen) per ordinary share in respect of the financial year ending 30 June 2024 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 21 March 2024 to shareholders whose names appear in the Record of Depositors and Register of Members of the Company at the close of business on 11 March 2024.

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 11 March 2024 in respect of transfers; and
- b) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 8 March 2024 (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 4.5 sen (31 December 2022: 6.0 sen) per ordinary share.



IOI GROUP

Interim Report For The Financial Period Ended 31 December 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 (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	335.4	712.1	639.4	879.6
Weighted average number of ordinary shares in issue (Million)	6,203.7	6,208.5	6,203.7	6,210.5
Basic (sen)	<u>5.41</u>	<u>11.47</u>	<u>10.31</u>	<u>14.16</u>

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
23 February 2024



Interim Report For The Financial Period Ended 31 December 2023

(The figures have not been audited)

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

Group Plantation Statistics

		As At 31/12/2023	As At 31/12/2022
Planted Area			
Oil palm			
Mature	<i>(hectares)</i>	147,952	147,309
Total planted	<i>(hectares)</i>	172,760	174,274
Rubber			
Mature	<i>(hectares)</i>	449	449
Total planted	<i>(hectares)</i>	449	449
Total Titled Area	<i>(hectares)</i>	207,118	207,135

		31/12/2023 (6 months)	31/12/2022 (6 months)
Average Mature Area Harvested			
Oil Palm	<i>(hectares)</i>	145,116	144,583
Production			
Oil Palm			
FFB production	<i>(tonnes)</i>	1,552,873	1,439,184
Yield per mature hectare	<i>(tonnes)</i>	10.70	9.95
FFB processed	<i>(tonnes)</i>	1,595,118	1,490,025
Crude palm oil production	<i>(tonnes)</i>	349,557	311,542
Palm kernel production	<i>(tonnes)</i>	63,264	61,887
Crude palm oil extraction rate	<i>(%)</i>	21.91%	20.91%
Palm kernel extraction rate	<i>(%)</i>	3.97%	4.15%
Average Selling Price Realised			
Oil palm			
Crude palm oil	<i>(RM/tonne)</i>	3,736	4,294
Palm kernel	<i>(RM/tonne)</i>	2,085	2,330