



IOI GROUP

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

**Interim Report
For The Financial Period Ended
31 December 2013**



IOI GROUP

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

Interim Report For The Financial Period Ended 31 December 2013

(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	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/13	31/12/12	31/12/13	31/12/12
	RM'Million	RM'Million (Restated)	RM'Million	RM'Million (Restated)
CONTINUING OPERATIONS				
Revenue	2,939.4	3,252.0	6,179.3	6,384.6
Operating profit	501.2	514.8	816.9	1,133.2
Share of results of associates	39.8	31.4	67.4	59.7
Share of results of jointly controlled entities	(0.2)	-	(0.4)	-
Profit before interest and taxation	540.8	546.2	883.9	1,192.9
Interest income	18.3	13.0	36.8	19.8
Finance cost	(71.8)	(68.9)	(142.9)	(140.1)
Profit before taxation	487.3	490.3	777.8	1,072.6
Taxation	(113.5)	(76.6)	(216.0)	(167.0)
Profit from continuing operations	373.8	413.7	561.8	905.6
DISCONTINUED OPERATIONS *				
Profit from discontinued operations	120.5	126.6	240.1	248.5
Profit for the period	494.3	540.3	801.9	1,154.1
Attributable to owners of the parent				
From continuing operations	374.7	407.6	557.7	892.2
From discontinued operations	112.4	123.4	231.2	243.2
	487.1	531.0	788.9	1,135.4
Attributable to non-controlling interests				
	7.2	9.3	13.0	18.7
	494.3	540.3	801.9	1,154.1
Earnings per share for profit attributable to owners of the Company (sen)				
Basic earnings per share				
From continuing operations	5.86	6.38	8.73	13.95
From discontinued operations	1.76	1.93	3.62	3.80
Total	7.62	8.31	12.35	17.75
Diluted earnings per share				
From continuing operations	5.85	6.36	8.72	13.91
From discontinued operations	1.76	1.93	3.61	3.79
Total	7.61	8.29	12.33	17.70

(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 2013 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

Condensed Consolidated Statement of Other Comprehensive Income

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER (6 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/13 RM'Million	31/12/12 RM'Million (Restated)	31/12/13 RM'Million	31/12/12 RM'Million (Restated)
Profit for the period	494.3	540.3	801.9	1,154.1
Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss when specific conditions are met				
Exchange differences on translation of foreign operations	4.4	57.3	230.7	21.3
Share of other comprehensive (loss)/ income of associates	(2.7)	0.5	(1.2)	0.2
Other comprehensive income for the period	1.7	57.8	229.5	21.5
Total comprehensive income for the period, net of tax	496.0	598.1	1,031.4	1,175.6
Total comprehensive income attributable to:				
Owners of the Company	487.7	588.6	1,016.2	1,156.7
Non-controlling interests	8.3	9.5	15.2	18.9
	496.0	598.1	1,031.4	1,175.6

*: Pursuant to the corporate proposal as disclosed in Note 7(i), the financial results of the property business that was demerged in January 2014 are now presented as discontinued operations in line with the requirements of FRS 5 Non-current Assets Held for Sale and Discontinued Operations

(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 2013 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position

	31/12/13 RM'Million	30/06/13 RM'Million (Restated)	01/07/12 RM'Million (Restated)
ASSETS			
Non-current assets			
Property, plant & equipment	6,428.9	5,293.8	5,713.7
Prepaid lease payments	29.5	29.8	29.6
Land held for property development	-	-	1,858.9
Investment properties	7.3	7.3	1,326.7
Goodwill on consolidation	459.7	429.0	512.0
Associates	864.7	797.3	817.1
Jointly controlled entities	17.4	8.8	3,483.1
Derivative financial assets	71.4	45.3	67.1
Deferred tax assets	65.7	64.2	78.1
	<u>7,944.6</u>	<u>6,675.5</u>	<u>13,886.3</u>
Current assets			
Property development costs	-	-	362.4
Inventories	2,293.9	1,753.8	2,511.4
Receivables	1,141.7	1,104.2	1,704.0
Derivative financial assets	79.3	59.3	171.9
Other investments	75.2	72.6	75.2
Short term funds	703.0	1,826.4	1,775.2
Short term deposits	234.3	264.1	2,024.0
Cash and bank balances	440.5	878.9	561.5
	<u>4,967.9</u>	<u>5,959.3</u>	<u>9,185.6</u>
Assets of disposal group held for sale/ held for distribution to owners	*		
	<u>12,745.4</u>	<u>11,273.8</u>	<u>-</u>
TOTAL ASSETS	<u><u>25,657.9</u></u>	<u><u>23,908.6</u></u>	<u><u>23,071.9</u></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 2013 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position (Continued)

	31/12/13 RM'Million	30/06/13 RM'Million (Restated)	01/07/12 RM'Million (Restated)
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	644.4	643.4	642.7
Share premium	2,054.3	2,013.4	1,985.9
Other reserves	(1,764.0)	71.0	(58.6)
Treasury shares	(266.2)	(235.7)	(139.6)
Retained earnings	3,834.2	11,160.3	10,176.6
	<u>4,502.7</u>	<u>13,652.4</u>	<u>12,607.0</u>
Non-controlling interests	449.3	280.0	288.0
Total equity	<u>4,952.0</u>	<u>13,932.4</u>	<u>12,895.0</u>
Non-current liabilities			
Long term borrowings	7,308.7	7,104.9	7,291.7
Derivative financial liabilities	52.4	55.9	79.8
Other long term liabilities	44.0	44.5	175.2
Deferred tax liabilities	452.0	398.4	427.7
	<u>7,857.1</u>	<u>7,603.7</u>	<u>7,974.4</u>
Current liabilities			
Payables	944.7	790.2	1,114.7
Distribution-in-specie	9,617.7	-	-
Derivative financial liabilities	95.0	96.3	202.8
Short term borrowings	517.7	219.4	830.0
Provision for taxation	79.9	26.5	55.0
	<u>11,255.0</u>	<u>1,132.4</u>	<u>2,202.5</u>
Liabilities of disposal group held for sale/ held for distribution to owners *	1,593.8	1,240.1	-
Total liabilities	<u>20,705.9</u>	<u>9,976.2</u>	<u>10,176.9</u>
TOTAL EQUITY AND LIABILITIES	<u>25,657.9</u>	<u>23,908.6</u>	<u>23,071.9</u>
Net assets per share attributable to owners of the Company (RM)	0.70	2.14	1.97

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position (Continued)

*: Pursuant to the corporate proposal as disclosed in Note 7(i), the financial results of the property business that was demerged in January 2014 are now classified as disposal group held for sale/ held for distribution to owners. The assets and liabilities of disposal group held for sale/ held for distribution to owners are as follows:

	AS AT END OF CURRENT QUARTER 31/12/13 RM'Million	AS AT PRECEDING FINANCIAL YEAR END 30/06/13 RM'Million
Assets of disposal group held for sale/ held for distribution to owners		
Property, plant & equipment	671.7	634.8
Prepaid lease payments	105.2	99.4
Land held for property development	2,333.8	1,843.9
Investment properties	2,075.1	1,941.9
Goodwill on consolidation	91.7	85.6
Associates	66.6	73.6
Jointly controlled entities	3,869.1	3,677.3
Deferred tax assets	30.7	29.9
Property development costs	2,010.0	1,847.5
Inventories	95.6	122.3
Receivables	662.8	475.3
Other investments	61.8	1.1
Short term funds	208.6	59.9
Short term deposits	139.3	99.5
Cash and bank balances	323.4	281.8
	12,745.4	11,273.8
Liabilities of disposal group held for sale/ held for distribution to owners		
Long term borrowings	518.7	502.4
Other long term liabilities	90.4	138.6
Deferred tax liabilities	104.1	62.7
Payables	836.5	490.2
Provision for taxation	44.1	46.2
	1,593.8	1,240.1

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

Condensed Consolidated Statement of Cash Flows

	6 Months Ended 31/12/13 RM'Million	6 Months Ended 31/12/12 RM'Million (Restated)
Operating Activities		
Profit before taxation		
From continuing operations	777.8	1,072.6
From discontinued operations	365.5	324.9
	1,143.3	1,397.5
Adjustments for:		
Depreciation	112.2	124.2
Other non-cash items	144.8	(357.8)
Operating profit before working capital changes	1,400.3	1,163.9
(Increase)/decrease in inventories	(398.8)	238.3
(Increase)/decrease in receivables and other assets	(298.8)	170.6
Increase/(decrease) in payables and other liabilities	386.3	(231.1)
Cash generated from operations	1,089.0	1,341.7
Other payments	(16.3)	(2.0)
Taxes paid	(225.3)	(262.7)
Net cash inflow from operating activities	847.4	1,077.0
Investing Activities		
Dividends received	27.9	36.1
Interest received	12.6	11.2
Proceeds from disposal of other investments	7.2	0.2
Other receipts	3.1	1.6
Proceeds from disposal of property, plant and equipment	-	6.2
Acquisitions of additional interest in subsidiaries	(2.7)	-
Additions to prepaid land lease payments	(2.9)	-
Advances to jointly controlled entities	(15.8)	(73.8)
Investments in jointly controlled entities	(22.9)	(9.1)
Additions to other investments	(61.8)	-
Additions to investment properties	(121.3)	(90.1)
Additions to property, plant and equipment	(186.2)	(155.5)
Investment in land held for development	(505.6)	(961.5)
Acquisition of subsidiary	(951.3)	-
Net cash outflow from investing activities	(1,819.7)	(1,234.7)

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

Condensed Consolidated Statement of Cash Flows (Continued)

	6 Months Ended 31/12/13 RM'Million	6 Months Ended 31/12/12 RM'Million (Restated)
Financing Activities		
Drawdown/(repayment) of other borrowings	270.4	(46.1)
Issuance of shares	33.6	11.5
Advances from non-controlling interests	-	0.4
Repayment of term loan	(0.4)	-
Dividends paid to non-controlling interests	(4.4)	(11.3)
Repurchase of shares	(30.5)	(70.6)
Payment of interest	(147.5)	(142.2)
Payment of dividends	(543.2)	(543.3)
Net cash outflow from financing activities	(422.0)	(801.6)
Net decrease in cash and cash equivalents	(1,394.3)	(959.3)
Cash and cash equivalents at beginning of period	3,410.6	4,360.7
Effect of exchange rate changes	32.8	2.5
	2,049.1	3,403.9
Cash and cash equivalents classified as disposal group held for sale/ held for distribution to owners	(671.3)	-
Cash and cash equivalents at end of period	1,377.8	3,403.9

*: *Includes cash and cash equivalents of the disposal group held for sale/held for distribution to owners amounting to RM441.2 million.*

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to this interim financial report.)



IOI GROUP

IOI CORPORATION BERHAD (9027-W)

(Incorporated in Malaysia)

Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

Condensed Consolidated Statement Of Changes In Equity

(RM'Million)	Non-distributable						Distributable		Non- controlling interests	Total equity
	Share capital	Share premium	Capital reserve	* Other reserve	Foreign currency translation reserve	Treasury shares	Retained earnings	Total attributable to owners of the Company		
As at 1 July 2013										
As previously reported	643.4	2,013.4	127.2	-	(56.2)	(235.7)	11,179.9	13,672.0	280.0	13,952.0
Effect of adopting FRS 119	-	-	-	-	-	-	(19.6)	(19.6)	-	(19.6)
As restated	643.4	2,013.4	127.2	-	(56.2)	(235.7)	11,160.3	13,652.4	280.0	13,932.4
Total comprehensive income	-	-	-	-	227.3	-	788.9	1,016.2	15.2	1,031.4
Transactions with owners										
Dividend paid in respect of previous financial year	-	-	-	-	-	-	(543.2)	(543.2)	-	(543.2)
Issue of shares arising from exercise of share options	1.0	40.9	(8.3)	-	-	-	-	33.6	-	33.6
Repurchase of shares	-	-	-	-	-	(30.5)	-	(30.5)	-	(30.5)
Recognition of share option expenses	-	-	0.3	-	-	-	-	0.3	-	0.3
Distribution-in-specie	-	-	-	(2,054.3)	-	-	(7,563.4)	(9,617.7)	-	(9,617.7)
Arising from acquisition of subsidiary	-	-	-	-	-	-	-	-	194.2	194.2
Changes in equity interest in subsidiaries	-	-	-	-	-	-	(8.4)	(8.4)	(88.7)	(97.1)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	53.0	53.0
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(4.4)	(4.4)
As at 31 December 2013	644.4	2,054.3	119.2	(2,054.3)	171.1	(266.2)	3,834.2	4,502.7	449.3	4,952.0

*: The other reserve comprises of an amount of RM2,054.3 million to be set off against share premium account for distribution-in-specie in January 2014 pursuant to the demerger exercise as disclosed in Note 7 (i).

(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 2013 and the accompanying explanatory notes attached to this interim financial report.)



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(Incorporated in Malaysia)

Interim Report For The Financial Period Ended 31 December 2013

(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	Share premium	Capital reserve	Foreign currency translation reserve	Treasury shares	Retained earnings	Total attributable to owners of the Company		
As at 1 July 2012									
As previously reported	642.7	1,985.9	132.8	(191.4)	(139.6)	10,197.5	12,627.9	288.0	12,915.9
Effect of adopting FRS 119	-	-	-	-	-	(20.9)	(20.9)	-	(20.9)
As restated	642.7	1,985.9	132.8	(191.4)	(139.6)	10,176.6	12,607.0	288.0	12,895.0
Total comprehensive income	-	-	-	21.3	-	1,135.4	1,156.7	18.9	1,175.6
Transactions with owners									
Dividend paid in respect of previous financial year	-	-	-	-	-	(543.3)	(543.3)	-	(543.3)
Issue of shares arising from exercise of share options	0.4	14.1	(3.0)	-	-	-	11.5	-	11.5
Repurchase of share	-	-	-	-	(70.6)	-	(70.6)	-	(70.6)
Recognition of share option expenses	-	-	0.8	-	-	-	0.8	-	0.8
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(11.3)	(11.3)
Changes in equity interest in subsidiaries	-	-	-	-	-	2.6	2.6	(10.5)	(7.9)
As at 31 December 2012	643.1	2,000.0	130.6	(170.1)	(210.2)	10,771.3	13,164.7	285.1	13,449.8

(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 2013 and the accompanying explanatory notes attached to this interim financial report.)



Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

a) Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (“FRS”) 134 “Interim Financial Reporting” 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 2013.

These explanatory notes attached to the interim financial statements 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 2013.

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 30 June 2013 except for the adoption of the following new/revised FRSs and amendments to FRSs:

Title	Effective Date
FRS 10 <i>Consolidated Financial Statements</i>	1 January 2013
FRS 11 <i>Joint Arrangements</i>	1 January 2013
FRS 12 <i>Disclosure of Interests in Other Entities</i>	1 January 2013
FRS 13 <i>Fair Value Measurement</i>	1 January 2013
FRS 119 <i>Employee Benefits</i>	1 January 2013
FRS 127 <i>Separate Financial Statements</i>	1 January 2013
FRS 128 <i>Investments in Associates and Joint Ventures</i>	1 January 2013
Amendments to FRS 1 <i>Government Loans</i>	1 January 2013
Amendments to FRS 7 <i>Disclosures – Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
Improvements to FRSs (2012)	1 January 2013
Amendments to FRS 10, FRS 11 and FRS 12 <i>Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance</i>	1 January 2013
IC Interpretation 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2013

The adoption of the above FRS, amendments to FRSs and IC Interpretation do not have any significant financial impact on the results and the financial position of the Group for the current quarter except for the following:

i) FRS 119 *Employee Benefits*

Prior to the adoption of the new FRS 119, the Group recognise the actuarial gains and losses as income or expense if the net cumulative unrecognised actuarial gains and losses exceeds 10% of the defined benefit obligation. With the adoption of new FRS 119, all actuarial gains and losses are to be recognised in Other Comprehensive Income.



Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

a) **Accounting Policies (Continued)**

i) **FRS 119 Employee Benefits (Continued)**

Impact of adoption of FRS 119

In accordance with the transitional provisions for the new FRS 119, the above changes in accounting policy have been accounted for retrospectively. The effects arising from the adoption of this standard are summarised as follows:

	As previously reported RM'Million	Effect of adopting FRS 119 RM'Million	As restated RM'Million
As at 1 July 2012			
<u>Condensed Consolidated Statement of Financial Position</u>			
Assets			
Deferred tax assets	71.1	7.0	78.1
Liabilities			
Other long term liabilities	147.3	27.9	175.2
Equity			
Retained earnings	10,197.5	(20.9)	10,176.6
As at 30 June 2013			
<u>Condensed Consolidated Statement of Financial Position</u>			
Assets			
Deferred tax assets	57.3	6.9	64.2
Liabilities			
Other long term liabilities	18.0	26.5	44.5
Equity			
Retained earnings	11,179.9	(19.6)	11,160.3
<u>Condensed Consolidated Statement of Profit or Loss</u>			
Operating profit			
Individual quarter as at 31 December 2012	514.8	-*	514.8
Cumulative quarter (6 months) as at 31 December 2012	1,133.2	-*	1,133.2
Taxation			
Individual quarter as at 31 December 2012	76.6	-*	76.6
Cumulative quarter (6 months) as at 31 December 2012	167.0	-*	167.0
<u>Condensed Consolidated Statement of Other Comprehensive Income</u>			
Actuarial gains and losses on defined benefit obligation			
Individual quarter as at 31 December 2012	-	-*	-*
Cumulative quarter (6 months) as at 31 December 2012	-	-*	-*

*: *Less than RM0.1 million.*



Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

a) Accounting Policies (Continued)

As stated in our audited financial statements for the financial year ended 30 June 2013, the Group has yet to adopt the Malaysian Financial Reporting Standards (“MFRS”) framework, but has elected to be a transitioning entity which will only adopt the MFRS framework for the financial year ending 30 June 2016.

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 quarter 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

i) During the current financial period-to-date, the Company issued:

- 5,384,800 shares of RM0.10 each for cash at RM2.44 per share arising from the exercise of options granted under the Company’s Executive Share Option Scheme.
- 1,935,100 shares of RM0.10 each for cash at RM4.19 per share arising from the exercise of options granted under the Company’s Executive Share Option Scheme.
- 2,477,500 shares of RM0.10 each for cash at RM5.00 per share arising from the exercise of options granted under the Company’s Executive Share Option Scheme.

ii) During the current financial year-to-date, the Company has repurchased 5,442,500 of its issued shares capital from the open market. The average price paid for the shares repurchased was RM5.60 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act, 1965.

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 2013		
- 8.5 sen per ordinary share of RM0.10 each	543.2	-
Second interim single tier dividend in respect of financial year ended 30 June 2012		
- 8.5 sen per ordinary share of RM0.10 each	-	543.3
	543.2	543.3



Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

g) Segment Revenue & Results

(RM'Million)	Plantation	Property Development	Property Investment	Resource-based Manufacturing	Other Operations	Eliminations	Consolidated
6 Months Ended 31/12/13							
REVENUE							
External Sales	142.8	621.9	53.2	6,019.2	95.8	-	6,932.9
Inter-segment sales	897.8	-	-	-	-	(897.8)	-
Total Revenue	1,040.6	621.9	53.2	6,019.2	95.8	(897.8)	6,932.9
RESULT							
Operating profit	519.3	278.1	33.5	460.4	44.1	-	1,335.4
Share of results of associates	50.5	-	-	18.4	-	-	68.9
Share of results of jointly controlled entities	-	31.0	-	(0.4)	-	-	30.6
Segment results	569.8	309.1	33.5	478.4	44.1	-	1,434.9
6 Months Ended 31/12/12							
REVENUE							
External Sales	70.6	470.0	51.1	6,282.3	90.0	-	6,964.0
Inter-segment sales	1,042.7	-	-	-	-	(1,042.7)	-
Total Revenue	1,113.3	470.0	51.1	6,282.3	90.0	(1,042.7)	6,964.0
RESULT							
Operating profit	659.0	224.0	31.6	231.9	51.9	-	1,198.4
Share of results of associates	46.5	-	-	16.2	-	-	62.7
Share of results of jointly controlled entities	-	28.3	-	-	-	-	28.3
Segment results	705.5	252.3	31.6	248.1	51.9	-	1,289.4



Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

g) Segment Revenue & Results (Continued)

The reportable segment of discontinued operations that included in the above segmental reporting is as follows:

(RM'Million)	Discontinued operations			Total
	Property Development	Property Investment	Other Operations	
6 Months Ended 31/12/13				
REVENUE				
External Sales	620.9	55.0	92.2	768.1
Inter-segment sales	-	-	-	-
Total Revenue	620.9	55.0	92.2	768.1
RESULT				
Operating profit	277.4	33.3	28.0	338.7
Share of results of associates	-	-	1.5	1.5
Share of results of jointly controlled entities	31.0	-	-	31.0
Segment results	308.4	33.3	29.5	371.2
6 Months Ended 31/12/12				
REVENUE				
External Sales	469.7	50.9	79.1	599.7
Inter-segment sales	-	-	-	-
Total Revenue	469.7	50.9	79.1	599.7
RESULT				
Operating profit	223.1	31.4	35.4	289.9
Share of results of associates	-	-	3.0	3.0
Share of results of jointly controlled entities	28.3	-	-	28.3
Segment results	251.4	31.4	38.4	321.2



Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

g) Segment Revenue & Results (Continued)

The reconciliation of reportable segment results to the Group's corresponding amounts is as follows:

	6 Months Ended 31/12/13				6 Months Ended 31/12/12			
	Continuing operations RM'Million	Discontinued operations RM'Million	Adjustment RM'Million	Total RM'Million	Continuing operations RM'Million	Discontinued operations RM'Million	Adjustment RM'Million	Total RM'Million
Revenue	6,179.3	768.1	(14.5)	6,932.9	6,384.6	599.7	(20.3)	6,964.0
Segment results	1,063.7	371.2	-	1,434.9	968.2	321.2	-	1,289.4
Translation (loss)/gain on foreign currency denominated borrowings	(178.1)	-	-	(178.1)	351.1	-	-	351.1
Translation gain/(loss) on foreign currency denominated cash and cash equivalents	5.7	-	-	5.7	(49.8)	-	-	(49.8)
Unallocated fair value gain/(loss) on derivative financial instruments	28.6	-	-	28.6	(47.8)	-	-	(47.8)
Unallocated fair value gain/(loss) on financial assets	2.3	-	-	2.3	(2.5)	-	-	(2.5)
Other unallocated corporate net expenses	(38.3)	-	-	(38.3)	(26.3)	-	-	(26.3)
Profit before interest and taxation	883.9	371.2	-	1,255.1	1,192.9	321.2	-	1,514.1
Finance cost	(142.9)	(22.8)	29.1	(136.6)	(140.1)	(12.8)	10.7	(142.2)
Interest income	36.8	17.1	(29.1)	24.8	19.8	16.5	(10.7)	25.6
Profit before taxation	777.8	365.5	-	1,143.3	1,072.6	324.9	-	1,397.5
Taxation	(216.0)	(125.4)	-	(341.4)	(167.0)	(76.4)	-	(243.4)
Profit for the period	561.8	240.1	-	801.9	905.6	248.5	-	1,154.1

Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

g) Segment Revenue & Results (Continued)

The basis of segmentation and measurement of segment profit or loss is consistent with the basis adopted in the last audited annual financial statements. There were no material changes in segment assets 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 2013 that have not been reflected in the financial statements, except for the completion of the Demerger Exercise as disclosed in Note 7(i) of this interim report.

Subsequent to the Demerger Exercise, IOI Properties Group Berhad and its subsidiaries ceased to be the subsidiary companies of IOI Corporation Berhad.

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 2013.

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 2013

(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 FY2014 vs. Q2 FY2013

The profit of the Group for Q2 FY2014 of RM494.3 million is 9% lower than the profit of RM540.3 million reported for Q2 FY2013. The decrease is due mainly to translation loss of RM14.0 million on foreign currency denominated borrowings in the current quarter compared to a gain of RM92.0 million in Q2 FY2013. Excluding the translation difference on foreign currency denominated borrowings for both the Q2 FY2014 and Q2 FY2013, the underlying profit of the group for Q2 FY2014 is 13% higher than Q2 FY2013, which is driven by higher contribution from all major segments.

Plantation

The plantation profit increased by 3% to RM313.7 million for Q2 FY2014, as compared to RM304.3 million reported for Q2 FY2013. The slightly higher profit is due to the increase in CPO and palm kernel prices and the increase in share of results of our associate in Indonesia which are offset by the lower FFB production caused by weather disruption.

Resource-based Manufacturing

The resource-based manufacturing profit for Q2 FY2014 is higher at RM259.8 million compared to RM174.9 million in Q2 FY2013. The higher profit of the segment is due to higher margin from all sub-segments as well as increase in sales volume from the oleochemicals sub-segment.

Property Development

The property development profit of RM159.9 million in Q2 FY2014 is 14% higher than the profit reported for Q2 FY2013 of RM140.5 million. The higher profit is mainly due to higher development revenue recorded in this quarter following the successful launch of our Xiamen project in the People's Republic of China.

Property Investment

The property investment profit of RM16.8 million for Q2 FY2014 is comparable to the profit reported in Q2 FY2013 of RM16.4 million.

Interim Report For The Financial Period Ended 31 December 2013

(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**
- b) **Q2 YTD FY2014 vs. Q2 YTD FY2013**

For Q2 YTD FY2014, the Group reported a profit of RM801.9 million, which is 30% lower than the profit of RM1,154.1 million reported for Q2 YTD FY2013. The decrease is due mainly to translation loss of RM178.1 million on foreign currency denominated borrowings recorded in the 6 months YTD FY2014 compared to a gain of RM351.1 million recorded in the same period last year. Excluding the translation difference on foreign currency denominated borrowings for both the Q2 YTD FY2014 and Q2 YTD FY2013, the underlying profit of the group for Q2 YTD FY2014 is 22% higher than Q2 YTD FY2013. The higher underlying profit of the group is due to higher contribution from resource-based manufacturing segment and property development segment, moderated by lower contribution from plantation segment.

Plantation

The plantation segment reported a lower profit of RM569.8 million for Q2 YTD FY2014 as compared to RM705.5 million for Q2 YTD FY2013. The lower profit reported is due mainly to lower CPO price as well as marginally lower FFB production in Q2 YTD FY2014. Average CPO price realised for Q2 YTD FY2014 was RM2,386/MT as compared to RM2,585/MT for Q2 YTD FY2013.

Resource-based Manufacturing

The resource-based manufacturing segment posted a higher profit of RM478.4 million in Q2 YTD FY2014 compared to RM248.1 million in Q2 YTD FY2013. The increase in profit is due mainly to higher margin achieved from all sub-segments as well as increase in sales volume from oleochemicals sub-segment.

Property Development

The property development segment's profit of RM309.1 million for Q2 YTD FY2014 is 23% higher than the profit reported in Q2 YTD FY2013 of RM252.3 million. The higher profit is due to higher development revenue recognised in the financial period following the successful launch of our Xiamen project in the People's Republic of China.

Property Investment

The property investment profit of RM33.5 million for Q2 YTD FY2014 is comparable to the profit reported in Q2 YTD FY2013 of RM31.6 million.

Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

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

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

The Group reported a profit of RM494.3 million for Q2 FY2014, which is 61% higher than RM307.6 million reported for Q1 FY2014. The increase is due to higher contribution from all major segments as well as lower translation loss on foreign currency denominated borrowings recorded in the current quarter.

The plantation segment reported a 22% increase in operating profit to RM313.7 million for Q2 FY2014 from RM256.1 million for Q1 FY2014, contributed mainly by higher CPO and PK prices and higher FFB production by 16%.

The resource-based manufacturing segment reported a profit of RM259.8 million in Q2 FY2014, 19% higher than Q1 FY2014, which is due to higher margin from refinery sub-segment.

The contribution from property segment for Q2 FY2014 of RM176.7 million is higher than Q1 FY2014 by RM10.8 million or 7%, due mainly to higher development revenue recognised in Q2 FY2014.



Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

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

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

The analysis of contribution by segment is as follows:

	CURRENT QUARTER				PRECEDING QUARTER				DIFFERENCE	
	Continuing operations RM'Million	Discontinued operations RM'Million	Adjustment RM'Million	Total RM'Million	Continuing operations RM'Million	Discontinued operations RM'Million	Adjustment RM'Million	Total RM'Million	RM'Million	
Plantation	310.2	3.5	-	313.7	250.1	6.0	-	256.1	57.6	22%
Property development	0.4	159.5	-	159.9	0.3	148.9	-	149.2	10.7	
Property investment	0.1	16.7	-	16.8	0.1	16.6	-	16.7	0.1	
Total Property	0.5	176.2	-	176.7	0.4	165.5	-	165.9	10.8	7%
Resource-based manufacturing	259.8	-	-	259.8	218.6	-	-	218.6	41.2	19%
Other operations	10.5	15.7	-	26.2	13.6	4.3	-	17.9	8.3	46%
Segment results	581.0	195.4	-	776.4	482.7	175.8	-	658.5	117.9	18%
Translation loss on foreign currency denominated borrowings	(14.0)	-	-	(14.0)	(164.1)	-	-	(164.1)	150.1	(91%)
Translation (loss)/gain on foreign currency denominated cash and cash equivalents	(6.7)	-	-	(6.7)	12.4	-	-	12.4	(19.1)	(154%)
Unallocated fair value gain on derivative financial instruments	6.5	-	-	6.5	22.1	-	-	22.1	(15.6)	(71%)
Other unallocated corporate net expenses	(26.0)	-	-	(26.0)	(10.0)	-	-	(10.0)	(16.0)	160%
Profit before interest and taxation	540.8	195.4	-	736.2	343.1	175.8	-	518.9	217.3	42%
Finance cost	(71.8)	(12.0)	14.3	(69.5)	(71.1)	(10.8)	14.8	(67.1)	(2.4)	4%
Interest income	18.3	7.5	(14.3)	11.5	18.5	9.6	(14.8)	13.3	(1.8)	(14%)
Profit before taxation	487.3	190.9	-	678.2	290.5	174.6	-	465.1	213.1	46%
Taxation	(113.5)	(70.4)	-	(183.9)	(102.5)	(55.0)	-	(157.5)	(26.4)	17%
Profit for the period	373.8	120.5	-	494.3	188.0	119.6	-	307.6	186.7	61%

Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

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

3) Prospects

Palm oil prices have been on a positive uptrend due to improved fundamentals such as lower stocks and higher biodiesel mandates in Malaysia and Indonesia. With the current hot and dry weather affecting parts of Malaysia and Indonesia, this positive price uptrend is expected to be sustained. Palm kernel prices have moved up even more than palm oil due to strong demand for lauric oils. With the positive price outlook coupled with higher contributions expected from the newly acquired Unico-Desa estates in Sabah and our associate company in Indonesia, the Group expects its plantation division to perform better than last financial year.

As for the resourced-based manufacturing (“RBM”) division, we expect profit contribution from our specialty oils and fats sub-segment to remain good due to strong demand from the food sector. Our oleochemicals sub-segment will also perform well as the global economy continues to improve.

Overall, the Group’s performance for the remaining quarters is expected to be satisfactory.

4) Achievability of forecast results

Not applicable.

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

Not applicable.

6) Taxation

	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER (6 Mths)	
	CURRENT YEAR QUARTER RM'Million	PRECEDING YEAR CORRESPONDING QUARTER RM'Million (Restated)	CURRENT YEAR TO DATE RM'Million	PRECEDING YEAR CORRESPONDING PERIOD RM'Million (Restated)
The tax expense comprises the following:				
Current taxation				
- Current year	128.5	80.9	225.9	172.5
- Prior years	(0.1)	(0.1)	-	(0.3)
Deferred taxation				
- Current year	(2.9)	(4.2)	2.2	(5.2)
- Prior years	(12.0)	-	(12.1)	-
	113.5	76.6	216.0	167.0

The effective tax rate of the Group for the current quarter is lower than the statutory tax rate due principally to the non-taxable income.

Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

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

7) Corporate Proposal

i) Internal Reorganisation and Demerger Exercise

Proposal	<p>On 14 May 2013, IOI Corporation Berhad (“IOIC” or “the Company”) announced that the Company proposes to demerge the property development, property investment and other property related businesses of IOIC and its subsidiaries (“IOIC Group”) to create two separate and independent listed entities with distinct businesses, namely, IOI Properties Group Sdn Bhd (now known as “IOI Properties Group Berhad”) (“ListCo”), to hold the property development, property investment and other property related businesses of the IOIC Group and IOIC to manage the remaining existing IOIC Group businesses.</p> <p>The above proposal will entail the following:</p> <p>(i) Proposed Internal Reorganisation:</p> <ul style="list-style-type: none"> (a) Proposed disposal by IOIC of its entire equity interest in IOI Properties Berhad Group (“IOIP”) to ListCo (“Proposed Disposal of IOIP”); (b) Proposed disposal of other direct and indirect property related subsidiaries of IOIC (“Other Property Companies”) to ListCo (“Proposed Disposal of Other Property Companies”); (c) Proposed disposal of two parcels of agricultural land (to be converted to commercial/residential use) to ListCo (“Proposed Disposal of Land”); (d) Proposed acquisition by ListCo of 10% equity interest in Property Village Berhad and Property Skyline Sdn Bhd from Summervest Sdn Bhd (a company controlled by Tan Sri Dato’ Lee Shin Cheng, a major shareholder of IOIC) (collectively, the “Proposed Acquisition”); and (e) Proposed capitalisation of approximately RM1.8 billion, amount owing by IOIP Group and/or the Other Property Companies to IOIC (“Proposed Debt Settlement”); and <p>(ii) Proposed listing of ListCo on the Main Market of Bursa Malaysia Securities Berhad (“Proposed Listing”). The proposed listing would entail a demerger of ListCo from IOIC via a proposed distribution-in-specie (“Proposed Distribution”) and a proposed restricted offer for sale (“Proposed Restricted Offer for Sale”) of ListCo shares to the existing shareholders of IOIC.</p> <p>(Collectively to be referred to as “Proposals”).</p>
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Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

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

7) Corporate Proposal (Continued)

i) Internal Reorganisation and Demerger Exercise (Continued)

Joint Principal Adviser	AmInvestment Bank Berhad and RHB Investment Bank Berhad
Status	<p>The Proposals are deemed completed with the subsequent completion of the following:</p> <p>(i) the completion of Proposed Internal Reorganisation on 5 December 2013; and</p> <p>(ii) the demerger and listing of ListCo (“IOI Properties Group Berhad”) on the Main Market of Bursa Malaysia Securities Berhad on 13 January 2014 and 15 January 2014 respectively.</p>

ii) Acquisition and Take-over Offer

Proposal	<p>On 2 October 2013, IOI Plantation Sdn Bhd (“IOI Plant”), a wholly owned subsidiary of IOI Corporation Berhad (“IOI Corp” or “the Company”) acquired 339 million ordinary shares of RM0.25 each in Unico-Desa Plantations Berhad (“Unico” or the “Offeror”) (“Unico Shares”) representing approximately 39.55% of the issued and paid-up share capital of Unico for a total consideration of RM396.63 million (“Acquisition”).</p> <p>Following the Acquisition, IOI Plant’s shareholdings in Unico has exceeded 33% of the voting shares in Unico. Pursuant to Section 218(2) of the Capital Market and Services Act, 2007 (“CMSA”) and Section 9(1) Part III of the Malaysian Code on Take-Overs and Mergers, 2010, IOI Plant is obligated to extend a conditional take-over offer to acquire all the remaining Unico Shares not already held by the Offeror amounting to 518,110,000 Unico Shares (“Offer Shares”), representing approximately 60.45% of the issued and paid up share capital of Unico (excluding 2,890,000 treasury shares), at a cash offer price of RM1.17 per Offer Share (“Offer”).</p>
Adviser	RHB Investment Bank Berhad

Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

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

7) Corporate Proposal (Continued)

ii) Acquisition and Take-over Offer (Continued)

Status	<p>On 11 December 2013, RHB Investment Bank, on behalf of IOI Plant, had announced that the Offer has been accepted by the shareholders of not less than nine-tenths (9/10) in the nominal value of the Offer Shares and IOI Plant will proceed to invoke Section 222 of the CMSA to compulsorily acquire any remaining Offer Shares for which valid acceptances have not been received within two (2) months from the date of which the nine-tenths (9/10) in the nominal value of those shares have been achieved.</p> <p>In relation thereto, pursuant to Section 222(1) of the CMSA IOI Plant had on 6 January 2014 issued a notice to dissenting shareholders ("Notice") to indicate IOI Plant's desires to acquire all the remaining Unico Shares. Subject to the provisions of the CMSA, IOI Plant shall be registered as the holder of all remaining Unico Shares not already owned by IOI Plant:</p> <p>i) after the expiration of one (1) month from the date of the Notice; or</p> <p>ii) after fourteen (14) days from the date of the statement of the names and addresses of all other dissenting shareholders, as shown in the register of members and/or record of depositors, is posted to the dissenting shareholder, upon his/ her request;</p> <p>whichever is the later.</p>
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Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

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

8) Group Borrowings and Debts Securities

Group borrowings and debt securities as at 31 December 2013 are as follows:

	RM'Million
a) Short term borrowings	
Secured	
Denominated in RM	16.5
Unsecured	
Denominated in RM	47.7
Denominated in USD (USD112.3 million)	378.7
Denominated in EUR (EUR16.5 million)	74.8
Total Short Term Borrowings	<u>517.7</u>
b) Long term borrowings	
Secured	
Denominated in RM	16.9
Unsecured	
Denominated in JPY (JPY21,000.0 million)	657.2
Denominated in USD (USD2,020.3 million)	6,634.6
	<u>7,291.8</u>
Total Long Term Borrowings	<u>7,308.7</u>
Total Borrowings	<u>7,826.4</u>

Interim Report For The Financial Period Ended 31 December 2013

(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 2013 are as follows:

	Contract/Notional Value (Million) Net long/(short)				Fair Value – assets/(liabilities) (RM'Million)				
	Base Currency	<1 year	1 year to 3 years	More than 3 years	Total	<1 year	1 year to 3 years	More than 3 years	Total
Vanilla Contracts									
USD/RM	USD	(531.7)	-	-	(531.7)	(32.9)	-	-	(32.9)
EUR/RM	EUR	(13.1)	-	-	(13.1)	(1.9)	-	-	(1.9)
USD/EUR	USD	317.6	-	-	317.6	(19.5)	-	-	(19.5)
GBP/EUR	GBP	0.4	-	-	0.4	-	-	-	-
EUR/USD	USD	(89.6)	-	-	(89.6)	8.3	-	-	8.3
EUR/GBP	GBP	(5.2)	-	-	(5.2)	(0.4)	-	-	(0.4)
EUR/CAD	CAD	(2.8)	-	-	(2.8)	0.5	-	-	0.5
EUR/CHF	CHF	(0.2)	-	-	(0.2)	-	-	-	-
USD/RMB	USD	(12.0)	-	-	(12.0)	0.6	-	-	0.6
USD/CAD	USD	2.5	-	-	2.5	-	-	-	-
JPY/RM	JPY	(768.6)	-	-	(768.6)	0.5	-	-	0.5
GBP/RM	GBP	(1.0)	-	-	(1.0)	(0.2)	-	-	(0.2)
RM/EUR	RM	11.6	-	-	11.6	(0.3)	-	-	(0.3)
EUR/RM	RM	(88.9)	-	-	(88.9)	2.0	-	-	2.0
SGD/RM	SGD	1.0	-	-	1.0	-	-	-	-
USD/CAD	CAD	(2.0)	-	-	(2.0)	-	-	-	-
CAD/USD	USD	(3.8)	-	-	(3.8)	(0.3)	-	-	(0.3)
RM/USD	USD	(77.3)	-	-	(77.3)	(4.4)	-	-	(4.4)
RM/RMB	RM	(65.6)	-	-	(65.6)	(1.0)	-	-	(1.0)
						(49.0)	-	-	(49.0)

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.

Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

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

9) Derivative Financial Instruments (Continued)

b) The outstanding commodity contracts as at 31 December 2013 are as follows:

	Contract/Notional Value (Million) Net long/(short)				Fair Value – assets/(liabilities) (RM'Million)				
	Base Currency	<1 year	1 year to 3 years	More than 3 years	Total	<1 year	1 year to 3 years	More than 3 years	Total
Forward Contracts	RM	114.5	-	-	114.5	1.8	-	-	1.8
	USD	44.7	-	-	44.7	37.0	-	-	37.0
						38.8	-	-	38.8
Futures	RM	(44.8)	-	-	(44.8)	(1.4)	-	-	(1.4)
	RM	(147.6)	-	-	(147.6)	(3.6)	-	-	(3.6)
	USD	0.6	-	-	0.6	(0.3)	-	-	(0.3)
	USD	5.3	-	-	5.3	(0.2)	-	-	(0.2)
						(5.5)	-	-	(5.5)

The above exchange traded 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.

c) The outstanding cross currency swap contracts as at 31 December 2013 are as follows:

	Contract/Notional Value (Million)				Fair Value – assets/(liabilities) (RM'Million)				
	Base Currency	<1 year	1 year to 3 years	More than 3 years	Total	<1 year	1 year to 3 years	More than 3 years	Total
JPY liability to USD liability ¹	JPY	-	-	15,000.0	15,000.0	-	-	22.3	22.3
JPY liability to USD liability ²	JPY	-	-	6,000.0	6,000.0	-	-	9.3	9.3
Floating rate USD liability to fixed rate RM liability ³	USD	-	100.0	-	100.0	-	34.7	-	34.7
Floating rate USD liability to floating rate SGD liability ⁴	USD	-	156.0	-	156.0	-	5.1	-	5.1

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 floating rate USD100 million Term Loan into fixed rate RM302 million liability and serve as a cashflow hedge for the Group's principal repayment for the USD loan obtained.

⁴ The contracts effectively swapped the Group's floating rate USD156 million Term Loan into floating rate SGD197 million liability and serve as a hedge against the Group's SGD denominated assets.

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

Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

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

9) Derivative Financial Instruments (Continued)

d) The outstanding interest rate swap contracts as at 31 December 2013 are as follows:

	Contract/Notional Value (Million)					Fair Value – assets/(liabilities) (RM'Million)			
	Base Currency	<1 year	1 year to 3 years	More than 3 years	Total	<1 year	1 year to 3 years	More than 3 years	Total
Interest Rate Swaps ¹	USD	-	-	600.0	600.0	-	-	(48.9)	(48.9)
	USD	-	74.0	-	74.0	-	(3.5)	-	(3.5)

¹ The contracts effectively swapped the Group's floating interest rate to fixed interest rate to hedge against interest rate fluctuations.

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

All the above derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss from the re-measurement is recognised in profit or loss.



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(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	(2.3)	2.7	The difference between the contracted rates and the market forward rates	The exchange rates have moved (unfavourably against)/favourably for the Group from the last measurement date
Commodity futures	(3.3)	(2.5)	The difference between the contracted prices rate and forward prices	The prices for the respective commodity futures have moved unfavourably against the Group from the last measurement date
Commodity forward contracts	8.4	1.2	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
Interest rate swap	5.1	3.4	The difference between fixed and floating interest rates	The floating interest rate has moved favourably for the Group from the last measurement date

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(The figures have not been audited)

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

11) Realised and Unrealised Profits

The retained earnings as at the end of the reporting period are analysed as follows:

	RM'Million
Total retained profits of IOI Corporation Berhad and its subsidiaries:	
- Realised	16,919.4
- Unrealised	789.0
	17,708.4
Total share of retained profits from associated companies:	
- Realised	269.4
- Unrealised	114.4
	383.8
Total share of accumulated losses from jointly controlled entities:	
- Realised	2.8
- Unrealised	(30.0)
	(27.2)
	18,065.0
Less: Consolidation adjustments	(14,230.8)
Total Group retained profits	3,834.2



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(The figures have not been audited)

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

12) Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	CURRENT YEAR QUARTER (31/12/13)				CURRENT YEAR TO DATE (31/12/13)			
	Continuing operations RM'Million	Discontinued operations RM'Million	Adjustment RM'Million	Total RM'Million	Continuing operations RM'Million	Discontinued operations RM'Million	Adjustment RM'Million	Total RM'Million
Interest income	(18.3)	(7.5)	14.3	(11.5)	(36.8)	(17.1)	29.1	(24.8)
Other income including investment income								
- Dividend income	(7.0)	(1.1)	-	(8.1)	(19.7)	(1.9)	-	(21.6)
Interest expense	71.8	12.0	(14.3)	69.5	142.9	22.8	(29.1)	136.6
Depreciation and amortisation	50.9	-	-	50.9	112.2	-	-	112.2
(Reversal of)/provision for and write off of receivables	(0.1)	1.0	-	0.9	0.5	1.3	-	1.8
Net reversal of inventories written down to net realisable value	7.9	-	-	7.9	6.3	-	-	6.3
Foreign exchange loss	27.2	0.7	-	27.9	235.0	0.4	-	235.4
Gain on derivatives	(38.9)	-	-	(38.9)	(54.0)	-	-	(54.0)

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.

Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

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

13) 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 2013. For ease of reference, the material litigation brought forward is detailed below:

IOI Corporation Berhad

A Writ of Summons and Statement of Claim had been filed at the High Court of Malaya at Kuala Lumpur (“High Court”) (No.D24-22-438-2003) by Tuan Haji Zulkifli Bin Husain and 6 others (“Plaintiffs”), the former shareholders of IOI Oleochemical Industries Berhad (“IOI Oleo”) against the Company, its Executive Chairman Tan Sri Dato' Lee Shin Cheng and its Executive Director, Dato' Lee Yeow Chor (“Defendants”). The Statement of Claim, inter alia, alleged that the Defendants are under an obligation pursuant to Rule 34.1 of the Malaysian Code on Take-Overs and Mergers, 1987 to extend a mandatory general offer to the Plaintiffs to acquire their shares in IOI Oleo and have sought for damages by reason of alleged failure by the Defendants to extend the said general offer.

The Plaintiff's claim in this suit is based on similar facts arising from the previous High Court proceeding initiated by the first Plaintiff against the Securities Commission (with the Company and Tan Sri Dato' Lee Shin Cheng subsequently allowed to be joined as parties) seeking an order of mandamus which has been struck off.

The trial for this case concluded on 6 May 2010 and the High Court had on 20 May 2011 dismissed the Plaintiffs' case with costs. The Plaintiffs then filed an appeal to the Court of Appeal (W-02-1640-91) against the decision of the High Court on 16 June 2011. The parties submission on the appeal proceeded on 6 November 2013 and 18 November 2013 and after the close of submission the Court of Appeal dismissed the Appellants' case with cost.

Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

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

14) Dividend

On 9 December 2013, the Board has declared a distribution-in-specie of 2,130,349,033 ordinary shares of RM1.00 each in IOI Properties Group Berhad (“IOIPG”) (“IOIPG Share(s)”) held by IOI Corporation Berhad (“IOIC”) to all shareholders of IOIC on the basis of one (1) IOIPG share for every three (3) ordinary shares of RM0.10 each in IOIC (“IOIC Share(s)”).

The IOIPG Shares were distributed as distribution-in-specie on 13 January 2014.

The Board now declares an interim single tier dividend of 80% or 8.0 sen (31 December 2012: 70% or 7.0 sen) per ordinary share of RM0.10 each in respect of the financial year ending 30 June 2014 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 2014 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 12 March 2014.

A Depositor shall qualify for entitlement only in respect of:

- a) Shares transferred into the Depositor’s Securities Account before 4.00 p.m. on 12 March 2014 in respect of transfers; and
- b) Shares deposited into the Depositor’s Securities Account before 12.30 p.m. on 10 March 2014 (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 dividend declared to date for the current financial year is a single tier dividend of 8.0 sen (31 December 2012: 7.0 sen) per ordinary share of RM0.10 each.

15) 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 per share				
Profit for the period attributable to owners of the parent				
From continuing operations	374.7	407.6	557.7	892.2
From discontinued operations	112.4	123.4	231.2	243.2
	487.1	531.0	788.9	1,135.4
Weighted average number of ordinary shares in issue ('Million)	6,389.0	6,390.1	6,388.5	6,394.6
Basic earnings per share (sen)				
From continuing operations	5.86	6.38	8.73	13.95
From discontinued operations	1.76	1.93	3.62	3.80
Total	7.62	8.31	12.35	17.75

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(The figures have not been audited)

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

15) Earnings per Share (Continued)

	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
b) Diluted earnings per share				
Adjusted profit for the period attributable to owners of the Company :				
Profit for the period attributable to owners of the parent				
From continuing operations	374.7	407.6	557.7	892.2
From discontinued operations	112.4	123.4	231.2	243.2
	487.1	531.0	788.9	1,135.4
Assumed exchange of USD600 million Zero Coupon Guaranteed Exchangeable Bonds at beginning of period:				
Net foreign exchange differences taken up	-	-	-	(0.6)
	-	-	-	(0.6)
	487.1	531.0	788.9	1,134.8
Adjusted weighted average number of ordinary shares in issue ('Million)				
Weighted average number of ordinary shares in issue	6,389.0	6,390.1	6,388.5	6,394.6
Assumed exchange of USD600 million Zero Coupon Guaranteed Exchangeable Bonds at beginning of period	-	1.3	-	1.3
Assumed exercise of Executive Share Options at beginning of period	9.9	15.8	9.8	16.8
	6,398.9	6,407.2	6,398.3	6,412.7
Diluted earnings per share (sen)				
From continuing operations	5.85	6.36	8.72	13.91
From discontinued operations	1.76	1.93	3.61	3.79
Total	7.61	8.29	12.33	17.70

16) Audit Qualification

The audit report on the Group's preceding year's financial statements is not qualified.

By Order of the Board

Lim Lai Seng
Company Secretary

Putrajaya
25 February 2014



IOI GROUP

Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

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

Group Plantation Statistics

		As At 31/12/13	As At 31/12/12
Planted Area			
Oil palm			
Mature	<i>(hectares)</i>	152,391	141,850
Total planted	<i>(hectares)</i>	173,995	159,543
Rubber			
Total planted	<i>(hectares)</i>	495	496
Total Titled Area	<i>(hectares)</i>	211,440	180,892

		31/12/13 (6 months)	31/12/12 (6 months)
Average Mature Area			
Oil Palm	<i>(hectares)</i>	143,813	138,864
Production			
Oil Palm			
FFB production	<i>(tonnes)</i>	1,894,845	1,928,083
Yield per mature hectare	<i>(tonnes)</i>	13.18	13.88
FFB processed	<i>(tonnes)</i>	1,892,293	1,922,008
Crude palm oil production	<i>(tonnes)</i>	399,001	402,389
Palm kernel production	<i>(tonnes)</i>	100,665	100,208
Crude palm oil extraction rate	<i>(%)</i>	21.09%	20.94%
Palm kernel extraction rate	<i>(%)</i>	5.32%	5.21%
Average Selling Price Realised			
Oil palm			
Crude palm oil	<i>(RM/tonne)</i>	2,386	2,585
Palm kernel	<i>(RM/tonne)</i>	1,424	1,318