



IOI GROUP

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

**Interim Report
For The Financial Period Ended
30 September 2016**

Interim Report For The Financial Period Ended 30 September 2016

(The figures have not been audited)

Condensed Consolidated Statement of Profit or Loss

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2016 RM Million	30/09/2015 RM Million	30/09/2016 RM Million	30/09/2015 RM Million
CONTINUING OPERATIONS				
Revenue	3,291.3	3,086.7	3,291.3	3,086.7
Operating profit	389.3	172.4	389.3	172.4
Share of results of associates	17.3	36.9	17.3	36.9
Share of results of joint ventures	(1.1)	(1.2)	(1.1)	(1.2)
Profit before interest and taxation	405.5	208.1	405.5	208.1
Interest income	12.8	12.3	12.8	12.3
Finance costs	(57.1)	(57.1)	(57.1)	(57.1)
Net foreign currency translation loss on foreign currency denominated borrowings	(172.0)	(853.9)	(172.0)	(853.9)
Profit/(loss) before taxation	189.2	(690.6)	189.2	(690.6)
Taxation	(87.6)	(51.2)	(87.6)	(51.2)
Profit/(loss) from continuing operations	101.6	(741.8)	101.6	(741.8)
DISCONTINUED OPERATIONS				
Gain arising from disposal of assets held for sale, net of tax	10.4	-	10.4	-
Profit/(loss) for the period	112.0	(741.8)	112.0	(741.8)
Attributable to owners of the parent:				
From continuing operations	94.4	(744.4)	94.4	(744.4)
From discontinued operations	10.4	-	10.4	-
	104.8	(744.4)	104.8	(744.4)
Attributable to non-controlling interests				
	7.2	2.6	7.2	2.6
	112.0	(741.8)	112.0	(741.8)

(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 2016 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 30 September 2016

(The figures have not been audited)

Condensed Consolidated Statement of Profit or Loss (Continued)

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
	RM Million	RM Million	RM Million	RM Million
Earnings/(loss) per share for profit/(loss) attributable to owners of the parent (sen)				
Basic earnings/(loss) per share				
From continuing operations	1.50	(11.78)	1.50	(11.78)
From discontinued operations	0.17	-	0.17	-
Total	<u>1.67</u>	<u>(11.78)</u>	<u>1.67</u>	<u>(11.78)</u>
Diluted earnings/(loss) per share				
From continuing operations	1.50	(11.78)	1.50	(11.78)
From discontinued operations	0.17	-	0.17	-
Total	<u>1.67</u>	<u>(11.78)</u>	<u>1.67</u>	<u>(11.78)</u>

(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 2016 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 30 September 2016

(The figures have not been audited)

Condensed Consolidated Statement of Other Comprehensive Income

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2016 RM Million	30/09/2015 RM Million	30/09/2016 RM Million	30/09/2015 RM Million
Profit/(loss) for the period	112.0	(741.8)	112.0	(741.8)
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	72.7	203.6	72.7	203.6
Share of other comprehensive income of associates	4.5	-	4.5	-
Hedge of net investments in foreign operations	(1.9)	3.8	(1.9)	3.8
Other comprehensive income for the period	75.3	207.4	75.3	207.4
Total comprehensive income/(loss) for the period, net of tax	187.3	(534.4)	187.3	(534.4)
Total comprehensive income/(loss) attributable to:				
Owners of the parent	182.1	(548.2)	182.1	(548.2)
Non-controlling interests	5.2	13.8	5.2	13.8
	187.3	(534.4)	187.3	(534.4)

(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 2016 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 30 September 2016

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position

	AS AT END OF CURRENT QUARTER 30/09/2016 RM Million	AS AT PRECEDING FINANCIAL YEAR END 30/06/2016 RM Million
ASSETS		
Non-current assets		
Property, plant and equipment	10,022.6	9,985.1
Prepaid lease payments	21.9	21.1
Investment properties	6.9	6.9
Intangible assets	522.5	521.7
Investments in associates	984.0	937.5
Interests in joint ventures	30.6	31.7
Derivative assets	148.3	148.3
Deferred tax assets	37.0	38.0
	11,773.8	11,690.3
Current assets		
Inventories	2,451.1	2,284.4
Receivables	1,428.6	1,251.1
Biological assets	76.3	40.8
Derivative assets	185.3	232.9
Other investments	107.7	104.2
Short term funds	815.2	1,120.1
Deposits with financial institutions	361.8	248.7
Cash and bank balances	628.3	569.4
	6,054.3	5,851.6
Assets of disposal group held for sale	-	14.2
TOTAL ASSETS	17,828.1	17,556.1

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 30 September 2016

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position (Continued)

	AS AT END OF CURRENT QUARTER 30/09/2016 RM Million	AS AT PRECEDING FINANCIAL YEAR END 30/06/2016 RM Million
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	646.2	646.2
Share premium	73.3	73.3
Other reserves	64.4	(12.9)
Treasury shares	(763.4)	(763.4)
Retained earnings	7,016.7	7,194.9
	<u>7,037.2</u>	<u>7,138.1</u>
Non-controlling interests	284.4	278.9
Total equity	<u>7,321.6</u>	<u>7,417.0</u>
Non-current liabilities		
Borrowings	5,193.0	4,902.9
Derivative liabilities	12.6	13.3
Other long term liabilities	66.4	64.3
Deferred tax liabilities	1,326.4	1,334.2
	<u>6,598.4</u>	<u>6,314.7</u>
Current liabilities		
Payables	1,299.5	1,226.2
Derivative liabilities	92.0	94.5
Short term borrowings	2,468.8	2,478.3
Provision for taxation	47.8	25.4
	<u>3,908.1</u>	<u>3,824.4</u>
Total liabilities	<u>10,506.5</u>	<u>10,139.1</u>
TOTAL EQUITY AND LIABILITIES	<u>17,828.1</u>	<u>17,556.1</u>
 Net assets per share attributable to owners of the parent (RM)	 1.12	 1.14

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 30 September 2016

(The figures have not been audited)

Condensed Consolidated Statement of Cash Flows

	3 Months Ended 30/09/2016 RM Million	3 Months Ended 30/09/2015 RM Million
Operating Activities		
Profit/(loss) before taxation		
From continuing operations	189.2	(690.6)
From discontinued operations	10.8	-
	200.0	(690.6)
Adjustments for:		
Depreciation and amortisation	119.1	95.7
Other non-cash items	182.4	1,087.2
Operating profit before working capital changes	501.5	492.3
Increase in inventories	(117.6)	(14.4)
(Increase)/decrease in receivables and other assets	(134.8)	8.6
Increase in payables and other liabilities	120.3	38.4
Cash generated from operations	369.4	524.9
Other payments	(0.2)	(0.4)
Taxes paid	(83.5)	(65.2)
Net cash inflow from operating activities	285.7	459.3
Investing Activities		
Proceeds from disposal of assets held for sale	25.0	-
Interest received	12.3	12.0
Proceeds from disposal of property, plant and equipment	2.1	1.2
Dividends received	0.4	1.0
Additions to prepaid lease payments	(0.3)	(0.2)
Additions to property, plant and equipment	(96.4)	(167.8)
Net cash outflow from investing activities	(56.9)	(153.8)
Financing Activities		
Drawdown of long term borrowings	124.4	-
Proceeds from issuance of shares to non-controlling interests	0.3	-
Payment of finance costs	(39.9)	(42.3)
Repayment to associate	(81.4)	-
Net repayment of other borrowings	(86.7)	(135.6)
Payment of dividends	(283.0)	(283.6)
Issuance of shares	-	1.8
Repurchase of shares	-	(90.2)
Net cash outflow from financing activities	(366.3)	(549.9)
Net decrease in cash and cash equivalents	(137.5)	(244.4)
Cash and cash equivalents at beginning of period	1,938.2	1,788.5
Effect of exchange rate changes	4.6	16.7
Cash and cash equivalents at end of period	1,805.3	1,560.8

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to this interim financial report.)



IOI GROUP

IOI CORPORATION BERHAD (9027-W)

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Interim Report For The Financial Period Ended 30 September 2016

(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	Share premium	Capital reserve	Other reserve	Hedging reserve	Foreign currency translation reserve	Treasury shares	Retained earnings			
As at 1 July 2016	646.2	73.3	72.0	(1.7)	(0.7)	(82.5)	(763.4)	7,194.9	7,138.1	278.9	7,417.0
Total comprehensive income/(loss)	-	-	-	4.5	(1.9)	74.7	-	104.8	182.1	5.2	187.3
Transactions with owners											
Dividends paid in respect of previous financial year	-	-	-	-	-	-	-	(283.0)	(283.0)	-	(283.0)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	0.3	0.3
As at 30 September 2016	646.2	73.3	72.0	2.8	(2.6)	(7.8)	(763.4)	7,016.7	7,037.2	284.4	7,321.6

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to this interim financial report.)



IOI GROUP

IOI CORPORATION BERHAD (9027-W)

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Interim Report For The Financial Period Ended 30 September 2016

(The figures have not been audited)

Condensed Consolidated Statement Of Changes In Equity (Continued)

(RM Million)	Non-distributable							Distributable	Total attributable to owners of the parent	Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Other reserve	Hedging reserve	Foreign currency translation reserve	Treasury shares	Retained earnings			
As at 1 July 2015	645.9	64.4	105.1	(3.8)	-	(162.5)	(620.2)	7,040.1	7,069.0	274.1	7,343.1
Total comprehensive income/(loss)	-	-	-	-	3.8	192.4	-	(744.4)	(548.2)	13.8	(534.4)
Transactions with owners											
Dividends paid in respect of previous financial year	-	-	-	-	-	-	-	(283.6)	(283.6)	-	(283.6)
Issue of shares arising from exercise of share options	0.1	2.2	(0.5)	-	-	-	-	-	1.8	-	1.8
Repurchase of shares	-	-	-	-	-	-	(90.2)	-	(90.2)	-	(90.2)
As at 30 September 2015	646.0	66.6	104.6	(3.8)	3.8	29.9	(710.4)	6,012.1	6,148.8	287.9	6,436.7

(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 2016 and the accompanying explanatory notes attached to this interim financial report.)

Interim Report For The Financial Period Ended 30 September 2016

(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* 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 2016.

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 2016.

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 2016 except for the adoption of the following new/revised MFRSs and amendments to MFRSs:

Title	Effective Date
Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to MFRS 11 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
MFRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to MFRS 101 <i>Disclosure Initiative</i>	1 January 2016
Amendments to MFRS 116 <i>Property, Plant and Equipment: Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to MFRS 127 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to MFRS 138 <i>Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016

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

b) Seasonal or Cyclical Factors

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

c) Unusual Items

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

Interim Report For The Financial Period Ended 30 September 2016

(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 RM Million	PRECEDING YEAR CORRESPONDING PERIOD RM Million
Second interim single tier dividend in respect of financial year ended 30 June 2016		
- 4.5 sen per ordinary share of RM0.10 each	283.0	-
Second interim single tier dividend in respect of financial year ended 30 June 2015		
- 4.5 sen per ordinary share of RM0.10 each	-	283.6
	283.0	283.6

Interim Report For The Financial Period Ended 30 September 2016

(The figures have not been audited)

g) Segment Revenue & Results

(RM Million)	Plantation	Resource-based Manufacturing	Other Operations	Eliminations	Total
3 Months Ended 30/09/16					
REVENUE					
External Sales	37.1	3,251.1	3.1	-	3,291.3
Inter-segment sales	546.9	-	-	(546.9)	-
Total Revenue	584.0	3,251.1	3.1	(546.9)	3,291.3
RESULT					
Operating profit	334.2	107.8	1.3	-	443.3
Share of results of associates	12.1	5.2	-	-	17.3
Share of results of joint ventures	-	(1.1)	-	-	(1.1)
Segment results before fair value gain/(loss) on derivative financial instruments	346.3	111.9	1.3	-	459.5
Fair value gain/(loss) on derivative financial instruments	0.3	(56.8)	-	-	(56.5)
Segment results	346.6	55.1	1.3	-	403.0
3 Months Ended 30/09/15					
REVENUE					
External Sales	30.5	3,052.8	3.4	-	3,086.7
Inter-segment sales	465.3	-	-	(465.3)	-
Total Revenue	495.8	3,052.8	3.4	(465.3)	3,086.7
RESULT					
Operating profit/(loss)	206.6	173.1	(0.9)	-	378.8
Share of results of associates	19.1	17.8	-	-	36.9
Share of results of a joint venture	-	(1.2)	-	-	(1.2)
Segment results before fair value loss on derivative financial instruments	225.7	189.7	(0.9)	-	414.5
Fair value loss on derivative financial instruments	(4.3)	(198.5)	-	-	(202.8)
Segment results	221.4	(8.8)	(0.9)	-	211.7

Interim Report For The Financial Period Ended 30 September 2016

(The figures have not been audited)

g) Segment Revenue & Results (Continued)

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

	3 Months Ended 30/09/2016 RM Million	3 Months Ended 30/09/2015 RM Million
Continuing operations		
Total segment results	403.0	211.7
Unallocated corporate net income/(expenses)	2.5	(3.6)
Profit before interest and taxation	405.5	208.1
Finance costs	(57.1)	(57.1)
Interest income	12.8	12.3
Net foreign currency translation loss on foreign currency denominated borrowings	(172.0)	(853.9)
Profit/(loss) before taxation	189.2	(690.6)
Taxation	(87.6)	(51.2)
Profit/(loss) from continuing operations	101.6	(741.8)
Discontinued operations		
Gain arising from disposal of assets held for sale, net of tax	10.4	-
Profit/(loss) for the period	112.0	(741.8)

The basis of segmentation and measurement of total 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 30 September 2016 that have not been reflected in the financial statements.

i) Changes in the Composition of the Group

There were no material changes in the composition of the Group during the financial period ended 30 September 2016.

j) Contingent Liabilities

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

Interim Report For The Financial Period Ended 30 September 2016

(The figures have not been audited)

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

1) Detailed Analysis of the Performance of All Operating Segments of the Group

Q1 FY2017 vs. Q1 FY2016

For Q1 FY2017, the Group reported a profit before taxation (“PBT”) of RM189.2 million as compared to the loss before taxation of RM690.6 million reported for Q1 FY2016. The higher PBT is due mainly to higher contribution from all segments and lower net foreign currency translation loss on foreign currency denominated borrowings. Excluding the net foreign currency translation loss of RM172.0 million (Q1 FY2016 – RM853.9 million) on foreign currency denominated borrowings, the underlying PBT of RM361.2 million for Q1 FY2017 is 121% higher than the underlying PBT of RM163.3 million for Q1 FY2016.

Plantation

The plantation profit increased by 57% to RM346.6 million for Q1 FY2017 as compared to RM221.4 million reported for Q1 FY2016. The higher profit reported is due mainly to higher CPO and PK prices realised despite lower FFB production. Average CPO and PK prices realised for Q1 FY2017 were RM2,464/MT (Q1 FY2016 – RM2,119/MT) and RM2,603/MT (Q1 FY2016 – RM1,350/MT) respectively.

Resource-based Manufacturing

The resource-based manufacturing segment reported a profit of RM55.1 million for Q1 FY2017 as compared to a loss of RM8.8 million reported for Q1 FY2016. Excluding the fair value loss on derivative financial instruments which are primarily trade-related foreign exchange forward contracts, the underlying profit for resource-based manufacturing segment of RM111.9 million for Q1 FY2017 is 41% lower than the underlying profit of RM189.7 million for Q1 FY2016. This is mainly due to lower sales volume and lower margin derived from oleochemical sub-segment as a result of high palm kernel raw material cost.

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

The Group reported a PBT of RM189.2 million for Q1 FY2017 as compared to a loss before taxation of RM24.5 million for Q4 FY2016. The higher PBT is due mainly to higher contribution from all segments which is offset by net foreign currency translation loss on foreign currency denominated borrowings. Excluding the net foreign currency translation loss of RM172.0 million (Q4 FY2016 – RM124.7 million) on foreign currency denominated borrowings, the underlying PBT of RM361.2 million for Q1 FY2017 is 261% higher than the underlying PBT of RM100.2 million for Q4 FY2016.

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(The figures have not been audited)

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

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

Details of the segmental results are as follows:

Plantation

The plantation profit increased by 78% to RM346.6 million for Q1 FY2017 as compared to RM195.1 million for Q4 FY2016, attributable mainly to higher FFB production and higher CPO extraction rate. FFB production for Q1 FY2017 was 872,997 MT as compared to 717,484 MT for Q4 FY2016.

Resource-based Manufacturing

The resource-based manufacturing segment reported a profit of RM55.1 million for Q1 FY2017 as compared to a loss of RM58.5 million reported for Q4 FY2016. Excluding the fair value loss on derivative financial instruments, the underlying profit for resource-based manufacturing segment of RM111.9 million for Q1 FY2017 is 76% higher than the underlying profit of RM63.4 million for Q4 FY2016. This is mainly due to higher contribution from oleochemical and specialty oils and fats sub-segments.

The analysis of contribution by segment is as follows:

	CURRENT QUARTER RM Million	PRECEDING QUARTER RM Million	DIFFERENCE RM Million
Continuing operations			
Plantation	346.6	195.1	151.5
Resource-based manufacturing before fair value loss on derivative financial instruments	111.9	63.4	48.5
Fair value loss on derivative financial instruments	(56.8)	(121.9)	65.1
Resource-based manufacturing	55.1	(58.5)	113.6
Other operations	1.3	(1.3)	2.6
Segment results	403.0	135.3	267.7
Unallocated corporate net income	2.5	3.9	(1.4)
Profit before interest and taxation	405.5	139.2	266.3
Finance costs	(57.1)	(51.9)	(5.2)
Interest income	12.8	12.9	(0.1)
Net foreign currency translation loss on foreign currency denominated borrowings	(172.0)	(124.7)	(47.3)
Profit/(loss) before taxation	189.2	(24.5)	213.7

Interim Report For The Financial Period Ended 30 September 2016

(The figures have not been audited)

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

3) Prospects

Despite the relatively low fresh fruit bunches yield which is caused by the droughts in 2015 and early 2016, the plantation segment is expected to perform satisfactorily, supported by the prevailing high crude palm oil and palm kernel prices.

For the oleochemical sub-segment, the continued high palm kernel price will affect its performance and keep margins down from the above average levels during the last two financial years. As for the specialty oils and fats sub-segment, business performance has improved steadily since the lifting of the RSPO certification suspension in early August, and is supported by the strong sales in USA due to the impending ban on trans fats.

The volatility of Dollar Ringgit exchange rate will continue to affect the non-cash flow foreign exchange (“forex”) translation gain/loss arising mainly from our medium to long dated US Dollar-denominated borrowings, as well as the fair value gain/loss on derivative financial instruments which are primarily trade-related forex forward contracts. The Group has refinanced/swapped some of its US Dollar loans into Euro-denominated loans to diversify its forex risks and reduce its borrowings cost.

Overall, the Group expects its operating performance for FY2017 to be satisfactory.

4) Achievability of Forecast Results

Not applicable.

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

Not applicable.

Interim Report For The Financial Period Ended 30 September 2016

(The figures have not been audited)

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

6) Taxation

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM Million	RM Million	RM Million	RM Million
The tax expense comprises the following:				
Current taxation				
- Current year	96.0	90.5	96.0	90.5
- Prior years	0.5	0.1	0.5	0.1
Deferred taxation				
- Current year	(9.6)	(38.2)	(9.6)	(38.2)
- Prior years	0.7	(1.2)	0.7	(1.2)
	87.6	51.2	87.6	51.2

The effective tax rate of the Group for current quarter is higher than the statutory tax rate due principally to the non-allowable net foreign currency translation loss on foreign currency denominated borrowings and other non-allowable expenses incurred by the Group.

7) Corporate Proposal

There were no corporate proposals announced by the Group but not completed as at 11 November 2016 (being a date not earlier than 7 days from the date of issue of the quarterly report).

8) Group Borrowings and Debts Securities

Group borrowings and debt securities as at 30 September 2016 are as follows:

		RM Million
a) Short term borrowings		
Unsecured		
Denominated in RM		26.9
Denominated in USD (USD513.8 million)		2,126.2
Denominated in EUR (EUR68.0 million)		315.7
Total Short Term Borrowings		2,468.8
b) Long term borrowings		
Unsecured		
Denominated in JPY (JPY21,000.0 million)		859.8
Denominated in USD (USD966.3 million)		3,999.5
Denominated in EUR (EUR71.8 million)		333.7
Total Long Term Borrowings		5,193.0
Total Borrowings		7,661.8

Interim Report For The Financial Period Ended 30 September 2016

(The figures have not been audited)

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

9) Derivative Financial Instruments

a) The outstanding forward foreign exchange contracts as at 30 September 2016 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	(459.4)	(0.3)	-	(459.7)	(30.6)	-	-	(30.6)
EUR/RM	EUR	(16.5)	-	-	(16.5)	(1.6)	-	-	(1.6)
USD/EUR	USD	178.8	-	-	178.8	1.2	-	-	1.2
EUR/GBP	GBP	(5.5)	-	-	(5.5)	1.5	-	-	1.5
EUR/CAD	CAD	(3.2)	-	-	(3.2)	-	-	-	-
EUR/CHF	CHF	(0.1)	-	-	(0.1)	-	-	-	-
CHF/RM	CHF	0.1	-	-	0.1	-	-	-	-
JPY/RM	JPY	(654.2)	-	-	(654.2)	(1.0)	-	-	(1.0)
GBP/RM	GBP	(1.2)	-	-	(1.2)	-	-	-	-
EUR/RM	RM	(61.0)	-	-	(61.0)	2.4	-	-	2.4
SGD/RM	SGD	0.1	-	-	0.1	-	-	-	-
USD/CAD	CAD	(0.7)	-	-	(0.7)	-	-	-	-
CAD/USD	USD	0.1	-	-	0.1	(0.2)	-	-	(0.2)
RM/RMB	RMB	(95.8)	-	-	(95.8)	(0.6)	-	-	(0.6)
						(28.9)	-	-	(28.9)

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 30 September 2016

(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 30 September 2016 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	USD	(11.1)	-	-	(11.1)	21.6	-	-	21.6
	RM	93.9	-	-	93.9	(3.5)	-	-	(3.5)
						18.1	-	-	18.1
Futures	USD	0.8	-	-	0.8	(0.4)	-	-	(0.4)
	RM	(123.7)	-	-	(123.7)	(7.9)	-	-	(7.9)
						(8.3)	-	-	(8.3)

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

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

c) The outstanding cross currency swap contracts as at 30 September 2016 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	-	-	107.1	107.1
JPY liability to USD liability ²	JPY	-	-	6,000.0	6,000.0	-	-	41.2	41.2
Fixed rate USD liability to fixed rate EUR liability ³	USD	-	-	100.0	100.0	-	-	(3.8)	(3.8)
Floating rate USD liability to fixed rate RM liability ⁴	USD	100.0	-	-	100.0	112.8	-	-	112.8

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

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

³ The contracts effectively swapped part of the Group's USD600 million 4.375% Guaranteed Notes due 2022 into fixed rate EUR liability and serve as a net investments hedge against the Group's Euro denominated assets.

⁴ The contracts effectively swapped the Group's 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.

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

Interim Report For The Financial Period Ended 30 September 2016

(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 30 September 2016 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	74.0	300.0	-	374.0	(0.4)	(8.8)	-	(9.2)

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 were initially recognised at fair value on the date the derivative contracts were entered into. The derivatives except for the cross currency swap contract which swapped a fixed rate USD100.0 million liability to a fixed rate EUR90.9 million liability (“USDEUR CCS”) were subsequently remeasured at fair value through profit or loss, where the resulting gains or losses from the remeasurement were recognised in the profit or loss. The changes in fair value of the USDEUR CCS were recognised in the other comprehensive income pursuant to hedge accounting.



Interim Report For The Financial Period Ended 30 September 2016

(The figures have not been audited)

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

10) Fair Value Changes of Financial Liabilities

Type of Financial Liability	Fair Value (loss)/gain		Basis of Fair Value Measurement	Reason for (loss)/gain
	Current Quarter	Current Year To Date		
	RM Million	RM Million		
Forward foreign exchange contracts	(27.1)	(27.1)	The difference between the contracted rates and the market forward rates	The exchange rates have moved unfavourably against the Group from the last measurement date
Commodity futures	(4.2)	(4.2)	The difference between the contracted prices rate and forward prices	The prices for the respective commodity futures have moved unfavourably against the Group from the last measurement date
Commodity forward contracts	33.1	33.1	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
Cross currency swap contracts	(3.7)	(3.7)	Based on spot, forward and interest rate term structure for the respective currencies	The forward and interest rate term structure for the respective currencies have moved unfavourably against the Group from the last measurement date
Interest rate swap contracts	5.1	5.1	The difference between fixed and floating interest rates	The floating interest rate has moved favourably for the Group from the last measurement date

Interim Report For The Financial Period Ended 30 September 2016

(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	11,390.5
- Unrealised	(676.0)
	10,714.5
Total share of retained profits from associated companies:	
- Realised	277.5
- Unrealised	147.1
	424.6
Total share of accumulated losses from joint ventures:	
- Realised	(13.1)
- Unrealised	-
	(13.1)
	11,126.0
Less: Consolidation adjustments	(4,109.3)
Total Group retained profits	7,016.7

Interim Report For The Financial Period Ended 30 September 2016

(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 (crediting)/charging:

	CURRENT YEAR QUARTER 30/09/2016 RM Million	CURRENT YEAR TO DATE 30/09/2016 RM Million
Continuing operations		
Interest income	(12.8)	(12.8)
Other income including investment income		
- Dividend income	(0.4)	(0.4)
Finance costs	57.1	57.1
Depreciation and amortisation	119.1	119.1
Reversal of provision for receivables	(0.4)	(0.4)
Net inventories written down	4.8	4.8
Net foreign currency translation loss on foreign currency denominated borrowings	172.0	172.0
Foreign currency exchange gain	(43.9)	(43.9)
Loss on derivatives	56.5	56.5
Net gain arising from changes in fair value of biological assets	(35.4)	(35.4)
Discontinued operations		
Other exceptional item :		
Gain arising from disposal of assets held for sale, net of tax	(10.4)	(10.4)

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

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 2016.

14) Dividend

No dividend has been proposed for the quarter under review (30 September 2015: Nil).

Interim Report For The Financial Period Ended 30 September 2016

(The figures have not been audited)

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

15) Earnings/(loss) per Share

	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM Million	RM Million	RM Million	RM Million
a) Basic earnings/(loss) per share				
Profit/(loss) for the period attributable to owners of the parent				
From continuing operations	94.4	(744.4)	94.4	(744.4)
From discontinued operations	10.4	-	10.4	-
	104.8	(744.4)	104.8	(744.4)
Weighted average number of ordinary shares in issue ('Million)	6,288.2	6,316.6	6,288.2	6,316.6
Basic (sen)				
From continuing operations	1.50	(11.78)	1.50	(11.78)
From discontinued operations	0.17	-	0.17	-
Total	1.67	(11.78)	1.67	(11.78)
b) Diluted earnings/(loss) per share				
Profit/(loss) for the period attributable to owners of the parent				
From continuing operations	94.4	(744.4)	94.4	(744.4)
From discontinued operations	10.4	-	10.4	-
	104.8	(744.4)	104.8	(744.4)
Adjusted weighted average number of ordinary shares in issue ('Million)				
Weighted average number of ordinary shares in issue	6,288.2	6,316.6	6,288.2	6,316.6
Assumed exercise of Executive Share Options at beginning of period	-	4.3	-	4.3
	6,288.2	6,320.9	6,288.2	6,320.9
Diluted (sen)				
From continuing operations	1.50	(11.78)	1.50	(11.78)
From discontinued operations	0.17	-	0.17	-
Total	1.67	(11.78)	1.67	(11.78)



Interim Report For The Financial Period Ended 30 September 2016
(The figures have not been audited)

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

16) Audit Qualification

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

By Order of the Board

Tan Choong Kiang
Company Secretary

Putrajaya
18 November 2016



IOI GROUP

Interim Report For The Financial Period Ended 30 September 2016

(The figures have not been audited)

Group Plantation Statistics

		As At 30/09/2016	As At 30/09/2015
Planted Area			
Oil palm			
Mature	<i>(hectares)</i>	147,077	150,771
Total planted	<i>(hectares)</i>	194,963	179,131
Rubber			
Mature	<i>(hectares)</i>	415	176
Total planted	<i>(hectares)</i>	470	470
Total Titled Area	<i>(hectares)</i>	217,917	217,918

		30/09/2016 (3 months)	30/09/2015 (3 months)
Average Mature Area			
Oil Palm	<i>(hectares)</i>	144,913	148,931
Production			
Oil Palm			
FFB production	<i>(tonnes)</i>	872,997	967,612
Yield per mature hectare	<i>(tonnes)</i>	6.02	6.50
FFB processed	<i>(tonnes)</i>	893,680	998,661
Crude palm oil production	<i>(tonnes)</i>	194,337	217,357
Palm kernel production	<i>(tonnes)</i>	43,816	51,775
Crude palm oil extraction rate	<i>(%)</i>	21.75%	21.78%
Palm kernel extraction rate	<i>(%)</i>	4.90%	5.18%
Average Selling Price Realised			
Oil palm			
Crude palm oil	<i>(RM/tonne)</i>	2,464	2,119
Palm kernel	<i>(RM/tonne)</i>	2,603	1,350