



IOI GROUP

IOI CORPORATION BERHAD (9027-W)

(Incorporated in Malaysia)

**Interim Report
For The Financial Period Ended
30 June 2018**



IOI GROUP

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

Interim Report For The Financial Period Ended 30 June 2018

(The figures have not been audited)

Condensed Consolidated Statement of Profit or Loss

	INDIVIDUAL QUARTER (Q4)			CUMULATIVE QUARTER (12 Mths)		
	CURRENT	PRECEDING YEAR	Changes	CURRENT	PRECEDING YEAR	Changes
	YEAR	CORRESPONDING		YEAR TO	CORRESPONDING	
QUARTER	QUARTER	QUARTER	DATE	PERIOD		
	30/06/2018	30/06/2017	(%)	30/06/2018	30/06/2017	(%)
	RM Million	RM Million		RM Million	RM Million	
CONTINUING OPERATIONS						
Revenue ^	1,802.1	1,730.5	4%	7,417.6	7,249.3	2%
Operating profit	156.0	285.6	-45%	1,242.3	1,264.1	-2%
Share of results of associates	42.4	31.9	33%	140.9	140.7	0%
Share of results of joint ventures	(0.2)	(1.2)	83%	(2.6)	(3.4)	24%
Profit before interest and taxation	198.2	316.3	-37%	1,380.6	1,401.4	-1%
Interest income	23.7	15.4	54%	71.9	60.9	18%
Finance costs	(46.6)	(45.1)	3%	(200.1)	(205.5)	-3%
Net foreign currency translation (loss)/gain on foreign currency denominated borrowings	(169.2)	112.0	nm	297.7	(298.8)	nm
Net foreign currency translation gain on foreign currency denominated deposits	60.9	1.6	nm	20.6	25.0	-18%
Profit before taxation	67.0	400.2	-83%	1,570.7	983.0	60%
Taxation	(54.2)	(53.9)	1%	(334.0)	(292.7)	14%
Profit from continuing operations	12.8	346.3	-96%	1,236.7	690.3	79%
DISCONTINUED OPERATIONS #						
(Loss)/profit from discontinued operations	-	(24.2)	nm	151.9	65.4	132%
(Loss)/gain on disposal of discontinued operations	(44.4)	-	nm	1,154.8	10.4	nm
Gain on re-measurement of the remaining stake held as associate	42.8	-	nm	342.1	-	nm
Recognition of fair value of put-call options	20.3	-	nm	182.8	-	nm
	18.7	(24.2)	nm	1,831.6	75.8	nm
Profit for the period	31.5	322.1	-90%	3,068.3	766.1	301%
Attributable to owners of the parent:						
From continuing operations	17.1	341.7	-95%	1,228.9	667.4	84%
From discontinued operations	18.7	(24.2)	nm	1,831.6	75.8	nm
	35.8	317.5	-89%	3,060.5	743.2	312%
Attributable to non-controlling interests						
	(4.3)	4.6	nm	7.8	22.9	-66%
	31.5	322.1	-90%	3,068.3	766.1	301%

*nm = not meaningful

^: Exclude inter-operations sales to discontinued operations.

#: The financial results of the divestment of Loders Croklaan Group B.V. in March 2018 as disclosed in Note (i) of this interim report are now presented as discontinued operations in line with the requirements of MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

(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 2017 and the accompanying explanatory notes attached to this interim financial report.)



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Condensed Consolidated Statement of Profit or Loss (Continued)

	INDIVIDUAL QUARTER (Q4)			CUMULATIVE QUARTER (12 Mths)		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	Changes	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	Changes
	30/06/2018	30/06/2017	(%)	30/06/2018	30/06/2017	(%)
	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	0.27	5.44	-95%	19.56	10.62	84%
From discontinued operations	0.30	(0.39)	nm	29.14	1.20	nm
Total	0.57	5.05	-89%	48.70	11.82	312%
Diluted earnings/(loss) per share						
From continuing operations	0.27	5.44	-95%	19.56	10.62	84%
From discontinued operations	0.30	(0.39)	nm	29.14	1.20	nm
Total	0.57	5.05	-89%	48.70	11.82	312%

(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 2017 and the accompanying explanatory notes attached to this interim financial report.)



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IOI CORPORATION BERHAD (9027-W)
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Condensed Consolidated Statement of Other Comprehensive Income

	INDIVIDUAL QUARTER (Q4)			CUMULATIVE QUARTER (12 Mths)		
	CURRENT	PRECEDING YEAR	Changes	CURRENT	PRECEDING YEAR	Changes
	YEAR	CORRESPONDING		YEAR TO	CORRESPONDING	
QUARTER	QUARTER	DATE	PERIOD	PERIOD		
	30/06/2018	30/06/2017	(%)	30/06/2018	30/06/2017	(%)
	RM Million	RM Million		RM Million	RM Million	
Profit for the period	31.5	322.1	-90%	3,068.3	766.1	301%
Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss						
Share of other comprehensive income/(loss) of associates	0.9	0.5	80%	(4.8)	(6.0)	-20%
Share of reserves of associates arising from changes in accounting estimates	-	-	nm	9.9	41.8	-76%
Actuarial (loss)/gain on defined benefit obligation	(1.7)	4.4	nm	(1.7)	4.4	nm
	(0.8)	4.9	nm	3.4	40.2	-92%
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	13.1	(26.0)	nm	(131.6)	73.7	nm
Other comprehensive (loss)/income arising from discontinued operations	-	(6.6)	nm	110.2	22.2	396%
Share of other comprehensive (loss)/income of associates	(6.0)	6.3	nm	(13.3)	3.9	nm
Hedge of net investments in foreign operations	(2.6)	-	nm	(4.3)	-	nm
Other comprehensive income/(loss) for the period	4.5	(26.3)	nm	(39.0)	99.8	nm
Total comprehensive income for the period, net of tax	35.2	300.7	-88%	3,032.7	906.1	235%
Total comprehensive income attributable to:						
Owners of the parent	39.1	294.5	-87%	3,016.2	886.1	240%
Non-controlling interests	(3.9)	6.2	nm	16.5	20.0	-18%
	35.2	300.7	-88%	3,032.7	906.1	235%

(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 2017 and the accompanying explanatory notes attached to this interim financial report.)



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Condensed Consolidated Statement of Financial Position

	AS AT END OF CURRENT QUARTER 30/06/2018 RM Million	AS AT PRECEDING FINANCIAL YEAR END 30/06/2017 RM Million
ASSETS		
Non-current assets		
Property, plant and equipment	8,411.2	10,086.9
Intangible assets	394.9	522.1
Investments in associates	2,491.1	1,121.1
Derivative assets	155.4	140.6
Deferred tax assets	14.7	52.0
Other non-current assets	51.6	67.0
	11,518.9	11,989.7
Current assets		
Inventories	949.1	2,707.7
Receivables	816.2	1,560.6
Derivative assets	398.9	56.4
Other investments	86.1	103.6
Amount due from associates	147.4	1.4
Other current assets	61.4	83.2
Short term funds	1,087.9	680.4
Deposits with financial institutions	1,276.0	156.6
Cash and bank balances	400.7	685.1
	5,223.7	6,035.0
TOTAL ASSETS	16,742.6	18,024.7

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to this interim financial report.)



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Condensed Consolidated Statement of Financial Position (Continued)

	AS AT END OF CURRENT QUARTER 30/06/2018 RM Million	AS AT PRECEDING FINANCIAL YEAR END 30/06/2017 RM Million
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	786.2	783.8
Other reserves	(14.2)	38.4
Retained earnings	8,384.3	6,635.2
	<u>9,156.3</u>	<u>7,457.4</u>
Non-controlling interests	<u>259.4</u>	<u>261.3</u>
Total equity	<u>9,415.7</u>	<u>7,718.7</u>
Non-current liabilities		
Borrowings	4,284.5	5,267.7
Derivative liabilities	53.6	23.2
Deferred tax liabilities	1,114.7	1,309.9
Other long term liabilities	55.7	65.6
	<u>5,508.5</u>	<u>6,666.4</u>
Current liabilities		
Payables	650.1	1,388.8
Derivative liabilities	213.3	91.8
Short term borrowings	894.8	2,076.1
Other current liabilities	60.2	82.9
	<u>1,818.4</u>	<u>3,639.6</u>
Total liabilities	<u>7,326.9</u>	<u>10,306.0</u>
TOTAL EQUITY AND LIABILITIES	<u>16,742.6</u>	<u>18,024.7</u>
Net assets per share attributable to owners of the parent (RM)	1.46	1.19

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to this interim financial report.)



IOI GROUP

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Condensed Consolidated Statement of Cash Flows

	12 Months Ended 30/06/2018 RM Million	12 Months Ended 30/06/2017 RM Million
Operating Activities		
Profit before taxation		
From continuing operations	1,570.7	983.0
From discontinued operations	1,859.2	115.0
	<u>3,429.9</u>	<u>1,098.0</u>
Adjustments for:		
Depreciation and amortisation	408.5	479.7
Other non-cash items	(1,909.5)	389.4
Operating profit before working capital changes	<u>1,928.9</u>	<u>1,967.1</u>
Decrease/(increase) in inventories	66.1	(298.7)
Decrease/(increase) in receivables and other assets	177.9	(261.2)
(Decrease)/increase in payables and other liabilities	(404.8)	208.3
Cash generated from operations	<u>1,768.1</u>	<u>1,615.5</u>
Other payments	(2.3)	(1.9)
Net taxes paid	(414.3)	(325.9)
Net cash inflow from operating activities	<u>1,351.5</u>	<u>1,287.7</u>
Investing Activities		
Proceeds from disposal of the discontinued operations, net of cash and cash equivalent disposed	3,462.1	-
Interest received	56.9	33.8
Dividends received	52.8	32.5
Proceeds from disposal of property, plant and equipment	4.0	5.4
Other (payments)/receipts	(0.3)	0.5
Acquisition of additional interest in an associate	(1.5)	-
Additions to prepaid lease payments	(2.1)	(3.8)
Additions to property, plant and equipment	(444.3)	(497.9)
Proceeds from disposal of assets held for sale	-	25.0
Advances to a joint venture	-	(6.0)
Net cash inflow/(outflow) from investing activities	<u>3,127.6</u>	<u>(410.5)</u>
Financing Activities		
Issuance of shares	2.4	-
Dividends paid to non-controlling interests	(18.4)	(37.9)
Net (repayment)/drawdown of other borrowings	(164.0)	104.0
Payment of finance costs	(205.6)	(219.7)
Payment of dividends	(1,319.7)	(565.9)
Repayment of term loans	(1,570.2)	(1,574.7)
Drawdown of long term borrowings	-	1,086.9
Proceeds from issuance of shares to non-controlling interest	-	0.3
Repurchase of shares	-	(20.0)
Repayment to non-controlling interest, which is also an associate of the Group	-	(81.4)
Net cash outflow from financing activities	<u>(3,275.5)</u>	<u>(1,308.4)</u>
Net increase/(decrease) in cash and cash equivalents	<u>1,203.6</u>	<u>(431.2)</u>
Cash and cash equivalents at beginning of period	<u>1,522.1</u>	<u>1,938.2</u>
Effect of exchange rate changes	<u>38.9</u>	<u>15.1</u>
Cash and cash equivalents at end of period	<u>2,764.6</u>	<u>1,522.1</u>

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to this interim financial report.)

**IOI CORPORATION BERHAD** (9027-W)

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IOI GROUP**Interim Report For The Financial Period Ended 30 June 2018**

(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	Capital reserve	Other reserve	Hedging reserve	Foreign currency translation reserve	Retained earnings	Total attributable to owners of the parent		
As at 1 July 2017	783.8	26.8	(7.9)	(5.6)	25.1	6,635.2	7,457.4	261.3	7,718.7
Total comprehensive (loss)/income	-	-	(4.9)	1.4	(49.1)	3,068.8	3,016.2	16.5	3,032.7
Transactions with owners									
Dividends paid in respect of current financial year	-	-	-	-	-	(282.8)	(282.8)	-	(282.8)
Special dividends in respect of current financial year	-	-	-	-	-	(722.7)	(722.7)	-	(722.7)
Dividends paid in respect of previous financial year	-	-	-	-	-	(314.2)	(314.2)	-	(314.2)
Issue of shares arising from exercise of share options	2.4	-	-	-	-	-	2.4	-	2.4
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(18.4)	(18.4)
As at 30 June 2018	786.2	26.8	(12.8)	(4.2)	(24.0)	8,384.3	9,156.3	259.4	9,415.7

(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 2017 and the accompanying explanatory notes attached to this interim financial report.)

**IOI CORPORATION BERHAD** (9027-W)

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(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 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 (loss)/income	-	-	-	(6.2)	(4.9)	107.6	-	789.6	886.1	20.0	906.1
Transactions with owners											
Dividend paid in respect of current financial year	-	-	-	-	-	-	-	(282.9)	(282.9)	-	(282.9)
Dividends paid in respect of previous financial year	-	-	-	-	-	-	-	(283.0)	(283.0)	-	(283.0)
Recognition of share option expenses	-	-	19.1	-	-	-	-	-	19.1	-	19.1
Repurchase of shares	-	-	-	-	-	-	(20.0)	-	(20.0)	-	(20.0)
Transfer pursuant to Companies Act 2016	137.6	(73.3)	(64.3)	-	-	-	-	-	-	-	-
Cancellation of treasury shares	-	-	-	-	-	-	783.4	(783.4)	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	0.3	0.3
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(37.9)	(37.9)
As at 30 June 2017	783.8	-	26.8	(7.9)	(5.6)	25.1	-	6,635.2	7,457.4	261.3	7,718.7

(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 2017 and the accompanying explanatory notes attached to this interim financial report.)



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Interim Report For The Financial Period Ended 30 June 2018

(The figures have not been audited)

a) Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 *Interim Financial Reporting*, IAS 34 *Interim Financial Reporting*, provision of the Companies Act 2016 in Malaysia and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2017.

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 2017.

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 2017 except for the adoption of the following new/revised MFRSs and amendments to MFRSs:

Title	Effective Date
Amendments to MFRS 12 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2017
Amendments to MFRS 107 <i>Disclosure Initiative</i>	1 January 2017
Amendments to MFRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017

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

New accounting pronouncements:

Accounting pronouncements that are not yet effective are set out below:

- Amendments to MFRS 1 *Annual Improvements to MFRS Standards 2014 - 2016 Cycle*
- MFRS 15 *Revenue from Contracts with Customers*
- Clarification to MFRS 15
- MFRS 9 *Financial Instruments*
- Amendments to MFRS 2 *Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 128 *Annual Improvements to MFRS Standards 2014 - 2016 Cycle*
- IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*
- Amendments to MFRS 140 *Transfers of Investment Property*
- Amendments to MFRS 4 *Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
- MFRS 16 *Leases*
- IC Interpretation 23 *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*
- Amendments to MFRS 9 *Prepayment Features with Negative Compensation*
- Amendments to MFRS 3 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*
- Amendments to MFRS 11 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*
- Amendments to MFRS 112 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*
- Amendments to MFRS 123 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*
- Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*
- *Amendments to References to the Conceptual Framework in MFRS Standards*
- MFRS 17 *Insurance Contracts*
- Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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a) Accounting Policies (continued)

The Group is in the process of assessing the impact of the adoption of these MFRSs, Amendments to MFRSs and IC Interpretation. However, some of the known effects are described as follows:

i. MFRS 9 *Financial Instruments*

MFRS 9 replaces MFRS 139 and introduces new requirements for classification and measurement of financial assets and financial liabilities, impairment and hedge accounting. MFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018.

Retrospective application is required but restatement of comparative information is not compulsory. The Group plans to apply this standard for financial year beginning on 1 July 2018 where no restatement of comparatives will be made.

Classification and measurement

MFRS 9 requires for a financial asset to be measured at amortised cost if the financial assets is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through other comprehensive income (“FVOCI”) if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets will be measured at fair value through profit or loss (“FVTPL”) if the assets that are held for trading or such financial assets for not qualify for neither held at amortised costs nor at FVOCI. Equity instruments that were not elected for FVOCI will be measured at FVTPL.

Classification and measurement of financial liabilities will remain largely unchanged.

Overall, the Group anticipates no significant impact to the financial statements in the area of classification and measurement for financial assets and financial liabilities.

Impairment

MFRS 9 impairment requirements are based on an Expected Credit Loss (“ECL”) model that replaces the Incurred Loss model under MFRS 139. The ECL model applies to financial assets that are measured at amortised cost or at FVOCI and issued financial guarantee contracts, which will include trade receivables, advances to related companies and financial guarantee provides to third party in securing borrowings of related companies.

The Group plans to use the Simplified Approach and to apply the provisional matrix approach, flow-rate model to calculate expected credit loss for third party trade receivables. For financial assets other than trade receivables, including related company loans, the Group to apply Three-stage General Approach, Expected Credit Loss (ECL) Model which takes into effect the 12-Month ECL for assets that are within Stage 1, and lifetime ECL for all financial instruments for which there have been significant increases in credit risk.



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a) Accounting Policies (continued)

i. *MFRS 9 Financial Instruments* (continued)

Impairment (continued)

The Group has assessed that the initial application of the new ECL model is not expected to have significant impacts on the financial statements of the Group.

Hedge accounting

The requirement for general hedge accounting in MFRS 9 have been simplified and may result in more designation of hedge items for accounting purposes.

The Group has retained the present hedge accounting when applying MFRS 9 and expects no impact on the financial statements of the Group.

ii. *MFRS 15 Revenue from Contracts with Customers*

MFRS 15 establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cashflows arising from an entity's contracts with customers. MFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018.

MFRS 15 supersedes the following standards:

- MFRS 111 *Construction Contracts*
- MFRS 118 *Revenue*
- IC Interpretation 13 *Customer Loyalty Programmes*
- IC Interpretation 15 *Agreements for the Construction of Real Estate*
- IC Interpretation 18 *Transfers of Assets from Customers*
- IC Interpretation 131 *Revenue – Barter Transactions Involving Advertising Services*

The Group plans to apply this standard using retrospective approach with cumulative effect method, the cumulative effect of initially applying this standard is an adjustment to the opening balance on initial application of MFRS 15 on 1 July 2018.

The principles in MFRS 15 requires for an entity to measure and recognise revenue through a five-step model as follows:

- 1) Identify the contract(s) with a customer;
- 2) Identify the performance obligation in the contract;
- 3) Determine the transaction price;
- 4) Allocate the transaction price to the performance obligations in the contract; and
- 5) Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group has assessed that the initial application of MFRS 15 is not expected to have any significant impacts on the financial statements of the Group.



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a) Accounting Policies (continued)

iii. *MFRS 16 Leases*

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires for lessee to account for all leases under a single on-balance sheet model. MFRS 16 will supersede MFRS 117 *Leases*, IC Interpretation 4 *Determining whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Lease – Incentives* and IC Interpretation 127 *Evaluating the Substance of Transaction Involving the Legal Form of a Lease*.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019 but early application is permitted. The Group plans to early adopted and apply this standard using cumulative effect approach, the cumulative effect of initially applying this standard is an adjustment to the opening balance on initial application of MFRS 16 on 1 July 2018.

The Group has assessed that the initial application of MFRS 16 is not expected to have any significant impacts on the financial statements of the Group.

b) Seasonal or Cyclical Factors

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

c) Unusual Items

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

d) Material Changes in Estimates of Amounts Reported

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

e) Details of Changes in Debt and Equity Securities

During the current financial period-to-date, the Company issued 539,000 shares for cash at RM4.42 per share arising from the exercise of options granted under the Company's Executive Share Option Scheme.



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f) Dividends Paid

	CURRENT YEAR TO DATE RM Million	PRECEDING YEAR CORRESPONDING PERIOD RM Million
First interim single tier dividend in respect of financial year ended 30 June 2018		
- 4.5 sen per ordinary share	282.8	-
Special single tier dividend in respect of financial year ended 30 June 2018		
- 11.5 sen per ordinary share	722.7	-
Second interim single tier dividend in respect of financial year ended 30 June 2017		
- 5.0 sen per ordinary share	314.2	-
First interim single tier dividend in respect of financial year ended 30 June 2017		
- 4.5 sen per ordinary share	-	282.9
Second interim single tier dividend in respect of financial year ended 30 June 2016		
- 4.5 sen per ordinary share	-	283.0
	<u>1,319.7</u>	<u>565.9</u>

**IOI CORPORATION BERHAD** (9027-W)

(Incorporated in Malaysia)

IOI GROUP**Interim Report For The Financial Period Ended 30 June 2018**

(The figures have not been audited)

g) Segment Revenue & Results

(RM Million)	Plantation	Resource-based Manufacturing	Other Operations	Elimination	Total Continuing operations	Discontinued Operations	Elimination	Total
12 Months Ended 30/06/18								
REVENUE								
External Sales	257.6	7,147.0	13.0	-	7,417.6	4,692.9	-	12,110.5
Inter-segment sales	2,095.7	-	-	(2,095.7)	-	-	-	-
Inter-operation sales*	-	1,436.0	-	-	1,436.0	240.3	(1,676.3)	-
Total Revenue	2,353.3	8,583.0	13.0	(2,095.7)	8,853.6	4,933.2	(1,676.3)	12,110.5
RESULT								
Operating profit	927.1	352.3	4.6	-	1,284.0	169.8	-	1,453.8
Share of results of associates	106.9	34.0	-	-	140.9	-	-	140.9
Share of results of joint ventures	-	(2.6)	-	-	(2.6)	-	-	(2.6)
Segment results before fair value adjustments	1,034.0	383.7	4.6	-	1,422.3	169.8	-	1,592.1
Fair value (loss)/gain on:								
Biological assets	(23.9)	-	-	-	(23.9)	-	-	(23.9)
Derivative financial instruments	-	0.3	-	-	0.3	25.9	-	26.2
Segment results	1,010.1	384.0	4.6	-	1,398.7	195.7	-	1,594.4

*: Inter-operations sales within continuing operations and discontinued operations.

**IOI CORPORATION BERHAD** (9027-W)

(Incorporated in Malaysia)

IOI GROUP**Interim Report For The Financial Period Ended 30 June 2018**

(The figures have not been audited)

g) Segment Revenue & Results (Continued)

(RM Million)	Plantation	Resource-based Manufacturing	Other Operations	Elimination	Total Continuing operations	Discontinued Operations	Elimination	Total
12 Months Ended 30/06/17								
REVENUE								
External Sales	234.1	7,001.9	13.3	-	7,249.3	6,878.0	-	14,127.3
Inter-segment sales	2,106.9	-	-	(2,106.9)	-	-	-	-
Inter-operation sales*	-	2,404.4	-	-	2,404.4	302.8	(2,707.2)	-
Total Revenue	2,341.0	9,406.3	13.3	(2,106.9)	9,653.7	7,180.8	(2,707.2)	14,127.3
RESULT								
Operating profit	1,107.9	158.9	9.2	-	1,276.0	203.3	-	1,479.3
Share of results of associates	110.7	30.0	-	-	140.7	-	-	140.7
Share of results of joint ventures	-	(3.4)	-	-	(3.4)	-	-	(3.4)
Segment results before fair value adjustments	1,218.6	185.5	9.2	-	1,413.3	203.3	-	1,616.6
Fair value gain/(loss) on								
Biological assets	11.6	-	-	-	11.6	-	-	11.6
Derivative financial instruments	0.3	(0.8)	-	-	(0.5)	(69.5)	-	(70.0)
Segment results	1,230.5	184.7	9.2	-	1,424.4	133.8	-	1,558.2

*: Inter-operations sales within continuing operations and discontinued operations.

**IOI CORPORATION BERHAD** (9027-W)

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(The figures have not been audited)

g) Segment Revenue & Results (Continued)

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

	12 Months Ended 30/06/2018				12 Months Ended 30/06/2017			
	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
Total segment results	1,398.7	195.7	-	1,594.4	1,424.4	133.8	-	1,558.2
Unallocated corporate net loss	(18.1)	-	-	(18.1)	(23.0)	-	-	(23.0)
Profit before interest and taxation	1,380.6	195.7	-	1,576.3	1,401.4	133.8	-	1,535.2
Finance costs	(200.1)	(22.5)	16.8	(205.8)	(205.5)	(31.1)	23.3	(213.3)
Interest income	71.9	6.3	(16.8)	61.4	60.9	1.5	(23.3)	39.1
Net foreign currency translation gain/(loss) on foreign currency denominated borrowings	297.7	-	-	297.7	(298.8)	-	-	(298.8)
Net foreign currency translation gain on foreign currency denominated deposits	20.6	-	-	20.6	25.0	-	-	25.0
Profit before taxation	1,570.7	179.5	-	1,750.2	983.0	104.2	-	1,087.2
Taxation	(334.0)	(27.6)	-	(361.6)	(292.7)	(38.8)	-	(331.5)
	1,236.7	151.9	-	1,388.6	690.3	65.4	-	755.7
Gain on disposal of discontinued operations	-	1,154.8	-	1,154.8	-	10.4	-	10.4
Gain on re-measurement of share of associate	-	342.1	-	342.1	-	-	-	-
Recognition of fair value of put-call options	-	182.8	-	182.8	-	-	-	-
Profit for the period	1,236.7	1,831.6	-	3,068.3	690.3	75.8	-	766.1

*: Inter-operations transactions within continuing operations and discontinued operations.

There were no material changes in segment assets and segment liabilities from the amount disclosed in the last audited annual financial statements.



Interim Report For The Financial Period Ended 30 June 2018

(The figures have not been audited)

h) Material Events Subsequent to the End of Financial Period

There were no material events subsequent to 30 June 2018 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 June 2018 except for the following:

Divestment of Loders Croklaan Group B.V.

On 1 March 2018 (“Closing Date”), the Group completed the disposal of 70% equity interest in Loders Croklaan Group B.V. (“Loders”) (“Proposed Disposal”) with a preliminary disposal consideration of USD595.0 million plus EUR303.4 million. In relation to the final proceeds consideration, the Group had received the intermediate closing statement amounting to USD595.0 million plus EUR308.7 million and reverted with disputes to the intermediate closing statement. The intermediate disposal consideration is subject to adjustment which are to be determined subsequent to the disputed action in accordance with the terms of the Proposed Disposal.

Following the completion of the Proposed Disposal, the Group will continue to hold a 30% associate stake in Loders.

The analysis of the above divestment is summarised as follows:

	RM Million
<u>Gain arising from the divestment of Loders</u>	
Disposal of 70% stake in Loders	
Net disposal proceeds	3,707.1
Less: 70% of net carrying value of the Loders (RM3,485.6 million x 70%)	(2,439.9)
Reserves (foreign translation reserve and other reserve)	<u>(112.4)</u>
Gain on disposal of 70% stake in Loders	A <u>1,154.8</u>
 Recognition of the remaining 30% stake in Loders as an associate	
Fair value of 30% stake in Loders	1,387.8
Less: Carrying value of 30% stake	<u>(1,045.7)</u>
Net gain on re-measurement of the remaining 30% stake	B <u>342.1</u>
 Recognition of fair value of put-call options of the remaining 30% stake in Loders	
	C 182.8
Total gain arising from the divestment of Loders	A+B+C <u><u>1,679.7</u></u>

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 June 2018

(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) Q4 FY2018 vs. Q4 FY2017

For Q4 FY2018, the Group reported a profit before taxation (“PBT”) of RM67.0 million as compared to RM400.2 million reported for Q4 FY2017. The lower PBT is due mainly to net foreign currency translation loss on foreign currency denominated borrowings and fair value loss on derivative financial instruments from the resource-based manufacturing segment mitigated by higher net foreign currency translation gain on foreign currency denominated deposits. In Q4 FY2018, the plantation profit decreased by RM141.8 million as compared to Q4 FY2017, however this is mitigated by higher profit contribution from the resource-based manufacturing segment of RM78.1 million. Therefore, the underlying PBT of RM212.4 million for Q4 FY2018 is 24% lower than the underlying PBT of RM281.3 million for Q4 FY2017.

Plantation

The plantation segment profit for Q4 FY2018 of RM125.3 million is 53% lower than the profit for Q4 FY2017 of RM267.1 million. The lower profit reported is due mainly to lower CPO price realised and lower FFB production. Average CPO price realised for Q4 FY2018 were RM2,409/MT (Q4 FY2017 – RM2,809/MT) and FFB production for Q4 FY2018 was 761,874MT as compared to 799,778MT for Q4 FY2017.

Resource-based Manufacturing

The resource-based manufacturing segment profit of RM85.0 million for Q4 FY2018 is higher than profit of RM49.3 million reported for Q4 FY2017. Excluding the fair value loss/gain on derivative financial instruments, the underlying profit for resource-based manufacturing segment reported a profit of RM122.1 million for Q4 FY2018 as compared to a profit of RM44.0 million for Q4 FY2017. The higher profit is mainly contributed by higher margins from all sub-segments and share of associate result from Loders (Q4 FY2017 – taken up as discontinued operations after divestment of Loders).



Interim Report For The Financial Period Ended 30 June 2018

(The figures have not been audited)

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

1) **Detailed Analysis of the Performance of All Operating Segments of the Group (Continued)**

a) **Q4 FY2018 vs. Q4 FY2017 (Continued)**

The analysis of contribution by segment is as follow:

	CURRENT YEAR QUARTER				PRECEDING YEAR CORRESPONDING QUARTER				DIFFERENCE RM Million
	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	
Continuing operations									
Plantation before fair value adjustments	135.4	-	-	135.4	262.4	-	-	262.4	(127.0)
Fair value (loss)/gain on biological assets	(10.1)	-	-	(10.1)	4.7	-	-	4.7	(14.8)
Plantation	125.3	-	-	125.3	267.1	-	-	267.1	(141.8)
Resource-based manufacturing before fair value (loss)/gain on derivative financial instruments	122.1	-	-	122.1	44.0	34.3	-	78.3	43.8
Fair value (loss)/gain on derivative financial instruments	(37.1)	-	-	(37.1)	5.3	(49.9)	-	(44.6)	7.5
Resource-based manufacturing	85.0	-	-	85.0	49.3	(15.6)	-	33.7	51.3
Other operations	0.7	-	-	0.7	2.4	-	-	2.4	(1.7)
Segment results	211.0	-	-	211.0	318.8	(15.6)	-	303.2	(92.2)
Unallocated corporate net expenses	(12.8)	-	-	(12.8)	(2.5)	-	-	(2.5)	(10.3)
Profit/(loss) before interest and taxation	198.2	-	-	198.2	316.3	(15.6)	-	300.7	(102.5)
Finance costs	(46.6)	-	-	(46.6)	(45.1)	(7.9)	4.9	(48.1)	1.5
Interest income	23.7	-	-	23.7	15.4	0.5	(4.9)	11.0	12.7
Net foreign currency translation (loss)/gain on foreign currency denominated borrowings	(169.2)	-	-	(169.2)	112.0	-	-	112.0	(281.2)
Net foreign currency translation gain on foreign currency denominated deposits	60.9	-	-	60.9	1.6	-	-	1.6	59.3
Profit/(loss) before taxation	67.0	-	-	67.0	400.2	(23.0)	-	377.2	(310.2)

*: Inter-operations charges within continuing operations and discontinued operations.



IOI GROUP

IOI CORPORATION BERHAD (9027-W)
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Interim Report For The Financial Period Ended 30 June 2018

(The figures have not been audited)

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

- 1) **Detailed Analysis of the Performance of All Operating Segments of the Group (Continued)**
- b) **Q4 YTD FY2018 vs. Q4 YTD FY2017**

For Q4 YTD FY2018, the Group reported a PBT of RM1,570.7 million as compared to the PBT of RM983.0 million reported for Q4 YTD FY2017. The higher PBT is due mainly to net foreign currency translation gain on foreign currency denominated borrowings and fair value gain on derivative financial instruments from the resource-based manufacturing segment offset by lower net foreign currency translation gain on foreign currency denominated deposits. Excluding the net foreign currency translation gain of RM297.7 million (Q4 YTD FY2017 – loss of RM298.8 million) on foreign currency denominated borrowings and RM20.6 million on foreign currency denominated deposits (Q4 YTD FY2017 – RM25.0 million) as well as fair value gain on derivative financial instruments from the resource-based manufacturing segment of RM0.3 million (Q4 YTD FY2017 – loss of RM0.8 million), the underlying PBT of RM1,252.1 million for Q4 YTD FY2018 is marginally lower than the underlying PBT of RM1,257.6 million for Q4 YTD FY2017, due mainly to lower contribution from the plantation segment mitigated by the higher contribution from the resource-based manufacturing segment.

Plantation

The plantation segment profit of RM1,010.1 million for Q4 YTD FY2018 is lower than the profit reported for Q4 YTD FY2017 of RM1,230.5 million. The lower profit reported is due mainly to lower CPO and PK prices realised as well as lower CPO extraction rate, mitigated by higher FFB production. Average CPO and PK prices realised for Q4 YTD FY2018 were RM2,549/MT (Q4 YTD FY2017 – RM2,766/MT) and RM2,252/MT (Q4 YTD FY2017 – RM2,691/MT) respectively.

Resource-based Manufacturing

The resource-based manufacturing segment profit of RM384.0 million for Q4 YTD FY2018 is higher than profit of RM184.7 million reported for Q4 YTD FY2017. The better performance is contributed by higher sales volume from all the sub-segments as well as higher margins derived from the oleochemical sub-segment.

Discontinued Operations (Resource-based Manufacturing)

For Q4 YTD FY2018, the Group reported a profit from the discontinued operations of RM1,831.6 million as compared to RM75.8 million reported for Q4 YTD FY2017. The discontinued operations comprise the resource-based manufacturing businesses of Loders Croklaan Group B.V. (“Loders”) where a gain of RM1.68 billion arises from the divestment of 70% equity interest in Loders and 8 months results from Loders were included in Q4 YTD FY2018.

In the opinion of the Directors, the results for the financial year under review have not been affected by any transaction or event of a material or unusual nature which may have arisen between 30 June 2018 and the date of this announcement.



IOI GROUP

Interim Report For The Financial Period Ended 30 June 2018

(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

The Group reported a PBT of RM67.0 million for Q4 FY2018 as compared to PBT of RM430.7 million for Q3 FY2018. Excluding the net foreign currency translation loss of RM169.2 million (Q3 FY2018 – gain of RM201.9 million) on foreign currency denominated borrowings and gain of RM60.9 million (Q3 FY2018 – loss of RM31.5 million) on foreign currency denominated deposits as well as fair value loss on derivative financial instruments from the resource-based manufacturing segment of RM37.1 million (Q3 FY2018 – RM7.2 million), the underlying PBT of RM212.4 million for Q4 FY2018 is 21% lower than the underlying PBT of RM267.5 million for Q3 FY2018, due mainly to lower contribution from plantation segment mitigated by higher contribution from the resource-based manufacturing segment.

Details of the segmental results are as follows:

Plantation

The plantation segment profit decreased by 47% to RM125.3 million for Q4 FY2018 as compared to RM238.3 million reported for Q3 FY2018, attributable mainly to lower FFB production and lower CPO and PK prices realised. FFB production for Q4 FY2018 was 761,874MT as compared to 866,791MT for Q3 FY2018, i.e. a decrease of 12%.

Resource-based Manufacturing

The resource-based manufacturing segment reported a profit of RM85.0 million for Q4 FY2018 as compared to RM64.1 million reported for Q3 FY2018. Excluding the fair value loss on derivative financial instruments, the underlying profit for resource-based manufacturing segment of RM122.1 million for Q4 FY2018 is 71% higher than the underlying profit of RM71.3 million for Q3 FY2018 mainly due to higher margins from all the sub-segments as well as share of 3 months associate result from Loders (Q3 FY2018 – share of 1 month associate result after divestment of Loders).



Interim Report For The Financial Period Ended 30 June 2018

(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)

The analysis of contribution by segment is as follows:

	CURRENT QUARTER				PRECEDING QUARTER				DIFFERENCE RM Million
	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	
Plantation before fair value adjustments	135.4	-	-	135.4	242.5	-	-	242.5	(107.1)
Fair value loss on biological assets	(10.1)	-	-	(10.1)	(4.3)	-	-	(4.3)	(5.8)
Fair value gain on derivative financial instruments	-	-	-	-	0.1	-	-	0.1	(0.1)
Plantation	125.3	-	-	125.3	238.3	-	-	238.3	(113.0)
Resource-based manufacturing before fair value loss on derivative financial instruments	122.1	-	-	122.1	71.3	68.3	-	139.6	(17.5)
Fair value loss on derivative financial instruments	(37.1)	-	-	(37.1)	(7.2)	(11.3)	-	(18.5)	(18.6)
Resource-based manufacturing	85.0	-	-	85.0	64.1	57.0	-	121.1	(36.1)
Other operations	0.7	-	-	0.7	0.2	-	-	0.2	0.5
Segment results	211.0	-	-	211.0	302.6	57.0	-	359.6	(148.6)
Unallocated corporate net expenses	(12.8)	-	-	(12.8)	(5.9)	-	-	(5.9)	(6.9)
Profit before interest and taxation	198.2	-	-	198.2	296.7	57.0	-	353.7	(155.5)
Finance costs	(46.6)	-	-	(46.6)	(50.2)	(4.3)	2.9	(51.6)	5.0
Interest income	23.7	-	-	23.7	13.8	1.4	(2.9)	12.3	11.4
Net foreign currency translation (loss)/gain on foreign currency denominated borrowings	(169.2)	-	-	(169.2)	201.9	-	-	201.9	(371.1)
Net foreign currency translation gain/(loss) on foreign currency denominated deposits	60.9	-	-	60.9	(31.5)	-	-	(31.5)	92.4
Profit before taxation	67.0	-	-	67.0	430.7	54.1	-	484.8	(417.8)

*: Inter-operations transactions within continuing operations and discontinued operations.



Interim Report For The Financial Period Ended 30 June 2018

(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 soft for some time due to the anticipated rise in palm oil production and inventories. However, recent data indicates that the seasonal rise in production has not been as fast as is anticipated earlier, and that the growth in export volume has moderated the rise in inventories in Malaysia. With the current slight discount of palm oil over mineral oil, the Group expects palm oil price to be well-supported at the current price level of above RM2,200 a tonne. Combined with the expected seasonal increase in production in our Malaysian plantations and the continued growth in production from our young Indonesian plantation as well as from our associate company, Bumitama Agri Limited, the Group's plantation segment is expected to perform satisfactorily during the next quarter.

For the resource-based manufacturing segment, the uncertainty in refining margins remains the core challenges faced by the Malaysian refineries. However, we foresee the oleochemical sub-segment will continue to perform relatively well due to the moderately low feedstock cost, despite the uncertainty arising from the trade war between USA and other countries. As for our 30%-owned specialty fats associate, Bunge Loders Croklaan, we expect improvement in its overall financial performance due to the higher product margins in Europe and the synergies arising from the integration with the larger Bunge set up.

The US Dollar's recent strength is likely to result in some non-cash foreign exchange translation loss on our medium to long term USD-denominated borrowings. The retention of the balance of the Loders Croklaan share sale proceeds in US Dollar will provide a natural hedge and mitigate part of this translation loss.

Overall, the Group expects its operating performance for the next quarter 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 June 2018

(The figures have not been audited)

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

6) Taxation

	INDIVIDUAL QUARTER (Q4)		CUMULATIVE QUARTER (12 Mths)	
	CURRENT YEAR QUARTER RM Million	PRECEDING YEAR CORRESPONDING QUARTER RM Million	CURRENT YEAR TO DATE RM Million	PRECEDING YEAR CORRESPONDING PERIOD RM Million
The tax expense comprises the following:				
Current taxation				
- Current year	75.3	55.8	351.9	319.2
- Prior years	0.5	(1.7)	11.4	(3.2)
Deferred taxation				
- Current year	(19.6)	3.6	(27.3)	(17.9)
- Prior years	(2.0)	(3.8)	(2.0)	(5.4)
	<u>54.2</u>	<u>53.9</u>	<u>334.0</u>	<u>292.7</u>

The effective tax rate of the Group for Q4 FY2018 is higher than the statutory tax rate due principally to the non-allowable net foreign currency translation loss on foreign currency denominated borrowings offset against and non-taxable net foreign currency translation gain on foreign currency denominated deposits and other non-taxable income. The effective tax rate of the Group for Q4 YTD FY2018 is lower than the statutory tax rate due principally to non-taxable net foreign currency translation gain on foreign currency denominated borrowings and deposits offset against other non-allowable expenses incurred by the Group.

7) Corporate Proposal

- a) There was no corporate proposal announced by the Group but not completed as at 10 August 2018 (being a date not earlier than 7 days from the date of issue of the quarterly report).
- b) The status of utilisation of proceeds raised from the Corporate proposal as at 10 August 2018 (being a date not earlier than 7 days from the date of issue of the quarterly report) is as follows:

Purpose	Proposed	Actual	Intended	Deviation	
	Utilisation (RM Million)	Utilisation (RM Million)	Timeframe for Utilisation	Amount	%
Future investment	946.2	-	Within 24 months	-	-
Dividend to shareholders	756.9	722.7	Within 12 months	-	-
Repayment of borrowings	1,892.3	1,877.2	Within 24 months	-	-
General working capital	179.8	85.4	Within 24 months	-	-
Transaction expenses	9.5	9.5	Immediate	-	-
Total	<u>3,784.7</u>	<u>2,694.8</u>		-	-



Interim Report For The Financial Period Ended 30 June 2018

(The figures have not been audited)

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

8) Group Borrowings and Debts Securities

As at 30 June 2018	Long term		Short term		Total borrowings	
	Foreign currency (Million)	RM Equivalent (Million)	Foreign currency (Million)	RM Equivalent (Million)	Foreign currency (Million)	RM Equivalent (Million)
<u>Unsecured</u>						
<u>Denominated in USD</u>						
Notes	597.5	2,416.7	-	-	597.5	2,416.7
Islamic financing facilities	220.0	889.2	159.0	643.1	379.0	1,532.3
Trade financing	-	-	36.6	147.9	36.6	147.9
<u>Denominated in JPY</u>						
Term loans	21,000.0	769.0	-	-	21,000.0	769.0
<u>Denominated in EUR</u>						
Islamic financing facilities	43.0	201.3	-	-	43.0	201.3
Trade financing	-	-	22.1	103.6	22.1	103.6
Finance lease obligation	1.8	8.3	-	0.2	1.8	8.5
Total		4,284.5		894.8		5,179.3

As at 30 June 2017	Long term		Short term		Total borrowings	
	Foreign currency (Million)	RM Equivalent (Million)	Foreign currency (Million)	RM Equivalent (Million)	Foreign currency (Million)	RM Equivalent (Million)
<u>Unsecured</u>						
<u>Denominated in USD</u>						
Notes	597.0	2,564.3	-	-	597.0	2,564.3
Islamic financing facilities	359.9	1,545.3	318.9	1,369.6	678.8	2,914.9
Trade financing	-	-	30.5	131.2	30.5	131.2
<u>Denominated in JPY</u>						
Term loans	21,000.0	805.5	-	-	21,000.0	805.5
<u>Denominated in EUR</u>						
Islamic financing facilities	70.0	343.9	-	-	70.0	343.9
Trade financing	-	-	102.1	501.6	102.1	501.6
Finance lease obligation	1.8	8.7	-	0.2	1.8	8.9
<u>Denominated in RM</u>						
Trade financing	-	-	-	73.5	-	73.5
Total		5,267.7		2,076.1		7,343.8

Exchange rates applied

	As at 30 June 2018	As at 30 June 2017
USD/RM	4.0445	4.2955
JPY100/RM	3.6617	3.8358
EUR/RM	4.6801	4.9106



Interim Report For The Financial Period Ended 30 June 2018

(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 June 2018 are as follows:

	Contract/Notional Value (Million)				Fair Value – (liabilities)/assets (RM Million)				
	Base Currency	<1 year	1 year to 3 years	More than 3 years	Total	<1 year	1 year to 3 years	More than 3 years	Total
Vanilla Contracts									
USD/RM	USD	(289.1)	-	-	(289.1)	(19.8)	-	-	(19.8)
EUR/RM	EUR	(24.0)	-	-	(24.0)	1.5	-	-	1.5
JPY/RM	JPY	(753.2)	-	-	(753.2)	(0.2)	-	-	(0.2)
GBP/RM	GBP	(0.8)	-	-	(0.8)	0.1	-	-	0.1
RM/RMB	RMB	(4.5)	-	-	(4.5)	-	-	-	-
						(18.4)	-	-	(18.4)

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

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

b) The outstanding commodity contracts as at 30 June 2018 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
Forward Contracts									
	USD	(138.2)	-	-	(138.2)	25.4	-	-	25.4
	RM	85.0	-	-	85.0	4.3	-	-	4.3
						29.7	-	-	29.7
Futures									
	RM	99.3	-	-	99.3	(1.7)	-	-	(1.7)
						(1.7)	-	-	(1.7)

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

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



Interim Report For The Financial Period Ended 30 June 2018

(The figures have not been audited)

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

9) Derivative Financial Instruments (Continued)

c) The outstanding cross currency swap contracts as at 30 June 2018 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	-	-	102.8	102.8
JPY liability to USD liability ²	JPY	-	-	6,000.0	6,000.0	-	-	39.5	39.5
Fixed rate USD liability to fixed rate EUR liability ³	USD	-	-	100.0	100.0	-	-	(41.9)	(41.9)
Floating rate USD liability to fixed rate EUR liability ⁴	USD	-	-	100.0	100.0	-	-	(11.7)	(11.7)

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 part of the Group's USD110 million floating rate Foreign Currency Revolving Credit Facility-i (FCRC-i) into fixed rate EUR liability and serve as a net investments hedge against the Group's Euro denominated assets.

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

d) The outstanding interest rate swap contracts as at 30 June 2018 are as follows:

	Contract/Notional Value (Million)				Fair Value – assets (RM Million)				
	Base Currency	<1 year	1 year to 3 years	More than 3 years	Total	<1 year	1 year to 3 years	More than 3 years	Total
Interest Rate Swaps ¹	USD	-	-	110.0	110.0	-	-	13.1	13.1

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.

Interim Report For The Financial Period Ended 30 June 2018

(The figures have not been audited)

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

9) Derivative Financial Instruments (Continued)

e) Put-call options contract

Following the disposal of 70% in Loders Croklaan Group B.V. (“Loders”), the Company has on 1 March 2018 entered into a shareholders’ agreement (“SHA”) with Loders and Koninklijke Bunge B.V. (“Bunge”). Under the SHA, for a period of 5 years from 1 March 2018 (“Option Period”), the Company shall have the right to require Bunge to purchase all, but not less than all, of the Company’s equity interest in Loders (“Put Option”) for a purchase price calculated in accordance with the SHA (“Put Price”). During the Option Period, Bunge shall have the right to require the Company to sell all, but not less than all, of the Company’s equity interest in Loders (“Call Option”) for a purchase price equals to 25% above such Put Price.

The outstanding put-call options as at 30 June 2018 are as follows:

	Contract/Notional Value (Million)	Fair Value – assets/(liabilities) (RM Million)
Put Option	USD255.0 million plus EUR128.0 million (“Put Price”) ¹	350.4
Call Option	125% of Put Price	(174.4)
		176.0

¹ The Put Price is subject to adjustments in accordance with the terms of SHA.

All the above derivatives were initially recognised at fair value on the date the derivative contracts were entered into. The derivatives were subsequently remeasured at fair value and the changes in fair value were recognised as follows:

- i. Derivatives recognised in the other comprehensive income pursuant to hedge accounting
 - Cross currency swap contract which swapped a fixed rate USD100.0 million liability to a fixed rate EUR90.9 million liability; and
 - Cross currency swap contract which swapped a floating rate USD100.0 million liability to a fixed rate EUR90.1 million liability.
- ii. Derivatives recognised in the profit or loss
 - All other derivatives other than those mentioned in (i) above.



Interim Report For The Financial Period Ended 30 June 2018

(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	(22.3)	32.3	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	(1.4)	1.8	The difference between the contracted prices rate and forward prices	The prices for the respective commodity futures have moved unfavourably against/ favourably for the Group from the last measurement date
Commodity forward contracts	(1.2)	17.0	The difference between the contracted prices rate and forward prices	The prices for the respective commodity forward contracts have moved unfavourably against/ favourably for the Group from the last measurement date
Cross currency swap contracts	43.3	(31.1)	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 favourably for/ unfavourably against the Group from the last measurement date
Interest rate swap contracts	-	2.5	The difference between fixed and floating interest rates	The floating interest rate has moved favourably for the Group from the last measurement date
Call option	(1.2)	(1.2)	The difference between strike prices and underlying prices	The prices for the call option have moved unfavourably against the Group from the last measurement date



Interim Report For The Financial Period Ended 30 June 2018

(The figures have not been audited)

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

11) Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	CURRENT YEAR QUARTER (30/06/18)				CURRENT YEAR TO DATE (30/06/18)			
	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	(23.7)	-	-	(23.7)	(71.9)	(6.3)	16.8	(61.4)
Other income including investment income								
- Dividend income	(1.1)	-	-	(1.1)	(3.1)	-	-	(3.1)
Finance costs	46.6	-	-	46.6	200.1	22.5	(16.8)	205.8
Depreciation and amortisation	91.0	-	-	91.0	377.8	30.7	-	408.5
Net receivables written down	1.6	-	-	1.6	1.6	0.4	-	2.0
Net inventories written down	8.7	-	-	8.7	17.6	-	-	17.6
Net foreign currency translation loss/(gain) on foreign currency denominated borrowings	169.2	-	-	169.2	(297.7)	-	-	(297.7)
Net foreign currency translation gain on foreign currency denominated deposits	(60.9)	-	-	(60.9)	(20.6)	-	-	(20.6)
Foreign currency exchange (gain)/loss	(38.0)	-	-	(38.0)	(114.1)	41.2	-	(72.9)
Loss/(gain) on derivatives	37.1	-	-	37.1	(0.3)	(25.9)	-	(26.2)
Net loss arising from changes in fair value of biological assets	10.1	-	-	10.1	23.9	-	-	23.9
Other exceptional item:								
Loss/(gain) on disposal of discontinued operations	-	44.4	-	44.4	-	(1,154.8)	-	(1,154.8)
Gain on re-measurement of the remaining stake held as associate	-	(42.8)	-	(42.8)	-	(342.1)	-	(342.1)
Recognition of fair value of put-call options	-	(20.3)	-	(20.3)	-	(182.8)	-	(182.8)

*: Inter-operations transactions within continuing operations and discontinued operations.

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 30 June 2018

(The figures have not been audited)

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

12) Material Litigation

There is no new material litigation or significant changes to the status of material litigations which are pending disposal in the courts since 30 June 2017.

13) Dividend

The Board had on 23 February 2018 declared an interim single tier dividend of 4.5 sen per ordinary share in respect of the financial year ending 30 June 2018. The dividend was paid on 30 March 2018.

The Board had on 5 March 2018 declared a special single tier dividend of 11.5 sen per ordinary share in respect of the financial year ending 30 June 2018. The dividend was paid on 30 March 2018.

The Board has on 17 August 2018 declared a second interim single tier dividend of 4.5 sen (30 June 2017: 5.0 sen) per ordinary share in respect of the financial year ending 30 June 2018 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 September 2018 to shareholders whose names appear in the Record of Depositors and Register of Members of the Company at the close of business on 6 September 2018.

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 6 September 2018 in respect of transfers; and
- b) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 4 September 2018 (in respect of shares which are exempted from mandatory deposit); and
- c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

The total cash dividend declared to date for the current financial year is a single tier dividend of 20.5 sen (30 June 2017: 9.5 sen) per ordinary share.



IOI GROUP

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

Interim Report For The Financial Period Ended 30 June 2018

(The figures have not been audited)

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

14) Earnings/(loss) per Share

	INDIVIDUAL QUARTER (Q4)		CUMULATIVE QUARTER (12 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	17.1	341.7	1,228.9	667.4
From discontinued operations	18.7	(24.2)	1,831.6	75.8
	35.8	317.5	3,060.5	743.2
Weighted average number of ordinary shares in issue ('Million)	6,284.3	6,285.8	6,284.0	6,287.5
Basic (sen)				
From continuing operations	0.27	5.44	19.56	10.62
From discontinued operations	0.30	(0.39)	29.14	1.20
Total	0.57	5.05	48.70	11.82
b) Diluted earnings/(loss) per share				
Profit/(loss) for the period attributable to owners of the parent				
From continuing operations	17.1	341.7	1,228.9	667.4
From discontinued operations	18.7	(24.2)	1,831.6	75.8
	35.8	317.5	3,060.5	743.2
Adjusted weighted average number of ordinary shares in issue ('Million)				
Weighted average number of ordinary shares in issue	6,284.3	6,285.8	6,284.0	6,287.5
Assumed exercise of Executive Share Options at beginning of period	1.1	0.5	0.7	0.3
	6,285.4	6,286.3	6,284.7	6,287.8
Diluted (sen)				
From continuing operations	0.27	5.44	19.56	10.62
From discontinued operations	0.30	(0.39)	29.14	1.20
Total	0.57	5.05	48.70	11.82



IOI GROUP

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

Interim Report For The Financial Period Ended 30 June 2018

(The figures have not been audited)

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

15) Audit Qualification

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

By Order of the Board

Tan Choong Kiang
Company Secretary

Putrajaya
17 August 2018



Interim Report For The Financial Period Ended 30 June 2018

(The figures have not been audited)

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

Group Plantation Statistics

		As At 30/06/2018	As At 30/06/2017
Planted Area			
Oil palm			
Mature	<i>(hectares)</i>	154,613	149,714
Total planted	<i>(hectares)</i>	174,081	174,396
Rubber			
Mature	<i>(hectares)</i>	415	415
Total planted	<i>(hectares)</i>	470	470
Total Titled Area	<i>(hectares)</i>	217,328	217,917

		30/06/2018 (12 months)	30/06/2017 (12 months)
Average Mature Area Harvested			
Oil Palm	<i>(hectares)</i>	148,934	145,704
Production			
Oil Palm			
FFB production	<i>(tonnes)</i>	3,514,857	3,155,628
Yield per mature hectare	<i>(tonnes)</i>	23.60	21.66
FFB processed	<i>(tonnes)</i>	3,625,740	3,247,503
Crude palm oil production	<i>(tonnes)</i>	757,949	691,184
Palm kernel production	<i>(tonnes)</i>	175,937	155,426
Crude palm oil extraction rate	<i>(%)</i>	20.90%	21.28%
Palm kernel extraction rate	<i>(%)</i>	4.85%	4.79%
Average Selling Price Realised			
Oil palm			
Crude palm oil	<i>(RM/tonne)</i>	2,549	2,766
Palm kernel	<i>(RM/tonne)</i>	2,252	2,691