



IOI GROUP

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

**Interim Report
For The Financial Period Ended
31 March 2017**

Interim Report For The Financial Period Ended 31 March 2017

(The figures have not been audited)

Condensed Consolidated Statement of Profit or Loss

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER (9 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2017 RM Million	31/03/2016 RM Million	31/03/2017 RM Million	31/03/2016 RM Million
CONTINUING OPERATIONS				
Revenue	3,472.7	2,866.0	10,429.7	8,921.2
Operating profit	292.4	422.3	1,151.3	1,237.6
Share of results of associates	56.3	22.7	108.8	76.4
Share of results of joint ventures	(0.9)	(1.1)	(2.2)	(3.6)
Profit before interest and taxation	347.8	443.9	1,257.9	1,310.4
Interest income	6.2	15.5	28.1	40.4
Finance costs	(53.2)	(55.5)	(165.2)	(166.7)
Net foreign currency translation gain/(loss) on foreign currency denominated borrowings	91.2	432.8	(410.8)	(193.8)
Profit before taxation	392.0	836.7	710.0	990.3
Taxation	(86.6)	(104.7)	(276.4)	(284.4)
Profit from continuing operations	305.4	732.0	433.6	705.9
DISCONTINUED OPERATIONS				
Gain arising from disposal of assets held for sale, net of tax	-	-	10.4	-
Profit for the period	305.4	732.0	444.0	705.9
Attributable to owners of the parent:				
From continuing operations	305.3	729.4	415.3	688.7
From discontinued operations	-	-	10.4	-
	305.3	729.4	425.7	688.7
Attributable to non-controlling interests				
	0.1	2.6	18.3	17.2
	305.4	732.0	444.0	705.9

(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 31 March 2017
(The figures have not been audited)

Condensed Consolidated Statement of Profit or Loss (Continued)

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER (9 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	RM Million	RM Million	RM Million	RM Million
Earnings per share for profit attributable to owners of the parent (sen)				
Basic earnings per share				
From continuing operations	4.86	11.57	6.60	10.92
From discontinued operations	-	-	0.17	-
Total	4.86	11.57	6.77	10.92
Diluted earnings per share				
From continuing operations	4.86	11.57	6.60	10.92
From discontinued operations	-	-	0.17	-
Total	4.86	11.57	6.77	10.92

(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 31 March 2017

(The figures have not been audited)

Condensed Consolidated Statement of Other Comprehensive Income

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER (9 Mths)	
	CURRENT	PRECEDING YEAR	CURRENT	PRECEDING YEAR
	YEAR	CORRESPONDING	YEAR TO	CORRESPONDING
	QUARTER	QUARTER	DATE	PERIOD
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	RM Million	RM Million	RM Million	RM Million
Profit for the period	305.4	732.0	444.0	705.9
Other comprehensive (loss)/income that will not be reclassified subsequently to profit or loss				
Share of other comprehensive (loss)/income of associates	(6.8)	5.5	(6.5)	(1.0)
Share of reserves of associates arising from changes in accounting estimates	41.8	-	41.8	-
	35.0	5.5	35.3	(1.0)
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	0.6	(88.5)	136.3	15.6
Share of other comprehensive (loss)/income of associates	(7.9)	23.1	(2.4)	(5.6)
Hedge of net investments in foreign operations	(22.6)	(1.2)	(7.8)	(2.5)
Other comprehensive (loss)/income for the period	(29.9)	(66.6)	126.1	7.5
Total comprehensive income for the period, net of tax	310.5	670.9	605.4	712.4
Total comprehensive income attributable to:				
Owners of the parent	310.2	665.9	591.6	697.2
Non-controlling interests	0.3	5.0	13.8	15.2
	310.5	670.9	605.4	712.4

(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 31 March 2017
(The figures have not been audited)

Condensed Consolidated Statement of Financial Position

	AS AT END OF CURRENT QUARTER 31/03/2017 RM Million	AS AT PRECEDING FINANCIAL YEAR END 30/06/2016 RM Million
ASSETS		
Non-current assets		
Property, plant and equipment	10,051.2	9,985.1
Prepaid lease payments	26.5	21.1
Investment properties	6.9	6.9
Intangible assets	521.3	521.7
Investments in associates	1,129.0	937.5
Interests in joint ventures	35.6	31.7
Derivative assets	186.0	148.3
Deferred tax assets	37.2	38.0
	11,993.7	11,690.3
Current assets		
Inventories	2,807.2	2,284.4
Receivables	1,377.2	1,251.1
Biological assets	47.8	40.8
Derivative assets	82.3	232.9
Other investments	106.3	104.2
Short term funds	367.0	1,120.1
Deposits with financial institutions	207.0	248.7
Cash and bank balances	799.8	569.4
	5,794.6	5,851.6
Assets of disposal group held for sale	-	14.2
TOTAL ASSETS	17,788.3	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 31 March 2017
(The figures have not been audited)

Condensed Consolidated Statement of Financial Position (Continued)

	AS AT END OF CURRENT QUARTER 31/03/2017 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	783.8	646.2
Share premium	-	73.3
Other reserves	65.7	(12.9)
Treasury shares	(764.5)	(763.4)
Retained earnings	7,096.8	7,194.9
	7,181.8	7,138.1
Non-controlling interests	263.0	278.9
Total equity	7,444.8	7,417.0
Non-current liabilities		
Borrowings	5,401.5	4,902.9
Derivative liabilities	-	13.3
Other long term liabilities	69.5	64.3
Deferred tax liabilities	1,319.6	1,334.2
	6,790.6	6,314.7
Current liabilities		
Payables	1,219.6	1,226.2
Derivative liabilities	72.5	94.5
Short term borrowings	2,169.6	2,478.3
Provision for taxation	91.2	25.4
	3,552.9	3,824.4
Total liabilities	10,343.5	10,139.1
TOTAL EQUITY AND LIABILITIES	17,788.3	17,556.1
Net assets per share attributable to owners of the parent (RM)	1.14	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 31 March 2017

(The figures have not been audited)

Condensed Consolidated Statement of Cash Flows

	9 Months Ended 31/03/2017 RM Million	9 Months Ended 31/03/2016 RM Million
Operating Activities		
Profit before taxation		
From continuing operations	710.0	990.3
From discontinued operations	10.8	-
	720.8	990.3
Adjustments for:		
Depreciation and amortisation	360.7	335.7
Other non-cash items	489.4	65.0
Operating profit before working capital changes	1,570.9	1,391.0
(Increase)/decrease in inventories	(483.8)	97.2
Increase in receivables and other assets	(54.9)	(76.2)
Increase in payables and other liabilities	26.2	70.5
Cash generated from operations	1,058.4	1,482.5
Other payments	(0.7)	(1.7)
Taxes paid	(204.9)	(198.6)
Net cash inflow from operating activities	852.8	1,282.2
Investing Activities		
Interest received	26.5	39.5
Proceeds from disposal of assets held for sale	25.0	-
Dividends received	5.7	27.4
Proceeds from disposal of property, plant and equipment	2.8	2.6
Proceeds from disposal of other investments	0.6	0.3
Additions to prepaid lease payments	(3.7)	(14.0)
Advances to a joint venture	(6.0)	-
Additions to property, plant and equipment	(346.9)	(342.2)
Acquisition of additional interest in an associate	-	(10.7)
Acquisition of oleochemical business, net of cash and cash equivalents acquired	-	(412.4)
Net cash outflow from investing activities	(296.0)	(709.5)
Financing Activities		
Drawdown of long term borrowings	610.8	312.1
Net drawdown of other borrowings	176.3	5.5
Proceeds from issuance of shares to non-controlling interests	0.3	-
Repurchase of shares	(1.1)	(90.5)
Dividends paid to non-controlling interests	(30.0)	-
Repayment to non-controlling interests	(81.4)	-
Payment of finance costs	(143.1)	(153.5)
Payment of dividends	(565.9)	(504.1)
Repayment of term loans	(1,097.9)	-
Issuance of shares	-	7.0
Net cash outflow from financing activities	(1,132.0)	(423.5)
Net (decrease)/increase in cash and cash equivalents	(575.2)	149.2
Cash and cash equivalents at beginning of period	1,938.2	1,788.5
Effect of exchange rate changes	10.8	(0.5)
Cash and cash equivalents at end of period	1,373.8	1,937.2

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



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

Interim Report For The Financial Period Ended 31 March 2017

(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 (loss)/income	-	-	-	(6.7)	(7.8)	138.3	-	467.8	591.6	13.8	605.4
Transactions with owners											
Dividends 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	-	-	-	-	-	-	(1.1)	-	(1.1)	-	(1.1)
Transfer pursuant to Companies Act 2016	137.6	(73.3)	(64.3)	-	-	-	-	-	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	0.3	0.3
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(30.0)	(30.0)
As at 31 March 2017	783.8	-	26.8	(8.4)	(8.5)	55.8	(764.5)	7,096.8	7,181.8	263.0	7,444.8

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



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

Interim Report For The Financial Period Ended 31 March 2017

(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 (loss)/income	-	-	-	(0.7)	(2.5)	12.0	-	688.4	697.2	15.2	712.4
Transactions with owners											
Dividend paid in respect of current financial year	-	-	-	-	-	-	-	(220.5)	(220.5)	-	(220.5)
Dividends paid in respect of previous financial year	-	-	-	-	-	-	-	(283.6)	(283.6)	-	(283.6)
Issue of shares arising from exercise of share options	0.3	8.9	(2.2)	-	-	-	-	-	7.0	-	7.0
Repurchase of shares	-	-	-	-	-	-	(90.5)	-	(90.5)	-	(90.5)
Expiration of share options	-	-	(30.9)	-	-	-	-	30.9	-	-	-
As at 31 March 2016	646.2	73.3	72.0	(4.5)	(2.5)	(150.5)	(710.7)	7,255.3	7,178.6	289.3	7,467.9

(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 31 March 2017

(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 31 March 2017

(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

- i. During the current financial year-to-date, the Company has repurchased 247,000 of its issued shares capital from the open market. The average price paid for the shares repurchased was RM4.37 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirement of Section 127 of the Companies Act, 2016.
- ii. During the current financial year-to-date, 19,537,500 options with the subscription price of RM4.42 per ordinary share have been offered and 18,772,500 options have been accepted by the eligible employees (including Executive Director) of the Group. As at 31 March 2017, none of the said options has been exercised.

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	283.0	-
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 2015		
- 4.5 sen per ordinary share	-	283.6
First interim single tier dividend in respect of financial year ended 30 June 2016		
- 3.5 sen per ordinary share	-	220.5
	565.9	504.1

Interim Report For The Financial Period Ended 31 March 2017

(The figures have not been audited)

g) Segment Revenue & Results

(RM Million)	Plantation	Resource-based Manufacturing	Other Operations	Eliminations	Total
9 Months Ended 31/03/17					
REVENUE					
External Sales	175.5	10,245.6	8.6	-	10,429.7
Inter-segment sales	1,605.9	-	-	(1,605.9)	-
Total Revenue	1,781.4	10,245.6	8.6	(1,605.9)	10,429.7
RESULT					
Operating profit	873.6	286.5	6.8	-	1,166.9
Share of results of associates	82.6	26.2	-	-	108.8
Share of results of joint ventures	-	(2.2)	-	-	(2.2)
Segment results before fair value adjustments	956.2	310.5	6.8	-	1,273.5
Fair value gain/(loss) on:					
Biological assets	6.9	-	-	-	6.9
Derivative financial instruments	0.3	(25.7)	-	-	(25.4)
Segment results	963.4	284.8	6.8	-	1,255.0

9 Months Ended 31/03/16

REVENUE					
External Sales	119.2	8,791.9	10.1	-	8,921.2
Inter-segment sales	1,365.2	-	-	(1,365.2)	-
Total Revenue	1,484.4	8,791.9	10.1	(1,365.2)	8,921.2
RESULT					
Operating profit	602.2	404.1	5.6	-	1,011.9
Share of results of associates	54.8	21.6	-	-	76.4
Share of results of a joint venture	-	(3.6)	-	-	(3.6)
Segment results before fair value adjustments	657.0	422.1	5.6	-	1,084.7
Fair value (loss)/gain on:					
Biological assets	(9.8)	-	-	-	(9.8)
Derivative financial instruments	(0.1)	242.8	-	-	242.7
Segment results	647.1	664.9	5.6	-	1,317.6

Interim Report For The Financial Period Ended 31 March 2017

(The figures have not been audited)

g) Segment Revenue & Results (Continued)

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

	9 Months Ended 31/03/2017 RM Million	9 Months Ended 31/03/2016 RM Million
Continuing operations		
Total segment results	1,255.0	1,317.6
Unallocated corporate net income/(expenses)	<u>2.9</u>	<u>(7.2)</u>
Profit before interest and taxation	1,257.9	1,310.4
Finance costs	(165.2)	(166.7)
Interest income	28.1	40.4
Net foreign currency translation loss on foreign currency denominated borrowings	<u>(410.8)</u>	<u>(193.8)</u>
Profit before taxation	710.0	990.3
Taxation	<u>(276.4)</u>	<u>(284.4)</u>
Profit from continuing operations	433.6	705.9
Discontinued operations		
Gain arising from disposal of assets held for sale, net of tax	<u>10.4</u>	<u>-</u>
Profit for the period	<u>444.0</u>	<u>705.9</u>

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 31 March 2017 that have not been reflected in the financial statements.

i) Changes in the Composition of the Group

There were no material changes in the composition of the Group during the financial period ended 31 March 2017.

j) Contingent Liabilities

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

Interim Report For The Financial Period Ended 31 March 2017

(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) Q3 FY2017 vs. Q3 FY2016**

For Q3 FY2017, the Group reported a profit before taxation (“PBT”) of RM392.0 million as compared to the PBT of RM836.7 million reported for Q3 FY2016. The lower PBT is due mainly to lower net foreign currency translation gain on foreign currency denominated borrowings and lower fair value gain on derivative financial instruments from the resource-based manufacturing (“RBM”) segment. Excluding the net foreign currency translation gain and fair value gain on derivative financial instruments from the RBM segment, the underlying PBT of RM246.3 million for Q3 FY2017 is 12% higher than the underlying PBT of RM219.0 million for Q3 FY2016. The higher underlying PBT is due mainly to higher contribution from the plantation segment which is moderated by lower contribution from the RBM segment.

Plantation

The plantation profit increased by 94% to RM258.9 million for Q3 FY2017 as compared to RM133.6 million reported for Q3 FY2016. The higher profit reported is due mainly to higher CPO and PK prices realised as well as higher FFB production. Average CPO and PK prices realised for Q3 FY2017 were RM3,118/MT (Q3 FY2016 – RM2,289/MT) and RM3,211/MT (Q3 FY2016 – RM1,915/MT) respectively.

Resource-based Manufacturing

The resource-based manufacturing segment reported a profit of RM74.3 million for Q3 FY2017 as compared to RM305.1 million reported for Q3 FY2016. Excluding the fair value gain on derivative financial instruments, the underlying profit for resource-based manufacturing segment of RM19.8 million for Q3 FY2017 is 84% lower than the underlying profit of RM120.2 million for Q3 FY2016. This is due mainly to lower sales volume from all the sub-segments and lower margin derived from the oleochemical and refining sub-segments.

Interim Report For The Financial Period Ended 31 March 2017

(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) Q3 FY2017 vs. Q3 FY2016 (Continued)

The analysis of contribution by segment is as follows:

	CURRENT YEAR QUARTER RM Million	PRECEDING YEAR CORRESPONDING QUARTER RM Million	DIFFERENCE RM Million
Continuing operations			
Plantation before fair value loss on biological assets	266.4	143.4	123.0
Fair value loss on biological assets	(7.5)	(9.8)	2.3
Plantation	258.9	133.6	125.3
Resource-based manufacturing before fair value gain on derivative financial instruments	19.8	120.2	(100.4)
Fair value gain on derivative financial instruments	54.5	184.9	(130.4)
Resource-based manufacturing	74.3	305.1	(230.8)
Other operations	1.9	1.5	0.4
Segment results	335.1	440.2	(105.1)
Unallocated corporate net income	12.7	3.7	9.0
Profit before interest and taxation	347.8	443.9	(96.1)
Finance costs	(53.2)	(55.5)	2.3
Interest income	6.2	15.5	(9.3)
Net foreign currency translation gain on foreign currency denominated borrowings	91.2	432.8	(341.6)
Profit before taxation	392.0	836.7	(444.7)

Interim Report For The Financial Period Ended 31 March 2017

(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) **Q3 YTD FY2017 vs. Q3 YTD FY2016**

For Q3 YTD FY2017, the Group reported a PBT of RM710.0 million as compared to the PBT of RM990.3 million reported for Q3 YTD FY2016. The lower PBT is due mainly to higher net foreign currency translation loss on foreign currency denominated borrowings and fair value loss on derivative financial instruments from the RBM segment. Excluding the net foreign currency translation loss of RM410.8 million (Q3 YTD FY2016 – loss of RM193.8 million) and fair value loss on derivative financial instruments from the RBM segment of RM25.7 million (Q3 YTD FY2016 – gain of RM242.8 million), the underlying PBT of RM1,146.5 million for Q3 YTD FY2017 is 22% higher than the underlying PBT of RM941.3 million for Q3 YTD FY2016. The higher underlying PBT is due mainly to higher contribution from the plantation segment which is moderated by lower contribution from the RBM segment.

Plantation

The plantation profit of RM963.4 million for Q3 YTD FY2017 is 49% higher than the profit reported for Q3 YTD FY2016 of RM647.1 million. The higher profit reported is due mainly to higher CPO and PK prices realised. Average CPO and PK prices realised for Q3 YTD FY2017 were RM2,753/MT (Q3 YTD FY2016 – RM2,173/MT) and RM2,875/MT (Q3 YTD FY2016 – RM1,584/MT) respectively.

Resource-based Manufacturing

The resource-based manufacturing profit of RM284.8 million for Q3 YTD FY2017 is 57% lower than profit of RM664.9 million reported for Q3 YTD FY2016. The lower profit is due mainly to fair value loss on derivative financial instruments of RM25.7 million recognised in Q3 YTD FY2017 as opposed to fair value gain of RM242.8 million on derivative financial instruments recognised in Q3 YTD FY2016. Excluding the fair value loss/gain on derivative financial instruments, the underlying profit for resource-based manufacturing of RM310.5 million for Q3 YTD FY2017 is 26% lower than RM422.1 million reported for Q3 YTD FY2016. The lower underlying profit is due mainly to lower contributions from the oleochemical and refining sub-segments as a result of lower sales volume and lower margin. The specialty oils and fats sub-segment however performed better with increase in margin.

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

The Group reported a PBT of RM392.0 million for Q3 FY2017 as compared to RM128.8 million for Q2 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 RBM segment recognised in Q3 FY2017. Excluding the net foreign currency translation gain of RM91.2 million (Q2 FY2017 – loss of RM330.0 million) and fair value gain on derivative financial instruments from the RBM segment of RM54.5 million (Q2 FY2017 – loss of RM23.4 million), the underlying PBT of RM246.3 million for Q3 FY2017 is 49% lower than the underlying PBT of RM482.2 million for Q2 FY2017 due mainly to lower contribution from all segments.

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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 decreased by 28% to RM258.9 million for Q3 FY2017 as compared to RM357.9 million for Q2 FY2017, attributable mainly to lower FFB production which is mitigated by higher CPO and PK prices realised and lower fair value loss on biological assets. Average CPO and PK prices realised for Q3 FY2017 were RM3,118/MT (Q2 FY2017 – RM2,768/MT) and RM3,211/MT (Q2 FY2017 – RM2,882/MT) respectively.

Resource-based Manufacturing

The resource-based manufacturing segment reported a profit of RM74.3 million for Q3 FY2017 as compared to RM155.4 million reported for Q2 FY2017. Excluding the fair value gain/loss on derivative financial instruments, the underlying profit for resource-based manufacturing segment of RM19.8 million for Q3 FY2017 is lower than the underlying profit of RM178.8 million for Q2 FY2017. This is mainly due to lower sales volume and lower margin from the oleochemical and refining sub-segments.

The analysis of contribution by segment is as follows:

	CURRENT QUARTER	PRECEDING QUARTER	DIFFERENCE
	RM Million	RM Million	RM Million
Continuing operations			
Plantation before fair value loss on biological assets	266.4	378.9	(112.5)
Fair value loss on biological assets	(7.5)	(21.0)	13.5
Plantation	258.9	357.9	(99.0)
Resource-based manufacturing before fair value gain/(loss) on derivative financial instruments	19.8	178.8	(159.0)
Fair value gain/(loss) on derivative financial instruments	54.5	(23.4)	77.9
Resource-based manufacturing	74.3	155.4	(81.1)
Other operations	1.9	3.6	(1.7)
Segment results	335.1	516.9	(181.8)
Unallocated corporate net income/(expenses)	12.7	(12.3)	25.0
Profit before interest and taxation	347.8	504.6	(156.8)
Finance costs	(53.2)	(54.9)	1.7
Interest income	6.2	9.1	(2.9)
Net foreign currency translation gain/(loss) on foreign currency denominated borrowings	91.2	(330.0)	421.2
Profit before taxation	392.0	128.8	263.2

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(The figures have not been audited)

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

3) Prospects

For the last quarter of the financial year, the FFB production of the Group is expected to continue to increase from the seasonal low in third quarter. Palm oil prices have dropped in February and March this year but we anticipate prices to be supported at current levels during the fourth quarter with lower prices expected in July to September quarter due to increased production.

With the lower palm oil and particularly palm kernel prices, the resource-based manufacturing segment is expected to perform better due to better margins in the fourth quarter.

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. 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.

6) Taxation

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER (9 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	90.3	53.5	294.3	239.3
- Prior years	0.5	(2.6)	(1.5)	(2.6)
Deferred taxation				
- Current year	(6.2)	51.3	(21.5)	44.4
- Prior years	2.0	2.5	5.1	3.3
	86.6	104.7	276.4	284.4

The effective tax rate of the Group for Q3 FY2017 is lower than the statutory tax rate due principally to the non-taxable net foreign currency translation gain on foreign currency denominated borrowings offset against other non-allowable expenses incurred by the Group. The effective tax rate of the Group for Q3 YTD FY2017 is higher than the statutory tax rate due principally to non-allowable net foreign currency translation loss on foreign currency denominated borrowings and other non-allowable expenses incurred by the Group.

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(The figures have not been audited)

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

7) Corporate Proposal

There were no corporate proposals announced by the Group but not completed as at 9 May 2017 (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 31 March 2017 are as follows:

RM Million

a) Short term borrowings

Unsecured

Denominated in RM	109.4
Denominated in USD (USD350.3 million)	1,549.9
Denominated in EUR (EUR108.0 million)	510.3

Total Short Term Borrowings 2,169.6

b) Long term borrowings

Unsecured

Denominated in JPY (JPY21,000.0 million)	829.2
Denominated in USD (USD956.7 million)	4,232.6
Denominated in EUR (EUR71.8 million)	339.7

Total Long Term Borrowings 5,401.5

Total Borrowings 7,571.1

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(The figures have not been audited)

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

9) Derivative Financial Instruments

a) The outstanding forward foreign exchange contracts as at 31 March 2017 are as follows:

	Contract/Notional Value (Million) Net long/(short)					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	(376.0)	(0.3)	-	(376.3)	(3.5)	-	-	(3.5)
EUR/RM	EUR	(16.8)	-	-	(16.8)	0.1	-	-	0.1
USD/EUR	USD	212.4	-	-	212.4	9.5	-	-	9.5
EUR/GBP	GBP	(9.7)	-	-	(9.7)	(0.5)	-	-	(0.5)
EUR/CAD	CAD	(5.9)	-	-	(5.9)	(0.1)	-	-	(0.1)
JPY/RM	JPY	(584.0)	-	-	(584.0)	(0.3)	-	-	(0.3)
GBP/RM	GBP	(0.9)	-	-	(0.9)	-	-	-	-
EUR/RM	RM	(8.6)	-	-	(8.6)	1.6	-	-	1.6
SGD/RM	SGD	0.2	-	-	0.2	-	-	-	-
USD/CAD	CAD	(0.8)	-	-	(0.8)	-	-	-	-
CAD/USD	USD	2.2	-	-	2.2	(0.1)	-	-	(0.1)
RM/RMB	RMB	(130.5)	-	-	(130.5)	(0.5)	-	-	(0.5)
						6.2	-	-	6.2

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

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

Interim Report For The Financial Period Ended 31 March 2017

(The figures have not been audited)

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

9) Derivative Financial Instruments (Continued)

b) The outstanding commodity contracts as at 31 March 2017 are as follows:

	Contract/Notional Value (Million) Net long/(short)					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
Forward Contracts	USD	24.7	-	-	24.7	(0.1)	-	-	(0.1)
	RM	25.2	-	-	25.2	4.5	-	-	4.5
	SGD	(0.1)	-	-	(0.1)	-	-	-	-
		4.4	-	-	4.4				
Futures	USD	1.4	-	-	1.4	0.2	-	-	0.2
	RM	(4.8)	-	-	(4.8)	2.0	-	-	2.0
		2.2	-	-	2.2				

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 31 March 2017 are as follows:

	Contract/Notional Value (Million)					Fair Value – assets (RM Million)			
	Base Currency	<1 year	1 year to 3 years	More than 3 years	Total	<1 year	1 year to 3 years	More than 3 years	Total
JPY liability to USD liability ¹	JPY	-	-	15,000.0	15,000.0	-	-	107.7	107.7
JPY liability to USD liability ²	JPY	-	-	6,000.0	6,000.0	-	-	42.6	42.6
Fixed rate USD liability to fixed rate EUR liability ³	USD	-	-	100.0	100.0	-	-	5.5	5.5
Floating rate USD liability to fixed rate EUR liability ⁴	USD	-	-	100.0	100.0	-	-	30.2	30.2

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.

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(The figures have not been audited)

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

9) Derivative Financial Instruments (Continued)

d) The outstanding interest rate swap contracts as at 31 March 2017 are as follows:

	Contract/Notional Value (Million)					Fair Value – 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	150.0	-	-	150.0	(3.0)	-	-	(3.0)

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 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.

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(The figures have not been audited)

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

10) Fair Value Changes of Financial Liabilities

Type of Financial Liability	Fair Value gain/(loss)		Basis of Fair Value Measurement	Reason for gain/(loss)
	Current Quarter	Current Year To Date		
	RM Million	RM Million		
Forward foreign exchange contracts	71.7	(8.8)	The difference between the contracted rates and the market forward rates	The exchange rates have moved favourably for/(unfavourably against) the Group from the last measurement date
Commodity futures	29.9	5.2	The difference between the contracted prices rate and forward prices	The prices for the respective commodity futures have moved favourably for the Group from the last measurement date
Commodity forward contracts	(15.5)	27.6	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
Interest rate swap contracts	2.0	11.3	The difference between fixed and floating interest rates	The floating interest rate has moved favourably for the Group from the last measurement date

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(The figures have not been audited)

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

11) Realised and Unrealised Profits

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

RM Million

**Total retained profits of IOI Corporation
Berhad and its subsidiaries:**

- Realised	8,663.2
- Unrealised	1,906.7
	10,569.9

**Total share of retained profits from
associated companies:**

- Realised	390.2
- Unrealised	154.9
	545.1

**Total share of accumulated losses from
joint ventures:**

- Realised	(14.1)
- Unrealised	-
	(14.1)

11,100.9

Less: Consolidation adjustments

(4,004.1)

Total Group retained profits

7,096.8

Interim Report For The Financial Period Ended 31 March 2017

(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 31/03/2017 RM Million	CURRENT YEAR TO DATE 31/03/2017 RM Million
Continuing operations		
Interest income	(6.2)	(28.1)
Other income including investment income		
- Dividend income	(0.4)	(1.8)
Finance costs	53.2	165.2
Depreciation and amortisation	123.1	360.7
Reversal of provision for receivables	(0.1)	(2.5)
Net inventories written down	30.8	34.0
Net foreign currency translation (gain)/loss on foreign currency denominated borrowings	(91.2)	410.8
Foreign currency exchange loss/(gain)	30.8	(25.9)
(Gain)/loss on derivatives	(57.7)	25.4
Net loss/(gain) arising from changes in fair value of biological assets	7.5	(6.9)
Discontinued operations		
Other exceptional item :		
Gain arising from disposal of assets held for sale, net of tax	-	(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.

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(The figures have not been audited)

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

14) Dividend

The Board has on 20 February 2017 declared an interim single tier dividend of 4.5 sen per ordinary share in respect of the financial year ending 30 June 2017. The dividend was paid on 16 March 2017.

No dividend has been proposed for this quarter (31 March 2016: nil).

The total cash dividend declared to date for the current financial year is a single tier dividend of 4.5 sen (31 March 2016: 3.5 sen) per ordinary share.

15) Earnings per Share

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER (9 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM Million	RM Million	RM Million	RM Million
a) Basic earnings per share				
Profit for the period attributable to owners of the parent				
From continuing operations	305.3	729.4	415.3	688.7
From discontinued operations	-	-	10.4	-
	305.3	729.4	425.7	688.7
Weighted average number of ordinary shares in issue ('Million)	6,288.0	6,301.0	6,288.1	6,305.6
Basic (sen)				
From continuing operations	4.86	11.57	6.60	10.92
From discontinued operations	-	-	0.17	-
Total	4.86	11.57	6.77	10.92

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(The figures have not been audited)

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

15) Earnings per Share (Continued)

	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER (9 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM Million	RM Million	RM Million	RM Million
b) Diluted earnings per share				
Profit for the period attributable to owners of the parent				
From continuing operations	305.3	729.4	415.3	688.7
From discontinued operations	-	-	10.4	-
	<u>305.3</u>	<u>729.4</u>	<u>425.7</u>	<u>688.7</u>
Adjusted weighted average number of ordinary shares in issue ('Million)				
Weighted average number of ordinary shares in issue	6,288.0	6,301.0	6,288.1	6,305.6
Assumed exercise of Executive Share Options at beginning of period	0.8	-	0.2	2.9
	<u>6,288.8</u>	<u>6,301.0</u>	<u>6,288.3</u>	<u>6,308.5</u>
Diluted (sen)				
From continuing operations	4.86	11.57	6.60	10.92
From discontinued operations	-	-	0.17	-
Total	<u>4.86</u>	<u>11.57</u>	<u>6.77</u>	<u>10.92</u>

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 Khiang
Company Secretary

Putrajaya
16 May 2017

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(The figures have not been audited)

Group Plantation Statistics

		As At 31/03/2017	As At 31/03/2016
Planted Area			
Oil palm			
Mature	(hectares)	148,349	148,175
Total planted	(hectares)	174,456	179,313
Rubber			
Mature	(hectares)	415	282
Total planted	(hectares)	470	470
Total Titled Area	(hectares)	217,917	217,917

		31/03/2017 (9 months)	31/03/2016 (9 months)
Average Mature Area Harvested			
Oil Palm	(hectares)	145,243	147,200
Production			
Oil Palm			
FFB production	(tonnes)	2,355,850	2,427,833
Yield per mature hectare	(tonnes)	16.22	16.49
FFB processed	(tonnes)	2,419,009	2,495,734
Crude palm oil production	(tonnes)	517,232	544,457
Palm kernel production	(tonnes)	116,541	128,458
Crude palm oil extraction rate	(%)	21.38%	21.82%
Palm kernel extraction rate	(%)	4.82%	5.15%
Average Selling Price Realised			
Oil palm			
Crude palm oil	(RM/tonne)	2,753	2,173
Palm kernel	(RM/tonne)	2,875	1,584