

# CHAIRMAN'S STATEMENT

**Dear Shareholders,**

It is with great privilege that I present, on behalf of the Board of Directors ("the Board") of IOI Corporation Berhad ("IOI" or "the Group"), the Annual Report for the financial year ended 30 June 2025 ("FY2025").

**Tan Sri Peter Chin Fah Kui**  
*Non-Independent  
Non-Executive Chairman*





## OPERATING ENVIRONMENT

FY2025 unfolded against a backdrop of persistent global uncertainty. Although inflationary pressures eased in most major economies, geopolitical and trade tensions continued to weigh on global growth. A key development was the imposition of the United States (“US”) “Liberation Day” tariffs, which disrupted global supply chains, triggered retaliatory measures, and dampened trade flows. Reflecting these headwinds, the International Monetary Fund and World Bank forecasted global Gross Domestic Product (“GDP”) growth of 3.0% and 2.3% respectively for 2025. Nevertheless, the easing of monetary policies across major economies helped to balance some of these pressures.

On the plantation side, crude palm oil (“CPO”) price in FY2025 was highly volatile. At the start of the financial year, the price rose from around RM4,000/metric tonne (“MT”) to reach the RM5,000/MT level in November 2024, before retreating to below RM3,800/MT in May 2025.

By June 2025, it recovered slightly to hover around RM4,000/MT. This volatility was driven by several factors, including uncertainties surrounding the reciprocal tariff imposed by the US, fluctuations in demand from major importing countries, and the implementation of Indonesia’s B40 biodiesel mandate in 2025. In addition, the movements in competing vegetable oil markets, particularly the shifting premium or discount between CPO and soybean oil, also contributed to the price swings.

In the foreign exchange market, the US dollar remained volatile throughout FY2025, driven by uncertainties surrounding the US Federal Reserve’s interest rate trajectory. In September 2024, the US Federal Reserve began easing monetary policy, lowering the benchmark rate by 100 basis points from 5.25% to 4.25% as of June 2025. This has led to a weakening of the US dollar against the Malaysian ringgit.

## REVIEW OF RESULTS

For FY2025, the Group reported a profit before tax (“PBT”) of RM1,877.5 million as compared to RM1,398.5 million reported for FY2024. Excluding the non-underlying items as tabulated below, the underlying PBT of RM1,616.3 million for FY2025 was 17% higher than the underlying PBT of RM1,383.0 million for FY2024, due mainly to higher contribution from plantation segment, partially offset by lower contribution from resource-based manufacturing segment:

### Underlying PBT Year-to-Date

In RM million	FY2025	FY2024
<b>PBT</b>	<b>1,877.5</b>	<b>1,398.5</b>
<b>Exclude non-underlying items:</b>		
Net foreign currency translation (gain)/loss on foreign currency denominated borrowings and deposits	(284.1)	18.9
Net fair value gain on biological assets	(6.0)	(8.2)
Net fair value gain on derivative financial instruments	(12.9)	(34.2)
Impairment loss on plasma receivables	1.8	5.5
Impairment loss on property, plant and equipment	40.0	2.5
	<b>(261.2)</b>	<b>(15.5)</b>
<b>Underlying PBT</b>	<b>1,616.3</b>	<b>1,383.0</b>



The plantation segment profit for FY2025 of RM1,576.5 million was 30% higher than the profit for FY2024 of RM1,209.3 million. Excluding the fair value gain on biological assets and derivative financial instruments of RM5.3 million (FY2024: RM8.0 million), and net impairment loss on plasma receivables and property, plant and equipment of RM2.6 million (FY2024: RM8.0 million), the segment reported an underlying profit of RM1,573.8 million for FY2025 which was 30% higher than the underlying profit of RM1,209.3 million for FY2024; primarily driven by higher realised prices for CPO (12% higher year-on-year) and PK (50% higher year-on-year), partially offset by lower oil extraction rates (“OER”).



Revenue

**RM11.33 billion**

(FY2024: RM9.60 billion)



Profit Before Interest and Tax

**RM1.70 billion**

(FY2024: RM1.54 billion)



Net Profit Attributable to Owners of the Parent

**RM1.52 billion**

(FY2024: RM1.11 billion)



For our resource-based manufacturing segment, profit for FY2025 was RM128.4 million as compared to the profit of RM329.3 million for FY2024. Excluding the fair value gain on derivative financial instruments of RM18.5 million (FY2024: RM37.4 million) and impairment loss on property, plant and equipment of RM39.2 million (FY2024: nil), the segment reported an underlying profit of RM149.1 million for FY2025 which was 49% lower than the underlying profit of RM291.9 million for FY2024 due mainly to lower contribution from the refining sub-segment with lower margin as a result of intense competition and geopolitical tensions as well as lower share of associates' results.

A more detailed review of the Group's performance is covered under the Group Business Review section from pages 70-87.

## MAJOR CAPITAL EXPENDITURE

The Group continues to demonstrate its commitment to sustaining and expanding its business activities. In FY2025, total capital expenditure amounted to RM691.2 million, with RM568.2 million invested in the plantation segment and RM115.3 million allocated to the resource-based manufacturing segment. In addition, we contributed RM87.0 million to our 20%-owned associate, Bunge Loders Croklaan Group BV (“BLC”), representing our share in the ongoing construction of a new integrated tropical oil and specialty fats manufacturing complex in Amsterdam, the Netherlands. This strategic investment reinforces our long-term vision of strengthening downstream capabilities and expanding our footprint in key global markets.

As part of the Group’s ongoing accelerated replanting programme, approximately 9,254 hectares of ageing oil palm trees were replanted with superior, high-yielding planting materials. Additionally, around 1,410 hectares of oil palm plantations achieved maturity during the financial year, which will strengthen the Group’s productivity and long-term growth potential.

## DIVIDEND AND CAPITAL MANAGEMENT

In FY2025, the Group declared total dividends of approximately RM651.4 million. This comprised an interim single-tier dividend of 5.0 sen per ordinary share, amounting to RM310.2 million which was distributed in March 2025, followed by a second interim single-tier dividend of 5.5 sen per ordinary share, amounting to RM341.2 million in September 2025.

Despite these substantial dividend payouts, the Group maintained a strong liquidity position, ending the financial year with cash and cash equivalents of RM1.58 billion and a low net gearing ratio of 14%. This reflects our firm commitment to prudent capital management, ensuring ample financial flexibility to support future growth initiatives and investment opportunities.

## ACKNOWLEDGEMENTS

On behalf of the Board, I am pleased to welcome Tan Sri Abdul Wahid bin Omar as the Senior Independent Non-Executive Director of IOI Corporation Berhad. With extensive leadership experience across both corporate and public sectors, including his roles as Group Chief Executive Officer of Telekom Malaysia Berhad and President and Chief Executive Officer of Malayan Banking Berhad, his service as Minister in the Prime Minister’s Department (Economic Planning Unit), and his most recent role as Chairman of Bursa Malaysia, Tan Sri Abdul Wahid brings invaluable wealth and strategic insight to the Group. We are honoured to have him join our Board and look forward to his valuable contributions as we continue to strengthen our growth journey.

Amid a challenging global economic landscape marked by geopolitical tensions and rising trade fragmentation, the Group has nevertheless delivered a commendable financial performance for FY2025. This resilience reflects the dedication and perseverance of our management team and employees, to whom I convey my sincere appreciation.

I would also like to express my heartfelt gratitude to all our stakeholders including customers, financial partners, business associates, regulatory authorities, non-governmental organisations, and shareholders for their steadfast support and confidence in the Group.

Thank you.

**Tan Sri Peter Chin Fah Kui**  
Non-Independent Non-Executive Chairman

