

**THIS ABRIDGED PROSPECTUS ("AP") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.** All enquiries concerning the Rights Issue should be addressed to our Share Registrar, IGB Corporation Berhad (Share Registration Department), at Level 32, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

This AP, together with the NPA and RSF, (collectively the "Documents") are only to be dispatched to the shareholders of IJMP who have a registered address in Malaysia and whose names appear in the Record of Depositors of IJMP at 5.00 p.m. on 15 October 2009. The Documents are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/or their renounee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers as to whether the acceptance or renunciation (as the case may be) of their entitlements to the Rights Issue, application for Excess Rights Shares, or the subscription, offer, sale, resale, pledge or other transfer of the Rights Shares with Warrants would result in the contravention of any laws of such countries or jurisdictions. IJMP, CIMB, Newfields and/or other experts shall not accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be), application for Excess Rights Shares, or the subscription, offer, sale, resale, pledge or other transfer of the Rights Shares with Warrants made by any Entitled Shareholders and/or their renounee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which the said Entitled Shareholders and/or their renounee(s) (if applicable) are resident.

The SC has, on 6 August 2009, approved the Rights Issue and the listing of and quotation for the Rights Shares and Warrants and the new IJMP Shares to be issued upon the exercise of the Warrants on the Main Market of Bursa Securities.

The approval from the shareholders of IJMP was obtained at the Company's EGM held on 20 August 2009. Approval-in-principle from Bursa Securities was obtained on 7 September 2009 for the admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares, Warrants and the new IJMP Shares to be issued upon the exercise of the Warrants on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue. The admission of the Warrants to the Official List and the official listing of and quotation for the Rights Shares and Warrants will commence after, among others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the Entitled Shareholders and/or their renounee(s) (if applicable) have been duly credited and notices of allotment have been dispatched to them. The listing of and quotation for the new IJMP Shares to be issued upon the exercise of the Warrants is expected to commence after receipt of confirmation from Bursa Depository that all the CDS Accounts of the exercising Warrant holders have been duly credited.

A copy of this AP has been registered with the SC. The registration of this AP should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in the AP. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this AP, together with the RSF, has also been lodged with the Registrar of Companies who takes no responsibility for their contents.

Investors are advised to note that recourse for false or misleading statements or acts made in connection with the AP are directly available through Sections 248, 249 and 357 of the Capital Markets & Services Act 2007 ("CMSA").

Securities listed on Bursa Securities are offered to the public premised on full and accurate disclosure of all material information concerning the issue for which any of the persons set out in Section 236 of the CMSA, are responsible.

Neither the SC nor Bursa Securities takes any responsibility for the correctness of statements made or opinions expressed in this AP. Admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares and Warrants, and the new IJMP Shares to be issued upon exercise of the Warrants on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue.

Our Board has seen and approved the Documents and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement in the Documents false or misleading.

CIMB and Newfields, being the Principal Adviser and Financial Adviser for the Rights Issue respectively, acknowledge that, based on all available information and to the best of their knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue.

**All abbreviations used herein shall have the same meaning as those defined in the "Definitions" page of this AP unless stated otherwise.**



**IJM PLANTATIONS BERHAD**

(133399-A)

(Incorporated in Malaysia under the Companies Act, 1965)

**RENOUNCEABLE RIGHTS ISSUE OF 160,268,583 NEW SHARES TOGETHER WITH 80,134,291 WARRANTS, ON THE BASIS OF 2 NEW SHARES TOGETHER WITH 1 FREE WARRANT FOR EVERY 8 EXISTING SHARES HELD AS AT 5.00 P.M. ON 15 OCTOBER 2009, AT AN ISSUE PRICE OF RM2.10 PER NEW SHARE**

*Principal Adviser*



**CIMB Investment Bank Berhad (18417-M)**

*Financial Adviser*



**Newfields Advisors Sdn Bhd  
(296051-V)**

**IMPORTANT DATES AND TIMES**

Entitlement and record date ..... : Thursday, 15 October 2009 at 5.00 p.m.

**Last day and time for:**

Sale of provisional allotment of Rights Shares with Warrants ..... : Thursday, 22 October 2009 at 5.00 p.m.

Transfer of provisional allotment of Rights Shares with Warrants ..... : Tuesday, 27 October 2009 at 4.00 p.m.

Acceptance and payment ..... : Friday, 30 October 2009 at 5.00 p.m.\*

Excess application and payment ..... : Friday, 30 October 2009 at 5.00 p.m.\*

\* or such later day and time as our Board of Directors may decide and announce not less than 2 market days before the stipulated day and time.

**THE SC AND BURSA SECURITIES SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKE NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.**

**YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE RIGHTS ISSUE AND ANY INVESTMENT IN OUR COMPANY. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN IN CONSIDERING THE INVESTMENT, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

**THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF IJMP SHARES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY IJMP SHARES IN ANY JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.**

**THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.**

**ALL TERMS USED ARE AS DEFINED IN THE "DEFINITIONS" PAGE OF THIS ABRIDGED PROSPECTUS.**

**DEFINITIONS**

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus:

Act	:	Companies Act, 1965 as amended from time to time and any re-enactment thereof
AP	:	This Abridged Prospectus dated 15 October 2009
BNM	:	Bank Negara Malaysia
Board	:	Board of Directors
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Company No.: 166570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (Company No.: 635998-W)
CDS	:	Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
CDS Account	:	Account established by Bursa Depository for a depositor for the recording of deposit of securities and dealings in such securities by that depositor of securities
CIMB	:	CIMB Investment Bank Berhad (Company No.: 18417-M)
CPO	:	Crude palm oil
Deed Poll	:	Deed poll dated 30 September 2009 constituting the Warrants
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
EGM	:	Extraordinary general meeting
Entitled Shareholders	:	Shareholders of our Company whose names appear in our Record of Depositors as at the Entitlement Date
Entitlement Date	:	5.00 p.m. on 15 October 2009, being the time and day on which the shareholders of our Company must be registered in our Record of Depositors in order to be entitled to the Rights Issue
EPF	:	Employees Provident Fund Board
EPS	:	Earnings per share
Excess Rights Shares with Warrants	:	Rights Shares with Warrants which are not taken up or not validly taken up by the Entitled Shareholders and/or their renounee(s) prior to excess application
FFB	:	Fresh fruit bunches
Foreign Addressed Shareholders	:	Our foreign shareholders as at the Entitlement Date who have not provided an address in Malaysia for the service of the AP, NPA and RSF
IJM	:	IJM Corporation Berhad (Company No. 104131-A)
IJMP or Company	:	IJM Plantations Berhad (Company No. 133399-A)

**DEFINITIONS (Cont'd)**

IJMP Group or Group	:	IJMP and its subsidiaries
IJMP Shares	:	Ordinary shares of RM0.50 each in IJMP
LPD	:	30 September 2009, being the latest practicable date before the registration of this AP with the SC
Market Day	:	Any day between Monday and Friday, both days inclusive, which is not a public holiday and on which Bursa Securities is open for trading of securities
MI	:	Minority interest
MT	:	Metric tonne
NA	:	Net assets
Newfields	:	Newfields Advisors Sdn Bhd (Company No. 296051-V)
NPA	:	Notice of Provisional Allotment
PBT	:	Profit before taxation
Provisional Rights Shares with Warrants	:	Rights Shares with Warrants provisionally allotted to the Entitled Shareholders
Rights Issue	:	Renounceable rights issue of 160,268,583 Rights Shares together with 80,134,291 Warrants, on the basis of 2 Rights Shares together with 1 free Warrant for every 8 IJMP Shares held on the Entitlement Date, at an issue price of RM2.10 per Rights Share
Rights Shares or New Shares	:	New IJMP Shares to be issued under the Rights Issue
RSF	:	Rights Subscription Form
Rules of Bursa Depository	:	Rules of a central depository as defined in the Securities Industry (Central Depositories) Act, 1991 or any subsequent amendments or enactment thereto
SC	:	Securities Commission
Styrobilt	:	Styrobilt Sdn Bhd (Company No. 125394-U), a wholly-owned subsidiary of IJM
Undertaking	:	Unconditional and irrevocable written undertaking dated 24 July 2009 by IJM to subscribe in full or procure the subscription in full of its direct and indirect entitlements to the Rights Shares and Warrants, and to subscribe for additional Rights Shares and Warrants via excess application, to the extent that such Rights Shares and Warrants are not taken up or not validly taken up by other Entitled Shareholders and/or their renounee(s) under the Rights Issue
VWAMP	:	Volume-weighted average market price
Warrants	:	New detachable warrants in IJMP to be issued for free under the Rights Issue

**DEFINITIONS (Cont'd)**

**CURRENCIES**

RM and sen	:	Ringgit Malaysia and sen respectively
Rp.	:	Indonesian Rupiah
Rs.	:	Indian Rupee
USD	:	United States Dollar

References to “we”, “us”, “our”, “ourselves” are to our Company, and save where the context otherwise requires, our subsidiaries. All references to “you” in this AP are to our Entitled Shareholders.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. Reference to persons shall include corporations.

Any reference in this AP to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to time of day in this AP is a reference to Malaysian time, unless otherwise stated.

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## IJM PLANTATIONS BERHAD

(133399-A)

(Incorporated in Malaysia under the Companies Act, 1965)

### CORPORATE DIRECTORY

#### BOARD OF DIRECTORS

<b>Name</b>	<b>Nationality</b>	<b>Occupation</b>	<b>Address</b>
Tan Sri Dato' Wong See Wah <i>(Independent Non-Executive Chairman)</i>	Malaysian	Company Director	149 Jalan Dato' Kelana Ma'amor 70200 Seremban Negeri Sembilan
Velayuthan a/l Tan Kim Song <i>(Chief Executive Officer &amp; Managing Director)</i>	Malaysian	Company Director	Lot 075434418 Off Jalan Belian Taman Rimba, Mile 7 90000 Sandakan, Sabah
Joseph Tek Choon Yee <i>(Chief Operating Officer &amp; Executive Director)</i>	Malaysian	Company Director	Lot 59 Taman Utama 90000 Sandakan, Sabah
Khoo Khee Ming <i>(Senior Independent Non-Executive Director)</i>	Malaysian	Company Director	14 Persiaran Basong Damansara Heights 50490 Kuala Lumpur
Datuk Oh Chong Peng <i>(Independent Non-Executive Director)</i>	Malaysian	Company Director	5 Laman Setiakasih Lapan (Off Jalan Setiakasih Lapan) Bukit Damansara 50490 Kuala Lumpur
M. Ramachandran a/l V.D. Nair <i>(Independent Non-Executive Director)</i>	Singaporean/ Permanent Resident	Company Director	5 Jalan 5/33 46000 Petaling Jaya Selangor Darul Ehsan
Dato' Tan Boon Seng @ Krishnan <i>(Non-Executive Director)</i>	Malaysian	Company Director	22 Leboh Tamarind Taman Selatan 41200 Klang Selangor Darul Ehsan
Teh Kean Ming <i>(Non-Executive Director)</i>	Malaysian	Company Director	G-8-1 Palmyra Bangsar 9 Jalan Medang Tanduk Bukit Bandaraya 59100 Kuala Lumpur

**CORPORATE DIRECTORY (Cont'd)**

**AUDIT COMMITTEE**

<b>Name</b>	<b>Responsibility</b>	<b>Directorship</b>
Datuk Oh Chong Peng	Chairman	Independent Non-Executive Director
Khoo Khee Ming	Member	Senior Independent Non-Executive Director
M. Ramachandran a/l V.D. Nair	Member	Independent Non-Executive Director
Teh Kean Ming	Member	Non-Executive Director

**COMPANY SECRETARY** : Jeremie Ting Keng Fui (MAICSA 0777605)  
2<sup>nd</sup> Floor, Wisma IJM  
Jalan Yong Shook Lin  
46050 Petaling Jaya  
Selangor Darul Ehsan  
Tel: 603-79858288

**REGISTERED OFFICE** : 2<sup>nd</sup> Floor, Wisma IJM  
Jalan Yong Shook Lin  
46050 Petaling Jaya  
Selangor Darul Ehsan  
Tel: 603-79858288  
Fax: 603-79521200  
Email: [ijm@ijm.com](mailto:ijm@ijm.com)  
Website: <http://www.ijm.com>

**BUSINESS OFFICE** : Wisma IJM Plantations  
Lot 1, Jalan Bandar Utama  
Mile 6, Jalan Utara  
90000 Sandakan, Sabah  
Tel: 6089-667721  
Fax: 6089-667728  
Email: [ijmplt@ijm.com](mailto:ijmplt@ijm.com)  
Website: <http://www.ijm.com/plantation>

**PRINCIPAL BANKERS** : Alliance Bank Malaysia Berhad  
3<sup>rd</sup> Floor, Menara Multi-Purpose, Capital Square  
8, Jalan Munshi Abdullah  
50100 Kuala Lumpur  
Tel: 603-26948800

: HSBC Bank Malaysia Berhad  
No. 2 Leboh Ampang  
50100 Kuala Lumpur  
Tel: 603-20700744

: Malayan Banking Berhad  
14<sup>th</sup> Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur  
Tel: 603-20708833

**CORPORATE DIRECTORY (Cont'd)**

	:	The Royal Bank of Scotland Berhad Level 1, Menara Maxis Kuala Lumpur City Centre 50088 Kuala Lumpur Tel: 603-21609419
<b>AUDITORS AND REPORTING ACCOUNTANTS FOR THE RIGHTS ISSUE</b>	:	PricewaterhouseCoopers (AF1146) Level 10, 1 Sentral, Jalan Travers Kuala Lumpur Sentral P O Box 10192 50706 Kuala Lumpur Tel: 603-21731188
<b>SOLICITORS FOR THE RIGHTS ISSUE</b>	:	Lee Hishammuddin Allen & Gledhill Advocates and Solicitors Level 16, Menara TM Asia Life 189, Jalan Tun Razak 50400 Kuala Lumpur Tel: 603-21612330
<b>SHARE REGISTRAR</b>	:	IGB Corporation Berhad (Company No. 5745-A) (Share Registration Department) Level 32, The Gardens South Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel: 603-22898989 Fax: 603-22898802
<b>PRINCIPAL ADVISER</b>	:	CIMB Investment Bank Berhad (Company No. 18417-M) 5 <sup>th</sup> Floor, Bangunan CIMB Jalan Semantan, Damansara Heights 50490 Kuala Lumpur Tel: 603-20848888
<b>FINANCIAL ADVISER</b>	:	Newfields Advisors Sdn Bhd (Company No. 296051-V) Suite 17.1, Level 17, Menara Weld 76 Jalan Raja Chulan 50200 Kuala Lumpur Tel: 603-20310010
<b>STOCK EXCHANGE LISTED AND LISTING SOUGHT</b>	:	Main Market of Bursa Securities



## **IJM PLANTATIONS BERHAD**

(133399-A)

(Incorporated in Malaysia under the Companies Act, 1965)

### **Registered Office:**

2<sup>nd</sup> Floor, Wisma IJM  
Jalan Yong Shook Lin  
46050 Petaling Jaya  
Selangor Darul Ehsan

15 October 2009

### **To: Our Shareholders**

Dear Sir/Madam

**RENOUNCEABLE RIGHTS ISSUE OF 160,268,583 NEW SHARES TOGETHER WITH 80,134,291 WARRANTS, ON THE BASIS OF 2 NEW SHARES TOGETHER WITH 1 FREE WARRANT FOR EVERY 8 EXISTING SHARES HELD AS AT 5.00 P.M. ON 15 OCTOBER 2009, AT AN ISSUE PRICE OF RM2.10 PER NEW SHARE**

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### **1. INTRODUCTION**

- 1.1 On 20 August 2009, our shareholders approved the Rights Issue at our EGM. A certified true extract of the resolution pertaining to the Rights Issue passed at the said EGM is set out in Appendix I of this AP.
- 1.2 Approval from BNM for the issue of 80,134,291 Warrants to shareholders of our Company who may be non-residents, was obtained on 14 August 2009. BNM has on the same day also approved the issue by our Company of any additional Warrants arising from adjustments made from time to time pursuant to provisions of the Deed Poll.
- 1.3 Approval from the SC for, among others, the Rights Issue was obtained on 6 August 2009. The SC's approval is subject to CIMB and our Company fully complying with the relevant requirements pertaining to the implementation of the Rights Issue under the SC's Guidelines on the Offering of Equity and Equity-Linked Securities. The condition imposed by the SC will be complied with during the implementation of the Rights Issue.
- 1.4 Approval-in-principle of Bursa Securities for the admission of the Warrants to the Official List of Bursa Securities, and the listing of and quotation for the Rights Shares and Warrants to be issued under the Rights Issue, and new IJMP Shares to be issued upon exercise of the Warrants on the Main Market of Bursa Securities was obtained on 7 September 2009.
- 1.5 On 30 September 2009, we announced that the Entitlement Date for the Rights Issue has been fixed at 5.00 p.m. on 15 October 2009.

No person is authorised to give any information or to make any representation not contained in this AP in connection with the Rights Issue and if given or made, such information or representation must not be relied upon as having been authorised by us, CIMB, or Newfields in connection with the Rights Issue.

**If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

## **2. DETAILS OF THE RIGHTS ISSUE AND OTHER CORPORATE PROPOSALS**

### **2.1 Details of the Rights Issue**

- 2.1.1 In accordance with the terms of the Rights Issue as approved by the SC and our shareholders and subject to the terms of this AP and the accompanying documents, we shall provisionally allot 160,268,583 Rights Shares together with 80,134,291 Warrants to Entitled Shareholders on the basis of 2 Rights Shares together with 1 free Warrant for every 8 existing IJMP Shares held on the Entitlement Date.
- 2.1.2 In determining your entitlement under the Rights Issue, fractional entitlements shall be disregarded and the aggregate of such fractions will be dealt with in such manner or on such terms as our Board in its discretion deems fit and expedient and in the best interest of our Company.
- 2.1.3 The Rights Issue is renounceable in full or in part. Accordingly, Entitled Shareholders can subscribe for and/or renounce their entitlement to the Rights Shares with Warrants in full or in part.
- 2.1.4 The Excess Rights Shares with Warrants shall be made available for excess applications by the Entitled Shareholders and/or their renounee(s) (if applicable). It is the intention of our Board to allot the Excess Rights Shares with Warrants, if any, on a fair and equitable manner as follows:
- (i) firstly, to minimise the incidence of odd lots; and
  - (ii) secondly, on a pro-rata basis to Entitled Shareholders and/or their renounee(s) (if applicable) who have applied for Excess Rights Shares with Warrants, taking into consideration the quantum of Rights Shares with Warrants provisionally allotted.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for under the RSF in such manner as it deems fit and expedient in the best interest of our Company. Our Board also reserves the right to accept any Excess Rights Shares with Warrants application, in full or in part, without assigning any reason.

- 2.1.5 The issue price of RM2.10 per Rights Share and the exercise price of RM2.62 per Warrant were arrived at after taking into consideration the theoretical ex-rights price of the IJMP Shares.

The issue price of RM2.10 per Rights Share and the exercise price of RM2.62 per Warrant represents:

- (i) a discount of approximately 16.44% and a premium of approximately 4.25% respectively from the theoretical ex-rights price of IJMP Shares of RM2.51, which is computed based on the 5-day VWAMP of RM2.62 per IJMP Share up to 7 July 2009, being the latest practicable date prior to the announcement of the Rights Issue on 8 July 2009; and
- (ii) a discount of approximately 25.00% and 6.43% respectively from the closing market price of IJMP Shares of RM2.80 as at the LPD.

Entitled Shareholders and/or their renouncee(s) (if applicable) should note that the market price of IJMP Shares is subject to vagaries of market forces and other uncertainties in addition to the risk factors set out in Section 4 of this AP, which may affect the price of IJMP Shares being traded. **Entitled Shareholders and/or their renouncee(s) (if applicable) should form their own views on the valuation of the Rights Shares before deciding to invest in the Rights Shares.**

#### 2.1.6 Ranking of the Rights Shares and new IJMP Shares

The Rights Shares and new IJMP Shares to be issued upon the exercise of the Warrants shall, upon issue and allotment, rank equally in all respects with the then existing issued and paid-up ordinary shares of our Company, except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which precedes or falls on the date of allotment of the Rights Shares or new IJMP Shares arising from the exercise of the Warrants.

#### 2.1.7 Principal terms of the Warrants

The principal terms of the Warrants are set out below:

Issue	:	80,134,291 Warrants to subscribe for 80,134,291 new IJMP Shares.
Form and Denomination	:	The Warrants shall be issued in registered form and constituted by the Deed Poll.
Detachability	:	The Warrants which are to be issued with the Rights Shares are immediately detachable upon allotment and issue of the Rights Shares. The Warrants will be traded separately.
Exercise Rights	:	Each Warrant carries the entitlement to subscribe for 1 new IJMP Share at the Exercise Price at any time during the Exercise Period, subject to adjustments in accordance with the provisions of the Deed Poll.
Exercise Period	:	The Warrants can be exercised at any time during the period commencing from and including the date of issue of the Warrants (" <b>Issue Date</b> ") up to and including the Expiry Date.
Exercise Price	:	Subject to adjustments in accordance with the Deed Poll, the exercise price of the Warrants has been fixed at RM2.62 per Warrant.

- Expiry Date : The Warrants shall expire at 5.00 p.m. on the Market Day of the fifth anniversary of the Issue Date. Any Warrants which have not been exercised will lapse and cease thereafter to be valid for any purpose.
- Listing : Approval-in-principle has been obtained from Bursa Securities on 7 September 2009 for the admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Warrants and the new IJMP Shares to be issued upon the exercise of the Warrants on the Main Market of Bursa Securities.
- Status of the new IJMP Shares to be issued pursuant to the exercise of the Warrants : The new IJMP Shares to be issued upon the exercise of the Warrants shall, upon allotment and issue, rank equally in all respects with the existing issued and fully paid-up IJMP Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which precedes the date of allotment of the new IJMP Shares arising from the exercise of the Warrants.
- Adjustment to Exercise Rights/Exercise Price : The number of Warrants and/or the Exercise Price shall from time to time be adjusted in accordance with the terms of the Deed Poll in the event of, including but not limited to the following circumstances:
- (i) if and whenever the IJMP Shares by reason of any consolidation or subdivision or conversion shall have a different par value;
  - (ii) issue of IJMP Shares to shareholders of our Company credited as fully paid by way of capitalisation of profits or reserves;
  - (iii) capital distribution (other than an issue falling under (ii) above) whether on a reduction of capital (but excluding any reduction of capital involving the cancellation of capital which is lost or unrepresented by available assets or involving any purchase by our Company of its own shares in accordance with the Act and all other applicable laws and guidelines or directives issued by the relevant regulatory authorities) or otherwise;
  - (iv) an offer or invitation to shareholders of our Company to subscribe for IJMP Shares by way of rights;
  - (v) an offer or invitation to shareholders of our Company by way of rights whereby they may acquire or subscribe for securities convertible into IJMP Shares or rights to acquire or subscribe for IJMP Shares; and/or

- (vi) an issue (other than via a rights issue pursuant to (iv) and (v) above) by our Company of any IJMP Shares or securities convertible into IJMP Shares or securities with rights to acquire or subscribe for IJMP Shares and in any such case, the total consideration per IJMP Share receivable by the Company is less than 90% of the market price for one IJMP Share or, as the case may be, the price at which the IJMP Shares shall be based upon conversion of such securities or exercise of such rights.

Ranking in the event of winding up, compromise and/or arrangement	:	Subject to the terms of the members' voluntary winding-up, compromise or arrangement to which the Warrant holders, or some persons designated by them for such purposes by special resolution, shall be a party, and subject to the terms of the Deed Poll, in the event that a court order approving the compromise or arrangement is granted or a resolution is passed for a members' voluntary winding-up of our Company, the Warrant holders may, within 6 weeks after the grant of such order or the passing of such resolution, by irrevocable surrender of his Warrants to our Company, elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement, exercise the Exercise Rights and be entitled to receive out of the assets of our Company which would be available in liquidation as if he had on such date been the holder of the new IJMP Shares to which he would have been entitled pursuant to such exercise.
Board Lot	:	The Warrants are tradable upon listing in board lots of 100 units carrying rights to subscribe for 100 new IJMP Shares at anytime during the Exercise Period.
Governing Law	:	Laws of Malaysia.

## 2.2 Details of other corporate proposals

Save for the Rights Issue we do not have any corporate proposal which has been approved by regulatory authorities but not yet completed as at the LPD.

## 3. PURPOSE OF RIGHTS ISSUE AND UTILISATION OF PROCEEDS

### 3.1 Purpose of the Rights Issue

The Rights Issue will enable us to raise funds to partially finance the development of our existing and future oil palm plantations primarily in Indonesia. This is expected to contribute positively towards the future earnings of our Group.

In addition, the Rights Issue will increase our share capital and further enhance the market capitalisation of our Company.



The Warrants that are attached to the Rights Shares will also provide our shareholders with the option to further participate in the equity of our Company. Any exercise of the Warrants will further strengthen our Group's capital base and provide it with additional working capital. Proceeds from the exercise of the Warrants may also be used as possible funding for the capital expenditure requirements and repayment of debts of our Group in the future, should the need arise.

### 3.2 Utilisation of proceeds from the Rights Issue

The gross proceeds from the Rights Issue amounting to approximately RM336.56 million are proposed to be utilised as follows:

	Expected timeframe for utilisation	RM '000
Development of oil palm plantations: <sup>(1)</sup>	By 2 <sup>nd</sup> half of 2011	
- Property, plant and equipment		90,000
- Planting expenditure		245,564
Estimated expenses for the Rights Issue <sup>(2)</sup>	By 2 <sup>nd</sup> half of 2009	1,000
		336,564

#### Notes:

<sup>(1)</sup> *It is the intention of our Board to continuously develop and expand the oil palm plantations of our Group which would in turn translate to enhancement of shareholder value. The gross proceeds from the Rights Issue will be used to partially finance the development (including land clearing, planting, upkeep and infrastructure-related activities) of our Group's plantation land bank acquired/to be acquired in Indonesia. Other funding for the development of the Indonesian plantation land bank is expected to be from internally-generated funds and/or borrowings.*

<sup>(2)</sup> *Any variation to the amount of expenses in relation to the Rights Issue will be correspondingly reflected in the use of proceeds for the development of our oil palm plantations.*

Pending utilisation of the proceeds from the Rights Issue for the above purpose, the proceeds would be placed in deposits with financial institutions or short-term money market instruments.

The proceeds from the Rights Issue are expected to be fully utilised by the 2<sup>nd</sup> half of 2011.

The gross proceeds to be raised from the exercise of the Warrants is dependent on the total number of Warrants exercised during the tenure of the Warrants. The gross proceeds expected to be raised from the exercise of the Warrants is up to RM209.95 million. Such proceeds will be used for the working capital of our Group, as well as possible funding for the capital expenditure requirements and repayment of our debts in the future, should the need arise.

## 4. RISK FACTORS

In running our business activities, we face risks which may have potential impact on our Group's performance unless proper anticipation and mitigation measures are exercised. The following are the risk factors (which may not be exhaustive) that have been identified to bear significant influence on our Group's business, operating results and financial condition. As such, you should carefully consider, in addition to all other information contained in this AP, these risk factors before subscribing for or investing in the Rights Shares with Warrants.

#### **4.1 Economic and business risks**

Our Group is principally involved in the cultivation of oil palm, sale of FFB and other ancillary activities primarily in Malaysia and Indonesia. In addition to the economic health of these countries, our Group's businesses are also dependent on the global demand for palm oil and its related products. As such, any economic slowdown experienced in the major markets for palm oil products around the world may lead to reduced demand for our products, and any resultant decline in demand by our customers could have a material adverse effect on our financial condition, results of operations and prospects.

Our Group is also subject to certain risks inherent in the oil palm industry. These business risks may include, but are not limited to, external risks such as fluctuations in CPO and palm kernel prices, changes in the world demand for edible oils and fats, weather conditions, changes in general economic and business conditions as well as internal risks such as pests and diseases, constraints in labour supply for our plantation operations, and rising costs of raw materials.

Our ability to mitigate these risks depends on various factors, including our ability to keep abreast with the latest developments in the industry, and our ability to effectively implement business strategies and to continuously review our operations to improve efficiency.

#### **4.2 Political and regulatory risks**

Substantially all of our Group's business activities and investments are concentrated in Malaysia and Indonesia, and subject to political and regulatory risks. As such, any adverse development in the political and regulatory conditions in Malaysia and Indonesia could materially and adversely affect the financial performance and operations of our Group. Political and regulatory uncertainties include (but is not limited to) risks of war, expropriation, the changes in government policies, labour laws and availability of foreign labour, interest rates, foreign exchange, methods of taxation, tariffs and duties. In addition, countries could adopt new laws, policies or regulations, or change their interpretation of existing laws, policies or regulations.

These factors affect all the palm oil industry players in one way or another and are generally beyond our control. However, our Group continues to closely monitor the governments' policy changes so that we can stay ahead as well as capitalise on any regulatory changes in the palm oil industry.

#### **4.3 Foreign currency and exchange risks**

Our Group is exposed to foreign currency and exchange risks due in part to our operations in Indonesia. Part of our revenues and expenses are expected to be derived and incurred in Indonesia in the longer-term. Accordingly, the fluctuations in the exchange rate of the RM against Rp. may affect the financial results of our Company.

Our Group enjoys a natural hedge, as the commodities price are traded using USD as reference. In addition, foreign exchange exposure in transactional currencies other than functional currencies of the operating entities will be kept to an acceptable level.

#### **4.4 Price fluctuation risks**

The price of CPO and palm kernel are based on or affected by global prices, which tend to be cyclical and subject to fluctuations. Global prices are in turn affected by the availability of agricultural commodities, of which supply is affected by unpredictable factors such as weather conditions, while demand is affected by factors such as changes in population growth, changes in standards of living, bio-diesel demand and global production of substitute and competitive crops.

Prices are also affected by a variety of other factors beyond our control, including environmental and conservation regulations, tariffs, and natural disasters. The markets for CPO and palm kernel are also sensitive to changes in industry capacity and output levels. We would also not be in a position to significantly reduce our CPO and palm kernel output to cater for any decline in global prices since oil palm is a perennial crop. All these factors can have a significant impact on selling prices and consequently, on our business and financial performance.

#### **4.5 Risks of weather conditions**

Our FFB yield is dependent on weather conditions. Excessive rainfall or extended periods of dry weather will lead to a decline in the overall yield of FFB from our estates. Excessive rainfall will also generally lead to poor pollination of palms and reduce the effectiveness of fertilisers, while drought results in oil palm trees forming fewer fruit bunches.

We have implemented various measures on our plantations to reduce the impact of floods and droughts. These include the use of water canals, tide or flood gates and drainage systems. Notwithstanding this, there can be no assurance that any of these measures will be effective. Any adverse weather conditions, especially if continued for a prolonged period, may materially and adversely affect our business operation and financial performance.

#### **4.6 Risk relating to pests and diseases**

Oil palm plantations are susceptible to pests and diseases. Outbreaks of leaf eating insects such as nettle caterpillars and bagworms are not uncommon. Pests such as rodents can also cause damage to FFB. The outbreak of pests and diseases may result in the destruction of oil palm trees and decrease in the production of FFB. The ultimate result is not only the loss of crop and lower profitability but also the high expenditure to be incurred by our Company to control such outbreaks.

Preventive measures adopted by us to eliminate pests and reduce diseases include planting of beneficial plants to attract predators of insect pests, use of chemical baits and biological control strategies such as the use of natural predators, snakes and owls to eliminate rodents and wide drains to prevent wild boars from the oil palm plantation, adopting and implementing good field hygiene and integrated pest management practices. However, there can be no assurance that any of these measures would be effective. Any destruction of our oil palm trees and resultant decrease in FFB production could adversely affect our business and financial condition.

#### **4.7 Labour risks**

The palm oil industry is a labour intensive industry. Oil palm plantations require extensive manpower in the nurturing of seedlings, palm plantings, fertilising, harvesting as well as other routine maintenance works. In order to help ensure that we have sufficient workers for our plantations, we have provided various incentives, benefits, welfare schemes and facilities such as clinics, living quarters, schools and sports amenities for our plantation workers and their families.

#### **4.8 Dependence on key personnel**

We believe that our continued success is dependent upon the abilities and continued efforts of our existing Directors and senior management. We have an experienced management team and the continued success of our business will depend, to a significant extent, upon the abilities, skills, experience, competency and continuous efforts of our existing Board and senior management team. The sudden departure of any key personnel may affect our Group's business and operations.

Taking this into consideration, we strive to continue to attract and retain qualified and experienced personnel who are essential towards maintaining the high performance standards of our Group as well as to address our succession planning programme. Notwithstanding this, there can be no assurance that the sudden departure of any key personnel may not materially and adversely affect our Group's ability to compete effectively in the industry over the short term.

#### **4.9 Volatility in freight costs and disruptions in transportation**

We depend upon lorry tankers and river barges to deliver our products to our customers. Disruption of these transportation services arising from, inter-alia, poor weather and terminal or port congestion could delay the supply of our products to our customers. Furthermore, increases in freight and transportation costs could affect our profit margin, which may in turn have an adverse impact on our operational results.

#### **4.10 Risk pertaining to integrating and managing our Indonesian acquisitions**

As part of our growth strategy, we are expanding our operations into Indonesia. The success of our acquisitions and investments in the long-term depends on a number of factors, which include the extent to which we are able to exercise control over the acquired companies; the economic, business or other strategic objectives and goals of the acquired companies compared to our objectives and goals; and our ability to successfully integrate the acquired companies, business or operations. If we are unable to successfully integrate and manage our existing acquisitions, as well as any other future acquisitions we might pursue, our business, financial condition, results of operations and prospects may be adversely affected.

#### **4.11 Forward-looking statements**

Certain statements in this AP are based on historical data which may not be reflective of the future results, and others which are forward-looking in nature are subject to uncertainties and contingencies. All forward-looking statements contained in this AP are based on estimates and assumptions made by our Company, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. The inclusion of any forward-looking statement in this AP should not be regarded as a representation or warranty by our Company, CIMB, Newfields and/or other advisers that the plans and objectives of our Group will be achieved. Further, and save as required by law or the rules of the relevant stock exchange, none of our Company, CIMB, Newfields or other advisers are under any obligation to update any forward-looking statements included in this AP, or to publicly announce any revisions to those forward-looking statements for any reason.

#### **4.12 Market risk of Rights Shares and Warrants**

The market price of IJMP Shares, like all listed securities traded on Bursa Securities, is subject to fluctuations and will be influenced by, amongst others, prevailing market sentiments, volatility of the stock market, our operating results and the outlook and prospects of the oil palm and other commodities. There is no assurance that the market price of IJMP Shares upon or subsequent to their listing, would trade at or above the issue price or above the exercise price of the Warrants, or that the Rights Shares can be disposed of at or above the issue price.

The Warrants are a new instrument issued by our Company. Therefore, there can be no assurance that an active market for the Warrants will develop upon its listing on Bursa Securities, or if developed, that it will be sustainable. In addition, there is no assurance that the exercise price of the Warrants will be "in-the-money" during the exercise period, which is the period commencing from the day of issue of the Warrants up to and including the day falling immediately before the 5<sup>th</sup> anniversary of the date of issue of the Warrants.

#### **4.13 Undertaking for the Rights Issue**

As set out in Section 8 of this AP, IJM has given its irrevocable written undertaking to subscribe in full or procure the subscription in full of its direct and indirect entitlements to the Rights Shares and Warrants as at the Entitlement Date. IJM will also apply for additional Rights Shares and Warrants via excess application, to the extent that they are not taken up or not validly taken up by other Entitled Shareholders and/or their renounee(s) under the Rights Issue.

As the Rights Issue is being undertaken on a non-underwritten basis, in the event the Rights Shares and Warrants are undersubscribed, the successful implementation of the Rights Issue is dependent on the fulfillment by IJM of its obligations under the Undertaking. In the event the Rights Issue is aborted, all the proceeds of the Rights Issue would be repaid without interest to Entitled Shareholders and/or their renounee(s) who have subscribed for the Rights Shares with Warrants by ordinary post to the address shown in their respective RSFs within 14 days after our Company becomes liable to repay it. Consequently, our Company will not be able to raise the funds for purposes disclosed in Sections 3.1 and 3.2 of this AP.

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## 5. INDUSTRY REVIEW, PROSPECTS AND FUTURE PLANS

Our Group is principally involved in the cultivation of oil palm in Malaysia and Indonesia. As such, the prospects of our Group are linked to the performance of the palm oil industry in Malaysia and Indonesia as well as the general health of their respective economies.

### 5.1 Overview of the Malaysian economy

The Malaysian economy contracted at a slower rate of 3.9% (1Q 2009: -6.2%) in the second quarter of 2009, due mainly to higher public spending and positive growth in private consumption. Nonetheless, growth continued to be affected by weak external demand and private investment activity. The domestic economy continued to be affected by the weak global activity in the second quarter as reflected in the continued sharp decline in exports, however, recent indicators, including industrial production, export growth and conditions in the labour market, point towards stabilisation of the domestic economy.

Going forward, the domestic economy is expected to improve in the second half of 2009, to be supported by a recovery in domestic demand following improvements in labour market conditions, as well as business and consumer sentiments. The accelerated implementation of the fiscal measures, lower inflation, continued access to financing, and the accommodative monetary environment will provide further support to domestic demand. The stabilisation of the global economy is also expected to contribute to the improvement in the domestic economy in the second half of the year.

*(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2009, BNM, 26 August 2009)*

### 5.2 Overview of the Indonesian economy

During 2008, Indonesia's economy maintained adequate performance amid the global turmoil. Overall economic growth reached 6.1% in 2008, slightly below the 6.3% recorded in the previous year.

As an open economy, Indonesia is inevitably impacted by the fallout from the ongoing global crisis. This is the natural consequence of the growing integration of Indonesia into the world economy. However, the various actions taken by some countries to move forward with aggressive fiscal and monetary stimulus are expected to keep the world economy from sliding into depression.

In assessing global developments and the capacity of the domestic economy, Indonesia is predicted to chart significantly reduced growth in 2009. One of the advantages of the Indonesian economy is the large population that represents a potential market supporting economic growth. During 2009, economic growth in Indonesia will be driven primarily by domestic demand and especially household consumption. Despite predictions of slowing, household consumption is still expected to show resilience, particularly in view of the government plans for an added fiscal stimulus in 2009.

*(Source: 2008 Economic Report on Indonesia, Bank Indonesia, 30 April 2009)*

### 5.3 Overview of the Malaysian and Indonesian palm oil industry

The Malaysian palm oil industry recorded a satisfactory performance in 2008. The total oil palm planted area in the country increased by 4.3% to 4.48 million hectares in 2008. The expansion in planted area occurred mainly in Sabah and Sarawak with a combined growth of 7% compared to 2% in Peninsular Malaysia. Sabah remained the largest oil palm planted state, accounting for 1.33 million hectares or 30% of the total planted area in the country.

The production of CPO reached a record 17.73 million MT in 2008, an increase of 1.91 million MT or 12.1% from 2007 attributed mainly to the recovery in FFB yields from the biological stress in the previous year. The increase in national average FFB yield by 6% to 20.18 MT/hectare and the improvement in the national average oil extraction rate to 20.21% also contributed to the higher CPO production. The average oil yield per hectare also posted a 6.5% year-on-year increase to 4.08 MT/hectare, the highest since 1987. Production of crude palm kernel oil also rose by 11.7% to 2.13 MT.

CPO prices firmed during the first half of 2008 trading above RM3,500/MT level supported by higher crude oil prices, demand for bio-diesel, tight global vegetable oils situation and higher vegetable oils prices. However, during the second-half of the year bearish sentiments prevailed in the market influenced by the sharp decline in crude oil prices as well as other vegetable oils, high palm oil stocks, global financial crisis and fears of global recession.

*(Source: Overview of the Malaysian Oil Palm Industry, Malaysian Palm Oil Board, 13 January 2009)*

Malaysian palm oil production is expected to pick up in the second half of 2009 as production moves into the normal peak production season. However, given that most estates are still recuperating from the heavy rainfall in the first few months of the year and biological tree stress may still be evident, the growth is expected to be gradual. Meanwhile, exports of palm oil are expected to increase in the second half of 2009 as China increases its purchases during the summer months.

The Indonesian palm oil industry is heading for positive long-term growth based on 1) a more conducive regulatory environment, as the industry is considered a growth pillar of the economy; and 2) better infrastructure to boost competitiveness, as infrastructure expansion signalled by the Indonesian Government would generally result in overall lower freight costs.

Further, with an agenda of improving farmers' welfare, it is expected that there will be more incentives for the domestic palm oil industry. The Indonesian Government has also made known its intention to raise the domestic consumption of palm oil and diversify CPO uses. These factors, coupled with other favourable government policies, are expected to augur well for the prospects of the Indonesian palm oil industry.

*(Source: Management of IJMP)*

### 5.4 Prospects and future plans of our Group

Our Group currently has over 25,000 hectares of oil palm planted area in Sabah, Malaysia with a weighted average age of eleven years. Over 7,700 hectares (31%) of the planted area are in the young mature age and will move to prime age of production in the next two years. A further 2,000 hectares (8%) are still at immature stage and will come into production in the next two years. The young and immature plantings will enhance the future crop production of our Group.

As part of our long-term business strategy to elevate crop production to a new platform, we acquired two Indonesian companies namely, PT Primabahagia Permai (“PBP”) and PT Sinergi Agro Industri (“PTS”), in 2008. We further entered into agreements to acquire another two companies in Indonesia namely, PT Zarhasih Kaltim Perkasa (“ZKP”) and PT Prima Alumga (“PPA”), which are pending completion. PBP, PTS and ZKP have permits to develop logged-over land into oil palm plantations in East Kalimantan. PPA is pursuing the purchase of a land in Sumatra measuring approximately 10,252 hectares that is partially cultivated with oil palms.

The size of the land bank held by PBP, PTS and ZKP is as follows:

	<b>*Hectares</b>
PBP	19,167
PTS	10,104
ZKP	10,000

\* Land size stated above refers to the size as per the location permits or land lease titles received. Plantable areas will be smaller after taking into consideration land occupied by villages, government roads, reserves, unplatable low-lying or steep terrains, rivers, etc.

Planting commenced in our land bank in East Kalimantan in January 2009 and is expected to continue over the next few years. We are targeting to substantially increase the size of our Group's current operations with the land bank in Indonesia.

## 6. EFFECTS OF THE RIGHTS ISSUE

### 6.1 Share capital

The effects of the Rights Issue on the issued and paid-up share capital of our Company are as follows:

	<b>No. of shares</b>	<b>RM</b>
Existing issued and paid-up share capital as at the LPD	641,074,331	320,537,166
To be issued pursuant to the Rights Issue	160,268,583	80,134,291
Enlarged issued and paid-up share capital after the Rights Issue	801,342,914	400,671,457
To be issued upon full exercise of the Warrants	80,134,291	40,067,145
Enlarged issued and paid-up share capital	881,477,205	440,738,602



## 6.2 NA and gearing

The effects of the Rights Issue on the NA and gearing of our Group based on our audited consolidated financial statements for the financial year ended 31 March 2009 and on the assumption that the Rights Issue was effected on that date, are as follows:

	Audited as at 31 March 2009 RM '000	(I) After the Rights Issue RM '000	(II) <sup>(6)</sup> After (I) and assuming full exercise of Warrants RM '000
Share capital	320,537	400,671	440,739
Share premium	59,297	<sup>(4)</sup> 277,865	484,611
Other reserves	46,296	<sup>(5)</sup> 83,158	46,296
Retained earnings	404,863	404,863	404,863
Equity attributable to equity holders of the Company	830,993	1,166,557	1,376,509
No. of ordinary shares ('000)	641,074	801,343	881,477
NA attributable to equity holders per share (RM) <sup>(1)</sup>	1.30	1.46	1.56
Total borrowings (RM '000) <sup>(2)</sup>	34,958	34,958	34,958
Gearing (%) <sup>(3)</sup>	4.21	3.00	2.54

### Notes:

- <sup>(1)</sup> Computed by dividing equity attributable to equity holders of the Company by the number of ordinary shares.
- <sup>(2)</sup> Based on all interest-bearing borrowings as at 31 March 2009 and assuming none of the proceeds are used for loan repayment.
- <sup>(3)</sup> Computed based on total borrowings divided by equity attributable to equity holders of the Company.
- <sup>(4)</sup> After taking into consideration estimated expenses in relation to the Rights Issue of RM1.0 million which is set-off against share premium and the issue price of RM2.10 per Rights Share.
- <sup>(5)</sup> Assuming that the relative fair value of the Warrant is RM0.46, computed using the "Trinomial" pricing model and the theoretical ex-rights price of IJMP Shares of RM2.51 based on the 5-day VWAMP per IJMP Share up to 7 July 2009 of RM2.62. This amount is credited to warrant reserve within other reserves.
- <sup>(6)</sup> Based on the exercise price of RM2.62 per Warrant.

Our detailed proforma consolidated balance sheets as at 31 March 2009, together with the Reporting Accountants' letter, are set out in Appendix III of this Circular.

### 6.3 Earnings

The Rights Issue is not expected to have a material effect on the earnings of our Group for the financial year ending 31 March 2010. However, the consolidated EPS of our Company is expected to be diluted as a result of the increase in the number of IJMP Shares in issue after the Rights Issue and arising from the number of new IJMP Shares to be issued assuming full exercise of the Warrants, for illustration purposes, as follows:

		(I)	(II)
	Audited as at 31 March 2009	After the Rights Issue	After (I) and assuming full exercise of Warrants
	RM '000	RM '000	RM '000
Profit attributable to equity holders of the Company	123,186	123,186	123,186
Weighted average number of ordinary shares in issue ('000)	640,184	<sup>(2)</sup> 800,453	<sup>(3)</sup> 880,587
EPS (sen) <sup>(1)</sup>	19.24	15.39	13.99

**Notes:**

<sup>(1)</sup> Computed by dividing profit attributable to equity holders of the Company by the weighted average number of ordinary shares.

<sup>(2)</sup> Arrived at by adding the new IJMP Shares to be issued pursuant to the Rights Issue to the weighted average number of ordinary shares in issue as at 31 March 2009.

<sup>(3)</sup> Arrived at by adding the new IJMP Shares to be issued upon full exercise of the Warrants to the weighted average number of ordinary shares after the Rights Issue.

The Rights Issue is expected to contribute positively to the future earnings of our Group due to the increase in planted acreage and production of FFB on the oil palm plantation estates developed using the proceeds from the Rights Issue.

### 6.4 Dividends

Our Board paid total net interim dividends of 9.75 sen per share in respect of the financial year ended 31 March 2008. For the financial year ended 31 March 2009, our Board has declared a single-tier interim dividend of 8 sen per share.

Barring any unforeseen circumstances, our Board does not expect the Rights Issue to affect the quantum of dividends to be paid by our Company for the financial year ending 31 March 2010. However, the decision to declare and pay any dividends in the future would depend on the performance, cash flow position and financing requirements of our Group.

## 7. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

### 7.1 Working capital

Our Directors are of the opinion that, after taking into account our cash flow generated from operations, banking facilities and financing options available as well as proceeds from the Rights Issue, our Group will have adequate working capital for the next 12 months from the date of this AP.

### 7.2 Borrowings

As at 31 August 2009, our Group has total borrowings as follows:

	Fixed rates RM '000	Floating rates RM '000	Total RM '000
<b>Short-term borrowings</b>			
Non interest bearing	-	-	-
Interest bearing	34,984	-	34,984
	<u>34,984</u>	<u>-</u>	<u>34,984</u>
<b>Long-term borrowings</b>			
Non interest bearing	-	-	-
Interest bearing	-	100,000	100,000
	<u>-</u>	<u>100,000</u>	<u>100,000</u>
<b>Total borrowings</b>	<u>34,984</u>	<u>100,000</u>	<u>134,984</u>

IJMP has no short-term or long-term borrowings denominated in foreign currency.

There has been no default on payments of either interest or principal sums in respect of any borrowings throughout the past financial year ended 31 March 2009, and the subsequent financial periods up to the LPD.

### 7.3 Contingent liabilities

As at the date of the Directors' Report set out in Appendix VI of this AP, our Board is not aware of any contingent liabilities which, upon becoming enforceable, may materially affect the ability of our Group to meet our obligations as and when they fall due.

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## 7.4 Capital commitments

Save as disclosed below, as at 30 June 2009, our Directors are not aware of any material capital commitments contracted or known to be contracted by our Group which, upon becoming enforceable, may have a material impact on the profits or NA of our Group:

	RM million
Approved and contracted for	33.63
Approved but not contracted for	141.34
	<u>(1) 174.97</u>

**Notes:**

<sup>(1)</sup> The above capital commitments are expected to be funded through internally-generated funds, proceeds from the Rights Issue and/or borrowings. The capital commitments comprise purchase of property, plant and equipment, and plantation expenditure.

<sup>(2)</sup> The current estimated cost of developing our oil palm plantation in Indonesia is about RM700 million of which RM98.9 million has been incurred up to 30 June 2009 and another RM82.5 million has been included in the above stated capital commitment. Our Board will review and approve the development programme and cost annually.

## 8. SHAREHOLDER'S UNDERTAKING AND UNDERWRITING

IJM has provided the Undertaking to subscribe in full or procure the subscription in full of its direct and indirect entitlements to the Rights Shares and Warrants as at the Entitlement Date, and to subscribe for additional Rights Shares and Warrants via excess application, to the extent that they are not taken up or not validly taken up by other Entitled Shareholders and/or their renounee(s) under the Rights Issue.

The Rights Shares entitlements and excess applications to be subscribed by IJM and Styrobilt pursuant to the Undertaking are as follows:

	Shareholdings as at the LPD		No. of Rights Shares entitled		No. of Rights Shares to be applied under the excess shares < - application - >		(I) Total shareholdings after the		(II) <sup>(2)</sup> Total shareholdings after (I) and exercise of the	
							< - Rights Issue - >		< - Warrants --- >	
	'000	%	'000	<sup>(1)</sup> %	'000	<sup>(1)</sup> %	'000	<sup>(1)</sup> %	'000	<sup>(2)</sup> %
Styrobilt	247,135	38.55	61,784	38.55	-	-	308,919	38.55	339,811	38.55
IJM	106,331	16.59	26,583	16.59	71,902	44.86	204,816	25.56	254,058	28.82
	<u>353,466</u>	<u>55.14</u>	<u>88,367</u>	<u>55.14</u>	<u>71,902</u>	<u>44.86</u>	<u>513,735</u>	<u>64.11</u>	<u>593,869</u>	<u>67.37</u>

**Notes:**

<sup>(1)</sup> Based on the 160,268,583 Rights Shares and 80,134,291 Warrants to be issued under the Rights Issue.

<sup>(2)</sup> Assuming exercise of the Warrants by IJM and Styrobilt.

IJM has not imposed and will not be imposing any fee or commission on our Company for the Undertaking.

In view of the prevailing market conditions, cost considerations, as well as the Undertaking provided by IJM, our Company has decided to proceed with the Rights Issue on a non-underwritten basis. In addition, the Rights Issue will also not be undertaken on a minimum subscription basis.

## 9. PROCEDURES FOR ACCEPTANCE, APPLICATION AND PAYMENT

As an Entitled Shareholder of our Company, your CDS Account will be duly credited with the number of Provisional Rights Shares with Warrants which you are entitled to subscribe for under the terms and conditions of the Rights Issue. You will find enclosed with this AP, the NPA notifying you of the crediting of such Provisional Rights Shares with Warrants into your CDS Account and a RSF to enable you to subscribe for such Rights Shares with Warrants that you have been provisionally allotted as well as apply for Excess Rights Shares with Warrants if you so choose to. The RSF is also available on the website of Bursa Securities (<http://www.bursamalaysia.com>).

### 9.1 NPA

The Provisional Rights Shares with Warrants are prescribed securities under Section 14(5) of the Securities Industry (Central Depositories) Act 1991 and therefore, all dealings in the NPA will be by book entries through CDS Accounts and will be governed by the Securities Industry (Central Depositories) Act 1991, the Securities Industry (Central Depositories) Amendment Act 1998 and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your renounee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making applications.

### 9.2 Procedures for acceptance and payment

Acceptance of and payment for the Provisional Rights Shares with Warrants must be made on the RSF issued together with this AP and must be completed in accordance with the notes and instructions contained in these documents. Acceptances which do not strictly conform to the terms and conditions of this AP or the RSF or the notes and instructions contained in these documents or which are illegible, may not be accepted at the absolute discretion of our Board.

**FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES WITH WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENTS ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF. YOU ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY.**

If you wish to accept all or part of the Provisional Rights Shares with Warrants, please complete Parts I(a) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF with the relevant payment must be dispatched by **ORDINARY POST** or **DELIVERED BY HAND** in the official envelope provided (at your own risk) to our Share Registrar at the following address:

IGB Corporation Berhad (Share Registration Department)  
Level 32, The Gardens South Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur

Tel: 603-22898989  
Fax: 603-22898802

so as to arrive not later than 5.00 p.m. on 30 October 2009 (or such later date and time as our Board may decide and announce not less than 2 Market Days before the stipulated date and time).

If you lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from your stockbrokers, Bursa Securities' website (<http://www.bursamalaysia.com>) or our Share Registrar.

One (1) RSF must be used for acceptance of the Provisional Rights Shares with Warrants standing to the credit of 1 CDS Account. Separate RSFs must be used for the acceptance of Provisional Rights Shares with Warrants standing to the credit of more than 1 CDS Account. The Rights Shares accepted by you will be credited into the CDS Accounts where the Provisional Rights Shares with Warrants are standing to the credit.

Successful applicants of the Rights Shares will be given free attached Warrants on the basis of 1 Warrant for every 2 Rights Shares successfully subscribed for. The minimum number of securities that can be subscribed for or accepted is 2 Rights Shares, which will be accompanied with 1 Warrant.

Each completed RSF must be accompanied by the appropriate remittance in RM for the full amount payable for the Rights Shares accepted in the form of Banker's Draft(s) or Cashier's Order(s) or Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia and made payable to "IJMP RIGHTS ACCOUNT", crossed "ACCOUNT PAYEE ONLY" and endorsed on the reverse side with your name, contact number and address in block letters and your CDS Account number. The payment must be made in the exact amount. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. Cheques or other mode(s) of payment are not acceptable.

**NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DISPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN THE RSF AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE LAST DAY FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.**

**APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON.**

**YOU SHOULD NOTE THAT ALL RSFS AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.**

**IN RESPECT OF UNSUCCESSFUL OR PARTIALLY ACCEPTED APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST BY ORDINARY POST TO THE ADDRESS AS SHOWN IN THE RSF, AT YOUR OWN RISK, WITHIN 15 MARKET DAYS FROM THE LAST DAY FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS.**

If acceptance and payment for the Provisional Rights Shares with Warrants allotted to you (whether in full or in part, as the case may be) are not received by our Share Registrar by 5.00 p.m. on 30 October 2009 or such later date and time as our Board in its absolute discretion may decide and announce not less than 2 Market Days before the stipulated date and time, the provisional entitlement to you or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

Our Board will then have the right to allot such Rights Shares with Warrants not taken up to applicants for Excess Rights Shares with Warrants in the manner as set out in Section 9.5 of this AP.

### **9.3 Procedures for part acceptance**

You are entitled to accept part of your entitlement. The minimum number of Rights Shares with Warrants that can be accepted or minimum of Excess Rights Shares with Warrants which can be applied for is 2 Rights Shares and 1 Warrant.

You have to complete Part I(a) of the RSF by specifying the number of Rights Shares with Warrants which you are accepting and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the same manner as set out in Section 9.2 of this AP.

**YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.**

### **9.4 Procedures for sale or transfer of Provisional Rights Shares with Warrants**

As the Provisional Rights Shares with Warrants are prescribed securities, should you wish to sell or transfer all or part of your entitlement to the Provisional Rights Shares with Warrants to 1 or more persons, you may do so through your stockbrokers for the period up to the last day and time for sale or transfer of the Provisional Rights Shares with Warrants (in accordance with the Rules of Bursa Depository) without first having to request us for a split of the Provisional Rights Shares with Warrants standing to the credit of your CDS Account. To sell or transfer all or part of your entitlement to the Provisional Rights Shares with Warrants, you may sell such entitlement on the open market for the period up to the last day and time for sale of the Provisional Rights Shares with Warrants (in accordance with the Rules of Bursa Depository) or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository for the period up to the last day and time for transfer of the Provisional Rights Shares with Warrants (in accordance with the Rules of Bursa Depository).

**YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL RIGHTS SHARES WITH WARRANTS, YOU NEED NOT DELIVER ANY DOCUMENT TO YOUR STOCKBROKERS. YOU ARE HOWEVER ADVISED TO ENSURE THAT YOU HAVE SUFFICIENT NUMBER OF PROVISIONAL RIGHTS SHARES WITH WARRANTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNTS BEFORE SELLING OR TRANSFERRING.**

If you have sold or transferred only part of the Provisional Rights Shares with Warrants, you may still accept the balance of the Provisional Rights Shares with Warrants by completing Parts I(a) and II of the RSF. Please refer to Section 9.2 of this AP for the procedures for acceptance and payment.

**YOU SHOULD NOTE THAT ALL RSFS AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.**

#### **9.5 Procedures for application of Excess Rights Shares with Warrants**

If you wish to apply for additional Rights Shares with Warrants in excess of your entitlement, you may do so by completing Part I(b) of the RSF (in addition to Parts I(a) and II) and forwarding it with a separate remittance for the full amount payable on the Excess Rights Shares with Warrants applied for, to our Share Registrar not later than 5.00 p.m. on 30 October 2009 or such later date and time as our Board in its absolute discretion may decide and announce not less than 2 Market Days before the stipulated date and time.

Payment for the Excess Rights Shares with Warrants applied for should be made in the same manner described in Section 9.2 of this AP except that the Banker's Draft(s) or Cashier's Order(s) or Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia should be made payable to "IJMP RIGHTS EXCESS ACCOUNT", crossed "ACCOUNT PAYEE ONLY" and endorsed on the reverse side with your name, contact number and address in block letters and your CDS Account number. The payment must be made in the exact amount. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. Cheques or other mode(s) of payment are not acceptable.

It is the intention of our Board to allot the Excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the following priority:

- (i) firstly, to minimise the incidence of odd lots; and
- (ii) secondly, on a pro-rata basis to Entitled Shareholders and/or their renounee(s) (if applicable) who have applied for Excess Rights Shares with Warrants, taking into consideration the quantum of Provisional Rights Shares with Warrants allotted.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for under the RSF in such manner as they deem fit and expedient and in the best interest of our Company. Our Board also reserves the right to accept any Excess Rights Shares with Warrants application, in full or in part, without assigning any reason.

**NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE EXCESS RIGHTS SHARES WITH WARRANTS APPLICATION OR THE APPLICATION MONIES IN RESPECT THEREOF. HOWEVER, IF YOU ARE SUCCESSFUL, NOTICES OF ALLOTMENT WILL BE DISPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN THE RSF AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE LAST DAY FOR APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.**

**IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES WITH WARRANTS APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST BY ORDINARY POST TO THE ADDRESS AS SHOWN IN THE RSF AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE LAST DAY FOR APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS.**



#### **9.6 Procedures to be followed by renounees**

As a renounee, the procedures for acceptance, selling or transferring of Provisional Rights Shares with Warrants, applying for Excess Rights Shares with Warrants and/or payment is the same as that which is applicable to the Entitled Shareholders as described in Sections 9.2 to 9.5 of this AP. Please refer to the relevant sections for the procedures to be followed.

If you wish to obtain a copy of this AP and/or accompanying RSF, you can request for the same from your stockbroker, our Share Registrar or Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

**RENOUNCEES ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.**

#### **9.7 CDS Accounts**

Bursa Securities has already prescribed the IJMP Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares and Warrants are prescribed securities and as such, all dealings in the Rights Shares and Warrants shall be subject to the Securities Industry (Central Depositories) Act 1991, the Securities Industry (Central Depositories) Amendment Act 1998 and the Rules of Bursa Depository. You must have a CDS Account in order to subscribe for the Rights Shares with Warrants.

Your subscription for the Rights Shares with Warrants shall mean consent to receiving such Rights Shares and Warrants as deposited securities which will be credited directly into your CDS Account. No physical share certificates will be issued.

If you apply for Excess Rights Shares with Warrants, you must state your CDS Account number and if the Rights Shares with Warrants are subscribed for in full or in part, then such Rights Shares and Warrants shall be credited directly into your CDS Account.

If you have multiple CDS Accounts into which the Provisional Rights Shares with Warrants have been credited, you cannot use a single RSF for subscription of all these Provisional Rights Shares with Warrants. Separate RSF must be used for separate CDS Accounts. If successful, the Rights Shares and Warrants that you subscribed for will be credited into the CDS Accounts where the Provisional Rights Shares with Warrants are standing to the credit.

#### **9.8 Foreign Addressed Shareholders**

This AP, NPA and the RSF have not been (and will not be) made to comply with the laws of any foreign country or jurisdiction, and have not been (and will not be) lodged, registered or approved under any applicable securities or equivalent legislation (or with or by any regulatory authority or other relevant body) of any jurisdiction other than Malaysia.

The distribution of this AP, NPA and the RSF, as well as the acceptance of the Provisional Rights Shares with Warrants and the subscription for or the acquisition of the Rights Shares with Warrants may be restricted or prohibited (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant laws of those jurisdictions.

This AP, NPA and the RSF are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue will not be made or offered or deemed made or offered, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue to which this AP relates is only available to persons receiving this AP, NPA and the RSF or otherwise within Malaysia.

If you are a Foreign Addressed Shareholder, our Company will not make or be bound to make any enquiry as to whether you have a registered address or service address in Malaysia as stated in our Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. Our Company will assume that the Rights Issue and the acceptance thereof by you would be in compliance with the terms of the Rights Issue and would not be in breach of the laws of any jurisdiction. Our Company will further assume that you had accepted the Rights Issue in Malaysia and will at all applicable times be subject to the laws of Malaysia.

The foreign Entitled Shareholder and/or the renouncee(s) (if applicable) may only accept or renounce all or any part of the Rights Issue to the extent that it would be lawful to do so, and our Company, our Directors and officers, CIMB, Newfields and/or other experts (“Parties”), would not in connection with the Rights Issue, be in breach of the laws of any country or jurisdiction to which that foreign Entitled Shareholder and/or the renouncee(s) (if applicable) is or might be subject to. The foreign Entitled Shareholder and/or the renouncee(s) (if applicable) shall be solely responsible to seek advice from their legal and/or professional advisers as to the laws of the countries or jurisdictions to which they are or might be subject to. The Parties shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Shareholders is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction. The foreign Entitled Shareholder and/or the renouncee(s) (if applicable) will also have no claims whatsoever against the Parties in respect of their entitlement or to any net proceeds thereof.

We reserve the right, in our absolute discretion, to treat any acceptance as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The Provisional Rights Shares with Warrants relating to any acceptance which is treated as invalid will be included in the pool of Excess Rights Shares with Warrants available for excess application by foreign Entitled Shareholders and/or their renouncee(s).

Each person, by accepting the delivery of this AP, NPA and RSF, accepting any Provisional Rights Shares with Warrants by signing any of the forms accompanying this AP or subscribing for or acquiring Rights Shares with Warrants will be deemed to have represented, warranted, acknowledged and agreed in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which that Entitled Shareholder and/or renouncee(s) is or might be subject to;
- (ii) the foreign Entitled Shareholder and/or renouncee(s) has complied with the laws to which the foreign Entitled Shareholder and/or renouncee(s) is or might be subject to in connection with the acceptance or renunciation;

- (iii) the foreign Entitled Shareholder and/or renouncee(s) is not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance or renunciation of the Provisional Rights Shares with Warrants, be in breach of the laws of any jurisdiction to which that person is or might be subject to;
- (iv) the foreign Entitled Shareholder and/or renouncee(s) is aware that the Rights Shares with Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) the foreign Entitled Shareholder and/or renouncee(s) has obtained a copy of this AP and has had access to such financial and other information and has been provided the opportunity to ask such questions to our representatives and receives answers thereto as the foreign Entitled Shareholder and/or renouncee(s) deem necessary in connection with the foreign Entitled Shareholder or renouncee's decision to subscribe or purchase the Rights Shares with Warrants; and
- (vi) the foreign Entitled Shareholder and/or renouncee(s) has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with Warrants, and is and will be able, and is prepared to bear the economic and financial risks of investing in and holding the Rights Shares with Warrants.

#### 10. TERMS AND CONDITIONS

The offer of the Rights Shares with Warrants under the Rights Issue is governed by the terms and conditions set out in this AP and in the accompanying NPA and RSF.

#### 11. ADDITIONAL INFORMATION

You are requested to refer to the attached appendices for additional information.

Yours faithfully  
for and on behalf of the Board of Directors  
of **JJM PLANTATIONS BERHAD**

  
**Tan Sri Dato' Weng See Wah**  
Independent Non-Executive Chairman

**CERTIFIED TRUE EXTRACT OF THE RESOLUTION PERTAINING TO THE RIGHTS ISSUE  
PASSED AT OUR EGM HELD ON 20 AUGUST 2009**



**IJM  
PLANTATIONS  
BERHAD**  
(133399-A)

Wisma IJM Plantations  
Lot 1, Jalan Bandar Utama  
Mile 6, Jalan Utara  
90000 Sandakan, Sabah, Malaysia.  
Tel : 089-673811 / 667721  
Fax : 089-674810  
Email : [ijm@ijm.com](mailto:ijm@ijm.com)  
<http://www.ijm.com>

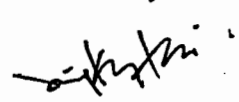
**PROPOSED RENOUNCEABLE 2:8 RIGHTS ISSUE WITH FREE DETACHABLE WARRANTS**

**RESOLVED:-**

THAT approval be and is hereby given for the Directors:-

- (i) to provisionally allot by way of a renounceable rights issue of 160,268,583 new ordinary shares of RM0.50 each ("Rights Shares") together with 80,134,291 new detachable warrants ("Warrants"), on the basis of 2 Rights Shares together with 1 free Warrant for every 8 existing ordinary shares of RM0.50 each ("Shares") held on an entitlement date to be determined later, at an issue price of RM2.10 per Rights Share ("Proposed Rights Issue") and on such other terms and conditions as the Directors may determine, AND THAT such Rights Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Shares except that they shall not be entitled to any dividends, rights, allotments and/or any other distributions, the entitlement date of which is prior to the allotment of the Rights Shares;
- (ii) to allot and issue such further Warrants as may be required or permitted to be issued as a consequence of the adjustments under the provisions in the Deed Poll to be executed by the Company constituting the Warrants ("Deed Poll");
- (iii) to allot and issue such appropriate number of new Shares, credited as fully paid-up, to holders of the Warrants arising from the exercise of the Warrants (which shall be in accordance with the provisions in the Deed Poll) to subscribe for new Shares, including such appropriate number of new Shares arising from the exercise of subscription rights represented by such further Warrants referred to in paragraph (ii) above, AND THAT each Warrant shall entitle its holder to subscribe for one (1) new Share at an exercise price of RM2.62 per Warrant (or such exercise price as may be determined under the provisions in the Deed Poll in consequence of any adjustment), AND THAT any new Shares to be issued upon exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Shares except that they shall not be entitled to any dividends, rights, allotments and/or any other distributions, the entitlement date of which is prior to the allotment of the Shares arising from the exercise of the Warrants; and
- (iv) to do such acts and things to give full effect to the Proposed Rights Issue, including to deal with any fractional entitlements.

Dated this 9<sup>th</sup> day of October 2009.

  
TING KENG FUI  
MAICSA 0777605  
COMPANY SECRETARY

## INFORMATION ON IJMP

### 1. HISTORY AND PRINCIPAL ACTIVITIES

We were incorporated as a private company limited by shares in Malaysia under the Act on 15 January 1985 under the name of Keepmatic Sdn Bhd. On 2 July 1985, we changed our name to IJM Plantations Sdn Bhd. We were converted into a public company and changed our name to IJM Plantations Berhad on 7 March 2003.

We were listed on the Main Market (previously the Main Board) of Bursa Securities on 2 July 2003.

The principal activities of our Company are cultivation of oil palm, investment holding and provision of management services to the subsidiaries.

The principal activities of each of our subsidiaries and associate company are set out in Section 5 of this Appendix.

### 2. SHARE CAPITAL AND MOVEMENTS IN SHARE CAPITAL

#### 2.1 Authorised and issued and fully paid-up share capital

The authorised and issued and fully paid-up share capital of our Company as at the LPD is as follows:

	No. of shares	Total RM
<b>Authorised share capital</b>		
Ordinary shares of RM0.50 each	2,000,000,000	1,000,000,000
<b>Issued and fully paid-up share capital</b>		
Ordinary shares of RM0.50 each	641,074,331	320,537,166

#### 2.2 Movements in share capital

Details of the changes in the issued and fully paid-up share capital of our Company for the last 3 years prior to the LPD are as follows:

Date of allotment	No. of ordinary shares	Par value RM	Consideration/Type of issue	Total issued and paid-up share capital RM
22.09.2006 to 22.12.2006	4,202,315	0.50	Exercise of ESOS at RM0.83 and RM0.96 per share	272,239,308
08.01.2007 to 20.04.2007	3,807,920	0.50	Exercise of ESOS at RM0.83 and RM0.96 per share	274,143,268

<b>Date of allotment</b>	<b>No. of ordinary shares</b>	<b>Par value RM</b>	<b>Consideration/Type of issue</b>	<b>Total issued and paid-up share capital RM</b>
30.04.2007	22,200,000	0.50	Conversion of RCULS at RM0.50 per share	285,243,268
09.05.2007 to 07.08.2007	6,410,075	0.50	Exercise of ESOS at RM0.83 and RM0.96 per share	288,448,306
21.09.2007 to 07.11.2007	1,438,700	0.50	Exercise of ESOS at RM0.82 and RM0.95 per share	289,167,656
14.11.2007	57,300,000	0.50	Conversion of RCULS at RM0.50 per share	317,817,656
22.11.2007 to 24.12.2007	530,880	0.50	Exercise of ESOS at RM0.82 and RM0.95 per share	318,083,096
08.01.2008 to 07.08.2008	3,960,630	0.50	Exercise of ESOS at RM0.80 and RM0.93 per share	320,063,411
08.09.2008 to 16.10.2008	947,510	0.50	Exercise of ESOS at RM0.80 and RM0.93 per share	320,537,166

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### 3. SUBSTANTIAL SHAREHOLDERS

The proforma effects of the Rights Issue on the shareholdings of our substantial shareholders based on our Company's Record of Depositors as at the LPD and the following scenarios are shown below:

- Scenario 1** - Scenario assuming none of the Entitled Shareholders and/or their renounee(s) (other than IJM and Styrobilt) subscribes for their respective entitlements to the Rights Shares with Warrants under the Rights Issue.
- Accordingly, IJM will subscribe in full for its direct and indirect (via Styrobilt) entitlements under the Rights Issue and further apply for excess Rights Shares with Warrants not taken up by other Entitled Shareholders and/or their renounee(s) pursuant to the Undertaking.
- Scenario 2** - Scenario assuming all of the Entitled Shareholders and/or their renounee(s) subscribe in full for their respective entitlements to the Rights Shares with Warrants under the Rights Issue.

#### Scenario 1

	(I)			(II)		
	As at the LPD			After (I) and After full exercise of the Warrants -->		
	Direct	Indirect	After the Rights Issue	Direct	Indirect	Indirect
	shares held	shares held	shares held	shares held	shares held	shares held
	%	%	%	%	%	%
	No. of	No. of	No. of	No. of	No. of	No. of
	shares held	shares held	shares held	shares held	shares held	shares held
Styrobilt	247,135,172	-	308,918,965	339,810,861	-	-
IJM	106,331,000	(1) 247,135,172	204,815,790	254,058,185	(1) 339,810,861	38.55
EPF	78,482,250	(2) 353,466,172	78,482,250	78,482,250	(2) 593,869,046	28.82
Desa Plus Sdn Bhd	37,000,000	-	37,000,000	37,000,000	-	8.90
						4.20

#### Notes:

(1) Deemed interest through Styrobilt.

(2) Deemed interest through IJM.





#### 4. DIRECTORS

Our Board and their respective direct and indirect shareholdings in our Company based on the Register of Directors' Shareholdings as at the LPD and after the Rights Issue under Scenario 1 and Scenario 2 are as follows:

Directors	Age	Nationality	Occupation	Designation	Address	As at the LPD		Scenario 1		Scenario 2							
						Direct	Indirect	Direct	Indirect	Direct	Indirect						
						No. of JUMP Shares	%	No. of JUMP Shares	%	No. of JUMP Shares	%						
Tan Sri Dato' Wong See Wah	63	Malaysian	Company Director	Independent Non-Executive Chairman	149 Jalan Dato' Kelana Ma'amor 70200 Seremban Negeri Sembilan	-	-	-	-	-	-						
Velayuthan a/l Tan Kim Song	55	Malaysian	Company Director	Chief Executive Officer & Managing Director	Lot 075434418 Off Jalan Beilan Taman Rimba, Mile 7 90000 Sandakan Sabah	3,549,800	0.55	(1) 187,700	0.03	3,549,800	0.44	(1) 187,700	0.02	4,437,250	0.55	234,625	0.03
Joseph Tek Choon Yee	43	Malaysian	Company Director	Chief Operating Officer & Executive Director	Lot 59 Taman Utama 90000 Sandakan Sabah	-	-	-	-	-	-	-	-	-	-	-	-
Khoo Khee Ming	67	Malaysian	Company Director	Senior Independent Non-Executive Director	14 Persiaran Basong Damansara Heights 50490 Kuala Lumpur	90,000	0.01	(1) 50,000	*	90,000	0.01	(1) 50,000	*	112,500	0.01	(1) 62,500	*
Datuk Oh Chong Peng	65	Malaysian	Company Director	Independent Non-Executive Director	5 Laman Setiakasih Lapan (Off Jalan Setiakasih Lapan) Bukit Damansara 50490 Kuala Lumpur	80,000	0.01	-	-	80,000	0.01	-	-	100,000	0.01	-	-
M. Ramachandran a/l V.D. Nair	71	Singaporean/ Permanent Resident	Company Director	Independent Non-Executive Director	5 Jalan 5/33 46000 Petaling Jaya Selangor Darul Ehsan	40,000	*	-	-	40,000	*	-	-	50,000	*	-	-
Dato' Tan Boon Seng @ Krishnan	57	Malaysian	Company Director	Non-Executive Director	22 Leboh Tamanind Taman Selatan 41200 Klang Selangor Darul Ehsan	505,879	0.08	(1) 327,879	0.05	505,879	0.06	(1) 327,879	0.04	632,349	0.08	(1) 409,849	0.05

Company No: 133399-A

Directors	Age	Nationality	Occupation	Designation	Address	Scenario 1			Scenario 2		
						As at the LPD	After the Rights Issue	After the Rights Issue	After the Rights Issue	After the Rights Issue	After the Rights Issue
						Direct	Indirect	Direct	Indirect	Direct	Indirect
						No. of IJMP Shares	No. of IJMP Shares	No. of IJMP Shares	No. of IJMP Shares	No. of IJMP Shares	No. of IJMP Shares
Teh Kean Ming	54	Malaysian	Company Director	Non-Executive Director	G-8-1 Palmyra Bangsar 9 Jalan Medang Tanduk Bukit Bandaraya 59100 Kuala Lumpur						

**Notes:**

- \* Less than 0.01%.
- (1) Deemed interest through family member(s).

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## 5. SUBSIDIARIES AND ASSOCIATE COMPANY

The details of the subsidiaries and associate company of our Group as at the LPD are as follows:

Name	Date/ Place of incorporation	Issued and paid- up share capital	Effective equity interest held %	Principal activities
Akrab Perkasa Sdn Bhd	21.04.1994 Malaysia	RM5,160,000	100	Palm oil milling
Ampas Maju Sdn Bhd	29.05.1996 Malaysia	RM2	100	Cultivation of oil palm
Berakan Maju Sdn Bhd	11.04.1997 Malaysia	RM1,000,000	100	Cultivation of oil palm
Desa Talisai Sdn Bhd	03.07.1981 Malaysia	RM20,600,002	100	Cultivation of oil palm
Desa Talisai Palm Oil Mill Sdn Bhd	28.01.1992 Malaysia	RM6,000,000	100	Palm oil milling
Dynasive Enterprise Sdn Bhd	17.01.1998 Malaysia	RM2	100	Investment holding
Excellent Challenger (M) Sdn Bhd	25.04.1992 Malaysia	RM1,000,000	100	Cultivation of oil palm
Gapas Mewah Sdn Bhd	25.05.1996 Malaysia	RM2	100	Cultivation of oil palm
Golden Grip Sdn Bhd	02.08.1996 Malaysia	RM2	100	Cultivation of oil palm
Gunaria Sdn Bhd	17.01.1998 Malaysia	RM170,000	100	Investment holding
IJM Agri Services Sdn Bhd	30.08.1996 Malaysia	RM300,000	100	Provision of contracting services and agricultural management services
IJM Biofuel Sdn Bhd	06.12.2005 Malaysia	RM2,500,000	60	Manufacture and sale of biodiesel
IJM Edible Oils Sdn Bhd	18.07.1996 Malaysia	RM290,000	100	Palm kernel milling
IJMP Investments (M) Limited	16.01.2008 Republic of Mauritius	USD1	100	Investment holding
Isu Mutiara Sdn Bhd	25.03.1994 Malaysia	RM2	100	Investment holding
Kulim Mewah Sdn Bhd	01.03.1996 Malaysia	RM2	100	Cultivation of oil palm
Laserline Sdn Bhd	02.08.1996 Malaysia	RM2	100	Cultivation of oil palm

<b>Name</b>	<b>Date/ Place of incorporation</b>	<b>Issued and paid- up share capital</b>	<b>Effective equity interest held %</b>	<b>Principal activities</b>
Macmillion Group Sdn Bhd	11.04.1986 Malaysia	RM100	100	Dormant
Minat Teguh Sdn Bhd	09.12.1992 Malaysia	RM10,000,000	100	Investment holding
Mowtas Bulkers Sdn Bhd	12.11.1990 Malaysia	RM1,200,000	100	Multi-user bulking terminal
Mowtas Multi-User Jetty Sdn Bhd	27.07.1984 Malaysia	RM100,000	100	Logistics, port and jetty operations, warehousing and shipping
Rakanan Jaya Sdn Bhd	11.04.1997 Malaysia	RM1,000,000	100	Cultivation of oil palm
Rantajasa Sdn Bhd	01.03.1996 Malaysia	RM2	100	Cultivation of oil palm
Ratus Sempurna Sdn Bhd	15.01.1996 Malaysia	RM1,310,000	100	Property holding
Sabang Mills Sdn Bhd	19.12.1997 Malaysia	RM100,000	100	Palm oil milling
Sijas Plantations Sdn Bhd	20.04.1978 Malaysia	RM307,595	100	Cultivation of oil palm
Sri Kilau Sdn Bhd	02.08.1996 Malaysia	RM2	100	Cultivation of oil palm
<b><i>Held by IJMP Investments (M) Limited</i></b>				
IJM Plantations (Mauritius) Limited	28.12.2007 Republic of Mauritius	USD1	100	Investment holding
<b><i>Held by IJM Plantations (Mauritius) Limited</i></b>				
Godrej IJM Palm Oil Limited	15.11.2006 India	Rs.13,58,000	51	Oil palm business
<b><i>Held by Desa Talisal Sdn Bhd</i></b>				
Cahaya Adil Sdn Bhd	22.03.1988 Malaysia	RM2	100	Investment holding
Firdana Corporation Sdn Bhd	05.09.1994 Malaysia	RM240,000	100	Investment holding
Gerbang Selasih Sdn Bhd	05.08.1993 Malaysia	RM10,000	100	Investment holding
Sihat Maju Sdn Bhd	17.01.1983 Malaysia	RM5	100	Investment holding

<b>Name</b>	<b>Date/ Place of incorporation</b>	<b>Issued and paid- up share capital</b>	<b>Effective equity interest held %</b>	<b>Principal activities</b>
<b><i>Held by Minat Teguh Sdn Bhd</i></b>				
PT Primabahagia Permai	11.12.1989 Indonesia	Rp43,700,000,000	95	Cultivation of oil palm
<b><i>Held by Gunaria Sdn Bhd</i></b>				
PT Sinergi Agro Industri	15.09.2004 Indonesia	Rp45,000,000,000	95	Cultivation of oil palm
<b><i>Associate company</i></b>				
Loongsyn Sdn Bhd	14.11.1981 Malaysia	RM3,000,000	50	Investment holding, and trading in agricultural fertilisers and chemicals

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## 6. PROFIT AND DIVIDEND RECORD

The following table summarises the audited consolidated results of our Group for the 3 financial years ended 31 March 2009 and the unaudited consolidated results of our Group for the 3 month period ended 30 June 2009:

	Audited financial years ended 31 March			Unaudited 3-month period ended 30 June 2009 RM '000
	2007 RM '000	2008 RM '000 (Restated)	2009 RM '000	
Revenue	271,633	478,029	491,604	94,277
Gross profit	109,666	258,175	229,104	29,916
Other income	1,607	2,646	3,200	411
EBITDA <sup>(1)</sup>	86,042	217,872	187,767	18,532
Finance costs	9,902	6,071	3,741	660
Share of profit of associates	821	2,979	2,596	656
Share of profit/(loss) of jointly controlled entities	*	83	(274)	(23)
PBT	56,445	189,973	160,477	11,303
Income tax expense	12,469	47,846	37,420	3,327
Profit/(loss) attributable to:				
Equity holders of the Company	43,959	142,113	123,186	7,881
Minority interests	17	14	(129)	95
Profit/(loss) for the year/period	43,976	142,127	123,057	7,976
Weighted average number of ordinary shares in issue ('000)	530,719	596,643	640,184	641,074
Basic EPS (sen) <sup>(2)</sup>	8.28	23.82	19.24	1.23
Diluted EPS (sen) <sup>(3)</sup>	7.35	22.49	19.24	1.23
Gross profit margin (%) <sup>(4)</sup>	40.37	54.01	46.60	31.73
Gross dividend paid per share (sen)	4.50	12.00	8.00	n/a

### Notes:

n/a Not applicable.

\* Less than RM1,000.

<sup>(1)</sup> Computed by adding back depreciation and amortisation and finance costs to PBT.

<sup>(2)</sup> Computed by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue.

<sup>(3)</sup> Computed by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue, adjusted for the dilutive effects of all potential ordinary shares from conversion of the RCULS and the exercise of ESOS.

<sup>(4)</sup> Gross profit margin is computed by dividing gross profit by revenue.

**Commentary:****Financial year ended 31 March 2007**

For the financial year ended 31 March 2007, our Group recorded revenue of RM271.63 million, representing an increase of approximately 11% as compared to revenue of RM244.63 million recorded in the previous year. The increase in revenue was mainly due to higher CPO prices coupled with the increase in crop production. Average CPO price achieved of RM1,511 per MT was approximately 10% higher than that of the previous year (2006: RM1,373 per MT) while FFB production increased by approximately 12% to 504,871 MT (2006: 451,677 MT). The increase in FFB was due to a larger area achieving maturity and of prime age in our Group's Sugut region. Together with the volume from outside fruit purchase, total FFB milled in our mills amounted to 669,050 MT (2006: 622,625 MT).

In line with the increase in revenue, our Group recorded PBT of RM56.45 million, representing an increase of approximately 8% from the PBT of RM52.12 million recorded in the previous year.

**Financial year ended 31 March 2008**

For the financial year ended 31 March 2008, our Group recorded revenue of RM478.03 million, representing an increase of approximately 76% as compared to revenue of RM271.63 million recorded in the previous year. The increase in revenue was mainly driven by higher palm product prices coupled with a steady increase in crop production. Average CPO prices achieved during the year increased to RM2,544 per MT from RM1,511 per MT achieved in the previous year, registering an increase of approximately 68%. Similarly, average crude palm kernel oil ("PKO") prices increased by 75%, from RM1,863 to RM3,251 per MT. Our Group's crop production continued to be boosted by the larger area of palms reaching prime age in our Group's Sugut region. FFB production increased by approximately 12% to 567,324 MT (2007: 504,871 MT). Together with the volume from outside fruit purchases, total FFB processed in our mills amounted to 724,361 MT (2007: 669,050 MT).

With the significantly higher revenue, our Group's PBT rose to RM189.97 million for the financial year ended 31 March 2008, representing a 237% increase from PBT of RM56.45 million in the previous year.

**Financial year ended 31 March 2009**

For the financial year ended 31 March 2009, our Group recorded revenue of RM491.60 million, representing a marginal increase of approximately 3% as compared to revenue of RM478.03 million recorded in the previous year. The increase in revenue was mainly due to higher CPO price and crop production. The average CPO selling price of RM2,641 per MT was an increase of approximately 4% as compared to the previous year (2007: RM2,544 per MT). FFB production also grew by approximately 6% compared to the preceding year, primarily due to more areas reaching prime age. However, the average price of PKO decreased by approximately 4% from RM3,251 per MT to RM3,107 per MT.

Despite achieving higher production and palm products selling prices, profitability eroded due to higher plantation upkeep cost, particularly fertiliser. As a result, PBT reduced from RM189.97 million in the preceding year to RM160.48 million for the financial year ended 31 March 2009.

**3-month financial period ended 30 June 2009**

Our Group's revenue of RM94.3 million was lower than the corresponding quarter of the preceding year by 40.5%. This was due to a convergence of negative factors, primarily the decrease in average CPO selling price by 32% from RM3,306 per MT to RM2,249 per MT, and the decrease in average price of PKO by 36% from RM4,036 to RM2,593 per MT. Furthermore, production of FFB for the quarter decreased by 9% due to a change in cropping pattern.

As such, PBT of RM11.3 million for the current quarter was lower by 80% as compared to the same period of the preceding year. This was also due to higher plantation upkeep costs, particularly fertiliser, being higher due to earlier application of the required nutrients and higher prices during the period. In addition, the Group incurred an exceptional cost of RM2.8 million in respect of land compensation payment.

**7. HISTORICAL SHARE PRICES**

The following table sets out the monthly high and low prices of IJMP Shares as traded on Bursa Securities for the past 12 months from October 2008 to September 2009:

	<b>High RM</b>	<b>Low RM</b>
<b>2008</b>		
October	1.80	1.28
November	1.92	1.70
December	1.98	1.75
<b>2009</b>		
January	2.26	1.95
February	2.25	2.00
March	2.17	1.94
April	2.52	2.07
May	2.76	2.36
June	2.79	2.54
July	3.04	2.47
August	3.10	2.78
September	2.91	2.78
Last transacted price on 7 July 2009, being the last trading day prior to the date of announcement of the Rights Issue on 8 July 2009		RM2.60
Last transacted price on the LPD		RM2.80
Last transacted price on 12 October 2009, being the last trading day prior to the ex-date for the Rights Issue		RM2.95

*(Source: Bloomberg financial data)*



**PROFORMA CONSOLIDATED BALANCE SHEETS OF IJMP AS AT 31 MARCH 2009 TOGETHER WITH THE REPORTING ACCOUNTANT'S LETTER**

*(Prepared for inclusion in this AP)*



The Board of Directors  
IJM Plantations Berhad  
2<sup>nd</sup> Floor, Wisma IJM  
Jalan Yong Shook Lin  
46050 Petaling Jaya  
Selangor Darul Ehsan

PricewaterhouseCoopers  
(AF 1146)  
Chartered Accountants  
Level 10, 1 Sentral  
Jalan Travers, Kuala Lumpur Sentral  
P O Box 10192  
50706 Kuala Lumpur, Malaysia  
Telephone +60 3 2173 1188  
Facsimile +60 3 2173 1288  
pwc.com

8 October 2009

LLC/RR/VY/AUP/IJMP09

**Pro forma Consolidated Balance Sheets (for inclusion in the Abridged Prospectus)**

Dear Sirs,

- 1 We report on the Pro forma Consolidated Balance Sheets as at 31 March 2009 of IJM Plantations Berhad ("the Group"), together with the Notes thereon as set out in the attached Appendix which we have stamped for the purpose of identification, for which the Directors are solely responsible.
- 2 The Pro forma Consolidated Balance Sheets have been prepared for illustrative purposes only, for inclusion in the Abridged Prospectus to be dated on 15 October 2009 in connection with the renounceable rights issue of 160,268,583 new ordinary shares of RM0.50 each in IJM Plantations Berhad ("IJMP") ("Rights Shares") together with 80,134,291 new warrants ("Warrants"), on the basis of 2 rights shares together with 1 free warrant for every 8 existing IJMP shares held by the shareholders of IJMP, at an issue price of RM2.10 per rights share ("Rights Issue").

**Responsibilities**

- 3 It is the responsibility solely of the directors of IJM Plantations Berhad to prepare the Pro forma Consolidated Balance Sheets as at 31 March 2009 in accordance with the requirements of the *Prospectus Guidelines – Abridged Prospectus*.
- 4 It is our responsibility to form an opinion as required by the Abridged Prospectus on the Pro forma Consolidated Balance Sheets and our report is given to you solely for this and no other purpose.
- 5 In providing this opinion, we are not updating or refreshing any reports or opinions previously made on any financial information in the Appendix used in the compilation of the Pro forma Consolidated Balance Sheets.



The Board of Directors  
IJM Plantations Berhad  
Pro forma Consolidated Balance Sheets (for inclusion in the Abridged Prospectus)  
8 October 2009

### Basis of opinion

- 6 Our work, which involved no independent examination of any of the underlying financial information, consisted of comparing the audited consolidated balance sheet in the Appendix with the audited financial statements of the Group, considering the evidence supporting the adjustments and discussing the Pro forma Consolidated Balance Sheets with the directors of the Group.
- 7 As the Pro forma Consolidated Balance Sheets are prepared for illustrative purposes only, such information, because of its nature, does not give a true picture of the effects of the Rights Issue on the financial position of the Group had the transaction or event occurred at the balance sheet date. Further, such information does not purport to predict the Group's future financial position.

### Opinion

- 8 In our opinion:
  - (a) the Pro forma Consolidated Balance Sheets have been properly compiled on the basis set out in the Notes thereon using the financial statements prepared in accordance with Financial Reporting Standards, the Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards in Malaysia for Entities other than Private Entities and in a manner consistent with both the format of the financial statements and the accounting policies of the Group; and
  - (b) the adjustments made to the information used in the preparation of the Pro forma Consolidated Balance Sheets are appropriate for the purposes of preparing the pro forma balance sheets.

Yours faithfully,

A large, stylized handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers'.

PricewaterhouseCoopers  
(AF: 1146)  
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Loh Lay Choon'.

Loh Lay Choon  
(No. 2497/03/10 (J))  
Partner of the Firm

## IJM PLANTATIONS BERHAD

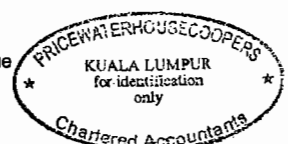
**PRO FORMA CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2009**

The Pro forma Consolidated Balance Sheets of IJM Plantations Berhad ("IJMP" or "the Company") and its subsidiaries, hereinafter collectively referred to as IJMP Group, set out below are provided for illustrative purposes only to show the effects of the audited consolidated balance sheet of IJMP as at 31 March 2009 had the Rights Issue as described in Note 2 below been effected on that date and should be read in conjunction with the notes accompanying thereto.

	Audited 31.03.2009 RM'000	Proposal Pro forma I After the Proposed Rights Issue with Warrants RM'000	Assumption Pro forma II After Pro forma I and Assumed Full Exercise of Warrants RM'000
<b>Non-current assets</b>			
Property, plant and equipment	265,423	355,423	355,423
Leasehold land	116,850	116,850	116,850
Plantation expenditure	430,972	676,536	676,536
Investments in associate	12,808	12,808	12,808
Investment in jointly controlled entities	9,797	9,797	9,797
Other receivables	92,165	92,165	92,165
Deferred tax assets	3,394	3,394	3,394
	<u>931,409</u>	<u>1,266,973</u>	<u>1,266,973</u>
<b>Current assets</b>			
Inventories	39,317	39,317	39,317
Trade and other receivables	15,268	15,268	15,268
Tax recoverable	3,120	3,120	3,120
Cash and bank balances	52,665	52,665	262,617
	<u>110,370</u>	<u>110,370</u>	<u>320,322</u>
<b>Total assets</b>	<u>1,041,779</u>	<u>1,377,343</u>	<u>1,587,295</u>
<b>Equity attributable to equity holders of the Company</b>			
Share capital	320,537	400,671	440,739
Share premium	59,297	277,865	484,611
Warrants reserve	-	36,862	-
Other reserves	46,296	46,296	46,296
Retained earnings	404,863	404,863	404,863
	<u>830,993</u>	<u>1,166,557</u>	<u>1,376,509</u>
Minority interests	1,274	1,274	1,274
<b>Total equity</b>	<u>832,267</u>	<u>1,167,831</u>	<u>1,377,783</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities	124,823	124,823	124,823
<b>Current liabilities</b>			
Trade and other payables	49,456	49,456	49,456
Borrowings	34,958	34,958	34,958
Tax payable	275	275	275
	<u>84,689</u>	<u>84,689</u>	<u>84,689</u>
<b>Total equity and liabilities</b>	<u>1,041,779</u>	<u>1,377,343</u>	<u>1,587,295</u>
(i) Net assets (attributable to equity holders of the Company) (RM'000)	830,993	1,166,557	1,376,509
No. of shares in issue at par value of RM0.50 per share ('000)	641,074	801,343	881,477
(ii) Net assets per share (RM)	1.30	1.46	1.56
(iii) Gearing (%)	4.21%	3.00%	2.54%

Note:

- (i) Net assets (attributable to equity holdings of the Company) = Total equity - Minority interests  
(ii) Net assets per share = Net assets (attributable to equity holders of the Company) / No. of shares in issue  
(iii) Gearing = Total borrowings / Total equity attributable to shareholders of the Company



**IJM PLANTATIONS BERHAD****PRO FORMA CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2009****1 BASIS OF PREPARATION**

- 1.1 The Pro forma Consolidated Balance Sheets of IJM Plantations Berhad have been prepared based on the audited consolidated balance sheet of IJM Plantations Berhad as at 31 March 2009 had the Rights Issue described in Note 2 below been effected on that date and are based on the accounting policies and bases consistent with those normally adopted by IJM Plantations Berhad in the preparation of its audited consolidated financial statements for the financial year ended 31 March 2009, except for the adoption of the following new accounting policy:

**(i) Warrant Reserve**

Proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve which is non-distributable. Warrants reserve is transferred to the share premium account upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants at the expiry of the warrants period will be transferred to retained earnings.

- 1.2 The audited consolidated balance sheet of IJM Plantations Berhad as at 31 March 2009 has been extracted from the audited consolidated financial statements of IJM Plantations Berhad for the financial year ended 31 March 2009. The audited consolidated financial statements of IJM Plantations Berhad for the financial year ended 31 March 2009 have been reported on without modification by the statutory auditors of IJM Plantations Berhad.

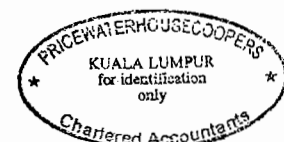
**2 RIGHTS ISSUE**

The Rights Issue undertaken by IJM Plantations Berhad is the renounceable rights issue of 160,268,583 new IJM Plantations Berhad shares ("Rights Shares") together with 80,134,291 new detachable warrants ("Warrants"), on the basis of two (2) Rights Shares together with one (1) free Warrant for every eight (8) IJM Plantations Berhad shares held on 15 October 2009, at an issue price of RM2.10 per Rights Shares ("Rights Issue").

The Warrants to be issued together with the Rights Issue, will entitle the holder of the Warrants at any time during a period not exceeding five (5) years from the date of issue of the Warrants to subscribe up to an aggregate maximum of 80,134,291 ordinary shares of RM0.50 each in the capital of IJM Plantations Berhad by cash payment at an exercise price of RM2.62 per Warrant, on the basis of one (1) Warrant for one (1) IJM Plantations Berhad share.

The proceeds from the Rights Issue will be utilised to partially finance the development (including land clearing, planting, upkeep and infrastructure-related activities) of IJMP Group's plantation land bank acquired/to be acquired in Indonesia, estimated as follows:

	RM'000
Property, plant and equipment	90,000
Planting expenditure	245,564
	<u>335,564</u>



## IJM PLANTATIONS BERHAD

PRO FORMA CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2009**3 THE PRO FORMA CONSOLIDATED BALANCE SHEETS**

The Pro forma Consolidated Balance Sheets of IJM Plantations Berhad are provided for illustrative purposes only to show the effects on the audited consolidated balance sheet of IJM Plantations Berhad as at 31 March 2009 had the Rights Issue described in Note 2 been effected on that date.

**3.1 Pro forma I – IJM Plantations Berhad Rights Issue with Warrants**

Pro forma I incorporates on a pro forma basis the effects on the audited consolidated balance sheet of IJM Plantations Berhad as at 31 March 2009 of the IJM Plantations Berhad Rights Issue with Warrants described in Note 2 above.

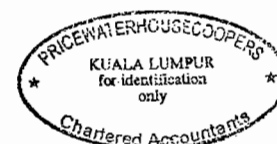
Pursuant to the IJM Plantations Berhad Rights Issue with Warrants described in Note 2 above, the IJM Plantations Berhad Rights Shares and IJM Plantations Berhad Warrants are recognised at their relative fair values. In arriving at the relative fair values, the fair values of IJM Plantations Berhad Rights Shares and IJM Plantations Berhad Warrants were proportionately adjusted to the issue price of RM2.10 per IJM Plantations Berhad Rights Share.

The fair value of each IJM Plantations Berhad Rights Share is determined using the theoretical ex-price of IJM Plantations Berhad's shares based on the 5-day VWAMP per IJM Plantations Berhad's share up to 7 July 2009 of RM2.51 per share and the fair value of the IJM Plantations Berhad Warrants of RM0.61 per Warrant is determined using the "Trinomial" pricing model based on the following key assumptions:

Risk-free interest rate (based on 5-year Malaysian Government Securities)*	3.623%
Expected volatility (based on 5-year historical daily volatility)*	32.884%
Expected dividend yield*	3.08%

\* Source: Bloomberg

For the purpose of illustrating Pro forma I, the Rights Issue and Warrants are recorded at their relative fair values at the date of issuance of RM1.87 per Rights Share and RM0.46 per Warrant respectively. The warrants reserve and share capital are credited based on the relative fair value of the Warrants and the relative fair value of the Rights Shares respectively.



## IJM PLANTATIONS BERHAD

PRO FORMA CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2009

## 3 THE PRO FORMA CONSOLIDATED BALANCE SHEETS (CONTINUED)

3.2 Pro forma II – After Pro forma I and Assumed Full Exercise of the Warrants

Pro forma II incorporates the cumulative effects of Pro forma I and the effects of the assumed full exercise of the Warrants described in Note 2 above. The full exercise of the Warrants will result in a transfer of RM36.862 million from Warrants Reserve to Share Premium account.

The gross proceeds from the full exercise of the Warrants have been included within cash and bank balances.

## 4 MOVEMENTS IN CAPITAL AND RESERVES

	Share capital RM'000	Share premium RM'000	Warrants reserve RM'000	Other reserves RM'000	Retained earnings RM'000
As shown in the audited consolidated financial statements of IJM Plantations Berhad as at 31 March 2009	320,537	59,297	-	46,296	404,863
IJM Plantations Berhad Rights Issue with Warrants	<u>80,134</u>	<u>218,568*</u>	<u>36,862</u>	<u>-</u>	<u>-</u>
As shown in Pro forma I	400,671	277,865	36,862	46,296	404,863
Assumed Full Exercise of the Warrants	40,068	206,746	(36,862)	-	-
As shown in Pro forma II	<u>440,739</u>	<u>484,611</u>	<u>-</u>	<u>46,296</u>	<u>404,863</u>

\* After taking into consideration estimated share issue expenses in relation to the Rights Issue described in Note 2 above of RM1 million which has been set-off against Share Premium account.

Approved on behalf of the Board of Directors of IJM Plantations Berhad in accordance with a resolution of the Board of Directors dated 6 October 2009.



VELAYUTHAN A. TAN KIM SONG  
Chief Executive Officer & Managing Director



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF IJM FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 TOGETHER WITH THE AUDITORS' REPORT**

**IJM PLANTATIONS BERHAD**

(Company No: 133399-A)

(Incorporated in Malaysia)

**Directors' Report and Statement**

The Directors have pleasure in presenting their report and statement together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2009.

**Principal Activities**

The principal activities of the Company are cultivation of oil palm, investment holding and provision of management services to the subsidiaries. The principal activities of the subsidiaries are stated in Note 17 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

**Results**

	<b>Group RM'000</b>	<b>Company RM'000</b>
Profit for the year	<u>123,057</u>	<u>49,183</u>
Attributable to:		
Equity holders of the Company	123,186	49,183
Minority interests	<u>(129)</u>	<u>-</u>
	<u>123,057</u>	<u>49,183</u>

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

**Significant Events**

- (a) On 7 July 2008, a wholly owned subsidiary, Minat Teguh Sdn. Bhd. subscribed 95 shares of Rupiah 1 million each representing 95% equity interest in PT Primabahagia Permai, a company incorporated in Indonesia, for a total cash consideration of Rupiah 95 million (approximately RM37,000).
- (b) On 7 July 2008, a wholly owned subsidiary, Gunaria Sdn. Bhd. subscribed 190 shares of Rupiah 1 million each, representing 95% equity interest in PT Sinergi Agro Industri, a company incorporated in Indonesia, for a total cash consideration of Rupiah 190 million (approximately RM72,000).

**IJM PLANTATIONS BERHAD**  
 (Company No: 133399-A)  
 (Incorporated in Malaysia)  
**Directors' Report and Statement**

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**Subsequent Event**

On 22 April 2009, a wholly-owned subsidiary, Dynasive Enterprise Sdn. Bhd. entered into Conditional Sale and Purchase Agreement to acquire 750 shares of Rupiah 1 million each, representing 75% equity interest in PT Prima Alumga, a company incorporated in Indonesia, for the total cash consideration of Rupiah 750 million (approximately RM232,500).

**Dividends**

The amount of dividends paid on 639,885,021 ordinary shares by the Company since 31 March 2008 were as follows:

**RM'000**

In respect of the financial year ended 31 March 2008 as reported in the Directors' Report and Statement of that year:

(a) 18% less 25% taxation (6.75 sen net per ordinary share); and	43,192
(b) 6% tax exempt dividend (3 sen per ordinary share).	19,197
	62,389

On 26 May 2009, the Directors declared a single tier interim dividend in respect of the financial year ended 31 March 2009 of 16%. The single tier interim dividend will be paid on 18 August 2009 to every member who is entitled to receive the dividend at the close of business on 31 July 2009.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2009.

**Directors**

The Directors in office since the date of the last report and statement are:

Tan Sri Dato' Wong See Wah	
Velayuthan a/l Tan Kim Song	
Joseph Tek Choon Yee	(Appointed on 19 October 2008)
Khoo Khee Ming @ Koo Khee Ming*	
Datuk Oh Chong Peng	
M. Ramachandran a/l V.D. Nair*	
Dato' Tan Boon Seng @ Krishnan	
Dato' Goh Chye Koon*	
Ling Ah Hong	(Retired on 19 October 2008)
Joseph Tek Choon Yee, Alternate to Ling Ah Hong	(Ceased on 19 October 2008)

\* Members of Nomination & Remuneration Committee



**IJM PLANTATIONS BERHAD**  
 (Company No: 133399-A)  
 (Incorporated in Malaysia)  
**Directors' Report and Statement**

**Directors' Benefits**

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arise from the share option granted under the Employee Share Option Scheme.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 10 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 33 to the financial statements.

According to the Register of Directors' Shareholdings, the interests of the Directors in office at the end of the financial year in shares, options over shares and warrants of the Company, its ultimate holding company and related companies during the financial year were as follows:

	<b>Number of Ordinary Shares of RM0.50 Each</b>			
	<b>1.4.2008 / At date of appointment</b>	<b>Acquired</b>	<b>Disposed</b>	<b>31.3.2009</b>
<b><u>The Company</u></b>				
<b>Direct Interest:</b>				
Velayuthan a/l Tan Kim Song	3,019,800	600,000	-	3,619,800
Joseph Tek Choon Yee*	-	200,000	200,000	-
Khoo Khee Ming @ Koo Khee Ming	40,000	50,000	-	90,000
Datuk Oh Chong Peng	50,000	50,000	30,000	70,000
M. Ramachandran a/l V.D. Nair	10,000	30,000	-	40,000
Dato' Tan Boon Seng @ Krishnan	505,879	-	-	505,879
Dato' Goh Chye Koon	153,484	-	-	153,484
<b>Indirect Interest:</b>				
Velayuthan a/l Tan Kim Song	137,700	-	-	137,700 <sup>(1)</sup>
Khoo Khee Ming @ Koo Khee Ming	50,000	-	-	50,000 <sup>(1)</sup>
Dato' Tan Boon Seng @ Krishnan	277,879	50,000	-	327,879 <sup>(1)</sup>
<b>Number of Options Over Ordinary Shares of RM0.50 Each</b>				
	<b>1.4.2008/ At date of appointment</b>	<b>Granted</b>	<b>Exercised</b>	<b>Balance as at expiry date 19.10.2008</b>
Velayuthan a/l Tan Kim Song	500,000	-	500,000	-
Joseph Tek Choon Yee*	200,000	-	200,000	-
Khoo Khee Ming @ Koo Khee Ming	50,000	-	50,000	-
Datuk Oh Chong Peng	50,000	-	50,000	-

**IJM PLANTATIONS BERHAD**  
 (Company No: 133399-A)  
 (Incorporated in Malaysia)  
**Directors' Report and Statement**

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**Directors' Interests (Cont'd)**

**Number of Ordinary Shares of RM1 Each**  
**1.4.2008 / Acquired Disposed 31.3.2009**  
**At date of appointment**

**Ultimate Holding Company**  
**- IJM Corporation Berhad**

**Direct Interest:**

M. Ramachandran a/l V.D. Nair	-	10,000	-	10,000
Dato' Tan Boon Seng @ Krishnan	954,600	457,200	-	1,411,800
Dato' Goh Chye Koon	298,712	50,640	20,000	329,352

**Indirect Interest:**

Dato' Tan Boon Seng @ Krishnan	50,000	732,240	-	782,240 <sup>(1)</sup>
Khoo Khee Ming @ Koo Khee Ming	-	10,000	-	10,000 <sup>(1)</sup>

**Number of Options Over Ordinary Shares of RM1 Each**  
**1.4.2008 Granted Exercised Balance as at**  
**expiry date**  
**10.11.2008**

Dato' Goh Chye Koon	550,000	-	-	550,000
Datuk Oh Chong Peng	100,000	-	-	100,000

**Number of Warrants**  
**1.4.2008 Acquired Disposed/ 31.3.2009**  
**Exercised**

Dato' Tan Boon Seng @ Krishnan	501,900	-	-	501,900
Dato' Goh Chye Koon	113,000	-	-	113,000

**IJM PLANTATIONS BERHAD**  
 (Company No: 133399-A)  
 (Incorporated in Malaysia)  
**Directors' Report and Statement**

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**Directors' Interests (Cont'd.)**

	Number of Ordinary Shares of RM0.50 Each			
	1.4.2008	Acquired	Disposed	31.3.2009
<b>Related Company</b>				
<b>- Industrial Concrete Products Berhad</b>				
<b>Direct Interest:</b>				
Dato' Tan Boon Seng @ Krishnan	762,000	-	762,000	-
Dato' Goh Chye Koon	84,400	-	84,400	-
Velayuthan a/l Tan Kim Song	400,000	-	400,000	-

**Indirect Interest:**

Dato' Tan Boon Seng @ Krishnan	901,200 <sup>(1)</sup>	-	901,200	-
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	Number of Ordinary Shares of RM1.00 Each			
	1.4.2008	Acquired	Disposed	31.3.2009
<b>Related Company</b>				
<b>- IJM Land Berhad</b>				

**Indirect Interest:**

Dato' Tan Boon Seng @ Krishnan	-	20,000	-	20,000
--------------------------------	---	--------	---	--------

	Number of Warrants			
	1.4.2008	Acquired	Disposed	31.3.2009
<b>Direct Interest:</b>				
Dato' Tan Boon Seng @ Krishnan	-	95,460	-	95,460
Dato' Goh Chye Koon	-	29,871	-	29,871

**Indirect Interest:**

Dato' Tan Boon Seng @ Krishnan	-	13,000	-	13,000
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**Notes:-**

\* Appointed on 25 May 2008 as alternate director

<sup>(1)</sup> Through a family member

None of the other directors in office at the end of the financial year had any interest in shares, options over shares and warrants of the Company, its ultimate holding company and related companies during the financial year.

**IJM PLANTATIONS BERHAD**

(Company No: 133399-A)

(Incorporated in Malaysia)

**Directors' Report and Statement**

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**Share Capital**

During the financial year, the issued and paid-up ordinary share capital of the Company was increased from RM319,298,470.50 to RM320,537,165.50 by way of the issuance of 2,477,390 new ordinary shares of RM0.50 each for cash pursuant to the Employee Share Option Scheme at the exercise price of RM0.82, RM0.95 and RM1.09 per ordinary share (adjusted to RM0.80, RM0.93 and RM1.07 per ordinary share respectively on 1 August 2008).

The new ordinary shares issued during the financial year ranks pari passu in all respects with the existing ordinary shares of the Company.

**Employee Share Option Scheme ("ESOS")**

The ESOS for eligible employees and Executive Directors of the Group was approved by the shareholders at an Extraordinary General Meeting held on 18 June 2003.

At an Extraordinary General Meeting held on 19 May 2004, the Bye-Laws of the ESOS were amended to approve the grant of options to Independent Non-Executive Directors.

The ESOS was implemented on 20 October 2003 and has expired on 19 October 2008.

The salient features and other terms of the ESOS are disclosed in Note 30 to the financial statements.

There were no options granted since the end of previous financial year.

**Other Statutory Information**

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report and statement, the Directors are not aware of any circumstances which would render:
- (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

**IJM PLANTATIONS BERHAD**  
(Company No: 133399-A)  
(Incorporated in Malaysia)  
**Directors' Report and Statement**

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**Other Statutory Information (Cont'd)**

- (c) At the date of this report and statement, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report and statement, the Directors are not aware of any circumstances not otherwise dealt with in this report and statement or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report and statement, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due;
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report and statement which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report and statement is made; and
  - (iii) the financial statements of the Group and of the Company set out on pages 55 to 118 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2009 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia.

**Holding Company**

The directors regard IJM Corporation Berhad, a company incorporated in Malaysia and listed on the Main Board of Bursa Malaysia Securities Berhad as the ultimate holding company.

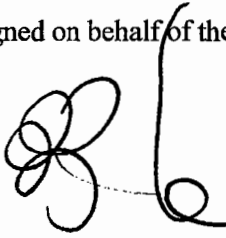
**IJM PLANTATIONS BERHAD**  
(Company No: 133399-A)  
(Incorporated in Malaysia)  
**Directors' Report and Statement**

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**Auditors**

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 May 2009.



TAN SRI DATO' WONG SEE WAH



VELAYUTHAN A/L TAN KIM SONG

**IJM PLANTATIONS BERHAD**

(Company No: 133399-A)

(Incorporated in Malaysia)

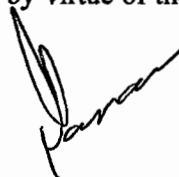
**Statutory Declaration**

Pursuant to Section 169(16) of the Companies Act, 1965

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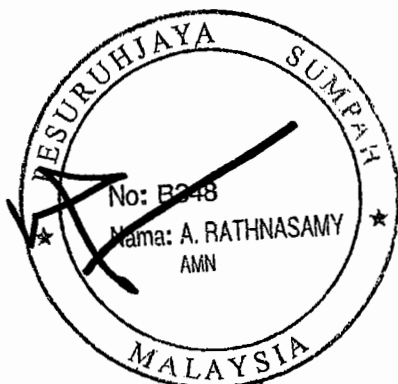
I, PURUSHOTHAMAN A/L KUMARAN, being the Officer primarily responsible for the financial management of IJM PLANTATIONS BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 55 to 118 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by  
the abovenamed PURUSHOTHAMAN  
A/L KUMARAN at Petaling Jaya in  
the State of Selangor on 26 May 2009



PURUSHOTHAMAN A/L KUMARAN

Before me,



Alamat tempat perniagaan  
No. 10A, Jalan 52/10  
46200 Petaling Jaya, Selangor  
Tel: 03-7960 1428  
H/P: 016-9719 600



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133399-A

**Independent auditors' report to the members of  
IJM PLANTATIONS BERHAD  
(Incorporated in Malaysia)**

**Report on the financial statements**

We have audited the financial statements of IJM Plantations Berhad, which comprise the balance sheets as at 31 March 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 55 to 118.

*Directors' responsibility for the financial statements*

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditors' responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





133399-A

**Independent auditors' report to the members of  
IJM PLANTATIONS BERHAD  
(Incorporated in Malaysia)**

*Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2009 and of their financial performance and cash flows for the year then ended.

**Report on other legal and regulatory requirements**

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 17 to the financial statements, being financial statements that have been included in the consolidated financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

**Other matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young  
AF: 0039  
Chartered Accountants

Sandakan, Malaysia  
26 May 2009

Yong Voon Kar  
1769/04/10 (J/PH)  
Chartered Accountant

**IJM PLANTATIONS BERHAD**

(Company No: 133399-A)

**Income Statements**

For the Year Ended 31 March 2009

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue	4	491,604	478,029	121,219	127,541
Cost of sales	5	(262,500)	(219,854)	(50,152)	(44,486)
<b>Gross profit</b>		229,104	258,175	71,067	83,055
Other income	6	3,200	2,646	6,530	9,312
Other expenses		(6)	(1,127)	(5)	(1,063)
Selling and distribution expenses		(54,903)	(50,162)	(5,482)	(3,620)
Administrative expenses		(15,499)	(16,550)	(2,719)	(2,337)
<b>Operating profit</b>		161,896	192,982	69,391	85,347
Finance costs	7	(3,741)	(6,071)	(3,776)	(7,913)
Share of profit of associates		2,596	2,979	-	-
Share of (loss)/profit of jointly controlled entities		(274)	83	-	-
<b>Profit before tax</b>	8	160,477	189,973	65,615	77,434
Income tax expense	11	(37,420)	(47,846)	(16,432)	(19,949)
<b>Profit for the year</b>		<u>123,057</u>	<u>142,127</u>	<u>49,183</u>	<u>57,485</u>
Attributable to:					
Equity holders of the Company		123,186	142,113	49,183	57,485
Minority interests		(129)	14	-	-
		<u>123,057</u>	<u>142,127</u>	<u>49,183</u>	<u>57,485</u>
Earnings per share attributable to equity holders of the Company (sen):					
- Basic	12(a)	19.24	23.82		
- Diluted	12(b)	<u>19.24</u>	<u>22.49</u>		

The accompanying notes form an integral part of the financial statements.

**IJM PLANTATIONS BERHAD**

(Company No: 133399-A)

**Balance Sheets**

As at 31 March 2009

	Note	Group		Company	
		2009 RM'000	2008 RM'000 (Restated)	2009 RM'000	2008 RM'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	14	265,423	216,478	63,632	56,627
Leasehold land	15	116,850	118,804	47,632	48,292
Plantation expenditure	16	430,972	416,898	140,424	137,008
Investments in subsidiaries	17	-	-	261,732	204,502
Investments in associate	18	12,808	11,562	2,775	2,775
Investment in jointly controlled entities	19	9,797	10,691	1,500	1,500
Other receivables	21	92,165	63,105	47,184	21,589
Deferred tax assets	29	3,394	3,171	-	-
		<u>931,409</u>	<u>840,709</u>	<u>564,879</u>	<u>472,293</u>
<b>Current Assets</b>					
Inventories	20	39,317	40,409	3,543	2,333
Trade and other receivables	21	15,268	17,407	128,565	168,409
Tax recoverable		3,120	1,598	1,150	-
Cash and bank balances	22	52,665	99,416	38,728	81,945
		<u>110,370</u>	<u>158,830</u>	<u>171,986</u>	<u>252,687</u>
<b>TOTAL ASSETS</b>		<u><u>1,041,779</u></u>	<u><u>999,539</u></u>	<u><u>736,865</u></u>	<u><u>724,980</u></u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital	23	320,537	319,298	320,537	319,298
Share premium		59,297	58,418	59,297	58,418
Other reserves	24	46,296	54,739	4,880	4,880
Retained earnings	25	404,863	343,872	143,679	156,885
		<u>830,993</u>	<u>776,327</u>	<u>528,393</u>	<u>539,481</u>
<b>Minority interests</b>		<u>1,274</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>		<u><u>832,267</u></u>	<u><u>776,327</u></u>	<u><u>528,393</u></u>	<u><u>539,481</u></u>

**IJM PLANTATIONS BERHAD**

(Company No: 133399-A)

**Balance Sheets**

As at 31 March 2009

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Non-Current Liabilities</b>					
Borrowings	26	-	34,895	-	34,895
Deferred tax liabilities	29	124,823	107,790	29,400	28,327
		<u>124,823</u>	<u>142,685</u>	<u>29,400</u>	<u>63,222</u>
<b>Current Liabilities</b>					
Trade and other payables	31	49,456	42,496	144,114	86,574
Borrowings	26	34,958	34,946	34,958	34,946
Tax payable		275	3,085	-	757
		<u>84,689</u>	<u>80,527</u>	<u>179,072</u>	<u>122,277</u>
<b>Total liabilities</b>		<u>209,512</u>	<u>223,212</u>	<u>208,472</u>	<u>185,499</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,041,779</u>	<u>999,539</u>	<u>736,865</u>	<u>724,980</u>
Net assets per ordinary share (RM)		<u>1.30</u>	<u>1.22</u>	<u>0.82</u>	<u>0.84</u>

The accompanying notes form an integral part of the financial statements.

**IJM PLANTATIONS BERHAD**  
(Company No: 133399-A)

**Consolidated Statement of Changes in Equity**  
For the Year Ended 31 March 2009

	Note	Attributable to Equity Holders of the Company				Minority Interests	Total Equity
		Share Capital (Note 23) RM'000	Non-Distributable Share Premium RM'000	Other Reserve (Note 24) RM'000	Distributable Retained Earnings (Note 25) RM'000		
At 1 April 2008		319,298	58,418	54,739	343,872	-	776,327
Realisation of revaluation reserve		-	-	(194)	194	-	-
Foreign exchange translation: Group Jointly controlled entity		-	-	(7,628) (621)	-	(175)	(7,803) (621)
Net income recognised directly in equity		-	-	(8,443)	194	(175)	(8,424)
Profit for the year		-	-	-	123,186	(129)	123,057
Total income and expense recognised for the year		-	-	(8,443)	123,380	(304)	114,633
Acquisition of subsidiaries		-	-	-	-	9	9
Issuance of shares by subsidiaries to minority shareholders		-	-	-	-	1,569	1,569
Dividends	13	-	-	-	(62,389)	-	(62,389)
Issue of ordinary shares pursuant to exercise of ESOS	30	1,239	879	-	-	-	2,118
At 31 March 2009		320,537	59,297	46,296	404,863	1,274	832,267

The accompanying notes form an integral part of the financial statements.

**IJM PLANTATIONS BERHAD**  
(Company No: 133399-A)  
**Consolidated Statement of Changes in Equity**  
For the Year Ended 31 March 2009

	←	Attributable to Equity Holders of the Company				→	Minority Interests	Total Equity
Note	Share Capital (Note 23) RM'000	Non-Distributable Share Premium RM'000	Other Reserve (Note 24) RM'000	Retained Earnings (Note 25) RM'000	Total	RM'000	RM'000	RM'000
<b>At 1 April 2007</b>	273,586	52,544	55,386	220,771	602,287	504	602,791	
Realisation of revaluation reserve	-	-	(188)	188	-	-	-	
Foreign exchange translation:								
Group	-	-	2	-	2	-	2	
Jointly controlled entity	-	-	70	-	70	-	70	
Relating to changes in tax rates on revaluation reserve								
24	-	-	1,670	-	1,670	-	1,670	
Net income recognised directly in equity	-	-	1,554	188	1,742	-	1,742	
Profit for the year	-	-	-	142,113	142,113	14	142,127	
Total income and expense recognised for the year	-	-	1,554	142,301	143,855	14	143,869	
Additional investment in a subsidiary	-	-	-	-	-	(518)	(518)	
Dividends	-	-	-	(19,200)	(19,200)	-	(19,200)	
Issue of ordinary shares pursuant to:								
Exercise of ESOS	5,962	4,196	-	-	10,158	-	10,158	
Conversion of RCULS	39,750	1,678	(2,201)*	-	39,227	-	39,227	
<b>At 31 March 2008</b>	<u>319,298</u>	<u>58,418</u>	<u>54,739</u>	<u>343,872</u>	<u>776,327</u>	<u>-</u>	<u>776,327</u>	

\*This represents the reversal of equity component of RCULS upon conversion.

The accompanying notes form an integral part of the financial statements.

**IJM PLANTATIONS BERHAD**  
(Company No: 133399-A)

**Company Statement of Changes in Equity**  
For the Year Ended 31 March 2009

	Note	<u>Non-Distributable</u>		<u>Distributable</u>	<u>Total Equity</u>	
		<u>Share Capital</u>	<u>Share Premium</u>	<u>Other Reserve</u>		<u>Retained Earnings</u>
		(Note 23)		(Note 24)	(Note 25)	
		RM'000	RM'000	RM'000	RM'000	
<b>At 1 April 2008</b>		<u>319,298</u>	<u>58,418</u>	<u>4,880</u>	<u>156,885</u>	<u>539,481</u>
Profit for the year		-	-	-	49,183	49,183
Total income and expense recognised for the year		-	-	-	49,183	49,183
Dividends	13	-	-	-	(62,389)	(62,389)
Issue of ordinary shares pursuant to exercise of ESOS	30	<u>1,239</u>	<u>879</u>	-	-	<u>2,118</u>
<b>At 31 March 2009</b>		<u><u>320,537</u></u>	<u><u>59,297</u></u>	<u><u>4,880</u></u>	<u><u>143,679</u></u>	<u><u>528,393</u></u>

The accompanying notes form an integral part of the financial statements.

**IJM PLANTATIONS BERHAD**

(Company No: 133399-A)

**Company Statement of Changes in Equity**

For the Year Ended 31 March 2009

	Note	Share Capital (Note 23) RM'000	Non-Distributable		Distributable	Total Equity RM'000
			Share Premium RM'000	Other Reserve (Note 24) RM'000	Retained Earnings (Note 25) RM'000	
<b>At 1 April 2007</b>		<u>273,586</u>	<u>52,544</u>	<u>7,016</u>	<u>118,600</u>	<u>451,746</u>
Relating to changes in tax rates on revaluation reserve	24	-	-	65	-	65
Net income recognised directly in equity		-	-	65	-	65
Profit for the year		-	-	-	57,485	57,485
Total income and expense recognised for the year		-	-	65	57,485	57,550
Dividends	13	-	-	-	(19,200)	(19,200)
Issue of ordinary shares pursuant to:						
Exercise of ESOS	30	5,962	4,196	-	-	10,158
Conversion of RCULS	28	39,750	1,678	(2,201)*	-	39,227
<b>At 31 March 2008</b>		<u><u>319,298</u></u>	<u><u>58,418</u></u>	<u><u>4,880</u></u>	<u><u>156,885</u></u>	<u><u>539,481</u></u>

\* This represents the reversal of equity component of RCULS upon conversion.

The accompanying notes form an integral part of the financial statements.



## Cash Flow Statements

For the Year Ended 31 March 2009

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Operating Activities</b>				
Receipts from customers	493,409	473,235	95,802	98,602
Payments to contractors, suppliers and employees	(325,645)	(292,161)	(46,676)	(38,579)
Interest paid	(3,139)	(6,588)	(3,174)	(8,430)
Income tax paid	(24,442)	(14,415)	(10,147)	(3,860)
Net cash flow generated from operating activities	<u>140,183</u>	<u>160,071</u>	<u>35,805</u>	<u>47,733</u>
<b>Investing Activities</b>				
Subscription of shares in a jointly controlled entity	-	(9,038)	-	-
Redemption of preference shares	-	-	13,000	-
Subscription of additional shares in subsidiaries	-	-	(70,230)	-
Acquisition of subsidiaries, net of cash and cash equivalents	6,883	(459)	-	(480)
Repayment/advances from subsidiaries	-	-	85,697	41,583
Additions to property, plant and equipment	(67,081)	(40,304)	(11,369)	(7,370)
Additions to leasehold land	(47)	(948)	-	(930)
Additions to plantation expenditure	(10,926)	(6,566)	(3,061)	(3,059)
Finance costs capitalised under plantation expenditure	(35)	(1,057)	-	(892)
Proceeds from disposal of property, plant and equipment	-	-	18	1
Net dividends received	1,350	278	22,710	18,451
Interest received	2,197	2,192	5,057	9,143
Net cash flow (used in)/generated from investing activities	<u>(67,659)</u>	<u>(55,902)</u>	<u>41,822</u>	<u>56,447</u>
<b>Financing Activities</b>				
Issuance of ordinary shares	2,118	10,158	2,118	10,158
Issuance of ordinary shares by subsidiaries to minority shareholders	1,569	-	-	-
Advances to a jointly controlled entity	(25,573)	(14,515)	(25,573)	(14,515)
Redemption of Bonds	(35,000)	(35,000)	(35,000)	(35,000)
Dividends paid by the Company	(62,389)	(19,200)	(62,389)	(19,200)
Net cash flow used in financing activities	<u>(119,275)</u>	<u>(58,557)</u>	<u>(120,844)</u>	<u>(58,557)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(46,751)</b>	<b>45,612</b>	<b>(43,217)</b>	<b>45,623</b>
Cash and cash equivalents at beginning of year	<u>99,416</u>	<u>53,804</u>	<u>81,945</u>	<u>36,322</u>
<b>Cash and cash equivalents at end of year (Note 22)</b>	<b><u>52,665</u></b>	<b><u>99,416</u></b>	<b><u>38,728</u></b>	<b><u>81,945</u></b>

The accompanying notes form an integral part of the financial statements.

**IJM PLANTATIONS BERHAD**

(Company No: 133399-A)

**Notes to the Financial Statements**

31 March 2009

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**1. Corporate Information**

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad (“Bursa Securities”). The registered office of the Company is located at 2<sup>nd</sup> Floor, Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan. The principal place of business of the Company is located at Wisma IJM Plantations, Lot 1, Jalan Bandar Utama, Batu 6, Jalan Utara, 90000 Sandakan, Sabah.

The principal activities of the Company are cultivation of oil palm, investment holding and provision of management services to the subsidiaries. The principal activities of the subsidiaries are stated in Note 17 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

The ultimate holding company is IJM Corporation Berhad, a company incorporated in Malaysia and listed on the Main Board of Bursa Malaysia Securities Berhad.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 May 2009.

**2. Significant Accounting Policies**

**2.1 Basis of Preparation**

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted the revised FRSs, amendment to FRSs and Interpretations which are mandatory for financial periods beginning on or after 1 July 2007 as described in Note 2.2.

The financial statements of the Group and of the Company have also been prepared on the historical cost basis unless otherwise indicated in this summary of significant accounting policies.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

**IJM PLANTATIONS BERHAD**

(Company No: 133399-A)

**Notes to the Financial Statements****2. Significant Accounting Policies (Cont'd.)****2.2 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRSs**

On 1 April 2008, the Group and the Company adopted the following revised FRSs, amendment to FRSs and Interpretations:

FRS 107: Cash Flow Statements  
 FRS 111: Construction Contracts  
 FRS 112: Income Taxes  
 FRS 118: Revenue  
 FRS 120: Accounting for Government Grants and Disclosure of Government Assistance  
 FRS 134: Interim Financial Reporting  
 FRS 137: Provisions, Contingent Liabilities and Contingent Assets  
 Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation  
 IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities  
 IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments  
 IC Interpretation 5: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds  
 IC Interpretation 6: Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment  
 IC Interpretation 7: Applying the Restatement Approach under FRS 129: *Financial Reporting in Hyperinflationary Economies*  
 IC Interpretation 8: Scope of FRS 2

The revised FRSs, amendment to FRSs and Interpretations above do not have any significant impact on the financial statements of the Group and the Company.

**2.3 Standards and Interpretations Issued but Not Yet Effective**

At the date of authorisation of these financial statements, the following new FRSs and Interpretations were issued but not yet effective and have not been applied by the Company and the Group:

<b>FRSs, Amendment to FRSs and Interpretations</b>	<b>Effective for financial periods beginning on or after</b>
FRS 7: Financial Instruments: Disclosures	1 January 2010
FRS 8: Operating Segments	1 July 2009
IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10: Interim Financial Reporting and Impairment	1 January 2010

The new FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes in disclosures arising from the adoption of FRS 7 and FRS 8.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

**IJM PLANTATIONS BERHAD**  
(Company No: 133399-A)  
**Notes to the Financial Statements**

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**2. Significant Accounting Policies (Cont'd.)**

**2.4 Summary of Significant Accounting Policies**

**(a) Subsidiaries and Basis of Consolidation**

**(i) Subsidiaries**

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in income statement.

**(ii) Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full except for contracted finished goods which are stated at net realisable value. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in income statement.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

**IJM PLANTATIONS BERHAD**

(Company No: 133399-A)

**Notes to the Financial Statements**

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**2. Significant Accounting Policies (Cont'd.)**

**2.4 Summary of Significant Accounting Policies (Cont'd.)**

**(b) Associates**

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated income statement. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not consistent with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the income statement.

**IJM PLANTATIONS BERHAD**

(Company No: 133399-A)

**Notes to the Financial Statements**

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**2. Significant Accounting Policies (Cont'd.)**

**2.4 Summary of Significant Accounting Policies (Cont'd.)**

**(c) Jointly Controlled Entities**

The Group has an interest in a joint venture which is a jointly controlled entity. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investments in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting as described in Note 2.4(b).

In the Company's separate financial statements, investments in jointly controlled entities are stated at cost less impairment.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in income statement.

**(d) Intangible Assets**

**(i) Goodwill**

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

**(ii) Other Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

**IJM PLANTATIONS BERHAD**

(Company No: 133399-A)

**Notes to the Financial Statements****2. Significant Accounting Policies (Cont'd.)****2.4 Summary of Significant Accounting Policies (Cont'd.)****(e) Property, Plant and Equipment, and Depreciation**

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost or at valuation less accumulated depreciation and impairment except for capital work-in-progress which are not depreciated.

The Directors have applied the transitional provisions of IAS 16 (Revised): "Property, Plant and Equipment" which has been adopted by the MASB, which allows the assets to be stated at their last revalued amounts less depreciation. Accordingly, these valuations have not been updated.

The Group amortises plantation infrastructure development expenditure in equal annual instalments over the period of the respective leases which range from 21 years to 884 years. Other property, plant and equipment are depreciated on a straight-line basis to write off the cost of the assets, or their revalued amounts to their residual values, over their estimated useful lives. The annual rates of depreciation of other assets are:

	%
Buildings	2 - 20
Plant, machinery and equipment	4 - 20
Motor vehicles	10 - 20
Office equipment, furniture and fittings and renovations	10 - 33.3

Depreciation on assets under construction commences when the assets are ready for their intended use.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

At each balance sheet date, the Group assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount. See accounting policy 2.4(g) on impairment of assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in income statement and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

**IJM PLANTATIONS BERHAD**  
(Company No: 133399-A)  
**Notes to the Financial Statements**

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**2. Significant Accounting Policies (Cont'd.)**

**2.4 Summary of Significant Accounting Policies (Cont'd.)**

**(f) Plantation Expenditure**

Plantation expenditure comprises new planting expenditure, estate administration, finance cost and upkeep of plantation up to its maturity and are stated at cost or valuation. All expenditure incurred subsequent to maturity, replanting expenditure and upkeep and maintenance expenditure including fertilising costs are charged to the income statement when incurred.

Certain plantation expenditure of the Company and certain subsidiaries has been revalued in 1997. The Directors have not adopted a policy of regular revaluations of such assets and no later valuation has been recorded.

**(g) Impairment of Non-financial Assets**

The carrying amounts of assets, other than inventories, deferred tax assets and non-current assets (or disposal groups) held for sale, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.



**IJM PLANTATIONS BERHAD**

(Company No: 133399-A)

**Notes to the Financial Statements**

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**2. Significant Accounting Policies (Cont'd.)**

**2.4 Summary of Significant Accounting Policies (Cont'd.)**

**(g) Impairment of Non-financial Assets (Cont'd.)**

An impairment is recognised in income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment is accounted for as a revaluation decrease to the extent that the impairment does not exceed the amount held in the asset revaluation reserve for the same asset.

Impairment on goodwill is not reversed in a subsequent period. An impairment for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment been recognised for the asset in prior years. A reversal of impairment for an asset other than goodwill is recognised in income statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

**(h) Inventories**

Inventories are stated at the lower of cost and net realisable value, other than for contracted finished goods which are stated at net realisable value.

Cost comprises the original cost of purchase plus the cost of bringing the inventories to their intended location and condition. The costs are determined at weighted average basis and include the cost of raw materials, direct labour and a portion of production overhead.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**(i) Financial Instruments**

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as assets, liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial assets and liabilities are offset against each other when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

**IJM PLANTATIONS BERHAD**  
(Company No: 133399-A)  
**Notes to the Financial Statements**

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**2. Significant Accounting Policies (Cont'd.)**

**2.4 Summary of Significant Accounting Policies (Cont'd.)**

**(i) Financial Instruments (Cont'd.)**

**(i) Cash and Cash Equivalents**

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposit at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

**(ii) Trade Receivables**

Trade receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

**(iii) Trade Payables**

Trade payables are stated at the fair value of the consideration to be paid in the future for goods and services received.

**(iv) Interest-Bearing Loans and Borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

**(v) Redeemable Convertible Unsecured Loan Stocks ("RCULS")**

RCULS are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for such similar non-convertible unsecured loan stocks. The difference between the proceeds of issue of the RCULS and the fair value assigned to the liability component, representing the conversion option is included in equity. The liability component is subsequently stated at amortised cost using the effective interest rate method until extinguished on conversion or redemption, whilst the value of the equity component is not adjusted in subsequent periods. Attributable transaction costs are apportioned and deducted directly from the liability and equity component based on their carrying amounts at date of issue.

Under the effective interest rate method, the interest expense on the liability component is calculated by applying the prevailing market interest rate for a similar non-convertible loan stocks to the instrument at the date of issue. The difference between this amount and the interest paid is added to the carrying value of the RCULS.

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**2. Significant Accounting Policies (Cont'd.)**

**2.4 Summary of Significant Accounting Policies (Cont'd.)**

**(i) Financial Instruments (Cont'd.)**

**(vi) Equity Instruments**

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

**(vii) Derivative Financial Instruments**

Derivative financial instruments are not recognised in the financial statements.

**(j) Leases**

**(i) Classification**

A lease is recognised as a finance lease if it transfers substantially to be the Group all the risks and rewards incidental to ownership. Lease of land buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating lease, with the following exceptions:

- Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease; and
- Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under operating lease.

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**2. Significant Accounting Policies (Cont'd.)**

**2.4 Summary of Significant Accounting Policies (Cont'd.)**

**(j) Leases**

**(ii) Finance Leases**

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment. The corresponding liability is included in the balance sheet as borrowings. In calculating the present of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct costs are also added in to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The Group amortises leasehold land in equal annual instalments over the period of the respective leases which range from 21 years to 884 years.

**(iii) Operating Leases**

Operating lease payments are recognised as an expense on straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as reduction of rental expenses over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings element in proportion to the relative fair value for leasehold interests in the land element and building element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on the straight-line basis over the lease term.

**(k) Borrowing Costs**

Borrowing costs directly attributable to the acquisition and construction of property, plant and equipment and plantation development expenditure are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or the plantations are mature. All other borrowing costs are recognised in income statement in the period in which they are incurred.

**IJM PLANTATIONS BERHAD**  
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**2. Significant Accounting Policies (Cont'd.)**

**2.4 Summary of Significant Accounting Policies (Cont'd.)**

**(l) Income Tax**

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the income statement for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

**(m) Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provision are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

**IJM PLANTATIONS BERHAD**  
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**2. Significant Accounting Policies (Cont'd.)**

**2.4 Summary of Significant Accounting Policies (Cont'd.)**

**(n) Employee Benefits**

**(i) Short Term Benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

**(ii) Defined Contribution Plans**

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

**(iii) Share-based Compensation**

The Company's Employee Share Option Scheme, an equity-settled, share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the option will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained earnings.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

**IJM PLANTATIONS BERHAD**  
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**2. Significant Accounting Policies (Cont'd.)**

**2.4 Summary of Significant Accounting Policies (Cont'd.)**

**(o) Foreign Currencies**

**(i) Functional and Presentation Currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

**(ii) Foreign Currency Transactions**

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in income statement for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in income statement for the period. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in income statement in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in income statement for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

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**2. Significant Accounting Policies (Cont'd.)**

**2.4 Summary of Significant Accounting Policies (Cont'd.)**

**(o) Foreign Currencies (Cont'd.)**

**(iii) Foreign Operations**

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the balance sheet date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

**(p) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

**(i) Sale of Goods**

Revenue is recognised upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

**(ii) Dividend Income**

Dividend income is recognised when the Group's right to receive payment is established.

**(iii) Plantation Advisory and Management Services**

Revenue for services rendered is recognised net of sales tax upon performance of services.



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**2. Significant Accounting Policies (Cont'd.)**

**2.5 Significant Accounting Estimates**

The key assumptions concerning the future and other key estimation of uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**(i) Depreciation of plant and equipment**

The cost of plant and machinery is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and machinery to be within 5 to 25 years. These are common life expectancies applied in the plantation industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

**(ii) Deferred tax assets**

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital and agriculture allowances to the extent that it is probable that taxable profit will be available against which the losses and capital and agriculture allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits. Deferred tax assets recognised on tax losses and capital and agriculture allowances of the Group and of the Company was RM20,746,533 (2008: RM32,274,033) and 763,258 (2008: RM707,937) while the deferred tax relating to unrecognised tax losses and capital and agriculture allowances of the Group was RM787,394 (2008: RM787,394).

**3. Significant Events**

- (a) On 7 July 2008, a wholly owned subsidiary, Minat Teguh Sdn. Bhd. subscribed 95 shares of Rupiah 1 million each representing 95% equity interest in PT Primabahagia Permai, a company incorporated in Indonesia, for a total cash consideration of Rupiah 95 million (approximately RM37,000).
- (b) On 7 July 2008, a wholly owned subsidiary Gunaria Sdn Bhd subscribed 190 shares of Rupiah 1 million each, representing 95% equity interest in PT Sinergi Agro Industri, a company incorporated in Indonesia, for a total cash consideration of Rupiah 190 million (approximately RM72,000).

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**4. Revenue**

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Sale of:				
- Crude palm oil	412,918	380,307	-	-
- Crude palm kernel oil	55,058	77,107	-	-
- Palm kernel cake	7,596	11,603	-	-
- Oil palm seeds	436	301	1,079	741
- Fresh fruit bunches	10,108	7,267	80,480	89,899
- Palm kernel and other by-products	5,113	1,153	-	-
Plantation advisory fee	375	291	-	-
Management fees from subsidiaries	-	-	9,830	11,967
Gross dividends from subsidiaries and an associate	-	-	28,480	24,934
Single tier dividend from an associate	-	-	1,350	-
	<u>491,604</u>	<u>478,029</u>	<u>121,219</u>	<u>127,541</u>

**5. Cost of Sales**

Cost of:				
- Inventories sold	262,484	219,808	37,917	30,617
- Services rendered	16	46	12,235	13,869
	<u>262,500</u>	<u>219,854</u>	<u>50,152</u>	<u>44,486</u>

**6. Other Income**

Interest income on advances to subsidiaries	-	-	3,569	7,665
Interest income	2,197	2,192	1,488	1,478
Rental income	127	144	152	168
Negative goodwill	-	20	-	-
Miscellaneous	858	290	-	1
Realised foreign exchange gain	18	-	-	-
Unrealised foreign exchange gain	-	-	1,321	-
	<u>3,200</u>	<u>2,646</u>	<u>6,530</u>	<u>9,312</u>

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**Notes to the Financial Statements**

**7. Finance Costs**

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
Advances from subsidiaries	-	-	-	1,677
Bonds	3,776	5,916	3,776	5,916
RCULS (Note 28)	-	1,212	-	1,212
	<u>3,776</u>	<u>7,128</u>	<u>3,776</u>	<u>8,805</u>
Less: Interest capitalised in plantation expenditure (Note 16(b))	(35)	(1,057)	-	(892)
	<u><u>3,741</u></u>	<u><u>6,071</u></u>	<u><u>3,776</u></u>	<u><u>7,913</u></u>

**8. Profit before Tax**

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Employee benefits expense (Note 9)	49,061	45,822	19,546	19,764
Non-Executive Directors' remuneration (Note 10)	306	271	306	271
Auditors' remuneration				
Current year	182	135	45	36
Underprovision in previous year	13	-	9	-
Other non-audit fees paid/payable to the associates of the Company's auditors	58	62	10	15
Amortisation of leasehold land (Note 15)	1,817	1,732	563	540
Depreciation of property, plant and equipment (Note 14)	21,732	20,096	4,088	4,271
Property, plant and equipment scrapped	147	150	*	1
Rental of premises	-	-	17	17
Provision for doubtful debts	-	134	-	134
Bad debts written off	-	853	-	853
Foreign exchange loss				
- Unrealised	-	75	-	75
- Realised	2	64	-	-
	<u><u>2</u></u>	<u><u>64</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

\* Below RM1,000

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**9. Employee Benefits Expense**

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Salaries and wages	49,659	45,626	18,929	19,268
Contributions to defined contribution plan	3,275	3,050	1,787	1,716
Social security contributions	204	165	84	77
	<u>53,138</u>	<u>48,841</u>	<u>20,800</u>	<u>21,061</u>
Capitalised in plantation expenditure (Note 16(b))	4,077	3,019	1,254	1,297
Recognised in income statement (Note 8)	<u>49,061</u>	<u>45,822</u>	<u>19,546</u>	<u>19,764</u>

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM1,829,401 (2008: RM1,521,785) and RM1,829,401 (2008: RM1,521,785) respectively as further disclosed in Note 10.

**10. Directors' Remuneration**

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Executive:				
Salaries and other emoluments	1,596	1,328	1,596	1,328
Contributions to defined contribution plan	233	193	233	193
	<u>1,829</u>	<u>1,521</u>	<u>1,829</u>	<u>1,521</u>
Non-Executive:				
Fees	306	271	306	271
Total directors' remuneration	2,135	1,792	2,135	1,792
Benefits-in-kind	22	22	22	22
Total directors' remuneration including benefits-in-kind	<u>2,157</u>	<u>1,814</u>	<u>2,157</u>	<u>1,814</u>

**IJM PLANTATIONS BERHAD**

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**Notes to the Financial Statements****11. Income Tax Expense**

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Income tax:				
On results for the year	19,909	18,998	15,226	12,654
Under/(over)provision in prior year	201	(158)	133	(135)
	<u>20,110</u>	<u>18,840</u>	<u>15,359</u>	<u>12,519</u>
Deferred tax (Note 29):				
Relating to origination and reversal of temporary differences	17,415	28,812	1,157	7,311
(Over)/provided in prior year	(105)	194	(84)	119
	<u>17,310</u>	<u>29,006</u>	<u>1,073</u>	<u>7,430</u>
Total income tax expense	<u>37,420</u>	<u>47,846</u>	<u>16,432</u>	<u>19,949</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the year. In the prior year, certain subsidiaries of the Company being Malaysian resident companies with paid-up capital of RM2.5 million or less qualified for the preferential tax rates under Paragraph 2A, Schedule 1 of the Income Tax Act, 1967 as follows:

On the first RM500,000 of chargeable income : 20%  
In excess of RM500,000 of chargeable income : 26%

However, pursuant to Paragraph 2B, Schedule 1 of the Income Tax Act, 1967 that was introduced with effect from the year of assessment 2009, these subsidiaries no longer qualify for the above preferential tax rates. Income tax is calculated at the statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the year.

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**Notes to the Financial Statements****11. Income Tax Expense (Cont'd.)**

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit before tax	<u>160,477</u>	<u>189,973</u>	<u>65,615</u>	<u>77,434</u>
Taxation at statutory tax rate of 25% (2008: 26%)	40,119	49,393	16,404	20,133
Effect of income subject to tax rate of 20%	-	(192)	-	-
Different tax rate in other countries	(189)	-	-	-
Effect of changes in tax rates	-	(2,082)	-	(1,068)
Effect of share of results of				
- associates	(649)	(774)	-	-
- jointly controlled entities	68	(22)	-	-
Income not subject to tax	-	(9)	(678)	-
Utilisation of reinvestment allowance	(2,896)	-	-	-
Utilisation of investment tax allowance	(401)	-	-	-
Expenses not deductible for tax purposes	1,272	1,496	657	900
Under/(over)provision of tax expense in prior years	201	(158)	133	(135)
(Over)/underprovision of deferred tax in prior years	(105)	194	(84)	119
Income tax expense for the year	<u>37,420</u>	<u>47,846</u>	<u>16,432</u>	<u>19,949</u>
Tax savings during the year arising from utilisation of:				
Current year tax losses	23	5	23	-
Tax losses brought forward from previous years	7,249	9,978	-	4,917
Current year capital and agriculture allowances	8,721	5,562	1,235	713
Unabsorbed capital and agriculture allowances brought forward from previous years	4,678	18,851	-	2,217
Current year reinvestment allowance	2,896	-	-	-
Investment tax allowance brought forward from previous year	<u>401</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unutilised tax losses carried forward	67,578	95,164	-	-
Unabsorbed capital and agriculture allowances carried forward	17,490	37,082	3,053	2,832
Unabsorbed reinvestment allowances carried forward	21,890	10,021	-	-
Unabsorbed investment tax allowances carried forward	<u>9,624</u>	<u>11,227</u>	<u>-</u>	<u>-</u>

**IJM PLANTATIONS BERHAD**

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**Notes to the Financial Statements****12. Earnings Per Share****(a) Basic**

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2009	2008
Profit attributable to ordinary equity holders of the Company (RM'000)	123,186	142,113
Weighted average number of ordinary shares in issue ('000)	640,184	596,643
Basic earnings per share (sen)	<u>19.24</u>	<u>23.82</u>

**(b) Diluted****31 March 2009**

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares issued pursuant to the Employee Share Option Scheme during the financial year.

**31 March 2008**

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holder of the Company and the weighted average number of ordinary shares in issue during the previous financial year had been adjusted for the dilutive effects of all potential ordinary shares from conversion of the 5% RCULS and the exercise of ESOS. The amount of profit for the year attributable to ordinary equity holder of the Company was adjusted by the after-tax effects of interest expense recognised during the previous financial year which would have been saved on conversion of the outstanding RCULS into ordinary shares. The adjusted weighted average number of ordinary shares was the weighted average number of ordinary shares in issue during the previous financial year plus the weighted average number of ordinary shares which would be issued on the conversion of the outstanding RCULS and upon exercise of the ESOS into ordinary shares. The RCULS and ESOS are deemed to have been converted into ordinary shares at the beginning of the previous financial year.

	2009 RM'000	2008 RM'000
Profit attributable to ordinary equity holder of the Company	123,186	142,113
After-tax effects of interest on RCULS	-	897
Profit attributable to ordinary equity holders of the Company including assumed conversion	<u>123,186</u>	<u>143,010</u>
	<b>2009 '000</b>	<b>2008 '000</b>
Weighted average number of ordinary shares in issue	640,184	596,643
Effect of dilution:		
- RCULS	-	37,298
- ESOS	-	2,071
Adjusted weighted average number of ordinary shares in issue and issuable	<u>640,184</u>	<u>636,012</u>

**IJM PLANTATIONS BERHAD**  
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**12. Earnings Per Share (Cont'd.)**

**(b) Diluted**

The outstanding RCULS was fully converted into ordinary shares during the previous financial year as referred to in Note 28.

	2009 Sen	2008 Sen
Diluted earnings per share	<u>19.24</u>	<u>22.49</u>

**13. Dividends**

	Dividends in Respect of Year			Dividends Recognised in Year	
	2009 RM'000	2008 RM'000	2007 RM'000	2009 RM'000	2008 RM'000
Recognised during the year:					
Interim dividend for 2008: 18% less 25% taxation and 6% tax exempt on 639,885,021 ordinary shares (9.75 sen per ordinary share)	-	62,389	-	62,389	-
Interim dividend for 2007: 9% less 26% taxation on 576,592,011 ordinary shares (3.33 sen per ordinary share)	-	-	19,200	-	19,200
	<u>-</u>	<u>62,389</u>	<u>19,200</u>	<u>62,389</u>	<u>19,200</u>

On 26 May 2009, the Directors declared a single tier interim dividend in respect of the financial year ended 31 March 2009 of 16%. The single tier interim dividend will be paid on 18 August 2009 to every member who is entitled to receive the dividend at the close of business on 31 July 2009.

The financial statements for the current financial year do not reflect this dividend which will only be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2009.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2009 (2008: Nil).



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**14. Property, Plant and Equipment**

Group	Plantation infrastructure RM'000	Buildings RM'000	Plant, machinery, equipment and vehicles RM'000	Office equipment, furniture and fittings and renovations RM'000	Capital work-in- progress RM'000	Total RM'000
<b>At 31 March 2009</b>						
<b>Cost or Valuation</b>						
At 1 April 2008						
At cost	98,817	52,799	169,132	13,445	21,974	356,167
At valuation	-	4,802	3,668	-	-	8,470
	<u>98,817</u>	<u>57,601</u>	<u>172,800</u>	<u>13,445</u>	<u>21,974</u>	<u>364,637</u>
Acquisition of subsidiaries	1,792	372	1,810	173	575	4,722
Exchange difference	(205)	(43)	(207)	(20)	(65)	(540)
Additions	14,537	3,757	34,000	1,278	14,049	67,621
Scrapped	-	(156)	(853)	(130)	-	(1,139)
Reclassifications	-	5,377	19,186	-	(24,563)	-
	<u>114,941</u>	<u>66,908</u>	<u>226,736</u>	<u>14,746</u>	<u>11,970</u>	<u>435,301</u>
At 31 March 2009	<u>114,941</u>	<u>66,908</u>	<u>226,736</u>	<u>14,746</u>	<u>11,970</u>	<u>435,301</u>
<b>Representing:</b>						
At cost	114,941	62,106	223,068	14,746	11,970	426,831
At valuation	-	4,802	3,668	-	-	8,470
At 31 March 2009	<u>114,941</u>	<u>66,908</u>	<u>226,736</u>	<u>14,746</u>	<u>11,970</u>	<u>435,301</u>
<b>Accumulated Depreciation</b>						
At 1 April 2008	8,743	32,373	96,860	10,183	-	148,159
Acquisition of subsidiaries	-	7	116	7	-	130
Exchange difference	-	(1)	(13)	(1)	-	(15)
Depreciation charge for the year	1,331	3,805	16,195	1,265	-	22,596
Recognised in income statement (Note 8)	1,176	3,679	15,682	1,195	-	21,732
Capitalised in plantation expenditure (Note 16(b))	155	126	513	70	-	864
Scrapped	-	(155)	(709)	(128)	-	(992)
At 31 March 2009	<u>10,074</u>	<u>36,029</u>	<u>112,449</u>	<u>11,326</u>	<u>-</u>	<u>169,878</u>
<b>Net Carrying Amount</b>						
At cost	104,867	29,986	113,487	3,420	11,970	263,730
At valuation	-	893	800	-	-	1,693
At 31 March 2009	<u>104,867</u>	<u>30,879</u>	<u>114,287</u>	<u>3,420</u>	<u>11,970</u>	<u>265,423</u>

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**14. Property, Plant and Equipment (Cont'd.)**

Group	Plantation infrastructure RM'000	Buildings RM'000	Plant, machinery, equipment and vehicles RM'000	Office equipment, furniture and fittings and renovations RM'000	Capital work-in- progress RM'000	Total RM'000
<b>At 31 March 2008</b>						
<b>Cost or Valuation</b>						
At 1 April 2007						
At cost	87,263	49,572	161,937	12,916	5,160	316,848
At valuation	-	4,802	3,668	-	-	8,470
	<u>87,263</u>	<u>54,374</u>	<u>165,605</u>	<u>12,916</u>	<u>5,160</u>	<u>325,318</u>
Additions	10,119	1,443	7,078	766	20,898	40,304
Scrapped	-	(212)	(536)	(237)	-	(985)
Reclassifications	1,435	1,996	653	-	(4,084)	-
At 31 March 2008	<u>98,817</u>	<u>57,601</u>	<u>172,800</u>	<u>13,445</u>	<u>21,974</u>	<u>364,637</u>
Representing:						
At cost	98,817	52,799	169,132	13,445	21,974	356,167
At valuation	-	4,802	3,668	-	-	8,470
At 31 March 2008	<u>98,817</u>	<u>57,601</u>	<u>172,800</u>	<u>13,445</u>	<u>21,974</u>	<u>364,637</u>
<b>Accumulated Depreciation</b>						
At 1 April 2007	6,178	28,946	84,013	9,226	-	128,363
Reclassifications	-	21	(21)	-	-	-
	<u>6,178</u>	<u>28,967</u>	<u>83,992</u>	<u>9,226</u>	<u>-</u>	<u>128,363</u>
Depreciation charge for the year	2,565	3,576	13,298	1,192	-	20,631
Recognised in income statement (Note 8)	2,301	3,441	13,205	1,149	-	20,096
Capitalised in plantation expenditure (Note 16(b))	264	135	93	43	-	535
Scrapped	-	(170)	(430)	(235)	-	(835)
At 31 March 2008	<u>8,743</u>	<u>32,373</u>	<u>96,860</u>	<u>10,183</u>	<u>-</u>	<u>148,159</u>
<b>Net Carrying Amount</b>						
At cost	90,074	24,249	74,912	3,262	21,974	214,471
At valuation	-	979	1,028	-	-	2,007
At 31 March 2008	<u>90,074</u>	<u>25,228</u>	<u>75,940</u>	<u>3,262</u>	<u>21,974</u>	<u>216,478</u>

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**14. Property, Plant and Equipment (Cont'd.)**

	Plantation infrastructure RM'000	Buildings RM'000	Plant, machinery, equipment and vehicles RM'000	Office equipment, furniture and fittings and renovations RM'000	Capital work-in- progress RM'000	Total RM'000
<b>Company</b>						
<b>At 31 March 2009</b>						
<b>Cost</b>						
At 1 April 2008	34,447	28,770	9,763	9,640	3,725	86,345
Additions	4,046	616	984	397	5,326	11,369
Disposals	-	-	(213)	-	-	(213)
Scrapped	-	-	(10)	(50)	-	(60)
Reclassifications	-	3,607	-	-	(3,607)	-
At 31 March 2009	<u>38,493</u>	<u>32,993</u>	<u>10,524</u>	<u>9,987</u>	<u>5,444</u>	<u>97,441</u>
<b>Accumulated Depreciation</b>						
At 1 April 2008	3,094	12,692	6,920	7,012	-	29,718
Depreciation charge for the year	493	2,291	537	1,025	-	4,346
Recognised in income statement (Note 8)	379	2,225	491	993	-	4,088
Capitalised in plantation expenditure (Note 16(b))	114	66	46	32	-	258
Disposals	-	-	(195)	-	-	(195)
Scrapped	-	-	(10)	(50)	-	(60)
At 31 March 2009	<u>3,587</u>	<u>14,983</u>	<u>7,252</u>	<u>7,987</u>	<u>-</u>	<u>33,809</u>
<b>Net Carrying Amount</b>						
At 31 March 2009	<u>34,906</u>	<u>18,010</u>	<u>3,272</u>	<u>2,000</u>	<u>5,444</u>	<u>63,632</u>

**IJM PLANTATIONS BERHAD**

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**Notes to the Financial Statements****14. Property, Plant and Equipment (Cont'd.)**

	Plantation infrastructure RM'000	Buildings RM'000	Plant, machinery, equipment and vehicles RM'000	Office equipment, furniture and fittings and renovations RM'000	Capital work-in- progress RM'000	Total RM'000
<b>Company</b>						
<b>At 31 March 2008</b>						
<b>Cost</b>						
At 1 April 2007	32,370	27,260	8,023	9,103	2,371	79,127
Additions	2,077	125	1,829	599	2,740	7,370
Disposals	-	-	(78)	-	-	(78)
Scrapped	-	(1)	(11)	(62)	-	(74)
Reclassifications	-	1,386	-	-	(1,386)	-
At 31 March 2008	<u>34,447</u>	<u>28,770</u>	<u>9,763</u>	<u>9,640</u>	<u>3,725</u>	<u>86,345</u>
<b>Accumulated Depreciation</b>						
At 1 April 2007	2,169	10,573	6,440	6,079	-	25,261
Depreciation charge for the year	925	2,120	568	994	-	4,607
Recognised in income statement (Note 8)	740	2,047	525	959	-	4,271
Capitalised in plantation expenditure (Note 16(b))	185	73	43	35	-	336
Disposals	-	-	(77)	-	-	(77)
Scrapped	-	(1)	(11)	(61)	-	(73)
At 31 March 2008	<u>3,094</u>	<u>12,692</u>	<u>6,920</u>	<u>7,012</u>	<u>-</u>	<u>29,718</u>
<b>Net Carrying Amount</b>						
At 31 March 2008	<u>31,353</u>	<u>16,078</u>	<u>2,843</u>	<u>2,628</u>	<u>3,725</u>	<u>56,627</u>

**IJM PLANTATIONS BERHAD**

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**Notes to the Financial Statements****14. Property, Plant and Equipment (Cont'd.)**

The buildings and plant of certain subsidiaries have not been revalued since they were first revalued in 1997. The Directors have not adopted a policy of regular revaluations of such assets and no later valuation has been recorded. As permitted under the transitional provision of IAS 16 (Revised): Property, Plant and Equipment, these assets continue to be stated at their 1997 valuation less accumulated depreciation.

Had the revalued property, plant and equipment been carried under the cost model, the carrying amount would have been as follows:

	Group	
	2009 RM'000	2008 RM'000
Buildings	354	413
Plant	664	846
	<u>1,018</u>	<u>1,259</u>

**15. Leasehold land**

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At beginning of year	118,804	119,828	48,292	47,998
Additions	47	948	-	930
Amortisation for the year	(2,001)	(1,972)	(660)	(636)
Recognised in income statement (Note 8)	1,817	1,732	563	540
Capitalised in plantation expenditure (Note 16(b))	184	240	97	96
At end of year	<u>116,850</u>	<u>118,804</u>	<u>47,632</u>	<u>48,292</u>
Analysed as:				
Long term leasehold land	102,626	104,100	38,343	38,593
Short term leasehold land	14,224	14,704	9,289	9,699
	<u>116,850</u>	<u>118,804</u>	<u>47,632</u>	<u>48,292</u>

The leasehold land of the Company and certain subsidiaries have not been revalued since they were first revalued in 1997. At 1 April 2007, the unamortised amount of leasehold land is retained as the surrogate carrying amount as allowed by the transitional provisions of FRS 117.

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**16. Plantation Expenditure**

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Cost or valuation</b>				
At beginning of year				
At cost	248,165	239,767	117,110	112,727
At valuation	168,733	168,733	19,898	19,898
	416,898	408,500	137,008	132,625
Acquisition of subsidiaries	2,080	-	-	-
Exchange difference	(238)	-	-	-
Additions during the year	12,232	8,398	3,416	4,383
At end of year	430,972	416,898	140,424	137,008
Representing:				
At cost	262,239	248,165	120,526	117,110
At valuation	168,733	168,733	19,898	19,898
	430,972	416,898	140,424	137,008

- (a) Certain plantation expenditure of the Company and certain subsidiaries has been revalued in 1997. The Directors have not adopted a policy of regular revaluations of such assets and no later valuation has been recorded.

Had the revalued plantation expenditure of the Group and of the Company been carried under the cost model, the carrying amount would have been RM64,116,744 (2008: RM64,116,744) and RM12,864,328 (2008: RM12,864,328) respectively.

- (b) Included in plantation expenditure incurred during the year are:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Amortisation of leasehold land (Note 15)	184	240	97	96
Depreciation of property, plant and equipment (Note 14)	849	535	258	336
Finance costs (Note 7)	35	1,057	-	892
Employee benefits expense (Note 9)	4,077	3,019	1,254	1,297

**17. Investments in Subsidiaries**

	Company	
	2009 RM'000	2008 RM'000
Unquoted shares in Malaysia, at cost	261,732	204,502

**IJM PLANTATIONS BERHAD**  
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**17. Investments in Subsidiaries (Cont'd)**

(a) Details of subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			2009 %	2008 %
<b>Held by the Company:</b>				
Berakan Maju Sdn. Bhd.	Malaysia	Cultivation of oil palm	100	100
Desa Talisai Sdn. Bhd.	Malaysia	Cultivation of oil palm	100	100
Dynasive Enterprise Sdn. Bhd.	Malaysia	Investment holding	100	100
Excellent Challenger (M) Sdn. Bhd.	Malaysia	Cultivation of oil palm	100	100
Gunaria Sdn. Bhd.	Malaysia	Investment holding	100	100
IJM Agri Services Sdn. Bhd.	Malaysia	Provision of agricultural management services to plantations	100	100
IJM Edible Oils Sdn. Bhd.	Malaysia	Palm kernel milling	100	100
Minat Teguh Sdn. Bhd.	Malaysia	Investment holding	100	100
Mowtas Bulkiers Sdn. Bhd.	Malaysia	Multi-user bulking terminal	100	100
Mowtas Multi-User Jetty Sdn Bhd	Malaysia	Logistics, port and jetty operations, warehousing and shipping	100	100
Rakanan Jaya Sdn. Bhd.	Malaysia	Cultivation of oil palm	100	100
Ratus Sempurna Sdn. Bhd.	Malaysia	Property holding	100	100
Sabang Mills Sdn. Bhd.	Malaysia	Palm oil milling	100	100
Sijas Plantations Sdn. Bhd.	Malaysia	Cultivation of oil palm	100	100
Ampas Maju Sdn. Bhd.	Malaysia	Cultivation of oil palm	100	100
Gapas Mewah Sdn. Bhd.	Malaysia	Cultivation of oil palm	100	100
Golden Grip Sdn. Bhd.	Malaysia	Cultivation of oil palm	100	100
Kulim Mewah Sdn. Bhd.	Malaysia	Cultivation of oil palm	100	100
Laserline Sdn. Bhd.	Malaysia	Cultivation of oil palm	100	100
Macmillion Group Sdn. Bhd.	Malaysia	Dormant	100	100
Rantajasa Sdn. Bhd.	Malaysia	Cultivation of oil palm	100	100
Sri Kilau Sdn. Bhd.	Malaysia	Cultivation of oil palm	100	100
Isu Mutiara Sdn. Bhd.	Malaysia	Investment holding	100	100
Akrab Perkasa Sdn. Bhd.	Malaysia	Palm oil milling	100	100
Desa Talisai Palm Oil Mill Sdn. Bhd.	Malaysia	Palm oil milling	100	100
IJMP Investments (L) Limited	Malaysia	Dormant	100	100
IJMP Investments (M) Limited#	Republic of Mauritius	Investment Holding	100	100
<b>Held by IJMP Investments (M) Limited:</b>				
IJM Plantations (Mauritius) Limited	Republic of Mauritius	Investment holding	100	100

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**Notes to the Financial Statements**

**17. Investments in Subsidiaries (Cont'd.)**

- (a) Details of subsidiaries are as follows (cont'd):

Name of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			2009 %	2008 %
<b>Held by Desa Talisai Sdn. Bhd.:</b>				
Cahaya Adil Sdn. Bhd.	Malaysia	Investment holding	100	100
Firdana Corporation Sdn. Bhd.	Malaysia	Investment holding	100	100
Gerbang Selasih Sdn. Bhd.	Malaysia	Investment holding	100	100
Sihat Maju Sdn. Bhd.	Malaysia	Investment holding	100	100

**Held by Minat Teguh Sdn. Bhd.:**

PT Primabahagia Permai*	Indonesia	Cultivation of oil palm	95%	-
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**Held by Gunaria Sdn. Bhd.:**

PT Sinergi Agro Industri*	Indonesia	Cultivation of oil palm	95%	-
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# Audited by a member firm of Ernst & Young International Limited which is a separate and independent legal entity from Ernst & Young, Malaysia.

\* Audited by a firm other than member firm of Ernst & Young International Limited and Ernst & Young, Malaysia.

- (b) During the financial year, a subsidiary of the Company, Gunaria Sdn. Bhd issued a total of 99,998 new ordinary shares of RM1 each and 70,000 new preference shares of RM1.00 each at a premium of RM999 amounting to RM70,099,998.
- (c) During the financial year, a subsidiary of the Company, IJM Edible Oils Sdn. Bhd., redeemed a total of 13,000,000 preference shares of RM 0.01 each at redeemable price of RM1 per share amounting to RM13,000,000. Subsequently, the subsidiary reissued a total of 130,000 new preference shares at par value of RM1 per share.
- (d) Acquisition of subsidiaries
- (i) On 7 July 2008, a wholly owned subsidiary, Minat Teguh Sdn. Bhd. subscribed 95 shares of Rupiah 1 million each representing 95% equity interest in PT Primabahagia Permai, a company incorporated in Indonesia, for a total cash consideration of Rupiah 95 million (approximately RM37,000).
- (ii) On 7 July 2008, a wholly owned subsidiary, Gunaria Sdn. Bhd. subscribed 190 shares of Rupiah 1 million each, representing 95% equity interest in PT Sinergi Agro Industri, a company incorporated in Indonesia, for a total cash consideration of Rupiah 190 million (approximately RM72,000).

The above acquisitions have no significant effect on the financial results of the Group in the current financial year and the financial position of the Group as at the end of the current financial year.



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**17. Investments in Subsidiaries (Cont'd.)**

The assets and liabilities arising from the acquisitions are as follows:

	<b>Acquirees' carrying amount RM'000</b>	<b>Fair value recognised on acquisition RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	2,897	4,592
Biological Assets	2,080	2,080
Deferred tax assets	715	715
	<u>5,692</u>	<u>7,387</u>
<b>Current assets</b>		
Other receivables	25,467	25,467
Inventories	2,864	2,864
Cash and bank balances	7,054	7,054
	<u>35,385</u>	<u>35,385</u>
<b>Current liabilities</b>		
Payables	42,592	42,592
Net (liabilities)/assets	<u>(1,515)</u>	180
Less: 5% of fair value of total net assets held by Minority interests		<u>(9)</u>
Identified net assets acquired		171
Goodwill on acquisition recognised in income statement		-
Total cost of acquisition		<u>171</u>
The cash outflow on acquisition is as follows:		
Purchase consideration satisfied by cash		(171)
Cash and cash equivalents of subsidiaries acquired		<u>7,054</u>
Net cash inflow of the Group on acquisition		<u>6,883</u>

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**Notes to the Financial Statements****17. Investments in Subsidiaries (Cont'd.)**

As reported in previous financial year, the details of acquisition of subsidiaries were as follows:

- (i) On 17 January 2008, the Company incorporated a wholly-owned subsidiary, IJMP Investments (M) Limited ("IJMPI") in the Republic of Mauritius with an issued and paid-up share capital of USD1 (approximately RM3);
- (ii) On 25 January 2008, IJMPI acquired 100% equity interest in IJM Plantations (Mauritius) Limited ("IJMPM"), a company incorporated in the Republic of Mauritius, for a total cash consideration of USD1 (approximately RM3);
- (iii) On 28 March 2008, the Company acquired the remaining 55% equity interest of 55,000 ordinary shares in an associate, Mowtas Multi-User Jetty Sdn. Bhd. from Benua Bitara Sdn. Bhd. for a cash consideration of RM1; and
- (iv) On 28 March 2008, the Company acquired the remaining 40% equity interest of 480,000 ordinary shares in a subsidiary company, Mowtas Bulkiers Sdn. Bhd. from Benua Bitara Sdn. Bhd. for a cash consideration of RM480,000.

The above acquisitions had no significant effect on the financial results of the Group in the previous financial year and the financial position of the Group as at the end of previous financial year.

The fair value of the assets and liabilities recognised on acquisitions approximated their carrying amounts were as follows:

	<b>2008</b> <b>RM'000</b>
Other receivables	1,291
Cash and bank balances	25
	<u>1,316</u>
Other payables	<u>22</u>
Fair value of net assets	1,294
Less: As at date of acquisition, amount accounted for as:	
- an associate	20
- subsidiary	774
Group's share of net assets	500
Negative goodwill on acquisition recognised in income statement	<u>(20)</u>
Total cost of acquisition	<u><u>480</u></u>

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**17. Investments in Subsidiaries (Cont'd.)**

	<b>2008</b>
	<b>RM'000</b>
Represented by:	
Acquisition of shares from minority shareholders in a subsidiary	480
Acquisition of a subsidiary	*
	<u>480</u>
	<u>480</u>
The cash outflow on acquisition is as follows:	
Purchase consideration satisfied by cash	480
Cash and cash equivalents of a subsidiary acquired	21
	<u>459</u>
	<u>459</u>

\* Below RM1,000

**18. Investments in Associate**

	<b>Group</b>		<b>Company</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Unquoted shares in Malaysia, at cost	2,775	2,775	2,775	2,775
Share of post acquisition reserves	<u>10,033</u>	<u>8,787</u>	<u>-</u>	<u>-</u>
	<u>12,808</u>	<u>11,562</u>	<u>2,775</u>	<u>2,775</u>

Details of the associate, which was incorporated in Malaysia, are as follows:

<b>Name of Associate</b>	<b>Principal Activities</b>	<b>Proportion of Ownership Interest</b>	
		<b>2009</b>	<b>2008</b>
		%	%
Loongsyn Sdn. Bhd.	Trading in agricultural fertilisers and chemicals	50	50

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**18. Investments in Associate (Cont'd.)**

The summarised financial information of the associate is as follows:

	2009 RM'000	2008 RM'000
<b>Assets and liabilities</b>		
Current assets	72,175	53,654
Non-current assets	16,075	15,466
Total assets	<u>88,250</u>	<u>69,120</u>
Current liabilities	(63,816)	(47,183)
Non-current liabilities	(2,675)	(2,670)
Total liabilities	<u>(66,491)</u>	<u>(49,853)</u>
<b>Results</b>		
Revenue	97,271	98,978
Profit for the year	<u>5,192</u>	<u>5,924</u>

The goodwill included within the Group's carrying amount of investment in the associate is RM1,928,870 (2008: RM1,928,870).

**19. Investment In Jointly Controlled Entities**

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Unquoted shares at cost	10,538	10,538	1,500	1,500
Share of post-acquisition reserves	(741)	153	-	-
	<u>9,797</u>	<u>10,691</u>	<u>1,500</u>	<u>1,500</u>

Details of the jointly controlled entities are as follows:

Name of Jointly Controlled Entities	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			2009 %	2008 %
IJM Biofuel Sdn. Bhd.	Malaysia	Manufacture and sale of biodiesel	60	60
<b>Held by IJM Plantations (Mauritius) Limited</b>				
Godrej IJM Palm Oil Limited (formerly known as Godrej Gokarna Oil Palm Limited)*	India	Purchase of oil palm fresh fruit bunches and milling	51	51

\* Audited by a firm other than member firm of Ernst & Young International Limited and Ernst & Young, Malaysia.

The goodwill included within the Group's carrying amount of investment in a jointly controlled entity is RM3,461,792 (2008: 3,461,792).

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**Notes to the Financial Statements****19. Investment In Jointly Controlled Entities (Cont'd.)**

The Group's aggregate share of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses of the jointly controlled entity is as follows:

	2009 RM'000	2008 RM'000
<b>Assets and liabilities</b>		
Current assets	1,796	1,793
Non-current assets	34,120	17,353
Total assets	<u>35,916</u>	<u>19,146</u>
Current liabilities	(1,812)	(512)
Non-current liabilities	(27,769)	(11,405)
Total liabilities	<u>(29,581)</u>	<u>(11,917)</u>
<b>Results</b>		
Revenue	1,325	185
Expenses	(1,654)	(102)
Other income	55	*
(Loss)/Profit for the year	<u>(274)</u>	<u>83</u>

\* Below RM1,000

**20. Inventories**

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Cost:</b>				
Finished goods:				
Compost	150	265	-	-
Crude palm oil	3,908	-	-	-
Crude palm kernel oil	-	288	-	-
Palm kernels	1,081	1,487	-	-
Fertilisers and chemicals	5,196	3,867	1,815	652
Oil palm nurseries	8,158	1,315	268	130
Oil palm seeds	398	716	398	716
Stores and spares	5,326	4,301	1,062	835
	<u>24,217</u>	<u>12,239</u>	<u>3,543</u>	<u>2,333</u>
<b>Net realisable value:</b>				
Finished goods:				
Crude palm oil	14,739	27,540	-	-
Crude palm kernel oil	172	-	-	-
Palm kernels	189	630	-	-
	<u>15,100</u>	<u>28,170</u>	<u>-</u>	<u>-</u>
	<u>39,317</u>	<u>40,409</u>	<u>3,543</u>	<u>2,333</u>

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**21. Trade and Other Receivables**

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000 (Restated)	RM'000	RM'000
<b>Current</b>				
<b>Trade receivables</b>				
Third parties	10,852	12,657	36	6
Subsidiaries	-	-	1,934	6,377
	<u>10,852</u>	<u>12,657</u>	<u>1,970</u>	<u>6,383</u>
<b>Other receivables</b>				
Amounts due from related parties:				
Subsidiaries				
- Interest bearing advances	-	-	113,350	149,745
- Non interest bearing advances	-	-	10,934	9,920
	-	-	<u>124,284</u>	<u>159,665</u>
Advances to workers	1,415	1,825	315	404
Deposits	73	76	33	36
Prepayments	2,267	2,208	1,905	1,917
Sundry receivables	795	775	192	138
Less: Provision for doubtful debts	(134)	(134)	(134)	(134)
	<u>4,416</u>	<u>4,750</u>	<u>126,595</u>	<u>162,026</u>
	<u>15,268</u>	<u>17,407</u>	<u>128,565</u>	<u>168,409</u>
<b>Non-Current</b>				
<b>Other receivables</b>				
Amount due from a jointly controlled entity	43,172	17,599	43,172	17,599
Deposits for leasehold land	48,993	45,506	4,012	3,990
	<u>92,165</u>	<u>63,105</u>	<u>47,184</u>	<u>21,589</u>
The currency exposure profile of trade and other receivables are as follows:				
Ringgit Malaysia	79,319	80,512	165,265	180,858
Indonesian Rupiah	28,114	-	-	-
United States Dollar	-	-	10,484	9,140
	<u>107,433</u>	<u>80,512</u>	<u>175,749</u>	<u>189,998</u>

**(a) Credit risk**

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally ranges from 5 days to 30 days. Overdue balances are reviewed regularly by senior management. There is no significant concentration of credit risk. Trade receivables are non-interest bearing.

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**21. Trade and Other Receivables (Cont'd.)**

**(b) Amounts due from related parties (current)**

Amounts due from certain local subsidiaries bear interest rate of 5% per annum and repayable on demand.

Amounts due from foreign subsidiaries are interest free and have no fixed term of repayment.

All related parties receivables are unsecured and are to be settled in cash.

**(c) Amount due from a jointly controlled entity (non-current)**

The amount due from a jointly controlled entity bears interest of 7.25% (2008: 7.25%) per annum. The amount is unsecured and is to be settled in cash after the Start Up Business Plan has been achieved and completed as set out in the Shareholders' Agreement entered into between the Company and CTI Biofuels Malaysia, LLC of United States of America.

**(d) Deposits for leasehold land (non-current)**

Deposits paid for leasehold land of RM38,080,801 reported under current assets in the previous financial year have been reclassified under non-current assets to conform with current year's presentation.

Further details on related party transactions are disclosed in Note 33.

Other information on financial risks of other receivables are disclosed in Note 34.

**22. Cash and Cash Equivalents**

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cash on hand and at banks	6,849	4,073	292	442
Deposits with licensed banks	45,816	95,343	38,436	81,503
	<u>52,665</u>	<u>99,416</u>	<u>38,728</u>	<u>81,945</u>
The currency exposure profiles of the are as follows:				
Ringgit Malaysia	47,181	99,416	38,728	81,945
Indonesian Rupiah	3,460	-	-	-
United States Dollar	2,022	-	-	-
Euro Dollar	2	-	-	-
	<u>52,665</u>	<u>99,416</u>	<u>38,728</u>	<u>81,945</u>

Deposits with licensed banks include balances amounting to RM15,000,000 are assigned to the trustee of the bond holders pursuant to the term and condition of the bond to maintain 50% of any surplus net operating cashflow in the Commodity Reserve Account. The deposit can be withdrawn and substituted by a financial guarantee of the same amount from an eligible financial institution at anytime.

Other information on financial risks of cash and cash equivalents are disclosed in Note 34.

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**23. Share Capital**

	Company			
	Number of Ordinary Shares of RM0.50 Each		Amount	
	2009 '000	2008 '000	2009 RM'000	2008 RM'000
<b>Authorised</b>				
At beginning and end of year	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
<b>Issued and fully paid</b>				
At beginning of year	638,597	547,172	319,298	273,586
Issued and paid-up during the year:				
- ESOS exercised	2,477	11,925	1,239	5,962
- Conversion of RCULS	-	79,500	-	39,750
At end of year	<u>641,074</u>	<u>638,597</u>	<u>320,537</u>	<u>319,298</u>

During the financial year, the issued and paid-up ordinary share capital of the Company was increased from RM319,298,470.50 to RM320,537,165.50 by way of the issuance of 2,477,390 new ordinary shares of RM0.50 each for cash pursuant to the Employee Share Option Scheme at the exercise price of RM0.82, RM0.95 and RM1.09 per ordinary share (adjusted to RM0.80, RM0.93 and RM1.07 per ordinary share respectively on 1 August 2008).

The new ordinary shares issued during the financial year ranks pari passu in all respects with the existing ordinary shares of the Company.

**24. Other Reserves (Non-Distributable)**

Group	Capital Reserve RM'000	Revaluation Reserve RM'000	Equity	Foreign	Total RM'000
			Component of RCULS RM'000	Currency Translation Reserve RM'000	
<b>At 1 April 2007</b>	750	52,435	2,201	-	55,386
Effects of changes in tax rates	-	1,670	-	-	1,670
Realised during the year	-	(188)	-	-	(188)
Foreign currency translation:					
Group	-	-	-	70	70
Jointly controlled entity	-	-	-	2	2
Conversion during the year	-	-	(2,201)	-	(2,201)
<b>At 31 March 2008</b>	750	53,917	-	72	54,739
Realised during the year	-	(194)	-	-	(194)
Foreign currency translation:					
Group	-	-	-	(7,628)	(7,628)
Jointly controlled entity	-	-	-	(621)	(621)
<b>At 31 March 2009</b>	<u>750</u>	<u>53,723</u>	<u>-</u>	<u>(8,177)</u>	<u>46,296</u>



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**24. Other Reserves (Non-Distributable) (Cont'd.)**

	Capital Reserve RM'000	Revaluation Reserve RM'000	Equity Component of RCULS RM'000	Foreign Currency Translation Reserve RM'000	Total RM'000
<b>Company</b>					
<b>At 1 April 2007</b>	-	4,815	2,201	-	7,016
Effects of changes in tax rates	-	65	-	-	65
Conversion during the year	-	-	(2,201)	-	(2,201)
<b>At 31 March 2008</b>	-	4,880	-	-	4,880
Realised during the year	-	*	-	-	*
<b>At 31 March 2009</b>	-	4,880	-	-	4,880

\* Below RM1,000

The nature and purpose of each category of reserve are as follows:

**(a) Capital Reserve**

This represents bonus issue received from an associate.

**(b) Revaluation Reserve**

This represents the surplus of fair value of plant, buildings, long leasehold land and plantation expenditure above their cost.

**(c) Equity Component of RCULS**

This represented the fair value of the equity component of RCULS, net of deferred tax, as determined on the date of issue.

**(d) Foreign Translation Reserve**

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is used to record the exchange differences arising from monetary items which forms part of the Group's net investment in foreign operation, where the monetary item is denominated in either the functional currency of the reporting entity of the foreign operation.

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**Notes to the Financial Statements****25. Retained Earnings**

Prior to the year of assessment 2008, Malaysian companies adopt the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

As at 31 March 2009, the Company has tax exempt profits available for distribution of approximately RM6,411,956 (2008:RM25,608,506), subject to the agreement of the Inland Revenue Board.

The Company did not elect for irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 31 March 2009 and 2008 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 March 2009, the Company has sufficient credit in the Section 108 balance to pay franked dividends amounting to RM1,797,492 (2008: RM44,989,679) and the balance in the tax exempt income account of RM6,411,956 (2008: RM25,608,506) subject to agreement of the Inland Revenue Board to distribute dividends totalling RM8,209,394 (2008: RM70,598,185) out of its retained earnings. If the balance of the retained earnings of RM135,469,747 (2008: RM86,286,766) were to be distributed as dividends, the Company may distribute such dividends under the single tier system.

**26. Borrowings, Unsecured**

	<b>Group and Company</b>	
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Short Term Borrowings</b>		
Bonds (Note 27)	<u>34,958</u>	<u>34,946</u>
<b>Long Term Borrowings</b>		
Bonds (Note 27)	<u>-</u>	<u>34,895</u>
<b>Total Borrowings</b>		
Bonds (Note 27)	<u><u>34,958</u></u>	<u><u>69,841</u></u>

The information on maturity dates and effective interest and profit rates for borrowings are disclosed in their respective notes.

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**27. Bonds**

	<b>Group and Company</b>	
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Nominal value of Bonds:</b>		
At beginning of year	70,000	105,000
Redeemed during the year	(35,000)	(35,000)
At end of year	<u>35,000</u>	<u>70,000</u>
<b>Discount on issuance:</b>		
At beginning of year	(159)	(379)
Amortisation for the year	117	220
At end of year	<u>(42)</u>	<u>(159)</u>
	<u>34,958</u>	<u>69,841</u>
<b>Maturity of Bonds</b>		
Not later than 1 year	34,958	34,946
Later than 1 year and not later than 2 years	-	34,895
	<u>34,958</u>	<u>69,841</u>
<b>Analysed as:</b>		
Due within 12 months (Note 26)	34,958	34,946
Due after 12 months (Note 26)	-	34,895
	<u>34,958</u>	<u>69,841</u>

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**Notes to the Financial Statements****27. Bonds (Cont'd.)**

On 15 December 2003, the Company issued RM150 million bonds under the Islamic Financing concept of Al-Bai' Bithaman Ajil to a local licensed bank, being the primary subscriber on a bought deal basis to finance its capital expenditure, refinance subsidiaries' existing bank borrowings including shareholders' advances and for working capital requirements. The bonds were issued in five series as follows:

Series of Bonds	Fixed Profit Rates (%)	Maturity Date	At Date of Issue	At 1.4.2008 RM'000	Redeemed During The Year RM'000	At 31.3.2009 RM'000
1	6.48	15 December 2005	20,000	-	-	-
2	6.50	15 December 2006	25,000	-	-	-
3	6.71	15 December 2007	35,000	-	-	-
4	6.93	15 December 2008	35,000	35,000	35,000	-
5	7.18	15 December 2009	35,000	35,000	-	35,000
			<u>150,000</u>	<u>70,000</u>	<u>35,000</u>	<u>35,000</u>

The fixed profit rates are payable semi-annually in arrears. At the end of the respective tenure, the bonds will be redeemed at 100% of the nominal value.

During the financial year, the Company redeemed the series of bonds with a nominal value of RM35 million which matured in December 2008. This bond carried a profit rate of 6.93% per annum.

**28. Redeemable Convertible Unsecured Loan Stocks ("RCULS")**

Pursuant to the corporate proposals in connection with the listing of the Company's shares in 2003, the Company issued 50,000,000 RCULS at a nominal value of RM1.00 each in settlement of the RM50,000,000 advance due to IJM Corporation Berhad ("IJM"). IJM fully converted the balance of RCULS amounting to RM39,750,000 into ordinary shares during the previous financial year.

The RCULS had been split between the liability component and the equity component, represented the fair value of the conversion option and were accounted for in the balance sheets of the Group and of the Company as follows:

	2009 RM'000	2008 RM'000
Nominal value of RCULS at beginning of the year	-	39,750
Conversion to ordinary shares (Note 23)	-	(39,750)
	<u>-</u>	<u>-</u>
	<u>=====</u>	<u>=====</u>

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**Notes to the Financial Statements****28. Redeemable Convertible Unsecured Loan Stocks ("RCULS") (Cont'd.)**

The amounts recognised in the balance sheets of the Group and of the Company are analysed as follows:

	2009 RM'000	2008 RM'000
Liability component at date of issue:		
Nominal value of RCULS	-	50,000
Equity component, net of deferred tax	-	(2,694)
Deferred tax liability	-	(1,047)
	<u>-</u>	<u>46,259</u>
Conversion:		
At beginning of year	-	(9,905)
Conversion to ordinary shares (Note 23)	-	(39,750)
Equity component, net of deferred tax	-	523
At end of year	<u>-</u>	<u>(49,132)</u>
Interest expense recognised in income statement:		
At beginning of year	-	11,688
Recognised during the year (Note 7)	-	1,212
At end of year	<u>-</u>	<u>12,900</u>
Interest paid:		
At beginning of year	-	(9,104)
Paid during the year	-	(923)
At end of year	<u>-</u>	<u>(10,027)</u>
Liability component at end of year	<u>-</u>	<u>-</u>

Interest expense on the RCULS was calculated on the effective yield basis by applying the coupon interest rate of 7% for an equivalent non-convertible bond to the liability component of the RCULS.

The terms of RCULS were as follows:

- (a) Conversion rights - the registered holders of RCULS will have the option at any time during the conversion period to convert the RCULS at the conversion rate into new ordinary shares of RM0.50 each in the Company.
- (b) Conversion rate - on the basis of 1 RCULS for 2 new ordinary shares of RM0.50 in the Company.
- (c) Conversion period - period commencing from the beginning of the fourth year from the date of issue and up to the end of the fifth year. All outstanding RCULS will be redeemed in full by the Company on 1 July 2009.
- (d) The RCULS bear interest at 5% per annum from 2 July 2003 until the date of redemption or maturity, whichever is earlier.
- (e) The new ordinary shares to be allotted and issued upon conversion of the RCULS will rank pari passu in all respects with the existing ordinary shares of the Company.

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**29. Deferred Tax**

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At beginning of year	104,619	77,283	28,327	20,962
At date of acquisition	(715)	-	-	-
Exchange difference	215	-	-	-
Recognised in:				
Income statement (Note 11)	17,310	29,006	1,073	7,430
Equity (Note 24)	-	(1,670)	-	(65)
At end of year	<u>121,429</u>	<u>104,619</u>	<u>29,400</u>	<u>28,327</u>
Presented after appropriate offsetting as follows:				
Deferred tax assets	(3,394)	(3,171)	-	-
Deferred tax liabilities	<u>124,823</u>	<u>107,790</u>	<u>29,400</u>	<u>28,327</u>
	<u>121,429</u>	<u>104,619</u>	<u>29,400</u>	<u>28,327</u>

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

**Deferred Tax Liabilities of the Group:**

	Property, Plant and Equipment RM'000	Revaluation of Long Leasehold Land RM'000	Plantation Expenditure RM'000	Revaluation of Plantation Expenditure RM'000	RCULS RM'000	Total RM'000
At 1 April 2008	30,984	2,113	77,640	26,156	-	136,893
At date of acquisition	1	-	-	-	-	1
Exchange difference	4	-	-	-	-	4
Recognised in income statement	<u>3,442</u>	<u>(60)</u>	<u>1,896</u>	<u>-</u>	<u>-</u>	<u>5,278</u>
At 31 March 2009	<u>34,431</u>	<u>2,053</u>	<u>79,536</u>	<u>26,156</u>	<u>-</u>	<u>142,176</u>
At 1 April 2007	31,572	2,266	77,843	27,200	211	139,092
Recognised in Income statement	(588)	(66)	(203)	539	(211)	(529)
Equity	-	(87)	-	(1,583)	-	(1,670)
At 31 March 2008	<u>30,984</u>	<u>2,113</u>	<u>77,640</u>	<u>26,156</u>	<u>-</u>	<u>136,893</u>

**Deferred Tax Assets of the Group:****In respect of Tax Losses and Unabsorbed  
Capital and Agriculture Allowances:**

	2009 RM'000	2008 RM'000
At beginning of year	(32,274)	(61,809)
At date of acquisition	(716)	-
Exchange difference	211	-
Recognised in income statement	<u>12,032</u>	<u>29,535</u>
At end of year	<u>(20,747)</u>	<u>(32,274)</u>

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**29. Deferred Tax (Cont'd.)**

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows: (Cont'd.)

**Deferred Tax Liabilities of the Company:**

	Property, Plant and Equipment RM'000	Revaluation of Long Leasehold Land RM'000	Plantation Expenditure RM'000	Revaluation of Plantation Expenditure RM'000	RCULS RM'000	Total RM'000
At 1 April 2008	7,849	(130)	19,557	1,759	-	29,035
Recognised in:						
Income statement	287	-	841	-	-	1,128
At 31 March 2009	<u>8,136</u>	<u>(130)</u>	<u>20,398</u>	<u>1,759</u>	<u>-</u>	<u>30,163</u>
At 1 April 2007	7,992	(135)	18,935	1,829	211	28,832
Recognised in						
Income statement	(143)	-	622	-	(211)	268
Equity	-	5	-	(70)	-	(65)
At 31 March 2008	<u>7,849</u>	<u>(130)</u>	<u>19,557</u>	<u>1,759</u>	<u>-</u>	<u>29,035</u>

**Deferred Tax Assets of the Company:**

**In respect of Tax Losses and Unabsorbed  
Capital and Agriculture Allowances:**

	2009 RM'000	2008 RM'000
At beginning of year	(708)	(7,870)
Recognised in income statement	<u>(55)</u>	<u>7,162</u>
At end of year	<u>(763)</u>	<u>(708)</u>

Deferred tax assets of the Group have not been recognised in respect of unabsorbed agriculture allowances of RM3,149,575 (2008: RM3,149,575).

The unutilised tax losses and unabsorbed capital and agriculture allowances of the Group and Company are available indefinitely for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

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**Notes to the Financial Statements****30. Employee Benefits****Employee Share Option Scheme ("ESOS")**

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

Grant Date	← Number of Share Options →					Exercisable at end of year '000
	Outstanding at beginning of year '000	← Movements During the year →			Outstanding at expiry date 19/10/08 '000	
		Granted '000	Exercised '000	Terminated '000		
<b>2009</b>						
2003 options	2,239	-	(1,774)	-	(465)	-
2004 options	100	-	(100)	-	-	-
2005 options	603	-	(603)	-	-	-
	<u>2,942</u>	<u>-</u>	<u>(2,477)</u>	<u>-</u>	<u>(465)</u>	<u>-</u>
<b>WAEP (RM)</b>	<u>0.86</u>	<u>-</u>	<u>0.86</u>	<u>-</u>	<u>0.82</u>	<u>-</u>
<b>2008</b>						
2003 options	11,928	-	(9,687)	(2)	2,239	2,239
2004 options	200	-	(100)	-	100	100
2005 options	2,741	-	(2,138)	-	603	603
	<u>14,869</u>	<u>-</u>	<u>(11,925)</u>	<u>(2)</u>	<u>2,942</u>	<u>2,942</u>
<b>WAEP (RM)</b>	<u>0.86</u>	<u>-</u>	<u>0.85</u>	<u>0.82</u>	<u>0.86</u>	<u>0.86</u>

Pursuant to Bye Law 14 of the ESOS Bye-Laws, the ESOS committee had adjusted the exercise price of ESOS following the declaration of dividends which exceeded 5% as follows:

Grant Date	Expiry Date	← Exercise Price →				
		Offer Price at Offer date RM	Adjusted Price on 1.4.2005 RM	Adjusted Price on 1.7.2006 RM	Adjusted Price on 1.8.2007 RM	Adjusted Price on 1.8.2008 RM
20.10.2003	19.10.2008	0.84	0.83	0.83	0.82	0.80
20.5.2004	19.10.2008	1.12	1.11	1.10	1.09	*
24.3.2005	19.10.2008	0.97	0.96	0.96	0.95	0.93

\* Fully exercised before 1 August 2008

**(i) Details of share options outstanding at the end of the year:**

	WAEP RM	Exercise Period
<b>2009</b>		
2003 options	-	20.10.2003 - 19.10.2008
2004 options	-	20.5.2004 - 19.10.2008
2005 options	-	24.3.2005 - 19.10.2008
<b>2008</b>		
2003 options	0.82	20.10.2003 - 19.10.2008
2004 options	1.09	20.5.2004 - 19.10.2008
2005 options	0.95	24.3.2005 - 19.10.2008



**IJM PLANTATIONS BERHAD**  
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**Notes to the Financial Statements**

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**30. Employee Benefits (Cont'd.)**

**Employee Share Option Scheme ("ESOS") (Cont'd.)**

**(ii) Share options exercised during the year**

As disclosed in Note 23, options exercised during the financial year resulted in the issuance of 2,477,390 (2008: 11,925,105) ordinary shares at an average exercise price of RM0.86 (2008: RM0.85) each. The related weighted average share price at the date of exercise was RM2.68 (2008: RM2.61).

The ESOS was governed by the Bye-Laws as approved by the shareholders at an Extraordinary General Meeting held on 18 June 2003. At an Extraordinary General Meeting held on 19 May 2004, the Bye-Laws of the ESOS were amended to approve the grant of options to Independent Non-Executive Directors. The ESOS was implemented on 20 October 2003 and was to be in force for a period of 5 years from the date of implementation and has expired on 19 October 2008.

The salient features of the ESOS were as follows:

- (i) The ESOS is valid for a period of five (5) years. However, on or before the expiry thereof, the ESOS Committee shall have the absolute discretion, without the Company's shareholders approval, to extend in writing the duration or tenure of the scheme for up to another five (5) years immediately from the expiry of the first five years.
- (ii) The maximum number of new shares which may be subscribed on the exercise of options shall not, in aggregate, be more than ten percent (10%) of the total issued and paid up ordinary share capital of the Company at any point of time during the existence of the scheme.
- (iii) The option price for each new share shall be the average market price of the Company's shares as shown in the daily official list issued by Bursa Securities for the five (5) trading days preceding the date of offer with an allowance for a discount of not more than ten percent (10%) therefrom at the ESOS Committee's discretion or the par value of the ordinary shares of the Company, whichever is higher.

The option prices may be adjusted in the event of a Capital Distribution, which may involve the declaration or provision of a dividend unless the aggregate gross dividends declared in respect of the financial year is less than five percent (5%) of the nominal value of the shares of the Company. In the event of Capital Distribution or alteration in the capital structure of the Company by way of capital reduction, the ESOS option price may be adjusted in such manner as the Board of Directors in their discretion deem fair and reasonable, by multiplying the option price by the fraction of  $(C-D)/C$ , where:

C = the current market price of each Ordinary Share on the market day immediately preceding the date on which the Capital Distribution is publicly announced to Bursa Securities or (failing any such announcement), immediately preceding the date of the announcement of the Record Date of the Capital Distribution.

D = the value of that portion of the Capital Distribution attributable to one (1) Ordinary Share.

**IJM PLANTATIONS BERHAD**

(Company No: 133399-A)

**Notes to the Financial Statements****30. Employee Benefits (Cont'd.)****Employee Share Option Scheme ("ESOS") (Cont'd.)**

The salient features of the ESOS are as follows: (Cont'd.)

- (iv) Eligible employees and full-time Executive Directors of the Group having been in service for at least three years excluding those employed on a project (contract basis) on or up to the offer date. An Executive Director shall only be eligible if he is on the payroll and involved in the day-to-day management of the Company and his participation in the ESOS is specifically approved by the shareholders of the Company in a general meeting.

Independent Non-Executive Directors are eligible to subscribe up to the limit of 100,000 ordinary shares under the ESOS effective from 19 May 2004 subject to the terms and conditions or any adjustment which may be made in accordance with the provisions of its Bye-Laws.

The restriction on exercise of options imposed on Grantees with less than three years of service was removed on 7 December 2005 and they are allowed to exercise their options without any restriction.

- (v) All new shares to be allotted and issued upon any exercise of the option shall, upon issue and allotment, rank pari passu in all respects with existing ordinary shares of the Company save and except that the shares shall not be entitled to participate in any dividends, rights, allotments and/or others distributions that may be declared, where the entitlement date precedes the date of allotment.

**31. Trade and Other Payables**

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Trade payables</b>				
Third parties	15,989	18,071	6,028	4,747
Associate	8,217	1,479	8,217	1,479
	<u>24,206</u>	<u>19,550</u>	<u>14,245</u>	<u>6,226</u>
<b>Other payables</b>				
Amounts due to related parties:				
Non-interest bearing				
Subsidiaries	-	-	121,302	70,986
Related company	73	46	73	46
	<u>73</u>	<u>46</u>	<u>121,375</u>	<u>71,032</u>
Accruals	21,932	18,609	7,356	8,181
Sundry payables	3,245	4,291	1,138	1,135
	<u>25,250</u>	<u>22,946</u>	<u>129,869</u>	<u>80,348</u>
	<u>49,456</u>	<u>42,496</u>	<u>144,114</u>	<u>86,574</u>

**IJM PLANTATIONS BERHAD**  
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**Notes to the Financial Statements**

**31. Trade and Other Payables (Cont'd.)**

The currency exposure profile of trade and other payables are as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Ringgit Malaysia	48,351	42,496	144,114	86,574
Indonesian Rupiah	1,041	-	-	-
United States Dollar	64	-	-	-
	<u>49,456</u>	<u>42,496</u>	<u>144,114</u>	<u>86,574</u>

**(a) Trade payables**

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 45 days to 60 days.

**(b) Amounts due to related parties**

Amounts due to subsidiaries are interest free, unsecured and repayable on demand in cash.

The amounts due to associate and related company are non-interest bearing and are repayable on demand in cash.

Further details on related party transactions are disclosed in Note 33.

Other information on financial risk of other payables are disclosed in Note 34.

**32. Capital Commitments**

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Property, plant and equipment and plantation expenditure				
Approved and contracted for	11,548	24,282	3,075	1,241
Approved but not contracted for	159,822	115,664	15,174	74,985
	<u>171,370</u>	<u>139,946</u>	<u>18,249</u>	<u>76,226</u>
Share of capital commitments of a jointly controlled entity				
Approved and contracted for	23,501	23,622	-	-
Approved but not contracted for	6,753	17,846	-	-
	<u>30,254</u>	<u>41,468</u>	<u>-</u>	<u>-</u>
	<u>201,624</u>	<u>181,414</u>	<u>18,249</u>	<u>76,226</u>

**IJM PLANTATIONS BERHAD**

(Company No: 133399-A)

**Notes to the Financial Statements****33. Related Party Disclosures**

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Holding company and its subsidiaries:</b>				
Gross dividends paid	31,380	12,908	31,380	12,908
Tax exempt dividend	10,460	-	10,460	-
Interest on RCULS paid	-	757	-	757
Purchase of property, plant and equipment	-	74	-	74
Rental income	96	89	96	89
Secretarial and internal audit fees	<u>178</u>	<u>163</u>	<u>74</u>	<u>68</u>
<b>Substantial corporate shareholders and its subsidiaries:</b>				
Interest on RCULS paid	-	166	-	166
Rental income	-	7	-	7
Secretarial and internal audit fees	<u>-</u>	<u>15</u>	<u>-</u>	<u>6</u>
<b>Associate:</b>				
Interest income on advances	-	47	-	47
Gross dividends received	-	375	-	375
Single tier dividend received	-	-	1,350	-
Purchase of fertilisers and chemicals	<u>31,797</u>	<u>16,067</u>	<u>9,452</u>	<u>5,304</u>
<b>Jointly Controlled Entity:</b>				
Interest income on advances	<u>2,279</u>	<u>735</u>	<u>2,279</u>	<u>735</u>
<b>Subsidiaries:</b>				
Gross dividends received	-	-	28,480	24,559
Interest expense on advances	-	-	-	1,677
Interest income on advances	-	-	-	7,665
Management fee income	-	-	9,830	11,967
Proceeds from disposal of property, plant and equipment	-	-	18	*
Purchase of property, plant and equipment	-	-	14	*
Purchase of compost	-	-	95	678
Purchase of decanter dried solid	-	-	-	9
Rental income	-	-	25	25
Sale of fresh fruit bunches	-	-	80,480	89,899
Sale of oil palm seeds	<u>-</u>	<u>-</u>	<u>644</u>	<u>-</u>

All related party transactions were entered into upon terms and conditions mutually agreed between the relevant parties.

Information regarding outstanding balances arising from related party transactions as at 31 March 2009 are disclosed in Note 21 and Note 31.

\* Below RM1,000

**IJM PLANTATIONS BERHAD**  
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**Notes to the Financial Statements**

**33. Related Party Disclosures (Cont'd.)**

**(b) Compensation of key management personnel**

The remuneration of Directors and other members of key management during the financial year was as follows:

	Group and Company	
	2009	2008
	RM'000	RM'000
Short-term employee benefits	2,093	2,044
Post employment benefits:		
Defined contribution plan	324	290
	<u>2,417</u>	<u>2,334</u>
<b>Included in the total key management personnel are:</b>		
Directors' remuneration	<u>1,851</u>	<u>1,543</u>

Executive Directors of the Group and the Company and other members of key management have been granted the following number of options under the ESOS:

	Group and Company	
	2009	2008
	'000	'000
At beginning of year	1,150	5,200
At the date of appointment of other members of key management	-	1,400
Exercised	<u>(1,150)</u>	<u>(5,450)</u>
At end of year	<u>-</u>	<u>1,150</u>

The share options were granted on the same terms and conditions as those offered to other employees of the Group (Note 30).

**34. Financial Instruments**

**(a) Financial Risk Management Objectives and Policies**

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

**(b) Interest Rate Risk**

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits or occasionally, in short term commercial papers.

**IJM PLANTATIONS BERHAD**  
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**Notes to the Financial Statements**

**34. Financial Instruments (Cont'd.)**

**(b) Interest Rate Risk (Cont'd.)**

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate of interest. The Company enters into interest rate swaps, in which the Company agrees to exchange, at specified intervals, the difference between fixed and floating rate interest amounts calculated by reference to an agreed-upon notional principal amount. As at balance sheet date, the Company had entered into interest rate swaps with the following notional amounts and maturities:

	Notional Amount	
	2009	2008
	RM'000	RM'000
Within 1 year	-	35,000
1 - 2 years	-	-
	<u>-</u>	<u>35,000</u>
	<u><u>-</u></u>	<u><u>35,000</u></u>

The fixed interest rates relating to interest rate swaps at the balance sheet date vary from 6.9% to 7.2% per annum in previous financial year.

The following table set out the carrying amounts, the weighted average effective interest rates (WAEIR) as at balance sheet date and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	Note	WAEIR %	Within 1 Year RM'000	1-2 Years RM'000	2 - 3 Years RM'000	Total RM'000
<b>At 31 March 2009</b>						
<b>Group</b>						
<b>Fixed rate</b>						
Bonds	27	7.18	(34,958)	-	-	(34,958)
<b>Floating rate</b>						
Amount due from a jointly controlled entity	21	7.5	-	43,172	-	43,172
Deposits with licensed banks	22	2	45,816	-	-	45,816

**IJM PLANTATIONS BERHAD**  
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**Notes to the Financial Statements**

**34. Financial Instruments (Cont'd.)**

**(b) Interest Rate Risk (Cont'd.)**

	Note	WAEIR %	Within 1 Year RM'000	1-2 Years RM'000	2 - 3 Years RM'000	Total RM'000
<b>Company</b>						
<b>Fixed rate</b>						
Bonds	27	7.18	(34,958)	-	-	(34,958)
<b>Floating rate</b>						
Amounts due from subsidiaries	21	5	113,350	-	-	113,350
Amount due from a jointly controlled entity	21	7.5	-	43,172	-	43,172
Deposits with licensed banks	22	2	38,436	-	-	38,436
<b>At 31 March 2008</b>						
<b>Group</b>						
<b>Fixed rate</b>						
Bonds	27	6.9 – 7.2	(34,946)	(34,895)	-	(69,841)
<b>Floating rate</b>						
Amount due from a jointly controlled entity	21	7.5	-	17,599	-	17,599
Deposits with licensed banks	22	2.3 - 3.2	95,343	-	-	95,343
<b>Company</b>						
<b>Fixed rate</b>						
Bonds	27	6.9 – 7.2	(34,946)	(34,895)	-	(69,841)
<b>Floating rate</b>						
Amounts due from subsidiaries	21	5.0	149,745	-	-	149,745
Amount due from a jointly controlled entity	21	7.3	-	17,599	-	17,599
Deposits with licensed banks	22	2.3-3.2	81,503	-	-	81,503

**IJM PLANTATIONS BERHAD**  
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**Notes to the Financial Statements**

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**34. Financial Instruments (Cont'd.)**

**(b) Interest Rate Risk (Cont'd.)**

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than 6 months except for amount due from/to related parties which are repriced annually. Interest on financial instruments at fixed rates are fixed until the maturity of the instrument. The other financial instruments of the Group and the Company that are not included in the above tables are not subject to interest rate risks.

**(c) Liquidity Risk**

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at reasonable level to its overall debt position.

**(d) Credit Risk**

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, marketable securities and non-current investments, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets.

**(e) Foreign Currency Risk**

The Group's investments in subsidiaries are exposed to exchange rate fluctuation because certain subsidiaries are foreign entities. The Group will closely and consistently monitor the movement of foreign exchange rate and would take appropriate actions to minimise the adverse impact on foreign exchange exposure to the Group.



**IJM PLANTATIONS BERHAD**  
 (Company No: 133399-A)  
**Notes to the Financial Statements**

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**34. Financial Instruments (Cont'd.)**

**(f) Fair Values**

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximated their fair values except for the followings:

	Note	Group		Company	
		Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
<b>At 31 March 2009</b>					
Interest rate swaps	34(b)	-	-	-	-
<b>At 31 March 2008</b>					
Interest rate swaps	34(b)	-	300	-	300

The fair value of an interest rate swap was the amount that would be receivable upon termination of the position at the balance sheet date, and is calculated as the difference between present value of the estimated future cash flows at the contracted rate compared to that calculated at the market rate at the balance sheet date.

**35. Segmental Information**

There was no segmental reporting as the Group's activities are predominantly engaged in the oil palm cultivation and milling, and principally operated in Malaysia. The operation in Indonesia is significantly below the 10% thresholds for reporting as geographical segment.

**36. Subsequent Event**

On 22 April 2009, a wholly-owned subsidiary, Dynasive Enterprise Sdn. Bhd. entered into Conditional Sale and Purchase Agreement to acquire 750 shares of Rupiah 1 million each, representing 75% equity interest in PT Prima Alumga, a company incorporated in Indonesia, for the total cash consideration of Rupiah 750 million (approximately RM232,500).

## UNAUDITED RESULTS OF IJMP FOR THE 3-MONTH PERIOD ENDED 30 JUNE 2009

## IJM PLANTATIONS BERHAD (133399-A)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 JUNE		CUMULATIVE 3 MONTHS ENDED 30 JUNE	
	2009 RM'000 (unaudited)	2008 RM'000 (unaudited)	2009 RM'000 (unaudited)	2008 RM'000 (unaudited)
Revenue	94,277	158,546	94,277	158,546
Operating Expenses	(83,358)	(103,521)	(83,358)	(103,521)
Other Income	411	1,204	411	1,204
Profit from Operations	11,330	56,229	11,330	56,229
Finance Costs	(660)	(1,033)	(660)	(1,033)
Share of results of Associate	656	2,722	656	2,722
Share of results of Jointly Controlled Entities	(23)	10	(23)	10
Profit Before Taxation	11,303	57,928	11,303	57,928
Taxation	(3,327)	(14,156)	(3,327)	(14,156)
Profit for the Period	7,976	43,772	7,976	43,772
Profit for the Period attributable to:				
- Equity holders of the Company	7,881	43,772	7,881	43,772
- Minority Interest	95	-	95	-
	7,976	43,772	7,976	43,772
Earnings per share attributable to equity holders of the Company (sen):				
(a) Basic:				
- [Note B13]	1.23 sen	6.85 sen	1.23 sen	6.85 sen
(b) Fully diluted:				
- [Note B13]	1.23 sen	6.83 sen	1.23 sen	6.83 sen

## IJM PLANTATIONS BERHAD (133399-A)

**CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2009 (UNAUDITED)**

	30 June 2009 RM'000 (Unaudited)	31 March 2009 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets:</b>		
Property, Plant and Equipment	270,127	265,423
Leasehold land	116,350	116,850
Plantation Expenditure	440,085	430,972
Investments in Associate	13,464	12,808
Investment in Jointly Controlled Entities	9,855	9,797
Other Receivables	111,969	92,165
Deferred Tax Assets	4,751	3,394
	<u>966,601</u>	<u>931,409</u>
<b>Current Assets:</b>		
Inventories	46,369	39,317
Trade and Other Receivables	22,773	15,268
Tax recoverable	5,658	3,120
Cash and Bank Balances	48,379	52,665
	<u>123,179</u>	<u>110,370</u>
<b>TOTAL ASSETS</b>	<u>1,089,780</u>	<u>1,041,779</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share Capital	320,537	320,537
Reserves	474,258	510,456
	<u>794,795</u>	<u>830,993</u>
Minority interests	1,525	1,274
<b>Total Equity</b>	<u>796,320</u>	<u>832,267</u>
<b>Non-Current Liabilities:</b>		
Borrowings	30,000	-
Deferred Tax Liabilities	126,842	124,823
	<u>156,842</u>	<u>124,823</u>
<b>Current Liabilities:</b>		
Trade and Other Payables	50,257	49,456
Dividend Payable	51,286	-
Borrowings	34,974	34,958
Tax payables	101	275
	<u>136,618</u>	<u>84,689</u>
<b>Total Liabilities</b>	<u>293,460</u>	<u>209,512</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,089,780</u>	<u>1,041,779</u>
<b>Net Assets Per Share attributable to ordinary shareholders of the Company (RM)</b>	<u>1.24</u>	<u>1.30</u>

## IJM PLANTATIONS BERHAD (133399-A)

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2009 (UNAUDITED)

	Attributable to Equity Holders of the Company					Minority Interests	Total Equity
	Non distributable Reserve			Distributable Reserve			
	Share Capital	Share Premium	Other Reserves	Retained Profits	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 1 April 2009</b>	320,537	59,297	46,296	404,863	830,993	1,274	832,267
Realisation of revaluation reserve	-	-	(48)	48	-	-	-
Foreign exchange Translation	-	-	7,207	-	7,207	156	7,363
Net income recognised directly in equity	-	-	7,159	48	7,207	156	7,363
Profit for the period	-	-	-	7,881	7,881	95	7,976
Total income and expenses recognised for the period	-	-	7,159	7,929	15,088	251	15,339
Dividend - Year ended 31 March 2009	-	-	-	(51,286)	(51,286)	-	(51,286)
<b>At 30 June 2009 (Unaudited)</b>	<b>320,537</b>	<b>59,297</b>	<b>53,455</b>	<b>361,506</b>	<b>794,795</b>	<b>1,525</b>	<b>796,320</b>

**IJM PLANTATIONS BERHAD (133399-A)****CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2008 (UNAUDITED)**

	Attributable to Equity Holders of the Company				
	Share Capital	Non distributable Reserve		Distributable Reserve	Total Equity
		Share Premium	Other Reserves	Retained Profits	
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2008	319,298	58,418	54,739	343,872	776,327
Realisation of revaluation reserve	-	-	(48)	48	-
Foreign exchange Translation	-	-	(609)	-	(609)
Net income recognised directly in equity	-	-	(657)	48	(609)
Profit for the period	-	-	-	43,772	43,772
Total income and expense recognised for the period	-	-	(657)	43,820	43,163
Dividend - Year ended 31 March 2008	-	-	-	(62,389)	(62,389)
Issue of ordinary shares pursuant to exercise of ESOS	304	230	-	-	534
At 30 June 2008 (Unaudited)	319,602	58,648	54,082	325,303	757,635

## IJM PLANTATIONS BERHAD (133399-A)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (UNAUDITED)**

	<b>3 MONTHS ENDED 30 JUNE 2009 RM'000 (unaudited)</b>	<b>3 MONTHS ENDED 30 JUNE 2008 RM'000 (unaudited)</b>
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	100,056	156,176
Payments to contractors, suppliers and employees	(91,711)	(100,968)
Interest paid	(1,253)	(2,187)
Income tax paid	(5,183)	(6,815)
<i>Net cash flows from operating activities</i>	<u>1,909</u>	<u>46,206</u>
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant, equipment, leasehold land and plantation expenditure	(17,894)	(14,082)
Advances to plantation development activities	(15,568)	-
Interest received	170	783
<i>Net cash flows used in investing activities</i>	<u>(33,292)</u>	<u>(13,299)</u>
<b>FINANCING ACTIVITIES</b>		
Issuance of ordinary shares	-	534
Advances to a jointly controlled entity	(3,595)	(7,500)
Proceeds from bank borrowings	30,000	-
<i>Net cash flows from/(used in) financing activities</i>	<u>26,405</u>	<u>(6,966)</u>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(4,978)</b>	<b>25,941</b>
<b>Cash &amp; Cash Equivalent at beginning of year</b>	<b>52,665</b>	<b>99,416</b>
<b>Foreign Exchange differences on opening balances</b>	<b>692</b>	<b>-</b>
<b>Cash &amp; Cash Equivalent at end of period</b>	<b><u>48,379</u></b>	<b><u>125,357</u></b>
<b>Notes:</b>	<b>AS AT 30 JUNE 2009 RM'000</b>	<b>AS AT 30 JUNE 2008 RM'000</b>
Cash and cash equivalents represents the following:		
Cash and bank balances	9,118	2,539
Deposits with licensed banks	39,261	122,818
	<u>48,379</u>	<u>125,357</u>

## IJM PLANTATIONS BERHAD (133399-A)

### A NOTES TO THE QUARTERLY RESULTS

#### A1. Basis of Preparation

The audited financial report has been prepared in accordance with *FRS 134: Interim Financial Reporting* and *Chapter 9 Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad*.

The unaudited financial report should be read in conjunction with the audited financial statements for the year ended 31 March 2009 which are available at <http://www.ijm.com>. The explanatory notes attached to the unaudited 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 31 March 2009.

#### A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2009.

#### A3. Disclosure of Audit Report Qualification and Status of Matters Raised

The audit report for the financial year ended 31 March 2009 was not subject to any qualifications.

#### A4. Seasonality or Cyclicity of Operations

As the cropping pattern of oil palm normally declines to a trough in the first half of a calendar year before rising to a peak in a second half, the Group's performance can be affected accordingly.

#### A5. Unusual Significant Items

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual in nature, size or incidence during the financial period under review.

#### A6. Material Changes in Estimates

There were no major changes in estimates that have had material effect in the current quarter.

#### A7. Debt and Equity Securities

There were no other cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter.

#### A8. Dividend Paid

There was no dividend paid during the current quarter.

## IJM PLANTATIONS BERHAD (133399-A)

### A9. Segmental Information

There was no segmental reporting as the Group's activities are predominantly engaged in the oil palm cultivation and milling, and principally operated in Malaysia. The operation in Indonesia is significantly below the 10% thresholds for reporting as geographical segment.

### A10. Valuations of Property, Plant and Equipment

There was no revaluation of property, plant and equipment for the current quarter.

### A11. Material Subsequent Events

There was no material event subsequent to the end of the current quarter that has not been reflected in the unaudited financial statements.

### A12. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter except that on 6 June 2009, IJMP Investments (L) Limited ("IJMPILL"), a dormant wholly-owned subsidiary of the Company was struck off from the register of Companies of Labuan Offshore Financial Services Authority.

### A13. Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets since 31 March 2009.

### A14. Capital Commitments

Capital commitments not provided for in the unaudited financial statements as at 30 June 2009 are as follows:

	2009 RM'000
Property, plant, equipment and Plantation expenditure	
Approved and contracted for	33,616
Approved but not contracted for	<u>113,380</u>
	<u>146,996</u>
Share of capital commitments of a jointly controlled entity	
Approved and contracted for	13
Approved but not contracted for	<u>27,958</u>
	<u>27,971</u>
	<u>174,967</u>

The current estimated cost of developing our oil palm plantation in Indonesia is about RM700 million of which RM98.9 million has been incurred up to 30 June 2009 and another RM82.5 million has been included in the above stated capital commitment. The Board of Directors will review and approve the development program and cost annually.



## IJM PLANTATIONS BERHAD (133399-A)

### **B Bursa Securities Listing Requirements (Part A of Appendix 9B)**

#### **B1. Review of Performance**

A convergence of negative factors had a sharp impact on the performance of this quarter. The average CPO selling prices dropped by 32.0% from RM3,306 per tonne to RM2,249 per tonne. The average PKO selling prices reduced by 35.6% from RM4,036 to RM2,593 per tonne. Production of fresh fruit bunches ("FFB") for the current quarter had also reduced. Compared to the corresponding quarter of the preceding year, when we normally would have shown an upward crop trend, we had instead a 9.2% decline due to a change in cropping pattern. As a result, Group revenue of RM94.3 million was significantly lower (40.5%) than the corresponding quarter of the preceding year. Plantation upkeep costs in particular fertiliser was higher due to earlier application of the required nutrients and higher prices during the period. In addition, the Group incurred an exceptional cost of RM2.8 million in respect of land compensation payment. As such, profit before taxation of RM11.3 million for the current quarter was lower as compared to the same period of the preceding year.

Contribution to the Sabah state sales tax for the current quarter was RM7.2 million. It was RM10.7 million for the corresponding quarter of the preceding year.

#### **B2. Material Changes in the Quarterly Results Compared to the Results of Immediate Preceding Quarter**

FFB production decreased marginally (1.6%) from 127,230 tonnes to 125,233 tonnes as production remained in the low crop season. Similarly, outside fruits purchase decreased by 4.0% to 37,216 tonnes.

Average CPO selling price improved by 18.3% from RM1,901 per tonne to RM 2,249 per tonne while average PKO selling price increased by 40.2% from RM1,850 to RM2,593 per tonne. As a result, revenue and profit before taxation for the current quarter were 19.3% and 51.1% higher respectively.

**IJM PLANTATIONS BERHAD (133399-A)****B3. Prospects for the Current Financial Year**

For the current financial year ending 31 March 2010, the Group expects an increase in palm produce production. However, the Group results will be dependent on palm produce prices and plantation costs, in particular fertiliser costs. Assuming that prices of palm produce and fertiliser remain at current levels, the Group expects reasonable results despite the slow start to the year.

**B4. Variance of Actual Profit from Forecast Profit**

Not applicable as no profit forecast was published.

**B5. Taxation**

The taxation of the group for the financial period under review is as follows:

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 JUNE		CUMULATIVE QUARTER 3 MONTHS ENDED 30 JUNE	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Income tax	2,471	8,392	2,471	8,392
Deferred tax	856	5,764	856	5,764
	<u>3,327</u>	<u>14,156</u>	<u>3,327</u>	<u>14,156</u>

The Group effective tax rate (excluding the result of associate and jointly controlled entities which are equity accounted net of tax) is higher than the statutory tax rate of 25% due to non deductibility of certain expenses for tax purposes.

**B6. Unquoted Investments and/or Properties**

There were no sales of unquoted investment and/or properties for the current quarter.

**B7. Quoted Investment**

There were no purchases or disposals of quoted investments for the current quarter.

## IJM PLANTATIONS BERHAD (133399-A)

### B8. Status of Corporate Proposals

- (a) On 4 April 2007, a wholly owned subsidiary, Gunaria Sdn. Bhd. ("GSB") entered into a Conditional Sale and Purchase Agreement to acquire 2,850 shares of Rupiah 1 million each, representing 95% equity interest in PT Zarhasih Kaltim Perkasa ("ZKP"), a company incorporated in Indonesia, for a total cash consideration of Rupiah 2,850 million (approximately RM1,056,000). Approval from the Indonesia Investment Coordinating Board for the conversion of ZKP to a foreign capital investment company had been obtained. Subscription of shares in ZKP by GSB is pending clearance from the Indonesia Ministry of Law and Justice and Company Registry.
- (b) On 22 April 2009, a wholly owned subsidiary, Dynasive Enterprise Sdn. Bhd. entered into a Conditional Sale and Purchase Agreement to acquire 750 shares of Rupiah 1 million each, representing 75% equity interest in PT Prima Alumga ("PPA"), a company incorporated in Indonesia, for a total cash consideration of Rupiah 750 million (approximately RM250,000).
- (c) On 8 July 2009, IJM Plantations Berhad ("IJMP") announced the proposed renounceable rights issue of 160,268,583 new ordinary shares of RM0.50 each in IJMP ("Rights Shares") together with 80,134,291 new warrants ("Warrants"), on the basis of 2 Rights Shares together with 1 free Warrant for every 8 existing IJMP shares held by the shareholders of IJMP on an entitlement date to be determined and announced later, at an issue price of RM2.10 per Rights Share ("Proposed Rights Issue"). The Proposed Rights Issue had been approved by the Securities Commission and Bank Negara on 6 August 2009 and 14 August 2009 respectively. The shareholders had also approved the Proposed Rights Issue at an Extraordinary General Meeting held on 20 August 2009.

Except for the above, there were no corporate proposals announced but pending completion for the current quarter and financial year-to-date.

### B9. Group Borrowings

Particulars of the Group's borrowings as at 30 June 2009 are as follows:

<b>Unsecured:</b>	<b>RM'000</b>
<u>Bond</u>	35,000
Less: Discount on issuance	
At beginning of year	42
Amortisation for the period	(16)
	26
<b>Short term borrowing</b>	<b>34,974</b>
<u>Term Loan</u>	
<b>Long term borrowing</b>	<b>30,000</b>
<b>Total Borrowings</b>	<b>64,974</b>

There were no borrowings denominated in foreign currency.

## IJM PLANTATIONS BERHAD (133399-A)

### **B10. Off Balance Sheet Risk Financial Instruments**

There were no off balance sheet financial instruments as at the date of this report.

### **B11. Changes in Material Litigation**

There was no material litigation since 31 March 2009.

### **B12. Dividend**

In respect of the financial year ended 31 March 2009, a single tier interim dividend of 16% or 8 sen per share (previous corresponding financial year: 18% or 9 sen per share less income tax at 25% and 6% tax exempt dividend per share) was paid on 18 August 2009 to every member who is entitled to receive the dividend on 31 July 2009.

The Directors do not recommend any interim dividend for the current quarter.

## IJM PLANTATIONS BERHAD (133399-A)

### B13. Earnings per Share

#### Basic and diluted earnings per ordinary share

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary equity shareholders of the Company by the weighted average number of ordinary shares in issue during the financial period.

For the purpose of calculating diluted earnings per share in previous financial period, the weighted average number of ordinary shares in issue during the financial period had been adjusted for the dilutive effects of all potential ordinary shares from the exercise of ESOS. The adjusted weighted average number of ordinary shares was the weighted average number of ordinary shares in issue during the financial period plus the weighted average number of ordinary shares which would be issued upon exercise of the ESOS into ordinary shares. The ESOS were deemed to have been converted into ordinary shares at the beginning of the financial period.

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 JUNE		CUMULATIVE QUARTER 3 MONTHS ENDED 30 JUNE	
	2009	2008	2009	2008
<b>Basic Earnings per share</b>				
(a) Profit for the period attributable to equity holders of the Company (RM'000)	7,881	43,772	7,881	43,772
(b) Weighted average number of ordinary shares ('000')	641,074	638,803	641,074	638,803
<b>Basic Earnings per share (sen)</b>	<b>1.23</b>	<b>6.85</b>	<b>1.23</b>	<b>6.85</b>
<b>Diluted Earnings per share</b>				
(a) Adjusted Profit for the period attributable to equity holders of the Company (RM'000)	7,881	43,772	7,881	43,772
(b) Weighted average number of ordinary shares ('000')	641,074	638,803	641,074	638,803
Effect of dilution				
-ESOS	-	1,797	-	1,797
Adjusted weighted average number of ordinary shares in issue and issuable ('000')	641,074	640,600	641,074	640,600
<b>Diluted Earnings per share (sen)</b>	<b>1.23</b>	<b>6.83</b>	<b>1.23</b>	<b>6.83</b>

### B14. Comparative Figures

Comparative figures, where applicable, have been modified to conform with the current quarter's presentation.

**DIRECTORS' REPORT**

*(Prepared for inclusion in this AP)*



**IJM  
PLANTATIONS  
BERHAD**  
(133399-A)

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Jalan Yong Shook Lin  
46050 Petaling Jaya  
Selangor Darul Ehsan

9 October 2009

**To: The Shareholders of IJM Plantations Berhad ("IJMP")**

Dear Sir/Madam,

On behalf of the Board of Directors of IJMP, I report after due enquiries that during the period from 31 March 2009 (being the date to which the last audited accounts of IJMP have been made up) to the date hereof, being a date not earlier than 14 days before the issue date of this Abridged Prospectus:

- (i) the business of IJMP and its subsidiaries ("IJMP Group") has, in the opinion of the Directors of IJMP, been satisfactorily maintained;
- (ii) in the opinion of the Directors of IJMP, no circumstance has arisen since the last audited financial statements of the IJMP Group which has adversely affected the trading or the value of the assets of the IJMP Group;
- (iii) the current assets of the IJMP Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (iv) there are no contingent liabilities by reason of any guarantees or indemnities given by the IJMP Group;
- (v) since the last audited financial statements of the IJMP Group, the Directors of IJMP are not aware of any default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings of the IJMP Group;
- (vi) there have been no material changes in the published reserves or any unusual factors affecting the profits of the IJMP Group since the last audited financial statements of the IJMP Group; and
- (vii) as disclosed above and up to the date of this letter, no other reports are required in relation to items (i) to (vi) above.

Yours faithfully  
for and on behalf of the Board of Directors of  
**IJM PLANTATIONS BERHAD**

**Velayuthan a/l Tan Kim Song**  
Chief Executive Officer & Managing Director

**FURTHER INFORMATION****1. SHARE CAPITAL**

- (i) Save for the Rights Shares and Warrants, no securities in our Company will be allotted or issued on the basis of this AP later than 12 months after the date of issue of this AP.
- (ii) There are no founder, management or deferred shares in our Company. There is only 1 class of shares in our Company, namely ordinary shares of RM0.50 each, all of which rank equally with one another.
- (iii) Save for the 160,268,583 Rights Shares and up to 80,134,291 new IJMP Shares to be issued upon the exercise of up to 80,134,291 Warrants to be issued under the Rights Issue, no securities of our Company have been or are proposed or intended to be issued as partly or fully paid-up for cash or otherwise than in cash within the 2 years preceding the date of this AP.
- (iv) Save for the Entitled Shareholders who will be provisionally allotted the Rights Shares with Warrants, no person has been or is entitled to be given an option to subscribe for any securities of our Company.

**2. ARTICLES OF ASSOCIATION**

The provision in our Company's Articles of Association dealing with the remuneration of Directors as approved by Bursa Securities are as follows (capitalised terms mentioned are as defined in our Company's Articles of Association):

**Article 91**

- (a) The fees payable to the Directors (except salaries payable to executive directors for their services) shall from time to time be determined by the Company in general meeting. Provided that such fees shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting, the fees shall be deemed to accrue from day to day.
- (b) The Directors may also be paid all traveling, hotel and other expenses as may reasonably be incurred by them in the execution of their duties including any such expenses incurred in connection with their attendance at meetings of the Directors or any committee of the Directors or in connection with the business of the Company as the Directors may determine.
- (c) Fees payable to non-executive Directors shall be a fixed sum, and not by a commission on or percentage of profits or turnover.
- (d) Any fee paid to an alternate Director shall be in accordance with Article 93.
- (e) Any Director who performs or renders any duties or services outside his ordinary duties as a Director, the Directors may decide to pay him special remuneration in a lump sum in addition to his ordinary remuneration.

## **Article 92**

The remuneration of a Managing or other Executive Director shall from time to time be fixed by the Directors and may be by way of salary or participation in profits or by any or all of these modes but shall not under any circumstances be remunerated by a commission on or percentage of turnover.

## **Article 93**

Any Director may from time to time appoint any person who is approved by the majority of the Directors to be an alternate or substitute Director. The appointee, while he holds office as an alternate or substitute Director, shall be entitled to the notice of meeting of the Directors and to attend and vote thereat as a Director. An alternate Director shall receive his remuneration from the Director appointing him and not from the Company unless the Company be instructed in writing by the Director to pay any portion of his remuneration to such alternate. Any appointment so made may be revoked at any time by the appointer or by the majority of the other Directors at a board meeting. Any appointment or revocation under this Article shall be effected by notice in writing to be delivered at the Office of the Company. An alternate Director shall not require any share qualification, and shall ipso facto vacate office if the appointer vacates office as a Director or removes the appointee from office.

### **3. MATERIAL CONTRACTS**

Neither we nor our subsidiaries have entered into any material contracts (not being contracts in the ordinary course of business) within 2 years immediately preceding the LPD.

### **4. MATERIAL LITIGATION, CLAIMS AND ARBITRATION**

As at the LPD, neither we nor our subsidiaries are engaged in any material litigation, claims or arbitration, either as a plaintiff or defendant, which may have a material effect on our financial position or business, and our Board is not aware of any proceedings pending or threatened, or of any facts likely to give rise to any proceedings which might materially affect our financial position or business.

### **5. GENERAL**

- (i) The nature of the business of our Company is set out in Section 1 of Appendix II of this AP. Other than as disclosed in Section 5 of Appendix II, there are no corporations which are deemed to be related to our Company by virtue of Section 6 of the Act as at the LPD.
- (ii) The total estimated expenses of or in connection with the Rights Issue is approximately RM1.0 million, which will be borne by our Company.
- (iii) Save as disclosed in this AP, the financial condition and operations of our Group are not likely to be affected by any of the following:
  - (a) material information, including trading factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our profits;
  - (b) known trends, demands, commitments, events or uncertainties that will result in or are reasonably likely to result in the liquidity of our Group increasing or decreasing in any material way;



- (c) material commitments for capital expenditure of our Group;
  - (d) unusual, infrequent events or transactions or any significant economic changes that materially affect the amount of reported income from our operations;
  - (e) known trends or uncertainties that have had, or that our Group reasonably expects will have, a material favourable or unfavourable impact on revenues or operating income.
- (iv) There are no existing or proposed service contracts between our Group and our Directors and key management excluding contracts expiring or determinable by the employing company without payment or compensation (other than statutory compensation) within 1 year from the date of this AP.

## 6. CONSENTS

Our Principal Adviser, Financial Adviser, Solicitors for the Rights Issue, Share Registrar, Company Secretary and Principal Bankers have given and have not subsequently withdrawn their written consents to the inclusion of their names and all references thereto in the form and context in which they appear in this AP.

Ernst & Young, our previous Auditors, have given and have not subsequently withdrawn their written consents to the inclusion of their Auditors' Report on the audited consolidated financial statements of IJMP for the financial year ended 31 March 2009 and all references thereto, in the form and context in which it appears in this AP.

PricewaterhouseCoopers, our current Auditors and Reporting Accountants, have given and have not subsequently withdrawn their written consent to the inclusion of their name and the letter relating to the proforma consolidated balance sheets of IJMP as at 31 March 2009 and all references thereto, in the form and context in which they appear in this AP.

## 7. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at our Registered Office at 2<sup>nd</sup> Floor, Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan during normal business hours from Mondays to Fridays (except public holidays) for a period of 12 months from the date of this AP:

- (i) Our Memorandum and Articles of Association;
- (ii) Our audited consolidated financial statements for the past 2 financial years ended 31 March 2008 and 31 March 2009 and our unaudited consolidated financial statements for the 3-month period ended 30 June 2009;
- (iii) Our proforma consolidated balance sheets as at 31 March 2009 together with the Reporting Accountant's letter thereon as set out in Appendix III of this AP;
- (iv) Directors' Report as set out in Appendix VI of this AP;
- (v) Deed Poll;
- (vi) Letters of consent referred to in Section 6 of Appendix VII of this AP; and
- (vii) Letter of undertaking from IJM as referred to in Section 8 of this AP.

**8. RESPONSIBILITY STATEMENTS**

Our Directors have seen and approved this AP, together with the accompanying documents, and they collectively and individually accept full responsibility for the accuracy of the information given. They confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement in this AP and the accompanying documents, false or misleading.

CIMB, being the Principal Adviser and Newfields, being the Financial Adviser for the Rights Issue, acknowledge that, based on all available information, and to the best of their knowledge and belief, this AP constitutes full and true disclosure of all material facts about the Rights Issue.

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