



IJM PLANTATIONS BERHAD (133399-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended: 31/12/2003
Quarter: 4th Qtr
Financial Year End: 31/12/2003
The figures: Have been audited

Full Quarterly Report: Refer attached

Part A2 : Summary of Key Financial Information for the financial year ended 31/12/2003

	Individual Quarter		Cumulative Period	
	Current year quarter 31/12/2003 RM'000	Preceding year quarter 31/12/2002 RM'000	Current year to date 31/12/2003 RM'000	Preceding year to date 31/12/2002 RM'000
1 Revenue	65,855	--	202,020	--
2 Profit before tax	22,060	--	54,032	--
3 Profit after tax and minority interests	16,383	--	37,879	--
4 Net profit for the period	16,383	--	37,879	--
5 Basic earnings per share (sen)	3.27	--	9.27	--
6 Dividend per share (sen)	2.5	--	2.5	--
	As at end of current quarter 31/12/2003		As at preceding financial year end	
7 Net tangible assets per share (RM)		0.95	Restated	2.39

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CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER 3 MONTHS ENDED 31 DECEMBER		CUMULATIVE 12 MONTHS ENDED 31 DECEMBER	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Revenue	65,855	-	202,020	-
Operating Expenses	(46,716)	-	(151,024)	-
Other Operating Income	4,614	-	6,863	-
Profit from Operations	23,753	-	57,859	-
Finance Costs	(1,581)	-	(6,036)	-
Share of results of associates	(112)	-	2,209	-
Profit Before Taxation	22,060	-	54,032	-
Taxation	(5,677)	-	(14,467)	-
Profit After Taxation	16,383	-	39,565	-
Minority Interests	-	-	(1,686)	-
Net Profit for the Period	16,383	-	37,879	-
Earnings Per Share:				
(a) Basic:				
- [Note B13]	3.27 sen		9.27 sen	
(b) Fully diluted:				
- [Note B13]	2.77 sen		8.42 sen	

Note:

As this is the third announcement, no comparative figures are available.

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CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2003

	31 December 2003	31 December 2002 (Restated)
	RM'000	RM'000
Non-Current Assets:		
Property, Plant and Equipment	670,013	542,847
Investments in Associates	7,223	23,770
Net Goodwill on Consolidation	(2,136)	1,726
Deferred Tax Assets	1,828	1,327
Current Assets:		
Inventories	24,078	13,760
Trade and Other Receivables	18,521	13,551
Amount due from Associates	54	11,744
Cash and Bank Balances	109,447	4,049
	<u>152,100</u>	<u>43,104</u>
Current Liabilities:		
Trade and Other Payables	22,360	14,695
Short Term Borrowings	27,441	-
Amount due to Associates	37,299	177
Amount due to Corporate Shareholder	2,745	-
Amount due to Holding Company	-	193,246
Amount due to Related company	-	1,733
Lease Creditor	3,368	6,353
Tax Payable	2,166	92
	<u>95,379</u>	<u>216,296</u>
Net Current Assets / (Liabilities)	<u>56,721</u>	<u>(173,192)</u>
	<u>733,649</u>	<u>396,478</u>
FINANCED BY:		
Share Capital	250,180	100,000
Reserves	224,945	140,941
Shareholders' Equity	<u>475,125</u>	<u>240,941</u>
Minority Interests	458	69,546
Non-Current Liabilities:		
Amount due to an Associate	-	36,956
Redeemable Convertible Unsecured Loan Stock	46,259	-
Bond	148,413	-
Lease Creditor	-	3,368
Deferred Income	1,148	3,444
Deferred Tax Liabilities	62,246	42,223
	<u>258,066</u>	<u>85,991</u>
	<u>733,649</u>	<u>396,478</u>
Net Tangible Assets Per Share (RM)	<u><u>0.95</u></u>	<u><u>2.39</u></u>

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2003

	Non distributable				Distributable Reserve	
	Share Capital	Capital Reserves	Revaluation Reserves	Share Premium	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2003:						
- As previously reported	100,000	-	73,829	-	100,070	273,899
- Prior year adjustments [Note A1]	-	-	(20,518)	-	(12,440)	(32,958)
As restated	100,000	-	53,311	-	87,630	240,941
Shares issued pursuant to corporate exercise [Note A6(a)]	100,000	-	-	-	-	100,000
Acquisition of subsidiaries [Note A6(a)]	50,155	-	-	45,139	-	95,294
Equity component of RCULS [Note A6(b)]	-	2,694	-	-	-	2,694
Exercise of ESOS [Note A6(d)]	25	-	-	17	-	42
Listing expenses not recognised in income statement	-	-	-	(1,725)	-	(1,725)
Net Profit for the year	-	-	-	-	37,879	37,879
At 31 December 2003	250,180	2,694	53,311	43,431	125,509	475,125

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	YEAR ENDED 31 DECEMBER 2003
	RM'000
CASH FLOW FROM OPERATING ACTIVITIES	
Receipts from customers	205,356
Payments to contractors, suppliers and employees	(135,348)
Interest paid	(4,369)
Income tax paid	(6,289)
<i>Net cash flows from operating activities</i>	59,350
CASH FLOW FROM INVESTING ACTIVITIES	
Acquisition of an associate	(20)
Acquisition of subsidiary companies, net of cash acquired	1,721
Proceeds from disposal of an Associate	2,046
Proceeds from disposal of property, plant and equipment	496
Repayments from Associates	5,611
Additions to property, plant and equipment	(57,977)
Dividend received from an associate	225
Interest received	323
<i>Net cash flows used in investing activities</i>	(47,575)
CASH FLOW FROM FINANCING ACTIVITIES	
Issue of shares	42
Repayments of borrowings	(1,901)
Repayments to lease creditor	(6,353)
Repayments to corporate shareholders	(44,828)
Repayments to related company	(13)
Proceeds from issuance of bond	148,401
Payments of listing expenses	(1,725)
<i>Net cash flows from financing activities</i>	93,623
Net Change in Cash and Cash Equivalents	105,398
Cash & Cash Equivalent at beginning of year	4,049
Cash & Cash Equivalent at end of year	109,447

Notes:

Cash and cash equivalents represents the following:

	YEAR ENDED 31 DECEMBER 2003
	RM'000
Cash and bank balances	5,240
Fixed deposit with licensed banks	104,207
	109,447

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A NOTES TO THE QUARTERLY RESULTS

A1. Basis of Preparation

The audited financial report has been prepared in accordance with *MASB 26: Interim Financial Reporting* and *Chapter 9 Appendix 9B of the Listing Requirements of Kuala Lumpur Stock Exchange*.

The audited financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2002 (which are available at <http://www.ijm.com>), as now restated. The explanatory notes attached to the audited 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 December 2002.

The accounting policies and methods of computation are consistent with those adopted in the audited financial statements for the year ended 31 December 2002, except for the adoption of *MASB 25: Income Taxes*, *MASB 27: Borrowing costs*, *MASB 28: Discontinuing operations*, and *MASB 29: Employee Benefits*.

(a) Change in Accounting Policy – Deferred taxation (MASB 25)

Under *MASB 25*, deferred tax liabilities are recognised for all taxable temporary differences. Previously deferred tax liabilities were provided on account of timing differences only to the extent that a tax liability was expected to materialise in the foreseeable future.

(b) Prior Year Adjustments

The change in accounting policy has been applied retrospectively and comparatives have accordingly been restated. Comparative amounts as at 31 December 2002 have been restated as follows:

	Previously stated RM'000	Prior year adjustments RM'000	Restated RM'000
Retained profits	100,070	(12,440)	87,630
Revaluation reserve	73,829	(20,518)	53,311
Net goodwill on consolidation	1,297	429	1,726
Minority interest	80,860	(11,314)	69,546
Investments in Associates	27,953	(4,183)	23,770
Deferred taxation liabilities	379	41,844	42,223
Deferred tax assets	--	1,327	1,327

A2. Disclosure of Audit Report Qualification and Status of Matters Raised

The audit reports for the financial year ended 31 December 2002 and 2003 were not subject to any qualifications.

A3. Seasonality or Cyclicity of Operations

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

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A4. Unusual Significant Items

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual in nature, size or incidence except for the acquisitions as stated in Note A6.

A5. Material Changes in Estimates

There were no changes in estimates that have had material effect in the current quarter and financial year-to-date.

A6. Debt and Equity Securities

- (a) Pursuant to the completion of the corporate exercise, ordinary shares issued during financial year-to-date are as follows:

Date of allotment	No of IJMP shares allotted	Par value RM	Consideration	Increase in paid up share capital RM
18.02.2003	100,000,000	0.50	Sub-division of shares from RM1.00 to RM0.50 each	-
21.04.2003	200,000,000	0.50	Special issue at par	100,000,000
21.04.2003	86,626,316	0.50	Special issue at RM0.95 per share for acquisition of investments	43,313,158
30.04.2003	13,684,211	0.50	Special issue at RM0.95 per share for acquisition of investments	6,842,106

- (b) As part of the corporate exercise, the Company converted RM50,000,000 of the inter-company advances from the holding company into RM50,000,000 Redeemable Convertible Unsecured Loan Stock ("RCUL") on 2 July 2003. The RCULS carries a coupon rate of 5% per annum and has a 5 years tenure.
- (c) On 15 December 2003, the Company issued RM150 million bonds under the Islamic Financing concept of Al-Bai' Bithaman Ajil to finance its capital expenditure, refinance subsidiaries' existing bank borrowings including shareholder advances and for working capital requirements.
- (d) On 23 December 2003, the paid-up share capital of the Company was increased by RM25,000 by way of allotment and issue of 50,000 ordinary share of RM0.50 at a premium of RM0.34 per share as the result of the exercise of the Employees Share Option Scheme("ESOS"). Ref(B8).

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- (e) There were no cancellations, repurchases, resale and repayments of debt and equity securities for the current financial quarter and financial year-to-date.

A7. Dividends Paid

There was no dividend paid during the current financial year-to-date.

A8. Segmental Information

There is no segmental reporting as the Group's predominant activities are oil palm cultivation and milling in Malaysia.

A9. Valuations of Property, Plant and Equipment

There was no revaluation of property, plant and equipment for the current quarter and financial year-to-date.

A10. Material Subsequent Events

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

A11. Changes in the Composition of the Group

There was a change in the composition of the Group for the current quarter. This together with the changes during the preceding quarters are as follows: -

a) Current quarter

Disposal of 50% equity interests in Trunkline Plantations Sdn Bhd.

b) Preceding quarters

- (i) Acquisition of 40% equity interests in Desa Talisai Sdn Bhd (DTSB) thereby increasing the Group's shareholding to 100%.
- (ii) Acquisition of 65% equity interests in Minat Teguh Sdn Bhd (MTSB) thereby increasing the Group's shareholding to 100%.
- (iii) Acquisition of 60% equity interests in Mowtas Bulkiers Sdn Bhd.

The additional contributions arising from the acquisitions of DTSB and MTSB based on the audited financial report were as follows:

	INDIVIDUAL QUARTER 3 MONTHS ENDED 31 DEC 2003 RM'000	CUMULATIVE 12 MONTHS ENDED 31 DEC 2003 RM'000
Revenue :	41,837	94,405
	=====	=====
Profit before tax :	12,773	24,728
	=====	=====

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A12. Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets.

A13. Capital Commitments

Capital commitments not provided for in the unaudited financial statements as at 31 December 2003 are as follows:

	2003 RM'000
Approved and contracted for	16,008
Approved but not contracted for	15,193
	<u>31,201</u>
Analysed as follows:	
- Property, plant and equipment	<u>31,201</u>

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B KLSE Listing Requirement (Part A of Appendix 9B)

B1. Review of Performance

For the current quarter, the Group's revenue and profit before taxation amounted to RM65.86 million and RM22.06 million respectively.

For the year-to-date, the Group's revenue and profit before taxation amounted to RM202.02 million and RM54.03 million respectively.

With the increase in mature hectareage and area of palms of prime age, crop production has increased significantly from last year. This has lowered production cost per tonne of oil and with better price for palm products, the Group's performance for the year was much improved. In addition, the completion of corporate proposals (ref: A6(a)) also contributed to the increase in profit for the quarter.

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

The profit before taxation for the current quarter is 38% higher than of the immediate preceding quarter. This is attributable to the increase in the realised palm product prices which more than offset the effects of the lower crop production in the quarter.

B3. Prospects for 2004

Based on the expectation that favourable palm product prices will continue and higher crop production from the increased area of young and prime palms, the Group is expecting a good operating performance for the financial year 2004, barring unforeseen circumstances.

B4. Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was published.

B5. Taxation

Tax expense for the period:

	INDIVIDUAL QUARTER 3 MONTHS ENDED 31 DECEMBER		CUMULATIVE QUARTER 12 MONTHS ENDED 31 DECEMBER	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Malaysian taxation	2,066	-	8,433	-
Deferred taxation	3,611	-	6,034	-
	<u>5,677</u>	<u>-</u>	<u>14,467</u>	<u>-</u>

The Group's effective tax rate was lower than the statutory tax rate for the current quarter and financial year-to-date mainly due to the utilisation of unabsorbed tax losses and unabsorbed capital and agricultural allowances.

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B6. Unquoted Investments and/or Properties

Other than the disposal of an associate company, there was no sale of unquoted investment and/or properties for the current quarter and financial year-to-date.

B7. Quoted Investment

There were no purchases or disposals of quoted investments for the current quarter and financial year-to-date.

B8. Status of Corporate Proposals

On 15 July 2003, the Company submitted an application to the Securities Commission (“SC”) for Employee Share Option Scheme (“ESOS”). Approval from SC was received on 22 September 2003 and the ESOS was implemented on 20 October 2003.

There were no corporate proposals announced but pending completion as at financial year ended 31 December 2003.

B9. Group Borrowings

Particulars of the Group’s borrowings as at 31 December are as follows:

SECURED:	
Short term borrowings	RM’000
Term loans	17,850
Lease creditors	3,368
Amount due to an Associate	37,299
	58,517
UNSECURED:	
Short term borrowings	
Amount due to corporate shareholder	2,745
Term loans	9,591
	12,336
Long term borrowings	
Bond [A6(c)]	150,000
Less: Discount on issuance	(1,599)
Less: Amortisation	12
	148,413
Redeemable convertible unsecured loan - stocks[A6(b)]	50,000
Less: Equity portion	(2,694)
Less: Deferred tax liability	(1,047)
	46,259
Total	265,525

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On 15 December 2003, the Company issued RM150 million bond under the Islamic Financing concept of Al-Bai' Bithaman Ajil for the following purposes:

- a) repayment of corporate shareholder advances.
- b) refinancing bank borrowings of its subsidiary companies.
- c) financing capital expenditure programmes and
- d) working capital requirements.

There were no borrowings denominated in foreign currency.

B10. Off Balance Sheet Risk Financial Instruments

At the date of this report, the Group does not have any financial instruments with off balance sheet risks.

B11. Changes in Material Litigation

There was no material litigation since 31 December 2003.

B12. Dividend

For the current financial year, an interim dividend of 5% or 2.5 sen less 28% tax has been declared. The interim dividend will be paid on 23 April 2004 to every member who is entitled to receive the dividend at 5:00pm on 31 March 2004.

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B13. Earnings per Share

Basic and diluted earnings per ordinary share

Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the year.

For the purpose of calculating diluted earnings per share, the net profit for the year and the weighted average number of ordinary shares in issue during the year have been adjusted for the effects of potential dilution on the ordinary shares from the conversion of the 5% of the Redeemable Convertible Unsecured Loan Stock and the exercise of the ESOS.

	INDIVIDUAL QUARTER 3 MONTHS ENDED 31 DECEMBER		CUMULATIVE QUARTER 12 MONTHS ENDED 31 DECEMBER	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
(a) Net profit for the period	16,383	-	37,879	-
(b) Adjusted net profit for the period	16,833	-	38,779	-
(c) Weighted average number of shares ('000')	500,315	-	408,647	-
(d) Diluted weighted average number of shares ('000')	607,253	-	460,532	-
(e) Basic earnings per share (sen)	3.27	-	9.27	-
(f) Diluted earnings per share (sen)	2.77	-	8.42	-

B14. Comparative Figures

As this is the third announcement, no comparative figures are available.