

IJM PLANTATIONS BERHAD (133399-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended: 30/09/2004
Quarter: 3rd Qtr
Financial Year End: 31/03/2005
The figures: Have not been audited

Full Quarterly Report: Refer attached

Part A2 : Summary of Key Financial Information for the financial period 30/09/2004

| | Individual Quarter | | Cumulative Period | |
|--|--|---|---|---|
| | Current year quarter 30/09/2004 RM'000 | Preceding year quarter 30/09/2003 RM'000 | Current year to date 30/09/2004 RM'000 | Preceding year to date 30/09/2003 RM'000 |
| 1Revenue | 67,087 | 60,715 | 185,101 | 136,165 |
| 2Profit before tax | 17,236 | 16,126 | 37,533 | 31,972 |
| 3Profit after tax and minority interests | 12,056 | 11,923 | 26,872 | 21,496 |
| 4Net profit for the period | 12,056 | 11,923 | 26,872 | 21,496 |
| 5Basic earnings per share (sen) | 2.40 | 2.38 | 5.36 | 5.67 |
| 6Dividend per share (sen) | -- | -- | -- | -- |
| | As at end of current quarter 30/09/2004 | | As at preceding financial year end | |
| 7Net tangible assets per share (RM) | | 0.99 | | 0.95 |

IJM PLANTATIONS BERHAD (133399-A)

CONDENSED CONSOLIDATED INCOME STATEMENT

(The figures have not been audited)

| | INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER | | CUMULATIVE 9 MONTHS ENDED 30 SEPTEMBER | |
|--------------------------------|---|------------------------|---|------------------------|
| | 2004 RM'000 | 2003 RM'000 | 2004 RM'000 | 2003 RM'000 |
| Revenue | 67,087 | 60,715 | 185,101 | 136,165 |
| Operating Expenses | (48,375) | (43,826) | (143,110) | (104,308) |
| Other Operating Income | 314 | 732 | 2,050 | 2,249 |
| Profit from Operations | 19,026 | 17,621 | 44,041 | 34,106 |
| Finance Costs | (2,082) | (2,050) | (7,552) | (4,455) |
| Share of results of associates | 292 | 555 | 1,044 | 2,321 |
| Profit Before Taxation | 17,236 | 16,126 | 37,533 | 31,972 |
| Taxation | (5,178) | (4,203) | (10,658) | (8,790) |
| Profit After Taxation | 12,058 | 11,923 | 26,875 | 23,182 |
| Minority Interests | (2) | - | (3) | (1,686) |
| Net Profit for the Period | 12,056 | 11,923 | 26,872 | 21,496 |
| Earnings Per Share: | | | | |
| (a) Basic: | | | | |
| - [Note B13] | 2.40 sen | 2.38 sen | 5.36 sen | 5.67 sen |
| (b) Fully diluted: | | | | |
| - [Note B13] | 2.04 sen | 2.06 sen | 4.60 sen | 5.32 sen |

IJM PLANTATIONS BERHAD (133399-A)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2004

(The figures have not been audited)

| | (Unaudited) 30 September 2004 | (Audited) 31 December 2003 |
|---|--|---|
| Non-Current Assets: | RM'000 | RM'000 |
| Property, Plant and Equipment | 692,968 | 670,013 |
| Investments in Associates | 7,409 | 7,223 |
| Net Goodwill on Consolidation | (2,122) | (2,136) |
| Deferred Tax Assets | 2,887 | 1,828 |
| Current Assets: | | |
| Inventories | 27,628 | 24,078 |
| Trade and Other Receivables | 24,307 | 18,521 |
| Amount due from Associates | 476 | 54 |
| Cash and Bank Balances | 36,763 | 109,447 |
| | 89,174 | 152,100 |
| Current Liabilities: | | |
| Trade and Other Payables | 30,154 | 22,360 |
| Short Term Borrowings | - | 27,441 |
| Amount due to Associates | 852 | 37,299 |
| Amount due to Corporate Shareholder | 5 | 2,745 |
| Lease Creditor | - | 3,368 |
| Tax Payable | 2,977 | 2,166 |
| | 33,988 | 95,379 |
| Net Current Assets | 55,186 | 56,721 |
| | 756,328 | 733,649 |
| FINANCED BY: | | |
| Share Capital | 250,973 | 250,180 |
| Reserves | 243,336 | 224,945 |
| Shareholders' Equity | 494,309 | 475,125 |
| Minority Interests | 461 | 458 |
| Non-Current Liabilities: | | |
| Redeemable Convertible Unsecured Loan Stock | 47,082 | 46,259 |
| Bond | 148,613 | 148,413 |
| Deferred Income | - | 1,148 |
| Deferred Tax Liabilities | 65,863 | 62,246 |
| | 261,558 | 258,066 |
| | 756,328 | 733,649 |
| Net Tangible Assets Per Share (RM) | 0.99 | 0.95 |

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2004 *(The figures have not been audited)*

| | Non distributable | | | | | Distributable Reserve |
|--------------------------------|-------------------|----------------|----------------------|---------------|------------------|-----------------------|
| | Share Capital | Other Reserves | Revaluation Reserves | Share Premium | Retained Profits | Total |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2004 | 250,180 | 2,694 | 53,311 | 43,431 | 125,509 | 475,125 |
| Exercise of ESOS [Note A6 (a)] | 793 | - | - | 539 | - | 1,332 |
| Net Profit for the period | - | - | - | - | 26,872 | 26,872 |
| Dividend paid [Note A7] | - | - | - | - | (9,020) | (9,020) |
| At 30 September 2004 | <u>250,973</u> | <u>2,694</u> | <u>53,311</u> | <u>43,970</u> | <u>143,361</u> | <u>494,309</u> |

| | Non distributable | | | | | Distributable Reserve |
|---|-------------------|----------------|----------------------|---------------|------------------|-----------------------|
| | Share Capital | Other 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 adjustment in relation to adoption of new MASB 25 | - | - | (20,518) | - | (12,440) | (32,958) |
| -As restated | <u>100,000</u> | <u>-</u> | <u>53,311</u> | <u>-</u> | <u>87,630</u> | <u>240,941</u> |
| Share issued pursuant to corporate exercise | 100,000 | - | - | - | - | 100,000 |
| Acquisition of subsidiaries | 50,155 | - | - | 45,139 | - | 95,294 |
| Listing expenses | - | - | - | (1,395) | - | (1,395) |
| Net Profit for the period | - | - | - | - | 21,496 | 21,496 |
| Equity component of RCUL, net of deferred tax | - | 2,694 | - | - | - | 2,694 |
| At 30 September 2003 | <u>250,155</u> | <u>2,694</u> | <u>53,311</u> | <u>43,744</u> | <u>109,126</u> | <u>459,030</u> |

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

| | 9 MONTHS ENDED 30 SEPTEMBER 2004 RM'000 | 9 MONTHS ENDED 30 SEPTEMBER 2003 RM'000 |
|---|--|--|
| OPERATING ACTIVITIES | | |
| Receipts from customers | 181,279 | 135,739 |
| Payments to contractors, suppliers and employees | (128,005) | (92,551) |
| Interest paid | (6,111) | (4,455) |
| Income tax paid | (5,693) | (5,099) |
| <i>Net cash flows from operating activities</i> | 41,470 | 33,634 |
| INVESTING ACTIVITIES | | |
| Acquisition of subsidiary company, net of cash acquired | - | 1,721 |
| (Advances to)/Repayment from Associates | (422) | 2,378 |
| Additions to property, plant and equipment | (36,139) | (35,971) |
| Dividend received from an Associate | 405 | 225 |
| Interest received | 538 | 235 |
| <i>Net cash flows used in investing activities</i> | (35,618) | (31,412) |
| FINANCING ACTIVITIES | | |
| Repayment to an Associate | (37,299) | - |
| Issue of shares | 1,332 | - |
| Repayments of borrowings | (27,441) | (1,176) |
| Repayments to lease creditor | (3,368) | (4,717) |
| (Repayments to)/Advances from Corporate Shareholder | (2,740) | 13,712 |
| Dividend paid | (9,020) | - |
| Payment of listing expenses | - | (1,395) |
| <i>Net cash flows (used in)/from financing activities</i> | (78,536) | 6,424 |
| Net Change in Cash and Cash Equivalents | (72,684) | 8,646 |
| Cash & Cash Equivalent at beginning of period | 109,447 | 4,049 |
| Cash & Cash Equivalent at end of period | 36,763 | 12,695 |
| Notes: | AS AT 30 SEPTEMBER 2004 RM'000 | AS AT 30 SEPTEMBER 2003 RM'000 |
| Cash and cash equivalents represents the following: | | |
| Cash and bank balances | 2,335 | 9,848 |
| Fixed deposits | 34,428 | 2,847 |
| | 36,763 | 12,695 |

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A NOTES TO THE QUARTERLY RESULTS

A1. Basis of Preparation

The unaudited financial report has been prepared in accordance with *MASB 26: 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 December 2003 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 December 2003.

The accounting policies and methods of computation are consistent with those adopted in the audited financial statements for the year ended 31 December 2003.

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

The audit reports for the financial year ended 31 December 2003 was 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.

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 during the financial period under review.

A5. Material Changes in Estimates

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

A6. Debt and Equity Securities

(a) For the period ended 30 September 2004, the paid-up share capital of the Company was increased by RM792,617 by way of allotment and issue of 1,585,234 ordinary share of RM0.50 at a premium of RM0.34 per share. This is as a result of the exercise of the Employee Share Option Scheme ("ESOS") in the current and financial period-to-date, therefore increasing the issued and paid-up capital to RM250,972,881.

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

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A7. Dividend Paid

The amount of dividend paid during the financial period ended 30 September 2004 was as follow:

In respect of the financial year ended 31 December 2003 as reported in the directors' report of that year:

| | |
|---|------------------------|
| An interim dividend of 5% paid on 23 April 2004 | RM'000 <u>9,020</u> |
|---|------------------------|

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 period-to-date.

A10. Material Subsequent Events

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

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period-to-date.

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 30 September 2004 are as follows:

| | 2004 RM'000 |
|---------------------------------|------------------------------|
| Approved and contracted for | 6,977 |
| Approved but not contracted for | <u>17,040</u> |
| | <u>24,017</u> |
| Analysed as follows: | |
| - Property, plant and equipment | <u>24,017</u> |

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B Bursa Malaysia Listing Requirements (Part A of Appendix 9B)

B1. Review of Performance

The Group achieved revenue and profit before taxation of RM67.09 million and RM17.24 million respectively for the current quarter. They represent an increase of 10% in revenue and 7% in profit before taxation as compared to the corresponding quarter last year. The increase in revenue is mainly due to better commodity prices and higher FFB production from increasing area of young mature and prime palms.

Year to date revenue and profit before taxation are higher than the corresponding period last year, ie 36% and 17% respectively. The less than proportionate increase in profit before taxation is due to the consolidation of a subsidiary that was an associate in the corresponding period.

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

Revenue for the current quarter is 0.3% lower and profit before taxation is 31% higher than that of the immediate preceding quarter. The decrease in revenue is attributable to decline in palm product prices despite higher volume.

Significant increase in profit before taxation is because of higher crop and extraction rate. Crop production is moving towards peak season.

B3. Prospects for the Current Financial Year

Based on the expectation of higher crop production from the increasing area of young mature and prime palms, and assuming current favourable palm product prices will continue, the Group is expecting a better performance for the financial year 2004 as compared to financial year 2003, barring unforeseen circumstances.

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 SEPTEMBER | | CUMULATIVE QUARTER 9 MONTHS ENDED 30 SEPTEMBER | |
|-------------------------------|---|------------------------|---|------------------------|
| | 2004 RM'000 | 2003 RM'000 | 2004 RM'000 | 2003 RM'000 |
| Malaysian Income Taxation | 3,899 | 3,535 | 7,645 | 6,284 |
| Transfer to Deferred Taxation | 886 | 638 | 2,559 | 2,423 |
| | <u>4,785</u> | <u>4,173</u> | <u>10,204</u> | <u>8,707</u> |
| Share of associates' taxation | 393 | 30 | 454 | 83 |
| | <u>5,178</u> | <u>4,203</u> | <u>10,658</u> | <u>8,790</u> |

The Group's effective tax rate (excluding share of associates' taxation) approximates statutory tax rate. The associates' effective tax rate is higher than statutory tax rate due to underprovision for deferred tax in prior year.

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B6. Unquoted Investments and/or Properties

There were no sales of unquoted investment and/or properties for the current quarter and financial period-to-date.

B7. Quoted Investment

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

B8. Status of Corporate Proposals

There were no corporate proposals announced but pending completion for the current quarter and financial period-to-date.

B9. Group Borrowings

Particulars of the Group's borrowings as at 30 September are as follows:

| UNSECURED: | RM'000 |
|--|-----------------------|
| Long term borrowings | |
| Redeemable convertible unsecured loan stocks | 50,000 |
| Less: Equity portion | (2,694) |
| Less: Deferred tax liability | (1,047) |
| Add: Interest expenses | 1,448 |
| Less: Interest paid | (625) |
| | <u>47,082</u> |
| Bond | 150,000 |
| Less: Discount on issuance | (1,599) |
| Add: Amortisation | 212 |
| | <u>148,613</u> |
| Total | <u>195,695</u> |

There were no borrowings denominated in foreign currency.

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B10. Off Balance Sheet Risk Financial Instruments

As detailed in note 28 of the audited financial statement for the year ended 31 December 2003, the Company issued RM150 million bonds under the Islamic Financing concept of 'AL-Bai' Bithaman Ajil. Arising from this, on 18 February 2004, the Company entered into the following rate swap contracts:

| Rate Swap | Notional Amount | Effective Period |
|---|-----------------|--------------------------------------|
| (a) 4 years Ringgit Fixed rate @ 6.4% to floating rate @ 6 months Klibor (in arrear) + 2.05% | RM35,000,000 | 18 February 2004 to 15 February 2007 |
| (b) 5 years Ringgit Fixed rate @ 6.65% to floating rate @ 6 months Klibor (in arrear) + 1.90% | RM35,000,000 | 18 February 2004 to 18 February 2008 |

Any differential to be paid or received on the rate swap contracts is recognised as a component of related expense over the period of the contracts. Gains or losses on early termination of swap contracts or on repayment of the borrowings are taken to the income statement.

There is minimal credit risk as the rate swap contracts were entered into with a reputable financial institution.

B11. Changes in Material Litigation

There was no material litigation since 31 December 2003.

B12. Dividend

The Directors do not recommended any interim dividend for current quarter and financial period-to-date.

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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 period by the weighted average number of ordinary shares in issue during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period and the weighted average number of ordinary shares in issue during the period have been adjusted for the effects of interest expenses (net of tax) and 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 30 SEPTEMBER | | CUMULATIVE QUARTER 9 MONTHS ENDED 30 SEPTEMBER | |
|---|---|----------------|---|----------------|
| | 2004 RM'000 | 2003 RM'000 | 2004 RM'000 | 2003 RM'000 |
| (a) Net profit for the period | 12,056 | 11,923 | 26,872 | 21,496 |
| (b) Adjusted net profit for the period | 12,506 | 12,373 | 28,222 | 21,946 |
| (c) Weighted average number of shares ('000') | 501,830 | 500,310 | 501,238 | 378,855 |
| (d) Diluted weighted average number of shares ('000') | 612,819 | 599,223 | 613,516 | 412,188 |
| (e) Basic earnings per share (sen) | 2.40 | 2.38 | 5.36 | 5.67 |
| (f) Diluted earnings per share (sen) | 2.04 | 2.06 | 4.60 | 5.32 |

B14. Comparative Figures

Comparative figures, where applicable, have been modified to confirm to the current quarter and year-to-date presentation.

B15. Change of Financial Year End

As announced to the Bursa Malaysia Securities Berhad on 12 October 2004, the Company has changed its financial year end from 31 December to 31 March with effect from the current financial year.