

# IJM PLANTATIONS BERHAD (133399-A)

## Part A1 : Quarterly Report

**Quarterly report for the financial period ended:** 31/12/2004  
**Quarter:** 4<sup>th</sup> 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 31/12/2004

	Individual Quarter		Cumulative Period	
	Current year quarter 31/12/2004 RM'000	Preceding year quarter 31/12/2003 RM'000	Current year to date 31/12/2004 RM'000	Preceding year to date 31/12/2003 RM'000
1 Revenue	78,959	65,855	264,060	202,020
2 Profit before tax	22,324	22,060	59,857	54,032
3 Profit after tax and minority interests	16,060	16,383	42,932	37,879
4 Net profit for the period	16,060	16,383	42,932	37,879
5 Basic earnings per share (sen)	3.20	3.27	8.56	9.27
6 Dividend per share (sen)	3.5	2.5	3.5	2.5
	<b>As at end of current quarter 31/12/2004</b>		<b>As at preceding financial year end</b>	
7 Net tangible assets per share (RM)		1.02		0.95

# IJM PLANTATIONS BERHAD (133399-A)

## CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER 3 MONTHS ENDED 31 DECEMBER		CUMULATIVE 12 MONTHS ENDED 31 DECEMBER	
	2004 RM'000 (Unaudited)	2003 RM'000 (Audited)	2004 RM'000 (Unaudited)	2003 RM'000 (Audited)
Revenue	78,959	65,855	264,060	202,020
Operating Expenses	(57,028)	(46,716)	(200,138)	(151,024)
Other Operating Income	308	4,614	2,358	6,863
Profit from Operations	22,239	23,753	66,280	57,859
Finance Costs	(160)	(1,581)	(7,712)	(6,036)
Share of results of associates	245	(112)	1,289	2,209
Profit Before Taxation	22,324	22,060	59,857	54,032
Taxation	(6,258)	(5,677)	(16,916)	(14,467)
Profit After Taxation	16,066	16,383	42,941	39,565
Minority Interests	(6)	-	(9)	(1,686)
Net Profit for the Period	16,060	16,383	42,932	37,879
Earnings Per Share:				
(a) Basic: - [Note B13]	3.20 sen	3.27 sen	8.56 sen	9.27 sen
(b) Fully diluted: - [Note B13]	2.69 sen	2.77 sen	7.29 sen	8.42 sen

# IJM PLANTATIONS BERHAD (133399-A)

## CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2004

	<b>31 December 2004 RM'000 (Unaudited)</b>	<b>31 December 2003 RM'000 (Audited)</b>
<b>Non-Current Assets:</b>		
Property, Plant and Equipment	700,557	670,013
Investments in Associates	7,463	7,223
Net Goodwill on Consolidation	(2,116)	(2,136)
Deferred Tax Assets	2,766	1,828
<b>Current Assets:</b>		
Inventories	21,216	24,078
Trade and Other Receivables	20,358	18,521
Amount due from Associates	701	54
Cash and Bank Balances	48,834	109,447
	91,109	152,100
<b>Current Liabilities:</b>		
Trade and Other Payables	23,633	22,360
Short Term Borrowings	-	27,441
Amount due to Associates	24	37,299
Amount due to Corporate Shareholder	31	2,745
Lease Creditor	-	3,368
Tax Payable	220	2,166
	23,908	95,379
<b>Net Current Assets</b>	67,201	56,721
	775,871	733,649
<b>FINANCED BY:</b>		
Share Capital	250,998	250,180
Reserves	259,414	224,945
Shareholders' Equity	510,412	475,125
Minority Interests	467	458
<b>Non-Current Liabilities:</b>		
Redeemable Convertible Unsecured Loan Stock	47,253	46,259
Bond	148,680	148,413
Deferred Income	-	1,148
Deferred Tax Liabilities	69,059	62,246
	264,992	258,066
	775,871	733,649
<b>Net Tangible Assets Per Share (RM)</b>	<b>1.02</b>	<b>0.95</b>

## IJM PLANTATIONS BERHAD (133399-A)

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2004

	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
<b>At 1 January 2004</b>	250,180	2,694	53,311	43,431	125,509	475,125
Exercise of ESOS [Note A6 (a)]	818	-	-	557	-	1,375
Net Profit for the period	-	-	-	-	42,932	42,932
Dividend paid [Note A7]	-	-	-	-	(9,020)	(9,020)
<b>At 31 December 2004 (Unaudited)</b>	250,998	2,694	53,311	43,988	159,421	510,412

	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
<b>At 1 January 2003</b>						
-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	100,000	-	53,311	-	87,630	240,941
Share issued pursuant to corporate exercise	100,000	-	-	-	-	100,000
Acquisition of subsidiaries	50,155	-	-	45,139	-	95,294
Listing expenses	-	-	-	(1,725)	-	(1,725)
Exercise of ESOS	25	-	-	17	-	42
Net Profit for the year	-	-	-	-	37,879	37,879
Equity component of RCUL, net of deferred tax	-	2,694	-	-	-	2,694
<b>At 31 December 2003 (Audited)</b>	250,180	2,694	53,311	43,431	125,509	475,125

# IJM PLANTATIONS BERHAD (133399-A)

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	<b>12 MONTHS ENDED 31 DECEMBER 2004 RM'000 (Unaudited)</b>	<b>12 MONTHS ENDED 31 DECEMBER 2003 RM'000 (Audited)</b>
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	259,680	205,356
Payments to contractors, suppliers and employees	(178,155)	(135,348)
Interest paid	(6,428)	(4,369)
Income tax paid	(10,227)	(6,289)
<i>Net cash flows from operating activities</i>	64,870	59,350
<b>INVESTING ACTIVITIES</b>		
Acquisition of subsidiary company, net of cash acquired	-	1,721
(Advances to)/Repayment from Associates	(647)	5,611
Acquisition of an Associate	-	(20)
Proceeds from disposal of an Associate	-	2,046
Proceeds from disposal of property, plant and equipment	229	496
Additions to property, plant and equipment	(47,736)	(57,977)
Dividend received from an Associate	405	225
Interest received	733	323
<i>Net cash flows used in investing activities</i>	(47,016)	(47,575)
<b>FINANCING ACTIVITIES</b>		
Repayment to an Associate	(37,299)	-
Issue of shares	1,375	42
Repayments of borrowings	(27,441)	(1,901)
Repayments to lease creditor	(3,368)	(6,353)
Repayments to Corporate Shareholder	(2,714)	(44,828)
Dividend paid	(9,020)	-
Payment of listing expenses	-	(1,725)
Proceeds from issuance of bond	-	148,401
Repayments to related company	-	(13)
<i>Net cash flows (used in)/from financing activities</i>	(78,467)	93,623
<b>Net Change in Cash and Cash Equivalents</b>	(60,613)	105,398
<b>Cash &amp; Cash Equivalent at beginning of period</b>	109,447	4,049
<b>Cash &amp; Cash Equivalent at end of period</b>	48,834	109,447
<b>Notes:</b>	<b>AS AT 31 DECEMBER 2004 RM'000</b>	<b>AS AT 31 DECEMBER 2003 RM'000</b>
Cash and cash equivalents represents the following:		
Cash and bank balances	5,377	5,240
Fixed deposits	43,457	104,207
	48,834	109,447

# IJM PLANTATIONS BERHAD (133399-A)

## A NOTES TO THE QUARTERLY RESULTS

### A1. Basis of Preparation

The unaudited 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 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 31 December 2004, the paid-up share capital of the Company was increased by RM818,368 by way of allotment and issue of 1,636,735 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 RM250,998,631.

(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

Dividend paid during the financial period ended 31 December 2004 was as follows:

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

	RM'000
An interim dividend of 5% or 2.5 sen per share less income tax at 28% was paid on 23 April 2004.	<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 31 December 2004 are as follows:

	<b>2004</b> <b>RM'000</b>
Approved and contracted for	10,523
Approved but not contracted for	<u>368</u>
	<u>10,891</u>
Analysed as follows:	
- Property, plant and equipment	<u>10,891</u>

## IJM PLANTATIONS BERHAD (133399-A)

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

#### B1. Review of Performance

For the current quarter, the Group's revenue increased by 20% to RM78.96 million as compared to the corresponding quarter last year whereas profit before taxation increased by only 1% to RM22.32 million. The significant increase in revenue is mainly a result of higher crop production arising from a larger area of young mature palms. Profit before taxation only recorded a marginal increase due to significant erosion of gross margin, as a result of lower average CPO selling price, compounded by increased costs of fertilisers and fuel oil, amongst others.

Year to date revenue increased by 31% from the corresponding period last year. Average CPO selling price realized is marginally higher than that of the same period. Together with the higher crop production, they more than offset the higher cost arising from fertilizer and fuel oil price increases to result in a growth in profit. Profit before tax for the 12 months at RM59.86 million has increased by RM5.83 million or 11% from that achieved in the previous year.

Consolidation of a subsidiary, that was an associate part of last year, also contributed to the higher level of revenue reported.

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

Revenue recorded an increase of 18% in the quarter as compared to the immediately preceding quarter. The increase is volume related as commodity prices softened further. Increase in profit before taxation by 30% is the compounded effect of the higher volume and the effect of the normal pattern of lower expenditure on maintenance activities at the end of the year.

#### B3. Prospects for the Current Financial Period

As per usual cropping pattern, production is expected to decline in the next quarter until 31 March 2005, which will be the new financial closing date of the Group. Assuming the current palm prices will sustain, barring unforeseen circumstances the Group is expecting satisfactory results for the quarter ending 31 March 2005.

#### 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 31 DECEMBER		CUMULATIVE QUARTER 12 MONTHS ENDED 31 DECEMBER	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Malaysian Income Taxation	2,750	2,116	10,395	8,400
Transfer to Deferred Taxation	3,317	3,611	5,876	6,034
	<u>6,067</u>	<u>5,727</u>	<u>16,271</u>	<u>14,434</u>
Share of associates' taxation	191	(50)	645	33
	<u>6,258</u>	<u>5,677</u>	<u>16,916</u>	<u>14,467</u>



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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.

### 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 31 December are as follows:

<b>UNSECURED:</b>	<b>RM'000</b>
<b>Long term borrowings</b>	
Redeemable convertible unsecured loan stocks	50,000
Less: Equity portion	(2,694)
Less: Deferred tax liability	(1,047)
Add: Interest expenses	2,244
Less: Interest paid	(1,250)
	<u>47,253</u>
Bond	150,000
Less: Discount on issuance	(1,599)
Add: Amortisation	279
	<u>148,680</u>
<b>Total</b>	<u><u>195,933</u></u>

There were no borrowings denominated in foreign currency.

## IJM PLANTATIONS BERHAD (133399-A)

### 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

For the current financial period, an interim dividend of 7% or 3.5 sen per share less income tax at 28% (previous corresponding period: 5% or 2.5 sen per share less income tax at 28%) has been declared. The interim dividend will be paid on 22 April 2005 to every member who is entitled to receive the dividend at 5:00pm on 31 March 2005.

There would be no final dividend for the financial period ending 31 March 2005.

## 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 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 31 DECEMBER		CUMULATIVE QUARTER 12 MONTHS ENDED 31 DECEMBER	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
(a) Net profit for the period	16,060	16,383	42,932	37,879
(b) Adjusted net profit for the period	16,510	16,833	44,732	38,779
(c) Weighted average number of shares ('000')	502,019	500,315	501,557	408,647
(d) Diluted weighted average number of shares ('000')	613,491	607,253	613,590	460,532
(e) Basic earnings per share (sen)	3.20	3.27	8.56	9.27
(f) Diluted earnings per share (sen)	2.69	2.77	7.29	8.42

### 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.