



## IJM PLANTATIONS BERHAD (133399-A)

### Part A1 : Quarterly Report

**Quarterly report for the financial period ended:** 30/09/2007  
**Quarter:** 2<sup>nd</sup> Qtr  
**Financial Year End:** 31/03/2008  
**The figures:** Have not been Audited

**Full Quarterly Report:** Refer attached

### Part A2 : Summary of Key Financial Information for the financial period 30/09/2007

|  | Individual Quarter                                 |   | Cumulative Period                               |   |
|--|--|---|---|---|
|  | Current year<br>quarter<br>30/09/2007<br>RM'000    | Preceding year<br>quarter<br>30/09/2006<br>RM'000 | Current year<br>to date<br>30/09/2007<br>RM'000 | Preceding year<br>to date<br>30/09/2006<br>RM'000 |
| 1 Revenue  | 118,912  | 68,269  | 211,325   | 124,354   |
| 2 Profit before tax  | 52,168   | 14,904  | 69,395  | 22,497  |
| 3 Profit for the period  | 37,672   | 10,453  | 50,164  | 15,707  |
| 4 Profit/(loss) attributable to ordinary equity holders of the Company             | 37,667   | 10,449  | 50,155  | 15,698  |
| 5 Basic earnings/(loss) per share (sen)  | 6.53   | 2.00  | 8.79  | 3.03  |
| 6 Proposed/Declared dividend per share (sen)                                       | -  | -   | -   | -   |
|  | <b>As at end of current quarter<br/>30/09/2007</b> |   | <b>As at preceding financial year<br/>end</b>   |   |
| 7 Net assets per share attributable to ordinary equity holders of the Company (RM) |  | 1.13  |   | 1.10  |

# IJM PLANTATIONS BERHAD (133399-A)

## CONDENSED CONSOLIDATED INCOME STATEMENTS

|   | INDIVIDUAL<br>QUARTER<br>3 MONTHS ENDED<br>30 SEPTEMBER |                               | CUMULATIVE<br>6 MONTHS ENDED<br>30 SEPTEMBER |                               |
|---|---|-------------------------------|--|-------------------------------|
|   | 2007<br>RM'000<br>(unaudited)                           | 2006<br>RM'000<br>(unaudited) | 2007<br>RM'000<br>(unaudited)                | 2006<br>RM'000<br>(unaudited) |
| Revenue   | 118,912   | 68,269                        | 211,325                                      | 124,354                       |
| Operating Expenses  | (66,219)  | (51,380)                      | (141,084)                                    | (98,001)                      |
| Other Income  | 440   | 550                           | 1,079  | 1,037                         |
| Profit from Operations  | 53,133  | 17,439                        | 71,320                                       | 27,390                        |
| Finance Costs   | (1,870)   | (2,777)                       | (3,474)                                      | (5,392)                       |
| Share of results of Associates  | 908   | 251                           | 1,557  | 508                           |
| Share of results of Jointly Controlled Entity                           | (3)   | (9)                           | (8)  | (9)                           |
| Profit Before Taxation  | 52,168  | 14,904                        | 69,395                                       | 22,497                        |
| Taxation  | (14,496)  | (4,451)                       | (19,231)                                     | (6,790)                       |
| Profit for the Period   | 37,672  | 10,453                        | 50,164                                       | 15,707                        |
| Profit for the Period attributable to:                                  |   |                               |  |                               |
| - Equity holders of the Company   | 37,667  | 10,449                        | 50,155                                       | 15,698                        |
| - Minority Interests  | 5   | 4                             | 9  | 9                             |
|   | 37,672  | 10,453                        | 50,164                                       | 15,707                        |
| Earnings per share attributable to equity holders of the Company (sen): |   |                               |  |                               |
| (a) Basic:  |   |                               |  |                               |
| - [Note B13]  | 6.53 sen  | 2.00 sen                      | 8.79 sen                                     | 3.03 sen                      |
| (b) Fully diluted:  |   |                               |  |                               |
| - [Note B13]  | 5.95 sen  | 1.75 sen                      | 8.00 sen                                     | 2.70 sen                      |

# IJM PLANTATIONS BERHAD (133399-A)

## CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER 2007

|  | <b>30 September<br/>2007<br/>RM'000<br/>(Unaudited)</b> | <b>31 March<br/>2007<br/>RM'000<br/>(Restated)</b> |
|--|---|--|
| <b>ASSETS</b>  |   |  |
| <b>Non-Current Assets:</b>                           |   |  |
| Property, Plant and Equipment                        | 199,334   | 196,955  |
| Leasehold land                                       | 118,853   | 119,828  |
| Plantation Expenditure                               | 412,924   | 408,500  |
| Investments in Associates                            | 10,160  | 8,881  |
| Investment in Jointly Controlled Entity              | 1,492   | 1,500  |
| Other Receivables                                    | 42,645  | 9,914  |
| Deferred Tax Assets                                  | 4,631   | 3,951  |
|  | 790,039   | 749,529  |
| <b>Current Assets:</b>                               |   |  |
| Inventories  | 28,027  | 19,414   |
| Trade and Other Receivables                          | 16,405  | 25,152   |
| Tax recoverable                                      | 2,874   | 3,745  |
| Cash and Bank Balances                               | 82,720  | 53,804   |
|  | 130,026   | 102,115  |
| <b>TOTAL ASSETS</b>                                  | 920,065   | 851,644  |
| <br><b>EQUITY AND LIABILITIES</b>                    |   |  |
| Share Capital  | 288,470   | 273,586  |
| Reserves   | 362,089   | 328,701  |
| Equity attributable to equity holders of the Company | 650,559   | 602,287  |
| Minority Interests                                   | 513   | 504  |
| <b>Total Equity</b>                                  | 651,072   | 602,791  |
| <b>Non-Current Liabilities:</b>                      |   |  |
| Borrowings   | 69,769  | 108,635  |
| Deferred Tax Liabilities                             | 94,910  | 81,234   |
|  | 164,679   | 189,869  |
| <b>Current Liabilities:</b>                          |   |  |
| Trade and Other Payables                             | 37,847  | 23,252   |
| Borrowings   | 63,290  | 34,924   |
| Tax payables   | 3,177   | 808  |
|  | 104,314   | 58,984   |
| <b>Total Liabilities</b>                             | 268,993   | 248,853  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                  | 920,065   | 851,644  |
| <br><b>Net Assets Per Share (RM)</b>                 | <b>1.13</b>   | <b>1.10</b>  |

## IJM PLANTATIONS BERHAD (133399-A)

### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2007

|  | Attributable to Equity Holders of the Company |                  |                   |                          |          | Minority<br>Interests | Total<br>Equity |
|--|---|------------------|-------------------|--------------------------|----------|-----------------------|-----------------|
|  | Non distributable<br>Reserve                  |                  |                   | Distributable<br>Reserve |          |                       |                 |
|  | Share<br>Capital                              | Share<br>Premium | Other<br>Reserves | Retained<br>Profits      | Total    |                       |                 |
| RM'000   | RM'000  | RM'000           | RM'000            | 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 recognised directly in equity | -   | -                | (94)              | 94                       | -        | -                     | -               |
| Profit for the period  | -   | -                | -                 | 50,155                   | 50,155   | 9                     | 50,164          |
| Total income and expense recognised for the period               | -   | -                | (94)              | 50,249                   | 50,155   | 9                     | 50,164          |
| Dividend - Year ended 31 March 2007                              | -   | -                | -                 | (19,200)                 | (19,200) | -                     | (19,200)        |
| Issue of ordinary shares pursuant to exercise of ESOS            | 3,784   | 2,671            | -                 | -                        | 6,455    | -                     | 6,455           |
| Issue of ordinary shares pursuant to conversion of RCULS         | 11,100  | 377              | (615)             | -                        | 10,862   | -                     | 10,862          |
| <b>At 30 September 2007 (Unaudited)</b>                          | 288,470                                       | 55,592           | 54,677            | 251,820                  | 650,559  | 513                   | 651,072         |

## IJM PLANTATIONS BERHAD (133399-A)

### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2006

|  | Attributable to Equity Holders of the Company |                  |                          |                     | Minority<br>Interests | Total<br>Equity |          |
|--|---|------------------|--------------------------|---------------------|-----------------------|-----------------|----------|
|  | Non distributable<br>Reserve                  |                  | Distributable<br>Reserve |                     |                       |                 |          |
|  | Share<br>Capital                              | Share<br>Premium | Other<br>Reserves        | Retained<br>Profits |                       |                 | Total    |
| RM'000   | RM'000  | RM'000           | RM'000                   | RM'000              | RM'000                | RM'000          |          |
| <b>At 1 April 2006</b>   |   |                  |                          |                     |                       |                 |          |
| As previously stated   | 254,850                                       | 46,531           | 54,339                   | 187,600             | 543,320               | 487             | 543,807  |
| Effect of adopting<br>FRS 3  | -   | -                | -                        | 2,092               | 2,092                 | -               | 2,092    |
| <b>At 1 April 2006<br/>(Restated)</b>  | 254,850                                       | 46,531           | 54,339                   | 189,692             | 545,412               | 487             | 545,899  |
| Realisation of<br>revaluation<br>reserve<br>recognised<br>directly in equity | -   | -                | (86)                     | 86                  | -                     | -               | -        |
| Profit for the<br>period   | -   | -                | -                        | 15,698              | 15,698                | 9               | 15,707   |
| Total income and<br>expense<br>recognised for<br>the period                  | -   | -                | (86)                     | 15,784              | 15,698                | 9               | 15,707   |
| Dividend -<br>Year ended 31<br>March 2006                                    | -   | -                | -                        | (12,994)            | (12,994)              | -               | (12,994) |
| Issue of ordinary<br>shares pursuant<br>to exercise of<br>ESOS               | 5,392   | 3,688            | -                        | -                   | 9,080                 | -               | 9,080    |
| Issue of ordinary<br>shares pursuant<br>to conversion of<br>RCULS            | 10,250  | 207              | (552)                    | -                   | 9,905                 | -               | 9,905    |
| <b>At 30 September<br/>2006 (Unaudited)</b>                                  | 270,492                                       | 50,426           | 53,701                   | 192,482             | 567,101               | 496             | 567,597  |

# IJM PLANTATIONS BERHAD (133399-A)

## CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

|  | <b>6 MONTHS<br/>ENDED 30<br/>SEPTEMBER<br/>2007<br/>RM'000<br/>(unaudited)</b> | <b>6 MONTHS<br/>ENDED 30<br/>SEPTEMBER<br/>2006<br/>RM'000<br/>(unaudited)</b> |
|--|--|--|
| <b>OPERATING ACTIVITIES</b>  |  |  |
| Receipts from customers  | 209,456  | 128,606  |
| Payments to contractors, suppliers and employees                                   | (138,092)  | (87,070)   |
| Interest paid  | (4,242)  | (6,194)  |
| Income tax paid  | (2,995)  | (3,671)  |
| <i>Net cash flows from operating activities</i>                                    | 64,127   | 31,671   |
| <b>INVESTING ACTIVITIES</b>  |  |  |
| Advances to an Associate   | (33)   | (32)   |
| Additions to property, plant, equipment, leasehold land and plantation expenditure | (17,117)   | (15,766)   |
| Additional Investment in Jointly Controlled Entity                                 | -  | (1,500)  |
| Interest received  | 862  | 611  |
| Dividend Received  | 278  | -  |
| <i>Net cash flows used in investing activities</i>                                 | (16,010)   | (16,687)   |
| <b>FINANCING ACTIVITIES</b>  |  |  |
| Issuance of ordinary shares  | 6,455  | 9,080  |
| Advances to jointly controlled entity  | (6,456)  | (264)  |
| Dividend paid  | (19,200)   | (12,994)   |
| <i>Net cash flows used in financing activities</i>                                 | (19,201)   | (4,178)  |
| <b>Net Change in Cash and Cash Equivalents</b>                                     | 28,916   | 10,806   |
| <b>Cash &amp; Cash Equivalent at beginning of year</b>                             | 53,804   | 42,677   |
| <b>Cash &amp; Cash Equivalent at end of period</b>                                 | 82,720   | 53,483   |
| <b>Notes:</b>  |  |  |
|  | <b>AS AT 30<br/>SEPTEMBER<br/>2007<br/>RM'000</b>                              | <b>AS AT 30<br/>SEPTEMBER<br/>2006<br/>RM'000</b>                              |
| Cash and cash equivalents represents the following:                                |  |  |
| Cash and bank balances   | 2,435  | 1,895  |
| Deposits with licensed banks   | 80,285   | 51,588   |
|  | 82,720   | 53,483   |

## 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 March 2007 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 2007.

#### A2. Changes in Accounting Policy

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2007 except for the adoption of the Financial Reporting Standard (“FRS”) 117 Leases, which is effective for financial year beginning on 1 April 2007.

Prior to 1 April 2007, the Group’s leasehold land held for own use was classified as property, plant and equipment and was stated at cost/valuation less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 resulted in a retrospective change in the accounting policy relating to the classification of leasehold land and land deposit separately from Property, plant and equipment. The upfront payments for leasehold land represent prepaid lease payments and are amortised on a straight-line basis over the lease term. As allowed by the transitional provisions of FRS 117, the unamortised revalued amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments.

The reclassifications of leasehold land and land deposit have been accounted for retrospectively and the following comparative amounts as at 31 March 2007 have been restated:

| <b>Consolidated Balance Sheets</b> | <b>As previously reported<br/>RM’000</b> | <b>Effect<br/>RM’000</b> | <b>As restated<br/>RM’000</b> |
|------------------------------------|--|--------------------------|-------------------------------|
| Property, plant and equipment      | 323,613                                  | (126,658)                | 196,955                       |
| Leasehold land                     | -  | 119,828                  | 119,828                       |
| Other Receivables                  | 3,084                                    | 6,830                    | 9,914                         |

## IJM PLANTATIONS BERHAD (133399-A)

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

The audit report for the financial year ended 31 March 2007 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 and financial period-to-date.

### A7. Debt and Equity Securities

- (a) For the financial period ended 30 September 2007, the paid-up share capital of the Company was increased by RM14,884,387.50 by way of allotment and issue of 29,768,775 ordinary shares of RM0.50 each. This is as a result of the exercise of the Employee Share Option Scheme ("ESOS") and the partial conversion of Redeemable Convertible Unsecured Loan Stocks ("RCULS") increasing the issued and paid-up capital to RM288,470,305.50.
- (b) Except for the above, there were no other cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and financial period-to-date.

### A8. Dividend Paid

Dividend paid during the financial period ended 30 September 2007 is as follow:

In respect of the financial year ended 31 March 2007 as reported in the directors' report of that year:

|   |               |
|---|---------------|
|   | RM'000        |
| An interim dividend of 9% or 4.5 sen per share less income tax at 26% was paid on 13 August 2007. | <u>19,200</u> |



## IJM PLANTATIONS BERHAD (133399-A)

### A9. Segmental Information

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

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

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

### A11. Material Subsequent Events

There was no material event subsequent to the end of the current quarter and financial period-to-date that has not been reflected in the unaudited financial statements except for the conversion of RCULS of RM28,650,000.00 into 57,300,000 ordinary shares of RM0.50 each by IJM Corporation Berhad ("IJM") on 14 November 2007. With the conversion, the effective interest of IJM in the Company is 54.6%.

### A12. 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.

### A13. Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets since 31 March 2007.

### A14. Capital Commitments

Capital commitments not provided for in the unaudited financial statements as at 30 September 2007 are as follows:

|   | <b>2007</b>    |
|---|----------------|
|   | <b>RM'000</b>  |
| Property, plant, equipment and Plantation development expenditure |                |
| Approved and contracted for                                       | 26,092         |
| Approved but not contracted for                                   | 72,010         |
|   | <u>98,102</u>  |
| Share of capital commitments of jointly controlled entity         |                |
| Approved and contracted for                                       | 30,392         |
| Approved but not contracted for                                   | 12,360         |
|   | <u>42,752</u>  |
|   | <u>140,854</u> |

## IJM PLANTATIONS BERHAD (133399-A)

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

#### B1. Review of Performance

The Group revenue of RM118.9 million was higher than the corresponding quarter of the preceding year by 74.2%. The average CPO selling price improved by 67.8% from RM1,454 per tonne to RM2,440 per tonne. The average price of PKO increased by 70.2% from RM1,760 to RM2,996 per tonne.

Fresh fruit bunches (“FFB”) production for the current quarter grew by 11.1% compared to the corresponding quarter of the preceding year. The growth was from increasing areas reaching prime age in the Sugut plantations.

As a result, profit before taxation of RM52.2 million for the current quarter was 250.0% higher than the corresponding quarter of the preceding year.

Group’s year-to-date revenue of RM211.3 million was higher than the corresponding period of the preceding year by 69.9%. The average CPO selling price of RM2,256 per tonne was an increase of 59.0% as compared to RM1,419 per tonne. The average price of PKO increased by 58.7% moving from RM1,769 to RM2,807 per tonne.

Year-to-date FFB production grew by 9.6% compared to the corresponding period of the preceding year, primarily due to more areas coming into prime age.

As a result, year-to-date profit before taxation of RM69.4 million was 208.5% higher than the corresponding period of the preceding year.

Contribution to the State Government and Malaysian Palm Oil Board (“MPOB”) in the form of Sabah sales tax and cesses are as follows:

|   | Individual Quarter                              |   | Cumulative Period                               |   |
|---|---|---|---|---|
|   | Current year<br>quarter<br>30/09/2007<br>RM'000 | Preceding year<br>quarter<br>30/09/2006<br>RM'000 | Current year<br>to date<br>30/09/2007<br>RM'000 | Preceding year<br>to date<br>30/09/2006<br>RM'000 |
| Sabah sales tax   | 7,806   | 4,279   | 14,343  | 7,553   |
| MPOB Cesses:  |   |   |   |   |
| -Palm Oil Price Stabilisation Fund<br>Order 2001  | 197   | 187   | 355   | 341   |
| -Research & Development,<br>Licensing, Enforcement and<br>Marketing Cess Order 2002       | 546   | 512   | 979   | 936   |
| -Oil Palm Fruit Cess Order 2007<br>(Supply and Cooking Oil<br>Price Stabilisation Scheme) | 3,610   | -   | 4,471   | -   |
| <b>Total</b>  | <b>12,159</b>                                   | <b>4,978</b>                                      | <b>20,148</b>                                   | <b>8,830</b>                                      |

## IJM PLANTATIONS BERHAD (133399-A)

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

Average CPO selling price improved by 19.3% from RM2,046 per tonne to RM 2,440 per tonne while average PKO selling price increased by 13.0% from RM2,652 to RM2,996 per tonne. CPO sales volume was higher by 14.6% but that of PKO declined by 17.4% due to slower reception at buyer's refinery.

FFB production increased by 38.4% to 160,317 tonnes as production moved into peak crop season. Similarly, outside fruits purchase increased by 17.5% to 43,744 tonnes.

As a result, revenue and profit before taxation for the current quarter were 28.7% and 202.8% higher respectively.

### B3. Prospects for the Current Financial Year

For the current financial year, the Group expects higher crop production, and assuming the current palm product prices sustain, the Group is expecting a higher level of profitability.

### 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<br>QUARTER<br>3 MONTHS ENDED<br>30 SEPTEMBER |                | CUMULATIVE<br>QUARTER<br>6 MONTHS ENDED<br>30 SEPTEMBER |                |
|----------------------|---|----------------|---|----------------|
|                      | 2007<br>RM'000  | 2006<br>RM'000 | 2007<br>RM'000  | 2006<br>RM'000 |
| Malaysian Income Tax | 3,639   | 2,399          | 6,235   | 4,235          |
| Deferred Tax         | 10,857  | 2,052          | 12,996  | 2,555          |
|                      | <u>14,496</u>   | <u>4,451</u>   | <u>19,231</u>   | <u>6,790</u>   |

The Group's effective rate of 27.7% is higher than the statutory rate of 26% mainly due to non-deductibility of certain expenses for tax purpose.

## IJM PLANTATIONS BERHAD (133399-A)

### **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 except for the following:

- (a) On 21 November 2006, a wholly owned subsidiary, Minat Teguh Sdn. Bhd. (“MTSB”) entered into a Conditional Sale and Purchase Agreement to acquire 95 shares of Rupiah 1 million each (or 95% equity interest) in PT Primabahagia Permai (“PBP”) for a total cash consideration of Rupiah 95 million (approximately RM37,000). Approval from the Indonesia Investment Coordinating Board for the conversion of PBP to a foreign capital investment company has been obtained. Subscription of shares in PBP by MTSB is now pending clearance from the Indonesia Ministry of Law and Justice and Company Registry.
- (b) 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 has been obtained. Subscription of shares in ZKP by GSB is now pending clearance from the Indonesia Ministry of Law and Justice and Company Registry.
- (c) On 11 June 2007, a wholly owned subsidiary, Gunaria Sdn. Bhd. (“GSB”) entered into a Conditional Sale and Purchase Agreement to acquire 190 shares of Rupiah 1 million each, representing 95% equity interest in PT Sinergi Agro Industri (“SAI”), a company incorporated in Indonesia, for a total cash consideration of Rupiah 190 million (approximately RM72,000). Approval from the Indonesia Investment Coordinating Board for the conversion of SAI to a foreign capital investment company has been obtained. Subscription of shares in SAI by GSB is now pending clearance from the Indonesia Ministry of Law and Justice and Company Registry.

## IJM PLANTATIONS BERHAD (133399-A)

### B9. Group Borrowings

Particulars of the Group's borrowings as at 30 September 2007 are as follows:

| <b>UNSECURED:</b>  | <b>RM'000</b>   |
|--|-----------------|
| <b>Short term borrowings</b>   |                 |
| Redeemable Convertible Unsecured Loan Stocks ("RCULS") – Nominal Value |                 |
| At beginning of year   | 39,750          |
| Less: Conversion during the period                                     | (11,100)        |
| Less: Unamortised discount   | (341)           |
| At end of period   | <u>28,309</u>   |
| <br>   |                 |
| Liability Component at the date of issue                               |                 |
| Nominal value of RCULS   | 50,000          |
| Equity Component, net of deferred tax                                  | (2,694)         |
| Deferred tax liability   | (1,047)         |
|  | <u>46,259</u>   |
| <br>   |                 |
| Interest expense recognised in Income Statements:                      |                 |
| At beginning of year   | 11,688          |
| Recognised during the period   | 987             |
| At end of period   | <u>12,675</u>   |
| <br>   |                 |
| Interest paid:   |                 |
| At beginning of year   | (9,104)         |
| Paid during the period   | (754)           |
| At end of period   | <u>(9,858)</u>  |
| <br>   |                 |
| Movement during the period:  |                 |
| At beginning of year   | (9,905)         |
| Conversion during the period   | (11,100)        |
| Equity component, net of deferred tax                                  | 238             |
| At end of period   | <u>(20,767)</u> |
| <br>   |                 |
| Liability Component - At end of period                                 | <u>28,309</u>   |
| <br>   |                 |
| Bond   | 35,000          |
| Less: Discount on issuance   |                 |
| At beginning of year   | 76              |
| Amortisation for the period  | (57)            |
|  | <u>19</u>       |
| <br>   |                 |
| At end of period   | <u>34,981</u>   |
| <br>   |                 |
| Total Short term borrowings  | <u>63,290</u>   |

## IJM PLANTATIONS BERHAD (133399-A)

### B9. Group Borrowings (cont'd)

| <b>UNSECURED:</b>           | <b>RM'000</b> |
|-----------------------------|---------------|
| <b>Long term borrowings</b> |               |
| Bond                        | 70,000        |
| Less: Discount on issuance  |               |
| At beginning of year        | 303           |
| Amortisation for the period | (72)          |
|                             | 231           |
| At end of period            | 69,769        |
| Total Borrowings            | 133,059       |

There were no borrowings denominated in foreign currency.

### B10. Off Balance Sheet Risk Financial Instruments

As detailed in note 28 of the audited financial statements for the year ended 31 March 2007, 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%  | RM35,000,000.00 | 18 February 2004 to 15 December 2007 |
| (b) 5 years Ringgit Fixed rate @ 6.65% to floating rate @ 6 months Klibor (in arrear) + 1.90% | RM35,000,000.00 | 18 February 2004 to 15 December 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 statements.

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 March 2007.

### B12. Dividend

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

## 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, the profit for the period attributable to ordinary equity holder of the Company and the weighted average number of ordinary shares in issue during the financial period have 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 period attributable to ordinary equity holders of the Company is adjusted by the after-tax effects of interest expense recognised during the period which would have been saved on conversion of the outstanding RCULS into ordinary shares. The adjusted weighted average number of ordinary shares is 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 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 financial period.

|   | INDIVIDUAL<br>QUARTER<br>3 MONTHS ENDED<br>30 SEPTEMBER |                | CUMULATIVE<br>QUARTER<br>6 MONTHS ENDED<br>30 SEPTEMBER |                |
|---|---|----------------|---|----------------|
|   | 2007<br>RM'000  | 2006<br>RM'000 | 2007<br>RM'000  | 2006<br>RM'000 |
| <u>Basic Earnings per share</u>   |   |                |   |                |
| (a) Profit for the period attributable to equity holders of the Company           | 37,667  | 10,449         | 50,155  | 15,698         |
| (b) Weighted average number of ordinary shares ('000')                            | 576,727   | 521,858        | 570,795   | 517,352        |
| <b>Basic Earnings per share (sen)</b>   | <b>6.53</b>   | <b>2.00</b>    | <b>8.79</b>   | <b>3.03</b>    |
| <u>Diluted Earnings per share</u>   |   |                |   |                |
| (a) Adjusted Profit for the period attributable to equity holders of the Company  | 38,013  | 11,025         | 50,887  | 16,863         |
| (b) Weighted average number of ordinary shares ('000')                            | 576,727   | 521,858        | 570,795   | 517,352        |
| Effect of dilution  |   |                |   |                |
| -RCULS  | 57,300  | 96,658         | 60,818  | 98,320         |
| -ESOS   | 4,559   | 9,790          | 4,379   | 9,190          |
| Adjusted weighted average number of ordinary shares in issue and issuable ('000') | 638,586   | 628,306        | 635,992   | 624,862        |
| <b>Diluted Earnings per share (sen)</b>   | <b>5.95</b>   | <b>1.75</b>    | <b>8.00</b>   | <b>2.70</b>    |

### B14. Comparative Figures

Comparative figures, where applicable, have been modified to conform with the current quarter and financial period to-date's presentation.