



## IJM PLANTATIONS BERHAD (133399-A)

### Part A1 : Quarterly Report

**Quarterly report for the financial year ended:** 30/09/2015  
**Quarter:** 2<sup>nd</sup> Qtr  
**Financial Year End:** 31/03/2016  
**The figures:** Have not been Audited  
  
**Full Quarterly Report:** Refer attached

### Part A2 : Summary of Key Financial Information for the financial period 30/09/2015

	Individual Quarter		Cumulative Period	
	Current year quarter 30/09/2015 RM'000	Preceding year quarter 30/09/2014 RM'000	Current year to date 30/09/2015 RM'000	Preceding year to date 30/09/2014 RM'000
1 Revenue	145,136	173,730	286,879	351,498
2 (Loss)/profit before taxation	(32,283)	34,392	(6,413)	65,510
3 (Loss)/profit for the period	(14,597)	25,877	7,627	49,362
4 (Loss)/profit attributable to owners of the Company	(4,941)	27,101	17,924	53,218
5 Basic (losses)/earnings per share (sen)	(0.56)	3.29	2.04	6.53
6 Proposed/Declared dividend per share (sen)	-	-	-	-
	<b>As at end of current quarter 30/09/2015</b>		<b>As at preceding financial year end</b>	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		1.85		1.83

## IJM PLANTATIONS BERHAD (133399-A)

### CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER		CUMULATIVE 6 MONTHS ENDED 30 SEPTEMBER	
	2015 RM'000 (unaudited)	2014 RM'000 (unaudited)	2015 RM'000 (unaudited)	2014 RM'000 (unaudited)
Revenue	145,136	173,730	286,879	351,498
Operating expenses	(125,778)	(135,965)	(235,619)	(269,247)
Net (expense)/income and net (losses)/gains:				
- Net other (expense)/income	(2,525)	5,297	(112)	11,377
- Net foreign exchange (losses)/gains	(29,334)	1,170	(24,516)	(6,699)
(Loss)/profit from operations	(12,501)	44,232	26,632	86,929
Finance costs:				
- Interest expense	(3,206)	(1,774)	(5,911)	(3,554)
- Net foreign exchange losses on borrowings	(16,576)	(8,066)	(27,134)	(17,865)
(Loss)/profit before taxation	(32,283)	34,392	(6,413)	65,510
Income tax expense	17,686	(8,515)	14,040	(16,148)
<b>Net (loss)/profit for the financial period</b>	<b>(14,597)</b>	<b>25,877</b>	<b>7,627</b>	<b>49,362</b>
<b>Other comprehensive income/(loss)</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
- Currency translation difference	49,111	3,768	52,030	(34,377)
<b>Total comprehensive income for the financial period</b>	<b>34,514</b>	<b>29,645</b>	<b>59,657</b>	<b>14,985</b>
<b>Net (loss)/profit attributable to:</b>				
- Owners of the Company	(4,941)	27,101	17,924	53,218
- Non-controlling interests	(9,656)	(1,224)	(10,297)	(3,856)
	<u>(14,597)</u>	<u>25,877</u>	<u>7,627</u>	<u>49,362</u>
<b>Total comprehensive income/(loss) attributable to:</b>				
- Owners of the Company	45,413	30,963	71,247	18,649
- Non-controlling interests	(10,899)	(1,318)	(11,590)	(3,664)
	<u>34,514</u>	<u>29,645</u>	<u>59,657</u>	<u>14,985</u>
Earnings per share attributable to owners of the Company (sen):				
(a) Basic:				
- [Note B10]	<u>(0.56) sen</u>	<u>3.29 sen</u>	<u>2.04 sen</u>	<u>6.53 sen</u>
(b) Fully diluted:				
- [Note B10]	<u>(0.56) sen</u>	<u>3.23 sen</u>	<u>2.04 sen</u>	<u>6.40 sen</u>

# IJM PLANTATIONS BERHAD (133399-A)

## CONDENSED CONSOLIDATED BALANCE SHEET

	<b>30 September 2015 RM'000 (Unaudited)</b>	<b>31 March 2015 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-Current Assets:</b>		
Property, plant and equipment	867,870	791,675
Land use rights	130,663	127,731
Plantation expenditure	1,071,109	997,428
Other receivables	24,926	21,048
Deposits	-	92,569
Deferred tax assets	65,242	33,037
	2,159,810	2,063,488
<b>Current Assets:</b>		
Inventories	84,966	58,311
Trade and other receivables	77,137	62,637
Tax recoverable	14,186	9,844
Derivative financial instruments	-	382
Deposits, cash and bank balances	388,478	375,438
	564,767	506,612
<b>TOTAL ASSETS</b>	<b>2,724,577</b>	<b>2,570,100</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves attributable to owners of the Company</b>		
Share capital	440,290	440,290
Reserves	1,186,692	1,167,607
	1,626,982	1,607,897
Non-controlling interests	(21,532)	(9,942)
<b>Total Equity</b>	<b>1,605,450</b>	<b>1,597,955</b>
<b>Non-Current Liabilities:</b>		
Retirement benefits	2,563	2,394
Borrowings	544,031	503,576
Deferred tax liabilities	163,472	164,719
	710,066	670,689
<b>Current Liabilities:</b>		
Trade and other payables	100,532	89,950
Derivative financial instruments	7,408	-
Current tax liabilities	3,569	447
Borrowings	297,552	211,059
	409,061	301,456
<b>Total Liabilities</b>	<b>1,119,127</b>	<b>972,145</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,724,577</b>	<b>2,570,100</b>
<b>Net Assets Per Share attributable to owners of the Company (RM)</b>	<b>1.85</b>	<b>1.83</b>

## IJM PLANTATIONS BERHAD (133399-A)

### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2015

	Attributable to Equity Holders of the Company						Non- controlling interests	Total Equity
	Share Capital	Share Premium	Equity Contribution Reserve	Other Reserves	Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 April 2015</b>	440,290	482,240	6,390	(60,897)	739,874	1,607,897	(9,942)	1,597,955
Total comprehensive income for the financial period	-	-	-	53,323	17,924	71,247	(11,590)	59,657
Capital contribution by ultimate holding company	-	-	673	-	-	673	-	673
Dividend - year ended 31 March 2015	-	-	-	-	(52,835)	(52,835)	-	(52,835)
<b>At 30 September 2015 (Unaudited)</b>	440,290	482,240	7,063	(7,574)	704,963	1,626,982	(21,532)	1,605,450

## IJM PLANTATIONS BERHAD (133399-A)

### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	Attributable to Equity Holders of the Company						Non- controlling interests	Total Equity
	Share Capital	Share Premium	Equity Contribution Reserve	Other Reserves	Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 April 2014</b>	402,200	285,696	3,693	(13,091)	706,034	1,384,532	(2,537)	1,381,995
Total comprehensive income for the financial period	-	-	-	(34,569)	53,218	18,649	(3,664)	14,985
Issuance of shares pursuant to exercise of Warrants 2009/2014	10,419	53,759	-	(9,585)	-	54,593	-	54,593
Capital contribution by ultimate holding company	-	-	1,176	-	-	1,176	-	1,176
Dividend - year ended 31 March 2014	-	-	-	-	(56,994)	(56,994)	-	(56,994)
Issuance of shares to non-controlling interest	-	-	-	-	-	-	805	805
<b>At 30 September 2014 (Unaudited)</b>	412,619	339,455	4,869	(57,245)	702,258	1,401,956	(5,396)	1,396,560

## IJM PLANTATIONS BERHAD (133399-A)

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>6 MONTHS ENDED 30 SEPTEMBER 2015 RM'000 (Unaudited)</b>	<b>6 MONTHS ENDED 30 SEPTEMBER 2014 RM'000 (Unaudited)</b>
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	283,388	361,155
Payments to contractors, suppliers and employees	(196,618)	(236,616)
Interest paid	(5,911)	(3,554)
Income tax paid	(16,719)	(9,459)
<i>Net cash flows from operating activities</i>	64,140	111,526
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant, equipment, land use rights and plantation expenditure	(97,441)	(143,645)
Interest received	4,331	3,366
<i>Net cash flows used in investing activities</i>	(93,110)	(140,279)
<b>FINANCING ACTIVITIES</b>		
Issuance of ordinary shares pursuant to exercise of warrants	-	54,593
Drawdown of term loan	-	98,165
Repayment of term loan/short term advance facility	(12,487)	(49,035)
Uplifting restricted deposit	105,553	-
Dividend paid	(52,835)	(56,994)
<i>Net cash flows used in financing activities</i>	40,231	46,729
<b>Net Change in Cash and Cash Equivalents</b>	11,261	17,976
<b>Cash &amp; Cash Equivalents at beginning of financial period</b>	371,420	342,536
<b>Foreign Exchange differences</b>	1,644	(11,460)
<b>Cash &amp; Cash Equivalents at end of financial period</b>	384,325	349,052
<b>Notes:</b>	<b>AS AT 30 SEPTEMBER 2015 RM'000</b>	<b>AS AT 30 SEPTEMBER 2014 RM'000</b>
Cash and cash equivalents represent the following:		
Cash and bank balances	52,252	129,081
Deposits with licensed banks	336,226	221,411
	388,478	350,492
Less: Restricted deposits with licensed banks	(4,153)	(1,440)
	384,325	349,052

# IJM PLANTATIONS BERHAD (133399-A)

## A NOTES TO THE QUARTERLY RESULTS

### A1. Basis of Preparation

The unaudited interim 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 interim financial report should be read in conjunction with the audited financial statements for the year ended 31 March 2015 which are available at <http://www.ijm.com>. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2015.

### A2. Changes in Accounting Policies

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 “Agriculture” and/or IC Interpretation 15 “Agreements for Construction of Real Estate”, including their parent, significant investor and venturer (herein called “Transitioning Entities”).

Based on the MASB announcement on 2 September 2014, the adoption of MFRS 141 will be mandatory for annual periods beginning on or after 1 January 2016, whereas the adoption of MFRS 15 “Revenue” will be mandatory for annual periods beginning on or after 1 January 2017. On 8 September 2015, MASB further announced that the adoption of MFRS 15 “Revenue” will only be mandatory for annual periods beginning on or after 1 January 2018. As a Transitioning Entity, the Group is allowed to defer the adoption of MFRS 141 to annual periods beginning after 1 January 2018, in line with its ultimate holding company, IJM Corporation Berhad.

The significant accounting policies applied are consistent with those adopted for the audited financial statements for the year ended 31 March 2015 except for the adoption of the following amendments to published standards issued by MASB that are effective for the Group’s financial year beginning on or after 1 April 2015 and applicable to the Group as follows:

- Annual improvements to FRSs 2010 – 2012 Cycle, which include Amendments to FRS 2 “Share-based Payment”, FRS 3 “Business Combinations”, FRS 8 “Operating Segments”, FRS 13 “Fair Value Measurement”, FRS 116 “Property, Plant and Equipment”, FRS 124 “Related Party Disclosures” and FRS 138 “Intangible Assets”.
- Annual improvements to FRSs 2011 – 2013 Cycle, which include Amendments to FRS 3 “Business Combinations”, FRS 13 “Fair Value Measurement” and FRS 140 “Investment Property”.
- Amendments to FRS 119 “Defined Benefit Plans: Employee Contributions”.

The amendments to published standards do not result in any significant change to the accounting policies and do not have a material impact on the interim financial information of the Group.

## IJM PLANTATIONS BERHAD (133399-A)

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

The audit report for the financial years ended 31 March 2015 was not subject to any modification or qualification.

### A4. Seasonality or Cyclicity of Operations

The Group's performance is affected by the oil palms cropping pattern that normally starts in a trough in the first half of a calendar year before rising to a peak in the second half.

### A5. Unusual Significant Items

Other than the net foreign exchange losses shown in Note B12, 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 to-date under review.

### A6. Material Changes in Estimates

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

### A7. Debt and Equity Securities

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

### A8. Dividend Paid

Dividend paid during the financial period ended 30 September 2015 is as follows:

In respect of the financial year ended 31 March 2015 as reported in the directors' report of that year:

A single tier interim dividend of 6 sen per share paid on 7 July 2015.

RM'000  
52,835



## IJM PLANTATIONS BERHAD (133399-A)

### A9. Segmental Information

The principal activities of the Group are the cultivation of oil palms and milling of fresh fruit bunches. The operations are geographically located in Malaysia and Indonesia.

	<b>6 months ended 30/09/2015</b>	<b>6 months ended 30/09/2014</b>
	RM'000	RM'000
<b>REVENUE</b>		
Malaysian Operations	203,384	255,979
Indonesian Operations	83,495	95,519
	286,879	351,498
	<b>6 months ended 30/09/2015</b>	<b>6 months ended 30/09/2014</b>
	RM'000	RM'000
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		
Malaysian Operations	49,562	75,818
Indonesian Operations	(55,975)	(10,308)
	(6,413)	65,510
	<b>As at 30 September 2015</b>	<b>As at 31 March 2015</b>
	RM'000	RM'000
<b>TOTAL ASSETS</b>		
Malaysian Operations	1,055,317	1,083,347
Indonesian Operations	1,589,832	1,443,872
Unallocated assets	79,428	42,881
	2,724,577	2,570,100

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

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

### 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 and financial year to-date.

## IJM PLANTATIONS BERHAD (133399-A)

### A13. Contingent Liabilities or Contingent Assets

There were no material contingent liabilities or contingent assets as at 30 September 2015.

### A14. Capital Commitments

Capital commitments not provided for in the unaudited financial statements as at 30 September 2015 are as follows:

Property, plant, equipment, land use rights and Plantation expenditure	<b>RM'000</b>
Approved and contracted for	125,646
Approved but not contracted for	83,171
	<hr/> <u>208,817</u>

### A15. Fair Value of Financial Instruments

The following hierarchies were applied to determine the fair value of all the financial instruments carried at fair value:

- (a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- (b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 30 September 2015, the Group measured and recognised the derivative financial instruments for the crude palm oil pricing swap contracts at fair value. It was classified by the level of fair value measurement hierarchy as follows:

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
<u>Financial Liabilities</u>				
Derivative financial instruments	-	7,408	-	7,408

## IJM PLANTATIONS BERHAD (133399-A)

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

*Current quarter under review – Q2-FY2016*

*Corresponding quarter of the preceding year – Q2-FY2015*

*Immediate preceding quarter – Q1-FY2016*

*Current financial year to-date – Year to-date FY 2016*

*Corresponding financial year to-date – Year to-date FY2015*

#### B1. Review of Performance

The results of the Group are tabulated below:

	<b>Individual Quarter</b>		var % +/-	<b>Cumulative Period</b>		var % +/-
	Current year quarter 30/09/2015 RM'000	Preceding year quarter 30/09/2014 RM'000		Current year to-date 30/09/2015 RM'000	Preceding year to-date 30/09/2014 RM'000	
<b>Revenue:</b>						
-Malaysia	105,324	132,535	-20.5	203,384	255,979	-20.5
-Indonesia	39,812	41,195	-3.4	83,495	95,519	-12.6
	145,136	173,730	-16.5	286,879	351,498	-18.4
<b>(Loss)/profit before taxation:</b>						
-Malaysia	24,233	37,662	-35.7	49,562	75,818	-34.6
-Indonesia	(56,516)	(3,270)	>100	(55,975)	(10,308)	>100
	(32,283)	34,392	-	(6,413)	65,510	-

#### Individual Quarter -- Q2-FY2016 vs Q2-FY2015

For Q2-FY2016, the Group recorded a 16.5% decrease in revenue as compared to Q2-FY2015 mainly due to lower commodity prices and lower sales volume. The Group is exposed to the foreign currency exchange movement due to its US Dollar denominated borrowings. The overall financial performance of the Group was adversely impacted by the strengthening of the US Dollar against the Indonesian Rupiah in Q2-FY2016 resulting in a net foreign exchange losses of RM45.9 million.

The performance by geographical segments are summarised as follows:

- (a) the Malaysian operations recorded a lower revenue in Q2-FY2016 because of lower commodity prices and lower sales volume. FFB production was lower due to the dry weather, resulting in lower profit before tax; and
- (b) the Indonesian operations recorded a lower revenue in Q2-FY2016 because of lower commodity prices, the introduction of the Indonesian palm oil export levy of USD50 per mt and lower sales volume. The strengthening of the US Dollar against the Indonesian Rupiah has severely impacted the overall performance of the operations due to its US Dollar borrowings.

## IJM PLANTATIONS BERHAD (133399-A)

### B1. Review of Performance (continued)

#### Cumulative Period -- Year to-date FY 2016 vs Year to-date FY 2015

The year-to-date revenue of the Group was 18.4% lower than that of the Year to-date FY2015. The decrease was due mainly to lower commodity prices and lower sales volume. In addition to lower commodity prices and sales volume, the Group's financial performance was severely impacted by the strengthening of US Dollar against the Indonesian Rupiah resulting in a net foreign exchange losses of RM51.6 million.

The performance by geographical segments are summarised as follows:

- (a) Revenue for the Malaysian operations was lower due to lower commodity prices and sales volume. FFB production was also lower due to the change in cropping pattern and the impact of dry weather. As a result, a lower profit before tax was achieved.
- (b) Revenue for the Indonesian operations was lower due to the lower sales volumes, commodity prices and the introduction of the Indonesian palm oil export levy of USD50 per mt. FFB production was higher as a result of the larger area attaining maturity. However, the overall financial performance of the operations was adversely impacted by the unrealised foreign exchange losses recorded on its US Dollar denominated borrowings.

The relevant details pertaining to the results above are as follows:

	Individual Quarter			var %	Cumulative Period		
	Current year quarter 30/09/2015	Preceding year quarter 30/09/2014			Current year to-date 30/09/2015	Preceding year to-date 30/09/2014	var %
<b>Malaysian Operations</b>							
Own FFB production (mt)	156,493	174,746	-10.4	297,624	327,883	-9.2	
Outside FFB crops (mt)	56,135	64,845	-13.4	121,332	130,438	-7.0	
CPO production (mt)	44,587	49,768	-10.4	87,081	96,276	-9.6	
PKO production (mt)	5,002	4,792	+4.4	9,767	8,708	+12.2	
CPO sales (mt)	43,618	51,710	-15.6	81,545	91,644	-11.0	
PKO sales (mt)	4,493	4,333	+3.7	8,899	8,109	+9.7	
CPO price per mt (RM)	2,050	2,241	-8.5	2,105	2,383	-11.7	
PKO price per mt (RM)	2,966	3,144	-5.7	3,094	3,494	-11.4	
<b>Indonesian Operations</b>							
Own FFB production (mt)	78,674	69,992	+12.4	165,270	133,146	+24.1	
Outside FFB crops (mt)	10,189	19,318	-47.3	25,230	39,319	-35.8	
CPO production (mt)	16,916	17,058	-0.8	36,206	32,346	+11.9	
PKO production (mt)	1,176	1,160	+1.4	2,690	2,359	+14.0	
CPO sales (mt)	15,508	16,344	-5.1	32,512	34,951	-7.0	
PKO sales (mt)	2,000	1,501	+33.2	2,000	1,501	+33.2	
CPO price per mt (RM)	1,834	1,969	-6.9	1,922	2,153	-10.7	
PKO price per mt (RM)	2,409	3,385	-28.8	2,409	3,385	-28.8	
<b>Closing Exchange Rates</b>							
	<b>As at 30/09/2015</b>			<b>As at 30/09/2014</b>			
RM : Rupiah	1 : 3,300			1 : 3,676			
US Dollar : RM	1 : 4.443			1 : 3.271			
US Dollar : Rupiah	1 : 14,657			1 : 12,212			

## IJM PLANTATIONS BERHAD (133399-A)

### B1. Review of Performance (continued)

Contribution to the Sabah state sales tax and statutory payment of cesses to the Malaysian Palm Oil Board (“MPOB”) were as follows:

	Individual Quarter		Cumulative Period	
	Current year quarter 30/09/2015 RM'000	Preceding year quarter 30/09/2014 RM'000	Current year to-date 30/09/2015 RM'000	Preceding year to-date 30/09/2014 RM'000
<b>Malaysian Operations</b>				
Sabah sales tax	6,621	8,535	12,814	16,248
MPOB Cess:				
-Palm Oil Price Stabilisation Fund Order 2001	103	109	194	210
MPOB Cess:				
-Research & Development, Licensing, Enforcement and Marketing Cess Order 2002	550	600	1,068	1,155
<b>Total</b>	<b>7,274</b>	<b>9,244</b>	<b>14,076</b>	<b>17,613</b>

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

The results of the Group are tabulated below:

	Individual Quarter		var % +/-
	Current year quarter 30/09/2015 RM'000	Immediate preceding quarter 30/06/2015 RM'000	
<b>Revenue:</b>			
- Malaysia	105,324	98,060	+7.4
- Indonesia	39,812	43,683	-8.9
	145,136	141,743	+2.4
<b>(Loss)/profit before taxation:</b>			
- Malaysia	24,233	25,329	-4.3
- Indonesia	(56,516)	541	-
	(32,283)	25,870	-

Despite lower commodity prices, revenue for the Q2-FY2016 was higher than Q1-FY2016 mainly due to higher sales volume. During the quarter, the Group’s overall financial performance was severely impacted by foreign exchange losses on its US Dollar borrowings as a result of the strengthening of the US Dollar against the Indonesian Rupiah.

The Malaysian operations recorded higher revenue mainly due to the increase in sales volume. Crop production improved significantly as it moved towards the high crop season. However, lower profit before tax was recorded due to fair value losses on crude palm oil pricing swaps.

## IJM PLANTATIONS BERHAD (133399-A)

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

The Indonesian operations recorded lower revenue mainly due to the lower commodity prices and sales volumes. The overall financial performance of the Indonesian operations was significantly impacted by the unrealised foreign exchange losses recorded on its US Dollar borrowings.

The relevant details pertaining to the results above are as follows:

	<b>Individual Quarter</b>		var %
	Current year quarter 30/09/2015	Immediate preceding quarter 30/06/2015	
<b>Malaysian Operations</b>			
Own FFB production (mt)	156,493	141,131	+10.9
Outside FFB crops (mt)	56,135	65,197	-13.9
CPO production (mt)	44,587	42,494	+4.9
PKO production (mt)	5,002	4,765	+5.0
CPO sales (mt)	43,618	37,927	+15.0
PKO sales (mt)	4,493	4,406	+2.0
CPO price per mt (RM)	2,050	2,167	-5.4
PKO price per mt (RM)	2,966	3,225	-8.0
<b>Indonesian Operations</b>			
Own FFB production (mt)	78,674	86,596	-9.1
Outside FFB crops (mt)	10,189	15,041	-32.3
CPO production (mt)	16,916	19,290	-12.3
PKO production (mt)	1,176	1,514	-22.3
CPO sales (mt)	15,508	17,004	-8.8
PKO sales (mt)	2,000	-	-
CPO price per mt (RM)	1,834	2,002	-8.4
PKO price per mt (RM)	2,409	-	-
<b>Closing Exchange Rates</b>			
	<b>As at 30/09/2015</b>	<b>As at 30/06/2015</b>	
RM : Rupiah	1 : 3,300	1 : 3,521	
US Dollar : RM	1 : 4.443	1 : 3.780	
US Dollar : Rupiah	1 : 14,657	1 : 13,332	

### B3. Prospects for the Current Financial Year

The Group expects the performance for the current financial year to be challenging due to the uncertain global demand scenario and the effect of the El Nino weather pattern which may lead to lower overall crop production.

In Indonesia, notwithstanding the higher crop production from the increasing young mature areas, the business environment is expected to be impacted by the volatility of the foreign exchange rates and the recent introduction of the Indonesian palm oil export levy of USD50 per mt.

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### B4. Variance of Actual Profit from Forecast Profit

Not applicable.

### B5. Income Tax Expense

The income tax expense of the group for the financial period under review is as follows:

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER		CUMULATIVE PERIOD 6 MONTHS ENDED 30 SEPTEMBER	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current tax:				
- Malaysian income tax	7,968	8,069	15,499	16,738
Deferred tax:				
- Relating to (reversal)/origination of temporary differences	(25,654)	446	(29,539)	(590)
	(17,686)	8,515	(14,040)	16,148

The effective tax rate of the Group is impacted mainly by certain foreign exchange gains being non taxable.

### B6. Corporate Proposals

At the close of the quarter, there were no corporate proposals that were pending completion.

### B7. Group Borrowings

Particulars of the Group's borrowings denominated in US Dollars in RM equivalent as at 30 September 2015 are as follows:

<u>Borrowings</u>	RM'000
Short term advance facility	88,821
Term loans	752,762
	841,583

The term loans are secured by way of corporate guarantees by the Company.

### B8. Changes in Material Litigation

There was no material litigation since 31 March 2015.

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### B9. Dividend Payable

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

### B10. Earnings per Share

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER		CUMULATIVE PERIOD 6 MONTHS ENDED 30 SEPTEMBER	
	2015	2014	2015	2014
<b><u>Basic earnings per share</u></b>				
(Loss)/profit for the period attributable to owners of the Company (RM'000)	(4,941)	27,101	17,924	53,218
Weighted average number of ordinary shares in issue ('000')	880,580	822,917	880,580	815,580
<b>Basic earnings per share (sen)</b>	(0.56)	3.29	2.04	6.53
<b><u>Diluted earnings per share</u></b>				
(Loss)/profit for the period/year attributable to owners of the Company (RM'000)	(4,941)	27,101	17,924	53,218
Weighted average number of ordinary shares ('000')	880,580	822,917	880,580	815,580
Effect of dilution:				
-Adjustment for warrants	-	15,981	-	16,199
Adjusted weighted average number of ordinary shares in issue and issuable ('000')	880,580	838,898	880,580	831,779
<b>Diluted earnings per share (sen)</b>	(0.56)	3.23	2.04	6.40

### B11. Disclosure of Realised and Unrealised Retained Profits/(Accumulated Losses)

The following analysis is prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the context of disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.



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### B11. Disclosure of Realised and Unrealised Retained Profits/(Accumulated Losses) (continued)

	<b>As at 30 September 2015 RM'000</b>	<b>As at 31 March 2015 RM'000</b>
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	1,111,250	1,099,053
- Unrealised (Note 1)	(273,294)	(292,292)
	837,956	806,761
Less: Consolidation adjustments (Note 2)	(132,993)	(66,887)
Total Group retained profits	704,963	739,874

Note 1 The unrealised accumulated losses arose mainly from deferred tax provisions and net translation losses on monetary items denominated in a currency other than the functional currency.

Note 2 Consolidation adjustments are mainly elimination of pre-acquisition profits or losses, fair value adjustments arising from the business combination and non-controlling interests' share of retained profits or accumulated losses.

### B12. Notes to the Condensed Statement of Comprehensive Income

The following amounts have been charged/(credited) in arriving at profit before taxation:

	<b>INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER</b>		<b>CUMULATIVE PERIOD 6 MONTHS ENDED 30 SEPTEMBER</b>	
	<b>2015 RM'000</b>	<b>2014 RM'000</b>	<b>2015 RM'000</b>	<b>2014 RM'000</b>
Interest income	(1,978)	(1,372)	(4,331)	(3,366)
Net foreign exchange losses	45,910	6,896	51,650	24,564
Other income	(1,206)	(1,123)	(2,416)	(1,402)
Fair value losses/(gains) on crude palm oil pricing swaps	5,709	(2,955)	6,859	(6,862)
Interest expense	3,206	1,774	5,911	3,554
Depreciation and amortisation	13,539	11,738	25,972	22,834

The above disclosure was prepared in accordance with the paragraph 16 of Appendix 9B of the Main Market Listing Requirements ("MMLR") issued by Bursa Malaysia Securities Berhad. Except for the above, the rest of the items required for disclosures pursuant to paragraph 16 of MMLR are not applicable to the Group.

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### **B13. Fair Value changes of Financial Instruments**

The Group recognised the fair value losses of approximately RM5,709,000 (*Q2-FY 2015: Gains of RM2,955,000*) and RM6,859,000 (*Year to-date FY2015: Gains of RM6,862,000*) on the crude palm oil (“CPO”) pricing swap contracts during the current quarter and the financial year to-date respectively. The fair value change is due to the difference between fixed CPO prices as per the swap contracts and the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange for the specific contracted periods.