



IJM PLANTATIONS BERHAD (133399-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended: 30/06/2016
 Quarter: 1st Qtr
 Financial Year End: 31/03/2017
 The figures: Have not been Audited

Full Quarterly Report: Refer attached

Part A2 : Summary of Key Financial Information for the financial period 30/06/2016

	Individual Quarter		Cumulative Period	
	Current year quarter 30/06/2016 RM'000	Preceding year quarter 30/06/2015 RM'000	Current year to date 30/06/2016 RM'000	Preceding year to date 30/06/2015 RM'000
1 Revenue	139,378	141,743	139,378	141,743
2 Profit before taxation	38,641	25,870	38,641	25,870
3 Profit for the period	27,163	22,224	27,163	22,224
4 Profit attributable to owners of the Company	25,205	22,865	25,205	22,865
5 Basic earnings per share (sen)	2.86	2.60	2.86	2.60
6 Proposed/Declared dividend per share (sen)	-	-	-	-
	As at end of current quarter 30/06/2016		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		1.85		1.84

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CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 JUNE		CUMULATIVE 3 MONTHS ENDED 30 JUNE	
	2016 RM'000 (unaudited)	2015 RM'000 (unaudited)	2016 RM'000 (unaudited)	2015 RM'000 (unaudited)
Revenue	139,378	141,743	139,378	141,743
Operating expenses	(111,475)	(109,841)	(111,475)	(109,841)
Net income and net gains:				
- Net other income	9,042	2,413	9,042	2,413
- Net foreign exchange gains	5,372	4,818	5,372	4,818
Profit from operations	42,317	39,133	42,317	39,133
Finance costs:				
- Interest expense	(3,676)	(2,705)	(3,676)	(2,705)
- Net foreign exchange losses on borrowings	-	(10,558)	-	(10,558)
Profit before taxation	38,641	25,870	38,641	25,870
Income tax expense	(11,478)	(3,646)	(11,478)	(3,646)
Net profit for the financial period	27,163	22,224	27,163	22,224
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
- Currency translation difference	29,980	2,919	29,980	2,919
Total comprehensive income for the financial period	57,143	25,143	57,143	25,143
Net profit/(loss) attributable to:				
- Owners of the Company	25,205	22,865	25,205	22,865
- Non-controlling interests	1,958	(641)	1,958	(641)
	27,163	22,224	27,163	22,224
Total comprehensive income/(loss) attributable to:				
- Owners of the Company	55,361	25,834	55,361	25,834
- Non-controlling interests	1,782	(691)	1,782	(691)
	57,143	25,143	57,143	25,143
Earnings per share attributable to owners of the Company (sen):				
(a) Basic:				
- [Note B10]	2.86 sen	2.60 sen	2.86 sen	2.60 sen

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CONDENSED CONSOLIDATED BALANCE SHEET

	30 June 2016 RM'000 (Unaudited)	31 March 2016 RM'000 (Audited)
ASSETS		
Non-Current Assets:		
Property, plant and equipment	917,691	886,634
Land use rights	148,496	133,435
Plantation expenditure	1,122,322	1,088,487
Other receivables	35,260	28,222
Deposits	-	-
Deferred tax assets	19,826	19,927
	2,243,595	2,156,705
Current Assets:		
Inventories	86,482	73,469
Trade and other receivables	85,066	67,690
Tax recoverable	19,361	19,683
Derivative financial instruments	476	-
Deposits, cash and bank balances	341,601	272,876
	532,986	433,718
TOTAL ASSETS	2,776,581	2,590,423
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the Company		
Share capital	440,290	440,290
Reserves	1,189,648	1,177,585
	1,629,938	1,617,875
Non-controlling interests	(4,903)	(12,585)
Total Equity	1,625,035	1,605,290
Non-Current Liabilities:		
Retirement benefits	4,652	4,526
Borrowings	738,818	626,931
Deferred tax liabilities	165,410	160,244
	908,880	791,701
Current Liabilities:		
Trade and other payables	74,141	76,770
Dividend payable	44,029	-
Derivative financial instruments	-	10,158
Current tax liabilities	683	44
Borrowings	123,813	106,460
	242,666	193,432
Total Liabilities	1,151,546	985,133
TOTAL EQUITY AND LIABILITIES	2,776,581	2,590,423
Net Assets Per Share attributable to owners of the Company (RM)	1.85	1.84

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2016

	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
At 1 April 2016	440,290	482,240	9,064	(24,955)	711,236	1,617,875	(12,585)	1,605,290
Total comprehensive income for the financial period	-	-	-	30,156	25,205	55,361	1,782	57,143
Capital contribution by ultimate holding company	-	-	731	-	-	731	-	731
Dividend - year ended 31 March 2016	-	-	-	-	(44,029)	(44,029)	-	(44,029)
Issuance of shares to non-controlling interests	-	-	-	-	-	-	5,900	5,900
At 30 June 2016 (Unaudited)	440,290	482,240	9,795	5,201	692,412	1,629,938	(4,903)	1,625,035

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 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
At 1 April 2015	440,290	482,240	6,390	(60,897)	739,874	1,607,897	(9,942)	1,597,955
Total comprehensive income/(loss) for the financial period	-	-	-	2,969	22,865	25,834	(691)	25,143
Capital contribution by ultimate holding company	-	-	(433)	-	-	(433)	-	(433)
Dividend - year ended 31 March 2015	-	-	-	-	(52,835)	(52,835)	-	(52,835)
At 30 June 2015 (Unaudited)	440,290	482,240	5,957	(57,928)	709,904	1,580,463	(10,633)	1,569,830

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 MONTHS ENDED 30 JUNE 2016 RM'000 (Unaudited)	3 MONTHS ENDED 30 JUNE 2015 RM'000 (Unaudited)
OPERATING ACTIVITIES		
Receipts from customers	131,432	147,983
Payments to contractors, suppliers and employees	(124,885)	(120,554)
Interest paid	(3,676)	(2,705)
Income tax paid	(5,024)	(9,629)
<i>Net cash flows(used in)/from operating activities</i>	(2,153)	15,095
INVESTING ACTIVITIES		
Additions to property, plant, equipment, land use rights and plantation expenditure	(46,656)	(42,047)
Proceeds from disposal of property, plant and equipment	50	-
Interest received	1,682	2,353
<i>Net cash flows used in investing activities</i>	(44,924)	(39,694)
FINANCING ACTIVITIES		
Drawdown of borrowings	122,862	-
Repayment of borrowings	(13,522)	(12,487)
<i>Net cash flows from/(used in) financing activities</i>	109,340	(12,487)
Net Change in Cash and Cash Equivalents	62,263	(37,086)
Cash & Cash Equivalents at beginning of financial period	268,520	371,420
Foreign Exchange differences	6,377	(1,039)
Cash & Cash Equivalents at end of financial period	337,160	333,295
Notes:	AS AT 30 JUNE 2016 RM'000	AS AT 30 JUNE 2015 RM'000
Cash and cash equivalents represent the following:		
Cash and bank balances	41,889	59,720
Deposits with licensed banks	299,712	372,266
	341,601	431,986
Less: Restricted deposits with licensed banks	(4,441)	(98,691)
	337,160	333,295

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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 2016 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 2016.

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 was to be mandatory for annual periods beginning on or after 1 January 2016, whereas the adoption of MFRS 15 “Revenue” was to 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 2016 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 2016 and applicable to the Group as follows:

- Annual improvements to FRSs 2012 – 2014 Cycle, which include Amendments to FRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, FRS 7 “Financial Instruments: Disclosures”, FRS 119 “Employee Benefits” and FRS 134 “Interim Financial Reporting”
- Amendments to FRS 10, FRS 12 and FRS 128 “Investment Entities: Applying the Consolidation Exception”
- Amendments to FRS 11 “Accounting for Acquisition of Interest in Joint Operations”
- Amendments to FRS 101 “Presentation of Financial Statements” – “Disclosure Initiative”
- Amendments to FRS 116 and FRS 138 “Clarification of Acceptable Methods of Depreciation and Amortisation”

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.

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

The audit report for the financial year ended 31 March 2016 was not subject to any modification or qualification.

A4. Seasonality or Cyclicalities 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 gains/(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.

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

There was no dividend paid during the current quarter.

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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.

	3 months ended 30/06/2016	3 months ended 30/06/2015
	RM'000	RM'000
REVENUE		
Malaysian Operations	73,708	98,060
Indonesian Operations	65,670	43,683
	139,378	141,743
	3 months ended 30/06/2016	3 months ended 30/06/2015
	RM'000	RM'000
PROFIT BEFORE TAXATION		
Malaysian Operations	20,985	25,329
Indonesian Operations	17,656	541
	38,641	25,870
	As at 30 June 2016	As at 31 March 2016
	RM'000	RM'000
TOTAL ASSETS		
Malaysian Operations	1,026,556	1,007,887
Indonesian Operations	1,710,838	1,542,926
Unallocated assets	39,187	39,610
	2,776,581	2,590,423

A10. Valuations of Property, Plant and Equipment

There was no revaluation of property, plant and equipment for the current quarter.

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.

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A13. Contingent Liabilities or Contingent Assets

There were no material contingent liabilities or contingent assets as at 31 March 2016.

A14. Capital Commitments

Capital commitments not provided for in the unaudited financial statements as at 30 June 2016 are as follows:

Property, plant, equipment, land use rights and Plantation expenditure	RM'000
Approved and contracted for	167,833
Approved but not contracted for	110,849
	<hr/> <u>278,682</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 June 2016, 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:

<u>Financial Assets</u>	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Derivative financial instruments	-	476	-	476

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

Current quarter under review – Q1-FY2017

Corresponding quarter of the preceding year – Q1-FY2016

Immediate preceding quarter – Q4-FY2016

B1. Review of Performance

The results of the Group are tabulated below:

	Individual Quarter		var % +/-
	Current year quarter 30/06/2016 RM'000	Preceding year quarter 30/06/2015 RM'000	
Revenue:			
- Malaysia	73,708	98,060	-24.8
- Indonesia	65,670	43,683	+50.3
	139,378	141,743	-1.7
Profit before taxation:			
- Malaysia	20,985	25,329	-17.2
- Indonesia	17,656	541	>100
	38,641	25,870	+49.4

Individual Quarter -- Q1-FY2017 vs Q1-FY2016

For Q1-FY2017, the Group recorded a 1.7% decrease in revenue as compared to Q1-FY2016 due to lower sales volume despite improved commodity prices. FFB production was adversely impacted by the prolonged dry weather in the previous financial year. The overall financial performance of the Group however improved as a result of the net foreign exchange gains on the US Dollar denominated borrowings of RM5.4 million arising from weakening of the US Dollar against the Indonesian Rupiah during the quarter and the fair value gains of the RM6.4 million on the CPO pricing swap contracts as the CPO market softened.

The performance by geographical segments are summarised as follows:

- (a) the Malaysian operations recorded a lower revenue in Q1-FY2017 because of lower sales volume. FFB production was lower due to the adverse impact of the prolonged dry weather in the previous financial year resulting in lower profit before tax, net of the fair value gains on the CPO pricing swap contracts; and
- (b) the Indonesian operations recorded a higher revenue in Q1-FY2017 because of higher sales volume and improved commodity prices. The overall financial performance was significantly higher, compounded by net foreign exchange gains of RM5.4 million on the US Dollar denominated borrowings arising from the movement in exchange rates.

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B1. Review of Performance (continued)

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

	Individual Quarter		var % +/-
	Current year quarter 30/06/2016	Preceding year quarter 30/06/2015	
Malaysian Operations			
Own FFB production (mt)	107,197	141,131	-24.0
Outside FFB crops (mt)	44,135	65,197	-32.3
CPO production (mt)	29,932	42,494	-29.6
PKO production (mt)	2,632	4,765	-44.8
CPO sales (mt)	22,644	37,927	-40.3
PKO sales (mt)	3,075	4,406	-30.2
CPO price per mt (RM)	2,570	2,167	+18.6
PKO price per mt (RM)	4,954	3,225	+53.6
Indonesian Operations			
Own FFB production (mt)	84,422	86,596	-2.5
Outside FFB crops (mt)	16,122	15,041	+7.2
CPO production (mt)	18,988	19,290	-1.6
PKO production (mt)	1,063	1,514	-29.8
CPO sales (mt)	19,506	17,004	+14.7
PKO sales (mt)	2,001	-	-
CPO price per mt (RM)	2,411	2,002	+20.4
PKO price per mt (RM)	4,379	-	-
Closing Exchange Rates			
	As at 30/06/2016	As at 30/06/2015	
RM : Rupiah	1 : 3,247	1 : 3,521	
US Dollar : RM	1 : 4.021	1 : 3.780	
US Dollar : Rupiah	1 : 13,180	1 : 13,332	

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

	Individual Quarter	
	Current year quarter 30/06/2016 RM'000	Preceding year quarter 30/06/2015 RM'000
Malaysian Operations		
Sabah sales tax	4,378	6,193
MPOB Cess:		
-Palm Oil Price Stabilisation Fund Order 2001	65	91
MPOB Cess:		
-Research & Development, Licensing, Enforcement and Marketing Cess Order 2002	358	518
Total	4,801	6,802

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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 30/06/2016 RM'000	Immediate preceding quarter 31/03/2016 RM'000	
Revenue:			
- Malaysia	73,708	59,337	+24.2
- Indonesia	65,670	55,710	+17.9
	139,378	115,047	+21.1
Profit/(loss) before taxation:			
- Malaysia	20,985	(12,941)	-
- Indonesia	17,656	16,186	+9.1
	38,641	3,245	>100

Revenue for the Q1-FY2017 was higher than Q4-FY2016 due to higher average commodity prices during the quarter, resulting in an improvement in the overall financial performance of the Group. FFB production improved significantly as it moved out of the normal low crop season. With the softening of the CPO market at the closure of the quarter, fair value gains on CPO pricing swap contracts of the RM6.4 million was recorded, as opposed to the fair value losses of RM6.2 million in Q4-FY2016. Due to further favourable movement of exchange rates, net foreign exchange gains of RM5.4 million were recorded in Q1-FY2017. The net foreign exchange gain in Q4-FY2016 was RM15.5 million.

The performance by geographical segments are summarised as follows:

- (a) The Malaysian operations recorded higher revenue due to the higher commodity price and sales volume. Crop production improved significantly as it moved out of the normal low crop season, resulting in a better financial performance together with the CPO pricing swap contracts gain; and
- (b) The Indonesian operations recorded higher revenue due to the higher commodity prices. FFB production remained depressed by the prolonged dry weather in the previous financial year. The improved profitability was mainly a result of the unrealised foreign exchange gains of RM5.4 million recorded on its US Dollar denominated borrowings despite the production cost pressure due to the increase in young mature areas incurring full fixed plantation maintenance and overhead costs set against the start-up crop yield.

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

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

	Individual Quarter		var % +/-
	Current year quarter 30/06/2016	Immediate preceding quarter 31/03/2016	
Malaysian Operations			
Own FFB production (mt)	107,197	62,753	+70.8
Outside FFB crops (mt)	44,135	27,173	+62.4
CPO production (mt)	29,932	19,328	+54.9
PKO production (mt)	2,632	2,154	+22.2
CPO sales (mt)	22,644	22,119	+2.4
PKO sales (mt)	3,075	1,865	+64.9
CPO price per mt (RM)	2,570	2,289	+12.3
PKO price per mt (RM)	4,954	3,945	+25.6
Indonesian Operations			
Own FFB production (mt)	84,422	88,587	-4.7
Outside FFB crops (mt)	16,122	14,239	+13.2
CPO production (mt)	18,988	18,228	+4.2
PKO production (mt)	1,063	1,116	-4.7
CPO sales (mt)	19,506	20,003	-2.5
PKO sales (mt)	2,001	2,002	-0.0
CPO price per mt (RM)	2,411	2,001	+20.5
PKO price per mt (RM)	4,379	2,743	+59.6
Closing Exchange Rates			
	As at 30/06/2016	As at 31/03/2016	
RM : Rupiah	1 : 3,247	1 : 3,367	
US Dollar : RM	1 : 4.021	1 : 3.933	
US Dollar : Rupiah	1 : 13,180	1 : 13,476	

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 and the effect of the El Nino weather pattern in the previous financial year impacting the recovery of the overall crop production.

In addition, in Indonesian operations, notwithstanding the anticipated increase in crop production from the additional mature areas coming into maturity, the volatility of the foreign exchange rates is expected to impact the business environment.

B4. Variance of Actual Profit from Forecast Profit

Not applicable.

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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 JUNE		CUMULATIVE PERIOD 3 MONTHS ENDED 30 JUNE	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current tax:				
- Malaysian income tax	5,985	7,531	5,985	7,531
Deferred tax:				
- Relating to origination/(reversal) of temporary differences	5,493	(3,885)	5,493	(3,885)
	11,478	3,646	11,478	3,646

The effective tax rate of the Group is impacted by the tax treatment of the foreign exchange movements at the overseas subsidiaries.

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 June 2016 are as follows:

	RM'000
<u>Borrowings</u>	
Short term advance facility	81,189
Term loans	781,442
	862,631

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 2016.

B9. Dividend Payable

In respect of the financial year ended 31 March 2016, a single tier interim dividend amounting to 5 sen per share (previous corresponding financial year: 6 sen per share) was paid on 13 July 2016 to every member who was entitled to receive the dividend as at 5.00 p.m. on 24 June 2016.

The Directors do not recommend any interim dividend for the current quarter.

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B10. Earnings per Share

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 JUNE		CUMULATIVE PERIOD 3 MONTHS ENDED 30 JUNE	
	2016	2015	2016	2015
Basic earnings per share				
Profit for the period attributable to owners of the Company (RM'000)	25,205	22,865	25,205	22,865
Weighted average number of ordinary shares in issue ('000')	880,580	880,580	880,580	880,580
Basic earnings per share (sen)	2.86	2.60	2.86	2.60

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.

	As at 30 June 2016 RM'000	As at 31 March 2016 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	1,109,654	1,070,491
- Unrealised (Note 1)	(281,678)	(261,455)
	827,976	809,036
Less: Consolidation adjustments (Note 2)	(135,564)	(97,800)
Total Group retained profits	692,412	711,236

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.

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B12. Notes to the Condensed Statement of Comprehensive Income

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 JUNE		CUMULATIVE PERIOD 3 MONTHS ENDED 30 JUNE	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Interest income	1,682	2,353	1,682	2,353
Net foreign exchange gains/(losses)	5,372	(5,740)	5,372	(5,740)
Other income	929	1,210	929	1,210
Fair value gains/(losses) on crude palm oil pricing swap contracts	6,431	(1,150)	6,431	(1,150)
Interest expense	(3,676)	(2,705)	(3,676)	(2,705)
Depreciation and amortisation	(14,795)	(12,433)	(14,795)	(12,433)

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.

B13. Fair Value changes of Financial Instruments

The Group recognised the fair value gains of approximately RM6,431,000 on the crude palm oil (“CPO”) pricing swap contracts during the current quarter (Q1 FY 2016: Losses of RM1,150,000). 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.