



IJM PLANTATIONS BERHAD (133399-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended: 30/09/2017
 Quarter: 2nd Qtr
 Financial Year End: 31/03/2018
 The figures: Have not been Audited

Full Quarterly Report: Refer attached

Part A2 : Summary of Key Financial Information for the financial period 30/09/2017

	Individual Quarter		Cumulative Period	
	Current year quarter 30/09/2017 RM'000	Preceding year quarter 30/09/2016 RM'000	Current year to date 30/09/2017 RM'000	Preceding year to date 30/09/2016 RM'000
1 Revenue	196,438	201,382	381,032	340,760
2 Profit before taxation	18,257	64,072	43,031	102,713
3 Net profit for the period	12,866	45,263	29,455	72,426
4 Profit attributable to owners of the Company	9,373	44,208	26,271	69,413
5 Basic earnings per share (sen)	1.06	5.02	2.98	7.88
6 Proposed/Declared dividend per share (sen)	-	-	-	-
	As at end of current quarter 30/09/2017		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		1.92		2.03

IJM PLANTATIONS BERHAD (133399-A)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER			CUMULATIVE 6 MONTHS ENDED 30 SEPTEMBER		
	2017 RM'000 (Unaudited)	2016 RM'000 (Unaudited)	var % +/-	2017 RM'000 (Unaudited)	2016 RM'000 (Unaudited)	var % +/-
Revenue	196,438	201,382	-2.5	381,032	340,760	+11.8
Operating expenses	(163,122)	(141,869)	+15.0	(320,027)	(253,344)	+26.3
Net income and net (losses)/gains:						
- Net other (expenses)/income	(823)	(730)	+12.7	2,489	8,312	-70.1
- Net foreign exchange gains/(losses)	636	9,380	-93.2	(203)	14,752	-101.4
Profit from operations	33,129	68,163	-51.4	63,291	110,480	-42.7
Finance costs:						
- Interest expense	(5,756)	(4,091)	+40.7	(11,144)	(7,767)	+43.5
- Net foreign exchange losses on borrowings	(9,116)	-	-	(9,116)	-	-
Profit before taxation	18,257	64,072	-71.5	43,031	102,713	-58.1
Income tax expense	(5,391)	(18,809)	-71.3	(13,576)	(30,287)	-55.2
Net profit for the financial period	12,866	45,263	-71.6	29,455	72,426	-59.3
Other comprehensive (loss)/income						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
- Currency translation difference	(28,123)	30,216	-193.1	(53,108)	60,196	-188.2
Total comprehensive (loss)/income for the financial period	(15,257)	75,479	-120.2	(23,653)	132,622	-117.8
Net profit attributable to:						
- Owners of the Company	9,373	44,208	-78.8	26,271	69,413	-62.2
- Non-controlling interests	3,493	1,055	+231.1	3,184	3,013	+5.7
	12,866	45,263	-71.6	29,455	72,426	-59.3
Total comprehensive (loss)/income attributable to:						
- Owners of the Company	(18,832)	74,600	-125.2	(27,087)	129,961	-120.8
- Non-controlling interests	3,575	879	+306.7	3,434	2,661	+29.0
	(15,257)	75,479	-120.2	(23,653)	132,622	-117.8
Earnings per share attributable to owners of the Company (sen):						
Basic earnings per share:						
- [Note B10]	1.06 sen	5.02 sen		2.98 sen	7.88 sen	

IJM PLANTATIONS BERHAD (133399-A)

CONDENSED CONSOLIDATED BALANCE SHEET

	30 September 2017 RM'000 (Unaudited)	31 March 2017 RM'000 (Audited)
ASSETS		
Non-Current Assets:		
Property, plant and equipment	937,675	973,322
Land use rights	152,701	159,864
Plantation expenditure	1,171,269	1,201,570
Other receivables	85,472	81,102
Deferred tax assets	7,324	10,204
	2,354,441	2,426,062
Current Assets:		
Inventories	97,170	99,288
Trade and other receivables	63,772	38,958
Derivative financial instruments	-	2,909
Tax recoverable	22,285	16,226
Deposits, cash and bank balances	278,402	393,640
	461,629	551,021
TOTAL ASSETS	2,816,070	2,977,083
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the Company		
Share capital	922,530	922,530
Reserves	771,128	862,438
	1,693,658	1,784,968
Non-controlling interests	(2,504)	(5,938)
Total Equity	1,691,154	1,779,030
Non-Current Liabilities:		
Retirement benefits	12,587	6,847
Borrowings	537,376	724,196
Deferred tax liabilities	171,274	171,976
	721,237	903,019
Current Liabilities:		
Trade and other payables	87,857	94,739
Derivative liabilities	148	-
Current tax liabilities	5	174
Borrowings	315,669	200,121
	403,679	295,034
Total Liabilities	1,124,916	1,198,053
TOTAL EQUITY AND LIABILITIES	2,816,070	2,977,083
Net Assets Per Share attributable to owners of the Company (RM)	1.92	2.03

IJM PLANTATIONS BERHAD (133399-A)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	Attributable to Equity Holders of the Company					Non- controlling interests	Total Equity
	Share Capital	Equity Contribution Reserve	Other Reserves	Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2017	922,530	8,343	71,808	782,287	1,784,968	(5,938)	1,779,030
Comprehensive Income: -net profit for the period	-	-	-	26,271	26,271	3,184	29,455
Other Comprehensive Income: -Currency translation differences arising from translation of net investments in subsidiaries	-	-	(53,358)	-	(53,358)	250	(53,108)
Total Comprehensive (loss)/income	-	-	(53,358)	26,271	(27,087)	3,434	(23,653)
Capital contribution by ultimate holding company	-	(2,582)	-	-	(2,582)	-	(2,582)
Dividend - year ended 31 March 2017	-	-	-	(61,641)	(61,641)	-	(61,641)
At 30 September 2017 (Unaudited)	922,530	5,761	18,450	746,917	1,693,658	(2,504)	1,691,154

IJM PLANTATIONS BERHAD (133399-A)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 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
Comprehensive Income: -net profit for the period	-	-	-	-	69,413	69,413	3,013	72,426
Other Comprehensive Income: -Currency translation differences arising from translation of net investments in subsidiaries	-	-	-	60,548	-	60,548	(352)	60,196
Total Comprehensive income	-	-	-	60,548	69,413	129,961	2,661	132,622
Capital contribution by ultimate holding company	-	-	1,530	-	-	1,530	-	1,530
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 September 2016 (Unaudited)	440,290	482,240	10,594	35,593	736,620	1,705,337	(4,024)	1,701,313

IJM PLANTATIONS BERHAD (133399-A)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 MONTHS ENDED 30 SEPTEMBER 2017 RM'000 (Unaudited)	6 MONTHS ENDED 30 SEPTEMBER 2016 RM'000 (Unaudited)
OPERATING ACTIVITIES		
Receipts from customers	358,963	316,050
Payments to contractors, suppliers and employees	(286,925)	(229,934)
Interest paid	(11,144)	(7,767)
Income tax paid	(16,802)	(9,888)
<i>Net cash flows generated from operating activities</i>	44,092	68,461
INVESTING ACTIVITIES		
Additions to property, plant, equipment, land use rights and plantation expenditure	(55,493)	(69,237)
Interest received	2,976	3,327
<i>Net cash flows used in investing activities</i>	(52,517)	(65,910)
FINANCING ACTIVITIES		
Drawdown of borrowings	-	122,862
Repayment of borrowings	(31,091)	(13,522)
Dividend paid	(61,641)	(44,029)
<i>Net cash flows (used in)/generated from financing activities</i>	(92,732)	65,311
Net Change in Cash and Cash Equivalents	(101,157)	67,862
Foreign Exchange differences	(13,944)	12,780
Cash & Cash Equivalents at beginning of financial period	385,994	268,520
Cash & Cash Equivalents at end of financial period	270,893	349,162
Notes:	AS AT 30 SEPTEMBER 2017 RM'000	AS AT 30 SEPTEMBER 2016 RM'000
Cash and cash equivalents represent the following:		
Cash and bank balances	48,697	59,635
Deposits with licensed banks	229,705	294,026
	278,402	353,661
Less: Restricted deposits with licensed banks	(7,509)	(4,499)
	270,893	349,162

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 2017 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 2017.

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 2017 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 2017 and applicable to the Group as follows:

- Amendments to FRS 107 “Statement of Cash Flows” – “Disclosure Initiative”
- Amendments to FRS 112 “Income Taxes” – “Recognition of Deferred Tax Assets for Unrealised Losses”
- Annual improvements to FRSs 2014 – 2016 Cycle, which include Amendments to FRS 12 “Disclosure of Interests in Other Entities”

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 year ended 31 March 2017 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 (losses)/gains and the depreciation as 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 year to-date under review.

A6. Material Changes in Estimates

There were no major changes in estimates that 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 and financial year to-date.

A8. Dividend Paid

Dividend paid during the financial period ended 30 September 2017 is as follows:

In respect of the financial year ended 31 March 2017 as reported in the directors' report of that year:

A single tier interim dividend of 7 sen per share paid on 19 July 2017.

RM'000
61,641

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.

	6 months ended 30/09/2017	6 months ended 30/09/2016	var % +/-
REVENUE	RM'000	RM'000	
Malaysian Operations	205,629	230,690	-10.9
Indonesian Operations	175,403	110,070	+59.4
	<u>381,032</u>	<u>340,760</u>	<u>+11.8</u>

	6 months ended 30/09/2017	6 months ended 30/09/2016	var % +/-
PROFIT BEFORE TAXATION	RM'000	RM'000	
Malaysian Operations	28,969	77,782	-62.8
Indonesian Operations	14,062	24,931	-43.6
	<u>43,031</u>	<u>102,713</u>	<u>-58.1</u>

	As at 30 September 2017	As at 31 March 2017
TOTAL ASSETS	RM'000	RM'000
Malaysian Operations	1,011,150	1,068,125
Indonesian Operations	1,775,311	1,882,528
Unallocated assets	29,609	26,430
	<u>2,816,070</u>	<u>2,977,083</u>

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 2017.

A14. Capital Commitments

Capital commitments not provided for in the unaudited financial statements as at 30 September 2017 are as follows:

Property, plant, equipment, land use rights and Plantation expenditure:	RM'000
- Approved and contracted for	193,725
- Approved but not contracted for	74,048
	<u>267,773</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 2017, 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 Liabilities</u>	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Derivative financial instruments	-	148	-	148

IJM PLANTATIONS BERHAD (133399-A)

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

Current quarter under review – Q2-FY2018

Corresponding quarter of the preceding year – Q2-FY2017

Immediate preceding quarter – Q1-FY2018

Current financial year to-date– Year to-date FY2018

Corresponding financial year to-date– Year to-date FY2017

B1. Review of Performance

The results of the Group are tabulated below:

	Individual Quarter		var % +/-	Cumulative Period		var % +/-
	Current year quarter 30/09/2017 RM'000	Preceding year quarter 30/09/2016 RM'000		Current year to-date 30/09/2017 RM'000	Preceding year to-date 30/09/2016 RM'000	
Revenue:						
-Malaysia	103,874	156,982	-33.8	205,629	230,690	-10.9
-Indonesia	92,564	44,400	+108.5	175,403	110,070	+59.4
	<u>196,438</u>	<u>201,382</u>	-2.5	<u>381,032</u>	<u>340,760</u>	+11.8
Profit before taxation:						
-Malaysia	11,711	56,797	-79.4	28,969	77,782	-62.8
-Indonesia	6,546	7,275	-10.0	14,062	24,931	-43.6
	<u>18,257</u>	<u>64,072</u>	-71.5	<u>43,031</u>	<u>102,713</u>	-58.1

Individual Quarter -- Q2-FY2018 vs Q2-FY2017

For Q2-FY2018, the Group recorded a slight reduction in revenue as compared to Q2-FY2017 mainly due to lower sales volume in the Malaysian operations. Despite the higher FFB production in the Indonesian operations as a result of more areas having attained maturity, the older palms in both operations were affected by the lagged effects of the 2015-16 prolonged dry weather. Group FFB production as such was marginally lower than that of Q2-FY2017.

The Rupiah weakened against the US Dollar during the quarter resulting in a net unrealised foreign exchange loss of RM8.480 million on the US Dollar denominated borrowings as opposed to a gain of RM9.380 million in Q2-FY2017. Compounded by the higher costs from increased replanting activities, minimum wage and harvesting rates revision in the Malaysian operations and the increased mature areas in the Indonesian operations incurring full plantation maintenance and overheads against a startup yield, the profit before taxation of the Group was lower.

The performance by geographical segments are summarised as follows:

- (a) the Malaysian operations recorded lower revenue and profit before taxation in Q2-FY2018 because of the lower sales volume as a consequence of the weather impacted FFB production and the higher plantation and replanting costs; and
- (b) the Indonesian operations recorded a higher revenue in Q2-FY2018 with the increased FFB production. However, the financial performance of the operations was impacted by the net unrealised foreign exchange losses recorded for its US Dollar denominated borrowings.

IJM PLANTATIONS BERHAD (133399-A)

B1. Review of Performance (continued)

Cumulative Period -- Year to-date FY 2018 vs Year to-date FY 2017

The year to-date revenue of the Group was 11.8% higher than that of the same period of FY2017. The increase was mainly due to the higher sales volumes in the Indonesian operations. Despite the adverse lagged effect of the prolonged dry weather on the older palms, the Group's FFB production was higher as more crops were harvested from the increased mature area in the Indonesian operations.

The weaker Rupiah against the US Dollar resulted in a net unrealised foreign exchange loss of RM9.319 million on the US Dollar denominated borrowings as opposed to a gain of RM14.752 million during the same period of the previous financial year. Compounded by the higher costs from increased replanting activities, minimum wage and harvesting rates revision in the Malaysian operations and the increased mature area in the Indonesian operations incurring full plantation maintenance and overheads against a startup yield, the profit before taxation of the Group was lower.

The performance by geographical segments are summarised as follows:

- (a) Revenue for the Malaysian operations was lower due to lower sales volume. In addition to the replanting programme, FFB production was lower due to the adverse impact of the 2015-16 prolonged dry weather. Compounded by the higher replanting and wage costs, a lower profit before tax was achieved; and
- (b) Revenue for the Indonesian operations was higher due to the higher sales volume. FFB production was higher as a result of a larger area attaining maturity despite the effect of the prolonged dry weather on the older palms. However, the profit before taxation was adversely impacted by the net unrealised foreign exchange losses recorded on the US Dollar denominated borrowings.

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

	Individual Quarter			var %	Cumulative Period		
	Current year quarter 30/09/2017	Preceding year quarter 30/09/2016	var %		Current year to- date 30/09/2017	Preceding year to-date 30/09/2016	var %
Malaysian Operations							
Own FFB production (mt)	99,335	152,940	-35.0	210,634	260,137	-19.0	
Outside FFB crops (mt)	52,182	64,641	-19.3	97,534	108,776	-10.3	
CPO production (mt)	31,189	45,831	-31.9	62,331	75,763	-17.7	
PKO production (mt)	2,941	4,909	-40.1	6,103	7,541	-19.1	
CPO sales (mt)	31,910	48,805	-34.6	63,464	71,449	-11.2	
PKO sales (mt)	3,585	4,819	-25.6	6,397	7,894	-19.0	
CPO price per mt (RM)	2,683	2,597	+3.3	2,718	2,588	+5.0	
PKO price per mt (RM)	4,656	5,642	-17.5	4,543	5,374	-15.5	
Indonesian Operations							
Own FFB production (mt)	125,290	79,534	+57.5	255,535	163,956	+55.9	
Outside FFB crops (mt)	33,620	16,267	+106.7	60,731	32,389	+87.5	
CPO production (mt)	23,961	16,397	+46.1	48,736	35,385	+37.7	
PKO production (mt)	1,794	1,273	+40.9	3,069	2,336	+31.4	
CPO sales (mt)	22,680	13,004	+74.4	45,891	32,510	+41.2	
PKO sales (mt)	2,703	-	-	3,703	2,001	+85.1	
CPO price per mt (RM)	2,438	2,412	+1.1	2,470	2,411	+2.4	
PKO price per mt (RM)	4,386	-	-	4,318	4,452	-3.0	

IJM PLANTATIONS BERHAD (133399-A)

B1. Review of Performance (continued)

The relevant details pertaining to the results above are as follows: (cont'd)

Closing Exchange Rates	As at 30/09/2017	As at 30/09/2016
RM : Rupiah	1 : 3,195	1 : 3,135
US Dollar : RM	1 : 4.227	1 : 4.144
US Dollar : Rupiah	1 : 13,492	1 : 12,998

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

	Individual Quarter			var	Cumulative Period			var
	Current year quarter	Preceding year quarter			Current year to-date	Preceding year to-date		
	30/09/2017	30/09/2016			30/09/2017	30/09/2016		
	RM'000	RM'000	+/-	RM'000	RM'000	+/-		
Malaysian Operations								
Sabah sales tax	6,379	9,351	-31.8	12,724	13,729	-7.3		
MPOB Cess:								
-Palm Oil Price Stabilisation Fund Order 2001	68	102	-33.3	136	167	-18.6		
MPOB Cess:								
-Research & Development, Licensing, Enforcement and Marketing Cess Order 2002	373	558	-33.2	753	916	-17.8		
Total	6,820	10,011	-31.9	13,613	14,812	-8.1		

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	Immediate preceding quarter		
	30/09/2017	30/06/2017		%
	RM'000	RM'000	+/-	
Revenue:				
- Malaysia	103,874	101,755	+2.1	
- Indonesia	92,564	82,839	+11.7	
	196,438	184,594	+6.4	
Profit before taxation:				
- Malaysia	11,711	17,258	-32.1	
- Indonesia	6,546	7,516	-12.9	
	18,257	24,774	-26.3	

IJM PLANTATIONS BERHAD (133399-A)

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

Revenue for the Q2-FY2018 was marginally higher than Q1-FY2018 due to the higher sales volume. However, the total FFB harvested was lower due to a change in cropping pattern. The Group's financial performance was materially impacted by the net unrealised foreign exchange losses on the US Dollar denominated borrowings of RM8.480 million (Q1-FY2018: losses of RM0.839 million) and the fair value losses on crude palm oil pricing swaps of RM3.003 million (Q1-FY2018: gains of RM0.720 million).

The performance by geographical segments are summarised as follows:

- (a) The Malaysian operations recorded slightly higher revenue due to higher sales volume. However the FFB production was lower because of a change in cropping pattern. A lower financial performance was achieved mainly due to the fair value losses on crude palm oil pricing swaps; and
- (b) The Indonesian operations recorded higher revenue due to higher PKO sales volume and price. FFB production was lower due the change in cropping pattern and the dry weather impact. 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 % +/-
	Current year quarter 30/09/2017	Immediate preceding quarter 30/06/2017	
Malaysian Operations			
Own FFB production (mt)	99,335	111,299	-10.7
Outside FFB crops (mt)	52,182	45,352	+15.1
CPO production (mt)	31,189	31,142	+0.2
PKO production (mt)	2,941	3,162	-7.0
CPO sales (mt)	31,910	31,554	+1.1
PKO sales (mt)	3,585	2,812	+27.5
CPO price per mt (RM)	2,683	2,753	-2.5
PKO price per mt (RM)	4,656	4,399	+5.8
Indonesian Operations			
Own FFB production (mt)	125,290	130,245	-3.8
Outside FFB crops (mt)	33,620	27,111	+24.0
CPO production (mt)	23,961	24,775	-3.3
PKO production (mt)	1,794	1,275	+40.7
CPO sales (mt)	22,680	23,211	-2.3
PKO sales (mt)	2,703	1,000	+170.3
CPO price per mt (RM)	2,438	2,502	-2.6
PKO price per mt (RM)	4,386	4,136	+6.0
Closing Exchange Rates			
	As at 30/09/2017	As at 30/06/2017	
RM : Rupiah	1 : 3,195	1 : 3,096	
US Dollar : RM	1 : 4.227	1 : 4.295	
US Dollar : Rupiah	1 : 13,492	1 : 13,319	

IJM PLANTATIONS BERHAD (133399-A)

B3. Prospects for the Current Financial Year

The Group expects the overall performance for the current financial year to be challenging due to the uncertainty in the recovery of crop production particularly in the Malaysian operations.

In Indonesia, notwithstanding the higher crop production from the increased young mature areas, the business environment is expected to be impacted by the volatility of the foreign exchange rates particularly the USD Dollars against the Rupiah.

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		
	2017 RM'000	2016 RM'000	var %	2017 RM'000	2016 RM'000	var %
Current tax:			+/-			+/-
- Malaysian income tax	5,395	14,562	-63.0	10,573	20,547	-48.5
Deferred tax:						
- Relating to (reversal)/origination of temporary differences	(4)	4,247	-100.1	3,003	9,740	-69.2
	<u>5,391</u>	<u>18,809</u>	<u>-71.3</u>	<u>13,576</u>	<u>30,287</u>	<u>-55.2</u>

The higher effective tax rate of the Group is due to the tax treatment of the foreign exchange movements and non-deductibility of certain expenses for tax purposes at the overseas subsidiaries.

B6. Corporate Proposals

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

IJM PLANTATIONS BERHAD (133399-A)

B7. Group Borrowings

The particulars of the Group's borrowings denominated in US Dollars in Ringgit Malaysia equivalent are as follows:

	As at 30 September 2017
Short term borrowings	RM'000
<u>Unsecured:</u>	
- Short term advance facility	84,460
<u>Secured:</u>	
- Term loan	231,209
	315,669
Long term borrowings	
<u>Secured:</u>	
- Term loan	537,376
	537,376
Total borrowings	853,045

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 2017.

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	
	2017	2016	2017	2016
<u>Basic earnings per share</u>				
Net profit for the period attributable to owners of the Company (RM'000)	9,373	44,208	26,271	69,413
	9,373	44,208	26,271	69,413
Weighted average number of ordinary shares in issue ('000')	880,580	880,580	880,580	880,580
	880,580	880,580	880,580	880,580
Basic earnings per share (sen)	1.06	5.02	2.98	7.88
	1.06	5.02	2.98	7.88

IJM PLANTATIONS BERHAD (133399-A)

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 September 2017 RM'000	As at 31 March 2017 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	1,244,316	1,161,916
- Unrealised (Note 1)	(251,072)	(166,314)
	993,244	995,602
Less: Consolidation adjustments (Note 2)	(246,327)	(213,315)
Total Group retained profits	746,917	782,287

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 eliminations 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

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER		var % +/-	CUMULATIVE PERIOD 6 MONTHS ENDED 30 SEPTEMBER		var % +/-
	2017 RM'000	2016 RM'000		2017 RM'000	2016 RM'000	
Interest income	1,409	1,645	-14.3	2,976	3,327	-10.6
Net gains/(losses) - net foreign exchange gains/(losses)	636	9,380	-93.2	(203)	14,752	-101.4
Finance costs – net foreign exchange losses on borrowings	(9,116)	-	-	(9,116)	-	-
Other income	1,129	887	+27.3	2,177	1,816	+19.9
Fair value (losses)/gains on crude palm oil pricing swaps	(3,003)	(3,047)	-1.4	(2,283)	3,384	-167.5
Interest expense	(5,756)	(4,091)	+40.7	(11,144)	(7,767)	+43.5
Depreciation and amortisation	(21,158)	(15,042)	+40.7	(41,662)	(29,837)	+39.6

The above disclosure was prepared in accordance with 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.

IJM PLANTATIONS BERHAD (133399-A)

B13. Fair Value changes of Financial Instruments

The Group recognised the fair value losses of approximately RM3,003,000 (*Q2-FY 2017: Losses of RM3,047,000*) and fair value losses of approximately RM2,283,000 (*Year to-date FY2017: Gains of RM3,384,000*) 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.