



## IJM PLANTATIONS BERHAD (133399-A)

### Part A1 : Quarterly Report

Quarterly report for the financial period ended:	31/12/2017
Quarter:	3 <sup>rd</sup> 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 31/12/2017

	Individual Quarter		Cumulative Period	
	Current year quarter 31/12/2017 RM'000	Preceding year quarter 31/12/2016 RM'000	Current year to date 31/12/2017 RM'000	Preceding year to date 31/12/2016 RM'000
1 Revenue	224,868	220,321	605,900	561,081
2 Profit before taxation	32,388	28,859	75,419	131,572
3 Net profit for the period	8,769	21,644	38,224	94,070
4 Profit attributable to owners of the Company	10,294	23,627	36,565	93,040
5 Basic earnings per share (sen)	1.17	2.68	4.15	10.56
6 Proposed/Declared dividend per share (sen)	-	-	-	-
	<b>As at end of current quarter 31/12/2017</b>		<b>As at preceding financial year end</b>	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		1.89		2.03

## IJM PLANTATIONS BERHAD (133399-A)

### CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER 3 MONTHS ENDED 31 DECEMBER			CUMULATIVE 9 MONTHS ENDED 31 DECEMBER		
	2017 RM'000 (Unaudited)	2016 RM'000 (Unaudited)	var % +/-	2017 RM'000 (Unaudited)	2016 RM'000 (Unaudited)	var % +/-
Revenue	224,868	220,321	+2.1	605,900	561,081	+8.0
Operating expenses	(188,916)	(172,305)	+9.6	(508,943)	(425,649)	+19.6
Net income and net gains/(losses):						
- Net other income	5,695	1,829	+211.4	8,184	10,141	-19.3
- Net foreign exchange gains/(losses)	172	(11,413)	+101.5	(31)	3,339	-100.9
Profit from operations	41,819	38,432	+8.8	105,110	148,912	-29.4
Finance costs:						
- Interest expense	(5,706)	(4,085)	+39.7	(16,850)	(11,852)	+42.2
- Net foreign exchange losses on borrowings	(3,725)	(5,488)	-32.1	(12,841)	(5,488)	+134.0
Profit before taxation	32,388	28,859	+12.2	75,419	131,572	-42.7
Income tax expense	(23,619)	(7,215)	+227.4	(37,195)	(37,502)	-0.8
<b>Net profit for the financial period</b>	<b>8,769</b>	<b>21,644</b>	<b>-59.5</b>	<b>38,224</b>	<b>94,070</b>	<b>-59.4</b>
<b>Other comprehensive (loss)/income</b>						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
- Currency translation difference	(35,890)	41,534	-186.4	(88,998)	101,730	-187.5
<b>Total comprehensive (loss)/income for the financial period</b>	<b>(27,121)</b>	<b>63,178</b>	<b>-142.9</b>	<b>(50,774)</b>	<b>195,800</b>	<b>-125.9</b>
<b>Net profit attributable to:</b>						
- Owners of the Company	10,294	23,627	-56.4	36,565	93,040	-60.7
- Non-controlling interests	(1,525)	(1,983)	-23.1	1,659	1,030	+61.1
	<b>8,769</b>	<b>21,644</b>	<b>-59.5</b>	<b>38,224</b>	<b>94,070</b>	<b>-59.4</b>
<b>Total comprehensive (loss)/income attributable to:</b>						
- Owners of the Company	(25,698)	65,560	-139.2	(52,785)	195,521	-127.0
- Non-controlling interests	(1,423)	(2,382)	-40.3	2,011	279	+620.8
	<b>(27,121)</b>	<b>63,178</b>	<b>-142.9</b>	<b>(50,774)</b>	<b>195,800</b>	<b>-125.9</b>
Earnings per share attributable to owners of the Company (sen):						
Basic earnings per share:						
- [Note B10]	<u>1.17 sen</u>	<u>2.68 sen</u>		<u>4.15 sen</u>	<u>10.56 sen</u>	

# IJM PLANTATIONS BERHAD (133399-A)

## CONDENSED CONSOLIDATED BALANCE SHEET

	<b>31 December 2017 RM'000 (Unaudited)</b>	<b>31 March 2017 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-Current Assets:</b>		
Property, plant and equipment	908,826	973,322
Land use rights	148,993	159,864
Plantation expenditure	1,148,900	1,201,570
Other receivables	88,249	81,102
Deferred tax assets	-	10,204
	2,294,968	2,426,062
<b>Current Assets:</b>		
Inventories	96,183	99,288
Trade and other receivables	51,279	38,958
Derivative financial instruments	2,493	2,909
Tax recoverable	17,841	16,226
Deposits, cash and bank balances	254,082	393,640
	421,878	551,021
<b>TOTAL ASSETS</b>	2,716,846	2,977,083
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves attributable to owners of the Company</b>		
Share capital	922,530	922,530
Reserves	746,094	862,438
	1,668,624	1,784,968
Non-controlling interests	(3,927)	(5,938)
<b>Total Equity</b>	1,664,697	1,779,030
<b>Non-Current Liabilities:</b>		
Retirement benefits	14,956	6,847
Borrowings	547,271	724,196
Deferred tax liabilities	174,312	171,976
	736,539	903,019
<b>Current Liabilities:</b>		
Trade and other payables	85,558	94,739
Current tax liabilities	7	174
Borrowings	230,045	200,121
	315,610	295,034
<b>Total Liabilities</b>	1,052,149	1,198,053
<b>TOTAL EQUITY AND LIABILITIES</b>	2,716,846	2,977,083
<b>Net Assets Per Share attributable to owners of the Company (RM)</b>	<b>1.89</b>	<b>2.03</b>

## IJM PLANTATIONS BERHAD (133399-A)

### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 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
<b>At 1 April 2017</b>	922,530	8,343	71,808	782,287	1,784,968	(5,938)	1,779,030
Comprehensive Income: -net profit for the period	-	-	-	36,565	36,565	1,659	38,224
Other Comprehensive Income: -Currency translation differences arising from translation of net investments in subsidiaries	-	-	(89,350)	-	(89,350)	352	(88,998)
Total Comprehensive (loss)/income	-	-	(89,350)	36,565	(52,785)	2,011	(50,774)
Capital contribution by ultimate holding company	-	(1,918)	-	-	(1,918)	-	(1,918)
Dividend - year ended 31 March 2017	-	-	-	(61,641)	(61,641)	-	(61,641)
<b>At 31 December 2017 (Unaudited)</b>	922,530	6,425	(17,542)	757,211	1,668,624	(3,927)	1,664,697

## IJM PLANTATIONS BERHAD (133399-A)

### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 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
<b>At 1 April 2016</b>	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	-	-	-	-	93,040	93,040	1,030	94,070
Other Comprehensive Income: -Currency translation differences arising from translation of net investments in subsidiaries	-	-	-	102,481	-	102,481	(751)	101,730
<b>Total Comprehensive income</b>	-	-	-	102,481	93,040	195,521	279	195,800
Capital contribution by ultimate holding company	-	-	(1,745)	-	-	(1,745)	-	(1,745)
Dividend - year ended 31 March 2016	-	-	-	-	(44,029)	(44,029)	-	(44,029)
Issuance of shares to non-controlling interests	-	-	-	-	-	-	5,900	5,900
<b>At 31 December 2016 (Unaudited)</b>	440,290	482,240	7,319	77,526	760,247	1,767,622	(6,406)	1,761,216

## IJM PLANTATIONS BERHAD (133399-A)

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>9 MONTHS ENDED 31 DECEMBER 2017 RM'000 (Unaudited)</b>	<b>9 MONTHS ENDED 31 DECEMBER 2016 RM'000 (Unaudited)</b>
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	594,025	547,615
Payments to contractors, suppliers and employees	(454,882)	(395,784)
Interest paid	(16,850)	(11,852)
Income tax paid	(24,390)	(14,620)
<i>Net cash flows generated from operating activities</i>	97,903	125,359
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant, equipment, land use rights and plantation expenditure	(80,671)	(98,171)
Interest received	4,469	5,118
<i>Net cash flows used in investing activities</i>	(76,202)	(93,053)
<b>FINANCING ACTIVITIES</b>		
Drawdown of borrowings	-	122,862
Placement restricted deposit	-	(3,002)
Repayment of borrowings	(75,903)	(28,250)
Dividend paid	(61,641)	(44,029)
<i>Net cash flows (used in)/generated from financing activities</i>	(137,544)	47,581
<b>Net Change in Cash and Cash Equivalents</b>	(115,843)	79,887
<b>Foreign Exchange differences</b>	(23,528)	21,424
<b>Cash &amp; Cash Equivalents at beginning of financial period</b>	385,994	268,520
<b>Cash &amp; Cash Equivalents at end of financial period</b>	246,623	369,831
<b>Notes:</b>	<b>AS AT 31 DECEMBER 2017 RM'000</b>	<b>AS AT 31 DECEMBER 2016 RM'000</b>
Cash and cash equivalents represent the following:		
Cash and bank balances	80,946	72,581
Deposits with licensed banks	173,136	304,918
	254,082	377,499
Less: Restricted deposits with licensed banks	(7,459)	(7,668)
	246,623	369,831

# 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 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)/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 31 December 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.

	<b>9 months ended 31/12/2017</b>	<b>9 months ended 31/12/2016</b>	var % +/-
<b>REVENUE</b>	RM'000	RM'000	
Malaysian Operations	338,952	364,055	-6.9
Indonesian Operations	266,948	197,026	+35.5
	605,900	561,081	+8.0

	<b>9 months ended 31/12/2017</b>	<b>9 months ended 31/12/2016</b>	var % +/-
<b>PROFIT BEFORE TAXATION</b>	RM'000	RM'000	
Malaysian Operations	63,787	108,593	-41.3
Indonesian Operations	11,632	22,979	-49.4
	75,419	131,572	-42.7

	<b>As at 31 December 2017</b>	<b>As at 31 March 2017</b>
<b>TOTAL ASSETS</b>	RM'000	RM'000
Malaysian Operations	1,037,317	1,068,125
Indonesian Operations	1,661,688	1,882,528
Unallocated assets	17,841	26,430
	2,716,846	2,977,083

### 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 31 December 2017.

### A14. Capital Commitments

Capital commitments not provided for in the unaudited financial statements as at 31 December 2017 are as follows:

Property, plant, equipment, land use rights and Plantation expenditure:	<b>RM'000</b>
- Approved and contracted for	156,666
- Approved but not contracted for	85,484
	<u>242,150</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 31 December 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 Assets</u>	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Derivative financial instruments	-	2,493	-	2,493

## IJM PLANTATIONS BERHAD (133399-A)

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

*Current quarter under review – Q3-FY2018*

*Corresponding quarter of the preceding year – Q3-FY2017*

*Immediate preceding quarter – Q2-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 31/12/2017 RM'000	Preceding year quarter 31/12/2016 RM'000		Current year to-date 31/12/2017 RM'000	Preceding year to-date 31/12/2016 RM'000	
<b>Revenue:</b>						
-Malaysia	133,323	133,365	-0.0	338,952	364,055	-6.9
-Indonesia	91,545	86,956	+5.3	266,948	197,026	+35.5
	<u>224,868</u>	<u>220,321</u>	+2.1	<u>605,900</u>	<u>561,081</u>	+8.0
<b>Profit/(loss) before taxation:</b>						
-Malaysia	34,818	30,811	+13.0	63,787	108,593	-41.3
-Indonesia	(2,430)	(1,952)	+24.5	11,632	22,979	-49.4
	<u>32,388</u>	<u>28,859</u>	+12.2	<u>75,419</u>	<u>131,572</u>	-42.7

#### Individual Quarter -- Q3-FY2018 vs Q3-FY2017

Revenue in Q3-FY2018 was marginally higher than that of Q3-FY2017 due to higher sales volume. Profit before taxation as such was also higher. The higher costs from increased replanting activities, increased interest rate on loans and more young mature area incurring full plantation maintenance and overheads against a startup yield were mitigated by lower unrealised foreign exchange loss.

The performance by geographical segments are summarised as follows:

- (a) in spite of higher sales volume, Q3-FY2018 revenue of the Malaysian operations was similar to that of Q3-FY2017 due to lower commodity prices. FFB production improved with the change in cropping season. The higher profit before tax was mainly due to the gains on crude palm oil swap contracts during the quarter as opposed to losses in the previous period; and
- (b) revenue in the Indonesian operations was higher in Q3-FY2018 due to higher sales volume despite weaker commodity prices. However, FFB production was affected by the low cropping pattern as a result of the previous prolonged dry weather. The financial performance of the operations was impacted by the increased young mature areas incurring full plantation maintenance and overheads against a startup yield, additional depreciation and overheads associated with the commencement of the second palm oil mill, and lower commodity prices during the quarter.

## 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 8.0% 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 weakening of the Rupiah against the US Dollar resulted in a net unrealised foreign exchange loss of RM12.872 million on the US Dollar denominated borrowings as compared to a loss of RM2.149 million during the same period of the previous financial year. Compounded by the lower commodity prices, the higher costs from increased replanting activities, minimum wage and harvesting rates revision in the Malaysian operations and the increased young mature area in the Indonesian operations incurring full plantation maintenance and overheads against a startup yield, and additional depreciation and overheads associated with the commencement of the second palm oil mill, 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 lagged 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 mainly 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 and higher interest costs.

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

	Individual Quarter		var %	Cumulative Period		var %
	Current year quarter 31/12/2017	Preceding year quarter 31/12/2016		Current year to-date 31/12/2017	Preceding year to-date 31/12/2016	
<b>Malaysian Operations</b>						
Own FFB production (mt)	133,147	119,363	+11.5	343,781	379,500	-9.4
Outside FFB crops (mt)	75,236	49,743	+51.2	172,770	158,519	+9.0
CPO production (mt)	42,467	35,434	+19.8	104,798	111,197	-5.8
PKO production (mt)	5,217	4,358	+19.7	11,320	11,899	-4.9
CPO sales (mt)	39,988	36,920	+8.3	103,452	108,369	-4.5
PKO sales (mt)	5,042	4,021	+25.4	11,439	11,915	-4.0
CPO price per mt (RM)	2,607	2,840	-8.2	2,675	2,674	+0.0
PKO price per mt (RM)	5,397	6,134	-12.0	4,919	5,631	-12.6
<b>Indonesian Operations</b>						
Own FFB production (mt)	107,760	121,464	-11.3	363,295	285,420	+27.3
Outside FFB crops (mt)	32,514	20,532	+58.4	93,245	52,921	+76.2
CPO production (mt)	22,973	19,681	+16.7	71,709	55,066	+30.2
PKO production (mt)	1,617	1,493	+8.3	4,686	3,829	+22.4
CPO sales (mt)	23,571	18,506	+27.4	69,462	51,016	+36.2
PKO sales (mt)	2,001	2,500	-20.0	5,704	4,501	+26.7
CPO price per mt (RM)	2,405	2,667	-9.8	2,448	2,504	-2.2
PKO price per mt (RM)	5,390	5,677	-5.1	4,694	5,132	-8.5

## 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 31/12/2017	As at 31/12/2016
RM : Rupiah	1 : 3,333	1 : 2,994
US Dollar : RM	1 : 4.063	1 : 4.484
US Dollar : Rupiah	1 : 13,548	1 : 13,436

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

	Individual Quarter			Cumulative Period		
	Current year quarter	Preceding year quarter	var	Current year to-date	Preceding year to-date	var
	31/12/2017	31/12/2016	%	31/12/2017	31/12/2016	%
	RM'000	RM'000	+/-	RM'000	RM'000	+/-
<b>Malaysian Operations</b>						
Sabah sales tax	7,742	7,934	-2.4	20,466	21,663	-5.5
Windfall profit levy	-	101	-100.0	-	101	-100.0
MPOB Cess:						
-Palm Oil Price Stabilisation Fund Order 2001	95	79	+20.3	232	246	-5.7
MPOB Cess:						
-Research & Development, Licensing, Enforcement and Marketing Cess Order 2002	524	438	+19.6	1,277	1,354	-5.7
<b>Total</b>	<b>8,361</b>	<b>8,552</b>	-2.2	<b>21,975</b>	<b>23,364</b>	-5.9

### 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	
	31/12/2017	30/09/2017	
	RM'000	RM'000	
<b>Revenue:</b>			
- Malaysia	133,323	103,874	+28.4
- Indonesia	91,545	92,564	-1.1
	224,868	196,438	+14.5
<b>Profit/(loss) before taxation:</b>			
- Malaysia	34,818	11,711	+197.3
- Indonesia	(2,430)	6,546	-137.1
	32,388	18,257	+77.4

## IJM PLANTATIONS BERHAD (133399-A)

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

Revenue for the Q3-FY2018 was higher than Q2-FY2018 due to the higher sales volume. As a result of the higher FFB production in the Malaysian operations, lower net unrealised foreign exchange loss of RM3.553 million on the US Dollar denominated borrowings (Q2-FY2018: RM8.480 million losses) and gains on crude palm oil swap contracts of RM3.054 million (Q2-FY2018: RM3.003 million losses), the Group's financial performance had improved.

The performance by geographical segments are summarised as follows:

- (a) The Malaysian operations recorded higher revenue due to higher sales volume. The recovery of the FFB production during the quarter had resulted in higher profit before tax being achieved; and
- (b) The Indonesian operations recorded marginally lower revenue due to lower FFB sales volume. FFB production was lower due the change in cropping pattern. The overall financial performance of the operations was impacted by the increased mature area incurring the full plantation maintenance and overheads against a startup yield.

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

	Individual Quarter		var % +/-
	Current year quarter 31/12/2017	Immediate preceding quarter 30/09/2017	
<b>Malaysian Operations</b>			
Own FFB production (mt)	133,147	99,335	+34.0
Outside FFB crops (mt)	75,236	52,182	+44.2
CPO production (mt)	42,467	31,189	+36.2
PKO production (mt)	5,217	2,941	+77.4
CPO sales (mt)	39,988	31,910	+25.3
PKO sales (mt)	5,042	3,585	+40.6
CPO price per mt (RM)	2,607	2,683	-2.8
PKO price per mt (RM)	5,397	4,656	+15.9
<b>Indonesian Operations</b>			
Own FFB production (mt)	107,760	125,290	-14.0
Outside FFB crops (mt)	32,514	33,620	-3.3
CPO production (mt)	22,973	23,961	-4.1
PKO production (mt)	1,617	1,794	-9.9
Own FFB sales (mt)	42,898	49,744	-13.8
CPO sales (mt)	23,571	22,680	+3.9
PKO sales (mt)	2,001	2,703	-26.0
FFB price per mt (RM)	555	505	+9.9
CPO price per mt (RM)	2,405	2,438	-1.4
PKO price per mt (RM)	5,390	4,386	+22.9
<b>Closing Exchange Rates</b>			
	<b>As at 31/12/2017</b>	<b>As at 30/09/2017</b>	
RM : Rupiah	1 : 3,333	1 : 3,195	
US Dollar : RM	1 : 4.063	1 : 4.227	
US Dollar : Rupiah	1 : 13,548	1 : 13,492	

## IJM PLANTATIONS BERHAD (133399-A)

### B3. Prospects for the Current Financial Year

Notwithstanding the recovery of crop production in the Malaysian operations and the higher crop production from the increased young mature areas in the Indonesian operations, the Group continues to be affected by the start-up yields whilst incurring full plantation maintenance and overheads. The business environment is also exposed to the volatility of the foreign exchange rates particularly the US Dollar against the Rupiah and higher borrowing costs.

As a result of the above factors and given the volatility in the commodity prices, the Group expects a lower performance for the current financial year as compared to the previous financial year.

### 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 31 DECEMBER		CUMULATIVE PERIOD 9 MONTHS ENDED 31 DECEMBER	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current tax:				
- Malaysian income tax	12,035	5,345	22,608	25,892
Deferred tax:				
- Relating to origination/reversal of temporary differences	11,584	1,870	14,587	11,610
	<u>23,619</u>	<u>7,215</u>	<u>37,195</u>	<u>37,502</u>

The higher effective tax rate of the Group is due to derecognition of certain deferred tax assets, 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:

	<b>As at 31 December 2017</b>
	RM'000
<b>Short term borrowings</b>	
<u>Unsecured:</u>	
- Short term advance facility	81,288
<u>Secured:</u>	
- Term loan	148,757
	230,045
<b>Long term borrowings</b>	
<u>Secured:</u>	
- Term loan	547,271
	547,271
<b>Total borrowings</b>	777,316

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

	<b>INDIVIDUAL QUARTER 3 MONTHS ENDED 31 DECEMBER</b>		<b>CUMULATIVE PERIOD 9 MONTHS ENDED 31 DECEMBER</b>	
	2017	2016	2017	2016
<b><u>Basic earnings per share</u></b>				
Net profit for the period attributable to owners of the Company (RM'000)	10,294	23,627	36,565	93,040
	10,294	23,627	36,565	93,040
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
<b>Basic earnings per share (sen)</b>	1.17	2.68	4.15	10.56
	1.17	2.68	4.15	10.56



## 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.

	<b>As at 31 December 2017 RM'000</b>	<b>As at 31 March 2017 RM'000</b>
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	1,195,056	1,161,916
- Unrealised (Note 1)	(230,043)	(166,314)
	965,013	995,602
Less: Consolidation adjustments (Note 2)	(207,802)	(213,315)
Total Group retained profits	757,211	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

	<b>INDIVIDUAL QUARTER 3 MONTHS ENDED 31 DECEMBER</b>		<b>CUMULATIVE PERIOD 9 MONTHS ENDED 31 DECEMBER</b>	
	<b>2017 RM'000</b>	<b>2016 RM'000</b>	<b>2017 RM'000</b>	<b>2016 RM'000</b>
Interest income	1,493	1,791	4,469	5,118
Net gains/(losses) - net foreign exchange gains/(losses)	172	(11,413)	(31)	3,339
Finance costs – net foreign exchange losses on borrowings	(3,725)	(5,488)	(12,841)	(5,488)
Other income	1,407	1,885	3,584	3,701
Fair value gains/(losses) on crude palm oil pricing swaps	3,054	(1,789)	771	1,595
Interest expense	(5,706)	(4,085)	(16,850)	(11,852)
Depreciation and amortisation	(21,062)	(15,801)	(62,724)	(45,638)

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. Financial Instruments

The Group entered into Crude Palm Oil (“CPO”) pricing swap contracts offered by reputable banks in Malaysia to mitigate the exposure to fluctuations in the price of CPO in accordance with the guidelines set by the Board of Directors.

As at the reporting date, the outstanding notional volume and value of the CPO pricing swap contracts and their fair value are as follows:

CPO pricing swap contracts	Notional volume outstanding as at the date of statement of financial position (Metric tonnes)	Notional value outstanding as at the date of statement of financial position (RM)	Fair value of derivative financial asset (RM)
- Less than 1 year	12,750	34,200,000	2,493,000
- 1 year to 3 years	-	-	-
- More than 3 years	-	-	-

There is no other type of derivatives entered into subsequent to the end of previous financial year.

There is no change in the financial risk management and related accounting policy on the CPO pricing swaps since the end of the previous financial year.

### B14. Fair Value changes of Financial Instruments

The Group recognised the fair value gains of approximately RM3,054,000 (*Q3-FY 2017: Losses of RM1,789,000*) and fair value gains of approximately RM771,000 (*Year to-date FY2017: Gains of RM1,595,000*) on the 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.

Fair value gain is recorded when the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange is lower than the contracted fixed CPO prices. Conversely, a fair value loss will be recorded when the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange is higher than the contracted fixed CPO prices.