



IJM PLANTATIONS BERHAD (133399-A)

Part A1 : Quarterly Report

Quarterly report for the financial year ended: 31/03/2018
Quarter: 4th Qtr
Financial Year End: 31/03/2018
The figures: Audited

Full Quarterly Report: Refer attached

Part A2 : Summary of Key Financial Information for the financial year 31/03/2018

	Individual Quarter		Cumulative Period	
	Current year quarter 31/03/2018 RM'000	Preceding year quarter 31/03/2017 RM'000	Current year to date 31/03/2018 RM'000	Preceding year to date 31/03/2017 RM'000
1 Revenue	141,317	192,630	747,217	753,711
2 Profit before taxation	1,884	36,942	77,303	168,514
3 Net profit for the year	5,830	22,468	44,054	116,538
4 Profit attributable to owners of the Company	10,080	22,040	46,645	115,080
5 Basic earnings per share (sen)	1.14	2.50	5.30	13.07
6 Proposed/Declared dividend per share (sen)	5.0	7.0	5.0	7.0
	As at end of current quarter 31/03/2018		As at preceding financial year end	
7 Net assets per share attributable to owners of the Company (RM)		1.84		2.03

IJM PLANTATIONS BERHAD (133399-A)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER 3 MONTHS ENDED 31 MARCH			CUMULATIVE 12 MONTHS ENDED 31 MARCH		
	2018 RM'000 (Unaudited)	2017 RM'000 (Unaudited)	change % +/-	2018 RM'000 (Audited)	2017 RM'000 (Audited)	change % +/-
Revenue	141,317	192,630	-26.6	747,217	753,711	-0.9
Operating expenses	(124,836)	(154,492)	-19.2	(633,779)	(580,141)	+9.2
Net income and net gains/(losses):						
- Net other income	2,468	5,457	-54.8	10,652	15,598	-31.7
- Net foreign exchange (losses)/gains	(200)	(172)	+16.3	(231)	3,167	-107.3
Profit from operations	18,749	43,423	-56.8	123,859	192,335	-35.6
Finance costs:						
- Adjustment to long term receivables under FRS 139	-	(5,865)	-100.0	-	(5,865)	-100.0
- Interest expense	(6,246)	(4,740)	+31.8	(23,096)	(16,592)	+39.2
- Net foreign exchange (losses)/gains on borrowings	(10,619)	4,124	-357.5	(23,460)	(1,364)	+1619.9
Profit before taxation	1,884	36,942	-94.9	77,303	168,514	-54.1
Income tax	3,946	(14,474)	+127.3	(33,249)	(51,976)	-36.0
Net profit for the financial year	5,830	22,468	-74.1	44,054	116,538	-62.2
Other comprehensive (loss)/income						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
- Currency translation difference	(53,041)	(5,678)	+834.1	(142,039)	96,052	-247.9
<i>Items that may not be reclassified subsequently to profit or loss:</i>						
- Actuarial gain on defined benefit plan	1,643	-	+100.0	1,643	-	+100.0
	(51,398)	(5,678)	+805.2	(140,396)	96,052	-246.2
Total comprehensive (loss)/income for the financial year	(45,568)	16,790	-371.4	(96,342)	212,590	-145.3
Net (loss)/profit attributable to:						
- Owners of the Company	10,080	22,040	-54.3	46,645	115,080	-59.5
- Non-controlling interests	(4,250)	428	-1093.0	(2,591)	1,458	-277.7
	5,830	22,468	-74.1	44,054	116,538	-62.2
Total comprehensive (loss)/income attributable to:						
- Owners of the Company	(41,977)	16,322	-357.2	(94,762)	211,843	-144.7
- Non-controlling interests	(3,591)	468	-867.3	(1,580)	747	-311.5
	(45,568)	16,790	-371.4	(96,342)	212,590	-145.3
Earnings per share attributable to owners of the Company (sen):						
Basic earnings per share:						
- [Note B10]	1.14 sen	2.50 sen		5.30 sen	13.07 sen	

IJM PLANTATIONS BERHAD (133399-A)

CONDENSED CONSOLIDATED BALANCE SHEET

	31 March 2018 RM'000 (Audited)	31 March 2017 RM'000 (Audited)
ASSETS		
Non-Current Assets:		
Property, plant and equipment	881,720	973,322
Land use rights	145,116	159,864
Plantation expenditure	1,107,848	1,201,570
Other receivables	87,975	81,102
Deferred tax assets	4,333	10,204
	2,226,992	2,426,062
Current Assets:		
Inventories	114,718	99,288
Trade and other receivables	48,960	38,958
Derivative financial instruments	1,055	2,909
Tax recoverable	15,551	16,226
Deposits, cash and bank balances	217,010	393,640
	397,294	551,021
TOTAL ASSETS	2,624,286	2,977,083
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the Company		
Share capital	922,530	922,530
Reserves	700,721	862,438
	1,623,251	1,784,968
Non-controlling interests	(3,483)	(5,938)
Total Equity	1,619,768	1,779,030
Non-Current Liabilities:		
Retirement benefits	17,143	6,847
Borrowings	460,567	724,196
Deferred tax liabilities	167,907	171,976
	645,617	903,019
Current Liabilities:		
Trade and other payables	86,386	94,739
Current tax liabilities	2	174
Borrowings	272,513	200,121
	358,901	295,034
Total Liabilities	1,004,518	1,198,053
TOTAL EQUITY AND LIABILITIES	2,624,286	2,977,083
Net Assets Per Share attributable to owners of the Company (RM)	1.84	2.03

IJM PLANTATIONS BERHAD (133399-A)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	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/(loss) for the year	-	-	-	46,645	46,645	(2,591)	44,054
Other Comprehensive Income/(loss):							
-Currency translation differences arising from translation of net investments in subsidiaries	-	-	(142,923)	-	(142,923)	884	(142,039)
-Actuarial gain on defined benefit plan	-	-	-	1,516	1,516	127	1,643
	-	-	(142,923)	1,516	(141,407)	1,011	(140,396)
Total Comprehensive (loss)/income	-	-	(142,923)	48,161	(94,762)	(1,580)	(96,342)
Capital contribution by ultimate holding company	-	2,327	-	-	2,327	-	2,327
Exercise of employee share options	-	(3,606)	-	-	(3,606)	-	(3,606)
Dividends - year ended 31 March 2017	-	-	-	(61,641)	(61,641)	-	(61,641)
Effect of change in equity in a subsidiary	-	-	-	(4,035)	(4,035)	4,035	-
At 31 March 2018 (Audited)	922,530	7,064	(71,115)	764,772	1,623,251	(3,483)	1,619,768

IJM PLANTATIONS BERHAD (133399-A)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	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 year	-	-	-	-	115,080	115,080	1,458	116,538
Other Comprehensive Income/(loss): -Currency translation differences arising from translation of net investments in subsidiaries	-	-	-	96,763	-	96,763	(711)	96,052
Total Comprehensive income	-	-	-	96,763	115,080	211,843	747	212,590
Transition to no-par value regime Note (a)	482,240	(482,240)	-	-	-	-	-	-
Capital contribution by ultimate holding company	-	-	3,708	-	-	3,708	-	3,708
Exercise of employee share options	-	-	(4,429)	-	-	(4,429)	-	(4,429)
Dividends - year ended 31 March 2016	-	-	-	-	(44,029)	(44,029)	-	(44,029)
Issuance of shares to non-controlling interests	-	-	-	-	-	-	5,900	5,900
At 31 March 2017 (Audited)	922,530	-	8,343	71,808	782,287	1,784,968	(5,938)	1,779,030

Note (a)

- With the Companies Act 2016 ("New Act") coming to effect on 31 January 2017, the credit standing in the share premium account of RM482,240,000 has been transferred into the share capital account. Pursuant to subsection 618(3) and 618(4) of the New Act, the Group may exercise its right to use the credit amounts being transferred from the share premium account within 24 months after the commencement of the New Act.

IJM PLANTATIONS BERHAD (133399-A)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 MONTHS ENDED 31 MARCH 2018 RM'000 (Audited)	12 MONTHS ENDED 31 MARCH 2017 RM'000 (Audited)
OPERATING ACTIVITIES		
Receipts from customers	734,179	745,559
Payments to contractors, suppliers and employees	(572,599)	(519,160)
Interest paid	(23,096)	(16,592)
Income tax paid	(28,399)	(26,718)
<i>Net cash flows generated from operating activities</i>	110,085	183,089
INVESTING ACTIVITIES		
Additions to property, plant, equipment, land use rights and plantation expenditure	(110,828)	(140,494)
Proceeds from disposal of property, plant and equipment	-	51
Placement of deposits	(3,199)	(3,002)
Interest received	5,722	6,975
<i>Net cash flows used in investing activities</i>	(108,305)	(136,470)
FINANCING ACTIVITIES		
Drawdown of borrowings	-	122,862
Repayment of borrowings	(82,172)	(28,250)
Dividends paid	(61,641)	(44,029)
<i>Net cash flows (used in)/generated from financing activities</i>	(143,813)	50,583
Net Change in Cash and Cash Equivalents	(142,033)	97,202
Foreign Exchange differences	(37,796)	20,272
Cash & Cash Equivalents at beginning of financial year	385,994	268,520
Cash & Cash Equivalents at end of financial year	206,165	385,994
Notes:	AS AT 31 MARCH 2018 RM'000	AS AT 31 MARCH 2017 RM'000
Cash and cash equivalents represent the following:		
Cash and bank balances	54,718	49,645
Deposits with licensed banks	162,292	343,995
	217,010	393,640
Less: Restricted deposits with licensed banks	(10,845)	(7,646)
	206,165	385,994

IJM PLANTATIONS BERHAD (133399-A)

A NOTES TO THE QUARTERLY RESULTS

A1. Basis of Preparation

The audited 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 figures for 12 months ended 31 March 2018 have been audited.

The audited 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. Accounting Policies

(a) Changes in Accounting Policies during the financial year

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.

(b) Explanation of Transition to the Malaysian Financial Reporting Standards ("MFRS") Framework

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.

IJM PLANTATIONS BERHAD (133399-A)

A2. Accounting Policies (continued)

(b) Explanation of Transition to the Malaysian Financial Reporting Standards (“MFRS”) Framework (continued)

In adopting the new framework, the Group will be applying MFRS 1 “First-time adoption of MFRS”. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. Adjustments required on transition, if any, may be made retrospectively against opening retained earnings in accordance with MFRS 1 “First-time adoption of MFRS”. The initial application of the accounting standards under the MFRS framework relevant to the Group are discussed as follows:

(i) MFRS 1 – First-Time Adoption of Malaysian Financial Reporting Standards

As provided in MFRS 1, a first-time adopter can elect optional exemptions from full retrospective application of MFRSs. The fair value or revaluation as deemed cost optional exemption permits the carrying amount of an item of property, plant and equipment to be measured at the date of transition based on a deemed cost. Any surplus arising from revaluation at the date of transition is transferred to retained earnings.

Based on the initial assessment performed, transitional adjustments required in accordance with MFRS 1 upon transitioning to the MFRS Framework will not have any material impact on the Group’s financial position, financial performance and cash flows, except for the optional exemption for fair value or previous revaluation as deemed cost.

(ii) MFRS 9 – Financial Instruments

MFRS 9 replaces the guidance in *MFRS 139 - Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

Based on the initial assessment performed, the adoption of MFRS 9 does not have any material financial impact to the financial statements of the Group.

(iii) MFRS 15 – Revenue from Contracts with Customers

MFRS 15 replaces the guidance in *MFRS 111 - Construction Contracts*; *MFRS 118 – Revenue*; *IC Interpretation 13 - Customer Loyalty Programmes*; *IC Interpretation 15 - Agreements for Construction of Real Estate*; *IC Interpretation 18 - Transfer of Assets from Customers*; *IC Interpretation 131 – Revenue: Barter Transactions Involving Advertising Services*.

Based on the initial assessment performed, the adoption of MFRS 15 does not have any material financial impact to the financial statements of the Group.

IJM PLANTATIONS BERHAD (133399-A)

A2. Accounting Policies (continued)

(b) Explanation of Transition to the Malaysian Financial Reporting Standards (“MFRS”) Framework (continued)

(iv) Amendments to MFRS 116, Property, Plant and Equipment and MFRS 141, Agriculture – Agriculture: Bearer Plants

The amendments to MFRS 116 and MFRS 141 which will be effective in conjunction with the adoption of MFRS framework require a bearer plant, defined as a living plant, to be accounted for as property, plant and equipment in accordance with MFRS 116.

Prior to the adoption of the MFRS 116 and MFRS 141, all new planting expenditure incurred from land clearing, planting, field upkeep and maintenance to the point of maturity was capitalised under plantation development expenditure and was not amortised. Replanting expenditure which represents cost incurred to replant old planted areas, was charged to profit or loss as and when incurred. Biological assets-agriculture produces which form part of the bearer plants were not recognised separately.

With the adoption of the Amendments to MFRS 116 and MFRS 141, new planting expenditure and replanting expenditure are accounted for as property, plant and equipment in accordance with MFRS 116 and measured at cost less accumulated depreciation, whereas biological assets within the scope of MFRS 141 are measured at fair value less costs to sell.

The adoption of the Amendments to MFRS 116 and MFRS 141 will result in additional depreciation on property, plant and equipment and replanting expenditure that were charged to profit or loss prior to the adoption of the Amendments to MFRS 116 and MFRS 141 will be reversed and capitalised under property, plant and equipment. Changes on fair value less costs to sell of the biological assets will be recognised in the profit or loss.

The Group will adopt the standard retrospectively and will restate the comparatives for the financial year ended 31 March 2018.

IJM PLANTATIONS BERHAD (133399-A)

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

The audit reports for the financial years ended 31 March 2018 and 31 March 2017 were not subject to any modifications or qualifications.

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 B11, 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 year ended 31 March 2018 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.

	INDIVIDUAL QUARTER		change % +/-	CUMULATIVE PERIOD		change % +/-
	3 months ended 31/03/2018 RM'000	3 months ended 31/03/2017 RM'000		12 months ended 31/03/2018 RM'000	12 months ended 31/03/2017 RM'000	
Revenue:						
-Malaysia	79,411	103,294	-23.1	418,363	467,349	-10.5
-Indonesia	61,906	89,336	-30.7	328,854	286,362	+14.8
	<u>141,317</u>	<u>192,630</u>	-26.6	<u>747,217</u>	<u>753,711</u>	-0.9
Earnings before interest, tax, depreciation and amortisation ("EBITDA"):						
-Malaysia	24,217	32,755	-26.1	113,300	163,288	-30.6
-Indonesia	11,745	31,061	-62.2	90,496	95,078	-4.8
	<u>35,962</u>	<u>63,816</u>	-43.6	<u>203,796</u>	<u>258,366</u>	-21.1
-Finance costs	(16,865)	(6,481)		(46,556)	(23,821)	
-Depreciation and amortisation	(17,213)	(20,393)		(79,937)	(66,031)	
Profit before taxation	<u>1,884</u>	<u>36,942</u>		<u>77,303</u>	<u>168,514</u>	
Profit/(loss) before taxation:						
-Malaysia	16,016	21,572	-25.8	79,803	130,165	-38.7
-Indonesia	(14,132)	15,370	-191.9	(2,500)	38,349	-106.5
	<u>1,884</u>	<u>36,942</u>	-94.9	<u>77,303</u>	<u>168,514</u>	-54.1
TOTAL ASSETS				As at 31 March 2018 RM'000	As at 31 March 2017 RM'000	
Malaysian Operations				1,046,843	1,068,125	
Indonesian Operations				1,557,559	1,882,528	
Unallocated assets				19,884	26,430	
				<u>2,624,286</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 audited financial statements.

IJM PLANTATIONS BERHAD (133399-A)

A12. Changes in the Composition of the Group

On 26 March 2018, a subsidiary of the Group, PT Indonesia Plantation Synergy (“IPS”) entered into a Shareholders Agreement with KL-Kepong Plantation Holdings Sdn. Bhd (“KLKP”) and an individual shareholder to regulate the relationship and obligations of IPS, KLKP and the individual shareholder as the shareholders of PT Perindustrian Sawit Sinergi (“PT PSS”). Pursuant to the Shareholders Agreement, IPS will subscribe for 44,000 shares of Rp.1,000,000 each comprising 20% equity interest in PT PSS for a total cash consideration of Rp.44,000,000,000 (approximately RM13,000,000). There were no changes in the composition of the Group as at the balance sheet date as the amount was paid on 15 May 2018.

There were no other changes in the composition of the Group for the current quarter and financial year to-date.

A13. Contingent Liabilities or Contingent Assets

There were no material contingent liabilities or contingent assets as at 31 March 2018.

A14. Capital Commitments

Capital commitments not provided for in the audited financial statements as at 31 March 2018 are as follows:

Property, plant, equipment, land use rights and Plantation expenditure:	RM’000
- Approved and contracted for	149,724
- Approved but not contracted for	108,294
	<u>258,018</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 March 2018, 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
<u>Financial Assets</u>	RM’000	RM’000	RM’000	RM’000
Derivative financial instruments	-	1,055	-	<u>1,055</u>

IJM PLANTATIONS BERHAD (133399-A)

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

Current quarter under review – Q4-FY2018

Corresponding quarter of the preceding year – Q4-FY2017

Immediate preceding quarter – Q3-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		change % +/-	Cumulative Period		change % +/-
	Current year quarter 31/03/2018 RM'000	Preceding year quarter 31/03/2017 RM'000		Current year to-date 31/03/2018 RM'000	Preceding year to-date 31/03/2017 RM'000	
Revenue:						
-Malaysia	79,411	103,294	-23.1	418,363	467,349	-10.5
-Indonesia	61,906	89,336	-30.7	328,854	286,362	+14.8
	<u>141,317</u>	<u>192,630</u>	<u>-26.6</u>	<u>747,217</u>	<u>753,711</u>	<u>-0.9</u>
EBITDA:						
-Malaysia	24,217	32,755	-26.1	113,300	163,288	-30.6
-Indonesia	11,745	31,061	-62.2	90,496	95,078	-4.8
	<u>35,962</u>	<u>63,816</u>	<u>-43.6</u>	<u>203,796</u>	<u>258,366</u>	<u>-21.1</u>
Profit/(loss) before taxation:						
-Malaysia	16,016	21,572	-25.8	79,803	130,165	-38.7
-Indonesia	(14,132)	15,370	-191.9	(2,500)	38,349	-106.5
	<u>1,884</u>	<u>36,942</u>	<u>-94.9</u>	<u>77,303</u>	<u>168,514</u>	<u>-54.1</u>

Individual Quarter -- Q4-FY2018 vs Q4-FY2017

Despite FFB production being higher due to the recovery in Malaysia from the effect of the prolonged dry weather, the revenue and EBITDA in Q4-FY2018 were lower than that of Q4-FY2017 due to lower commodity prices and sales volumes. With the weakening of the Rupiah against the US Dollar that resulted in net unrealised foreign exchange losses of RM10.819 million (Q4-FY2017: RM3.952 million gains) on the US Dollar denominated borrowings, the profit before taxation was lower.

The performance by geographical segment is summarised as follows:

- (a) the Malaysian operations recorded a lower revenue in Q4-FY2018 due to lower commodity prices and sales volumes. FFB production continued its recovery during the quarter from the effect of the earlier prolonged dry weather. However, EBITDA and the profit before tax were impacted by the lower commodity prices and reduced gains on crude palm oil swap contracts of RM0.201 million (Q4-FY2017: RM3.420 million); and
- (b) the Indonesian operations recorded a lower revenue due to lower commodity prices and sales volumes. FFB production was affected by the change in cropping pattern as a result of the previous prolonged dry weather. The financial performance of Indonesian Operations was impacted by the weakening of the Indonesian Rupiah against the US Dollar, in addition to the lower commodity prices and production, increased mature areas 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.

IJM PLANTATIONS BERHAD (133399-A)

B1. Review of Performance (continued)

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

Despite the higher FFB production, the year to-date revenue of the Group was marginally lower than that of the previous year due to lower commodity prices.

The weakening of the Rupiah against the US Dollar resulted in a net unrealized foreign exchange loss of RM23.691 million on the US Dollar denominated borrowings as compared to a gain of RM1.803 million in 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 performance of the Group was lower.

The performance by geographical segment is summarised as follows:

- (a) Revenue for the Malaysian operations was lower due to lower commodity prices and sales volumes. Compounded by the higher replanting and wage costs, a lower EBITDA and profit before tax were achieved; and
- (b) FFB production for the Indonesian operations was higher as a result of a larger area attaining maturity despite the effect of the prolonged dry weather on the older palms. Although commodity prices were lower, revenue was higher mainly due to the higher sales volume. A lower EBITDA was achieved as the operations incurred full plantation maintenance costs and overheads against a startup yield. The net unrealised foreign exchange losses recorded on the US Dollar denominated borrowings and higher interest costs adversely impacted the profit before taxation.

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

	Individual Quarter		var % +/-	Cumulative Period		var % +/-
	Current year quarter 31/03/2018	Preceding year quarter 31/03/2017		Current year to-date 31/03/2018	Preceding year to-date 31/03/2017	
Malaysian Operations						
Own FFB production (mt)	127,166	84,519	+50.5	470,947	464,019	+1.5
Outside FFB crops (mt)	54,896	37,087	+48.0	227,666	195,606	+16.4
CPO production (mt)	35,698	24,078	+48.3	140,496	135,275	+3.9
PKO production (mt)	3,490	2,770	+26.0	14,810	14,669	+1.0
CPO sales (mt)	21,980	26,496	-17.0	125,432	134,865	-7.0
PKO sales (mt)	3,700	3,022	+22.4	15,139	14,937	+1.4
CPO price per mt (RM)	2,469	3,075	-19.7	2,639	2,753	-4.1
PKO price per mt (RM)	4,478	6,616	-32.3	4,812	5,830	-17.5
Indonesian Operations						
Own FFB production (mt)	98,708	112,996	-12.6	462,003	398,416	+16.0
Outside FFB crops (mt)	21,282	23,599	-9.8	114,527	76,520	+49.7
CPO production (mt)	17,403	21,339	-18.4	89,112	76,405	+16.6
PKO production (mt)	1,218	1,377	-11.5	5,904	5,206	+13.4
Own FFB sales (mt)	46,466	34,059	+36.4	179,432	124,420	+44.2
CPO sales (mt)	18,510	22,025	-16.0	87,972	73,041	+20.4
PKO sales (mt)	-	1,000	-100.0	5,704	5,501	+3.7
FFB price per mt (RM)	497	607	-18.1	516	509	+1.4
CPO price per mt (RM)	2,126	2,788	-23.7	2,380	2,589	-8.1
PKO price per mt (RM)	-	7,009	-100.0	4,575	5,473	-16.4

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 31/03/2018	As at 31/03/2017
RM : Rupiah	1 : 3,559	1 : 3,012
US Dollar : RM	1 : 3.866	1 : 4.424
US Dollar : Rupiah	1 : 13,756	1 : 13,321

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
	31/03/2018	31/03/2017	%	31/03/2018	31/03/2017	%
	RM'000	RM'000	+/-	RM'000	RM'000	+/-
Malaysian Operations						
Sabah sales tax	4,048	6,151	-34.2	24,514	27,814	-11.9
Windfall profit levy	-	209	-100.0	-	310	-100.0
MPOB Cess:						
-Palm Oil Price Stabilisation Fund Order 2001	78	54	+44.4	310	300	+3.3
MPOB Cess:						
-Research & Development, Licensing, Enforcement and Marketing Cess Order 2002	432	295	+46.4	1,709	1,649	+3.6
Total	4,558	6,709	-32.1	26,533	30,073	-11.8

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		change % +/-
	Current year quarter	Immediate preceding quarter	
	31/03/2018	31/12/2017	
	RM'000	RM'000	
Revenue:			
- Malaysia	79,411	133,323	-40.4
- Indonesia	61,906	91,545	-32.4
	141,317	224,868	-37.2
EBITDA:			
- Malaysia	24,217	43,265	-44.0
- Indonesia	11,745	19,615	-40.1
	35,962	62,880	-42.8
Profit/(loss) before taxation:			
- Malaysia	16,016	34,818	-54.0
- Indonesia	(14,132)	(2,430)	+481.6
	1,884	32,388	-94.2

IJM PLANTATIONS BERHAD (133399-A)

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

Revenue for the Q4-FY2018 was lower than Q3-FY2018 due to the lower sales volume and commodity prices. Total FFB harvested decreased as the production season moved out of its peak. The overall financial performance was impacted by the lower commodity prices, higher net unrealised foreign exchange loss of RM10.819 million on the US Dollar denominated borrowings (Q3-FY2018: RM3.553 million losses) and lower gains on crude palm oil swap contracts of RM0.201 million (Q3-FY2018: RM3.054 million losses).

The performance by geographical segment is summarised as follows:

- (a) The Malaysian operations recorded lower revenue due to lower sales volume and lower commodity prices. The lower financial performance was due to lower commodity prices and lower gains on crude palm oil swap contracts; and
- (b) The Indonesian operations recorded lower revenue due to lower sales volumes and commodity prices. The overall financial performance of the operations was impacted by the higher net unrealised foreign exchange loss on the US Dollar denominated borrowings.

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

	Individual Quarter		var % +/-
	Current year quarter 31/03/2018	Immediate preceding quarter 31/12/2017	
Malaysian Operations			
Own FFB production (mt)	127,166	133,147	-4.5
Outside FFB crops (mt)	54,896	75,236	-27.0
CPO production (mt)	35,698	42,467	-15.9
PKO production (mt)	3,490	5,217	-33.1
CPO sales (mt)	21,980	39,988	-45.0
PKO sales (mt)	3,700	5,042	-26.6
CPO price per mt (RM)	2,469	2,607	-5.3
PKO price per mt (RM)	4,478	5,397	-17.0
Indonesian Operations			
Own FFB production (mt)	98,708	107,760	-8.4
Outside FFB crops (mt)	21,282	32,514	-34.5
CPO production (mt)	17,403	22,973	-24.2
PKO production (mt)	1,218	1,617	-24.7
Own FFB sales (mt)	46,466	42,898	+8.3
CPO sales (mt)	18,510	23,571	-21.5
PKO sales (mt)	-	2,001	-100.0
FFB price per mt (RM)	497	555	-10.5
CPO price per mt (RM)	2,126	2,405	-11.6
PKO price per mt (RM)	-	5,390	-100.0
Closing Exchange Rates			
	As at 31/03/2018	As at 31/12/2017	
RM : Rupiah	1 : 3,559	1 : 3,333	
US Dollar : RM	1 : 3.866	1 : 4.063	
US Dollar : Rupiah	1 : 13,756	1 : 13,548	

IJM PLANTATIONS BERHAD (133399-A)

B3. Prospects for the Coming 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 costs and overheads. The Group is also exposed to the volatility of the foreign exchange rates particularly that of the Rupiah against the US Dollar and higher borrowing costs.

As a result of the above factors and given the volatility in the commodity prices, the Group expects a challenging financial year.

B4. Variance of Actual Profit from Forecast Profit

Not applicable.

B5. Income Tax

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

	INDIVIDUAL QUARTER 3 MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD 12 MONTHS ENDED 31 MARCH	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Current tax:				
- Malaysian income tax	6,248	4,413	28,856	30,305
Deferred tax:				
- Relating to (reversal)/origination of temporary differences	(10,194)	10,061	4,393	21,671
	(3,946)	14,474	33,249	51,976

The higher year to-date 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:

	As at 31 March 2018
	RM'000
Short term borrowings	
<u>Unsecured:</u>	
- Short term advance facility	77,309
<u>Secured:</u>	
- Term loan	195,204
	272,513
Long term borrowings	
<u>Secured:</u>	
- Term loan	460,567
	460,567
Total borrowings	733,080

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

In respect of the financial year ended 31 March 2018, a single tier interim dividend amounting to 5 sen per share (previous corresponding financial year: 7 sen per share) is payable on 18 July 2018 to every member who is entitled to receive the dividend as at 5.00 p.m. on 29 June 2018.

There will be no final dividend for the financial year ended 31 March 2018.

B10. Earnings per Share

	INDIVIDUAL QUARTER 3 MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD 12 MONTHS ENDED 31 MARCH	
	2018	2017	2018	2017
<u>Basic earnings per share</u>				
Net profit for the period attributable to owners of the Company (RM'000)	10,080	22,040	46,645	115,080
	10,080	22,040	46,645	115,080
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)	1.14	2.50	5.30	13.07
	1.14	2.50	5.30	13.07

IJM PLANTATIONS BERHAD (133399-A)

B11. Notes to the Condensed Statement of Comprehensive Income

	INDIVIDUAL QUARTER 3 MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD 12 MONTHS ENDED 31 MARCH	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Interest income	1,253	1,857	5,722	6,975
Net (losses)/gains - net foreign exchange (losses)/gains from operations	(200)	(172)	(231)	3,167
Finance costs – net foreign exchange (losses)/gains on borrowings	(10,619)	4,124	(23,460)	(1,364)
Other income	1,018	544	4,602	4,245
Fair value gains on crude palm oil pricing swaps	201	3,420	972	5,015
Interest expense	(6,246)	(4,740)	(23,096)	(16,592)
Depreciation and amortisation	(17,213)	(20,393)	(79,937)	(66,031)

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.

B12. Financial Instruments

The Group entered into Crude Palm Oil (“CPO”) pricing swap contracts offered by certain 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:

	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)
CPO pricing swap contracts			
- Less than 1 year	3,750	10,098,750	1,055,000
- 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.

IJM PLANTATIONS BERHAD (133399-A)

B13. Fair Value changes of Financial Instruments

The Group recognised the fair value gains of approximately RM201,000 (*Q4-FY 2017: Gains of RM3,420,000*) and fair value gains of approximately RM972,000 (*Year to-date FY2017: Gains of RM5,015,000*) 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.