



IJM PLANTATIONS BERHAD (133399-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended: 31/12/2018
Quarter: 3rd Qtr
Financial Year End: 31/03/2019
The figures: Have not been Audited

Full Quarterly Report: Refer attached

Part A2 : Summary of Key Financial Information for the financial Period 31/12/2018

	Individual Quarter		Cumulative Period	
	Current year quarter 31/12/2018 RM'000	Preceding year quarter 31/12/2017 RM'000 (Restated)	Current period 31/12/2018 RM'000	Preceding period 31/12/2017 RM'000 (Restated)
1 Revenue	142,869	224,868	466,098	605,900
2 (Loss)/profit before taxation	(2,009)	25,013	(60,027)	54,559
3 Net (loss)/profit for the period	(2,569)	3,947	(58,387)	25,132
4 (Loss)/profit attributable to owners of the Company	(1,988)	5,856	(49,860)	24,744
5 Basic (loss)/earnings per share (sen)	(0.23)	0.67	(5.66)	2.81
6 Proposed/Declared dividend per share (sen)	-	-	-	-
	As at end of current quarter 31/12/2018		As at preceding financial year end (Restated)	
7 Net assets per share attributable to owners of the Company (RM)		1.51		1.60

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CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER 3 MONTHS ENDED 31 DECEMBER			CUMULATIVE 9 MONTHS ENDED 31 DECEMBER		
	2018 RM'000 (Unaudited)	2017 RM'000 (Unaudited) (Restated)	change % +/-	2018 RM'000 (Unaudited)	2017 RM'000 (Unaudited) (Restated)	change % +/-
Revenue	142,869	224,868	-36.5	466,098	605,900	-23.1
Operating expenses	(160,137)	(195,003)	-17.9	(481,131)	(528,324)	-8.9
Net other income and gains/(losses):						
- Net other income	4,283	4,407	-2.8	10,591	6,705	+58.0
- Net foreign exchange gains/(losses)	28,572	172	+16511.6	(2,381)	(31)	+7580.6
Profit/(loss) from operations	15,587	34,444	-54.7	(6,823)	84,250	-108.1
Finance costs:						
- Interest expense	(7,361)	(5,706)	+29.0	(20,388)	(16,850)	+21.0
- Net foreign exchange losses on borrowings	(10,553)	(3,725)	+183.3	(33,134)	(12,841)	+158.0
Share of profits of joint venture	318	-	-	318	-	-
(Loss)/profit before taxation	(2,009)	25,013	-108.0	(60,027)	54,559	-210.0
Income tax	(560)	(21,066)	-97.3	1,640	(29,427)	+105.6
Net (loss)/profit for the financial period	(2,569)	3,947	-165.1	(58,387)	25,132	-332.3
Other comprehensive income/(loss)						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
- Currency translation difference	18,889	(32,981)	+157.3	11,854	(82,251)	+114.4
Total comprehensive income/(loss) for the financial period	16,320	(29,034)	-156.2	(46,533)	(57,119)	-18.5
Net (loss)/profit attributable to:						
- Owners of the Company	(1,988)	5,856	-133.9	(49,860)	24,744	-301.5
- Non-controlling interests	(581)	(1,909)	-69.6	(8,527)	388	-2297.7
	(2,569)	3,947	-165.1	(58,387)	25,132	-332.5
Total comprehensive income/(loss) attributable to:						
- Owners of the Company	16,936	(27,384)	+161.8	(38,205)	(58,228)	-34.4
- Non-controlling interests	(616)	(1,650)	-62.7	(8,328)	1,109	-850.9
	16,320	(29,034)	+156.2	(46,533)	(57,119)	-18.5
(Loss)/earnings per share attributable to owners of the Company (sen):						
Basic (loss)/earnings per share:						
- [Note B10]	(0.23) sen	0.67 sen		(5.66) sen	2.81 sen	

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December 2018 RM'000	As at 31 March 2018 RM'000 (Restated)	As at 1 April 2017 RM'000 (Restated)
ASSETS			
Non-Current Assets:			
Property, plant and equipment	1,676,541	1,644,587	1,839,540
Land use rights	141,813	145,116	159,864
Joint venture	12,729	-	-
Other receivables	121,724	87,975	81,102
Deferred tax assets	17,722	11,608	23,156
	1,970,529	1,889,286	2,103,662
Current Assets:			
Inventories	98,525	114,718	99,288
Trade and other receivables	58,997	48,960	38,958
Derivative financial instruments	6,071	1,055	2,909
Produce growing on bearer plants	7,310	10,615	13,249
Tax recoverable	19,057	15,551	16,226
Deposits, cash and bank balances	135,811	217,010	393,640
	325,771	407,909	564,270
TOTAL ASSETS	2,296,300	2,297,195	2,667,932
EQUITY AND LIABILITIES			
Capital and reserves attributable to owners of the Company			
Share capital	922,530	922,530	922,530
Equity contribution reserve	7,324	7,064	8,343
Other reserves	(104,537)	(116,192)	16,462
Retained profits	500,920	594,809	628,061
	1,326,237	1,408,211	1,575,396
Non-controlling interests	1,885	(7,269)	(9,542)
Total Equity	1,328,122	1,400,942	1,565,854
Non-Current Liabilities:			
Retirement benefits	19,748	17,143	6,847
Borrowings	448,676	460,567	724,196
Deferred tax liabilities	56,168	59,642	76,001
	524,592	537,352	807,044
Current Liabilities:			
Trade and other payables	72,236	86,386	94,739
Current tax liabilities	8	2	174
Borrowings	371,342	272,513	200,121
	443,586	358,901	295,034
Total Liabilities	968,178	896,253	1,102,078
TOTAL EQUITY AND LIABILITIES	2,296,300	2,297,195	2,667,932
Net Assets Per Share attributable to owners of the Company (RM)	1.51	1.60	1.79

IJM PLANTATIONS BERHAD (133399-A)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2018

	Attributable to Equity Holders of the Company					Non-controlling interests	Total Equity
	Share Capital	Equity Contribution Reserve	Other Reserves	Retained Profits	Total		
At 1 April 2018	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
- As previously stated under FRSs	922,530	7,064	(71,115)	764,772	1,623,251	(3,483)	1,619,768
- Effects of transition from FRSs to MFRSs	-	-	(45,077)	(169,963)	(215,040)	(3,786)	(218,826)
- As restated	922,530	7,064	(116,192)	594,809	1,408,211	(7,269)	1,400,942
Comprehensive loss: -net loss for the period	-	-	-	(49,860)	(49,860)	(8,527)	(58,387)
Other Comprehensive income: -Currency translation differences arising from translation of net investments in subsidiaries	-	-	11,655	-	11,655	199	11,854
Total Comprehensive income/(loss)	-	-	11,655	(49,860)	(38,205)	(8,328)	(46,533)
Capital contribution by ultimate holding company, net of ESOS exercised by employees	-	260	-	-	260	-	260
Issuance of shares to non-controlling interests	-	-	-	-	-	17,482	17,482
Dividends - year ended 31 March 2018	-	-	-	(44,029)	(44,029)	-	(44,029)
At 31 December 2018 (Unaudited)	922,530	7,324	(104,537)	500,920	1,326,237	1,885	1,328,122

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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
At 1 April 2017							
- As previously stated under FRSs	922,530	8,343	71,808	782,287	1,784,968	(5,938)	1,779,030
- Effects of transition from FRSs to MFRSs	-	-	(55,346)	(154,226)	(209,572)	(3,604)	(213,176)
- As restated	922,530	8,343	16,462	628,061	1,575,396	(9,542)	1,565,854
Comprehensive income:							
-net profit for the period	-	-	-	24,744	24,744	388	25,132
Other Comprehensive (loss)/income:							
-Currency translation differences arising from translation of net investments in subsidiaries	-	-	(82,972)	-	(82,972)	721	(82,251)
Total Comprehensive (loss)/income	-	-	(82,972)	24,744	(58,228)	1,109	(57,119)
Capital contribution by ultimate holding company, net of ESOS exercised by employees	-	(1,918)	-	-	(1,918)	-	(1,918)
Dividend - year ended 31 March 2017	-	-	-	(61,641)	(61,641)	-	(61,641)
At 31 December 2017 (Unaudited)	922,530	6,425	(66,510)	591,164	1,453,609	(8,433)	1,445,176

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 MONTHS ENDED 31 DECEMBER 2018 RM'000	9 MONTHS ENDED 31 DECEMBER 2017 RM'000 (Restated)
OPERATING ACTIVITIES		
Receipts from customers	453,898	594,025
Payments to contractors, suppliers and employees	(395,550)	(442,502)
Interest paid	(20,388)	(16,850)
Income tax paid	(11,325)	(24,390)
<i>Net cash flows generated from operating activities</i>	26,635	110,283
INVESTING ACTIVITIES		
Additions to property, plant and equipment, and land use rights	(91,507)	(93,051)
Subscription of shares in joint venture	(12,408)	-
Interest received	3,410	4,469
<i>Net cash flows used in investing activities</i>	(100,505)	(88,582)
FINANCING ACTIVITIES		
Repayment of borrowings	(400,039)	(75,903)
Drawdown of borrowing	435,338	-
Dividend paid	(44,029)	(61,641)
<i>Net cash flows used in financing activities</i>	(8,730)	(137,544)
Net Change in Cash and Cash Equivalents	(82,600)	(115,843)
Foreign Exchange differences	1,411	(23,528)
Cash & Cash Equivalents at beginning of financial period	206,165	385,994
Cash & Cash Equivalents at end of financial period	124,976	246,623
Notes:	AS AT 31 DECEMBER 2018 RM'000	AS AT 31 DECEMBER 2017 RM'000
Cash and cash equivalents represent the following:		
Cash and bank balances	40,575	80,946
Deposits with licensed banks	95,236	173,136
	135,811	254,082
Less: Restricted deposits with licensed banks	(10,835)	(7,459)
	124,976	246,623

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A NOTES TO THE QUARTERLY RESULTS

A1. Basis of Preparation

The unaudited interim financial report has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 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 2018 which are available at <http://www.ijm.com>. For the periods up to and including the year ended 31 March 2018, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRS”). The accounting policies for the unaudited interim financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 31 March 2018, except for the effects of the transition from FRSs to MFRSs and the adoption of new MFRSs, amendments to standards and IC Interpretations as disclosed in Note A2 below.

The unaudited interim financial report of the Group for the quarter ended 30 June 2018 was the first set of interim unaudited financial report prepared in accordance with the MFRS Framework, by adopting MFRS 1 “First-time Adoption of Malaysian Financial Reporting Standards” for the financial year/period beginning 1 April 2018. Subject to certain transition elections and effects of adoption of the amendments to MFRS 116 “Property, Plant and Equipment” and MFRS 141 “Agriculture”, the Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 April 2017, being the transition date, and throughout all periods presented, as if these policies had always been in effect.

A2. Significant Accounting Policies

(A) Transition from FRSs to MFRSs

(i) MFRS 1 exemption options

As provided in MFRS 1, first time adopters of MFRS can elect optional exemptions from full retrospective application of MFRSs. The Group has elected the applicable exemptions as follows:

(a) *Exemption for business combinations*

The Group has elected to apply MFRS 3 “Business Combinations” prospectively from the date FRS 3 “Business Combinations” was adopted on 1 January 2011. Business combinations that occurred prior to that date have not been restated. In addition, the Group has also applied MFRS 10 “Consolidated Financial Statements” on the same date as FRS 3. This election does not have any impact to the financial results of the Group.

(b) *Property, plant and equipment – previous revaluation as deemed cost*

Under FRS, valuation adjustments on certain property, plant and equipment were incorporated into the financial statements. The Group has elected to use the previous revaluation as deemed cost under MFRSs. Accordingly, the carrying amounts of these property, plant and equipment as at 1 April 2017 have not been restated. The revaluation surplus net of deferred taxation as at 1 April 2017 was reclassified to retained earnings.

(c) *MFRS 15 “Revenue from Contracts with Customers”*

The Group has elected the exemption in MFRS 1 which allows the Group not to restate any contracts that were completed before 1 January 2017. This election does not have any impact to the financial results of the Group.

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A2. Significant Accounting Policies (continued)

(A) Transition from FRSs to MFRSs (continued)

(i) MFRS 1 exemption options (continued)

(d) *MFRS 9 “Financial Instruments”*

The Group has elected the exemption in MFRS 1 which allows the Group not to restate comparative information in the year of initial application. The Group continues to apply FRS 139 “Financial Instruments: Recognition and Measurement” and FRS 7 “Financial Instruments: Disclosures” for the comparative information. Any adjustments to align the carrying amounts of financial assets and financial liabilities under the previous FRS 139 with MFRS 9 were recognised in retained earnings and other reserves as at 1 April 2018. This election does not have any impact to the financial results of the Group.

(e) *Assets and liabilities of subsidiaries, joint ventures and associates*

The assets and liabilities of subsidiaries, joint ventures and associates which had adopted the MFRS Framework or International Financial Reporting Standards (“IFRS”) earlier than the Group shall remain at the same carrying amounts as in the financial statements of these subsidiaries, joint ventures and associates, after adjusting for consolidation adjustments. This election does not have any impact to the financial results of the Group.

The optional exemptions elected by the Group that have an impact on the reported financial positions prepared in accordance with FRSs have been applied in the opening MFRS statement of financial position as at 1 April 2017 and throughout all periods presented in the interim financial report.

(ii) Effect of Adoption of Amendments to MFRS 116 “Property, Plant and Equipment” and MFRS 141 “Agriculture” - Bearer Plants

Amendments to MFRS 116 “Property, Plant and Equipment” and MFRS 141 “Agriculture: Bearer Plants” introduce a new category of biological assets i.e. bearer plants. A bearer plant is a living plant that is used in the production and supply of agricultural produce, is expected to bear produce for more than one period, and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Bearer plants are accounted for under MFRS 116 as an item of property, plant and equipment. Agricultural produce growing on bearer plants are measured at fair value less costs to sell under MFRS 141, with fair value changes recognised in profit or loss as the produce grows.

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. Agricultural produce which form part of the bearer plants were not recognised and identified 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 produce growing on bearer plants within the scope of MFRS 141 are measured at fair value less costs to sell.

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A2. Significant Accounting Policies (continued)

(A) Transition from FRSs to MFRSs (continued)

- (ii) Effect of Adoption of Amendments to MFRS 116 “Property, Plant and Equipment” and MFRS 141 “Agriculture” - Bearer Plants (continued)

The adoption of the Amendments to MFRS 116 and MFRS 141 have resulted 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 being reversed and capitalised under property, plant and equipment. Changes in fair value less costs to sell of the produce growing on bearer plants are recognised in profit or loss.

The effects of the transition from FRSs to MFRSs are as follows:

Condensed Statement of Comprehensive Income

	Preceding period quarter 31/12/2017		
	As previously stated under FRSs RM'000	Effects of transition from FRSs to MFRSs RM'000	Restated under MFRSs RM'000
Revenue	224,868	-	224,868
Operating expenses	(188,916)	(6,087)	(195,003)
Net other income and gains:			
- Net other income	5,695	(1,288)	4,407
- Net foreign exchange gains	172	-	172
Profit from operations	41,819	(7,375)	34,444
Finance costs:			
- Interest expense	(5,706)	-	(5,706)
- Net foreign exchange losses on borrowings	(3,725)	-	(3,725)
Profit before taxation	32,388	(7,375)	25,013
Income tax	(23,619)	2,553	(21,066)
Net profit for the financial period	8,769	(4,822)	3,947
Other comprehensive loss:			
Item that may be reclassified subsequently to profit or loss:			
- Currency translation difference	(35,890)	2,909	(32,981)
Total comprehensive loss	(27,121)	(1,913)	(29,034)
Net profit/(loss) attributable to:			
- Owners of the Company	10,294	(4,438)	5,856
- Non-controlling interest	(1,525)	(384)	(1,909)
	8,769	(4,822)	3,947
Total comprehensive loss attributable to:			
- Owners of the Company	(25,698)	(1,686)	(27,384)
- Non-controlling interest	(1,423)	(227)	(1,650)
	(27,121)	(1,913)	(29,034)
Basic earnings per share (sen):			
Basic	1.17	(0.50)	0.67

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A2. Significant Accounting Policies (continued)

(A) Transition from FRSs to MFRSs (continued)

The effects of the transition from FRSs to MFRSs are as follows: (continued)

Condensed Statement of Comprehensive Income

	Preceding period 31/12/2017		
	As previously stated under FRSs RM'000	Effects of transition from FRSs to MFRSs RM'000	Restated under MFRSs RM'000
Revenue	605,900	-	605,900
Operating expenses	(508,943)	(19,381)	(528,324)
Net other income/(losses):			
- Net other income	8,184	(1,479)	6,705
- Net foreign exchange losses	(31)	-	(31)
Profit from operations	105,110	(20,860)	84,250
Finance costs:			
- Interest expense	(16,850)	-	(16,850)
- Net foreign exchange losses on borrowings	(12,841)	-	(12,841)
Profit before taxation	75,419	(20,860)	54,559
Income tax	(37,195)	7,768	(29,427)
Net profit for the financial period	38,224	(13,092)	25,132
Other comprehensive loss:			
Item that may be reclassified subsequently to profit or loss:			
- Currency translation difference	(88,998)	6,747	(82,251)
Total comprehensive loss	(50,774)	(6,345)	(57,119)
Net profit attributable to:			
- Owners of the Company	36,565	(11,821)	24,744
- Non-controlling interest	1,659	(1,271)	388
	38,224	(13,092)	25,132
Total comprehensive (loss)/income attributable to:			
- Owners of the Company	(52,785)	(5,443)	(58,228)
- Non-controlling interest	2,011	(902)	1,109
	(50,774)	(6,345)	(57,119)
Basic earnings per share (sen):			
Basic	4.15	(1.34)	2.81

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A2. Significant Accounting Policies (continued)

(A) Transition from FRSs to MFRSs (continued)

The effects of the transition from FRSs to MFRSs are as follows: (continued)

Condensed Consolidated Statement of financial position

	As at 31 March 2018		
	As previously stated under	Effects of transition from	Restated under
	FRSs	FRSs to MFRSs	MFRSs
	RM'000	RM'000	RM'000
<u>Non-current assets:</u>			
Property, plant and equipment	881,720	762,867	1,644,587
Plantation expenditure	1,107,848	(1,107,848)	-
Deferred tax assets	4,333	7,275	11,608
<u>Current asset:</u>			
Produce growing on bearer plants	-	10,615	10,615
<u>Equity:</u>			
Other reserves	(71,115)	(45,077)	(116,192)
Retained profits	764,772	(169,963)	594,809
Non-controlling interests	(3,483)	(3,786)	(7,269)
<u>Non-current liability:</u>			
Deferred tax liabilities	167,907	(108,265)	59,642
Net Assets per shares (RM)	1.84	(0.24)	1.60
As at 1 April 2017			
	As previously stated under	Effects of transition from	Restated under
	FRSs	FRSs to MFRSs	MFRSs
	RM'000	RM'000	RM'000
<u>Non-current assets:</u>			
Property, plant and equipment	973,322	866,218	1,839,540
Plantation expenditure	1,201,570	(1,201,570)	-
Deferred tax assets	10,204	12,952	23,156
<u>Current asset:</u>			
Produce growing on bearer plants	-	13,249	13,249
<u>Equity:</u>			
Other reserves	71,808	(55,346)	16,462
Retained profits	782,287	(154,226)	628,061
Non-controlling interests	(5,938)	(3,604)	(9,542)
<u>Non-current liability:</u>			
Deferred tax liabilities	171,976	(95,975)	76,001
Net Assets per shares (RM)	2.03	(0.24)	1.79

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A2. Significant Accounting Policies (continued)

(A) Transition from FRSs to MFRSs (continued)

The effects of the transition from FRSs to MFRSs are as follows: (continued)

Condensed Consolidated Statements of Cash flows

	Period ended 31 December 2017		
	As previously stated under FRSs RM'000	Effects of transition from FRSs to MFRSs RM'000	Restated under MFRSs RM'000
<u>Cash flows from operating activities:</u>			
Payments to contractors, suppliers and employees	(454,882)	12,380	(442,502)
<u>Cash flows from investing activities:</u>			
Additions to property, plant and equipment, land use rights and plantation expenditure	(80,671)	80,671	-
Additions to property, plant and equipment, and land use rights	-	(93,051)	(93,051)

(B) Adoption of new MFRSs, amendments to standards, IC interpretation

Following the adoption of the MFRS framework, the Group has adopted the following new accounting standards and amendments to standards which are applicable and effective for the financial year beginning on 1 April 2018:

- MFRS 9 “Financial Instruments”
- MFRS 15 “Revenue from Contracts with Customers”
- Amendments to MFRS 140 “Classification on Change in Use”
- IC Interpretation 22 “Foreign Currency Transactions and Advance Consideration”

The adoption of these new MFRSs, amendments to standards and IC Interpretation did not have any material impact on the interim financial report of the Group.

A3. Audit Report

The audit report for the financial year ended 31 March 2018 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.

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A5. Unusual Significant Items

Other than the net foreign exchange losses 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 period 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 period.

A7. Debt and Equity Securities

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

A8. Dividend Paid

Dividend paid during the financial period ended 31 December 2018 is as follows:

In respect of the financial year ended 31 March 2018 as reported in the directors' report of that year:

	RM'000
A single tier interim dividend of 5 sen per share paid on 18 July 2018.	<u>44,029</u>

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 31/12/2018 RM'000	3 months ended 31/12/2017 RM'000 (Restated)		9 months ended 31/12/2018 RM'000	9 months ended 31/12/2017 RM'000 (Restated)	
Revenue and Timing of revenue recognition:						
-Malaysia – At a point in time	69,690	133,323	-47.7	239,532	338,952	-29.3
-Malaysia – Over time	-	-	-	-	-	-
<i>Total revenue from Malaysia</i>	69,690	133,323	-47.7	239,532	338,952	-29.3

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A9. Segmental Information (continued)

	INDIVIDUAL QUARTER		change % +/-	CUMULATIVE PERIOD		change % +/-
	3 months ended 31/12/2018 RM'000	3 months ended 31/12/2017 RM'000 (Restated)		9 months ended 31/12/2018 RM'000	9 months ended 31/12/2017 RM'000 (Restated)	
Revenue and Timing of revenue recognition (cont'd):						
-Indonesia – At a point in time	73,179	91,545	-20.1	226,566	266,948	-15.1
-Indonesia – Over time	-	-	-	-	-	-
<i>Total revenue from Indonesia</i>	73,179	91,545	-20.1	226,566	266,948	-15.1
 Total external revenue	142,869	224,868	-36.5	466,098	605,900	-23.1
Earnings before interest, tax, depreciation and amortisation (“EBITDA”):						
-Malaysia	19,639	47,706	-58.8	46,039	103,064	-55.3
-Indonesia	24,805	18,167	+36.5	33,285	75,670	-56.0
	44,444	65,873	-32.5	79,324	178,734	-55.6
-Finance costs	(17,914)	(9,431)		(53,522)	(29,691)	
-Depreciation and amortisation	(28,539)	(31,429)		(85,829)	(94,484)	
(Loss)/profit before taxation	(2,009)	25,013	-108.0	(60,027)	54,559	-210.0
(Loss)/profit before taxation:						
-Malaysia	8,697	35,287	-75.4	12,822	65,855	-80.5
-Indonesia	(10,706)	(10,274)	+4.2	(72,849)	(11,296)	+544.9
	(2,009)	25,013	-108.0	(60,027)	54,559	-210.0
 TOTAL ASSETS						
				As at 31 December 2018 RM'000	As at 31 March 2018 RM'000 (Restated)	
Malaysian Operations				713,439	791,972	
Indonesian Operations				1,546,082	1,478,064	
Unallocated assets				36,779	27,159	
				2,296,300	2,297,195	

A10. Valuations of Property, Plant and Equipment

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

A11. Significant Subsequent Events to the date of the Statement of Financial Position

There was no significant event subsequent to the date of the statement of financial position.

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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”).

On 15 May 2018, IPS fully subscribed for 44,000 shares of Rp.1,000,000 each comprising a 20% equity interest in PT PSS for a total cash consideration of Rp.44,000,000,000 (approximately RM12,408,000) resulting in PT PSS becoming a 20:80 jointly controlled entity of IPS and KLKP.

Except for the above, there were no other changes in the composition of the Group for the current quarter and financial period.

A13. Contingent Liabilities or Contingent Assets

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

A14. Capital Commitments

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

Property, plant, equipment and land use rights:	RM'000
- Approved and contracted for	60,028
- Approved but not contracted for	102,322
	<u>162,350</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 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	-	6,071	-	<u>6,071</u>

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

Current quarter under review – Q3-FY2019

Corresponding quarter of the preceding year – Q3-FY2018

Immediate preceding quarter – Q2-FY2019

Current financial period – Period FY2019

Corresponding financial period – Period FY2018

B1. Review of Performance

The results of the Group are tabulated below:

	Individual Quarter		change % +/-	Cumulative Period		change % +/-
	Current year quarter 31/12/2018 RM'000	Preceding year quarter 31/12/2017 RM'000		Current period 31/12/2018 RM'000	Preceding period 31/12/2017 RM'000	
Revenue:						
-Malaysia	69,690	133,323	-47.7	239,532	338,952	-29.3
-Indonesia	73,179	91,545	-20.1	226,566	266,948	-15.1
	<u>142,869</u>	<u>224,868</u>	<u>-36.5</u>	<u>466,098</u>	<u>605,900</u>	<u>-23.1</u>
EBITDA:						
-Malaysia	19,639	47,706	-58.8	46,039	103,064	-55.3
-Indonesia	24,805	18,167	+36.5	33,285	75,670	-56.0
	<u>44,444</u>	<u>65,873</u>	<u>-32.5</u>	<u>79,324</u>	<u>178,734</u>	<u>-55.6</u>
(Loss)/profit before taxation:						
-Malaysia	8,697	35,287	-75.4	12,822	65,855	-80.5
-Indonesia	(10,706)	(10,274)	+4.2	(72,849)	(11,296)	+544.9
	<u>(2,009)</u>	<u>25,013</u>	<u>-108.0</u>	<u>(60,027)</u>	<u>54,559</u>	<u>-210.0</u>

Individual Quarter -- Q3-FY2019 vs Q3-FY2018

FFB production in the Malaysian operations was higher as it moved into the high cropping season. Compounded by the higher crop from the larger area attaining maturity in the Indonesian operations, the Group FFB production during the quarter was higher.

The Group recorded lower revenue in Q3-FY2019 as compared to Q3-FY2018 due to significantly lower commodity prices and lower sales volume.

As the Rupiah strengthened against the US Dollar, a net foreign exchange gain on the US Dollar denominated borrowings of RM18.019 million was recorded (Q3-FY2018: Loss of RM3.553 million) during the quarter. These net foreign exchange gains or losses which are reported as net other income and finance costs amounted to gains of RM28.572 million (Q3-FY2018: Gains of RM0.172 million) and loss of RM10.553 million (Q3-FY2018: Loss of RM3.725 million) respectively during the quarter.

As a result of the significantly lower commodity prices, the overall Group's EBITDA and financial performance during the quarter was adversely impacted.

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B1. Review of Performance (continued)

Individual Quarter -- Q3-FY2019 vs Q3-FY2018 (continued)

The performance by geographical segments are summarised as follows:

- (a) the Malaysian operations recorded lower revenue due to lower sales volumes and significantly lower commodity prices. Compounded by the production cost pressure from the increase in young mature replanted areas, increased fuel prices and higher wages for harvesting tall palms, the financial performance for the quarter was significantly lower; and
- (b) despite the higher FFB production in the Indonesian operations as palms mature, the shortfall in revenue was due to the lower commodity prices. The foreign exchange gains arising from the strengthening of the Rupiah against the US Dollar on the US Dollar denominated borrowings cushioned the impact from the increase in production cost pressures from the young mature areas incurring full fixed plantation maintenance and overhead costs set against start-up crop yields. As a result, the adverse impact on EBITDA and the overall financial performance of the operations was contained.

Cumulative Period -- Period FY 2019 vs Period FY 2018

The period revenue of the Group was lower than that of the previous period due to the lower commodity prices. The significantly higher net foreign exchange losses on the US Dollar denominated borrowings in the Indonesian operations, compounded by the production cost pressure in the Malaysian operations, and the young mature areas incurring full plantation maintenance and overheads against a startup yield in the Indonesian operations, resulted in a lower EBITDA and a loss before taxation.

The Group's foreign exchange losses on the US Dollar denominated borrowings which are reported as net other loss and finance costs amounted to loss of RM2.381 million (Period FY2018: Loss of RM0.310 million) and loss of RM33.134 million (Period FY2018: Loss of RM12.841 million) respectively.

The performance by geographical segment is summarised as follows:

- (a) Revenue for the Malaysian operations was lower due to lower commodity prices and sales volume. Compounded by the lower FFB production and the increased young mature replanting area in the Malaysian operations incurring full plantation maintenance and overheads against a startup yield, a significantly lower EBITDA and profit before tax was reported; and
- (b) Revenue for the Indonesian operations was lower mainly due to lower commodity prices. Despite the higher FFB production as a result of a larger area attaining maturity, a significantly lower EBITDA and a loss before taxation were recorded. The lower financial performance was due to the weakening of the Rupiah against the US Dollar, resulting in significantly higher net foreign exchange losses on the US Dollar denominated borrowings and higher interest costs. Production cost pressures from the increased young mature areas incurring full plantation maintenance costs and overheads against a startup yield continued.

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B1. Review of Performance (continued)

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

	Individual Quarter			var %	Cumulative Period		
	Current year quarter	Preceding year quarter	var % +/-		Current period	Preceding period	var % +/-
	31/12/2018	31/12/2017			31/12/2018	31/12/2017	
Malaysian Operations							
Own FFB production (mt)	146,302	133,147	+9.9	315,336	343,781	-8.3	
Outside FFB crops (mt)	58,825	75,236	-21.8	131,630	172,770	-23.8	
CPO production (mt)	39,272	42,467	-7.5	89,015	104,798	-15.1	
PKO production (mt)	4,052	5,217	-22.3	8,702	11,320	-23.1	
CPO sales (mt)	27,947	39,988	-30.1	91,240	103,452	-11.8	
PKO sales (mt)	3,749	5,042	-25.6	8,339	11,439	-27.1	
CPO price per mt (RM)	1,928	2,607	-26.0	2,204	2,675	-17.6	
PKO price per mt (RM)	2,891	5,397	-46.4	3,240	4,919	-34.1	
Indonesian Operations							
Own FFB production (mt)	131,370	107,760	+21.9	411,642	363,295	+13.3	
Outside FFB crops (mt)	24,644	32,514	-24.2	89,831	93,245	-3.7	
CPO production (mt)	23,885	22,973	+4.0	76,138	71,709	+6.2	
PKO production (mt)	1,681	1,617	+4.0	5,484	4,686	+17.0	
Own FFB sales (mt)	57,378	42,899	+33.8	179,055	132,966	+34.7	
CPO sales (mt)	28,678	23,571	+21.7	75,200	69,462	+8.3	
PKO sales (mt)	1,850	2,001	-7.5	4,852	5,704	-14.9	
FFB price per mt (RM)	327	555	-41.1	384	522	-26.4	
CPO price per mt (RM)	1,693	2,405	-29.6	1,881	2,448	-23.2	
PKO price per mt (RM)	3,015	5,390	-44.1	3,169	4,694	-32.5	
Closing Exchange Rates							
	As at 31/12/2018			As at 31/12/2017			
RM : Rupiah	1 : 3,509			1 : 3,333			
US Dollar : RM	1 : 4.146			1 : 4.063			
US Dollar : Rupiah	1 : 14,481			1 : 13,548			
Japanese Yen : Rupiah	100 : 13,111			N/A			

The Group's Japanese Yen borrowing was drawdown at the end of December 2018. The currency movement between Japanese Yen and Rupiah had no material impact to the Group during the quarter.

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

	Individual Quarter			var %	Cumulative Period		
	Current year quarter	Preceding year quarter	var % +/-		Current period	Preceding period	var % +/-
	31/12/2018	31/12/2017			31/12/2018	31/12/2017	
	RM'000	RM'000		RM'000	RM'000		
Malaysian Operations							
Sabah sales tax	3,923	7,742	-49.3	14,744	20,466	-28.0	
MPOB Cess:							
-Palm Oil Price Stabilisation Fund Order 2001	86	95	-9.5	195	232	-15.9	
MPOB Cess:							
-Research & Development, Licensing, Enforcement and Marketing Cess Order 2002	477	524	-9.0	1,075	1,277	-15.8	
Total	4,486	8,361	-46.3	16,014	21,975	-27.1	

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

The results of the Group are tabulated below:

	Individual Quarter		change % +/-
	Current year quarter 31/12/2018 RM'000	Immediate preceding quarter 30/09/2018 RM'000	
Revenue:			
- Malaysia	69,690	69,248	+0.6
- Indonesia	73,179	70,838	+3.3
	142,869	140,086	+2.0
EBITDA:			
- Malaysia	19,639	10,192	+92.7
- Indonesia	24,805	4,309	+475.7
	44,444	14,501	+206.5
(Loss)/profit before taxation:			
- Malaysia	8,697	(1,461)	+695.3
- Indonesia	(10,706)	(30,288)	-64.7
	(2,009)	(31,749)	-93.7

Revenue for the Q3-FY2019 was marginally higher than Q2-FY2019 mainly due to higher sales volumes. The Group recorded a higher EBITDA and a lower loss before taxation during the quarter mainly due to the foreign exchange gains on the US Dollar denominated borrowings which are reported as net other income and finance costs amounting to gains of RM28.572 million (Q2-FY2019: Loss of RM11.831 million) and loss of RM10.553 million (Q2-FY2019: Loss of RM10.825 million) respectively.

The performance by geographical segments are summarised as follows:

- (a) The Malaysian operations recorded marginally higher revenue mainly due to higher sales volumes. FFB production in the Malaysian operations recovered during the quarter. As a result, higher EBITDA and profit before taxation were reported in spite of lower commodity price; and
- (b) The Indonesian operations recorded marginally higher revenue mainly due to higher sales volumes. The lower FFB production was mainly due to disruption in harvesting operations as logistical constraints in CPO shipments were experienced during the quarter. Despite the lower production and commodity prices, the net foreign exchange gains on the US Dollar denominated borrowings resulted in an improvement to the EBITDA and profitability.

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

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

	Individual Quarter		var % +/-
	Current year quarter 31/12/2018	Immediate preceding quarter 30/09/2018	
Malaysian Operations			
Own FFB production (mt)	146,302	82,569	+77.2
Outside FFB crops (mt)	58,825	39,286	+49.7
CPO production (mt)	39,272	24,737	+58.8
PKO production (mt)	4,052	2,399	+68.9
CPO sales (mt)	27,947	26,097	+7.1
PKO sales (mt)	3,749	2,312	+62.2
CPO price per mt (RM)	1,928	2,228	-13.5
PKO price per mt (RM)	2,891	3,513	-17.7
Indonesian Operations			
Own FFB production (mt)	131,370	145,684	-9.8
Outside FFB crops (mt)	24,644	34,585	-28.7
CPO production (mt)	23,885	26,851	-11.0
PKO production (mt)	1,681	1,837	-8.5
Own FFB sales (mt)	57,378	65,746	-12.7
CPO sales (mt)	28,678	22,011	+30.3
PKO sales (mt)	1,850	1,501	+23.3
FFB price per mt (RM)	327	377	-13.3
CPO price per mt (RM)	1,693	1,867	-9.3
PKO price per mt (RM)	3,015	3,010	+0.2
Closing Exchange Rates			
	As at 31/12/2018	As at 30/09/2018	
RM : Rupiah	1 : 3,509	1 : 3,597	
US Dollar : RM	1 : 4.146	1 : 4.145	
US Dollar : Rupiah	1 : 14,481	1 : 14,929	
Japanese Yen : Rupiah	100 : 13,111	N/A	

B3. Prospects for the Current Financial Year

Notwithstanding the anticipated recovery of crop production from the lag effects of the 2015/2016 prolonged dry weather and increased young mature areas, 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 the Japanese Yen as well as higher borrowing costs.

As a result of the above factors and given the weak 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.

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B5. Income Tax

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	
	2018 RM'000	2017 RM'000 (Restated)	2018 RM'000	2017 RM'000 (Restated)
Current tax:				
- Malaysian income tax	2,827	12,035	7,824	22,608
Deferred tax:				
- Relating to (reversal)/originating of temporary differences	(2,267)	9,031	(9,464)	6,819
	560	21,066	(1,640)	29,427

The effective tax rate of the Group is impacted by 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.

B7. Group Borrowings

The particulars of the Group's borrowings as at 31 December 2018 are as follows:

Short term borrowings	RM'000
<u>Unsecured:</u>	
- Short term advance facility	247,625
<u>Secured:</u>	
- Term loan	123,717
	371,342
Long term borrowings	
<u>Secured:</u>	
- Term loan	448,676
	820,018

Local and foreign currency borrowings included in the above are as follows:	Foreign currency '000	RM'000 Equivalent
US Dollar	131,800	543,950
Japanese Yen	5,247,200	196,068
Ringgit Malaysia		80,000
		820,018

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

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B8. Changes in Material Litigation

There was no material litigation since 31 March 2018.

B9. Dividend Payable

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

B10. (Loss)/earnings per Share

	INDIVIDUAL QUARTER 3 MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD 9 MONTHS ENDED 31 DECEMBER	
	2018	2017 (Restated)	2018	2017 (Restated)
Basic (loss)/earnings per share				
Net (loss)/profit for the period attributable to owners of the Company (RM'000)	(1,988)	5,856	(49,860)	24,744
Weighted average number of ordinary shares in issue ('000')	880,580	880,580	880,580	880,580
Basic (loss)/earnings per share (sen)	(0.23)	0.67	(5.66)	2.81

B11. Notes to the Condensed Statement of Comprehensive Income

	INDIVIDUAL QUARTER 3 MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD 9 MONTHS ENDED 31 DECEMBER	
	2018 RM'000	2017 RM'000 (Restated)	2018 RM'000	2017 RM'000 (Restated)
Interest income	1,025	1,493	3,410	4,469
Net gains/(losses) - net foreign exchange gains/(losses) from operations	28,572	172	(2,381)	(31)
Finance costs – net foreign exchange losses on borrowings	(10,553)	(3,725)	(33,134)	(12,841)
Other income	656	1,407	2,979	3,584
Fair value gains on crude palm oil pricing swaps	5,658	3,054	7,570	771
Fair value losses on produce growing on bearer plants	(3,052)	(1,290)	(3,358)	(1,481)
Finance costs - Interest expense	(7,361)	(5,706)	(20,388)	(16,850)
Depreciation and amortisation	(28,539)	(31,429)	(85,829)	(94,484)

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)

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 date of the statement of financial position, 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	25,500	61,426,500	6,071,000
- 1 year to 3 years	-	-	-
- More than 3 years	-	-	-

There are no other types 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.

B13. Fair Value changes of Financial Instruments

The Group recognised the fair value gains of approximately RM5,658,000 (*Q3-FY 2018: Gains of RM3,054,000*) and fair value gains of approximately RM7,570,000 (*Year to-date FY2018: Gains of RM771,000*) on the CPO pricing swap contracts during the current quarter and the financial period 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 are higher than the contracted fixed CPO prices.