



## IJM PLANTATIONS BERHAD (133399-A)

### Part A1 : Quarterly Report

**Quarterly report for the financial period ended:** 30/06/2019  
**Quarter:** 1<sup>st</sup> Qtr  
**Financial Year End:** 31/03/2020  
**The figures:** Have not been audited  
  
**Full Quarterly Report:** Refer attached

### Part A2 : Summary of Key Financial Information for the financial period 30/06/2019

	Individual Quarter		Cumulative Period	
	Current year quarter 30/06/2019 RM'000	Preceding year quarter 30/06/2018 RM'000	Current period 30/06/2019 RM'000	Preceding period 30/06/2018 RM'000
1 Revenue	133,067	183,143	133,067	183,143
2 Loss before taxation	(5,383)	(26,269)	(5,383)	(26,269)
3 Net loss for the period	(5,122)	(24,815)	(5,122)	(24,815)
4 Loss attributable to owners of the Company	(4,776)	(19,577)	(4,776)	(19,577)
5 Basic loss per share (sen)	(0.54)	(2.22)	(0.54)	(2.22)
6 Proposed/declared dividend per share (sen)	-	-	-	-
	<b>As at end of current quarter 30/06/2019</b>		<b>As at preceding financial year end</b>	
7 Net assets per share attributable to owners of the Company (RM)		1.50		1.51

# IJM PLANTATIONS BERHAD (133399-A)

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 JUNE			CUMULATIVE 3 MONTHS ENDED 30 JUNE		
	2019 RM'000	2018 RM'000	change % +/-	2019 RM'000	2018 RM'000	change % +/-
Revenue	133,067	183,143	-27.3	133,067	183,143	-27.3
Operating expenses	(138,215)	(172,533)	-19.9	(138,215)	(172,533)	-19.9
Net other income and gains/(losses):						
- Net other income	6,110	643	+850.2	6,110	643	+850.2
- Net foreign exchange gains/(losses)	168	(19,122)	+100.9	168	(19,122)	+100.9
Profit/(loss) from operations	1,130	(7,869)	+114.4	1,130	(7,869)	+114.4
Finance costs:						
- Interest and lease expenses	(6,694)	(6,644)	+0.8	(6,694)	(6,644)	+0.8
- Net foreign exchange losses on borrowings	-	(11,756)	-	-	(11,756)	-
Share of profits of an associate	181	*	-	181	*	-
Loss before taxation	(5,383)	(26,269)	-79.5	(5,383)	(26,269)	-79.5
Income tax	261	1,454	-82.0	261	1,454	-82.0
<b>Net loss for the financial period</b>	(5,122)	(24,815)	-79.4	(5,122)	(24,815)	-79.4
<b>Other comprehensive income/(loss)</b>						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
- Currency translation difference	19,855	700	+2736.4	19,855	700	+2736.4
<b>Total comprehensive income/(loss) for the financial period</b>	14,733	(24,115)	+161.1	14,733	(24,115)	+161.1
<b>Net loss attributable to:</b>						
- Owners of the Company	(4,776)	(19,577)	-75.6	(4,776)	(19,577)	-75.6
- Non-controlling interests	(346)	(5,238)	-93.4	(346)	(5,238)	-93.4
	(5,122)	(24,815)	-79.4	(5,122)	(24,815)	-79.4
<b>Total comprehensive income/(loss) attributable to:</b>						
- Owners of the Company	15,123	(18,920)	+179.9	15,123	(18,920)	+179.9
- Non-controlling interests	(390)	(5,195)	-92.5	(390)	(5,195)	-92.5
	14,733	(24,115)	+161.1	14,733	(24,115)	+161.1
Loss per share attributable to owners of the Company:						
Basic loss per share:						
- [Note B10]	(0.54) sen	(2.22) sen		(0.54) sen	(2.22) sen	

# IJM PLANTATIONS BERHAD (133399-A)

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<b>As at 30 June 2019 RM'000</b>	<b>As at 31 March 2019 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets:</b>		
Property, plant and equipment	1,648,872	1,695,903
Land use rights	-	140,625
Right-of-use assets	234,152	-
Associate	13,090	12,908
Other receivables	134,070	127,907
Deferred tax assets	15,707	13,812
	2,045,891	1,991,155
<b>Current Assets:</b>		
Inventories	88,349	79,340
Trade and other receivables	53,846	47,005
Derivative financial instruments	6,438	4,470
Produce growing on bearer plants	7,745	7,750
Tax recoverable	13,604	13,351
Deposits, cash and bank balances	188,206	139,422
	358,188	291,338
<b>TOTAL ASSETS</b>	2,404,079	2,282,493
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves attributable to owners of the Company</b>		
Share capital	922,530	922,530
Equity contribution reserve	6,619	8,155
Other reserves	(81,242)	(101,141)
Retained profits	475,825	498,213
	1,323,732	1,327,757
Non-controlling interests	2,371	2,761
<b>Total Equity</b>	1,326,103	1,330,518
<b>Non-Current Liabilities:</b>		
Retirement benefits	20,196	19,340
Lease liabilities	20,285	-
Borrowings	771,776	651,349
Deferred tax liabilities	73,401	73,201
	885,658	743,890
<b>Current Liabilities:</b>		
Trade and other payables	74,693	71,493
Lease liabilities	1,135	-
Dividend payable	17,612	-
Current tax liabilities	12	8
Borrowings	98,866	136,584
	192,318	208,085
<b>Total Liabilities</b>	1,077,976	951,975
<b>TOTAL EQUITY AND LIABILITIES</b>	2,404,079	2,282,493
<b>Net Assets Per Share attributable to owners of the Company (RM)</b>	<b>1.50</b>	<b>1.51</b>

## IJM PLANTATIONS BERHAD (133399-A)

### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2019

	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 2019</b>	922,530	8,155	(101,141)	498,213	1,327,757	2,761	1,330,518
Comprehensive loss: -net loss for the period	-	-	-	(4,776)	(4,776)	(346)	(5,122)
Other comprehensive income: -Currency translation differences arising from translation of net investments in subsidiaries	-	-	19,899	-	19,899	(44)	19,855
Total comprehensive income/(loss)	-	-	19,899	(4,776)	15,123	(390)	14,733
Capital contribution by ultimate holding company, net of ESOS exercised by employees	-	(1,536)	-	-	(1,536)	-	(1,536)
Dividend - year ended 31 March 2019	-	-	-	(17,612)	(17,612)	-	(17,612)
<b>At 30 June 2019 (Unaudited)</b>	922,530	6,619	(81,242)	475,825	1,323,732	2,371	1,326,103

## IJM PLANTATIONS BERHAD (133399-A)

### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 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
<b>At 1 April 2018</b>							
- 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)	(188,694)	(233,771)	(3,786)	(237,557)
- As restated	922,530	7,064	(116,192)	576,078	1,389,480	(7,269)	1,382,211
Comprehensive loss:							
-net loss for the period	-	-	-	(19,577)	(19,577)	(5,238)	(24,815)
Other comprehensive income:							
-Currency translation differences arising from translation of net investments in subsidiaries	-	-	657	-	657	43	700
Total comprehensive income/(loss)	-	-	657	(19,577)	(18,920)	(5,195)	(24,115)
Capital contribution by ultimate holding company, net of ESOS exercised by employees	-	(1,678)	-	-	(1,678)	-	(1,678)
Dividends - year ended 31 March 2018	-	-	-	(44,029)	(44,029)	-	(44,029)
<b>At 30 June 2018 (Unaudited)</b>	922,530	5,386	(115,535)	512,472	1,324,853	(12,464)	1,312,389

\*\* - Certain figures on the effects of transition from FRSs to MFRSs were amended to be consistent with the audited financial statements for the year ended 31 March 2019.

# IJM PLANTATIONS BERHAD (133399-A)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>3 MONTHS ENDED 30 JUNE 2019 RM'000</b>	<b>3 MONTHS ENDED 30 JUNE 2018 RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	130,337	190,986
Payments to contractors, suppliers and employees	(120,485)	(130,402)
Interest paid	(7,095)	(6,644)
Income tax paid	(1,394)	(5,248)
<i>Net cash flows generated from operating activities</i>	1,363	48,692
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment, land use rights, and right-of-use assets	(18,993)	(32,609)
Subscription of shares in an associate	-	(12,408)
Placement of deposits	(5,126)	-
Interest received	1,410	1,313
<i>Net cash flows used in investing activities</i>	(22,709)	(43,704)
<b>FINANCING ACTIVITIES</b>		
Repayment of borrowings	(107,741)	(15,670)
Drawdown of borrowings	171,540	-
Repayment of lease liabilities	(566)	-
<i>Net cash flows from/(used in) financing activities</i>	63,233	(15,670)
<b>Net Change in Cash and Cash Equivalents</b>	41,887	(10,682)
<b>Foreign Exchange differences</b>	1,526	(7)
<b>Cash &amp; Cash Equivalents at beginning of financial period</b>	127,821	206,165
<b>Cash &amp; Cash Equivalents at end of financial period</b>	171,234	195,476
<b>Notes:</b>	<b>AS AT 30 JUNE 2019 RM'000</b>	<b>AS AT 30 JUNE 2018 RM'000</b>
Cash and cash equivalents represent the following:		
Cash and bank balances	80,708	39,642
Deposits with licensed banks	107,498	166,687
	188,206	206,329
Less: Restricted deposits with licensed banks	(16,972)	(10,853)
	171,234	195,476

# IJM PLANTATIONS BERHAD (133399-A)

## A NOTES TO THE QUARTERLY RESULTS

### A1. Basis of Preparation

The 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 2019 which are available at <http://www.ijmplantations.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 2019.

### A2. Significant Accounting Policies

The significant accounting policies applied are consistent with those adopted for the audited financial statements for the year ended 31 March 2019 except for the adoption of the following new MFRS, amendments to published standards issued by MASB and IC interpretations that are effective for the Group’s financial year beginning on or after 1 April 2019 and applicable to the Group as follows:

- MFRS 16 “Leases”
- Amendments to MFRS 9 “Prepayment Features with Negative Compensation”
- Amendments to MFRS 128 “Long term interest in Associates and Joint Ventures”
- Annual improvements to MFRSs 2015 - 2017 Cycle, which include Amendments to MFRS 3 “Business Combinations”, MFRS 11 “Joint Arrangements”, MFRS 112 “Income Taxes” and MFRS 123 “Borrowing Costs”
- Amendments to MFRS 119 “Plan amendment, curtailment or settlement”
- IC Interpretation 23 “Uncertainty over income tax treatments”

The adoption of the new MFRS, amendments to published standards and IC interpretations did not have any material impact on the interim financial report of the Group except for the following:

#### MFRS 16 “Leases”

MFRS 16 “Leases” supersedes MFRS 117 “Leases” and the related interpretations. MFRS 16 eliminates the classification of leases by the lessee as either finance leases or operating leases. MFRS 16 introduces a single accounting model, requiring the lessee to recognise the “right-of-use” of the underlying asset and the lease liability reflecting future lease payments liabilities in the statement of financial position. The right-of-use asset is depreciated in accordance with the principles in MFRS 116 “Property, Plant and Equipment” and the lease liability is accreted over time with interest expense recognised in the statement of comprehensive income. For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

The Group has adopted MFRS 16 retrospectively from 1 April 2019 using the simplified transition approach and has not restated comparatives for the 2019 reporting period, as permitted under the standard. The reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening balance of statement of financial position as at 1 April 2019.

As permitted by the exemptions under the standard, the Group has not applied the principles of MFRS 16 to short term leases (leases with lease terms of 12 months or less from dates of commencement) and leases for which the underlying assets are of low value.

## IJM PLANTATIONS BERHAD (133399-A)

### A2. Significant Accounting Policies (continued)

The impact of adoption of MFRS 16 on operating leases and finance leases are as follows:

(i) Leases previously classified as operating leases

On adoption of MFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of MFRS 117. These liabilities are measured at the present value of the remaining lease payments and discounted using the Group’s incremental borrowing rate as of 1 April 2019.

On a lease-by-lease basis, the Group measures the associated right-of-use asset on a retrospective basis either at its carrying amount as if the new rules had always been applied or at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised as at 31 March 2019.

In applying MFRS 16 for the first time, the Group has applied the following practical expedients:

- (a) The use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- (b) The accounting for operating leases with remaining lease terms of less than 12 months as short term leases as at the date of initial application;
- (c) The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- (d) The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Group relied on its assessment by applying MFRS 117 and IC Interpretation 4 “Determining whether an Arrangement contains a Lease”.

(ii) Leases previously classified as finance leases

For leases previously classified as finance leases, the Group recognised the carrying amount of the lease asset immediately before the transition as the carrying amount of the right-of-use assets on the date of initial application. The measurement principles of MFRS 16 are then applied after that date. Consequently, reclassifications from certain property, plant and equipment and land use rights have been made to right-of-use assets on the date of initial application.



## IJM PLANTATIONS BERHAD (133399-A)

### A2. Significant Accounting Policies (continued)

The table below shows the impact of changes to the condensed consolidated statement of financial position of the Group resulting from the adoption of MFRS 16 as at 1 April 2019:

	As at 31 March 2019	Effects of adoption of MFRS 16	As at 1 April 2019
	RM'000	RM'000	RM'000
<u>Non-current assets:</u>			
- Property, plant and equipment	1,695,903	(71,653)	1,624,250
- Land use rights	140,625	(140,625)	-
- Right-of-use assets	-	234,043	234,043
<u>Non-current liabilities:</u>			
- Lease liabilities	-	20,630	20,630
<u>Current liabilities:</u>			
- Lease liabilities	-	1,135	1,135

The impact on the Group's financial performance upon adoption of MFRS 16 in the current financial period is as follows:

(i) Consolidated Statement of Comprehensive Income

Expenses which had included operating lease rental within adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA") are now replaced by interest expense on lease liabilities (included within "finance costs") and amortisation of rights-of-use assets (included within "depreciation and amortisation"); and

(ii) Consolidated Statement of Cash Flows

Operating lease rental outflows previously recorded within "net cash flows from operating activities" are now classified as "net cash flows from financing activities" for repayment of lease liabilities.

## IJM PLANTATIONS BERHAD (133399-A)

### **A3. Audit Report**

The audit report for the financial year ended 31 March 2019 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**

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual in nature, size or incidence during the quarter under review.

### **A6. Material Changes in Estimates**

There were no major changes in estimates that had a material effect on the results for the current quarter.

### **A7. Debt and Equity Securities**

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

### **A8. Dividends Paid**

There was no dividend paid during the current quarter.

### **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.

## IJM PLANTATIONS BERHAD (133399-A)

### A9. Segmental Information (continued)

	INDIVIDUAL QUARTER		change % +/-	CUMULATIVE PERIOD		change % +/-
	3 months ended 30/06/2019 RM'000	3 months ended 30/06/2018 RM'000		3 months ended 30/06/2019 RM'000	3 months ended 30/06/2018 RM'000	
<b>Revenue and timing of revenue recognition:</b>						
-Malaysia – Point in time	65,375	100,594	-35.0	65,375	100,594	-35.0
-Malaysia – Over time	-	-	-	-	-	-
<i>Total revenue from Malaysia</i>	<u>65,375</u>	<u>100,594</u>	-35.0	<u>65,375</u>	<u>100,594</u>	-35.0
-Indonesia – Point in time	67,692	82,549	-18.0	67,692	82,549	-18.0
-Indonesia – Over time	-	-	-	-	-	-
<i>Total revenue from Indonesia</i>	<u>67,692</u>	<u>82,549</u>	-18.0	<u>67,692</u>	<u>82,549</u>	-18.0
Total external revenue	<u>133,067</u>	<u>183,143</u>	-27.3	<u>133,067</u>	<u>183,143</u>	-27.3
<b>Earnings before interest, tax, depreciation and amortisation (“EBITDA”):</b>						
-Malaysia	12,198	16,208	-24.7	12,198	16,208	-24.7
-Indonesia	16,906	4,171	+305.3	16,906	4,171	+305.3
	<u>29,104</u>	<u>20,379</u>	+42.8	<u>29,104</u>	<u>20,379</u>	+42.8
-Finance costs	(6,694)	(18,400)		(6,694)	(18,400)	
-Depreciation and amortisation	<u>(27,793)</u>	<u>(28,248)</u>		<u>(27,793)</u>	<u>(28,248)</u>	
Loss before taxation	<u>(5,383)</u>	<u>(26,269)</u>	-79.5	<u>(5,383)</u>	<u>(26,269)</u>	-79.5
<b>Profit/(loss) before taxation:</b>						
-Malaysia	2,392	5,586	-57.2	2,392	5,586	-57.2
-Indonesia	(7,775)	(31,855)	-75.6	(7,775)	(31,855)	-75.6
	<u>(5,383)</u>	<u>(26,269)</u>	-79.5	<u>(5,383)</u>	<u>(26,269)</u>	-79.5
<b>TOTAL ASSETS</b>				<b>As at 30 June 2019 RM'000</b>	<b>As at 31 March 2019 RM'000</b>	
Malaysian Operations				735,851	720,333	
Indonesian Operations				1,638,917	1,534,997	
Unallocated assets				<u>29,311</u>	<u>27,163</u>	
				<u>2,404,079</u>	<u>2,282,493</u>	

### A10. Valuations of Property, Plant and Equipment

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

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

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

## IJM PLANTATIONS BERHAD (133399-A)

### A12. Changes in the Composition of the Group

There were no other changes in the composition of the Group for the current quarter.

### A13. Contingent Liabilities or Contingent Assets

There were no material contingent liabilities or contingent assets as at 30 June 2019.

### A14. Capital Commitments

Capital commitments not provided for in the unaudited financial statements as at 30 June 2019 are as follows:

Property, plant, equipment and land use rights:	<b>RM'000</b>
- Approved and contracted for	70,000
- Approved but not contracted for	113,415
	<u>183,415</u>

### A15. Fair Value of Financial Instruments

The following hierarchies were applied to determine the fair value of all the financial instruments carried at fair value:

- (a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 30 June 2019, 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	-	6,438	-	6,438

## IJM PLANTATIONS BERHAD (133399-A)

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

*Current quarter under review – Q1-FY2020*

*Corresponding quarter of the preceding year – Q1-FY2019*

*Immediate preceding quarter – Q4-FY2019*

#### B1. Review of Performance

The results of the Group are tabulated below:

	<b>Individual Quarter</b>		change % +/-
	Current year quarter 30/06/2019 RM'000	Preceding year quarter 30/06/2018 RM'000	
<b>Revenue:</b>			
-Malaysia	65,375	100,594	-35.0
-Indonesia	67,692	82,549	-18.0
	133,067	183,143	-27.3
<b>EBITDA:</b>			
-Malaysia	12,198	16,208	-24.7
-Indonesia	16,906	4,171	+305.3
	29,104	20,379	+42.8
<b>Profit/(loss) before taxation:</b>			
-Malaysia	2,392	5,586	-57.2
-Indonesia	(7,775)	(31,855)	-75.6
	(5,383)	(26,269)	-79.5

#### Individual Quarter -- Q1-FY2020 vs Q1-FY2019

FFB production in Q1-FY2020 was higher as compared to Q1-FY2019 mainly due to the recovery of crop production in the Malaysian operations. The Group however recorded lower revenue as a result of the lower commodity prices and sales volume.

During the quarter, the Rupiah strengthened against the US Dollar but weakened against the Japanese Yen. This resulted in a net foreign exchange gain of RM0.168 million (Q1-FY2019: Loss of RM30.878 million) on the foreign currency denominated borrowings. These net foreign exchange gains or losses which are reported as net other income and finance costs amounted to gains of RM0.168 million (Q1-FY2019: Loss of RM19.122 million) and nil (Q1-FY2019: Loss of RM11.756 million) respectively during the quarter.

As a result of the stronger Rupiah against the US Dollar, the overall financial performance of the Group was an improvement over the corresponding quarter.

## IJM PLANTATIONS BERHAD (133399-A)

### B1. Review of Performance (continued)

#### Individual Quarter -- Q1-FY2020 vs Q1-FY2019 (continued)

The performance by geographical segments are summarised as follows:

- (a) despite the crop production recovery, the Malaysian operations recorded lower revenue mainly due to lower commodity prices and sales volume. Compounded by the production cost pressure from the higher wages due to the implementation of the nationwide minimum wage of RM1,100 per month effective 1 January 2019, the financial performance for the quarter was lower; and
- (b) the Indonesian operations recorded lower revenue mainly due to lower commodity prices. The overall financial performance of the operations was an improvement mainly due to the foreign exchange gains on the US Dollar denominated borrowings arising from the strengthening of the Rupiah against the US Dollar.

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

	<b>Individual Quarter</b>		var % +/-
	Current year quarter 30/06/2019	Preceding year quarter 30/06/2018	
<b>Malaysian Operations</b>			
Own FFB production (mt)	103,935	86,465	+20.2
Outside FFB crops (mt)	34,942	33,519	+4.2
CPO production (mt)	27,188	25,006	+8.7
PKO production (mt)	2,695	2,251	+19.7
CPO sales (mt)	29,655	37,196	-20.3
PKO sales (mt)	2,310	2,278	+1.4
CPO price per mt (RM)	1,921	2,395	-19.8
PKO price per mt (RM)	2,220	3,538	-37.3
<b>Indonesian Operations</b>			
Own FFB production (mt)	127,708	134,588	-5.1
Outside FFB crops (mt)	57,289	30,602	+87.2
CPO production (mt)	30,716	25,402	+20.9
PKO production (mt)	1,964	1,966	-0.1
Own FFB sales (mt)	55,862	55,931	-0.1
CPO sales (mt)	23,025	24,511	-6.1
PKO sales (mt)	2,001	1,501	+33.3
FFB price per mt (RM)	372	450	-17.3
CPO price per mt (RM)	1,821	2,115	-13.9
PKO price per mt (RM)	2,343	3,519	-33.4
<b>Closing Exchange Rates</b>			
	<b>As at 30/06/2019</b>	<b>As at 30/06/2018</b>	
RM : Rupiah	1 : 3,413	1 : 3,559	
US Dollar : RM	1 : 4.143	1 : 4.043	
US Dollar : Rupiah	1 : 14,141	1 : 14,404	
Japanese Yen : Rupiah	100 : 13,139	N/A	

## IJM PLANTATIONS BERHAD (133399-A)

### B1. Review of Performance (continued)

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

	<b>Individual Quarter</b>		var % +/-
	Current year quarter 30/06/2019	Preceding year quarter 30/06/2018	
	RM'000	RM'000	
<b>Malaysian Operations</b>			
Sabah sales tax	4,366	6,559	-33.4
MPOB Cess:			
-Palm Oil Price Stabilisation Fund Order 2001	60	55	+9.1
MPOB Cess:			
-Research & Development, Licensing, Enforcement and Marketing Cess Order 2002	329	300	+9.7
<b>Total</b>	<b>4,755</b>	<b>6,914</b>	+31.2

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

The results of the Group are tabulated below:

	<b>Individual Quarter</b>		change % +/-
	Current year quarter 30/06/2019	Immediate preceding quarter 31/03/2019	
	RM'000	RM'000	
<b>Revenue:</b>			
- Malaysia	65,375	85,305	-23.4
- Indonesia	67,692	79,497	-14.8
	<u>133,067</u>	<u>164,802</u>	-19.3
<b>EBITDA:</b>			
- Malaysia	12,198	13,967	-12.7
- Indonesia	16,906	25,698	-34.2
	<u>29,104</u>	<u>39,665</u>	-26.6
<b>Profit/(loss) before taxation:</b>			
- Malaysia	2,392	3,980	-39.9
- Indonesia	(7,775)	12,740	-161.0
	<u>(5,383)</u>	<u>16,720</u>	-132.2

## IJM PLANTATIONS BERHAD (133399-A)

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

Revenue for the Q1-FY2020 was lower than Q4-FY2019 mainly due to lower sales volume. During the quarter, net foreign exchange gains on the US Dollar and Japanese Yen denominated borrowings of RM0.168 million were recorded (Q4-FY2019: Gain of RM9.730 million). These net foreign exchange gains which are reported as net other income and finance costs amounted to gains of RM0.168 million (Q4-FY2019: Gains of RM2.519 million) and nil (Q4-FY2019: Gains of RM7.211 million) during the quarter. As a result, the overall financial performance of the Group was lower during the current quarter.

The performance by geographical segments are summarised as follows:

- (a) The Malaysian operations recorded lower revenue mainly due to lower sales volume. FFB production was lower due to the change in cropping pattern. Lower EBITDA and profit before taxation were recorded as a result; and
- (b) The Indonesian operations recorded lower revenue mainly due to lower sales volume and marginal increase in FFB production. Compounded by the lower net foreign exchange gains on the US Dollar and Japanese Yen denominated borrowings during the quarter, the overall financial performance of the operations was lower.

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

	<b>Individual Quarter</b>		var %
	Current year quarter 30/06/2019	Immediate preceding quarter 31/03/2019	
<b>Malaysian Operations</b>			
Own FFB production (mt)	103,935	127,166	-18.3
Outside FFB crops (mt)	34,942	42,259	-17.3
CPO production (mt)	27,188	33,958	-19.9
PKO production (mt)	2,695	3,055	-11.8
CPO sales (mt)	29,655	36,677	-19.1
PKO sales (mt)	2,310	3,166	-27.0
CPO price per mt (RM)	1,921	1,927	-0.3
PKO price per mt (RM)	2,220	2,977	-25.4
<b>Indonesian Operations</b>			
Own FFB production (mt)	127,708	122,251	+4.5
Outside FFB crops (mt)	57,289	37,685	+52.0
CPO production (mt)	30,716	25,054	+22.6
PKO production (mt)	1,964	1,685	+16.6
Own FFB sales (mt)	55,862	55,746	+0.2
CPO sales (mt)	23,025	31,343	-26.5
PKO sales (mt)	2,001	2,001	0.0
FFB price per mt (RM)	372	374	-0.5
CPO price per mt (RM)	1,821	1,760	+3.5
PKO price per mt (RM)	2,343	1,602	+46.3
<b>Closing Exchange Rates</b>			
	<b>As at 30/06/2019</b>	<b>As at 31/03/2019</b>	
RM : Rupiah	1 : 3,413	1 : 3,496	
US Dollar : RM	1 : 4.143	1 : 4.080	
US Dollar : Rupiah	1 : 14,141	1 : 14,244	
Japanese Yen : Rupiah	100 : 13,139	100 : 12,856	



## IJM PLANTATIONS BERHAD (133399-A)

### B3. Prospects for the Current Financial Year

The Group expects a better crop production from both the Malaysian and Indonesian operations.

The Group however, continues to face cost pressures arising mainly from wage increases and the volatility of the foreign exchange rates particularly that of the Rupiah against the US Dollar and Japanese Yen. As a result of these factors and given the prevailing low 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 period under review is as follows:

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 JUNE		CUMULATIVE PERIOD 3 MONTHS ENDED 30 JUNE	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Current tax:				
- Malaysian income tax	1,145	3,682	1,145	3,682
Deferred tax:				
- Reversal of temporary differences	(1,406)	(5,136)	(1,406)	(5,136)
	<u>(261)</u>	<u>(1,454)</u>	<u>(261)</u>	<u>(1,454)</u>

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.

## IJM PLANTATIONS BERHAD (133399-A)

### B7. Group Borrowings

The particulars of the Group's borrowings as at 30 June 2019 are as follows:

<b>Short term borrowings</b>	RM'000	
<i>Unsecured:</i>		
- Short term advance facility	82,866	
<i>Secured:</i>		
- Term loans	16,000	
	98,866	
<b>Long term borrowings</b>		
<i>Secured:</i>		
- Term loans	771,776	
	771,776	
<b>Total borrowings</b>	870,642	
Local and foreign currency borrowings included in the above are as follows:	Foreign currency	RM'000
	'000	Equivalent
US Dollar	144,000	596,637
Japanese Yen	5,247,200	202,005
Ringgit Malaysia		72,000
		870,642

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 2019.

### B9. Dividend Payable

In respect of the financial year ended 31 March 2019, a single tier interim dividend amounting to 2 sen per share (Financial year ended 2018: 5 sen per share) was declared on 29 May 2019 and was paid on 17 July 2019 to every member who was entitled to receive the dividend as at 5.00 p.m. on 28 June 2019.

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

## IJM PLANTATIONS BERHAD (133399-A)

### B10. Loss per Share

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 JUNE		CUMULATIVE PERIOD 3 MONTHS ENDED 30 JUNE	
	2019	2018	2019	2018
<b><u>Basic loss per share</u></b>				
Net loss for the period attributable to owners of the Company (RM'000)	(4,776)	(19,577)	(4,776)	(19,577)
Weighted average number of ordinary shares in issue ('000')	880,580	880,580	880,580	880,580
<b>Basic loss per share (sen)</b>	<b>(0.54)</b>	<b>(2.22)</b>	<b>(0.54)</b>	<b>(2.22)</b>

### B11. Notes to the Condensed Statement of Comprehensive Income

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 JUNE		CUMULATIVE PERIOD 3 MONTHS ENDED 30 JUNE	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Interest income	1,410	1,313	1,410	1,313
Net gains/(losses) - net foreign exchange gains/(losses)from operations	168	(19,122)	168	(19,122)
Finance costs – net foreign exchange losses on borrowings	-	(11,756)	-	(11,756)
Other income	938	1,184	938	1,184
Fair value gains on crude palm oil pricing swaps	3,769	913	3,769	913
Finance costs - interest expense	(6,473)	(6,644)	(6,473)	(6,644)
Finance costs - lease expense	(221)	-	(221)	-
Depreciation and amortisation	(27,793)	(28,248)	(27,793)	(28,248)

The above disclosure is 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	22,500	53,041,500	6,438,000
- 1 year to 3 years	-	-	-
- More than 3 years	-	-	-

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

As of 30 June 2019, the Group recognised the fair value gains of approximately RM3,769,000 (*Q1-FY 2018: Gains of RM913,000*) on the CPO pricing swap contracts.

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.