



IJM PLANTATIONS BERHAD
(Company No: 198501000955 – [133399-A])

Part A1 : Quarterly Report

Quarterly report for the financial year ended: **31/03/2020**
 Quarter: **4th Qtr**
 Financial Year End: **31/03/2020**
 The figures: **Have been audited**

Full Quarterly Report: **Refer attached**

Part A2 : Summary of Key Financial Information for the financial year ended 31/03/2020

	Individual Quarter		Cumulative Period	
	Current year quarter 31/03/2020 RM'000	Preceding year quarter 31/03/2019 RM'000	Current year to-date 31/03/2020 RM'000 (Audited)	Preceding year to-date 31/03/2019 RM'000 (Audited)
1 Revenue	195,393	164,802	739,133	630,900
2 (Loss)/profit before taxation	(73,438)	16,720	(50,472)	(43,307)
3 Net (loss)/profit for the period/year	(86,273)	14,158	(72,979)	(44,229)
4 (Loss)/profit attributable to owners of the Company	(76,387)	13,516	(63,423)	(36,344)
5 Basic (loss)/earnings per share (sen)	(8.67)	1.53	(7.20)	(4.13)
6 Proposed/declared dividend per share (sen)	2.0	2.0	2.0	2.0
	As at end of current quarter 31/03/2020		As at preceding financial year end	
7 Net assets per share attributable to owners of the Company (RM)		1.35		1.51

IJM PLANTATIONS BERHAD
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CONDENSED STATEMENT OF COMPREHENSIVE INCOME

The cumulative 12 months ended 31 March figures have been audited

	INDIVIDUAL QUARTER 3 MONTHS ENDED 31 MARCH			CUMULATIVE 12 MONTHS ENDED 31 MARCH		
	2020 RM'000	2019 RM'000	change % +/-	2020 RM'000 (Audited)	2019 RM'000 (Audited)	change % +/-
Revenue	195,393	164,802	+18.6	739,133	630,900	+17.2
Operating expenses	(167,193)	(158,127)	+5.7	(666,311)	(639,258)	+4.2
Net other income and (losses)/gains:						
- Net other income/(expense)	3,262	4,569	-28.6	(13,291)	15,160	-187.7
- Net foreign exchange (losses)/gains	(62,965)	2,519	-2599.6	(49,393)	138	-35892.0
(Loss)/profit from operations	(31,503)	13,763	-328.9	10,138	6,940	+46.1
Finance costs:						
- Interest and lease expenses	(4,352)	(4,433)	-1.8	(23,546)	(24,821)	-5.1
- Net foreign exchange (losses)/gains on borrowings	(37,717)	7,211	-623.0	(37,717)	(25,923)	+45.5
Share of profits of an associate	134	179	-25.1	653	497	+31.4
(Loss)/profit before taxation	(73,438)	16,720	-539.2	(50,472)	(43,307)	+16.5
Income tax	(12,835)	(2,562)	+401.0	(22,507)	(922)	+2341.1
Net (loss)/profit for the financial period/year	(86,273)	14,158	-709.4	(72,979)	(44,229)	+65.0
Other comprehensive (loss)/income						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
- Currency translation difference	(83,888)	3,634	-2408.4	(57,614)	15,488	-472.0
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
- Actuarial gain on defined benefit plan	528	2,504	-78.9	528	2,504	-78.9
	(83,360)	6,138	-1458.1	(57,086)	17,992	-417.3
Total comprehensive (loss)/profit for the financial period/year	(169,633)	20,296	-935.8	(130,065)	(26,237)	+395.7
Net (loss)/profit attributable to:						
- Owners of the Company	(76,387)	13,516	-665.2	(63,423)	(36,344)	+74.5
- Non-controlling interests	(9,886)	642	-1639.9	(9,556)	(7,885)	+21.2
	(86,273)	14,158	-709.4	(72,979)	(44,229)	+65.0
Total comprehensive (loss)/income attributable to:						
- Owners of the Company	(160,781)	19,420	-927.9	(121,488)	(18,785)	+546.7
- Non-controlling interests	(8,852)	876	-1110.5	(8,577)	(7,452)	+15.1
	(169,633)	20,296	-935.8	(130,065)	(26,237)	+395.7
(Loss)/earnings per share attributable to owners of the Company:						
Basic (loss)/earnings per share:						
- [Note B10]	(8.67) sen	1.53 sen		(7.20) sen	(4.13) sen	

IJM PLANTATIONS BERHAD
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 March 2020 RM'000 (Audited)	As at 31 March 2019 RM'000 (Audited)
ASSETS		
Non-Current Assets:		
Property, plant and equipment	1,526,477	1,695,903
Land use rights	-	140,625
Right-of-use assets	226,495	-
Associate	12,712	12,908
Inventory – Oil palm nurseries	6,886	-
Other receivables	128,256	127,907
Deferred tax assets	8,987	13,812
	<u>1,909,813</u>	<u>1,991,155</u>
Current Assets:		
Inventories	73,104	79,340
Trade and other receivables	58,362	47,005
Derivative financial instruments	329	4,470
Produce growing on bearer plants	11,892	7,750
Tax recoverable	137	13,351
Deposits, cash and bank balances	241,253	139,422
	<u>385,077</u>	<u>291,338</u>
TOTAL ASSETS	<u>2,294,890</u>	<u>2,282,493</u>
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the Company		
Share capital	922,530	922,530
Equity contribution reserve	8,234	8,155
Other reserves	(159,692)	(101,141)
Retained profits	417,664	498,213
	<u>1,188,736</u>	<u>1,327,757</u>
Non-controlling interests	(5,816)	2,761
Total Equity	<u>1,182,920</u>	<u>1,330,518</u>
Non-Current Liabilities:		
Retirement benefits	20,084	19,340
Lease liabilities	21,096	-
Derivative financial instruments	872	-
Borrowings	758,335	651,349
Deferred tax liabilities	76,435	73,201
	<u>876,822</u>	<u>743,890</u>
Current Liabilities:		
Trade and other payables	76,255	71,493
Lease liabilities	1,208	-
Retirement benefits	1,975	-
Derivative financial instruments	3,236	-
Current tax liabilities	3,214	8
Borrowings	149,260	136,584
	<u>235,148</u>	<u>208,085</u>
Total Liabilities	<u>1,111,970</u>	<u>951,975</u>
TOTAL EQUITY AND LIABILITIES	<u>2,294,890</u>	<u>2,282,493</u>
Net Assets Per Share attributable to owners of the Company (RM)	<u>1.35</u>	<u>1.51</u>

IJM PLANTATIONS BERHAD
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020 *(The figures have been audited)*

	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 2019	922,530	8,155	(101,141)	498,213	1,327,757	2,761	1,330,518
Comprehensive loss:							
- net loss for the year	-	-	-	(63,423)	(63,423)	(9,556)	(72,979)
Other comprehensive (loss)/income:							
- Currency translation differences arising from translation of net investments in foreign entities	-	-	(58,551)	-	(58,551)	937	(57,614)
- Actuarial gain on defined benefit plan	-	-	-	486	486	42	528
	-	-	(58,551)	486	(58,065)	979	(57,086)
Total comprehensive loss	-	-	(58,551)	(62,937)	(121,488)	(8,577)	(130,065)
Capital contribution by ultimate holding company, net of ESOS exercised by employees	-	79	-	-	79	-	79
Dividend - year ended 31 March 2019	-	-	-	(17,612)	(17,612)	-	(17,612)
At 31 March 2020	922,530	8,234	(159,692)	417,664	1,188,736	(5,816)	1,182,920

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019 *(The figures have been audited)*

	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 2018	922,530	7,064	(116,192)	576,078	1,389,480	(7,269)	1,382,211
Comprehensive loss:							
- net loss for the year	-	-	-	(36,344)	(36,344)	(7,885)	(44,229)
Other comprehensive income:							
- Currency translation differences arising from translation of net investments in foreign entities	-	-	15,251	-	15,251	237	15,488
- Actuarial gain on defined benefit plan	-	-	-	2,308	2,308	196	2,504
	-	-	15,251	2,308	17,559	433	17,992
Total comprehensive income/(loss)	-	-	15,251	(34,036)	(18,785)	(7,452)	(26,237)
Capital contribution by ultimate holding company, net of ESOS exercised by employees	-	1,091	-	-	1,091	-	1,091
Issuance of shares to non-controlling interests	-	-	-	-	-	17,482	17,482
Reclassification to retained profits	-	-	(200)	200	-	-	-
Dividends - year ended 31 March 2018	-	-	-	(44,029)	(44,029)	-	(44,029)
At 31 March 2019	922,530	8,155	(101,141)	498,213	1,327,757	2,761	1,330,518

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 MONTHS ENDED 31 MARCH 2020 RM'000 (Audited)	12 MONTHS ENDED 31 MARCH 2019 RM'000 (Audited)
OPERATING ACTIVITIES		
Receipts from customers	743,598	635,538
Payments to contractors, suppliers and employees	(582,539)	(512,786)
Interest paid	(21,807)	(23,017)
Net income tax refund/(paid)	2,275	(5,969)
<i>Net cash flows generated from operating activities</i>	141,527	93,766
INVESTING ACTIVITIES		
Additions to property, plant and equipment, land use rights, and right-of-use assets	(88,714)	(131,642)
Proceeds from disposal of property, plants and equipment	52	*
Subscription of shares in an associate	-	(12,408)
Placement of restricted deposits	-	(756)
Interest received	4,384	4,361
<i>Net cash flows used in investing activities</i>	(84,278)	(140,445)
FINANCING ACTIVITIES		
Repayment of borrowings	(98,770)	(277,352)
Drawdown of borrowings	167,799	287,964
Net placement of restricted deposits	(124)	-
Repayment of lease liabilities	(1,524)	-
Dividends paid	(17,612)	(44,029)
<i>Net cash flows from/(used in) financing activities</i>	49,769	(33,417)
Net Change in Cash and Cash Equivalents	107,018	(80,096)
Foreign Exchange differences	(5,517)	1,752
Cash & Cash Equivalents at beginning of financial year	127,821	206,165
Cash & Cash Equivalents at end of financial year	229,322	127,821
Notes:	AS AT 31 MARCH 2020 RM'000	AS AT 31 MARCH 2019 RM'000
Cash and cash equivalents represent the following:		
Cash and bank balances	82,898	61,484
Deposits with licensed banks	158,355	77,938
	241,253	139,422
Less: Restricted deposits with licensed banks	(11,931)	(11,601)
	229,322	127,821

*below RM1,000

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A NOTES TO THE QUARTERLY RESULTS

A1. Basis of Preparation

The interim financial report has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: *Interim Financial Reporting* and *Chapter 9 Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad*.

The audited 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.

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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) Reliance on previous assessments on whether leases are onerous;
- (c) 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;
- (d) The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- (e) 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.

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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	-	235,008	235,008
<u>Non-current liabilities:</u>			
- Lease liabilities	-	(21,381)	(21,381)
<u>Current liabilities:</u>			
- Lease liabilities	-	(1,349)	(1,349)

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

(i) Consolidated Statement of Comprehensive Income

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

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A3. Audit Report

The audit reports for the financial years ended 31 March 2020 and 31 March 2019 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

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

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.

A8. Dividends Paid

Dividend paid during the financial year ended 31 March 2020 is as follows:

In respect of the financial year ended 31 March 2019 as reported in the directors' report of that year:

A single tier interim dividend of 2 sen per share paid on 17 July 2019	RM'000 <u>17,612</u>
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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.

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A9. Segmental Information (continued)

	INDIVIDUAL QUARTER		change % +/-	CUMULATIVE PERIOD		change % +/-
	3 months ended 31/03/2020 RM'000	3 months ended 31/03/2019 RM'000		12 months ended 31/03/2020 RM'000	12 months ended 31/03/2019 RM'000	
Revenue and timing of revenue recognition:						
-Malaysia – Point in time	83,728	85,284	-1.8	335,836	324,816	+3.4
-Malaysia – Over time	-	21	-	-	21	-
<i>Total revenue from Malaysia</i>	<u>83,728</u>	<u>85,305</u>	-1.8	<u>335,836</u>	<u>324,837</u>	+3.4
-Indonesia – Point in time	110,414	79,497	+38.9	402,046	306,063	+31.4
-Indonesia – Over time	1,251	-	-	1,251	-	-
<i>Total revenue from Indonesia</i>	<u>111,665</u>	<u>79,497</u>	+40.5	<u>403,297</u>	<u>306,063</u>	+31.8
Total external revenue	<u>195,393</u>	<u>164,802</u>	+18.6	<u>739,133</u>	<u>630,900</u>	+17.2
Earnings before interest, tax, depreciation and amortisation (“EBITDA”):						
-Malaysia	35,542	13,967	+154.5	82,004	60,006	+36.7
-Indonesia	(40,217)	25,698	-256.5	40,651	58,983	-31.1
	(4,675)	39,665	-111.8	122,655	118,989	+3.1
-Finance costs	(42,069)	2,778		(61,263)	(50,744)	
-Depreciation	(26,694)	(25,723)		(111,864)	(111,552)	
(Loss)/profit before taxation	<u>(73,438)</u>	<u>16,720</u>	-539.2	<u>(50,472)</u>	<u>(43,307)</u>	+16.5
(Loss)/profit before taxation:						
-Malaysia	23,447	3,980	+489.1	40,182	16,802	+139.2
-Indonesia	(96,885)	12,740	-860.5	(90,654)	(60,109)	+50.8
	<u>(73,438)</u>	<u>16,720</u>	-539.2	<u>(50,472)</u>	<u>(43,307)</u>	+16.5
TOTAL ASSETS						
				As at 31 March 2020 RM'000	As at 31 March 2019 RM'000	
Malaysian Operations				773,086	720,333	
Indonesian Operations				1,512,680	1,534,997	
Unallocated assets				9,124	27,163	
				<u>2,294,890</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 and reporting year.

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

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

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A12. Changes in the Composition of the Group

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

A13. Contingent Liabilities or Contingent Assets

There were no material contingent liabilities or contingent assets as at 31 March 2020.

A14. Capital Commitments

Capital commitments not provided for in the audited financial statements as at 31 March 2020 are as follows:

Property, plant, equipment:	RM'000
- Approved and contracted for	29,790
- Approved but not contracted for	163,996
	193,786

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 2020, the Group measured and recognised the derivative financial instruments for the crude palm oil pricing swap and interest rate swap contracts at fair value. They were classified by the level of fair value measurement hierarchy as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
<u>Current Asset:</u>				
Derivative financial instruments	-	329	-	329
<u>Current Liability:</u>				
Derivative financial instruments	-	(3,236)	-	(3,236)
<u>Non-Current Liability:</u>				
Derivative financial instruments	-	(872)	-	(872)

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

Current quarter under review – Q4-FY2020

Corresponding quarter of the preceding year – Q4-FY2019

Immediate preceding quarter – Q3-FY2020

Current financial year – Year-to-date FY2020

Corresponding financial year – Year-to-date FY2019

B1. Review of Performance

The results of the Group are tabulated below:

	Individual Quarter		change % +/-	Cumulative Period		change % +/-
	Current year quarter 31/03/2020 RM'000	Preceding year quarter 31/03/2019 RM'000		Current year to-date 31/03/2020 RM'000	Preceding year to-date 31/03/2019 RM'000	
Revenue:						
-Malaysia	83,728	85,305	-1.8	335,836	324,837	+3.4
-Indonesia	111,665	79,497	+40.5	403,297	306,063	+31.8
	195,393	164,802	+18.6	739,133	630,900	+17.2
EBITDA:						
-Malaysia	35,542	13,967	+154.5	82,004	60,006	+36.7
-Indonesia	(40,217)	25,698	-256.5	40,651	58,983	-31.1
	(4,675)	39,665	-111.8	122,655	118,989	+3.1
Profit/(loss) before taxation:						
-Malaysia	23,447	3,980	+489.1	40,182	16,802	+139.2
-Indonesia	(96,885)	12,740	-860.5	(90,654)	(60,109)	+50.8
	(73,438)	16,720	-539.2	(50,472)	(43,307)	+16.5

Individual Quarter -- Q4-FY2020 vs Q4-FY2019

For Q4-FY2020, the Group recorded a 18.6% increase in revenue as compared to Q4-FY2019 due to higher commodity prices. Although crop production in the Malaysian operations was lower as a result of the change in the cropping pattern, the overall FFB production of the Group in Q4-FY2020 was marginally higher as more crops were harvested from increased areas attaining maturity in the Indonesian operations.

CPO prices weakened during the quarter, thereby recording fair value gains of RM14.156 million on the Group's crude palm oil pricing swap contracts (Q4-FY2019: Loss of RM0.04 million).

The overall financial performance of the Group in the quarter was severely affected by the significant weakening of the Rupiah against the US Dollar and the Japanese Yen. Net foreign exchange losses of RM100.682 million (Q4-FY2019: Gains of RM9.730 million) on the foreign currency denominated borrowings was recorded. The net foreign exchange gains or losses which are reported as net other income and finance costs amounted to losses of RM62.965 million (Q4-FY2019: Gains of RM2.519 million) and losses of RM37.717 million (Q4-FY2019: Gains of RM7.211 million) respectively during the current quarter.

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B1. Review of Performance (continued)

Individual Quarter -- Q4-FY2020 vs Q4-FY2019 (continued)

The performance by geographical segments are summarised as follows:

- (a) Revenue for the Malaysian operations was slightly lower due to lower sales volume. In spite of the lower revenue, the financial performance during this quarter had improved due to the higher commodity prices and the fair value gains recorded on the crude palm oil pricing swap contracts; and
- (b) Revenue for the Indonesian operations was higher due to the higher sales volume and commodity prices. However, the financial performance was adversely affected by the unfavorable currency movement on its foreign currency denominated borrowings.

Cumulative Period -- Year-to-date FY 2020 vs Year-to-date FY 2019

The revenue of the Group was higher than that of the Year-to-date FY2019 due to the higher sales volume and commodity prices. FFB production was higher than that of the Year-to-date FY2019 due to the change in the cropping pattern in both the Malaysian and Indonesian operations and increased areas attaining maturity in the Indonesian operations. Due to the recovery of commodity prices, fair value losses on the crude palm oil pricing swap contracts of RM7.881 million (Year-to-date FY2019: Gains of RM7.530 million) were recorded. The impact from the higher FFB production, coupled with the higher commodity prices contributed to the improved EBITDA.

However, with the severe devaluation of the Rupiah against the US Dollar and the Japanese Yen, the overall financial performance of the Group was lower as compared to the Year-to-date FY2019.

The Group's net foreign exchange losses of RM87.110 million (Year-to-date FY 2019: Losses of RM25.785 million) on the US Dollar and the Japanese Yen denominated borrowings which are reported as net other income and finance costs amounted to losses of RM49.393 million (Year-to-date FY2019: Gains of RM0.138 million) and losses of RM37.717 million (Year-to-date FY2019: losses of RM25.923 million) respectively.

The performance by geographical segment is summarised as follows:

- (a) Revenue for the Malaysian operations improved with the increased commodity prices. Higher FFB production was achieved as a result of the crop recovery from the 2015/2016 El Nino lagged effect. Despite the Malaysian operations recording fair value losses on the crude palm oil pricing swap contracts, higher profit before tax and EBITDA were reported for the Year-to-date FY2020 due to the contribution from the higher FFB production and better commodity prices; and
- (b) Revenue for the Indonesian operations was higher due to increased sales volume and commodity prices. However, the uncertainties in the economic environment caused by the Covid 19 pandemic and the collapse of crude oil prices resulted in the unfavourable currency movement on its US Dollar and Japanese Yen denominated borrowings and impacted its overall financial performance.

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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		var % +/-
	Current year quarter 31/03/2020	Preceding year quarter 31/03/2019		Current year to-date 31/03/2020	Preceding year to-date 31/03/2019	
Malaysian Operations						
Own FFB production (mt)	108,848	127,166	-14.4	465,360	442,502	+5.2
Outside FFB crops (mt)	30,099	42,259	-28.8	154,059	173,889	-11.4
CPO production (mt)	28,376	33,958	-16.4	123,736	122,973	+0.6
PKO production (mt)	3,557	3,055	+16.4	13,164	11,757	+12.0
CPO sales (mt)	25,266	36,677	-31.1	127,467	127,917	-0.4
PKO sales (mt)	3,404	3,166	+7.5	12,897	11,505	+12.1
CPO price per mt (RM)	2,767	1,927	+43.6	2,269	2,125	+6.8
PKO price per mt (RM)	3,233	2,977	+8.6	2,668	3,168	-15.8
Indonesian Operations						
Own FFB production (mt)	145,895	122,251	+19.3	596,411	533,893	+11.7
Outside FFB crops (mt)	57,384	37,685	+52.3	265,350	127,516	+108.1
CPO production (mt)	35,418	25,054	+41.4	144,126	101,192	+42.4
PKO production (mt)	1,948	1,685	+15.6	8,561	7,169	+19.4
Own FFB sales (mt)	37,858	55,746	-32.1	233,999	234,801	-0.3
CPO sales (mt)	36,489	31,343	+16.4	138,334	106,543	+29.8
PKO sales (mt)	2,003	2,001	+0.1	9,010	6,853	+31.5
FFB price per mt (RM)	495	374	+32.4	408	381	+7.1
CPO price per mt (RM)	2,335	1,760	+32.7	2,052	1,846	+11.2
PKO price per mt (RM)	2,561	1,602	+59.9	2,121	2,712	-21.8
Closing Exchange Rates						
	As at 31/03/2020			As at 31/03/2019		
RM : Rupiah			1 : 3,774			1 : 3,496
US Dollar : RM			1 : 4.329			1 : 4.080
US Dollar : Rupiah			1 : 16,367			1 : 14,244
Japanese Yen : Rupiah			100 : 15,086			100 : 12,856

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		var % +/-
	Current year quarter 31/03/2020	Preceding year quarter 31/03/2019		Current year to-date 31/03/2020	Preceding year to-date 31/03/2019	
	RM'000	RM'000		RM'000	RM'000	
Malaysian Operations						
Sabah sales tax	5,084	5,513	-7.8	21,632	20,257	+6.8
Windfall levy	8	-	-	8	-	-
MPOB Cess:						
-Palm Oil Price Stabilisation Fund Order 2001	442	75	+489.3	652	270	+141.5
MPOB Cess:						
-Research & Development, Licensing, Enforcement and Marketing Cess Order 2002	5	407	-98.8	1,160	1,482	-21.7
Total	5,539	5,995	-7.6	23,452	22,009	+6.6

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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 31/03/2020 RM'000	Immediate preceding quarter 31/12/2019 RM'000	
Revenue:			
- Malaysia	83,728	114,165	-26.7
- Indonesia	111,665	123,647	-9.7
	195,393	237,812	-17.8
EBITDA:			
- Malaysia	35,542	18,277	+94.5
- Indonesia	(40,217)	47,554	-184.6
	(4,675)	65,831	-107.1
Profit/(loss) before taxation:			
- Malaysia	23,447	8,175	+186.8
- Indonesia	(96,885)	25,128	-485.6
	(73,438)	33,303	-320.5

The revenue for the Q4-FY2020 was lower than Q3-FY2020 due to lesser sales volume. FFB production reduced as it moved out from the peak cropping season. During the quarter, the Group recorded fair value gains on crude palm oil pricing swaps of RM14.156 million (Q3-FY2020: Losses of RM24.401 million) as a result of the downward movement in the commodity prices. However, the overall financial performance of the Group was adversely affected by the unfavorable currency movements on its foreign currency denominated borrowings as a result of the devaluation of the Rupiah against the US Dollar and Japanese Yen.

During the quarter, net foreign exchange losses on the US Dollar and Japanese Yen denominated borrowings of RM100.682 million were recorded (Q3-FY2020: Gains of RM13.389 million). These net foreign exchange losses which are reported as net other loss and finance costs amounted to losses of RM62.965 million (Q3-FY2020: Gains of RM10.680 million) and losses of RM37.717 million (Q3-FY2020: Gains of RM2.709 million) respectively during the current quarter.

The performance by geographical segments are summarised as follows:

- (a) The Malaysian operations recorded lower revenue mainly due to reduced sales volume. The fair value gains on crude palm oil pricing swaps resulted from the downward movement in the commodity market during the quarter. Overall, the higher commodity price and fair value gains on crude palm oil pricing swaps contributed to an improved EBITDA and higher profit before taxation during the current quarter; and
- (b) The Indonesian operations recorded lower revenue due to lower sales volume. The overall financial performance of the Indonesian operations during the quarter was adversely affected by the unfavourable currency movement on its US Dollar and Japanese Yen denominated borrowings.

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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 31/03/2020	Immediate preceding quarter 31/12/2019	
Malaysian Operations			
Own FFB production (mt)	108,848	135,080	-19.4
Outside FFB crops (mt)	30,099	48,911	-38.5
CPO production (mt)	28,376	36,395	-22.0
PKO production (mt)	3,557	3,622	-1.8
CPO sales (mt)	25,266	40,814	-38.1
PKO sales (mt)	3,404	3,785	-10.1
CPO price per mt (RM)	2,767	2,437	+13.5
PKO price per mt (RM)	3,233	2,819	+14.7
Indonesian Operations			
Own FFB production (mt)	145,895	174,879	-16.6
Outside FFB crops (mt)	57,384	75,742	-24.2
CPO production (mt)	35,418	40,753	-13.1
PKO production (mt)	1,948	2,563	-24.0
Own FFB sales (mt)	37,858	76,028	-50.2
CPO sales (mt)	36,489	37,506	-2.7
PKO sales (mt)	2,003	2,506	-20.1
FFB price per mt (RM)	495	426	+16.2
CPO price per mt (RM)	2,335	2,160	+8.1
PKO price per mt (RM)	2,561	1,901	+34.7
Closing Exchange Rates			
	As at 31/03/2020	As at 31/12/2019	
RM : Rupiah	1 : 3,774	1 : 3,390	
US Dollar : RM	1 : 4.329	1 : 4.101	
US Dollar : Rupiah	1 : 16,367	1 : 13,901	
Japanese Yen : Rupiah	100 : 15,086	100 : 12,797	

B3. Prospects for the Coming Financial Year

The Group will continue to face cost pressures mainly from wage increases, the uncertainty of commodity prices and the volatility of foreign exchange rates particularly that of the Rupiah against the US Dollar and the Japanese Yen.

As a result of the above factors as well as the disruptive implications of the Covid-19 pandemic on the overall market environment and people's health and safety, the Group expects a challenging financial year ahead.

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 year under review is as follows:

	INDIVIDUAL QUARTER 3 MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD 12 MONTHS ENDED 31 MARCH	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current tax:				
- Malaysian income tax	2,280	351	14,145	8,175
Deferred tax:				
- Origination/(reversal) of temporary differences	10,555	2,211	8,362	(7,253)
	12,835	2,562	22,507	922

The effective tax rate of the Group for the current quarter and financial year is impacted by derecognition of previously recognised deferred tax assets due to time restrictions on recognised tax losses 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 March 2020 are as follows:

Short term borrowings	RM'000	
<u>Unsecured:</u>		
- Revolving credit - i	100,000	
<u>Unsecured:</u>		
- Term loans	49,260	
	149,260	
Long term borrowings		
<u>Unsecured:</u>		
- Term loans	758,335	
	907,595	
Total borrowings	907,595	
Local and foreign currency borrowings included in the above are as follows:		
	Foreign currency	RM'000
	'000	Equivalent
- US Dollar	124,000	537,820
- Japanese Yen	5,247,200	209,775
- Ringgit Malaysia		160,000
		907,595

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B8. Changes in Material Litigation

There was no material litigation since 31 March 2020.

B9. Dividend Payable

In respect of the financial year ended 31 March 2020, a single tier interim dividend amounting to 2 sen per share (Financial year ended 2019: 2 sen per share) is payable on 18 August 2020 to every member who is entitled to receive the dividend as at 5.00 p.m. on 30 July 2020.

There will be no final dividend for the financial year ended 31 March 2020.

B10. (Loss)/Earnings per Share

	INDIVIDUAL QUARTER 3 MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD 12 MONTHS ENDED 31 MARCH	
	2020	2019	2020	2019
<u>Basic (loss)/earnings per share</u>				
Net (loss)/profit for the period/year attributable to owners of the Company (RM'000)	(76,387)	13,516	(63,423)	(36,344)
Weighted average number of ordinary shares in issue ('000')	880,580	880,580	880,580	880,580
Basic (loss)/earnings per share (sen)	(8.67)	1.53	(7.20)	(4.13)

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B11. Notes to the Condensed Statement of Comprehensive Income

	INDIVIDUAL QUARTER 3 MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD 12 MONTHS ENDED 31 MARCH	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Interest income	1,000	951	4,384	4,361
Net (losses)/gains - net foreign exchange (losses)/gains from operations	(62,965)	2,519	(49,393)	138
Finance costs – net foreign exchange (losses)/gains on borrowings	(37,717)	7,211	(37,717)	(25,923)
Other income	(568)	319	1,976	3,298
Fair value gains/(losses) on crude palm oil pricing swap	14,156	(40)	(7,881)	7,530
Fair value losses on interest rate swap	(2,843)	-	(3,257)	-
Impairment losses on other receivables	(4,000)	-	(4,000)	-
Net realisable value adjustment on inventories	(5,441)	-	(5,441)	-
Finance costs - interest expense	(5,180)	(4,433)	(23,546)	(24,821)
Finance costs - lease expense	828	-	-	-
Depreciation	(26,694)	(25,723)	(111,864)	(111,552)

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 the MMLR are not applicable to the Group.

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B12. Derivative Financial Instruments

(a) Crude Palm Oil Pricing Swap Contracts

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:

<u>CPO pricing swap contracts</u>	<u>Notional volume outstanding as at the date of statement of financial position (Metric tonnes)</u>	<u>Notional value outstanding as at the date of statement of financial position (RM’000)</u>	<u>Fair value of derivative financial asset/(liability) (RM’000)</u>
- Less than 1 year	15,500	36,855	(786)

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.

(b) Interest Rate Swap Contracts

The Group entered into Interest Rate Swap (“IRS”) contracts offered by a reputable bank in Malaysia to mitigate the exposure to fluctuations in the interest rates of its US Dollar borrowings. The Group has entered into IRS contracts to swap a portion of its US Dollar borrowings which are under floating rates to fixed rates.

As at the date of the statement of financial position, the outstanding notional value of the IRS contracts and their fair value are as follows:

<u>Interest rate swap contracts</u>	<u>Base currency</u>	<u>Notional value outstanding as at the date of statement of financial position (RM’000)</u>	<u>Fair value of derivative financial asset/(liability) (RM’000)</u>
- Less than 1 year	USD	168,812	(2,121)
- 1 year to 2 years	USD	168,812	(872)

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B13. Fair Value changes of Financial Instruments

The recognition of the total net fair value gains/(losses) on the derivative financial instruments during the current quarter and the current financial year are detailed as follows:

Type of derivatives	Current year quarter ended 31 March 2020 fair value gains/(losses) RM'000	Current financial year ended 31 March 2020 fair value gains/(losses) RM'000	Basis of fair value measurement	Reasons for the gains/losses
CPO pricing swaps	14,156	(7,881)	Price differentials between the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange (“BMDE”) and the fixed contracted CPO prices for specific contracted periods.	Fair value gain is recorded when the average future CPO prices quoted on the BMDE 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 BMDE are higher than the contracted fixed CPO prices.
Interest rate swaps	(2,843)	(3,257)	The difference between floating and fixed interest rates.	Fair value gain is recorded when the floating interest rates are higher than the fixed interest rates. Conversely, a fair value loss is recorded when the floating interest rates are lower than the fixed interest rates.