



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

Part A1 : Quarterly Report

Quarterly report for the financial period ended: 30/06/2021
Quarter: 1st Qtr
Financial Year End: 31/03/2022
The figures: Have not been audited

Full Quarterly Report: Refer attached

Part A2 : Summary of Key Financial Information for the financial period 30/06/2021

	Individual Quarter		Cumulative Period	
	Current year quarter 30/06/2021 RM'000	Preceding year quarter 30/06/2020 RM'000	Current year to-date 30/06/2021 RM'000	Preceding year to-date 30/06/2020 RM'000
1 Revenue	271,715	205,985	271,715	205,985
2 Profit before taxation	83,097	115,298	83,097	115,298
3 Net profit for the period	61,786	87,924	61,786	87,924
4 Profit attributable to owners of the Company	60,060	82,116	60,060	82,116
5 Basic earnings per share (sen)	6.82	9.33	6.82	9.33
6 Proposed/declared dividend per share (sen)	-	-	-	-
	As at end of current quarter 30/06/2021		As at preceding financial year end	
7 Net assets per share attributable to owners of the Company (RM)		1.60		1.63

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CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 JUNE			CUMULATIVE 3 MONTHS ENDED 30 JUNE		
	2021 RM'000	2020 RM'000	change % +/-	2021 RM'000	2020 RM'000	change % +/-
Revenue	271,715	205,985	+31.9	271,715	205,985	+31.9
Operating expenses	(190,085)	(181,714)	+4.6	(190,085)	(181,714)	+4.6
Net other gains/incomes:						
- Net other gains/incomes	724	4,357	-83.4	724	4,357	-83.4
- Net foreign exchange gains	3,802	91,743	-95.9	3,802	91,743	-95.9
Profit from operations	86,156	120,371	-28.4	86,156	120,371	-28.4
Finance costs:						
- Interest and lease expenses	(3,118)	(5,217)	-40.2	(3,118)	(5,217)	-40.2
Share of profits of an associate	59	144	-59.0	59	144	-59.0
Profit before taxation	83,097	115,298	-27.9	83,097	115,298	-27.9
Income tax	(21,311)	(27,374)	-22.1	(21,311)	(27,374)	-22.1
Net profit for the financial period	61,786	87,924	-29.7	61,786	87,924	-29.7
Other comprehensive income						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
- Currency translation differences	423	98,058	-99.6	423	98,058	-99.6
Total comprehensive income for the financial period	62,209	185,982	-66.6	62,209	185,982	-66.6
Net profit attributable to:						
- Owners of the Company	60,060	82,116	-26.9	60,060	82,116	-26.9
- Non-controlling interests	1,726	5,808	-70.3	1,726	5,808	-70.3
	61,786	87,924	-29.7	61,786	87,924	-29.7
Total comprehensive income attributable to:						
- Owners of the Company	60,483	181,447	-66.7	60,483	181,447	-66.7
- Non-controlling interests	1,726	4,535	-61.9	1,726	4,535	-61.9
	62,209	185,982	-66.6	62,209	185,982	-66.6
Earnings per share attributable to owners of the Company:						
Basic earnings per share:						
- [Note B10]	<u>6.82 sen</u>	<u>9.33 sen</u>		<u>6.82 sen</u>	<u>9.33 sen</u>	

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 30 June 2021 RM'000	As at 31 March 2021 RM'000 (Audited)
ASSETS		
Non-Current Assets:		
Property, plant and equipment	1,565,754	1,582,925
Right-of-use assets	227,246	228,242
Associate	23,298	14,113
Inventory – oil palm nurseries	5,251	4,860
Other receivables	149,118	145,717
Deferred tax assets	3,038	3,326
	1,973,705	1,979,183
Current Assets:		
Inventories	92,204	76,264
Trade and other receivables	69,778	90,842
Produce growing on bearer plants	19,211	19,380
Tax recoverable	6,919	4,603
Deposits, cash and bank balances	278,805	216,871
	466,917	407,960
TOTAL ASSETS	2,440,622	2,387,143
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the Company		
Share capital	922,530	922,530
Equity contribution reserve	6,907	7,859
Other reserves	(97,549)	(97,972)
Retained profits	576,532	604,530
	1,408,420	1,436,947
Non-controlling interests	5,057	3,331
Total Equity	1,413,477	1,440,278
Non-Current Liabilities:		
Retirement benefits	20,902	20,279
Lease liabilities	20,582	20,885
Borrowings	453,300	501,476
Deferred tax liabilities	96,774	88,147
	591,558	630,787
Current Liabilities:		
Trade and other payables	101,426	99,812
Lease liabilities	1,208	1,208
Retirement benefits	1,292	1,292
Derivative financial instruments	694	4,388
Dividend payables	88,058	-
Current tax liabilities	15,836	13,521
Borrowings	227,073	195,857
	435,587	316,078
Total Liabilities	1,027,145	946,865
TOTAL EQUITY AND LIABILITIES	2,440,622	2,387,143
Net Assets Per Share attributable to owners of the Company (RM)	1.60	1.63

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2021

	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 2021	922,530	7,859	(97,972)	604,530	1,436,947	3,331	1,440,278
Comprehensive income: -net income for the year	-	-	-	60,060	60,060	1,726	61,786
Other comprehensive income: - Currency translation differences arising from translation of net investments in foreign entities	-	-	423	-	423	-	423
Total comprehensive income	-	-	423	60,060	60,483	1,726	62,209
Capital contribution by ultimate holding company, net of ESOS and ESGP exercised by employees	-	(952)	-	-	(952)	-	(952)
Dividend - year ended 31 March 2021	-	-	-	(88,058)	(88,058)	-	(88,058)
At 30 June 2021	922,530	6,907	(97,549)	576,532	1,408,420	5,057	1,413,477

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2020

	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 2020	922,530	8,234	(159,692)	417,664	1,188,736	(5,816)	1,182,920
Comprehensive income:							
-net income for the period	-	-	-	82,116	82,116	5,808	87,924
Other comprehensive income:							
-Currency translation differences arising from translation of net investments in foreign entities	-	-	99,331	-	99,331	(1,273)	98,058
Total comprehensive income	-	-	99,331	82,116	181,447	4,535	185,982
Capital contribution by ultimate holding company, net of ESOS exercised by employees	-	170	-	-	170	-	170
Dividend - year ended 31 March 2020	-	-	-	(17,612)	(17,612)	-	(17,612)
At 30 June 2020	922,530	8,404	(60,361)	482,168	1,352,741	(1,281)	1,351,460

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 MONTHS ENDED 30 JUNE 2021 RM'000	3 MONTHS ENDED 30 JUNE 2020 RM'000
OPERATING ACTIVITIES		
Receipts from customers	297,949	195,896
Payments to contractors, suppliers and employees	(186,715)	(158,857)
Interest paid	(2,609)	(6,525)
Income tax paid	(12,397)	(3,145)
<i>Net cash flows generated from operating activities</i>	96,228	27,369
INVESTING ACTIVITIES		
Additions to property, plant and equipment, and right-of-use assets	(11,460)	(13,130)
Subscription of shares in an associate	(9,031)	-
Interest received	744	813
<i>Net cash flows used in investing activities</i>	(19,747)	(12,317)
FINANCING ACTIVITIES		
Repayment of borrowings	(13,951)	(4,000)
Net placement of restricted deposits	(15)	(42)
Repayment of lease liabilities	(595)	(567)
<i>Net cash flows used in financing activities</i>	(14,561)	(4,609)
Net Change in Cash and Cash Equivalents	61,920	10,443
Foreign Exchange differences	46	15,385
Cash & Cash Equivalents at beginning of financial period	205,134	229,322
Cash & Cash Equivalents at end of financial period	267,100	255,150
Notes:	AS AT 30 JUNE 2021 RM'000	AS AT 30 JUNE 2020 RM'000
Cash and cash equivalents represent the following:		
Cash and bank balances	146,540	88,786
Deposits with licensed banks	132,265	178,610
	278,805	267,396
Less: Restricted deposits with licensed banks	(11,705)	(12,246)
	267,100	255,150

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A NOTES TO THE QUARTERLY RESULTS

A1. Basis of Preparation

The interim financial report has been prepared in accordance with *MFRS 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”)*.

The unaudited interim financial report should be read in conjunction with the audited financial statements for the year ended 31 March 2021 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 2021.

The financial statements of the Group, which comprise the statement of financial position of the Group as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the financial period ended 30 June 2021 have not been audited.

A2. Changes in Accounting Policies

(1) The significant accounting policies applied are consistent with those adopted for the audited financial statements for the year ended 31 March 2021 except for the adoption of the following amendments to published standards:

(a) Amendments to published standards that are effective for the Group’s financial year beginning on or after 1 April 2021, which the Group has early adopted in FY2021 is as follows:

- Amendments to MFRS 16 Leases “COVID-19 Related Rent Concessions”
- Amendments to MFRS 16 Leases “COVID-19 Related Rent Concessions beyond 30 June 2021”

(b) Amendments to published standard that are effective for the Group’s financial year beginning on or after 1 April 2021 and applicable to the Group are as follows:

- Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures and MFRS 16 Leases – *Interest Rate Benchmark reform – Phase 2*

The adoption of the above amendments does not result in any significant change to the accounting policies and does not have a material impact on the interim financial report of the Group.

(2) As at the date of this report, the following amendments to published standards have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective and have not been early adopted.

(a) Effective for financial periods beginning on or after 1 April 2022

- Amendments to MFRS 3 Business Combinations – *Reference to the Conceptual Framework*
- Amendments to MFRS 116 Property, Plant and Equipment – *Proceeds before Intended Use*
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets – *Onerous Contracts – Cost of Fulfilling a Contract*

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A2. Changes in Accounting Policies (continued)

(a) Effective for financial periods beginning on or after 1 April 2022 (continued)

- Annual Improvements to MFRS Standards 2018 – 2020
 - Amendment to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards - *Subsidiary as First-time Adopter*
 - Amendment to MFRS 9 Financial Instruments – *Fees in the 10% test for derecognition of financial liabilities*
 - Amendment to MFRS 141 Agriculture - *Taxation in Fair Value Measurements*
 - Amendment to MFRS 16 Leases - *Illustrative Example accompanying MFRS 16 Leases: Lease Incentives*

(b) Effective for financial periods beginning on or after 1 April 2023

- Amendments to MFRS 101 Presentation of Financial Statements – *Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies*
- Amendments to MFRS 108 - *Definition of Accounting Estimate*
- Amendments to MFRS 112 Income Taxes – *Deferred tax related Assets and Liabilities arising from a Single Transaction*

(c) Effective date of these Amendments to Standards has been deferred and yet to be announced

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – *Sale or Contribution of Assets between and Investor and its Associate or Joint Venture*

The Group and the Company are still assessing the impacts of the above amendments to published standards.

A3. Auditor’s Report on Preceding Annual Financial Statements

The auditor’s report on the financial statements for the financial year ended 31 March 2021 was unmodified.

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 financial period 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.

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A7. Debt and Equity Securities

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

	INDIVIDUAL QUARTER		change % +/-	CUMULATIVE PERIOD		change % +/-
	3 months ended 30/06/2021 RM'000	3 months ended 30/06/2020 RM'000		3 months ended 30/06/2021 RM'000	3 months ended 30/06/2020 RM'000	
Revenue and timing of revenue recognition:						
-Malaysia – Point in time	118,246	94,489	+25.1	118,246	94,489	+25.1
-Malaysia – Over time	-	-	-	-	-	-
<i>Total revenue from Malaysia</i>	<u>118,246</u>	<u>94,489</u>	+25.1	<u>118,246</u>	<u>94,489</u>	+25.1
-Indonesia – Point in time	152,752	111,206	+37.4	152,752	111,206	+37.4
-Indonesia – Over time	717	290	+147.2	717	290	+147.2
<i>Total revenue from Indonesia</i>	<u>153,469</u>	<u>111,496</u>	+37.6	<u>153,469</u>	<u>111,496</u>	+37.6
Total external revenue	<u>271,715</u>	<u>205,985</u>	+31.9	<u>271,715</u>	<u>205,985</u>	+31.9
Earnings before interest, tax, depreciation and amortisation (“EBITDA”):						
-Malaysia	53,389	36,464	+46.4	53,389	36,464	+46.4
-Indonesia	62,680	113,810	-44.9	62,680	113,810	-44.9
	<u>116,069</u>	<u>150,274</u>	-22.8	<u>116,069</u>	<u>150,274</u>	-22.8
-Finance costs	(3,118)	(5,217)		(3,118)	(5,217)	
-Depreciation and amortisation	<u>(29,854)</u>	<u>(29,759)</u>		<u>(29,854)</u>	<u>(29,759)</u>	
Profit before taxation	<u>83,097</u>	<u>115,298</u>	-27.9	<u>83,097</u>	<u>115,298</u>	-27.9
Profit before taxation:						
-Malaysia	43,938	26,390	+66.5	43,938	26,390	+66.5
-Indonesia	39,159	88,908	-56.0	39,159	88,908	-56.0
	<u>83,097</u>	<u>115,298</u>	-27.9	<u>83,097</u>	<u>115,298</u>	-27.9
TOTAL ASSETS				As at 30 June 2021 RM'000	As at 31 March 2021 RM'000	
Malaysian Operations				755,141	742,520	
Indonesian Operations				1,675,524	1,636,694	
Unallocated assets				9,957	7,929	
				<u>2,440,622</u>	<u>2,387,143</u>	

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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 audited statements of financial position.

A12. Changes in the Composition of the Group

There were no 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 2021.

A14. Capital Commitments

Capital commitments not provided for in the unaudited financial statements as at 30 June 2021 are as follows:

Property, plant, equipment	RM'000
- Approved and contracted for	45,077
- Approved but not contracted for	124,573
	169,650

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 2021, the Group measured and recognised the derivative financial instruments for the crude palm oil pricing swap contracts and interest rate swap contracts at fair value. It was 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 Liability:</u>				
Derivative financial instruments	-	(694)	-	(694)

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

Current quarter under review – Q1-FY2022
Corresponding quarter of the preceding year – Q1-FY2021
Immediate preceding quarter – Q4-FY2021

B1. Review of Performance

The results of the Group are tabulated below:

	Individual Quarter		change % +/-
	Current year quarter 30/06/2021 RM'000	Preceding year quarter 30/06/2020 RM'000	
Revenue:			
-Malaysia	118,246	94,489	+ 25.1
-Indonesia	153,469	111,496	+37.6
	271,715	205,985	+31.9
EBITDA:			
-Malaysia	53,389	36,464	+46.4
-Indonesia	62,680	113,810	-44.9
	116,069	150,274	-22.8
Profit before taxation:			
-Malaysia	43,938	26,390	+66.5
-Indonesia	39,159	88,908	-56.0
	83,097	115,298	-27.9

Individual Quarter -- Q1-FY2022 vs Q1-FY2021

The Group recorded an increase in revenue of 31.9% due to higher commodity prices during the quarter. FFB production in Q1-FY2022 was lower as compared to Q1-FY2021 mainly due to weather effect on the taller palms.

During the quarter, the Rupiah recovered slightly against both the US Dollar and the Japanese Yen as compared to a strong recovery recorded in the preceding year corresponding quarter. This resulted in lower net foreign exchange gains of RM3.802 million (Q1-FY2021: Gains of RM91.743 million) being recorded on the foreign currency denominated borrowings.

As a result of the lower net foreign exchange gains being recorded, the overall financial performance of the Group for the quarter was lower.

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B1. Review of Performance (continued)

Individual Quarter -- Q1-FY2022 vs Q1-FY2021 (continued)

The performance by geographical segments is summarised as follows:

- (a) The Malaysian operations recorded an increase in revenue as a result of the higher commodity prices despite the drop in sales volume. The higher commodity prices resulted in a fair value loss of RM0.432 million being recorded on the crude palm oil pricing swap contracts during the quarter as compared to a gain of RM2.732 million recorded in the preceding year corresponding quarter. Despite of the lower FFB production, the Malaysian operations reported a better financial performance due to the higher commodity prices; and
- (b) The revision of the CPO export levy and tax by the Indonesian authorities in December 2020 continued to cap the benefit of the high global CPO prices to upstream palm oil producers in the country. The revised structure resulted in a reduction in revenue of approximately RM54.4 million during the current quarter in the Indonesian operations. FFB production in the Indonesian operations remained at the same level as compared to Q1-FY2021. With the lower net foreign exchange gains recorded on the foreign currency denominated borrowings, the overall financial performance for the quarter reduced significantly as compared to Q1-FY2021.

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

	Individual Quarter		var % +/-
	Current year quarter	Preceding year quarter	
	30/06/2021	30/06/2020	
Malaysian Operations			
Own FFB production (mt)	99,092	128,158	-22.7
Outside FFB crops (mt)	22,710	37,284	-39.1
CPO production (mt)	25,948	34,024	-23.7
PKO production (mt)	2,627	931	+182.2
CPO sales (mt)	26,315	36,082	-27.1
PKO sales (mt)	2,279	1,210	+88.3
CPO price per mt (RM)	3,947	2,318	+70.3
PKO price per mt (RM)	5,219	2,812	+85.6
Indonesian Operations			
Own FFB production (mt)	146,580	146,975	-0.3
Outside FFB crops (mt)	83,462	84,385	-1.1
CPO production (mt)	39,482	44,252	-10.8
PKO production (mt)	1,975	2,464	-19.8
Own FFB sales (mt)	46,557	27,157	+71.4
CPO sales (mt)	38,506	44,936	-14.3
PKO sales (mt)	850	2,500	-66.0
FFB price per mt (RM)	651	413	+57.6
CPO price per mt (RM)	2,992	2,066	+44.8
PKO price per mt (RM)	4,401	2,234	+97.0
Closing Exchange Rates			
	As at 30/06/2021	As at 30/06/2020	
RM : Rupiah	1 : 3,484	1 : 3,322	
US Dollar : RM	1 : 4.151	1 : 4.284	
US Dollar : Rupiah	1 : 14,496	1 : 14,302	
Japanese Yen : Rupiah	100 : 13,106	100 : 13,280	

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B1. Review of Performance (continued)

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

	Individual Quarter		var
	Current year quarter 30/06/2021 RM'000	Preceding year quarter 30/06/2020 RM'000	
Sabah sales tax	8,026	6,041	+32.9
MPOB cess	457	489	-6.5
Windfall levy	1,805	-	-
Total	10,288	6,530	+57.5

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 30/06/2021 RM'000	Immediate preceding quarter 31/03/2021 RM'000	
Revenue:			
- Malaysia	118,246	93,327	+26.7
- Indonesia	153,469	153,054	+0.3
	271,715	246,381	+10.3
EBITDA:			
- Malaysia	53,389	29,763	+79.4
- Indonesia	62,680	61,570	+1.8
	116,069	91,333	+27.1
Profit before taxation:			
- Malaysia	43,938	20,384	+115.6
- Indonesia	39,159	40,027	-2.2
	83,097	60,411	+37.6

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

The revenue of the Group for Q1-FY2022 was higher than Q4-FY2021 mainly due to higher commodity prices.

As a result of the strengthening of the Rupiah against the US Dollar and Japanese Yen, net foreign exchange gains of RM3.802 million (Q4-FY2021: Loss of RM3.908 million) were recorded on its foreign currency denominated borrowings.

The overall financial performance of the Group was an improvement over the Q4-FY2021 due to the higher commodity prices and the favorable currency movement.

The performance by geographical segments is summarised as follows:

- (a) The Malaysian operations recorded higher revenue due to higher sales volume and higher commodity prices. Coupled with the high FFB production the overall financial performance was better than the Q4-FY2021; and
- (b) The revenue of the Indonesian operations was maintained due to the higher commodity price. However, the financial performance was weaker as a result of the lower FFB production.

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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 30/06/2021	Immediate preceding quarter 31/03/2021	
Malaysian Operations			
Own FFB production (mt)	99,092	80,377	+23.3
Outside FFB crops (mt)	22,710	24,405	-6.9
CPO production (mt)	25,948	20,312	+27.7
PKO production (mt)	2,627	1,958	+34.2
CPO sales (mt)	26,315	20,844	+26.2
PKO sales (mt)	2,279	1,982	+15.0
CPO price per mt (RM)	3,947	3,782	+4.4
PKO price per mt (RM)	5,219	5,251	-0.6
Indonesian Operations			
Own FFB production (mt)	146,580	162,989	-10.1
Outside FFB crops (mt)	83,462	69,440	+20.2
CPO production (mt)	39,482	37,029	+6.6
PKO production (mt)	1,975	2,369	-16.6
Own FFB sales (mt)	46,557	52,976	-12.1
CPO sales (mt)	38,506	38,689	-0.5
PKO sales (mt)	850	2,702	-68.5
FFB price per mt (RM)	651	600	+8.5
CPO price per mt (RM)	2,992	2,724	+9.8
PKO price per mt (RM)	4,401	4,127	+6.6
Closing Exchange Rates			
	As at 30/06/2021	As at 31/03/2021	
RM : Rupiah	1 : 3,484	1 : 3,484	
US Dollar : RM	1 : 4.151	1 : 4.139	
US Dollar : Rupiah	1 : 14,496	1 : 14,572	
Japanese Yen : Rupiah	100 : 13,106	100 : 13,166	

B3. Prospects for the Current Financial Year

The Group is optimistic of a favourable performance for the current financial year based on market expectation that the palm product prices would remain elevated.

However, this is barring any volatility of the foreign exchange rates, particularly that of the Rupiah against the US Dollar and Japanese Yen, and any adverse weather impact disrupting crop production.

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 30 JUNE		CUMULATIVE PERIOD 3 MONTHS ENDED 30 JUNE	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current tax:				
- Malaysian income tax	11,746	7,158	11,746	7,158
- Overseas taxation	649	-	649	-
Deferred tax:				
- Origination of temporary differences	8,916	20,216	8,916	20,216
	<u>21,311</u>	<u>27,374</u>	<u>21,311</u>	<u>27,374</u>

The current statutory tax rates in Malaysia and Indonesia are 24% and 22% respectively. The effective tax rate of the Group was marginally higher due to the non-deductibility of certain expenses for tax purposes.

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 30 June 2021 are as follows:

Short term borrowings	RM'000
<u>Unsecured:</u>	
- Revolving credit - i	100,000
<u>Unsecured:</u>	
- Term loans	<u>127,073</u>
	<u>227,073</u>
Long term borrowings	
<u>Unsecured:</u>	
- Term loans	<u>453,300</u>
Total borrowings	<u>680,373</u>
Local and foreign currency borrowings included in the above are as follows:	
	Foreign currency '000
	RM'000 Equivalent
US Dollar	101,550
Japanese Yen	4,197,760
Ringgit Malaysia	<u>100,000</u>
	<u>680,373</u>

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B8. Changes in Material Litigation

There was no material litigation since 31 March 2021.

B9. Dividend Payable

In respect of the financial year ended 31 March 2021, a single tier interim dividend amounting to 10 sen per share (Financial year ended 2020: 2 sen per share) was declared on 27 May 2021 and was paid on 30 July 2021 to every member who was entitled to receive the dividend as at 5.00 p.m. on 14 July 2021.

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

B10. Earnings per Share

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 JUNE		CUMULATIVE PERIOD 3 MONTHS ENDED 30 JUNE	
	2021	2020	2021	2020
<u>Basic earnings per share</u>				
Net earnings for the period attributable to owners of the Company (RM'000)	60,060	82,116	60,060	82,116
Weighted average number of ordinary shares in issue ('000')	880,580	880,580	880,580	880,580
Basic earnings per share (sen)	6.82	9.33	6.82	9.33

B11. Notes to the Condensed Statement of Comprehensive Income

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 JUNE		CUMULATIVE PERIOD 3 MONTHS ENDED 30 JUNE	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest income	744	813	744	813
Net foreign exchange gains	3,802	91,743	3,802	91,743
Other income	782	626	782	626
Fair value (losses)/gains on crude palm oil pricing swaps	(482)	2,732	(482)	2,732
Fair value (losses)/gains on interest rate swaps	(35)	205	(35)	205
Finance costs - interest expense	(2,854)	(4,948)	(2,854)	(4,948)
Finance costs - lease expense	(264)	(269)	(264)	(269)
Depreciation and amortisation	(29,854)	(26,759)	(29,854)	(26,759)

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. 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, there are no outstanding CPO pricing swap contracts.

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:

Interest rate swap contracts	Base currency	Notional value outstanding as at the date of statement of financial position (RM'000)	Fair value of derivative financial asset/(liability) (RM'000)
- Less than 1 year	USD	162,254	(694)

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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 financial year are detailed as follows:

Type of derivatives	Current quarter ended 30 June 2021 fair value gains/(losses) RM'000	Basis of fair value measurement	Reasons for the gains/losses
CPO pricing swaps	(482)	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	(35)	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.