



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

Part A1 : Quarterly Report

Quarterly report for the financial period ended: 30/09/2020
 Quarter: 2nd Qtr
 Financial Year End: 31/03/2021
 The figures: Have not been audited

Full Quarterly Report: Refer attached

Part A2 : Summary of Key Financial Information for the financial period 30/09/2020

	Individual Quarter		Cumulative Period	
	Current year quarter 30/09/2020 RM'000	Preceding year quarter 30/09/2019 RM'000	Current period 30/09/2020 RM'000	Preceding period 30/09/2019 RM'000
1 Revenue	211,370	172,861	417,355	305,928
2 (Loss)/profit before taxation	(2,430)	(4,954)	112,868	(10,337)
3 Net (loss)/profit for the period	(3,201)	(3,030)	84,723	(8,152)
4 (Loss)/profit attributable to owners of the Company	(1,040)	(2,323)	81,076	(7,099)
5 Basic (loss)/earnings per share (sen)	(0.12)	(0.26)	9.21	(0.81)
6 Proposed/declared dividend per share (sen)	-	-	-	-
	As at end of current quarter 30/09/2020		As at preceding financial year end	
7 Net assets per share attributable to owners of the Company (RM)		1.46		1.35

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

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER			CUMULATIVE 6 MONTHS ENDED 30 SEPTEMBER		
	2020 RM'000	2019 RM'000	change % +/-	2020 RM'000	2019 RM'000	change % +/-
Revenue	211,370	172,861	+22.3	417,355	305,928	+36.4
Operating expenses	(162,438)	(171,179)	-5.1	(344,152)	(309,394)	+11.2
Net other (losses)/gains:						
- Net other (losses)/gains	(11,647)	(255)	+4467.5	(7,290)	5,855	-224.5
- Net foreign exchange (losses)/gains	(34,967)	2,724	-1383.7	56,776	2,892	+1863.2
Profit from operations	2,318	4,151	-44.2	122,689	5,281	+2223.2
Finance costs:						
- Interest and lease expenses	(4,847)	(6,567)	-26.2	(10,064)	(13,261)	-24.1
- Net foreign exchange losses on borrowings	-	(2,709)	-	-	(2,709)	-
Share of profits of an associate	99	171	-42.1	243	352	-31.0
(Loss)/profit before taxation	(2,430)	(4,954)	-50.9	112,868	(10,337)	+1191.9
Income tax	(771)	1,924	-140.1	(28,145)	2,185	-1388.1
Net (loss)/profit for the financial period	(3,201)	(3,030)	+5.6	84,723	(8,152)	+1139.3
Other comprehensive (loss)/income						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
- Currency translation difference	(61,712)	8,660	-812.6	36,346	28,515	+27.5
Total comprehensive (loss)/income for the financial period	(64,913)	5,630	-1253.0	121,069	20,363	+494.6
Net (loss)/profit attributable to:						
- Owners of the Company	(1,040)	(2,323)	-55.2	81,076	(7,099)	+1242.1
- Non-controlling interests	(2,161)	(707)	+205.7	3,647	(1,053)	+446.3
	(3,201)	(3,030)	+5.6	84,723	(8,152)	+1139.3
Total comprehensive (loss)/income attributable to:						
- Owners of the Company	(63,352)	6,362	-1095.8	118,095	21,485	+449.66
- Non-controlling interests	(1,561)	(732)	+113.3	2,974	(1,122)	-365.1
	(64,913)	5,630	-1253.0	121,069	20,363	+494.6
(Loss)/earnings per share attributable to owners of the Company:						
Basic (loss)/earnings per share:						
- [Note B10]	<u>(0.12) sen</u>	<u>(0.26) sen</u>		<u>9.21 sen</u>	<u>(0.81) sen</u>	

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 30 September 2020 RM'000	As at 31 March 2020 RM'000
ASSETS		
Non-Current Assets:		
Property, plant and equipment	1,565,445	1,526,477
Right-of-use assets	227,224	226,495
Associate	12,947	12,712
Inventory – oil palm nurseries	6,471	6,886
Other receivables	137,524	128,256
Deferred tax assets	4,003	8,987
	<u>1,953,614</u>	<u>1,909,813</u>
Current Assets:		
Inventories	81,106	73,104
Trade and other receivables	72,364	58,362
Derivative financial instruments	-	329
Produce growing on bearer plants	15,971	11,892
Tax recoverable	17	137
Deposits, cash and bank balances	268,433	241,253
	<u>437,891</u>	<u>385,077</u>
TOTAL ASSETS	<u>2,391,505</u>	<u>2,294,890</u>
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the Company		
Share capital	922,530	922,530
Equity contribution reserve	7,498	8,234
Other reserves	(122,673)	(159,692)
Retained profits	481,128	417,664
	<u>1,288,483</u>	<u>1,188,736</u>
Non-controlling interests	(2,842)	(5,816)
Total Equity	<u>1,285,641</u>	<u>1,182,920</u>
Non-Current Liabilities:		
Retirement benefits	22,043	20,084
Lease liabilities	20,502	21,096
Derivative financial instruments	-	872
Borrowings	634,297	758,335
Deferred tax liabilities	83,467	76,435
	<u>760,309</u>	<u>876,822</u>
Current Liabilities:		
Trade and other payables	83,445	76,255
Lease liabilities	1,208	1,208
Retirement benefits	2,422	1,975
Derivative financial instruments	5,160	3,236
Current tax liabilities	12,886	3,214
Borrowings	240,434	149,260
	<u>345,555</u>	<u>235,148</u>
Total Liabilities	<u>1,105,864</u>	<u>1,111,970</u>
TOTAL EQUITY AND LIABILITIES	<u>2,391,505</u>	<u>2,294,890</u>
Net Assets Per Share attributable to owners of the Company (RM)	<u>1.46</u>	<u>1.35</u>

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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD
ENDED 30 SEPTEMBER 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	-	-	-	81,076	81,076	3,647	84,723
Other comprehensive income: -Currency translation differences arising from translation of net investments in foreign entities	-	-	37,019	-	37,019	(673)	36,346
Total comprehensive income	-	-	37,019	81,076	118,095	2,974	121,069
Capital contribution by ultimate holding company, net of ESOS exercised by employees	-	(736)	-	-	(736)	-	(736)
Dividend - year ended 31 March 2020	-	-	-	(17,612)	(17,612)	-	(17,612)
At 30 September 2020	922,530	7,498	(122,673)	481,128	1,288,483	(2,842)	1,285,641

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 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
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 period	-	-	-	(7,099)	(7,099)	(1,053)	(8,152)
Other comprehensive income: -Currency translation differences arising from translation of net investments in foreign entities	-	-	28,584	-	28,584	(69)	28,515
Total comprehensive income/(loss)	-	-	28,584	(7,099)	21,485	(1,122)	20,363
Capital contribution by ultimate holding company, net of ESOS exercised by employees	-	(533)	-	-	(533)	-	(533)
Dividend - year ended 31 March 2019	-	-	-	(17,612)	(17,612)	-	(17,612)
At 30 September 2019	922,530	7,622	(72,557)	473,502	1,331,097	1,639	1,332,736

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 MONTHS ENDED 30 SEPTEMBER 2020 RM'000	6 MONTHS ENDED 30 SEPTEMBER 2019 RM'000
OPERATING ACTIVITIES		
Receipts from customers	409,906	298,054
Payments to contractors, suppliers and employees	(319,236)	(246,399)
Interest paid	(10,609)	(13,418)
Income tax paid	(5,887)	(1,065)
<i>Net cash flows generated from operating activities</i>	74,174	37,172
INVESTING ACTIVITIES		
Additions to property, plant and equipment, land use rights, and right-of-use assets	(31,211)	(40,547)
Placement of restricted deposits	-	(5,898)
Interest received	1,784	2,415
<i>Net cash flows used in investing activities</i>	(29,427)	(44,030)
FINANCING ACTIVITIES		
Repayment of borrowings	(8,000)	(111,741)
Drawdown of borrowings	-	171,540
Placement of restricted deposits	(42)	-
Repayment of lease liabilities	(655)	(566)
Dividends paid	(17,612)	(17,612)
<i>Net cash flows (used in)/from financing activities</i>	(26,309)	41,621
Net Change in Cash and Cash Equivalents	18,438	34,763
Foreign Exchange differences	9,055	2,244
Cash & Cash Equivalents at beginning of financial period	229,322	127,821
Cash & Cash Equivalents at end of financial period	256,815	164,828
Notes:	AS AT 30 SEPTEMBER 2020 RM'000	AS AT 30 SEPTEMBER 2019 RM'000
Cash and cash equivalents represent the following:		
Cash and bank balances	107,478	89,752
Deposits with licensed banks	160,955	92,862
	268,433	182,614
Less: Restricted deposits with licensed banks	(11,618)	(17,786)
	256,815	164,828

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

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 interim financial report should be read in conjunction with the audited financial statements for the year ended 31 March 2020 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 2020.

The financial statements of the Group, which comprise the statement of financial position of the Group as at 30 September 2020, the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the financial period ended 30 September 2020 have not been audited.

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 2020 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 2020 and applicable to the Group are as follows:
 - The Conceptual Framework for Financial Reporting (Revised 2018)
 - Amendments to MFRS 3 “Definition of a Business”
 - Amendments to MFRS 101 and MFRS 108 “Definition of Material”

- (b) Amendments to published standard that is effective for the Group’s financial year beginning on or after 1 April 2021 and has early adopted by the Group in FY2021 is as follows:
 - Amendments to MFRS 16 Leases “COVID-19 Related Rent Concessions”

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.

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

A3. Audit Report

The audit report for the financial year ended 31 March 2020 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 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 and financial period.

A7. Debt and Equity Securities

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

A8. Dividends Paid

Dividend paid during the financial period ended 30 September 2020 is as follows:

In respect of the financial year ended 31 March 2020 as reported in the directors' report of that year:

A single tier interim dividend of 2 sen per share paid on 18 August 2020	RM'000
	<u>17,612</u>

A9. Segmental Information

The principal activities of the Group are the cultivation of oil palms and milling of fresh fruit bunches. The operations are geographically located in Malaysia and Indonesia.

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

A9. Segmental Information (continued)

	INDIVIDUAL QUARTER		change % +/-	CUMULATIVE PERIOD		change % +/-
	3 months ended 30/09/2020 RM'000	3 months ended 30/09/2019 RM'000		6 months ended 30/09/2020 RM'000	6 months ended 30/09/2019 RM'000	
Revenue and timing of revenue recognition:						
-Malaysia –Point in time	111,652	72,568	+53.9	206,141	137,943	+49.4
-Malaysia – Over time	-	-	-	-	-	-
<i>Total revenue from Malaysia</i>	<u>111,652</u>	<u>72,568</u>	+53.9	<u>206,141</u>	<u>137,943</u>	+49.4
-Indonesia – Point in time	99,288	100,293	-1.0	210,494	167,985	+25.3
-Indonesia – Over time	430	-	-	720	-	-
<i>Total revenue from Indonesia</i>	<u>99,718</u>	<u>100,293</u>	-0.6	<u>211,214</u>	<u>167,985</u>	+25.7
Total external revenue	<u>211,370</u>	<u>172,861</u>	+22.3	<u>417,355</u>	<u>305,928</u>	+36.4
Earnings before interest, tax, depreciation and amortisation (“EBITDA”):						
-Malaysia	40,384	15,987	+152.6	76,848	28,185	+172.7
-Indonesia	(7,983)	16,408	-148.7	105,827	33,314	+217.7
	<u>32,401</u>	<u>32,395</u>	+0.0	<u>182,675</u>	<u>61,499</u>	+197.0
-Finance costs	(4,847)	(9,276)		(10,064)	(15,970)	
-Depreciation and amortisation	(29,984)	(28,073)		(59,743)	(55,866)	
(Loss)/profit before taxation	<u>(2,430)</u>	<u>(4,954)</u>	-50.9	<u>112,868</u>	<u>(10,337)</u>	+1191.9
(Loss)/profit before taxation:						
-Malaysia	29,685	6,168	+381.3	56,075	8,560	+555.1
-Indonesia	(32,115)	(11,122)	+188.8	56,793	(18,897)	+400.5
	<u>(2,430)</u>	<u>(4,954)</u>	-50.9	<u>112,868</u>	<u>(10,337)</u>	+1191.9
TOTAL ASSETS				As at 30 September 2020 RM'000	As at 31 March 2020 RM'000	
Malaysian Operations				783,683	773,086	
Indonesian Operations				1,603,802	1,512,680	
Unallocated assets				<u>4,020</u>	<u>9,124</u>	
				<u>2,391,505</u>	<u>2,294,890</u>	

A10. Valuations of Property, Plant and Equipment

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

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

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

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

A12. Changes in the Composition of the Group

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

A13. Contingent Liabilities or Contingent Assets

There were no material contingent liabilities or contingent assets as at 30 September 2020.

A14. Capital Commitments

Capital commitments not provided for in the unaudited financial statements as at 30 September 2020 are as follows:

Property, plant, equipment	RM'000
- Approved and contracted for	49,413
- Approved but not contracted for	109,004
	<u>158,417</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 September 2020, 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	-	(5,160)	-	(5,160)

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

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

Current quarter under review – Q2-FY2021
Corresponding quarter of the preceding year – Q2-FY2020
Immediate preceding quarter – Q1-FY2021
Current financial period – Period FY2021
Corresponding financial period – Period FY2020

B1. Review of Performance

The results of the Group are tabulated below:

	Individual Quarter		change % +/-	Cumulative Period		change % +/-
	Current year quarter 30/09/2020 RM'000	Preceding year quarter 30/09/2019 RM'000		Current period 30/09/2020 RM'000	Preceding period 30/09/2019 RM'000	
Revenue:						
-Malaysia	111,652	72,568	+53.9	206,141	137,943	+49.4
-Indonesia	99,718	100,293	-0.6	211,214	167,985	+25.7
	<u>211,370</u>	<u>172,861</u>	<u>+22.3</u>	<u>417,355</u>	<u>305,928</u>	<u>+36.4</u>
EBITDA:						
-Malaysia	40,384	15,987	+152.6	76,848	28,185	+172.7
-Indonesia	(7,983)	16,408	-148.7	105,827	33,314	+217.7
	<u>32,401</u>	<u>32,395</u>	<u>+0.0</u>	<u>182,675</u>	<u>61,499</u>	<u>+197.0</u>
(Loss)/profit before taxation:						
-Malaysia	29,685	6,168	+381.3	56,075	8,560	+555.1
-Indonesia	(32,115)	(11,122)	+188.8	56,793	(18,897)	+400.5
	<u>(2,430)</u>	<u>(4,954)</u>	<u>-50.9</u>	<u>112,868</u>	<u>(10,337)</u>	<u>+1191.9</u>

Individual Quarter -- Q2-FY2021 vs Q2-FY2020

The Group recorded a 22.3% increase in revenue for Q2-FY2021 due to higher commodity prices. Production was however lower as compared to Q2-FY2020 mainly due to adverse weather effects in the Indonesian operations.

During the quarter, the Rupiah weakened against both the US Dollar and the Japanese Yen. This resulted in net foreign exchange losses of RM34.967 million (Q2-FY2020: Gains of RM0.015 million) on the foreign currency denominated borrowings. These net foreign exchange losses which are reported as net other losses and finance costs amounted to losses of RM34.967 million (Q2-FY2020: Gains of RM2.724 million) and nil (Q2-FY2020: Losses of RM2.709 million) respectively during the current quarter.

The unfavorable currency fluctuation coupled with the fair value losses recorded on crude palm oil pricing swap contracts affected the overall financial performance of the Group for the quarter.

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

B1. Review of Performance (continued)

Individual Quarter -- Q2-FY2021 vs Q2-FY2020 (continued)

The performance by geographical segments are summarised as follows:

- (a) The Malaysian operations recorded significant increase in revenue as a result of the higher commodity prices and sales volume. The fair value losses recorded on crude palm oil pricing swap contracts were due to the significant upward movement in the commodity market during the quarter. Overall, the financial performance improved during the quarter as a result of the higher commodity prices; and
- (b) The Indonesian operations recorded slightly lower revenue mainly due to lower sales volume. Production was lower due to the adverse effects of the weather, mainly in the Lampung region. The lower production coupled with the foreign exchange losses recorded on the foreign currency denominated borrowings arising from the unfavorable currency fluctuation of the Rupiah against the US Dollar and the Japanese Yen adversely impacted the overall financial performance of the operations during the quarter.

Cumulative Period -- Period FY 2021 vs Period FY 2020

The revenue of the Group was higher than that of the Period FY2020 due to the higher commodity prices and sales volume. The FFB production was higher overall due to the recovery in the Malaysian operations.

As a result of the strengthening of the Rupiah against the US Dollar and the Japanese Yen, net foreign exchange gains of RM56.776 million (Period FY 2020: gains of RM0.183 million) were recorded on the US Dollar and the Japanese Yen denominated borrowings. The net foreign exchange gains are reported as net other income (Period FY2020: gains of RM2.892 million) and nil (Period FY2020: losses of RM2.709 million) as finance costs.

The higher commodity prices and FFB production coupled with the favorable currency fluctuation of the Rupiah against the US Dollar and the Japanese Yen resulted in a great improvement of the overall financial performance of the Group.

The performance by geographical segment is summarised as follows:

- (a) The Malaysian operations recorded an increase in revenue due to the higher commodity prices and sales volume. FFB production improved with the recovery from the 2015/2016 EL Nino lagged effect. Due to the higher commodity prices during Period FY2021, fair value losses on the crude palm oil pricing swap contracts were recorded. Overall, a better financial performance was achieved during the Period FY 2021 due to the higher commodity prices and production; and
- (b) The Indonesian operations recorded higher revenue mainly due to higher commodity prices and sales volume. Coupled with the favorable currency impact on its US Dollar and Japanese Yen denominated borrowings, the overall financial performance of the Indonesian operations improved.

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

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 30/09/2020	Preceding year quarter 30/09/2019		Current period 30/09/2020	Preceding period 30/09/2019	
Malaysian Operations						
Own FFB production (mt)	131,778	117,497	+12.2	259,936	221,432	+17.4
Outside FFB crops (mt)	31,321	40,107	-21.9	68,605	75,049	-8.6
CPO production (mt)	34,600	31,777	+8.9	68,624	58,965	+16.4
PKO production (mt)	3,776	3,290	+14.8	4,707	5,985	-21.4
CPO sales (mt)	36,127	31,732	+13.9	72,209	61,387	+17.6
PKO sales (mt)	3,633	3,398	+6.9	4,843	5,708	-15.2
CPO price per mt (RM)	2,713	1,983	+36.8	2,516	1,953	+28.8
PKO price per mt (RM)	2,913	2,239	+30.1	2,888	2,231	+29.4
Indonesian Operations						
Own FFB production (mt)	117,473	147,929	-20.6	264,448	275,637	-4.1
Outside FFB crops (mt)	59,402	74,935	-20.7	143,787	132,224	+8.7
CPO production (mt)	34,237	37,239	-8.1	78,489	67,955	+15.5
PKO production (mt)	2,137	2,086	+2.4	4,601	4,050	+13.6
Own FFB sales (mt)	14,157	64,251	-78.0	41,314	120,113	-65.6
CPO sales (mt)	36,077	41,314	-12.7	81,013	64,339	+25.9
PKO sales (mt)	3,002	2,500	+20.1	5,502	4,501	+22.2
FFB price per mt (RM)	466	364	+28.0	431	372	+15.9
CPO price per mt (RM)	2,316	1,740	+33.1	2,177	1,821	+19.5
PKO price per mt (RM)	2,491	1,814	+37.3	2,374	2,343	+1.3
Closing Exchange Rates			As at 30/09/2020	As at 30/09/2019		
RM : Rupiah			1 : 3,584			1 : 3,378
US Dollar : RM			1 : 4.153			1 : 4.191
US Dollar : Rupiah			1 : 14,918			1 : 14,174
Japanese Yen : Rupiah			100 : 14,114			100 : 13,136

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 30/09/2020 RM'000	Preceding year quarter 30/09/2019 RM'000		Current period 30/09/2020 RM'000	Preceding period 30/09/2019 RM'000	
Sabah sales tax	7,423	4,794	+54.8	13,464	9,160	+47.0
MPOB cess	538	456	+18.0	1,027	845	+21.5
Total	7,961	5,250	+51.6	14,491	10,005	+44.8

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

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 30/09/2020 RM'000	Immediate preceding quarter 30/06/2020 RM'000	
Revenue:			
- Malaysia	111,652	94,489	+18.2
- Indonesia	99,718	111,496	-10.6
	211,370	205,985	+2.6
EBITDA:			
- Malaysia	40,384	36,464	+10.8
- Indonesia	(7,983)	113,810	-107.0
	32,401	150,274	-78.4
(Loss)/profit before taxation:			
- Malaysia	29,685	26,390	+12.5
- Indonesia	(32,115)	88,908	-136.1
	(2,430)	115,298	-102.1

The revenue of the Group for the Q2-FY2021 was higher than Q1-FY2021 mainly due to higher commodity prices. The FFB production was lower than Q1-FY2021 as a result of the adverse weather impact in the Indonesian operations.

As a result of the weakening of the Rupiah against the US Dollar and the Japanese Yen, net foreign exchange losses of RM34.967 million were recorded on the US Dollar and Japanese Yen denominated borrowings as compared to net foreign exchange gains of RM91.743 million recorded in Q1-FY2021. The net foreign exchange gains and losses are reported as net other losses and gains for Q2-FY2021 and Q1-FY2021 respectively.

The overall financial performance of the Group was impacted by unfavorable currency fluctuation on the foreign currency borrowings.

The performance by geographical segments are summarised as follows:

- (a) The Malaysian operations recorded an increase in revenue due to higher crude palm oil prices. FFB production was marginally higher as compared to Q1-FY2021. Fair value losses on crude palm oil pricing swap contracts were recorded due to the significant upward movement in the commodity market during the quarter. Overall, a better financial performance was achieved during the quarter, due to the higher crude palm oil prices; and
- (b) The Indonesian operations recorded a reduction in revenue due to lower sales volume. Production was adversely impacted by the weather. The lower production coupled with the unfavorable currency fluctuation resulted in the weaker financial performance during the current quarter.

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

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 30/09/2020	Immediate preceding quarter 30/06/2020	
Malaysian Operations			
Own FFB production (mt)	131,778	128,158	+2.8
Outside FFB crops (mt)	31,321	37,284	-16.0
CPO production (mt)	34,600	34,024	+1.7
PKO production (mt)	3,776	931	+305.6
CPO sales (mt)	36,127	36,082	+0.1
PKO sales (mt)	3,633	1,210	+200.2
CPO price per mt (RM)	2,713	2,318	+17.0
PKO price per mt (RM)	2,913	2,812	+3.6
Indonesian Operations			
Own FFB production (mt)	117,473	146,975	-20.1
Outside FFB crops (mt)	59,402	84,385	-29.6
CPO production (mt)	34,237	44,252	-22.6
PKO production (mt)	2,137	2,464	-13.3
Own FFB sales (mt)	14,157	27,157	-47.9
CPO sales (mt)	36,077	44,936	-19.7
PKO sales (mt)	3,002	2,500	+20.1
FFB price per mt (RM)	466	413	+12.8
CPO price per mt (RM)	2,316	2,066	+12.1
PKO price per mt (RM)	2,491	2,234	+11.5
Closing Exchange Rates			
	As at 30/09/2020	As at 30/06/2020	
RM : Rupiah	1 : 3,584	1 : 3,322	
US Dollar : RM	1 : 4.153	1 : 4.284	
US Dollar : Rupiah	1 : 14,918	1 : 14,302	
Japanese Yen : Rupiah	100 : 14,114	100 : 13,280	

B3. Prospects for the Current Financial Year

The Group could continue to face pressures arising mainly from adverse weather impact disrupting crop production, the uncertainty of commodity prices, and the volatility of the foreign exchange rates particularly that of the Rupiah against the US Dollar and the Japanese Yen.

With the expectation of the prevailing CPO prices being sustainable, the Group is optimistic for a better financial performance for the year barring any unfavorable volatility in the foreign exchange rates.

B4. Variance of Actual Profit from Forecast Profit

Not applicable.

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

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 SEPTEMBER		CUMULATIVE PERIOD 6 MONTHS ENDED 30 SEPTEMBER	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current tax:				
- Malaysian income tax	8,521	2,756	15,679	3,901
Deferred tax:				
- (Reversal)/originating of temporary differences	(7,750)	(4,680)	12,466	(6,086)
	771	(1,924)	28,145	(2,185)

The current statutory tax rates in Malaysia and Indonesia are 24% and 22% respectively. The effective tax rate of the Group was impacted by 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 September 2020 are as follows:

Short term borrowings	RM'000	
<u>Unsecured:</u>		
- Revolving credit - i	100,000	
<u>Unsecured:</u>		
- Term loans	140,434	
	240,434	
Long term borrowings		
<u>Unsecured:</u>		
- Term loans	634,297	
	874,731	
Total borrowings	874,731	
Local and foreign currency borrowings included in the above are as follows:		
	Foreign currency '000	RM'000 Equivalent
US Dollar	124,000	516,103
Japanese Yen	5,247,200	206,628
Ringgit Malaysia		152,000
		874,731

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

B8. Changes in Material Litigation

There was no material litigation since 31 March 2020.

B9. Dividend Payable

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

B10. (Loss)/earnings per Share

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER		CUMULATIVE PERIOD 6 MONTHS ENDED 30 SEPTEMBER	
	2020	2019	2020	2019
<u>Basic (loss)/earnings per share</u>				
Net earnings/(loss) for the period attributable to owners of the Company (RM'000)	(1,040)	(2,323)	81,076	(7,099)
Weighted average number of ordinary shares in issue ('000')	880,580	880,580	880,580	880,580
Basic (loss)/earnings per share (sen)	(0.12)	(0.26)	9.21	(0.81)

B11. Notes to the Condensed Statement of Comprehensive Income

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER		CUMULATIVE PERIOD 6 MONTHS ENDED 30 SEPTEMBER	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Interest income	971	1,005	1,784	2,415
Net (losses)/gains - in foreign exchange from operations	(34,967)	2,724	56,776	2,892
Finance costs – net foreign exchange losses on borrowings	-	(2,709)	-	(2,709)
Other income	605	660	1,231	1,598
Fair value (losses)/gains on crude palm oil pricing swaps	(5,839)	(1,405)	(3,107)	2,364
Fair value losses on interest rate swap	(447)	(508)	(242)	(508)
Finance costs - interest expense	(4,619)	(6,237)	(9,567)	(12,710)
Finance costs - lease expense	(228)	(330)	(497)	(551)
Depreciation and amortisation	(29,984)	(28,073)	(59,743)	(55,866)

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.

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

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, 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'000)	Fair value of derivative financial asset/(liability) (RM'000)
- Less than 1 year	10,500	25,655	(2,646)

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	162,323	(2,514)

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

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 are detailed as follows:

<u>Type of derivatives</u>	<u>Current quarter ended 30 September 2020 fair value gains/(losses) RM'000</u>	<u>Current financial period ended 30 September 2020 fair value gains/(losses) RM'000</u>	<u>Basis of fair value measurement</u>	<u>Reasons for the gains/losses</u>
CPO pricing swaps	(5,839)	(3,107)	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	(447)	(242)	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.