



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

Part A1 : Quarterly Report

Quarterly report for the financial period ended: 30/09/2021
Quarter: 2nd 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 30/09/2021

	Individual Quarter		Cumulative Period	
	Current year quarter 30/09/2021 RM'000	Preceding year quarter 30/09/2020 RM'000	Current year to-date 30/09/2021 RM'000	Preceding year to-date 30/09/2020 RM'000
1 Revenue	299,782	211,370	571,497	417,355
2 Profit/(loss) before taxation	132,442	(2,430)	215,539	112,868
3 Net profit/(loss) for the period	103,942	(3,201)	165,728	84,723
4 Profit/(loss) attributable to owners of the Company	101,040	(1,040)	161,100	81,076
5 Basic earnings/(loss) per share (sen)	11.47	(0.12)	18.29	9.21
6 Proposed/declared dividend per share (sen)	-	-	-	-
	As at end of current quarter 30/09/2021		As at preceding financial year end	
7 Net assets per share attributable to owners of the Company (RM)		1.74		1.63

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CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER			CUMULATIVE 6 MONTHS ENDED 30 SEPTEMBER		
	2021 RM'000	2020 RM'000	change % +/-	2021 RM'000	2020 RM'000	change % +/-
Revenue	299,782	211,370	+41.8	571,497	417,355	+36.9
Operating expenses	(185,662)	(162,438)	+14.3	(375,747)	(344,152)	+9.2
Other operating incomes/(expenses):						
- Net other incomes/(expenses)	13,818	(11,647)	+218.6	14,542	(7,290)	+299.5
- Net foreign exchange gains/(losses)	7,743	(34,967)	+122.1	11,545	56,776	+79.7
Profit from operations	135,681	2,318	+5753.4	221,837	122,689	+80.8
Finance costs:						
- Interest and lease expenses	(3,276)	(4,847)	-32.4	(6,394)	(10,064)	-36.5
Share of profits of an associate	37	99	-62.6	96	243	-60.5
Profit before taxation	132,442	(2,430)	+5550.3	215,539	112,868	+91.0
Income tax	(28,500)	(771)	+3596.5	(49,811)	(28,145)	+77.0
Net profit/(loss) for the financial period	103,942	(3,201)	+3347.2	165,728	84,723	+95.6
Other comprehensive income/(loss)						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
- Currency translation differences	19,995	(61,712)	+132.4	20,418	36,346	-43.8
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
- Actuarial loss on defined benefit plan	(75)	-	-	(75)	-	-
	19,920	(61,712)		20,343	36,346	
Total comprehensive income/(loss) for the financial period	123,862	(64,913)	+290.8	186,071	121,069	+53.7
Net profit/(loss) attributable to:						
- Owners of the Company	101,040	(1,040)	+9815.4	161,100	81,076	+98.7
- Non-controlling interests	2,902	(2,161)	+234.3	4,628	3,647	+26.9
	103,942	(3,201)	+3347.2	165,728	84,723	+95.6
Total comprehensive income/(loss) attributable to:						
- Owners of the Company	120,885	(63,352)	+290.8	181,368	118,095	+53.6
- Non-controlling interests	2,977	(1,561)	+290.7	4,703	2,974	+58.1
	123,862	(64,913)	+290.8	186,071	121,069	+53.7
Earnings/(loss) per share attributable to owners of the Company:						
Basic earnings/(loss) per share:						
- [Note B10]	11.47 sen	(0.12) sen		18.29 sen	9.21 sen	

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 30 September 2021 RM'000	As at 31 March 2021 RM'000 (Audited)
ASSETS		
Non-Current Assets:		
Property, plant and equipment	1,575,316	1,582,925
Right-of-use assets	227,622	228,242
Associate	23,782	14,113
Inventory – oil palm nurseries	-	4,860
Other receivables	171,758	145,717
Deferred tax assets	3,928	3,326
	2,002,406	1,979,183
Current Assets:		
Inventories	129,233	76,264
Trade and other receivables	62,171	90,842
Produce growing on bearer plants	28,686	19,380
Tax recoverable	7,394	4,603
Deposits, cash and bank balances	208,905	216,871
	436,389	407,960
TOTAL ASSETS	2,438,795	2,387,143
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the Company		
Share capital	922,530	922,530
Equity contribution reserve	-	7,859
Other reserves	(77,635)	(97,972)
Retained profits	683,885	604,530
	1,528,780	1,436,947
Non-controlling interests	8,034	3,331
Total Equity	1,536,814	1,440,278
Non-Current Liabilities:		
Retirement benefits	22,029	20,279
Lease liabilities	20,637	20,885
Borrowings	409,220	501,476
Deferred tax liabilities	100,669	88,147
	552,555	630,787
Current Liabilities:		
Trade and other payables	118,074	99,812
Lease liabilities	1,208	1,208
Retirement benefits	2,053	1,292
Derivative financial instruments	-	4,388
Current tax liabilities	23,491	13,521
Borrowings	204,600	195,857
	349,426	316,078
Total Liabilities	901,981	946,865
TOTAL EQUITY AND LIABILITIES	2,438,795	2,387,143
Net Assets Per Share attributable to owners of the Company (RM)	1.74	1.63

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 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 period	-	-	-	161,100	161,100	4,628	165,728
Other comprehensive income/(loss):							
- Currency translation differences arising from translation of net investments in foreign entities	-	-	20,337	-	20,337	81	20,418
- Actuarial loss on defined benefit plan	-	-	-	(69)	(69)	(6)	(75)
			20,337	(69)	20,268	75	20,343
Total comprehensive income	-	-	20,337	161,031	181,368	4,703	186,071
Adjustment to employees share grant upon vesting	-	(1,477)	-	-	(1,477)	-	(1,477)
Equity contribution reserve transferred to retained profits*		(6,382)		6,382	-	-	-
Dividend - year ended 31 March 2021	-	-	-	(88,058)	(88,058)	-	(88,058)
At 30 September 2021	922,530	-	(77,635)	683,885	1,528,780	8,034	1,536,814

* With the change of the ultimate holding company (Note A16), the participation in IJM Corporation Berhad's ESOS scheme has lapsed, accordingly the equity contribution reserve has been transferred to retained profit.

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**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
Adjustment to employees share grant upon vesting	-	(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

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 MONTHS ENDED 30 SEPTEMBER 2021 RM'000	6 MONTHS ENDED 30 SEPTEMBER 2020 RM'000
OPERATING ACTIVITIES		
Receipts from customers	612,417	409,906
Payments to contractors, suppliers and employees	(378,207)	(319,236)
Interest paid	(5,566)	(10,609)
Income tax paid	(31,427)	(5,887)
<i>Net cash flows generated from operating activities</i>	197,217	74,174
INVESTING ACTIVITIES		
Additions to property, plant and equipment, and right-of-use assets	(27,435)	(31,211)
Subscription of shares in an associate	(9,031)	-
Interest received	1,298	1,784
<i>Net cash flows used in investing activities</i>	(35,168)	(29,427)
FINANCING ACTIVITIES		
Repayment of borrowings	(83,147)	(8,000)
Net withdraw/(placement) of restricted deposits	1,366	(42)
Repayment of lease liabilities	(818)	(655)
Dividends paid	(88,058)	(17,612)
<i>Net cash flows used in financing activities</i>	(170,657)	(26,309)
Net Change in Cash and Cash Equivalents	(8,608)	18,438
Foreign Exchange differences	1,955	9,055
Cash & Cash Equivalents at beginning of financial period	205,134	229,322
Cash & Cash Equivalents at end of financial period	198,481	256,815
Notes:	AS AT 30 SEPTEMBER 2021 RM'000	AS AT 30 SEPTEMBER 2020 RM'000
Cash and cash equivalents represent the following:		
Cash and bank balances	125,039	107,478
Deposits with licensed banks	83,866	160,955
	208,905	268,433
Less: Restricted deposits with licensed banks	(10,424)	(11,618)
	198,481	256,815

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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 September 2021, the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the financial period ended 30 September 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 standards 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 and financial period.

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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 and financial period.

A8. Dividends Paid

Dividend paid during the financial period ended 30 September 2021 is as follows:

In respect of the financial year ended 31 March 2021 as reported in the directors' report of that year:

	RM'000
A single tier interim dividend of 10 sen per share paid on 30 July 2021	88,058

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 30/09/2021 RM'000	3 months ended 30/09/2020 RM'000		6 months ended 30/09/2021 RM'000	6 months ended 30/09/2020 RM'000	
Revenue and timing of revenue recognition:						
-Malaysia – Point in time	138,246	111,652	+23.8	256,492	206,141	+24.4
-Malaysia – Over time	-	-	-	-	-	-
<i>Total revenue from Malaysia</i>	138,246	111,652	+23.8	256,492	206,141	+24.4
-Indonesia – Point in time	160,626	99,288	+61.8	313,378	210,494	+48.9
-Indonesia – Over time	910	430	+111.6	1,627	720	+126.0
<i>Total revenue from Indonesia</i>	161,536	99,718	+62.0	315,005	211,214	+49.1
Total external revenue	299,782	211,370	+41.8	571,497	417,355	+36.9
Earnings before interest, tax, depreciation and amortisation (“EBITDA”):						
-Malaysia	82,862	40,384	+105.2	136,251	76,848	+77.3
-Indonesia	83,397	(7,983)	+1144.7	146,077	105,827	+38.0
	166,259	32,401	+413.1	282,328	182,675	+54.6
-Finance costs	(3,276)	(4,847)		(6,394)	(10,064)	
-Depreciation and amortisation	(30,541)	(29,984)		(60,395)	(59,743)	
Profit/(loss) before taxation	132,442	(2,430)	+5550.3	215,539	112,868	+91.0
Profit/(loss) before taxation:						
-Malaysia	73,479	29,685	+147.5	117,417	56,075	+109.4
-Indonesia	58,963	(32,115)	+283.6	98,122	56,793	+72.8
	132,442	(2,430)	+5550.3	215,539	112,868	+91.0

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A9. Segmental Information (continued)

TOTAL ASSETS	As at 30 September 2021 RM'000	As at 31 March 2021 RM'000
Malaysian Operations	742,287	742,520
Indonesian Operations	1,685,186	1,636,694
Unallocated assets	11,322	7,929
	<u>2,438,795</u>	<u>2,387,143</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 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 and financial period.

A13. Contingent Liabilities or Contingent Assets

There were no material contingent liabilities or contingent assets as at 30 September 2021.

A14. Capital Commitments

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

Property, plant, equipment	RM'000
- Approved and contracted for	12,101
- Approved but not contracted for	82,741
	<u>94,842</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 2021, there are no outstanding derivative financial instrument contracts.

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A16. Significant Related Party Transactions

The disposal of 56.2% equity interests in IJM Plantations Berhad (“IJMP”) by IJM Corporation Berhad to Kuala Lumpur Kepong Berhad (“KLK”) was completed on 6 September 2021. With the completion of the disposal, IJMP regards KLK, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad as its ultimate holding company with effect from 6 September 2021.

The significant related party transactions set out below were carried out in the normal course of business and on terms and conditions not materially different from those obtainable in transactions with unrelated parties.

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER		CUMULATIVE PERIOD 6 MONTHS ENDED 30 SEPTEMBER	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Transaction with a related company:				
Sales of Crude Palm Oil				
- KLK Premier Oils Sdn Bhd	41,539	-	41,539	-

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

Current quarter under review – Q2-FY2022
Corresponding quarter of the preceding year – Q2-FY2021
Immediate preceding quarter – Q1-FY2022
Current financial period – 6 months period FY2022
Corresponding financial period – 6 months period FY2021

B1. Review of Performance

The results of the Group are tabulated below:

	Individual Quarter		change % +/-	Cumulative Period		change % +/-
	Current year quarter 30/09/2021 RM'000	Preceding year quarter 30/09/2020 RM'000		Current period 30/09/2021 RM'000	Preceding period 30/09/2020 RM'000	
Revenue:						
-Malaysia	138,246	111,652	+23.8	256,492	206,141	+24.4
-Indonesia	161,536	99,718	+62.0	315,005	211,214	+49.1
	<u>299,782</u>	<u>211,370</u>	+41.8	<u>571,497</u>	<u>417,355</u>	+36.9
EBITDA:						
-Malaysia	82,862	40,384	+105.2	136,251	76,848	+77.3
-Indonesia	83,397	(7,983)	+1144.7	146,077	105,827	+38.0
	<u>166,259</u>	<u>32,401</u>	+413.1	<u>282,328</u>	<u>182,675</u>	+54.6
Profit/(loss) before taxation:						
-Malaysia	73,479	29,685	+147.5	117,417	56,075	+109.4
-Indonesia	58,963	(32,115)	+283.6	98,122	56,793	+72.8
	<u>132,442</u>	<u>(2,430)</u>	+5550.3	<u>215,539</u>	<u>112,868</u>	+91.0

Individual Quarter -- Q2-FY2022 vs Q2-FY2021

The Group recorded an increase in revenue of 41.8% due to higher commodity prices during the quarter. The Group's FFB production in Q2-FY2022 was higher as compared to Q2-FY2021 mainly due to the recovery of FFB production in the Indonesian operations.

During the quarter, the Rupiah strengthened against both the US Dollar and the Japanese Yen, moving in an opposite direction as compared to the preceding year corresponding quarter. This resulted in net foreign exchange gains of RM7.743 million being recorded for the quarter on the foreign currency denominated borrowings as compared to the net foreign exchange losses of RM34.967 million recorded in Q2 FY2021.

As a result of the higher commodity prices coupled with the higher FFB production, the Group recorded a better financial performance during the quarter.

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B1. Review of Performance (continued)

Individual Quarter -- Q2-FY2022 vs Q2-FY2021 (continued)

The performance by geographical segments is summarised as follows:

- (a) The Malaysian operations recorded an increase in revenue due to the higher commodity prices. As a result, a better financial performance was reported despite the lower FFB production and sales volume; and
- (b) The CPO export levy and tax imposed by the Indonesian authorities continued to cap the benefit of the high global CPO prices to upstream palm oil producers in the country. It has resulted in a reduction in revenue of approximately RM36.1 million during the current quarter in the Indonesian operations. FFB production in the Indonesian operations improved as compared to Q2-FY2021. Coupled with the higher commodity prices and net foreign exchange gains recorded on the foreign currency denominated borrowings, the overall financial performance for the quarter was significantly improved as compared to Q2-FY2021.

Cumulative Period -- Period FY 2022 vs Period FY 2021

The revenue of the Group was higher than that of the Period FY2021 due to the higher commodity prices. The FFB production was slightly lower mainly due to the tall palms effect in the Sugut region of the Malaysian operations.

The strengthening of the Rupiah against the US Dollar and the Japanese Yen during the period was lesser as compared to FY2021. As a result, lower net foreign exchange gains of RM11.545 million was recorded on the US Dollar and the Japanese Yen denominated borrowings (Period FY 2021: gains of RM56.776 million).

Despite the lower FFB production achieved and the lower net foreign exchange gains recorded on its foreign currency denominated borrowings, the overall financial performance of the Group improved as a result of the higher commodity prices.

The performance by geographical segment is summarised as follows:

- (a) The Malaysian operations recorded an increase in revenue as a result of the higher commodity prices. FFB production was lower mainly due to the tall palms effect in the Sugut region. Overall, a better financial performance was achieved during the Period FY 2022 due to the higher commodity prices; and
- (b) The Indonesian operations recorded higher revenue mainly due to higher commodity prices, though restricted by the Indonesian export levy and export tax. The revised export levy and export tax had resulted in reduced revenue to the Group of approximately RM90.5 million. Despite the lower net foreign exchange gains being recorded on its foreign currency denominated borrowings, the overall financial performance of the Indonesian operations improved as a result of the higher commodity prices and higher FFB production.

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B1. Review of Performance (continued)

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

	Individual Quarter			Cumulative Period		
	Current year quarter 30/09/2021	Preceding year quarter 30/09/2020	var % +/-	Current period 30/09/2021	Preceding period 30/09/2020	var % +/-
Malaysian Operations						
Own FFB production (mt)	124,337	131,778	-5.6	223,429	259,936	-14.0
Outside FFB crops (mt)	26,590	31,321	-15.1	49,300	68,605	-28.1
CPO production (mt)	32,814	34,600	-5.2	58,762	68,624	-14.4
PKO production (mt)	3,040	3,776	-19.5	5,667	4,707	+20.4
CPO sales (mt)	28,008	36,127	-22.5	54,323	72,209	-24.8
PKO sales (mt)	2,870	3,633	-21.0	5,149	4,843	+6.3
CPO price per mt (RM)	4,244	2,713	+56.4	4,100	2,516	+63.0
PKO price per mt (RM)	4,989	2,913	+71.3	5,091	2,888	+76.3
Indonesian Operations						
Own FFB production (mt)	145,955	117,473	+24.2	292,535	264,448	+10.6
Outside FFB crops (mt)	56,375	59,402	-5.1	139,837	143,787	-2.7
CPO production (mt)	35,253	34,237	+3.0	74,735	78,489	-4.8
PKO production (mt)	1,936	2,137	-9.4	3,911	4,601	-15.0
Own FFB sales (mt)	36,240	14,157	+156.0	82,797	41,314	+100.4
CPO sales (mt)	36,508	36,077	+1.2	75,014	81,013	-7.4
PKO sales (mt)	2,001	3,002	-33.3	2,851	5,502	-48.2
FFB price per mt (RM)	737	466	+58.2	689	431	+59.9
CPO price per mt (RM)	3,363	2,316	+45.2	3,173	2,177	+45.8
PKO price per mt (RM)	4,026	2,491	+61.6	4,138	2,374	+74.3
Closing Exchange Rates						
		As at 30/09/2021		As at 30/09/2020		
RM : Rupiah		1 : 3,419		1 : 3,584		
US Dollar : RM		1 : 4.187		1 : 4.153		
US Dollar : Rupiah		1 : 14,307		1 : 14,918		
Japanese Yen : Rupiah		100 : 12,852		100 : 14,114		

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			Cumulative Period		
	Current year quarter 30/09/2021	Preceding year quarter 30/09/2020	var % +/-	Current period 30/09/2021	Preceding period 30/09/2020	var % +/-
	RM'000	RM'000		RM'000	RM'000	
Sabah sales tax	9,265	7,423	+24.8	17,291	13,464	+28.4
MPOB cess	574	538	+6.7	1,031	1,027	+0.4
Windfall levy	2,688	-		4,493	-	
Total	12,527	7,961	+57.4	22,815	14,491	+57.4

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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 30/09/2021 RM'000	Immediate preceding quarter 30/06/2021 RM'000	
Revenue:			
- Malaysia	138,246	118,246	+16.9
- Indonesia	161,536	153,469	+5.3
	299,782	271,715	+10.3
EBITDA:			
- Malaysia	82,862	53,389	+55.2
- Indonesia	83,397	62,680	+33.1
	166,259	116,069	+43.2
Profit before taxation:			
- Malaysia	73,479	43,938	+67.2
- Indonesia	58,963	39,159	+50.6
	132,442	83,097	+59.4

The revenue of the Group for Q2-FY2022 was higher than Q1-FY2022 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 RM7.743 million (Q1-FY2022: Gains of RM3.802 million) were recorded on its foreign currency denominated borrowings.

The overall financial performance of the Group was an improvement over the Q1-FY2022 mainly due to the higher commodity prices.

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 higher FFB production, the overall financial performance was better than the Q1-FY2022; and
- (b) The revenue of the Indonesian operations was improved due to the higher commodity price despite lower sales volume. FFB production remained at the same level of that achieved in Q1-FY2022. Overall, a better financial performance was achieved as a result of the higher commodity prices.

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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 30/09/2021	Immediate preceding quarter 30/06/2021	
Malaysian Operations			
Own FFB production (mt)	124,337	99,092	+25.5
Outside FFB crops (mt)	26,590	22,710	+17.1
CPO production (mt)	32,814	25,948	+26.5
PKO production (mt)	3,040	2,627	+15.7
CPO sales (mt)	28,008	26,315	+6.4
PKO sales (mt)	2,870	2,279	+25.9
CPO price per mt (RM)	4,244	3,947	+7.5
PKO price per mt (RM)	4,989	5,219	-4.4
Indonesian Operations			
Own FFB production (mt)	145,955	146,580	-0.4
Outside FFB crops (mt)	56,375	83,462	-32.5
CPO production (mt)	35,253	39,482	-10.7
PKO production (mt)	1,936	1,975	-2.0
Own FFB sales (mt)	36,240	46,557	-22.2
CPO sales (mt)	36,508	38,506	-5.2
PKO sales (mt)	2,001	850	+135.4
FFB price per mt (RM)	737	651	+13.2
CPO price per mt (RM)	3,363	2,992	+12.4
PKO price per mt (RM)	4,026	4,401	-8.5
Closing Exchange Rates			
	As at 30/09/2021	As at 30/06/2021	
RM : Rupiah	1 : 3,419	1 : 3,484	
US Dollar : RM	1 : 4.187	1 : 4.151	
US Dollar : Rupiah	1 : 14,307	1 : 14,496	
Japanese Yen : Rupiah	100 : 12,852	100 : 13,106	

B3. Prospects for the Current Financial Year

The Group is optimistic of a favourable financial 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 period under review is as follows:

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER		CUMULATIVE PERIOD 6 MONTHS ENDED 30 SEPTEMBER	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current tax:				
- Malaysian income tax	14,463	8,521	26,209	15,679
- Overseas taxation	11,546	-	12,195	-
Deferred tax:				
- Origination of temporary differences	2,491	(7,750)	11,407	12,466
	<u>28,500</u>	<u>771</u>	<u>49,811</u>	<u>28,145</u>

The current statutory tax rates in Malaysia and Indonesia are 24% and 22% respectively. The effective tax rate of the Group was lower due to the utilization of previously unrecognized tax losses on certain Indonesian 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 30 September 2021 are as follows:

Short term borrowings	RM'000
<u>Unsecured:</u>	
- Revolving credit - i	100,000
<u>Unsecured:</u>	
- Term loans	<u>104,600</u>
	<u>204,600</u>
Long term borrowings	
<u>Unsecured:</u>	
- Term loans	<u>409,220</u>
Total borrowings	<u>613,820</u>
Local and foreign currency borrowings included in the above are as follows:	
	Foreign currency '000
	RM'000 Equivalent
US Dollar	85,075
Japanese Yen	4,197,760
Ringgit Malaysia	<u>100,000</u>
	<u>613,820</u>

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B8. Changes in Material Litigation

There was no material litigation since 31 March 2021.

B9. Dividend Payable

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

B10. Earnings/(loss) per Share

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER		CUMULATIVE PERIOD 6 MONTHS ENDED 30 SEPTEMBER	
	2021	2020	2021	2020
<u>Basic earnings/(loss) per share</u>				
Net earnings/(loss) for the period attributable to owners of the Company (RM'000)	101,040	(1,040)	161,100	81,076
Weighted average number of ordinary shares in issue ('000')	880,580	880,580	880,580	880,580
Basic earnings/(loss) per share (sen)	<u>11.47</u>	<u>(0.12)</u>	<u>18.29</u>	<u>9.21</u>

B11. Notes to the Condensed Statement of Comprehensive Income

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER		CUMULATIVE PERIOD 6 MONTHS ENDED 30 SEPTEMBER	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Interest income	14,727	971	15,471	1,784
Net foreign exchange gains/(losses)	7,743	(34,967)	11,545	56,776
Other income	986	605	1,768	1,231
Fair value losses on crude palm oil pricing swaps	-	(5,839)	(482)	(3,107)
Fair value losses on interest rate swaps	(11)	(447)	(46)	(242)
Finance costs - interest expense	(3,176)	(4,619)	(6,030)	(9,567)
Finance costs - lease expense	(100)	(228)	(364)	(497)
Depreciation and amortisation	(30,541)	(29,984)	(60,395)	(59,743)

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. 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.

As at the date of the statement of financial position, there are no outstanding CPO pricing swap contracts.

(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, there are no outstanding IRS contracts.

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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 period ended 30 September 2021 are detailed as follows:

<u>Type of derivatives</u>	<u>Current quarter ended 30 September 2021 fair value gains/(losses) RM'000</u>	<u>Current financial period ended 30 September 2021 fair value gains/(losses) RM'000</u>	<u>Basis of fair value measurement</u>	<u>Reasons for the gains/losses</u>
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	(11)	(46)	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.