

IJM CORPORATION BERHAD (104131-A)

CONDENSED CONSOLIDATED INCOME STATEMENT

(The figures have not been audited)

	Individual Quarter		Cumulative Period	
	Current year quarter 30/09/2002 RM'000	Preceding year quarter 30/09/2001 RM'000	Current year to date 30/09/2002 RM'000	Preceding year to date 30/09/2001 RM'000
Operating revenue	384,924	221,051	949,750	583,513
Cost of sales	(313,504)	(175,510)	(786,723)	(467,932)
Gross profit	71,420	45,541	163,027	115,581
Other operating income	4,262	10,113	22,625	26,030
Tendering, selling and distribution expenses	(1,167)	(978)	(3,057)	(3,721)
Administrative expenses	(12,317)	(12,244)	(33,393)	(30,919)
Other operating expenses (Note 4)	(8,822)	(4,929)	(16,995)	(11,146)
Operating profit before finance cost	53,376	37,503	132,207	95,825
Finance cost	(6,658)	(7,045)	(18,119)	(22,672)
Operating profit after finance cost	46,718	30,458	114,088	73,153
Share of results of associated companies	2,714	6,027	13,822	18,141
Gain on partial disposal of an associated company	-	-	-	122,257
Share of results of jointly controlled entities	(730)	1,239	4,889	6,852
Profit from ordinary activities before taxation	48,702	37,724	132,799	220,403
Taxation:-				
Company and subsidiary companies	(13,657)	(5,860)	(33,805)	(21,528)
Associated companies	(615)	(2,179)	(3,150)	(5,847)
Jointly controlled entities	470	164	(484)	(1,486)
	(13,802)	(7,875)	(37,439)	(28,861)
Profit from ordinary activities after taxation	34,900	29,849	95,360	191,542
Minority interests	(5,881)	(1,908)	(10,825)	(6,697)
Net profit for the period	29,019	27,941	84,535	184,845
Earnings per share (sen):-				
Basic	8.05	7.94	23.45	52.56
Fully diluted	7.36	7.50	21.59	50.16
Dividend per share (sen):-				
Less income tax at 28%	-	-	5.00	15.00

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2002

	(Unaudited) 30/09/2002 RM'000	(Audited) 31/12/2001 RM'000
CAPITAL AND RESERVES		
Share capital	363,200	352,723
Share premium	240,414	210,559
Revaluation reserve	73,853	73,853
Exchange translation reserve	5,874	5,946
Capital reserve	34,161	34,161
Retained profits	701,787	643,399
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Shareholders' equity	1,419,289	1,320,641
Minority interest	105,552	95,587
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	1,524,841	1,416,228
DEFERRED AND LONG TERM LIABILITIES		
Bond	246,548	246,178
Term loans	514	982
Hire purchase and lease creditors	8,190	21,935
Deferred taxation	8,536	8,598
Amount due to an associated company	36,813	36,628
Trade payable	12,000	12,000
Retirement benefits	1,448	1,514
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	314,049	327,835
DEFERRED INCOME	8,192	12,515
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	1,847,082	1,756,578
NON-CURRENT ASSETS		
Property, plant and equipment	624,765	586,007
Associated companies	308,578	261,176
Investments	61,389	60,987
Long term receivables	70,732	85,618
Intangible assets	7,001	5,814
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	1,072,465	999,602
CURRENT ASSETS		
Development properties	239,070	217,896
Inventories	50,129	47,380
Trade and other receivables	894,682	776,317
Short term investments	97,504	84,009
Deposits with licensed banks	104,824	141,895
Cash and bank balances	38,074	22,823
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	1,424,283	1,290,320
CURRENT LIABILITIES		
Trade and other payables	560,113	452,248
Bank borrowings	74,714	61,041
Bank overdrafts	3,226	1,686
Taxation liabilities	11,613	18,369
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	649,666	533,344
NET CURRENT ASSETS	774,617	756,976
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	1,847,082	1,756,578
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NET TANGIBLE ASSETS PER SHARE (RM)	3.85	3.62

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2002
(The figures have not been audited)

	<u>Non-distributable</u>				<u>Distributable</u>		Total RM'000
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Capital reserve RM'000	Retained profits RM'000	
Balance as at 1 January 2002	352,723	210,559	73,853	5,946	34,161	643,399	1,320,641
Reserves arising from translation of foreign and associated companies and branch	-	-	-	(72)	-	-	(72)
Net loss not recognised in income statement	-	-	-	(72)	-	-	(72)
Net profit for the period	-	-	-	-	-	84,535	84,535
Dividend for the year ended:-							
31 December 2001 (final)	-	-	-	-	-	(13,060)	(13,060)
31 December 2002 (interim)	-	-	-	-	-	(13,087)	(13,087)
Issue of shares under ESOS	9,605	28,120	-	-	-	-	37,725
Conversion of warrants	872	1,735	-	-	-	-	2,607
Balance as at 30 September 2002	<u>363,200</u>	<u>240,414</u>	<u>73,853</u>	<u>5,874</u>	<u>34,161</u>	<u>701,787</u>	<u>1,419,289</u>

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2002
(The figures have not been audited)

	RM'000
OPERATING ACTIVITIES	
Receipts from customers	820,866
Payments to contractors, suppliers and employee	(679,385)
Trade advances, deposits and prepayment	(13,149)
Interest received	10,057
Interest paid	(17,749)
Income tax paid	(40,623)
Net cash flow from operating activities	80,017
INVESTING ACTIVITIES	
Investments in associated companies	(40,362)
Acquisition of long term investment	(22)
Acquisition of short term investment	(13,530)
Purchases of property, plant and equipment	(58,891)
Proceeds from liquidation of an associated company	9
Disposal of property, plant and equipment	18
Disposal of long term investment	146
Disposal of short term investment	36
Dividends received from associated companies	4,181
Dividends received from other investment	808
Advances and repayments to associated companies	(31,049)
Repayments from associated companies	7,690
Net cash flow from investing activities	(130,966)
FINANCING ACTIVITIES	
Issue of shares by the Company	37,725
- Employees Share Option Scheme	2,607
- Conversion of warrants	13,174
Bank borrowings	(13,643)
Repayments of hire purchase and lease instalment	(13,094)
Dividends paid by the Company	(4,317)
Placement of short term deposit	22,452
Net cash flow from financing activities	22,452
Net increase in cash and cash equivalents during the period	(28,497)
Cash and cash equivalents at beginning of period	143,045
Foreign exchange differences on opening balance	820
Cash and cash equivalents at end of period	115,368

**NOTES TO THE QUARTERLY REPORT
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2002**

1 Accounting Policies

This quarterly report is prepared in accordance with MASB 26 "Interim Financial Reporting" and paragraph 9.22 of the Kuala Lumpur Stock Exchange Listing Requirements, and should be read in conjunction with the Group's financial statements for the year ended 31 December 2001.

The quarterly financial statements have been prepared based on accounting policies and methods of computation consistent with those adopted in the annual audited accounts for the year ended 31 December 2001, which included early adoption of the following MASB Standards:-

- i) MASB 19 "Events After Balance Sheet Date".
- ii) MASB 20 "Provisions, Contingent Liabilities and Contingent Assets".
- iii) MASB 21 "Business Combinations".
- iv) MASB 22 "Segment Reporting".

For the current financial year, the following new MASB Standards have been applied from 1 January 2002:-

- i) MASB 23 "Impairment of Assets".
- ii) MASB 24 "Financial Instruments : Disclosure and Presentation".

There are no changes in accounting policy that affect net profit for the current financial year as a result of the adoption of the above standards in these financial statements as the Group was already following the recognition and measurement principles in those standards.

2 Audit Report

The audit report of the Group's annual financial statements for the year ended 31 December 2001 was not subject to any audit qualification.

3 Seasonality or Cyclicity of Operations

The Group operations are not materially affected by seasonal or cyclical factors except for the Construction Division, which normally sees a lower level of activity in the first quarter.

4 Individually Significant Items

The reason for the higher other operating expenses was due to an allowance for doubtful debts totalling RM3.54 million made during the current quarter.

5 Material Changes in Estimates

There was no change in estimates which have a material effect in the current quarter and financial year-to-date.

6 Debt & Equity Securities

For the current financial year-to-date, there was no issuance of debt or equity securities other than the issuance of 9,605,000 ordinary shares of RM1.00 each under the Employees Share Option Scheme ("ESOS") and 871,911 ordinary shares of RM1.00 each arising from the conversion of warrants. The ESOS scheme had expired on 12 March 2002.

There was no share buy back, share cancellation, share held as treasury share or redemption of bonds for the current financial year-to-date.

7 Dividends

For the current financial year-to-date, an interim dividend of 5% or 5 sen per share less tax at 28% has been declared. The interim dividend has been paid on 15 November 2002 to every member who was entitled to receive the dividend as at 5.00 pm on 31 October 2002.

For the preceding year's corresponding period, a special interim dividend of 10% or 10 sen per share less tax at 28% was declared and paid on 13 July 2001 and an interim dividend of 5% or 5 sen per share less tax at 28% was declared and paid on 9 November 2001.

8 Segmental Reporting

Analysis by business segments

	9 months ended 9/30/2002 RM'000	9 months ended 9/30/2001 RM'000
Revenue:-		
Construction	841,131	459,536
Property development	114,123	70,234
Industries	136,396	156,618
Plantation	86,468	50,521
Infrastructure	27,401	59,964
Investment and others	15,492	13,077
	<u>1,221,011</u>	<u>809,950</u>
Group's share of revenue of associated companies and joint ventures	<u>(271,261)</u>	<u>(226,437)</u>
	<u><u>949,750</u></u>	<u><u>583,513</u></u>
Profit/(loss) before taxation:-		
Construction	80,546	60,246
Property development	14,321	12,091
Industries	13,637	12,208
Plantation	16,464	4,062
Infrastructure	9,641	143,771
Investment and others	(1,810)	(11,975)
	<u>132,799</u>	<u>220,403</u>

9 Carrying Amount of Revalued Property, Plant and Equipment

The carrying amount of revalued property, plant and equipment is based on the valuation incorporated in the annual financial statements for the year ended 31 December 2001.

10 Material Subsequent Events

There is no material event subsequent to the end of the period reported on that has not been reflected in the financial statements.

11 Changes in the Composition of The Group

During the financial year-to-date, the following changes in composition were effected:-

- i) A 55% subsidiary, Kemena Industries Sdn Bhd, disposed of its entire 51% equity interest in Kipal Industries Sdn Bhd for RM586,500.
- ii) A wholly-owned subsidiary, IJM Construction Sdn Bhd, has acquired an additional 9.9% equity interest in Prebore Piling & Engineering Sdn Bhd thereby increasing its stake from 70% to 79.9%.
- iii) A wholly-owned subsidiary, IJM Construction Sdn Bhd, has acquired 25.93% equity interest in Bongcho Development Sdn Bhd.
- iv) A 40% associate incorporated in Singapore, Amcol Pacific Management Pte Ltd, has been removed from the register by the Registry of Companies and Businesses, Singapore, due to its dormant status.

These changes in composition have no material impact on the Group for the financial year-to-date.

12 Contingent Liabilities

The changes in contingent liabilities since 31 December 2001 are as follows:-

	<u>RM'000</u>
Group's proportionate share of guarantees for bank borrowings of associated companies:	
- As at 31 December 2001	70,702
- Increase during the financial year-to-date	3,217
- As at 30 September 2002	<u><u>73,919</u></u>

13 Capital Commitments

Capital commitments not provided for in the financial statements as at 30 September 2002 are as follows:-

	<u>RM'000</u>
Approved and contracted for	169,786
Approved but not contracted for	8,963
	<u>178,749</u>
<u>Analysed as follows:</u>	
- Purchase of property, plant and equipment	8,864
- Acquisition of development land	38,700
- Acquisition of new subsidiaries	32,090
- Additional investments in subsidiaries	72,150
- Acquisition of listing status for a subsidiary	26,945
	<u>178,749</u>

14 Taxation

The taxation of the Group for the financial period under review is as follows:

	Current Quarter Ended 30/09/2002 RM'000	Cumulative Current Year To date Ended 30/09/2002 RM'000
Malaysian income tax	13,365	32,527
Overseas taxation	(178)	1,770
Transfer to/(from) deferred taxation	-	(8)
	<u>13,187</u>	<u>34,289</u>
Share of associated companies' taxation	615	3,150
	<u>13,802</u>	<u>37,439</u>

The effective tax rate for the Group approximates the statutory tax rate.

15 Profits / (Losses) on Sale of Unquoted Investments and/or Properties

There was no sale of unquoted investment or property for the current quarter and financial year-to-date.

16 Quoted Investments

a) Purchases and sales of quoted investments

	Current Quarter 30/09/2002 RM'000	Cumulative Current Year To date 30/09/2002 RM'000
i) Long Term		
- Total purchases	-	22
- Total disposals / sale proceeds	146	146
- Total Profit/(Loss) on Disposal	92	92
ii) Short Term		
- Total purchases	30	30
- Total disposals / sale proceeds	-	36
- Total Profit/(Loss) on Disposal	-	23

b) Quoted investments as at 30 September 2002

	RM'000
i) Long Term	
- Total investments at costs	61,303
- Total investments at carrying value/book value (after provision for diminution in value)	57,224
- Total investments at market value	41,632
ii) Short Term	
- Total investments at cost	46,295
- Total investments at carrying value/book value (after provision for diminution in value)	36,259
- Total investments at market value	44,194

17 Status of Corporate Proposals

On 29 April 2002, the Company announced the signing of a Transfer of Listing Agreement between the Special Administrators of Rahman Hydraulic Tin Berhad ("RHTB"), IJM Corporation Berhad ("IJM") and IJM Plantations Sdn Bhd, a wholly-owned subsidiary of IJM, for the proposed acquisition of the listing status of RHTB. Details of the Scheme was announced to the KLSE on 28 June 2002 and application has been submitted to the Securities Commission ("SC") on 29 June 2002 for approval.

Since then the Ministry of International Trade and Industry has, vide its letter dated 19 September 2002, approved the proposed corporate exercise. Subsequently, the SC has given its conditional approval of the proposed corporate exercise vide its letter dated 28 October 2002, and Foreign Investment Committee vide its letter dated 19 November 2002. The draft circular to the shareholders of the Company has been submitted to the Kuala Lumpur Stock Exchange for approval on 8 November 2002.

18 Group Borrowings

As at
30/09/2002
RM'000

(a) (i) Short Term Borrowings

Unsecured:-

- Revolving Credits	1,000
- Bankers acceptances and trust receipts	73,714
- Bank overdraft	3,226
	<u>77,940</u>

(ii) Long Term Borrowings

Secured:-

- Term Loan	514
- 8% Secured Fixed Rate Bond 1999/2009 (net of discount)	96,548

Unsecured:-

- 5% Redeemable Unsecured Bond 2000/2005	150,000
	<u>247,062</u>

(b) Foreign currency bank borrowings included in the above long term borrowings are as follows:

	Foreign Currency	Ringgit Equivalent
	'000	'000
Australian Dollar	<u>249</u>	<u>514</u>

19 Financial Instruments

The Group does not have any off balance sheet financial instrument at the date of this report.

20 Material Litigation

There was no change in material litigation since 31 December 2001 which exceeds 5% of the Group's net tangible assets.

21 Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

There was no material change in the quarterly results, compared to the results of the preceding quarter, other than the individually significant item mentioned in Note 4 above.

22 Review of Performance

For the current quarter, the Group achieved a revenue of RM384.92 million and a pre-tax profit of RM48.70 million. The Group recorded a 29.10% increase in pre-tax profit over the preceding year corresponding quarter mainly attributable to the better performance from the Construction, Property Development, Industries and Plantations divisions. The current quarter earnings was achieved despite lower billings in the Construction, Property Development and Industries divisions due to the prevailing labour shortage in the industry.

For the current financial year-to-date, the Group achieved a revenue of RM949.75 million and a pre-tax profit of RM132.80 million. Excluding the exceptional gain on partial disposal of an associated company in 2001, the Group achieved a 35.31% increase in pre-tax profit and a 35.07% increase in net profit over the preceding year corresponding period. The increase in revenue was contributed by the Construction, Property Development and Plantations divisions whilst the increase in pre-tax profit was attributable to improved performances from the Construction, Property Development, Industries and Plantations divisions.

23 Current Year Prospects

Shortage of labour has affected productivity at our construction sites and has also impacted the sale of building materials by our Industries Division. However, with proactive action taken by the Government and the Company, the Group would regain the momentum of work in our sites in the 4th Quarter. Barring any other unforeseen events and coupled with the existing good order book as well as expectation of favourable crude palm oil prices, the Group is confident of better operational results for the current financial year.

24 Profit Forecast

The Group did not issue any profit forecast for the year.

25 Earnings Per Share

		Current Quarter Ended 30/09/2002	Preceding Year Quarter Ended 30/09/2001	Current Year To date Ended 30/09/2002	Preceding Year To date Ended 30/09/2001
(a) <u>Basic earnings per share</u>					
Net profit for the period	(RM'000)	29,019	27,941	84,535	184,845
Weighted average number of ordinary shares in issue	('000)	360,470	351,708	360,470	351,708
Basic earnings per share	(sen)	8.05	7.94	23.45	52.56
(b) <u>Diluted earnings per share</u>					
Net profit for the period	(RM'000)	29,019	27,941	84,535	184,845
Weighted average number of ordinary shares in issue	('000)	360,470	351,708	360,470	351,708
Adjustment for options	('000)	-	305	-	276
Adjustment for warrants	('000)	33,802	20,361	31,136	16,561
Weighted average number of ordinary shares for diluted earnings per share	('000)	394,272	372,374	391,606	368,545
Diluted earnings per share	(sen)	7.36	7.50	21.59	50.16

26 Comparative Figures

Comparative figures, where applicable, have been modified to conform to the current quarter and year-to-date presentation.