



## IJM CORPORATION BERHAD (104131-A)

### Part A1 : Quarterly Report

Quarterly report for the financial period ended:	30/06/2003
Quarter:	2nd Qtr
Financial Year End:	31/12/2003
The figures:	Have not been audited
Full Quarterly Report:	Refer attached

### Part A2 : Summary of Key Financial Information for the financial period ended 30/06/2003

	Individual Quarter		Cumulative Period	
	Current year quarter 30/06/2003 RM'000	Preceding year quarter 30/06/2002 RM'000	Current year to date 30/06/2003 RM'000	Preceding year to date 30/06/2002 RM'000
1 Revenue	436,314	324,120	827,199	564,826
2 Profit before tax	62,974	47,685	107,613	84,097
3 Profit after tax and minority interests	42,406	31,368	69,733	55,516
4 Net profit for the period	42,406	31,368	69,733	55,516
5 Basic earnings per share (sen)	11.52	8.70	18.94	15.41
6 Dividend per share (sen)	5.00	5.00	5.00	5.00
	<b>As at end of current quarter 30/06/2003</b>		<b>As at preceding financial year end</b>	
7 Net tangible assets per share (RM)		4.04		3.90

## IJM CORPORATION BERHAD (104131-A)

### CONDENSED CONSOLIDATED INCOME STATEMENT

(The figures have not been audited)

	Individual Quarter		Cumulative Period	
	Current year quarter 30/06/2003 RM'000	Preceding year quarter 30/06/2002 RM'000	Current year to date 30/06/2003 RM'000	Preceding year to date 30/06/2002 RM'000
Operating revenue	436,314	324,120	827,199	564,826
Cost of sales	<u>(359,765)</u>	<u>(277,262)</u>	<u>(687,422)</u>	<u>(472,309)</u>
Gross profit	76,549	46,858	139,777	92,517
Other operating income	13,318	13,014	17,646	18,363
Tendering, selling and distribution expenses	(3,767)	(1,612)	(7,691)	(3,742)
Administrative expenses	(12,623)	(10,085)	(23,943)	(18,548)
Other operating expenses	<u>(6,817)</u>	<u>(4,514)</u>	<u>(13,309)</u>	<u>(9,759)</u>
Operating profit before finance cost	66,660	43,661	112,480	78,831
Finance cost	<u>(7,632)</u>	<u>(5,734)</u>	<u>(14,143)</u>	<u>(11,461)</u>
Operating profit after finance cost	59,028	37,927	98,337	67,370
Share of results of associates	844	6,176	3,851	11,108
Share of results of jointly controlled entities	3,102	3,582	5,425	5,619
Profit from ordinary activities before taxation	62,974	47,685	107,613	84,097
Taxation:-				
Company and subsidiary companies	(17,300)	(11,911)	(29,858)	(20,148)
Associates	(440)	(1,370)	(904)	(2,535)
Jointly controlled entities	(633)	(432)	(1,140)	(954)
	<u>(18,373)</u>	<u>(13,713)</u>	<u>(31,902)</u>	<u>(23,637)</u>
Profit from ordinary activities after taxation	44,601	33,972	75,711	60,460
Minority interests	<u>(2,195)</u>	<u>(2,604)</u>	<u>(5,978)</u>	<u>(4,944)</u>
Net profit for the period	<u>42,406</u>	<u>31,368</u>	<u>69,733</u>	<u>55,516</u>
Earnings per share (sen):-				
Basic	11.52	8.70	18.94	15.41
Fully diluted	10.75	7.92	17.61	14.20
Dividend per share (sen):-				
Less income tax at 28%	5.00	5.00	5.00	5.00
Depreciation and amortisation expense (RM'000)	9,807	7,880	18,098	14,901

**IJM CORPORATION BERHAD (104131-A)**  
**CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2003**

	(Unaudited) 30/06/2003 RM'000	(Audited) 31/12/2002 RM'000 (Restated)
<b>CAPITAL AND RESERVES</b>		
Share capital	371,200	363,937
Share premium	256,313	241,880
Reserves	124,838	92,966
Retained Earnings	767,863	737,453
	<hr/>	<hr/>
Shareholders' equity	1,520,214	1,436,236
Minority interest	114,479	102,825
	<hr/>	<hr/>
	1,634,693	1,539,061
<b>NON-CURRENT LIABILITIES</b>		
Bond	246,917	246,671
Term loans	25,944	523
Hire purchase and lease creditors	4,338	4,338
Deferred taxation	49,257	33,777
Amount due to an associate	37,097	36,956
Trade payable	12,000	12,000
Retirement benefits	2,467	2,262
	<hr/>	<hr/>
	378,020	336,527
<b>DEFERRED INCOME</b>		
	3,460	6,661
	<hr/>	<hr/>
	2,016,173	1,882,249
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	821,002	674,218
Associates	305,807	320,084
Long term investments	66,685	66,638
Long term receivables	47,950	53,701
Intangible assets	13,057	11,718
	<hr/>	<hr/>
	1,254,501	1,126,359
<b>CURRENT ASSETS</b>		
Development properties	393,826	351,013
Inventories	49,015	47,492
Trade and other receivables	901,569	826,699
Short term investments	101,413	101,048
Deposits with licensed banks	127,771	87,705
Cash and bank balances	65,731	49,572
	<hr/>	<hr/>
	1,639,325	1,463,529
<b>CURRENT LIABILITIES</b>		
Trade and other payables	753,953	626,614
Bank borrowings	104,501	69,126
Taxation liabilities	19,199	11,899
	<hr/>	<hr/>
	877,653	707,639
<b>NET CURRENT ASSETS</b>		
	761,672	755,890
	<hr/>	<hr/>
	2,016,173	1,882,249
<b>NET TANGIBLE ASSETS PER SHARE (RM)</b>		
	4.04	3.90

**IJM CORPORATION BERHAD (104131-A)**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2003**  
*(The figures have not been audited)*

	<b>Share capital RM'000</b>	<b>Share premium RM'000</b>	<b>Non- distributable reserves RM'000</b>	<b>Retained Earnings RM'000</b>	<b>Total RM'000</b>
At 1 January 2003:-					
- as previously reported	363,937	241,880	113,638	737,453	1,456,908
- prior year adjustment in relation to deferred taxation following adoption of new MASB 25 "Income taxes"	-	-	(20,672)	-	(20,672)
- as restated	363,937	241,880	92,966	737,453	1,436,236
Net gain / (loss) not recognised in income statement	-	-	31,872	(20,811)	11,061
Net profit for the period	-	-	-	69,733	69,733
Dividends for the year ended:-					
31 December 2002 (second interim)	-	-	-	(18,512)	(18,512)
Conversion of warrants	7,263	14,433	-	-	21,696
At 30 June 2003	<u>371,200</u>	<u>256,313</u>	<u>124,838</u>	<u>767,863</u>	<u>1,520,214</u>

**IJM CORPORATION BERHAD (104131-A)**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 30 JUNE 2003**

*(The figures have not been audited)*

**2003**  
**RM'000**

**OPERATING ACTIVITIES**

Receipts from customers	791,737
Payments to contractors, suppliers and employees	(658,794)
Interest received	4,982
Interest paid	(14,143)
Income tax paid	(24,603)
<b>Net cash flow from operating activities</b>	<b>99,179</b>

**INVESTING ACTIVITIES**

Acquisition of investments	(2,485)
Purchases of property, plant and equipment	(79,637)
Disposal of investments, property, plant and equipment	1,954
Dividends received	4,242
Advances and repayments from / to associates and jointly controlled entities	5,185
<b>Net cash flow (used in) / from investing activities</b>	<b>(70,741)</b>

**FINANCING ACTIVITIES**

Issue of shares by the Company	21,696
- Conversion of warrants	1,510
Issue of shares by a subsidiary to minority shareholders	11,003
Bank borrowings	(6,568)
Repayments of hire purchase and lease instalments	(2,344)
Dividends paid by subsidiary companies to minority shareholders	(18,576)
Dividends paid by the Company	(4,861)
Redemption/(placement) of short term deposits	1,860
<b>Net cash flow from financing activities</b>	<b>1,860</b>

<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<b>30,298</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>123,785</b>
Foreign exchange differences on opening balances	150
<b>Cash and cash equivalents at end of period</b>	<b>154,233</b>

**NOTES TO THE QUARTERLY REPORT  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2003**

**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 2002.

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 2002, except for the adoption of the following new MASB standards:-

- i) MASB 25 "Income Taxes".
- ii) MASB 27 "Borrowing Costs".
- iii) MASB 28 "Discontinuing Operations".
- iv) MASB 29 "Employee Benefits".

**2 Audit Report**

The audit report of the Group's annual financial statements for the year ended 31 December 2002 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, and the Plantations Division, which normally sees its cropping pattern declining to a trough in the first quarter before rising again to a peak in the second half.

**4 Individually Significant Items**

There is no individually significant item for the current financial year-to-date except for a prior year adjustment made in relation to deferred taxation following the adoption of new MASB 25 "Income Taxes", as indicated in the Condensed Consolidated Statement of Changes in Equity.

**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 7,263,400 ordinary shares of RM1.00 each arising from the conversion of warrants.

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% is declared. The interim dividend will be paid on 14 November 2003 to every member who is entitled to receive the dividend as at 5.00pm on 31 October 2003.

For the preceding year's corresponding period, an interim dividend of 5% or 5 sen per share less tax at 28% was declared and paid on 15 November 2002.

## 8 Segmental Reporting

### Analysis by business segments

	<b>6 months ended 6/30/2003 RM'000</b>	<b>6 months ended 6/30/2002 RM'000</b>
<b><u>Revenue:-</u></b>		
Construction	682,377	521,651
Property development	93,907	54,040
Manufacturing & Quarrying	106,564	90,925
Plantation	89,862	47,347
Infrastructure	16,166	19,491
Investment and others	11,308	10,690
	<b>1,000,184</b>	<b>744,144</b>
Group's share of revenue of associated companies and joint ventures	<b>(172,985)</b>	<b>(179,318)</b>
	<b>827,199</b>	<b>564,826</b>
<b><u>Profit/(loss) before taxation:-</u></b>		
Construction	58,297	50,345
Property development	17,442	6,068
Manufacturing & Quarrying	11,761	8,887
Plantation	15,846	9,360
Infrastructure	1,440	6,803
Investment and others	2,827	2,634
	<b>107,613</b>	<b>84,097</b>

## 9 Carrying Amount of Revalued Property, Plant and Equipment

The valuation of certain property, plant and equipment have been brought forward without amendment from the latest audited annual financial statements.

## 10 Changes in the Composition of The Group

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

- i) The Company has acquired an additional 10.65% equity in CIDB Inventures Sdn Bhd thereby increasing its stake from 23% to 33.65%.
- ii) A wholly-owned subsidiary, IJMII (Mauritius) Limited, has subscribed for additional equity shares in IJM (India) Infrastructure Limited thereby increasing its stake from 70% to 95.2%.
- iii) As part of its listing exercise (also refer Note 17), IJM Plantations Berhad ("IJMP"), vide the issuance of new shares, has made the following acquisitions:-
  - (a) an additional 40% equity in Desa Talisai Sdn Bhd thereby increasing its stake from 60% to 100%.
  - (b) an additional 65% equity in Minat Teguh Sdn Bhd thereby increasing its stake from 35% to 100%.Consequently, the Company's shareholding in IJMP has decreased from 100% to 79.95% as at 30 June 2003.

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

## 11 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 except for the following proposals that have been carried out on 1 July 2003, prior to the listing of IJM Plantations Berhad ("IJMP") on the Main Board of the Kuala Lumpur Stock Exchange on 2 July 2003, which resulted in IJMP ceasing to be a subsidiary and becoming a 49.4% associate of the Company :

- (i) payment of RM25 million cash to Rahman Hydraulic Tin Berhad (Special Administrators Appointed) (RHTB) and 2.43 million IJMP shares to the shareholders of RHTB for the acquisition of the listing status of RHTB by the Company and subsequent assignment of this rights to the listing status to IJMP,
- (ii) distribution of 1.99 million IJMP Shares to entitled employees of the Company and its subsidiaries (including IJMP) as part of the employees annual bonus,
- (iii) capital distribution of 148.44 million IJMP Shares by the Company to shareholders of the Company on the basis of two (2) IJMP Shares for every five (5) ordinary shares of RM1.00 each held in the Company, and
- (iv) conversion of RM50 million inter-company advances from the Company to IJMP into Redeemable Convertible Unsecured Loan Stocks ("RCULS") in IJMP.

## 12 Contingent Liabilities

The changes in contingent liabilities since 31 December 2002 are as follows:-

	<u>RM'000</u>
Group's proportionate share of guarantees for bank borrowings of associates:	
- As at 31 December 2002	76,995
- Increase during the financial year-to-date	12,103
- As at 30 June 2003	<u><u>89,098</u></u>



### 13 Capital Commitments

Capital commitments not provided for in the financial statements as at 30 June 2003 are as follows:-

	<u>RM'000</u>
Approved and contracted for	35,076
Approved but not contracted for	24,340
	<u>59,416</u>
<u>Analysed as follows:</u>	
- Purchases of property, plant and equipment	25,405
- Acquisition of development land	34,011
	<u>59,416</u>

### 14 Taxation

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

	<b>Current Quarter Ended 30/06/2003 RM'000</b>	<b>Cumulative Current Year To date Ended 30/06/2003 RM'000</b>
Malaysian income tax	18,490	31,740
Overseas taxation	59	1,303
Transfer to/(from) deferred taxation	(616)	(2,045)
	<u>17,933</u>	<u>30,998</u>
Share of associates' taxation	440	904
	<u>18,373</u>	<u>31,902</u>

The effective tax rate for the Group is higher than the statutory tax rate mainly due to under-provision of Malaysian income tax in prior years.

### 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

	<b>Current Quarter 30/06/2003 RM'000</b>	<b>Cumulative Current Year To date 30/06/2003 RM'000</b>
i) Long Term		
Total purchases	-	-
Total disposals / sale proceeds	-	-
Total Profit/(Loss) on Disposal	-	-
ii) Short Term		
Total purchases	3	3
Total disposals / sale proceeds	18	1,344
Total Profit/(Loss) on Disposal	(23)	(23)

### b) Quoted investments as at 30 June 2003

	<b>RM'000</b>
i) Long Term	
Quoted investments at costs	61,398
Unquoted investments at costs	23,473
Total investments at costs	84,871
Less allowance for diminution in value	(18,186)
Total investments at carrying value	66,685
Less unquoted investments at carrying value	(17,551)
Quoted investments at carrying value	49,134
Quoted investments at market value	31,942
ii) Short Term	
Quoted investments at costs	111,190
Unquoted investments at costs	-
Total investments at costs	111,190
Less allowance for diminution in value and amortisation	(9,777)
Total investments at carrying value	101,413
Less unquoted investments at carrying value	-
Quoted investments at carrying value	101,413
Quoted investments at market value	130,331

## 17 Status of Corporate Proposals

### i) Listing of IJM Plantations Berhad:-

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 ("the Company") and IJM Plantations Berhad ("IJMP"), a subsidiary of the Company, for the proposed acquisition of the listing status of RHTB. Details of the Scheme was announced to the KLSE on 28 June 2002. The listing of IJMP on the Main Board of the KLSE was completed on 2 July 2003 (refer Note 11).

### ii) Proposed employee share option scheme:-

On 28 June 2003, the Company announced a proposed employee share option scheme of up to 10% of the issued and paid-up share capital of the Company. The application to the Securities Commission is awaiting approval.

## 18 Group Borrowings

		As at 30/06/2003 RM'000
<b>(a) (i) Short Term Borrowings</b>		
Secured:-		
- Term loan		2,933
Unsecured:-		
- Revolving credits		24,450
- Bankers acceptances		55,322
- Bank overdrafts		21,796
		104,501
 <b>(ii) Long Term Borrowings</b>		
Secured:-		
- Term loan		25,944
- 8% Secured Fixed Rate Bond 1999/2009 (net of discount)		96,917
Unsecured:-		
- 5% Redeemable Unsecured Bond 2000/2005		150,000
		272,861

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	8,581	32,607
Indian Rupee	114,000	9,291
		41,898

## 19 Financial Instruments

(a) Outstanding forward foreign exchange contracts as at 30 June 2003:-

<u>Maturity</u>	<u>Currency</u>	<u>Amount in foreign currency</u>	<u>Contractual rate</u>	<u>RM'000 equivalent</u>
Within 1 month	Euro	34,000	4.1700	142

## 20 Material Litigation

There was no change in material litigation since 31 December 2002 which exceeds 5% of the Group's net tangible assets.

## 21 Material Changes in the Quarterly Results compared to the Results of the Immediate Preceding Quarter

The pre-tax profits for the current quarter was 41% higher than that of the immediate preceding quarter. All divisions reported significantly higher pre-tax profits, with the bulk of the increase mainly attributable to improved Construction earnings, continued growth in crude palm oil sales and higher investment income.

## 22 Review of Performance

For the current quarter, the Group achieved a revenue of RM436.31 million and a pre-tax profit of RM62.97 million. The 35% increase in revenue and 32% increase in pre-tax profit over the preceding year corresponding quarter was mainly attributable to better performances from the Construction, Properties, Industries, Plantations and Investment & Others divisions.

For the current financial year-to-date, the Group achieved a revenue of RM827.20 million and a pre-tax profit of RM107.61 million. The 46% increase in revenue and 28% increase in pre-tax profit over the preceding year corresponding period was mainly attributable to better performances from the Construction, Properties, Industries, Plantations and Investment & Others divisions.

## 23 Current Year Prospects

Based on the existing good order book, the Group is confident of a good operating performance for financial year 2003, barring unforeseen circumstances.

## 24 Profit Forecast

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

## 25 Earnings Per Share

		<b>Current Quarter Ended 30/06/2003</b>	<b>Preceding Year Quarter Ended 30/06/2002</b>	<b>Current Year To date Ended 30/06/2003</b>	<b>Preceding Year To date Ended 30/06/2002</b>
(a) <u>Basic earnings per share</u>					
Net profit for the period	(RM'000)	<b>42,406</b>	31,368	<b>69,733</b>	55,516
Weighted average number of ordinary shares in issue	('000)	<b>368,211</b>	360,364	<b>368,211</b>	360,364
Basic earnings per share	(sen)	<b>11.52</b>	8.70	<b>18.94</b>	15.41
(b) <u>Diluted earnings per share</u>					
Net profit for the period	(RM'000)	<b>42,406</b>	31,368	<b>69,733</b>	55,516
Weighted average number of ordinary shares in issue	('000)	<b>368,211</b>	360,364	<b>368,211</b>	360,364
Adjustment for warrants	('000)	<b>26,203</b>	35,905	<b>27,885</b>	30,607
Weighted average number of ordinary shares for diluted earnings per share	('000)	<b>394,414</b>	396,269	<b>396,096</b>	390,971
Diluted earnings per share	(sen)	<b>10.75</b>	7.92	<b>17.61</b>	14.20

## 26 Comparative Figures

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