



IJM CORPORATION BERHAD (104131-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended:	31/12/2003
Quarter:	4th Qtr
Financial Year End:	31/12/2003
The figures:	Have been audited
Full Quarterly Report:	Refer attached

Part A2 : Summary of Key Financial Information for the financial period ended 31/12/2003

	Individual Quarter		Cumulative Period	
	Current year quarter 31/12/2003 RM'000	Preceding year quarter 31/12/2002 RM'000	Current year to date 31/12/2003 RM'000	Preceding year to date 31/12/2002 RM'000
1 Revenue	223,556	345,445	1,363,895	1,295,195
2 Profit before tax	49,071	58,971	206,800	191,770
3 Profit after tax and minority interests	39,772	38,008	145,724	122,543
4 Net profit for the period	39,772	38,008	145,724	122,543
5 Basic earnings per share (sen)	10.44	10.54	39.19	33.99
6 Dividend per share (sen)	10.00	7.00	15.00	12.00
	As at end of current quarter 31/12/2003		As at preceding financial year end	
7 Net tangible assets per share (RM)		3.88		3.99

IJM CORPORATION BERHAD (104131-A)

CONDENSED CONSOLIDATED INCOME STATEMENT

(The figures have been audited)

	Individual Quarter		Cumulative Period	
	Current year quarter 31/12/2003 RM'000	Preceding year quarter 31/12/2002 RM'000	Current year to date 31/12/2003 RM'000	Preceding year to date 31/12/2002 RM'000
Operating revenue	223,556	345,445	1,363,895	1,295,195
Cost of sales	<u>(168,694)</u>	<u>(276,748)</u>	<u>(1,117,441)</u>	<u>(1,063,471)</u>
Gross profit	54,862	68,697	246,454	231,724
Other operating income	31,395	20,839	54,658	43,464
Tendering, selling and distribution expenses	(1,223)	(9,500)	(10,069)	(12,557)
Administrative expenses	(17,873)	(17,215)	(50,978)	(50,608)
Other operating expenses	<u>(28,629)</u>	<u>(16,262)</u>	<u>(45,890)</u>	<u>(33,257)</u>
Operating profit before finance cost	38,532	46,559	194,175	178,766
Finance cost	<u>(3,920)</u>	<u>(6,005)</u>	<u>(23,161)</u>	<u>(24,124)</u>
Operating profit after finance cost	34,612	40,554	171,014	154,642
Share of results of associates	19,711	30,268	35,225	44,090
Impairment of investment in an associate	-	(10,800)	-	(10,800)
Share of results of jointly controlled entities	<u>(5,252)</u>	<u>(1,051)</u>	<u>561</u>	<u>3,838</u>
Profit from ordinary activities before taxation	49,071	58,971	206,800	191,770
Taxation:-				
Company and subsidiaries	(7,544)	(14,842)	(50,687)	(48,647)
Associates	(3,401)	(329)	(5,452)	(3,479)
Jointly controlled entities	1,469	(538)	-	(1,022)
	<u>(9,476)</u>	<u>(15,709)</u>	<u>(56,139)</u>	<u>(53,148)</u>
Profit from ordinary activities after taxation	39,595	43,262	150,661	138,622
Minority interests	177	(5,254)	(4,937)	(16,079)
Net profit for the period	<u>39,772</u>	<u>38,008</u>	<u>145,724</u>	<u>122,543</u>
Earnings per share (sen):-				
Basic	10.44	10.54	39.19	33.99
Fully diluted	9.76	9.73	36.69	31.32
Dividend per share (sen):-				
Less income tax at 28%	10.00	7.00	15.00	12.00
Depreciation and amortisation expense (RM'000)	5,158	9,204	29,441	32,214

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2003

	(Audited) 31/12/2003 RM'000	(Audited) 31/12/2002 RM'000 (Restated)
CAPITAL AND RESERVES		
Share capital	382,276	363,937
Share premium	193,873	241,880
Reserves	106,693	93,120
Retained Earnings	826,647	769,452
	<hr/>	<hr/>
Shareholders' equity	1,509,489	1,468,389
Minority interest	18,482	102,825
	<hr/>	<hr/>
	1,527,971	1,571,214
NON-CURRENT LIABILITIES		
Bonds	247,164	246,671
Term loans	68,909	523
Hire purchase and lease creditors	1,244	4,338
Deferred tax liabilities	4,956	26,924
Amount due to an associate	-	36,956
Trade payable	6,000	12,000
Retirement benefits	2,971	2,262
	<hr/>	<hr/>
	331,244	329,674
DEFERRED INCOME	27,423	6,661
	<hr/>	<hr/>
	1,886,638	1,907,549
NON-CURRENT ASSETS		
Property, plant and equipment	250,450	674,218
Associates	676,935	366,271
Long term investments	80,471	66,638
Long term receivables	43,466	53,701
Deferred tax assets	14,068	25,300
Land held for property development	72,331	29,288
Intangible assets	10,847	11,718
	<hr/>	<hr/>
	1,148,568	1,227,134
CURRENT ASSETS		
Property development costs	332,492	321,725
Inventories	29,730	47,492
Trade and other receivables	760,762	780,512
Short term investments	107,073	101,048
Deposits with licensed banks	137,356	87,705
Cash and bank balances	47,639	49,572
	<hr/>	<hr/>
	1,415,052	1,388,054
CURRENT LIABILITIES		
Trade and other payables	610,834	626,614
Bank borrowings	54,784	69,126
Taxation liabilities	11,364	11,899
	<hr/>	<hr/>
	676,982	707,639
NET CURRENT ASSETS	738,070	680,415
	<hr/>	<hr/>
	1,886,638	1,907,549
	<hr/>	<hr/>
NET TANGIBLE ASSETS PER SHARE (RM)	3.88	3.99

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2003
(The figures have been audited)

	Share capital RM'000	Share premium RM'000	Non- distributable reserves RM'000	Retained Earnings RM'000	Total RM'000
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"	-	-	(20,518)	31,999	11,481
- as restated	363,937	241,880	93,120	769,452	1,468,389
Inflationary adjustment on opening balances on equity of a foreign associate	-	-	-	(5,448)	(5,448)
Net gain not recognised in income statement	-	-	18,254	-	18,254
Capital distributions in conjunction with listing of a subsidiary	-	(81,933)	(4,681)	(50,876)	(137,490)
Net profit for the year	-	-	-	145,724	145,724
Dividends for the year ended:-					
31 December 2002 (second interim)	-	-	-	(18,512)	(18,512)
31 December 2003 (first interim)	-	-	-	(13,693)	(13,693)
Conversion of warrants	18,339	33,926	-	-	52,265
At 31 December 2003	<u>382,276</u>	<u>193,873</u>	<u>106,693</u>	<u>826,647</u>	<u>1,509,489</u>
At 1 January 2002					
- as previously reported	352,723	210,559	113,960	643,399	1,320,641
- prior year adjustment in relation to deferred taxation following adoption of new MASB 25 "Income taxes"	-	-	(20,518)	29,657	9,139
- as restated	352,723	210,559	93,442	673,056	1,329,780
Net loss not recognised in income statement	-	-	(322)	-	(322)
Net profit for the year	-	-	-	122,543	122,543
Dividends 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	1,609	3,201	-	-	4,810
At 31 December 2002	<u>363,937</u>	<u>241,880</u>	<u>93,120</u>	<u>769,452</u>	<u>1,468,389</u>

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2003
(The figures have been audited)

	2003	2002
	RM'000	RM'000
OPERATING ACTIVITIES		
Receipts from customers	1,349,831	1,233,223
Payments to contractors, suppliers and employees	(1,148,845)	(988,523)
Interest received	20,363	16,131
Interest paid	(7,661)	(8,624)
Income tax refund	1,042	883
Income tax paid	(61,446)	(52,952)
Net cash flow from operating activities	153,284	200,138
INVESTING ACTIVITIES		
Acquisition of investments	(50,235)	(87,912)
Capital distribution by associates	-	7,825
Redemption of preference shares in an associate	3,400	-
Purchases of property, plant and equipment	(136,730)	(126,996)
Capital distribution in conjunction with listing of subsidiary	(11,102)	-
Disposal of investments, property, plant and equipment, net of cash disposed	8,773	8,646
Dividends received	7,166	12,987
Advances and repayments from / (to) associates and jointly controlled entities	31,551	(28,027)
Net cash flow used in investing activities	(147,177)	(213,477)
FINANCING ACTIVITIES		
Issue of shares by the Company	-	37,725
- Employees Share Option Scheme	52,265	4,810
- Conversion of warrants	1,510	510
Issue of shares by a subsidiary to minority shareholders	45,256	6,746
Net proceeds / (repayments) of bank borrowings	(15,500)	(15,500)
Bond interest	(12,577)	(19,210)
Repayments to hire purchase and lease creditors	(5,667)	(3,658)
Dividends paid by subsidiaries to minority shareholders	(32,272)	(26,164)
Dividends paid by the Company	(10,323)	7,376
Net (placements) / withdrawals of bank deposits assigned to trustees		
Net cash flow from / (used in) financing activities	22,692	(7,365)
Net increase / (decrease) in cash and cash equivalents during the year	28,799	(20,704)
Cash and cash equivalents at beginning of year	123,785	143,045
Foreign exchange differences on opening balances	273	1,444
Cash and cash equivalents at end of year	152,857	123,785

**NOTES TO THE QUARTERLY REPORT
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2003**

1 Accounting Policies

This quarterly report is prepared in accordance with MASB 26 "Interim Financial Reporting" and paragraph 9.22 of the Malaysia Securities Exchange Berhad 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".
- vi) MASB 31 "Accounting for Government Grants and Disclosure of Government Assistance".
- vii) MASB 32 "Property Development Activities".

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 associate, 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:-

- i) 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.
- ii) Listing of IJM Plantations Berhad ("IJMP") on the Main Board of the Malaysia Securities Exchange Berhad, resulting in IJMP ceasing to be a subsidiary and becoming a 49.4% associate of the Company and consequently being deconsolidated and accounted for under the equity method of accounting. This led to a decrease in each individual income and expense item, except for share of results of associates which increased due to equity accounting for the results of IJMP. The deconsolidation of IJMP has also brought significant decreases in balance sheet items such as property, plant and equipment and minority interests, except for the investments in associates which increased as a result of equity accounting of IJMP.
- iii) As part of the IJMP listing exercise mentioned above, the Company has distributed approximately 38% of its shareholding in IJMP for free to shareholders of the Company, employees and shareholders of Rahman Hydraulic Tin Berhad ("RHTB"). This has resulted in a significant decrease in the Group's net tangible assets.

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 18,339,494 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, a first interim dividend of 5% or 5 sen per share less tax at 28% has been declared and paid on 14 November 2003. A second interim dividend of 10% or 10 sen per share less tax at 28% has been declared to every member who is entitled to receive the dividend as at 5.00 pm on 30 April 2004 and would be paid on 21 May 2004. There would be no final dividend for financial year 2003.

For the preceding year's corresponding period, a first interim dividend of 5% or 5 sen per share less tax at 28% was declared and paid on 15 November 2002 and a second interim dividend 7% or 7 sen per share less tax at 28% was declared and paid on 22 May 2003. There was no final dividend for financial year 2002.

8 Segmental Reporting

Analysis by business segments

	12 months ended 31/12/03 RM'000	12 months ended 31/12/02 RM'000
<u>Revenue:-</u>		
Construction	1,132,274	1,120,670
Property development	204,378	160,652
Manufacturing & Quarrying	222,847	192,818
Plantation	152,383	130,569
Infrastructure	34,675	35,118
Investment and others	31,012	20,685
	<u>1,777,569</u>	<u>1,660,512</u>
Group's share of revenue of associated companies and joint ventures	<u>(413,674)</u>	<u>(365,317)</u>
	<u><u>1,363,895</u></u>	<u><u>1,295,195</u></u>
<u>Profit/(loss) before taxation:-</u>		
Construction	101,596	104,605
Property development	35,774	19,728
Manufacturing & Quarrying	20,889	8,253
Plantation	34,853	29,761
Infrastructure	4,526	30,700
Investment and others	9,162	(1,277)
	<u>206,800</u>	<u>191,770</u>

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%. This has no material impact on the Group for the financial year-to-date.
- ii) A wholly-owned subsidiary, Malaysian Rock Products Sdn Bhd, has acquired 100% equity in Warga Sepakat Sdn Bhd. This has no material impact on the Group for the financial year-to-date.
- iii) 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%. This has no material impact on the Group for the financial year-to-date.
- iv) The Company's equity interest in Jelutong Development Sdn Bhd ("JDSB") has been diluted from 100% to 80% following the subscription at par for 20% equity in JDSB by Kumpulan Perhubungan Sdn Bhd, vide the issuance of new equity shares in JDSB. This has no material impact on the Group for the financial year-to-date.
- v) The Company's equity interest in IJM Plantations Berhad ("IJMP") has decreased from 100% to 49.4%, vide the issuance of new IJMP equity shares and capital distribution of IJMP shares by the Company as part of IJMP's listing exercise on the Main Board of the Malaysia Securities Exchange Berhad. The effect of this change in composition is explained in Notes 4(ii) and 4(iii) above.
- vi) A wholly-owned subsidiary, Malaysian Rock Products Sdn Bhd, has disposed its entire 100% equity interest in Mowtas Bulkiers Sdn Bhd. This has no material impact on the Group for the financial year-to-date.
- vii) A wholly-owned subsidiary, Malaysian Rock Products Sdn Bhd, has acquired an additional 49% equity in Aggregate Marketing Sdn Bhd thereby increasing its stake from 51% to 100%. This has 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.

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	13,618
- As at 31 December 2003	<u>90,613</u>

13 Capital Commitments

Capital commitments not provided for in the financial statements as at 31 December 2003 are as follows:-

	<u>RM'000</u>
Approved and contracted for	22,437
	<u>22,437</u>
<u>Analysed as follows:</u>	
- Acquisition of development land	22,437
	<u>22,437</u>

14 Taxation

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

	Current Quarter Ended 31/12/2003 RM'000	Cumulative Current Year To date Ended 31/12/2003 RM'000
Malaysian income tax	11,949	60,897
Overseas taxation	(1,480)	1,209
Transfer to/(from) deferred taxation	(4,394)	(11,419)
	<u>6,075</u>	<u>50,687</u>
Share of associates' taxation	3,401	5,452
	<u>9,476</u>	<u>56,139</u>

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

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

a) Purchases and sales of unquoted investments

	Current Quarter 31-Dec-03 RM'000	Cumulative Current Year To date 31-Dec-03 RM'000
i) Short Term		
Total purchases	-	-
Total disposals / sale proceeds	-	1,326
Total Profit/(Loss) on Disposal	-	-

16 Quoted Investments

a) Purchases and sales of quoted investments

	Current Quarter 31/12/2003 RM'000	Cumulative Current Year To date 31/12/2003 RM'000
i) Long Term		
Total purchases	116	116
Total disposals / sale proceeds	-	-
Total Profit/(Loss) on Disposal	-	-
ii) Short Term		
Total purchases	1,972	2,018
Total disposals / sale proceeds	40	40
Total Profit/(Loss) on Disposal	40	17

b) Quoted investments as at 31 December 2003

	RM'000
i) Long Term	
Quoted investments at costs	49,276
Unquoted investments at costs	37,224
Total investments at costs	86,500
Less allowance for diminution in value	(6,029)
Total investments at carrying value	80,471
Less unquoted investments at carrying value	(31,301)
Quoted investments at carrying value	49,170
Quoted investments at market value	50,383
ii) Short Term	
Quoted investments at costs	112,426
Unquoted investments at costs	-
Total investments at costs	112,426
Less allowance for diminution in value and amortisation	(5,353)
Total investments at carrying value	107,073
Less unquoted investments at carrying value	-
Quoted investments at carrying value	107,073
Quoted investments at market value	143,255

17 Status of Corporate Proposals

There was no outstanding corporate proposal as at the date of this report.

18 Group Borrowings

	As at 31/12/2003 RM'000
(a) (i) Short Term Borrowings	
Secured:-	
- Term loan	1,906
- Bank overdrafts	7,228
Unsecured:-	
- Revolving credits	7,600
- Bankers acceptances	36,075
- Bank overdrafts	1,975
	<u>54,784</u>
(ii) Long Term Borrowings	
8% Secured Fixed Rate Bond 1999/2009 (net of discount)	97,164
5% Redeemable Unsecured Bond 2000/2005	150,000
Bond Total	<u>247,164</u>
Secured term loan	46,109
Unsecured term loan	22,800
	<u>316,073</u>

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	8,441	32,076
Indian Rupee	665,578	55,243
		<u>87,319</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 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

There was no material change in the pre-tax profit for the current quarter as compared with the immediate preceding quarter.

22 Review of Performance

For the current quarter, the Group achieved a revenue of RM223.56 million and a pre-tax profit of RM49.07 million. The 35.3% drop in revenue over the preceding year corresponding quarter was mainly attributable to lower Construction and Properties revenues and reduced contribution from the Plantations associate following the deconsolidation of IJMP results with effect from 2 July 2003 due to the reduction of the Group's equity interest in IJMP from 100% to 49.4% as mentioned in Note 4(ii) above. Pre-tax profit was 16.8% lower than that of the preceding year corresponding quarter mainly because in the preceding year, the Group had recorded a share of exceptional gain amounting to RM25.9 million from an Infrastructure associate.

For the current financial year-to-date, the Group achieved a revenue of RM1,363.89 million and a pre-tax profit of RM206.80 million. The 5.3% increase in revenue over the preceding year was mainly attributable to higher revenues achieved by the Construction, Properties and Industries divisions and the Plantations associate. The 7.8% increase in pre-tax profit over the preceding year was mainly attributable to better contributions from the Properties and Industries divisions, and the Plantations associate. The Group's net profit, on the other hand, increased by 18.9% due to lower average effective tax rate and lesser share of profits attributable to minority interests.

23 Current Year Prospects

Based on the existing order book and prospect of increasing it further, together with the current higher palm products prices, the Group is confident of a favourable operating performance for financial year 2004, barring unforeseen circumstances.

24 Profit Forecast

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

25 Earnings Per Share

		Current Quarter Ended 31/12/2003	Preceding Year Quarter Ended 31/12/2002	Current Year To date Ended 31/12/2003	Preceding Year To date Ended 31/12/2002
(a) <u>Basic earnings per share</u>					
Net profit for the period	(RM'000)	39,772	38,008	145,724	122,543
Weighted average number of ordinary shares in issue	('000)	380,787	360,556	371,846	360,556
Basic earnings per share	(sen)	10.44	10.54	39.19	33.99
(b) <u>Diluted earnings per share</u>					
Net profit for the period	(RM'000)	39,772	38,008	145,724	122,543
Weighted average number of ordinary shares in issue	('000)	380,787	360,556	371,846	360,556
Adjustment for warrants	('000)	26,835	30,062	25,303	30,749
Weighted average number of ordinary shares for diluted earnings per share	('000)	407,622	390,618	397,149	391,305
Diluted earnings per share	(sen)	9.76	9.73	36.69	31.32

26 Comparative Figures

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