



## IJM CORPORATION BERHAD (104131-A)

### Part A1 : Quarterly Report

Quarterly report for the financial period ended: 31/03/2004  
Quarter: 1st Qtr  
Financial Year End: 31/12/2004  
The figures: Have not been audited  
Full Quarterly Report: Refer attached

### Part A2 : Summary of Key Financial Information for the financial period ended 31/03/2004

	Individual Quarter		Cumulative Period	
	Current year quarter 31/03/2004 RM'000	Preceding year quarter 31/03/2003 RM'000	Current year to date 31/03/2004 RM'000	Preceding year to date 31/03/2003 RM'000
1 Revenue	311,989	390,885	311,989	390,885
2 Profit before tax	55,104	44,639	55,104	44,639
3 Profit after tax and minority interests	35,223	27,327	35,223	27,327
4 Net profit for the period	35,223	27,327	35,223	27,327
5 Basic earnings per share (sen)	9.18	7.50	9.18	7.50
6 Dividend per share (sen)	-	-	-	-
	<b>As at end of current quarter 31/03/2004</b>		<b>As at preceding financial year end</b>	
7 Net tangible assets per share (RM)		3.88		3.88

**IJM CORPORATION BERHAD (104131-A)****CONDENSED CONSOLIDATED INCOME STATEMENT***(The figures have not been audited)*

	Individual Quarter		Cumulative Period	
	Current year quarter 31/03/2004 RM'000	Preceding year quarter 31/03/2003 RM'000	Current year to date 31/03/2004 RM'000	Preceding year to date 31/03/2003 RM'000
Operating revenue	311,989	390,885	311,989	390,885
Cost of sales	<u>(245,341)</u>	<u>(327,657)</u>	<u>(245,341)</u>	<u>(327,657)</u>
Gross profit	66,648	63,228	66,648	63,228
Other operating income	6,891	4,328	6,891	4,328
Tendering, selling and distribution expenses	<u>(1,287)</u>	<u>(3,924)</u>	<u>(1,287)</u>	<u>(3,924)</u>
Administrative expenses	<u>(11,021)</u>	<u>(11,320)</u>	<u>(11,021)</u>	<u>(11,320)</u>
Other operating expenses	<u>(7,031)</u>	<u>(6,492)</u>	<u>(7,031)</u>	<u>(6,492)</u>
Operating profit before finance cost	54,200	45,820	54,200	45,820
Finance cost	<u>(5,765)</u>	<u>(6,511)</u>	<u>(5,765)</u>	<u>(6,511)</u>
Operating profit after finance cost	48,435	39,309	48,435	39,309
Share of results of associates	5,060	3,007	5,060	3,007
Share of results of jointly controlled entities	1,609	2,323	1,609	2,323
Profit from ordinary activities before taxation	55,104	44,639	55,104	44,639
Taxation:-				
Company and subsidiaries	<u>(13,958)</u>	<u>(12,558)</u>	<u>(13,958)</u>	<u>(12,558)</u>
Associates	<u>(904)</u>	<u>(464)</u>	<u>(904)</u>	<u>(464)</u>
Jointly controlled entities	<u>(561)</u>	<u>(507)</u>	<u>(561)</u>	<u>(507)</u>
	<u>(15,423)</u>	<u>(13,529)</u>	<u>(15,423)</u>	<u>(13,529)</u>
Profit from ordinary activities after taxation	39,681	31,110	39,681	31,110
Minority interests	<u>(4,458)</u>	<u>(3,783)</u>	<u>(4,458)</u>	<u>(3,783)</u>
Net profit for the period	<u>35,223</u>	<u>27,327</u>	<u>35,223</u>	<u>27,327</u>
Earnings per share (sen):-				
Basic	9.18	7.50	9.18	7.50
Fully diluted	8.56	6.96	8.56	6.96
Dividend per share (sen):-				
Less income tax at 28%	-	-	-	-
Depreciation and amortisation expense (RM'000)	6,228	8,291	6,228	8,291

**IJM CORPORATION BERHAD (104131-A)**  
**CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2004**

	(Unaudited) 31/03/2004 RM'000	(Audited) 31/12/2003 RM'000
<b>CAPITAL AND RESERVES</b>		
Share capital	389,897	382,276
Share premium	209,296	193,873
Reserves	107,663	106,693
Retained Earnings	831,882	826,647
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Shareholders' equity	1,538,738	1,509,489
Minority interest	22,769	18,482
	<hr/>	<hr/>
	1,561,507	1,527,971
<b>NON-CURRENT LIABILITIES</b>		
Bonds	247,287	247,164
Term loans	131,963	68,909
Hire purchase and lease creditors	240	1,244
Deferred tax liabilities	5,246	4,956
Trade payable	6,000	6,000
Retirement benefits	2,976	2,971
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	393,712	331,244
<b>DEFERRED INCOME</b>		
	28,018	27,423
	<hr/>	<hr/>
	1,983,237	1,886,638
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	274,686	250,450
Associates	733,738	676,935
Long term investments	80,469	80,471
Long term receivables	41,552	43,466
Deferred tax assets	14,173	14,068
Land held for property development	72,145	72,331
Intangible assets	11,297	10,847
	<hr/>	<hr/>
	1,228,060	1,148,568
<b>CURRENT ASSETS</b>		
Property development costs	384,812	332,492
Inventories	29,533	29,730
Trade and other receivables	859,287	760,762
Short term investments	108,398	107,073
Deposits with licensed banks	119,785	137,356
Cash and bank balances	45,527	47,639
	<hr/>	<hr/>
	1,547,342	1,415,052
<b>CURRENT LIABILITIES</b>		
Trade and other payables	675,943	610,834
Bank borrowings	97,406	54,784
Taxation liabilities	18,816	11,364
	<hr/>	<hr/>
	792,165	676,982
<b>NET CURRENT ASSETS</b>		
	755,177	738,070
	<hr/>	<hr/>
	1,983,237	1,886,638
<b>NET TANGIBLE ASSETS PER SHARE (RM)</b>		
	<hr/>	<hr/>
	3.88	3.88
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**IJM CORPORATION BERHAD (104131-A)**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 MARCH 2004**

*(The figures have not 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 2004	382,276	193,873	106,693	826,647	1,509,489
Net gain not recognised in income statement	-	-	970	-	970
Net profit for the period	-	-	-	35,223	35,223
Dividends for the year ended:- 31 December 2003 (second interim)	-	-	-	(29,988)	(29,988)
Issue of shares under ESOS	1,633	4,883	-	-	6,516
Conversion of warrants	5,988	10,540	-	-	16,528
At 31 March 2004	<u>389,897</u>	<u>209,296</u>	<u>107,663</u>	<u>831,882</u>	<u>1,538,738</u>
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	<u>363,937</u>	<u>241,880</u>	<u>93,120</u>	<u>769,452</u>	<u>1,468,389</u>
Net loss not recognised in income statement	-	-	(564)	-	(564)
Net profit for the period	-	-	-	27,327	27,327
Dividends for the year ended:- 31 December 2002 (second interim)	-	-	-	(18,362)	(18,362)
Conversion of warrants	380	756	-	-	1,136
At 31 March 2003	<u>364,317</u>	<u>242,636</u>	<u>92,556</u>	<u>778,417</u>	<u>1,477,926</u>

**IJM CORPORATION BERHAD (104131-A)**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 MARCH 2004**  
*(The figures have not been audited)*

	2004 RM'000	2003 RM'000
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	257,248	339,848
Payments to contractors, suppliers and employees	(305,140)	(312,918)
Interest received	2,730	1,996
Interest paid	(1,890)	(2,636)
Income tax paid	(6,692)	(9,115)
<b>Net cash flow from / (used in) operating activities</b>	<b>(53,744)</b>	17,175
<b>INVESTING ACTIVITIES</b>		
Acquisition of investments	(51,771)	(4,849)
Purchases of property, plant and equipment	(30,386)	(39,885)
Disposal of investments, property, plant and equipment, net of cash disposed	448	1,733
Dividends received	1,331	70
Advances and repayments from / (to) associates and jointly controlled entities	(10,153)	(23,796)
<b>Net cash flow used in investing activities</b>	<b>(90,531)</b>	(66,727)
<b>FINANCING ACTIVITIES</b>		
Issue of shares by the Company	6,516	-
- Employees Share Option Scheme	16,528	1,136
- Conversion of warrants	101,765	8,044
Net proceeds / (repayments) of bank borrowings	(3,875)	(3,875)
Bond interest	(263)	(2,730)
Repayments to hire purchase and lease creditors	(28)	(87)
Dividends paid by the Company	(4,468)	-
Net (placements) / withdrawals of bank deposits assigned to trustees	116,175	2,488
<b>Net cash flow from financing activities</b>	<b>116,175</b>	2,488
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<b>(28,100)</b>	(47,064)
<b>Cash and cash equivalents at beginning of period</b>	<b>152,857</b>	123,785
Foreign exchange differences on opening balances	38	53
<b>Cash and cash equivalents at end of period</b>	<b>124,795</b>	76,774

**NOTES TO THE QUARTERLY REPORT  
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2004**

**1 Accounting Policies**

This quarterly report is prepared in accordance with MASB 26 "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements, and should be read in conjunction with the Group's financial statements for the year ended 31 December 2003.

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 2003.

The following accounting standards which come into effect in the current financial year were adopted early by the Group since the previous financial year:-

- i) MASB 31 "Accounting for Government Grants and Disclosure of Government Assistance".
- ii) MASB 32 "Property Development Activities".

**2 Audit Report**

The audit report of the Group's annual financial statements for the year ended 31 December 2003 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.

**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 5,988,400 ordinary shares of RM1.00 each arising from the conversion of warrants, and 1,632,900 ordinary shares of RM1.00 each arising from the exercise of Employees' Share Option Scheme (ESOS).

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, no dividend has been declared.

For the preceding year's corresponding period, no dividend was declared.

## 8 Segmental Reporting

### Analysis by business segments

	<b>3 months ended 31/03/2004 RM'000</b>	<b>3 months ended 31/03/2003 RM'000</b>
<b><u>Revenue:-</u></b>		
Construction	242,801	329,829
Property development	90,294	48,264
Manufacturing & Quarrying	59,570	51,012
Plantation	25,014	37,430
Infrastructure	9,075	8,553
Investment and others	8,662	5,680
	<u>435,416</u>	<u>480,768</u>
Group's share of revenue of associates and jointly controlled entities	<u>(123,427)</u>	<u>(89,883)</u>
	<u><u>311,989</u></u>	<u><u>390,885</u></u>
<b><u>Profit/(loss) before taxation:-</u></b>		
Construction	26,563	26,837
Property development	15,831	7,841
Manufacturing & Quarrying	6,061	5,272
Plantation	3,507	4,541
Infrastructure	1,579	1,167
Investment and others	1,563	(1,019)
	<u>55,104</u>	<u>44,639</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 change in composition was effected:-

- i) A wholly-owned subsidiary, IJM Properties Sdn Bhd, has disposed its entire 53% equity interest in BDA-Kidurong Development Sdn Bhd. 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 2003 are as follows:-

	<u>RM'000</u>
Group's proportionate share of guarantees for bank borrowings of associates:	
- As at 31 December 2003	90,613
- Increase during the financial year-to-date	653
- As at 31 March 2004	<u>91,266</u>

## 13 Capital Commitments

Capital commitments not provided for in the financial statements as at 31 March 2004 are as follows:-

	<u>RM'000</u>
Approved and contracted for	20,560
	<u>20,560</u>
<u>Analysed as follows:</u>	
- Acquisition of development land	20,560
	<u>20,560</u>

## 14 Taxation

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

	<b>Current Quarter Ended 31/03/2004 RM'000</b>	<b>Cumulative Current Year To date Ended 31/03/2004 RM'000</b>
Malaysian income tax	12,326	12,326
Overseas taxation	2,008	2,008
Transfer to/(from) deferred taxation	185	185
	<u>14,519</u>	<u>14,519</u>
Share of associates' taxation	904	904
	<u>15,423</u>	<u>15,423</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 purchase and sale of unquoted investments and/or properties during the current quarter and financial year-to-date.



## 16 Quoted Investments

### a) Purchases and sales of quoted investments

There was no purchase and sale of quoted investments during the current quarter and financial year-to-date.

### b) Quoted investments as at 31 March 2004

	<b>RM'000</b>
i) Long Term	
Quoted investments at costs	49,276
Unquoted investments at costs	37,222
Total investments at costs	<u>86,498</u>
Less allowance for diminution in value	(6,029)
Total investments at carrying value	80,469
Less unquoted investments at carrying value	(31,299)
Quoted investments at carrying value	<u>49,170</u>
Quoted investments at market value	<u>54,071</u>
ii) Short Term	
Quoted investments at costs	112,426
Unquoted investments at costs	-
Total investments at costs	<u>112,426</u>
Less allowance for diminution in value and amortisation	(4,028)
Total investments at carrying value	108,398
Less unquoted investments at carrying value	-
Quoted investments at carrying value	<u>108,398</u>
Quoted investments at market value	<u>149,160</u>

## 17 Status of Corporate Proposals

- i) On 29 March 2004, the Company had propose to dispose 247,135,172 ordinary shares of RM0.50 each in IJM Plantations Berhad to Styrobilt Sdn Bhd, a wholly-owned subsidiary of the Company for a total consideration of RM299,034,000. The proposal has been submitted to Securities Commission ("SC") for approval which is currently pending.
- ii) On 6 May 2004, the Company announced it has entered into an agreement to acquire 33,540,080 and 415,000 ordinary shares of RM1.00 each in Industrial Concrete Products Berhad ("ICP") representing a total of 32.56% of the equity interest in ICP as at 31 March 2004 from Hume Industries (Malaysia) Berhad and Hume Plastics (Malaysia) Sdn Bhd respectively for a total cash consideration of RM95,074,224 or RM2.80 per share. The acquisition was completed on 12 May 2004.

Following the above, the Company has to make a mandatory general offer for the remaining ordinary shares of RM1.00 each ICP not held by the Company. The Company is currently awaiting consent from the SC to its Offer Document which was submitted on 10 May 2004.

- iii) On 6 May 2004, the Company has entered into an agreement with ICP to dispose its entire equity interest in Malaysian Rock Products Sdn Bhd, a wholly-owned subsidiary of the Company, to ICP for a sale consideration of RM110 million to be satisfied by the issuance of 39,285,714 ordinary shares of RM1.00 each in ICP at RM2.80 per share. The application to SC for approval is currently being prepared and would be submitted in due course.

## 18 Group Borrowings

	<b>As at 31/03/2004 RM'000</b>
<b>(a) (i) Short Term Borrowings</b>	
Secured:-	
- Term loan	1,770
- Bank overdrafts	7,832
Unsecured:-	
- Revolving credits	38,000
- Bankers acceptances	44,522
- Bank overdrafts	5,282
	<u>97,406</u>
<b>(ii) Long Term Borrowings</b>	
8% Secured Fixed Rate Bond 1999/2009 (net of discount)	97,287
5% Redeemable Unsecured Bond 2000/2005	150,000
Bond Total	<u>247,287</u>
Secured term loan	57,483
Unsecured term loan	74,480
	<u>379,250</u>

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	29,600	112,480
Indian Rupee	789,235	67,085
		<u>179,565</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 2003 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 a 12.3% increase in the pre-tax profit for the current quarter as compared with the immediate preceding quarter. This was mainly attributable to higher profits achieved by the Construction, Properties and Manufacturing & Quarrying divisions.

## 22 Review of Performance

For the current quarter and financial year-to-date, the Group achieved a revenue of RM311.99 million, a pre-tax profit of RM55.10 million and a net profit of RM35.22 million. The 20.2% drop in revenue over the preceding year corresponding quarter was mainly attributable to lower Construction revenue and reduced contribution from the Plantations associate following the deconsolidation of IJM Plantations Berhad ("IJMP") with effect from 2 July 2003 due to the reduction of the Group's equity interest in IJMP from 100% to 49.4%. The Group's pre-tax profit and net profit, on the other hand, increased by 23.4% and 28.9% respectively compared to the preceding year corresponding quarter mainly due to better contribution from the Properties division.

## 23 Current Year Prospects

Barring unforeseen circumstances, based on the existing good order book and a good prospect to increase it further, as well as the current higher palm products prices, the Group expects to perform better than the last financial year.

## 24 Profit Forecast

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

## 25 Earnings Per Share

		Current Quarter Ended 31/03/2004	Preceding Year Quarter Ended 31/03/2003	Current Year To date Ended 31/03/2004	Preceding Year To date Ended 31/03/2003
(a) <u>Basic earnings per share</u>					
Net profit for the period	(RM'000)	35,223	27,327	35,223	27,327
Weighted average number of ordinary shares in issue	('000)	383,839	364,222	383,839	364,222
Basic earnings per share	(sen)	9.18	7.50	9.18	7.50
(b) <u>Diluted earnings per share</u>					
Net profit for the period	(RM'000)	35,223	27,327	35,223	27,327
Weighted average number of ordinary shares in issue	('000)	383,839	364,222	383,839	364,222
Adjustment for options	('000)	5,369	-	5,369	-
Adjustment for warrants	('000)	22,381	28,381	22,381	28,381
Weighted average number of ordinary shares for diluted earnings per share	('000)	411,589	392,603	411,589	392,603
Diluted earnings per share	(sen)	8.56	6.96	8.56	6.96

## 26 Comparative Figures

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