



IJM CORPORATION BERHAD (104131-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended:	30/06/2004
Quarter:	2nd Qtr
Financial Year End:	31/03/2005
The figures:	Have not been audited
Full Quarterly Report:	Refer attached

Part A2 : Summary of Key Financial Information for the financial period ended 30/06/2004

	Individual Quarter		Cumulative Period	
	Current year quarter 30/06/2004 RM'000	Preceding year quarter 30/06/2003 RM'000	Current year to date 30/06/2004 RM'000	Preceding year to date 30/06/2003 RM'000
1 Revenue	321,222	436,314	633,211	827,199
2 Profit before tax	58,442	62,974	113,546	107,613
3 Profit after tax and minority interests	40,697	42,406	75,920	69,733
4 Net profit for the period	40,697	42,406	75,920	69,733
5 Basic earnings per share (sen)	9.66	11.52	18.85	18.94
6 Dividend per share (sen)	5.00	5.00	5.00	5.00

	As at end of current quarter 30/06/2004	As at preceding financial year end
7 Net tangible assets per share (RM)	3.80	3.88

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

	Individual Quarter		Cumulative Period	
	Current year quarter 30/06/2004 RM'000	Preceding year quarter 30/06/2003 RM'000	Current year to date 30/06/2004 RM'000	Preceding year to date 30/06/2003 RM'000
Operating revenue	321,222	436,314	633,211	827,199
Cost of sales	<u>(250,242)</u>	<u>(359,765)</u>	<u>(495,583)</u>	<u>(687,422)</u>
Gross profit	70,980	76,549	137,628	139,777
Other operating income	8,995	13,318	15,886	17,646
Tendering, selling and distribution expenses	<u>(2,448)</u>	<u>(3,767)</u>	<u>(3,735)</u>	<u>(7,691)</u>
Administrative expenses	<u>(12,851)</u>	<u>(12,623)</u>	<u>(23,872)</u>	<u>(23,943)</u>
Other operating expenses	<u>(10,912)</u>	<u>(6,817)</u>	<u>(17,943)</u>	<u>(13,309)</u>
Operating profit before finance cost	53,764	66,660	107,964	112,480
Finance cost	<u>(6,143)</u>	<u>(7,632)</u>	<u>(11,908)</u>	<u>(14,143)</u>
Operating profit after finance cost	47,621	59,028	96,056	98,337
Share of results of associates	9,046	844	14,106	3,851
Share of results of jointly controlled entities	<u>1,775</u>	<u>3,102</u>	<u>3,384</u>	<u>5,425</u>
Profit from ordinary activities before taxation	58,442	62,974	113,546	107,613
Taxation:-				
Company and subsidiaries	<u>(13,933)</u>	<u>(17,300)</u>	<u>(27,891)</u>	<u>(29,858)</u>
Associates	<u>(1,980)</u>	<u>(440)</u>	<u>(2,884)</u>	<u>(904)</u>
Jointly controlled entities	<u>(508)</u>	<u>(633)</u>	<u>(1,069)</u>	<u>(1,140)</u>
	<u>(16,421)</u>	<u>(18,373)</u>	<u>(31,844)</u>	<u>(31,902)</u>
Profit from ordinary activities after taxation	42,021	44,601	81,702	75,711
Minority interests	<u>(1,324)</u>	<u>(2,195)</u>	<u>(5,782)</u>	<u>(5,978)</u>
Net profit for the period	<u>40,697</u>	<u>42,406</u>	<u>75,920</u>	<u>69,733</u>
Earnings per share (sen):-				
Basic	9.66	11.52	18.85	18.94
Fully diluted	9.34	10.75	18.27	17.61
Dividend per share (sen):-				
Less income tax at 28%	5.00	5.00	5.00	5.00
Depreciation and amortisation expense (RM'000)	10,851	9,807	17,079	18,098

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2004

	(Unaudited) 30/06/2004 RM'000	(Audited) 31/12/2003 RM'000
CAPITAL AND RESERVES		
Share capital	431,218	382,276
Share premium	288,869	193,873
Reserves	108,804	106,693
Retained Earnings	871,792	826,647
	<hr/>	<hr/>
Shareholders' equity	1,700,683	1,509,489
Minority interest	122,084	18,482
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	1,822,767	1,527,971
NON-CURRENT LIABILITIES		
Bonds	247,411	247,164
Term loans	146,851	68,909
Hire purchase and lease creditors	239	1,244
Deferred tax liabilities	17,731	4,956
Trade payable	6,000	6,000
Retirement benefits	6,391	2,971
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	424,623	331,244
DEFERRED INCOME		
	38,414	27,423
	<hr/>	<hr/>
	2,285,804	1,886,638
NON-CURRENT ASSETS		
Property, plant and equipment	482,717	250,450
Associates	699,780	676,935
Long term investments	80,448	80,471
Long term receivables	39,638	43,466
Deferred tax assets	19,523	14,068
Land held for property development	79,463	72,331
Intangible assets	47,017	10,847
	<hr/>	<hr/>
	1,448,586	1,148,568
CURRENT ASSETS		
Property development costs	395,169	332,492
Inventories	81,654	29,730
Trade and other receivables	956,341	760,762
Short term investments	114,569	107,073
Deposits with licensed banks	137,101	137,356
Cash and bank balances	37,226	47,639
	<hr/>	<hr/>
	1,722,060	1,415,052
CURRENT LIABILITIES		
Trade and other payables	688,306	610,834
Bank borrowings	167,823	54,784
Taxation liabilities	28,713	11,364
	<hr/>	<hr/>
	884,842	676,982
NET CURRENT ASSETS		
	837,218	738,070
	<hr/>	<hr/>
	2,285,804	1,886,638
NET TANGIBLE ASSETS PER SHARE (RM)		
	<hr/>	<hr/>
	3.80	3.88
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IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 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	-	-	2,111	-	2,111
Net profit for the period	-	-	-	75,920	75,920
Dividends for the year ended:- 31 December 2003 (second interim)	-	-	-	(30,775)	(30,775)
Issue of shares under ESOS	7,184	21,503	-	-	28,687
Conversion of warrants	41,758	73,493	-	-	115,251
At 30 June 2004	<u>431,218</u>	<u>288,869</u>	<u>108,804</u>	<u>871,792</u>	<u>1,700,683</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	-	-	4,811	-	4,811
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>97,931</u>	<u>820,673</u>	<u>1,546,117</u>

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2004
(The figures have not been audited)

	2004 RM'000	2003 RM'000
OPERATING ACTIVITIES		
Receipts from customers	569,630	791,737
Payments to contractors, suppliers and employees	(572,862)	(658,794)
Interest received	7,464	4,982
Interest paid	(4,158)	(6,393)
Income tax paid	(16,374)	(24,603)
Net cash flow from / (used in) operating activities	(16,300)	106,929
INVESTING ACTIVITIES		
Acquisition of subsidiaries / additional shares in subsidiaries	(94,228)	-
Acquisition of investments	(66,188)	(2,485)
Purchases of property, plant and equipment and development properties	(94,827)	(79,637)
Disposal of investments, property, plant and equipment, net of cash disposed	275	1,954
Dividends received	9,061	4,242
Advances and repayments from / (to) associates and jointly controlled entities	(8,615)	5,185
Net cash flow used in investing activities	(254,522)	(70,741)
FINANCING ACTIVITIES		
Issue of shares by the Company		
- Employees Share Option Scheme	28,687	-
- Conversion of warrants	115,251	21,696
Issue of shares by a subsidiary to minority shareholders	-	1,510
Net proceeds / (repayments) of bank borrowings	120,698	11,003
Bond interest	(7,750)	(7,750)
Repayments to hire purchase and lease creditors	(627)	(6,568)
Dividends paid by subsidiaries to minority shareholders	-	(2,344)
Dividends paid by the Company	(30,580)	(18,576)
Net (placements) / withdrawals of bank deposits assigned to trustees	(5,112)	(4,861)
Net cash flow from financing activities	220,567	(5,890)
Net increase / (decrease) in cash and cash equivalents during the period	(50,255)	30,298
Cash and cash equivalents at beginning of period	152,857	123,785
Foreign exchange differences on opening balances	(404)	150
Cash and cash equivalents at end of period	102,198	154,233

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

As a result of Industrial Concrete Products Berhad ("ICP"), formerly a 20.5% associate, becoming a 53% subsidiary of the Company on 12 May 2004 (refer Note 10(ii) below), there were increases in the Group's balance sheet items such as minority interests, property, plant and equipment, intangible assets, inventories, trade receivables and trade payables. As this only took place on 12 May 2004, the effect on the Group's income statement was not significant.

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 41,757,700 ordinary shares of RM1.00 each arising from the conversion of warrants, and 7,184,200 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, an interim dividend of 5% or 5 sen per share less tax at 28% is declared. The interim dividend will be paid on 12 November 2004 to every member who is entitled to receive the dividend as at 5.00pm on 29 October 2004.

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 14 November 2003.

8 Segmental Reporting

Analysis by business segments

	6 months ended 30/06/2004 RM'000	6 months ended 30/06/2003 RM'000
<u>Revenue:-</u>		
Construction	463,278	682,377
Property development	173,508	93,907
Industries	155,044	106,564
Plantation	58,201	89,862
Infrastructure	19,679	16,166
Investment and others	18,532	11,308
	<u>888,242</u>	<u>1,000,184</u>
Group's share of revenue of associates and jointly controlled entities	<u>(255,031)</u>	<u>(172,985)</u>
	<u><u>633,211</u></u>	<u><u>827,199</u></u>
<u>Profit/(loss) before taxation:-</u>		
Construction	47,451	58,297
Property development	34,400	17,442
Industries	15,399	11,761
Plantation	10,002	15,846
Infrastructure	2,433	1,440
Investment and others	3,861	2,827
	<u>113,546</u>	<u>107,613</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) 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.
- ii) The Company's equity interest in ICP has increased from 20.5% to 53.0% through the acquisition of 33,540,080 and 415,000 ordinary shares of RM1.00 each in ICP from Hume Industries (Malaysia) Berhad and Hume Plastics (Malaysia) Sdn Bhd respectively on 12 May 2004 for a total cash consideration of RM95,074,224 or RM2.80 per share. The effect of this change in composition is explained in Note 4 above.
- iii) The Company has acquired an additional 28% equity interest in GR Commerce Sdn Bhd thereby increasing its stake from 72% to 100%. This has no material impact on the Group for the financial year-to-date.
- iv) The Company has acquired an additional 5% equity interest in Cofreth (M) Sdn Bhd thereby increasing its stake from 20% to 25%. 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 except for the acquisition of an additional 23,305,000 ordinary shares in ICP pursuant to a mandatory general offer which was closed on 1 July 2004, as mentioned in Note 17(iii) below. As a result, the Company's shareholding in ICP increased to 73.82% as at 1 July 2004.

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
- Decrease during the financial year-to-date	(6,943)
- As at 30 June 2004	<u>83,670</u>

13 Capital Commitments

Capital commitments not provided for in the financial statements as at 30 June 2004 are as follows:-

	<u>RM'000</u>
Approved and contracted for	173,306
	<u>173,306</u>
<u>Analysed as follows:</u>	
- Acquisition of development land	108,052
- Acquisition of ICP shares pursuant to a mandatory general offer as mentioned in Note 17(iii) below	65,254
	<u>173,306</u>

14 Taxation

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

	Current Quarter Ended 30/06/2004 RM'000	Cumulative Current Year To date Ended 30/06/2004 RM'000
Malaysian income tax	16,732	29,058
Overseas taxation	1,621	3,629
Transfer to/(from) deferred taxation	(3,912)	(3,727)
	<u>14,441</u>	<u>28,960</u>
Share of associates' taxation	1,980	2,884
	<u>16,421</u>	<u>31,844</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 30 June 2004

	RM'000
i) Long Term	
Quoted investments at costs	49,258
Unquoted investments at costs	37,219
Total investments at costs	<u>86,477</u>
Less allowance for diminution in value	(6,029)
Total investments at carrying value	<u>80,448</u>
Less unquoted investments at carrying value	(31,297)
Quoted investments at carrying value	<u>49,151</u>
Quoted investments at market value	<u><u>46,613</u></u>
ii) Short Term	
Quoted investments at costs	123,463
Unquoted investments at costs	-
Total investments at costs	<u>123,463</u>
Less allowance for diminution in value and amortisation	(8,894)
Total investments at carrying value	<u>114,569</u>
Less unquoted investments at carrying value	-
Quoted investments at carrying value	<u>114,569</u>
Quoted investments at market value	<u><u>137,834</u></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 approved by the Securities Commission ("SC") vide its letter dated 11 June 2004.
- 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.
- iii) Following the above, on 10 June 2004, the Company made a mandatory general offer for the remaining ordinary shares of RM1.00 each in ICP not held by the Company. As at the closing date of the offer on 1 July 2004, the Company secured acceptances totalling 23,305,000 ordinary shares in ICP. With that, the Company's shareholding in ICP as at 1 July 2004 increased to 73.82%.
- iv) 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. The Company will also take appropriate measures to maintain the listing status of ICP.

18 Group Borrowings

	As at 30/06/2004 RM'000
(a) (i) Short Term Borrowings	
Secured:-	
- Term loan	4,049
- Bank overdrafts	8,088
Unsecured:-	
- Revolving credits	38,000
- Bankers acceptances	81,692
- Bank overdrafts	35,994
	<u>167,823</u>
(ii) Long Term Borrowings	
8% Secured Fixed Rate Bond 1999/2009 (net of discount)	97,411
5% Redeemable Unsecured Bond 2000/2005	150,000
Bond Total	<u>247,411</u>
Secured term loan	7,171
Unsecured term loan	139,680
	<u>394,262</u>

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	36,164	137,423
Indian Rupee	991,058	84,045
		<u>221,468</u>

19 Financial Instruments

For the purpose of certain anticipated business ventures in India, the Group has entered into a foreign exchange forward contract as follows:-

<u>Tenure</u>	<u>Currency to be received</u>	<u>Currency to be paid</u>	<u>Amount in foreign currency '000</u>	<u>Contractual rate</u>	<u>RM equivalent '000</u>
14 May 2004 to 16 Aug 2004	Indian Rupee (INR)	US Dollar (USD)	USD 10,000 INR 450,300	1 USD = INR45.03	38,000

Any difference arising from the movements in the currencies of the above forward contract would be deferred until the related receipts or payments occurred, at which time they will be included in the measurement of such receipts or payments. However if such receipts or payments do not occur, the difference at the maturity of this contract would be recognised in the income statement.

As this contract is executed with a creditworthy financial institution, the Directors are of the view that, at present, the credit and market risks associated with this contract is minimal.

20 Material Litigation

There was no 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 6.1% 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 Properties, Industries and Plantations divisions.

22 Review of Performance

For the current quarter, the Group achieved a revenue of RM321.22 million, a pre-tax profit of RM58.44 million and a net profit of RM40.70 million. The drop in revenue, pre-tax profit and net profit over the preceding year corresponding quarter by 26.4%, 7.2% and 4.0% respectively, 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%.

For the current financial year-to-date, the Group achieved a revenue of RM633.21 million, a pre-tax profit of RM113.55 million and a net profit of RM75.92 million. The 23.5% decrease in revenue over the preceding year was mainly attributable to lower construction revenue and reduced contribution from the Plantations associate as mentioned above. The Group's pre-tax profit and net profit, on the other hand, increased by 5.5% and 8.9% respectively mainly due to better contributions from the Properties, Industries and Infrastructure divisions.

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 level of 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 30/06/2004	Preceding Year Quarter Ended 30/06/2003	Current Year To date Ended 30/06/2004	Preceding Year To date Ended 30/06/2003
(a) <u>Basic earnings per share</u>					
Net profit for the period	(RM'000)	40,697	42,406	75,920	69,733
Weighted average number of ordinary shares in issue	('000)	421,494	368,211	402,666	368,211
Basic earnings per share	(sen)	9.66	11.52	18.85	18.94
(b) <u>Diluted earnings per share</u>					
Net profit for the period	(RM'000)	40,697	42,406	75,920	69,733
Weighted average number of ordinary shares in issue	('000)	421,494	368,211	402,666	368,211
Adjustment for options	('000)	6,486	-	5,228	-
Adjustment for warrants	('000)	7,759	26,203	7,639	27,885
Weighted average number of ordinary shares for diluted earnings per share	('000)	435,739	394,414	415,533	396,096
Diluted earnings per share	(sen)	9.34	10.75	18.27	17.61

26 Comparative Figures

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