



IJM CORPORATION BERHAD (104131-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended: 30/09/2004
Quarter: 3rd 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 30/09/2004

	Individual Quarter		Cumulative Period	
	Current year quarter 30/09/2004 RM'000	Preceding year quarter 30/09/2003 RM'000	Current year to date 30/09/2004 RM'000	Preceding year to date 30/09/2003 RM'000
1 Revenue	337,905	313,140	971,116	1,140,339
2 Profit before tax	59,399	50,116	172,945	157,729
3 Profit after tax and minority interests	36,546	36,219	112,466	105,952
4 Net profit for the period	36,546	36,219	112,466	105,952
5 Basic earnings per share (sen)	8.25	9.66	27.03	28.73
6 Dividend per share (sen)	-	-	5.00	5.00
	As at end of current quarter 30/09/2004		As at preceding financial year end	
7 Net tangible assets per share (RM)		3.79		3.88

IJM CORPORATION BERHAD (104131-A)

CONDENSED CONSOLIDATED INCOME STATEMENT

(The figures have not been audited)

	Individual Quarter		Cumulative Period	
	Current year quarter 30/09/2004 RM'000	Preceding year quarter 30/09/2003 RM'000	Current year to date 30/09/2004 RM'000	Preceding year to date 30/09/2003 RM'000
Operating revenue	337,905	313,140	971,116	1,140,339
Cost of sales	(261,288)	(261,325)	(756,871)	(948,747)
Gross profit	76,617	51,815	214,245	191,592
Other operating income	7,186	5,617	23,072	23,263
Tendering, selling and distribution expenses	(8,585)	(1,155)	(12,320)	(8,846)
Administrative expenses	(15,719)	(9,162)	(39,591)	(33,105)
Other operating expenses	(5,527)	(3,952)	(23,470)	(17,261)
Operating profit before finance cost	53,972	43,163	161,936	155,643
Finance cost	(6,972)	(5,098)	(18,880)	(19,241)
Operating profit after finance cost	47,000	38,065	143,056	136,402
Share of results of associates	10,079	11,663	24,185	15,514
Share of results of jointly controlled entities	2,320	388	5,704	5,813
Profit from ordinary activities before taxation	59,399	50,116	172,945	157,729
Taxation:-				
Company and subsidiaries	(11,520)	(13,285)	(39,411)	(43,143)
Associates	(2,731)	(1,147)	(5,615)	(2,051)
Jointly controlled entities	(339)	(329)	(1,408)	(1,469)
	(14,590)	(14,761)	(46,434)	(46,663)
Profit from ordinary activities after taxation	44,809	35,355	126,511	111,066
Minority interests	(8,263)	864	(14,045)	(5,114)
Net profit for the period	36,546	36,219	112,466	105,952
Earnings per share (sen):-				
Basic	8.25	9.66	27.03	28.73
Fully diluted	8.15	8.98	26.69	26.79
Dividend per share (sen):-				
Less income tax at 28%	-	-	5.00	5.00
Depreciation and amortisation expense (RM'000)	12,993	6,185	30,072	24,283

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

	(Unaudited) 30/09/2004 RM'000	(Audited) 31/12/2003 RM'000
CAPITAL AND RESERVES		
Share capital	452,224	382,276
Share premium	330,251	193,873
Reserves	103,636	106,693
Retained Earnings	908,338	826,647
	<hr/>	<hr/>
Shareholders' equity	1,794,449	1,509,489
Minority interest	89,587	18,482
	<hr/>	<hr/>
	1,884,036	1,527,971
NON-CURRENT LIABILITIES		
Bonds	247,534	247,164
Term loans	175,632	68,909
Hire purchase and lease creditors	237	1,244
Deferred tax liabilities	19,081	4,956
Trade payable	6,000	6,000
Retirement benefits	6,406	2,971
	<hr/>	<hr/>
	454,890	331,244
DEFERRED INCOME	50,479	27,423
	<hr/>	<hr/>
	2,389,405	1,886,638
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IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2004

	(Unaudited) 30/09/2004 RM'000	(Audited) 31/12/2003 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	487,382	250,450
Associates	712,134	676,935
Long term investments	92,193	80,471
Long term receivables	37,724	43,466
Deferred tax assets	18,144	14,068
Land held for property development	112,266	72,331
Intangible assets	67,846	10,847
	1,527,689	1,148,568
CURRENT ASSETS		
Property development costs	351,269	332,492
Inventories	78,225	29,730
Trade and other receivables	1,011,278	760,762
Short term investments	130,215	107,073
Deposits with licensed banks	100,407	137,356
Cash and bank balances	37,419	47,639
	1,708,813	1,415,052
CURRENT LIABILITIES		
Trade and other payables	667,150	610,834
Bank borrowings	154,633	54,784
Taxation liabilities	25,314	11,364
	847,097	676,982
NET CURRENT ASSETS	861,716	738,070
	2,389,405	1,886,638
NET TANGIBLE ASSETS PER SHARE (RM)	3.79	3.88

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 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	-	-	(3,057)	-	(3,057)
Net profit for the period	-	-	-	112,466	112,466
Dividends for the year ended:- 31 December 2003 (second interim)	-	-	-	(30,775)	(30,775)
Issue of shares under ESOS	10,658	32,028	-	-	42,686
Conversion of warrants	59,290	104,350	-	-	163,640
At 30 September 2004	<u>452,224</u>	<u>330,251</u>	<u>103,636</u>	<u>908,338</u>	<u>1,794,449</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	363,937	241,880	93,120	769,452	1,468,389
Net loss not recognised in income statement	-	-	31,872	(20,811)	11,061
Capital distribution	-	(83,128)	(32,470)	(18,793)	(134,391)
Realisation of reserves	-	-	(1,276)	-	(1,276)
Net profit for the period	-	-	-	105,952	105,952
Dividends for the year ended:- 31 December 2002 (second interim)	-	-	-	(18,512)	(18,512)
Conversion of warrants	13,678	25,724	-	-	39,402
At 30 September 2003	<u>377,615</u>	<u>184,476</u>	<u>91,246</u>	<u>817,288</u>	<u>1,470,625</u>

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2004

(The figures have not been audited)

	2004	2003
	RM'000	RM'000
OPERATING ACTIVITIES		
Receipts from customers	859,865	1,126,342
Payments to contractors, suppliers and employees	(819,465)	(961,369)
Interest received	12,682	7,874
Interest paid	(7,255)	(7,616)
Income tax paid	(28,298)	(45,995)
Net cash flow from / (used in) operating activities	17,529	119,236
INVESTING ACTIVITIES		
Acquisition of subsidiary, net of cash acquired (refer Note 10(ii))	(160,801)	-
Acquisition of investments	(102,242)	(26,801)
Purchases of property, plant and equipment and development properties	(163,614)	(105,297)
Disposal of investments, property, plant and equipment, net of cash disposed	21,997	(10,384)
Dividends received	9,842	5,432
Advances and repayments from / (to) associates and jointly controlled entities	(3,728)	(10,336)
Net cash flow used in investing activities	(398,546)	(147,386)
FINANCING ACTIVITIES		
Issue of shares by the Company		
- Employees Share Option Scheme	28,687	-
- Conversion of warrants	177,639	39,402
Issue of shares by a subsidiary to minority shareholders	-	1,510
Net proceeds / (repayments) of bank borrowings	123,205	12,797
Bond interest	(11,625)	(11,625)
Repayments to hire purchase and lease creditors	(999)	(10,297)
Dividends paid by subsidiaries to minority shareholders	-	(2,344)
Dividends paid by the Company	(30,797)	(18,609)
Net (placements) / withdrawals of bank deposits assigned to trustees	10,695	(9,390)
Net cash flow from financing activities	296,805	1,444
Net increase / (decrease) in cash and cash equivalents during the period	(84,212)	(26,706)
Cash and cash equivalents at beginning of period	152,857	123,785
Foreign exchange differences on opening balances	(225)	171
Cash and cash equivalents at end of period	68,420	97,250

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

(i) Acquisition of Industrial Concrete Products Berhad ("ICP")

On 12 May 2004, the Company acquired an additional 32.4% equity interest in ICP, raising the Company's equity interest from 20.4% to 52.8%. Following that, on 10 June 2004, the Company made a mandatory general offer ("MGO") for the remaining ordinary shares in ICP not held by the Company. At the close of the MGO period, the Company secured acceptances for 23,305,000 ordinary shares in ICP, thereby raising the Company's equity interest in ICP to 73.8%.

The effect of this acquisition on the financial results of the Group is as follows:-

	Current year to date 30/09/2004 RM'000	Preceding year to date 30/09/2003 RM'000
Operating revenue	116,950	-
Cost of sales	(86,982)	-
Gross profit	29,968	-
Expenses	(14,621)	-
Finance cost	(376)	-
Operating profit	14,971	-
Share of results of associates	-	2,362
Profit from ordinary activities before taxation	14,971	2,362
Taxation	(2,205)	110
Profit from ordinary activities after taxation	12,766	2,472
Minority interests	(4,407)	10
Net profit	8,359	2,482
Less: Group's share of profit had the Group not acquired the additional equity interest	(2,525)	-
Increase in Group net profit	5,834	2,482

The effect of this acquisition on the financial position of the Group as at 30 September 2004 is as follows:-

	30/09/2004 RM'000
Non-current assets	227,456
Current assets	148,919
Current liabilities	(80,182)
Non-current liabilities	(14,922)
Minority interests	(59,973)
	<u>221,298</u>
Amount accounted for as associates	(47,253)
Group's share of profit had the Group not acquired the additional equity interest.	(2,525)
Increase in Group net assets	<u><u>171,520</u></u>

- (ii) The listing of IJM Plantations Berhad on the Main Board of the Bursa Malaysia Securities Berhad on 2 July 2003 and the resultant decrease in IJM's equity interest from a wholly-owned subsidiary to a 49.4% associate have also affected the Group's income statement when compared to the first nine months of the previous financial year.

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 59,290,021 ordinary shares of RM1.00 each arising from the conversion of warrants, and 10,657,500 ordinary shares of RM1.00 each arising from the exercise of Employee Share Option Scheme.

Except for 757,504 unexercised warrants which had expired on 28 August 2004, 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% was declared and paid on 12 November 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

	9 months ended 30/09/2004 RM'000	9 months ended 30/09/2003 RM'000
<u>Revenue:-</u>		
Construction	670,880	933,159
Property	260,942	163,601
Industries	270,692	165,281
Plantation	91,135	119,853
Infrastructure	31,937	24,074
Investment and others	26,689	21,528
	1,352,275	1,427,496
Group's share of revenue of associates and jointly controlled entities	(381,159)	(287,157)
	971,116	1,140,339
<u>Profit/(loss) before taxation:-</u>		
Construction	69,416	79,733
Property	51,023	29,399
Industries	29,868	16,549
Plantation	18,466	23,811
Infrastructure	2,061	2,307
Investment and others	2,111	5,930
	172,945	157,729

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 53.0% 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 20.4% to 73.8% following the acquisition of 57,731,080 ordinary shares of RM1.00 each in ICP from 12 May 2004 till 12 August 2004 for a total cash consideration of RM161,647,024 or RM2.80 per share. The effect of this change in composition is explained in Note 4(i) above.
- iii) The Company has acquired an additional 28.0% equity interest in GR Commerce Sdn Bhd thereby increasing its stake from 72.0% to 100.0%. This has no material impact on the Group for the financial year-to-date.
- iv) The Company has acquired an additional 5.0% equity interest in Cofreth (M) Sdn Bhd thereby increasing its stake from 20.0% to 25.0%. This has no material impact on the Group for the financial year-to-date.
- v) A wholly-owned subsidiary, Malaysian Rock Products Sdn Bhd, has disposed its entire 50.0% equity interest in Pulai Maju Sdn Bhd. This has no material impact on the Group for the financial year-to-date.
- vi) A wholly-owned subsidiary, Torsco Bhd, has acquired 2,000,400 Class A ordinary shares of RM1 each representing 40.0% equity interest in IMPSA (Malaysia) Sdn Bhd for a total cash consideration of RM3,500,700 or RM1.75 per share. This has no material impact on the Group for the financial year-to-date.
- vii) IJM Concrete Products Private Limited has been incorporated in India on 15 July 2004 as a wholly-owned subsidiary of IJM (India) Infrastructure Limited, a 95.2% subsidiary of the Group. This has no material impact on the Group for the financial year-to-date.
- viii) IJM Construction (Middle East) Limited Liability Company has been incorporated in Dubai, United Arab Emirates on 14 August 2004 as a 49.0% associate of the Company. This has no material impact on the Group for the financial year-to-date.
- ix) IJMII (Mauritius) Limited, a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company, has together with PACIFIC ALLIANCE-STRADEC Group Infrastructure Company incorporated a 70:30 joint venture company, Roadstar (India) Infrastructure Private Limited in India on 17 August 2004. 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 borrowings of associates:	
- As at 31 December 2003	90,613
- Increase during the financial year-to-date	52,168
- As at 30 September 2004	<u>142,781</u>

13 Capital Commitments

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

	<u>RM'000</u>
Approved and contracted for	60,601
	<u>60,601</u>
<u>Analysed as follows:</u>	
- Purchases of property, plant and equipment	27,829
- Investment in associates	32,772
	<u>60,601</u>

14 Taxation

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

	Current Quarter Ended 30/09/2004 RM'000	Cumulative Current Year To date Ended 30/09/2004 RM'000
Malaysian income tax	9,065	38,123
Overseas taxation	65	3,694
Transfer to/(from) deferred taxation	2,729	(998)
	<hr/> 11,859	<hr/> 40,819
Share of associates' taxation	2,731	5,615
	<hr/> <hr/> 14,590	<hr/> <hr/> 46,434

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

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

	Current Quarter 30/09/2004 RM'000	Cumulative Current Year To date 30/09/2004 RM'000
i) Long Term		
Total purchases	12,000	12,000
Total disposals / sale proceeds	-	-
Total Profit/(Loss) on Disposal	-	-

16 Quoted Investments

a) Purchases and sales of quoted investments

	Current Quarter 30/09/2004 RM'000	Cumulative Current Year To date 30/09/2004 RM'000
i) Long Term		
Total purchases	8	8
Total disposals / sale proceeds	285	285
Total Profit/(Loss) on Disposal	36	36
ii) Short Term		
Total purchases	20,260	20,260
Total disposals / sale proceeds	1,504	1,504
Total Profit/(Loss) on Disposal	(40)	(40)

b) Quoted investments as at 30 September 2004

	RM'000
i) Long Term	
Quoted investments at costs	49,040
Unquoted investments at costs	49,182
Total investments at costs	98,222
Less allowance for diminution in value	(6,029)
Total investments at carrying value	92,193
Less unquoted investments at carrying value	(43,260)
Quoted investments at carrying value	48,933
Quoted investments at market value	48,255
ii) Short Term	
Quoted investments at costs	141,733
Unquoted investments at costs	-
Total investments at costs	141,733
Less allowance for diminution in value and amortisation	(11,518)
Total investments at carrying value	130,215
Less unquoted investments at carrying value	-
Quoted investments at carrying value	130,215
Quoted investments at market value	143,979

17 Status of Corporate Proposals

- i) On 29 March 2004, the Company proposed 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") on 11 June 2004.
- ii) On 6 May 2004, the Company 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 an issuance of 39,285,714 ordinary shares of RM1.00 each in ICP at RM2.80 per share. The proposal has been approved by the SC on 23 November 2004.
- iii) On 12 October 2004, the Company announced the proposed issue of up to RM300 million nominal value 7-year Commercial Papers and Medium Term Notes. Approval from the SC has been obtained on 18 November 2004.
- iv) On 12 October 2004, the Company announced the proposed renounceable rights issue of up to 100,944,400 new warrants at an indicative issue price of RM0.05 per warrant on the basis of 1 new warrant for every 5 existing shares held in the Company on an entitlement date to be announced later. In addition, the Company also announced the proposed issuance of up to 10,000,000 new warrants to eligible management staff of the Group at an indicative issue price of RM0.05 per warrant. The Company is currently awaiting consent to its proposal which was submitted to the SC on 9 November 2004.

18 Group Borrowings

	As at 30/09/2004 RM'000
(a) (i) Short Term Borrowings	
Secured:-	
- Term loan	3,404
- Bank overdrafts	981
Unsecured:-	
- Revolving credits	19,000
- Bankers acceptances	75,063
- Bank overdrafts	56,185
	<u>154,633</u>

(ii) Long Term Borrowings

8% Secured Fixed Rate Bond 1999/2009 (net of discount)	97,534
5% Redeemable Unsecured Bond 2000/2005	150,000
Bond Total	<u>247,534</u>
Secured term loan	6,232
Unsecured term loan	169,400
	<u><u>423,166</u></u>

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	38,284	145,480
Indian Rupee	1,169,773	97,910
		<u><u>243,390</u></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 has been no material litigation affecting the Group which involves a sum exceeding 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 RM337.91 million, a pre-tax profit of RM59.40 million and a net profit of RM36.55 million. The increase in revenue, pre-tax profit and net profit over the preceding year corresponding quarter of 7.9%, 18.5% and 0.9% respectively, was mainly attributable to better performances from the Properties and Plantations divisions as well as increased contribution from ICP since it became a subsidiary of the Group on 12 May 2004.

For the current financial year-to-date, the Group achieved a revenue of RM971.12 million, a pre-tax profit of RM172.95 million and a net profit of RM112.47 million. The 14.8% decrease in revenue over the preceding year was mainly attributable to lower construction revenue. The Group's pre-tax profit and net profit, on the other hand, increased by 9.6% and 6.1% respectively mainly due to better contributions from the Properties and Industries divisions.

23 Current Year Prospects

Barring unforeseen circumstances and based on the existing good order book with 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 30/09/2004	Preceding Year Quarter Ended 30/09/2003	Current Year To date Ended 30/09/2004	Preceding Year To date Ended 30/09/2003
(a) <u>Basic earnings per share</u>					
Net profit for the period	(RM'000)	36,546	36,219	112,466	105,952
Weighted average number of ordinary shares in issue	('000)	442,790	375,006	416,139	368,832
Basic earnings per share	(sen)	8.25	9.66	27.03	28.73
(b) <u>Diluted earnings per share</u>					
Net profit for the period	(RM'000)	36,546	36,219	112,466	105,952
Weighted average number of ordinary shares in issue	('000)	442,790	375,006	416,139	368,832
Adjustment for options	('000)	5,907	-	5,165	-
Adjustment for warrants	('000)	-	28,482	-	26,628
Weighted average number of ordinary shares for diluted earnings per share	('000)	448,697	403,488	421,304	395,460
Diluted earnings per share	(sen)	8.15	8.98	26.69	26.79

26 Comparative Figures

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

27 Change of Financial Year End

As announced to the Bursa Malaysia Securities Berhad on 18 August 2004, the Company has changed its financial year end from 31 December to 31 March with effect from the current financial year.