



IJM CORPORATION BERHAD (104131-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended:	30/09/2010
Quarter:	2nd Quarter
Financial Year End:	31/03/2011
The figures:	Have not been audited
Full Quarterly Report:	Refer attached

Part A2 : Summary of Key Financial Information for the financial period ended 30/09/2010

	Individual Quarter		Cumulative Period	
	Current year quarter 30/09/2010 RM'000	Preceding year quarter 30/09/2009 RM'000	Current year to date 30/09/2010 RM'000	Preceding year to date 30/09/2009 RM'000
1 Revenue	785,504	1,049,107	1,771,590	2,210,755
2 Profit before taxation	198,363	130,763	377,428	254,627
3 Net profit for the period	155,020	90,421	286,567	176,648
4 Net profit attributable to owners of the Company	119,282	67,064	209,330	137,888
5 Basic earnings per share (sen)	8.86	5.10	15.62	10.49
6 Proposed/Declared dividend per share (sen)	4.00	-	4.00	-
	As at end of current quarter 30/09/2010		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		3.78		3.86

IJM CORPORATION BERHAD (104131-A)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
	RM'000	RM'000	RM'000	RM'000
Operating revenue	785,504	1,049,107	1,771,590	2,210,755
Cost of sales	(527,640)	(825,269)	(1,240,840)	(1,767,628)
Gross profit	257,864	223,838	530,750	443,127
Other operating income	83,332	35,803	123,028	63,991
Tendering, selling and distribution expenses	(24,342)	(22,616)	(47,794)	(42,815)
Administrative expenses	(42,728)	(35,231)	(91,635)	(79,849)
Other operating expenses	(43,058)	(22,318)	(72,439)	(47,278)
Operating profit before finance cost	231,068	179,476	441,910	337,176
Finance cost	(48,132)	(49,017)	(89,619)	(95,268)
Operating profit after finance cost	182,936	130,459	352,291	241,908
Share of profits of associates	6,186	3,910	12,321	8,919
Share of profits of jointly controlled entities	9,241	(3,606)	12,816	3,800
Profit before taxation	198,363	130,763	377,428	254,627
Income tax expense	(43,343)	(40,342)	(90,861)	(77,979)
Net profit for the period	155,020	90,421	286,567	176,648
<u>Other comprehensive income / (loss) net of tax:</u>				
Currency translation differences	(15,152)	(788)	(27,907)	41,518
Total comprehensive income for the period	139,868	89,633	258,660	218,166
<u>Net profit attributable to:-</u>				
Owners of the Company	119,282	67,064	209,330	137,888
Minority interest	35,738	23,357	77,237	38,760
	155,020	90,421	286,567	176,648
<u>Total comprehensive income attributable to:-</u>				
Owners of the Company	107,593	65,013	184,980	174,773
Minority interest	32,275	24,620	73,680	43,393
	139,868	89,633	258,660	218,166
<u>Earnings per share (sen):-</u>				
Basic	8.86	5.10 *	15.62	10.49 *
Fully diluted	8.68	5.07 *	15.33	10.45 *

* Restated for the effects of 2:5 bonus issue on 2 October 2009

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED BALANCE SHEET

	30/09/2010	31/03/2010
	RM'000	RM'000
	(Unaudited)	(Audited)
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	1,350,979	1,327,216
Treasury shares	(48)	-
Share premium	1,836,078	1,776,547
Reserves	27,823	53,237
Retained profits	1,887,497	1,972,221
	5,102,329	5,129,221
Minority interest	1,377,819	1,328,138
Total equity	6,480,148	6,457,359
NON-CURRENT LIABILITIES		
Bonds	495,157	568,886
Commercial Papers and Medium Term Notes	691,848	691,848
Term loans	1,656,849	1,388,610
Government support loans	205,116	204,157
Hire purchase and lease creditors	569	510
Derivative financial instruments	12,874	-
Deferred tax liabilities	375,867	363,172
Trade and other payables	76,700	80,364
Retirement benefits	5,914	5,914
	3,520,894	3,303,461
GOVERNMENT GRANTS	104,217	112,250
	10,105,259	9,873,070

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED BALANCE SHEET

	30/09/2010	31/03/2010
	RM'000	RM'000
	(Unaudited)	(Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	1,392,927	1,442,623
Leasehold land	143,690	145,598
Concession assets	1,915,462	1,948,606
Plantation development expenditure	494,320	474,258
Investment properties	127,791	410,799
Associates	445,719	442,120
Jointly controlled entities	1,138,024	1,064,518
Long term investments	-	4,560
Derivative financial instruments	4,947	-
Available-for-sale financial assets	2,214	-
Long term receivables	195,213	157,417
Deferred tax assets	93,444	92,088
Land held for property development	687,007	702,138
Intangible assets	75,917	74,804
	6,716,675	6,959,529
CURRENT ASSETS		
Property development costs	1,579,484	1,513,061
Inventories	521,323	529,320
Trade and other receivables	1,697,421	2,173,187
Short term investments	181,167	108,176
Derivative financial instruments	-	-
Assets held for sale	338,734	501
Tax recoverable	53,333	53,010
Deposits, cash and bank balances	1,369,104	1,221,511
	5,740,566	5,598,766
CURRENT LIABILITIES		
Trade and other payables	1,463,417	1,689,300
Derivative financial instruments	5,776	-
Borrowings:		
- Bank overdrafts	34,628	55,917
- Others	767,767	902,809
Liabilities associated with assets held of sale	15,858	-
Current tax liabilities	64,536	37,199
	2,351,982	2,685,225
NET CURRENT ASSETS	3,388,584	2,913,541
	10,105,259	9,873,070
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	3.78	3.86

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2010

(The figures have not been audited)

	<-----Attributable to equity holders of the Company----->						Minority interest RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000		
At 1 April 2010								
As previously reported	1,327,216	-	1,776,547	53,237	1,972,221	5,129,221	1,328,138	6,457,359
Effects of adopting FRS 139	-	-	-	-	(186,999)	(186,999)	(7,593)	(194,592)
As restated	1,327,216	-	1,776,547	53,237	1,785,222	4,942,222	1,320,545	6,262,767
Total comprehensive income for the period	-	-	-	(24,350)	209,330	184,980	73,680	258,660
Dividends paid by subsidiaries to minority shareholders	-	-	-	-	-	-	(26,465)	(26,465)
Interim dividends paid for year ended:- 31 March 2010	-	-	-	-	(111,118)	(111,118)	-	(111,118)
Shares buy back	-	(48)	-	-	-	(48)	-	(48)
Accretion/dilution arising from changes in composition of the Group	-	-	-	396	4,063	4,459	(4,253)	206
Issuance of shares by subsidiaries to minority shareholders	-	-	-	-	-	-	6,321	6,321
Acquisition of subsidiaries	-	-	-	-	-	-	7,991	7,991
Issuance of shares:								
- exercise of Warrants 2005/2010	22,404	-	55,113	(1,120)	-	76,397	-	76,397
- exercise of Warrants 2009/2014	1,359	-	4,418	(340)	-	5,437	-	5,437
At 30 September 2010	1,350,979	(48)	1,836,078	27,823	1,887,497	5,102,329	1,377,819	6,480,148
At 1 April 2009	941,952	(16,298)	2,128,037	2,112	1,714,347	4,770,150	845,917	5,616,067
Total comprehensive income for the period	-	-	-	36,885	137,888	174,773	43,393	218,166
Accretion/dilution arising from changes in composition of the Group	-	-	-	44	(34,520)	(34,476)	252,015	217,539
Second interim dividends paid for year ended:- 31 March 2009	-	-	-	-	(35,199)	(35,199)	-	(35,199)
Dividends paid by subsidiaries to minority shareholders	-	-	-	-	-	-	(23,234)	(23,234)
Shares buy back	-	(57)	-	-	-	(57)	-	(57)
Disposal of treasury shares	-	16,355	3,885	-	-	20,240	-	20,240
Disposal of subsidiary's warrants to minority shareholders	-	-	-	-	-	-	18,120	18,120
Issuance of shares and warrants by subsidiaries to minority shareholders	-	-	-	-	-	-	2	2
Issuance of shares:								
- exercise of Warrants 2005/2010	1,600	-	6,118	(80)	-	7,638	-	7,638
At 30 September 2009	943,552	-	2,138,040	38,961	1,782,516	4,903,069	1,136,213	6,039,282

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2010
(The figures have not been audited)

	6 months ended 30/09/2010 RM'000	6 months ended 30/09/2009 RM'000
OPERATING ACTIVITIES		
Receipts from customers	2,092,642	2,092,933
Payments to contractors, suppliers and employees	(1,575,140)	(1,803,572)
Government grant received	2,654	-
Interest received	36,686	26,200
Interest paid	(78,872)	(97,241)
Income tax paid	(62,360)	(51,930)
Net cash flow from operating activities	415,610	166,390
INVESTING ACTIVITIES		
Acquisition of investments	(26,997)	(123,214)
Purchases of property, plant and equipment, development and leasehold land, investment properties, concession assets, plantation development expenditure and deferred expenditure	(153,691)	(216,157)
Disposal of investments, property, plant and equipment, leasehold land, investment properties and assets held for sale	13,737	337,832
Dividends received	972	9,733
Net (advances to) and repayments from associates and jointly controlled entities	(63,139)	(34,598)
Net cash flow used in investing activities	(229,118)	(26,404)
FINANCING ACTIVITIES		
Issuance of shares by the Company	81,836	7,638
- exercise of Warrants	6,321	2
Issuance of shares and warrants by subsidiaries to minority shareholders	(48)	(57)
Repurchase of treasury shares	-	20,240
Disposal of treasury shares	294,420	108,332
Net proceeds from bank and government borrowings	(160,000)	(40,000)
Repayment of Bonds, Commercial Papers and Medium Term Notes	(17,072)	(10,882)
Payments of Bonds and Medium Term Notes interest	(3,000)	-
Repayment to the State Government	(2,228)	(5,883)
Repayments to hire purchase and lease creditors	(26,465)	(23,234)
Dividends paid by subsidiaries to minority shareholders	(111,118)	(35,199)
Dividends paid by the Company	(129,300)	(57,542)
Net increase of bank deposits assigned to trustees	(66,654)	(36,585)
Net cash flow used in financing activities	(66,654)	(36,585)
Net increase in cash and cash equivalents during the financial period	119,838	103,401
Cash and cash equivalents at beginning of the financial period	1,272,089	787,697
Foreign exchange differences on opening balances	668	282
Cash and cash equivalents at end of the financial period	1,392,595	891,380

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A NOTES TO THE QUARTERLY RESULTS

A1. Basis of Preparation

The unaudited interim financial report has been prepared in accordance with *FRS 134: Interim Financial Reporting* and *Chapter 9 Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad*.

The unaudited interim financial report should be read in conjunction with the audited financial statements for the year ended 31 March 2010 which are available at <http://www.ijm.com>. The explanatory notes attached to the unaudited interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2010.

A2. Changes in Accounting Policies

The significant accounting policies applied are consistent with those adopted for the audited financial statements for the year ended 31 March 2010 except for the adoption of the following new standards, amendments to standards and IC interpretations issued by Malaysian Accounting Standards Board (“MASB”) that are mandatory for the Group for the financial year beginning 1 April 2010:

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 2	Share-based Payment Vesting Conditions and Cancellations
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendment to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 8	Operating Segments
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 117	Leases
Amendment to FRS 119	Employee Benefits
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly-Controlled Entity or Associate
Amendment to FRS 128	Investments in Associates
Amendment to FRS 131	Interests in Joint Ventures
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 138	Intangible Assets
Amendment to FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 140	Investment Property
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 Group and Treasury Share Transactions

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A2. Changes in Accounting Policies (continued)

The adoption of the above standards, amendments and interpretations do not have a material impact on the interim financial information of the Group except for the adoption of the following standards as set out below:

a) FRS 101 (Revised) “Presentation of Financial Statements”

The revised standard requires changes in the format of the financial statements including the amounts directly attributable to shareholders in the primary statements, but does not affect the measurement of reported profit or equity. The Group has elected to present the statement of comprehensive income in a single statement. As a result, the Group has presented all owner changes in equity in the condensed consolidated statement of changes in equity whilst all non-owner changes in equity have been presented in the condensed consolidated statement of comprehensive income. Certain comparative figures have been reclassified to conform with the current period’s presentation. There is no impact on the results of the Group since these changes affect only the presentation of items of income and expenses.

b) Amendment to FRS 117 “Leases”

Leasehold land is classified as a finance lease if the Group has substantially all the risks and rewards incidental to ownership. Previously, leasehold land was classified as an operating lease unless title is expected to pass to the lessee at the end of the lease term. Following the amendment to FRS 117, the Group has reclassified certain leasehold lands to property, plant and equipment and investment properties. This change in classification has no effect on the results of the Group. The reclassification has been accounted for retrospectively in accordance with the transitional provision and certain comparative balances have been restated.

The effect of the reclassification to the comparatives following the adoption of the Amendment to FRS 117 as mentioned above is as follows:

	As previously reported	Effects of adopting FRS 117	As restated
	RM'000	RM'000	RM'000
Balances as at 31 March 2010			
<u>Non-current assets:-</u>			
Leasehold land	383,658	(238,060)	145,598
Property, plant and equipment	1,226,819	215,804	1,442,623
Investment properties	388,543	22,256	410,799

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A2. Changes in Accounting Policies (continued)

c) FRS 139 “Financial Instruments: Recognition and Measurement”

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The Group’s financial liabilities include financial liabilities at fair value through profit or loss and payables which are carried at amortised cost. The classification depends on the nature of the assets and liabilities and the purpose for which the assets/liabilities were acquired/incurred. Management determines the classification of its financial assets and liabilities at initial recognition. Set out below are the major changes in classifications of financial assets and liabilities of the Group:

i) Financial Assets and Liabilities at fair value through profit or loss

Financial assets and liabilities that are classified at fair value through profit or loss comprise derivative financial instruments as listed in Note B10, which were not previously recognised in the financial statements on inception and were recognised in the financial statements on settlement date. These are now recognised and measured at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value with changes in fair value recognised in profit or loss at each reporting date.

Financial assets include short term investments (as classified under current assets) that are acquired principally for the purpose of selling in the short term. Prior to the adoption of FRS 139, short term investments were recognised at the lower of cost and market value. With the adoption of FRS 139, short term investments are recognised and measured at fair value on the date a transaction is entered into and are subsequently re-measured at fair value with changes in fair value recognised in profit or loss at each reporting date.

ii) Loans and receivables

Non-current receivables, previously measured at invoiced amount and subject to impairment, are now classified as loans and receivables and measured at fair value plus transaction costs initially and subsequently, at amortised cost using the effective interest method.

When loans and receivables are impaired, the carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. Impairment loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the asset’s original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in profit or loss.

iii) Available-for-sale financial assets

Non-current investments, previously measured at cost and subject to impairment, are now classified as available-for-sale financial assets. These are initially measured at fair value plus transaction costs and subsequently, at fair value except for investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. These are measured at cost and are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

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A2. Changes in Accounting Policies (continued)

c) FRS 139 “Financial Instruments: Recognition and Measurement”(continued)

iii) Available-for-sale financial assets (continued)

Changes in fair values of available-for-sale equity securities are recognised in other comprehensive income. A significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the asset is impaired. If any such evidence exists, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss, is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are reversed through other comprehensive income and not through profit or loss.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss.

iv) Payables

Payables were previously measured initially and subsequently at cost, are now initially recognised at fair value, which is usually the original invoiced amount and subsequently carried at amortised cost using the effective interest method.

The Group has applied the new policies in relation to the financial instruments above in accordance with the transitional provisions in FRS 139 by recognising and re-measuring all financial assets and financial liabilities as at 1 April 2010 as appropriate. The related adjustments to the previous carrying amounts are made to the opening retained earnings. Comparatives are not restated.

The effects arising from the adoption of FRS 139, other than those disclosed in the statement of changes in equity, are set out below:

	As previously reported RM'000	Effects of adopting FRS 139 RM'000	After effects of adopting FRS 139 RM'000
Balances as at 1 April 2010			
<u>Non-current liabilities:-</u>			
Derivative financial instruments	-	(13,424)	(13,424)
<u>Non-current assets:-</u>			
Jointly controlled entities	1,064,518	(63,349)	1,001,169
Long term receivables	157,417	(5,599)	151,818
Derivative financial instruments	-	1,433	1,433
<u>Current assets:-</u>			
Trade and other receivables	2,173,187	(153,068)	2,020,119
Short term investments	108,176	8,756	116,932
<u>Current liabilities:-</u>			
Trade and other payables	(1,689,300)	30,659	(1,658,641)

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A3. Audit Report

The audit report for the financial year ended 31 March 2010 was not subject to any qualification.

A4. Seasonality or Cyclical of Operations

The Group's operations are not materially affected by seasonal or cyclical factors except for the Plantations division which normally sees its cropping pattern of oil palm declining to a trough in the first half of a calendar year before rising to a peak in the second half.

A5. Unusual Significant Items

Other than those disclosed in Note A2 above, there were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual in nature, size or incidence during the financial period-to-date.

A6. Material Changes in Estimates

There were no major changes in estimates that have had material effect in the financial period-to-date.

A7. Debt and Equity Securities

- (a) For the period ended 30 September 2010, the paid-up share capital of the Company was increased by RM23,763,060 by way of:-
- i. allotment and issue of 22,403,715 ordinary shares of RM1.00 each arising from the exercise of IJM Warrants 2005/2010; and,
 - ii. allotment and issue of 1,359,345 ordinary shares of RM1.00 each arising from the exercise of IJM Warrants 2009/2014.
- (b) For the period ended 30 September 2010, 10,000 ordinary shares of RM1.00 each were repurchased in the open market at RM4.75 per share and retained as treasury shares of the Company. A balance of 424,235 units of IJM Warrants 2005/2010 that were not exercised as at 20 August 2010 have lapsed and become null and void. There were no other cancellations and repayments of debt and equity securities for the financial period-to-date.

A8. Dividend Paid

On 24 August 2010, an interim dividend of 11 sen per share less 25% tax in respect of the financial year ended 31 March 2010 was paid totalling RM111,118,014.

IJM CORPORATION BERHAD (104131-A)

A9. Segmental Information

	Group revenue including share of revenue of JVs and associates		GROUP	
	6 months ended 30/09/2010	6 months ended 30/09/2009	6 months ended 30/09/2010	6 months ended 30/09/2009
	RM'000	RM'000	RM'000	RM'000
<u>External revenue:</u>				
Construction	612,200	1,096,574	426,106	840,244
Property	594,177	635,663	577,921	591,121
Industry	385,972	465,523	359,592	447,802
Plantation	266,465	202,280	246,888	183,814
Infrastructure	288,572	197,880	160,644	146,852
Investment and others	439	922	439	922
	<u>2,147,825</u>	<u>2,598,842</u>	<u>1,771,590</u>	<u>2,210,755</u>
<u>Inter-segment revenue:</u>				
Construction			230,971	379,074
Property			81	262
Industry			12,527	21,716
Plantation			-	-
Infrastructure			-	-
Investment and others			36,269	37,557
			<u>279,848</u>	<u>438,609</u>
<u>Profit / (Loss) before taxation:</u>				
Construction			18,814	15,408
Property			128,997	90,472
Industry			55,280	92,340
Plantation			103,457	35,295
Infrastructure			63,436	22,653
Investment and others			7,444	(1,541)
			<u>377,428</u>	<u>254,627</u>
			As at	As at
			30/09/2010	31/03/2010
			RM'000	RM'000
<u>Total Assets:</u>				
Construction			1,739,568	1,999,444
Property			4,687,987	4,587,542
Industry			931,539	922,432
Plantation			1,426,790	1,379,882
Infrastructure			3,250,468	3,395,417
Investment and others			274,112	128,480
Total segment assets			<u>12,310,464</u>	<u>12,413,197</u>
Unallocated corporate assets			146,777	145,098
Consolidated total assets			<u>12,457,241</u>	<u>12,558,295</u>

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A10. Carrying Amount of Revalued Property, Plant and Equipment

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

A11. Material Subsequent Events

As at 23 November 2010, there was no other material event subsequent to the end of the current financial period-to-date that has not been reflected in the financial statements.

A12. Changes in the Composition of the Group

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

- i. On 6 May 2010, the Company entered into a Deed of Sale of Shares with Pipgall Pty Ltd to dispose 2,400,000 ordinary shares of AUD0.68 each in IJM Australia Pty Ltd (“IJMA”), representing 80% equity interest in IJMA, for a total cash consideration of AUD6,244 (translated to RM17,882 based on an exchange rate of 1 Australia Dollar equivalent to RM2.8639). With the disposal, IJMA will cease to be a subsidiary of the Company. The disposal has no significant effect on the financial results of the Group in the current financial period-to-date and the financial position of the Group as at the end of the current financial period.
- ii. On 20 September 2010, the Company agreed to dispose 3,000 shares of USD1 each in Don Sahong Power Company Limited (“DSPC”), representing 30% equity interest in DSPC, for a total cash consideration of RM4.155 million, with a gain of approximately RM0.99 million. With the disposal, DSPC will cease to be an associate of the Company.
- iii. On 23 October 2010 IJM Construction Vietnam Company Limited was incorporated in The Socialist Republic of Vietnam as a wholly-owned subsidiary of IJM Construction Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company. This has no material impact on the Group for the financial period-to-date.

A13. Contingent Liabilities

The changes in contingent liabilities since 31 March 2010 are summarised as follows:-

	RM'000
Balances as at 31 March 2010	107,561
- additional performance guarantees given on behalf of jointly controlled entities	23,318
- additional service tax matters under appeal	3,509
- Exchange difference	(4,804)
Balances as at 30 September 2010	<u>129,584</u>

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A14. Capital Commitments

Capital commitments not provided for in the financial statements as at 30 September 2010 are as follows:

	RM'000
Approved and contracted for	419,958
Approved but not contracted for	<u>115,381</u>
	<u><u>535,339</u></u>
 <u>Analysed as follows:</u>	
- Purchases of property, plant and equipment, leasehold land and plantation Expenditure	238,967
- Purchases of development land	48,517
- Concession assets	15,828
- Share of capital commitments of jointly controlled entities	<u>232,027</u>
	<u><u>535,339</u></u>

The current estimated cost of developing our oil palm plantation in Indonesia is about RM700 million of which RM268.95 million has been incurred up to 30 September 2010 and another RM177.63 million has been included in the above stated capital commitment. The Board of Directors of IJM Plantations Berhad, a subsidiary of the Company, will review and approve the development programme and cost annually.

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B Bursa Securities Listing Requirements (Part A of Appendix 9B)

B1. Review of Performance

The Group recorded operating revenues of RM786 million for the current quarter which represents a decline of 25.1% over the corresponding quarter of the preceding year, attributable mainly to the Construction, Property and Industry divisions. Whilst construction works at new major projects such as the Grand Hyatt in Kuala Lumpur and Besraya Highway Extension projects are expected to go full-swing later in the current financial year, the delays in some of the overseas projects and the substantial completion of major construction projects in the 4th quarter of the last financial year were the primary causes of the decline in construction revenue. Meanwhile property revenue have decreased compared to the corresponding quarter of last year mainly because a substantial portion of the Group's current property portfolio comprises projects that were launched only in recent quarters and are still in early stages of construction such as in The Light development in Penang. Additionally lower selling prices and deliveries of building materials also resulted in the Group's Industry division reporting a 19.6% decline in revenue.

On the other hand, the Group's operating profit before tax for the current quarter rose by 51.7% to RM198 million compared to RM131 million in the preceding year's corresponding quarter following higher crude palm oil prices and foreign exchange translation gain of RM31 million in the Group's Infrastructure division.

Over the year to date, the Group's operating revenue decreased by 19.9% while the Group's pre-tax profit increased by 48.2% mainly due to higher property margins, higher crude palm oil prices and higher net foreign exchange translation gains in the Group's Infrastructure division.

B2. Material Changes in the Quarterly Results Compared to the Results of Immediate Preceding Quarter

The Group recorded a 20.3% decline in operating revenue mainly attributable to lower revenue recorded by the Group's Construction, Property and Industry divisions. The Group's pre-tax profit on the other hand rose by 10.8% mainly attributable to a 66.9% increase in Plantation pre-tax profits following higher crude palm oil prices and further boosted by foreign exchange translation gains in the Group's Infrastructure Division amounting to RM31 million in the current quarter.

B3. Prospects for the Current Financial Year

Whilst the economic environment remains uncertain, barring any unforeseen circumstances, the Group expects to achieve a satisfactory performance for the current financial year. With the Group's new major projects and further replenishment of the Group's construction order book, the performance of the Group's construction division is expected to be sustained. Although recent Bank Negara Malaysia measures will have an impact on the property market, the performance of the Group's Property division is expected to take on added significance in the current financial year given improved consumer sentiments, attractive mortgage environment as well as recent successful project launches. Likewise, the Group's Industry division expects a recovery in the sales of building materials in tandem with the expected growth in construction activity. Meanwhile, the expected higher CPO prices augur well for the Group's Plantation division. Malaysian tolling and port operations are expected to continue to provide steady revenue streams to the Group's Infrastructure division but initial expensing of its higher finance costs and amortisation of new toll concessions in India are expected to have an adverse impact on its divisional results.

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B4. Profit Forecast

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

B5. Taxation

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

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER		CUMULATIVE PERIOD 6 MONTHS ENDED 30 SEPTEMBER	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Malaysian income tax	38,835	42,895	81,636	77,631
Overseas taxation	777	(420)	894	706
Transfer to/(from) deferred taxation	3,731	(2,133)	8,331	(358)
	<u>43,343</u>	<u>40,342</u>	<u>90,861</u>	<u>77,979</u>

The Group's effective tax rate (excluding the results of associates and jointly controlled entities which are equity accounted net of tax) was higher than the statutory tax rate mainly due to certain expenses not allowable for tax purposes and the non-recognition of deferred tax assets on unused tax losses in certain subsidiaries.

B6. Unquoted Investments and/or Properties

There were no material sales of unquoted investment and/or properties for the financial period-to-date.

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B7. Quoted Investments

a. Purchases and sales of quoted investments (excluding unit trusts deposits)

	Current Quarter Ended 30/09/2010 RM'000	Cumulative Current Period-to-date 30/09/2010 RM'000
Long term:		
- Total purchases	-	-
- Total disposals / sale proceeds	-	-
- Total profit / (loss) on disposal	-	-
Short term:		
- Total purchases	-	11,000
- Total disposals / sale proceeds	11,143	11,446
- Total profit / (loss) on disposal	882	965

b. Quoted investments as at 30 September 2010

	RM'000
Long term:	
Quoted investments at cost	-
Quoted investments at carrying value	-
Quoted investments at market value	-
Short term:	
Quoted investments at cost	180,767
Quoted investments at carrying value	181,167
Quoted investments at market value	181,167

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B8. Status of Corporate Proposals

There was no corporate proposal announced that was not completed at the end of the reporting period.

B9. Group Borrowings

Particulars of the Group's borrowings as at 30 September 2010 are as follows:

Group Borrowings

	As at 30/09/2010 RM'000
(a) (i) Short Term Borrowings	
Secured:-	
- Islamic bonds	42,064
- Term loan	90,736
- Hire purchase and lease creditors (included in trade and other payables)	1,855
- Revolving credits	8,000
- Bank overdrafts	13,449
Unsecured:-	
- Medium Term Notes	41,532
- Government support loans (included in trade and other payables)	2,482
- Term loan	343,144
- Revolving credits	160,917
- Bankers acceptances	81,374
- Bank overdrafts	21,179
	806,732
(ii) Long Term Borrowings	
Unsecured Medium Term Notes	691,848
Secured Islamic bonds and notes	495,157
Unsecured Government support loans	205,116
Secured Hire purchase and lease creditors	569
Secured term loan	815,608
Unsecured term loan	841,241
	3,049,539

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	251,333	775,740
Indian Rupee	9,521,616	659,848
Chinese Renminbi	26,739	12,332
		1,447,920

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B10. Derivatives

As at 30 September 2010, the details of outstanding derivatives are as follows:

Type of Derivative	Contract/ Notional Amount	Carrying Amount < 1 year RM'000	Carrying Amount 1 – 3 years RM'000	Carrying Amount > 3 years RM'000	Fair Value Gain/(Loss) RM'000
a. Interest rate swaps (from floating rate to fixed rate)	RM257.2 million	(3,248)	(6,836)	-	(10,084)
b. Interest rate swap (from fixed rate to floating rate)	RM200 million	-	-	4,947	4,947
c. Cross currency swap (from Indian Rupee to US Dollar)	INR1,824 million swapped to USD40 million	-	-	(6,038)	(6,038)
d. Crude palm oil pricing swaps (to fix crude palm oil selling price at RM2,500/ton for 1,000 tonnes and RM2,550/ton for 1,000 tonnes)	2,000 tonnes per month	(2,528)	-	-	(2,528)

The cross currency swap as disclosed in item (c) above is a new contract that was entered into by the Group in May 2010 to swap future INR proceeds to USD. The cross currency swap enables the Company to hedge its foreign exchange exposures and it forms part of the overall structure for financing the Group's India-based subsidiary.

All of the above derivatives involve little or no cash requirements and have minimal credit risk as they were entered into with reputable banks. The accounting policies relating to the above derivatives are explained in Note A2(c)(i) above.

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B11. Fair value changes of financial liabilities

The Group recognised total fair value losses on derivative financial instruments of RM7.02 million during the current year to date of which RM11.39 million losses arose from financial liabilities. The details are as follows:

Type of financial liability	Current quarter fair value gains/(losses) RM'000	Current year to date fair value gains/(losses) RM'000	Basis of fair value measurement RM'000	Reasons for the losses
Interest rate swaps (from floating rate to fixed rate)	(1,194)	(2,284)	Interest rates differential between the floating and fixed rates	The interest rates differential between the floating and fixed rates from the last measurement date of 31 March 2010 up to the respective maturity dates of swaps have moved unfavourably.
Cross currency swap	(3,869)	(6,038)	Mark to market valuation	Unfavourable changes in the mark to market value as driven by spot foreign exchange
Crude palm oil pricing swaps	(3,063)	(3,063)	Price differential between market price and contracted price	Increase in market crude palm oil price above the contracted prices

B12. Changes in Material Litigation

There was no change in material litigation since 31 March 2010 which exceeds 5% of the Group's net assets.

B13. Dividend

In respect of the financial year ended 31 March 2010, an interim dividend of 11 sen per share less tax of 25% was paid on 24 August 2010 to every member who is entitled to receive the dividend at the close of business on 30 July 2010.

The Company has declared a single tier first interim dividend in respect of the financial year ended 31 March 2011 of 4 sen per share to be paid on 23 December 2010 to every member who is entitled to receive the dividend at the close of business on 15 December 2010.

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B14. Earnings per Share

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
	RM'000	RM'000	RM'000	RM'000
<u>Basic Earnings per share:-</u>				
(a) Profit for the period attributable to owners of the Company	119,282	67,064	209,330	137,888
(b) Weighted average number of ordinary shares as previously reported ('000)	-	939,785	-	939,181
Basic Earnings per share as previously reported (sen)	-	7.14	-	14.68
(c) Weighted average number of ordinary shares, adjusted for bonus issue ('000)	1,346,871	1,315,699	1,339,748	1,314,853
Basic Earnings per share, adjusted for bonus issue (sen)	8.86	5.10	15.62	10.49
<u>Diluted Earnings per share:-</u>				
(a) Profit for the period attributable to owners of the Company	119,282	67,064	209,330	137,888
Diluted Earnings per share as previously reported (sen)	-	7.10	-	14.63
(b) Weighted average number of ordinary shares, adjusted for bonus issue ('000)	1,346,871	1,315,699	1,339,748	1,314,853
Effect of dilution ('000)				
- Warrants	27,169	5,848	25,507	4,249
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,374,040	1,321,547	1,365,255	1,319,102
Diluted Earnings per share (sen)	8.68	5.07	15.33	10.45

B15. Comparative Figures

Comparative figures, where applicable, have been modified to conform to the current quarter presentation.