



# IJM CORPORATION BERHAD (104131-A)

## Part A1 : Quarterly Report

Quarterly report for the financial period ended:	30/09/2012
Quarter:	2nd Quarter
Financial Year End:	31/03/2013
The figures:	Have not been audited
Full Quarterly Report:	Refer attached

## Part A2 : Summary of Key Financial Information for the financial period ended 30/09/2012

	Individual Quarter		Cumulative Period	
	Current year quarter 30/09/2012 RM'000	Preceding year quarter 30/09/2011 RM'000	Current year to date 30/09/2012 RM'000	Preceding year to date 30/09/2011 RM'000
1 Revenue	1,141,811	1,097,727	2,183,497	2,131,518
2 Profit before taxation	233,280	161,440	399,495	363,050
3 Net profit for the period	178,765	111,190	298,279	264,828
4 Net profit attributable to owners of the Company	137,258	74,777	226,091	189,807
5 Basic earnings per share (sen)	9.93	5.45	16.36	13.94
6 Proposed/Declared dividend per share (sen)	4.00	4.00	4.00	4.00
	<b>As at end of current quarter 30/09/2012</b>		<b>As at preceding financial year end</b>	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		3.91		3.87

**IJM CORPORATION BERHAD (104131-A)**

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

*(The figures have not been audited)*

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>Current year quarter</b>	<b>Preceding year quarter</b>	<b>Current year to date</b>	<b>Preceding year to date</b>
	<b>30/09/2012</b>	<b>30/09/2011</b>	<b>30/09/2012</b>	<b>30/09/2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Operating revenue	<b>1,141,811</b>	1,097,727	<b>2,183,497</b>	2,131,518
Cost of sales	<b>(842,338)</b>	(817,612)	<b>(1,635,198)</b>	(1,558,858)
Gross profit	<b>299,473</b>	280,115	<b>548,299</b>	572,660
Other operating income	<b>50,223</b>	48,831	<b>125,798</b>	87,866
Foreign exchange differences	<b>22,840</b>	(29,037)	<b>(8,137)</b>	(27,171)
Tendering, selling and distribution expenses	<b>(27,963)</b>	(34,123)	<b>(54,542)</b>	(60,873)
Administrative expenses	<b>(57,720)</b>	(49,767)	<b>(114,241)</b>	(84,412)
Other operating expenses	<b>(14,518)</b>	(10,220)	<b>(23,699)</b>	(23,540)
Operating profit before finance cost	<b>272,335</b>	205,799	<b>473,478</b>	464,530
Finance cost	<b>(42,798)</b>	(48,101)	<b>(85,103)</b>	(98,403)
Operating profit after finance cost	<b>229,537</b>	157,698	<b>388,375</b>	366,127
Share of profits of associates	<b>18,066</b>	11,060	<b>20,645</b>	18,052
Share of profits/(losses) of jointly controlled entities	<b>(14,323)</b>	(7,318)	<b>(9,525)</b>	(21,129)
Profit before taxation	<b>233,280</b>	161,440	<b>399,495</b>	363,050
Income tax expense	<b>(54,515)</b>	(50,250)	<b>(101,216)</b>	(98,222)
Net profit for the period	<b>178,765</b>	111,190	<b>298,279</b>	264,828
<u>Other comprehensive income / (loss) net of tax:</u>				
Currency translation differences	<b>(20,542)</b>	(4,399)	<b>(39,179)</b>	(9,766)
Share of other comprehensive income of associates	<b>(664)</b>	800	<b>11</b>	809
Total comprehensive income for the period	<b>157,559</b>	107,591	<b>259,111</b>	255,871
<u>Net profit attributable to:-</u>				
Owners of the Company	<b>137,258</b>	74,777	<b>226,091</b>	189,807
Non-controlling interests	<b>41,507</b>	36,413	<b>72,188</b>	75,021
	<b>178,765</b>	111,190	<b>298,279</b>	264,828
<u>Total comprehensive income attributable to:-</u>				
Owners of the Company	<b>129,905</b>	65,058	<b>200,442</b>	174,300
Non-controlling interests	<b>27,654</b>	42,533	<b>58,669</b>	81,571
	<b>157,559</b>	107,591	<b>259,111</b>	255,871
<u>Earnings per share (sen):-</u>				
Basic	<b>9.93</b>	5.45	<b>16.36</b>	13.94
Fully diluted	<b>9.80</b>	5.32	<b>16.11</b>	13.58

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

	<b>30/09/2012</b>	<b>31/03/2012</b>
	<b>RM'000</b>	<b>RM'000</b>
	(Unaudited)	(Audited)
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	<b>1,381,664</b>	1,381,609
Treasury shares	<b>(115)</b>	(89)
Share premium	<b>1,934,960</b>	1,934,782
Reserves	<b>(47,501)</b>	(20,052)
Retained profits	<b>2,126,772</b>	2,051,801
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	<b>5,395,780</b>	5,348,051
Non-controlling interests	<b>1,619,376</b>	1,609,647
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Total equity	<b>7,015,156</b>	6,957,698
<b>NON-CURRENT LIABILITIES</b>		
Bonds	<b>1,096,303</b>	1,096,121
Commercial Papers and Medium Term Notes	<b>750,000</b>	750,000
Term loans	<b>1,556,230</b>	1,351,763
Government support loans	<b>206,647</b>	208,111
Hire purchase and lease creditors	<b>521</b>	1,475
Deferred tax liabilities	<b>387,045</b>	388,165
Trade and other payables	<b>85,630</b>	85,630
Provisions	<b>11,577</b>	11,577
Retirement benefits	<b>6,159</b>	5,851
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	<b>4,100,112</b>	3,898,693
GOVERNMENT GRANTS	<b>76,000</b>	81,423
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	<b>11,191,268</b>	10,937,814
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**IJM CORPORATION BERHAD (104131-A)**  
**CONDENSED CONSOLIDATED BALANCE SHEET**

	<b>30/09/2012</b>	<b>31/03/2012</b>
	<b>RM'000</b>	<b>RM'000</b>
	(Unaudited)	(Audited)
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	<b>1,435,020</b>	1,330,335
Leasehold land	<b>153,897</b>	156,651
Concession assets	<b>2,565,614</b>	2,476,068
Plantation development expenditure	<b>723,431</b>	685,694
Investment properties	<b>83,340</b>	84,243
Associates	<b>490,344</b>	476,097
Jointly controlled entities	<b>1,322,605</b>	1,178,647
Derivative financial instruments	<b>19,442</b>	15,911
Available-for-sale financial assets	<b>2,204</b>	2,204
Long term receivables	<b>90,564</b>	85,214
Deferred tax assets	<b>98,276</b>	98,810
Land held for property development	<b>849,514</b>	705,532
Intangible assets	<b>77,637</b>	76,696
	<b>7,911,888</b>	7,372,102
<b>CURRENT ASSETS</b>		
Property development costs	<b>1,887,474</b>	1,754,108
Inventories	<b>470,312</b>	499,100
Trade and other receivables	<b>1,748,610</b>	1,883,863
Financial assets at fair value through profit or loss	<b>419,637</b>	584,625
Derivative financial instruments	<b>2,988</b>	73
Assets held for sale	<b>-</b>	50,560
Tax recoverable	<b>66,507</b>	47,197
Deposits, cash and bank balances	<b>1,678,387</b>	1,699,020
	<b>6,273,915</b>	6,518,546
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<b>1,858,747</b>	1,785,685
Provisions	<b>33,068</b>	24,129
Derivative financial instruments	<b>-</b>	1,466
Borrowings:		
- Bank overdrafts	<b>121,293</b>	127,145
- Others	<b>953,932</b>	988,737
Current tax liabilities	<b>27,495</b>	25,672
	<b>2,994,535</b>	2,952,834
<b>NET CURRENT ASSETS</b>	<b>3,279,380</b>	3,565,712
	<b>11,191,268</b>	10,937,814
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)</b>	<b>3.91</b>	3.87

**IJM CORPORATION BERHAD (104131-A)**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

*(The figures have not been audited)*

	<-----Attributable to equity holders of the Company----->						Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium	Other reserves	Retained profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 April 2012</b>	<b>1,381,609</b>	<b>(89)</b>	<b>1,934,782</b>	<b>(20,052)</b>	<b>2,051,801</b>	<b>5,348,051</b>	<b>1,609,647</b>	<b>6,957,698</b>
Total comprehensive income for the period	-	-	-	(25,649)	226,091	200,442	58,669	<b>259,111</b>
Realisation of revaluation reserve upon disposal of assets	-	-	-	(1,786)	1,786	-	-	-
Dividends paid by subsidiaries to minority shareholders	-	-	-	-	-	-	(55,888)	<b>(55,888)</b>
Shares buy back	-	(26)	-	-	-	(26)	-	<b>(26)</b>
Accretion/dilution arising from changes in composition of the Group	-	-	-	-	12,891	12,891	(12,891)	-
Single tier second interim dividend: Year ended 31 March 2012	-	-	-	-	(110,531)	(110,531)	-	<b>(110,531)</b>
Single tier first interim dividend payable: Year ending 31 March 2013	-	-	-	-	(55,266)	(55,266)	-	<b>(55,266)</b>
Issuance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	19,835	<b>19,835</b>
Issuance of shares: - exercise of Warrants 2009/2014	55	-	178	(14)	-	219	-	<b>219</b>
Acquisition of a subsidiary	-	-	-	-	-	-	4	<b>4</b>
<b>At 30 September 2012</b>	<b>1,381,664</b>	<b>(115)</b>	<b>1,934,960</b>	<b>(47,501)</b>	<b>2,126,772</b>	<b>5,395,780</b>	<b>1,619,376</b>	<b>7,015,156</b>
<b>At 1 April 2011</b>	<b>1,351,115</b>	<b>(77)</b>	<b>1,835,676</b>	<b>26,010</b>	<b>1,784,253</b>	<b>4,996,977</b>	<b>1,469,770</b>	<b>6,466,747</b>
Total comprehensive income for the period	-	-	-	(15,507)	189,807	174,300	81,571	255,871
Accretion/dilution arising from changes in composition of the Group	-	-	-	-	6,619	6,619	(6,619)	-
Interim dividends paid for year ended 31 March 2011	-	-	-	-	(95,465)	(95,465)	-	(95,465)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	(48,011)	(48,011)
Shares buy back	-	(6)	-	-	-	(6)	-	(6)
Issuance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	46,450	46,450
Issuance of shares: - exercise of Warrants 2009/2014	24,315	-	79,026	(6,079)	-	97,262	-	97,262
<b>At 30 September 2011</b>	<b>1,375,430</b>	<b>(83)</b>	<b>1,914,702</b>	<b>4,424</b>	<b>1,885,214</b>	<b>5,179,687</b>	<b>1,543,161</b>	<b>6,722,848</b>

**IJM CORPORATION BERHAD (104131-A)**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2012**  
*(The figures have not been audited)*

	<b>6 months ended 30/09/2012 RM'000</b>	<b>6 months ended 30/09/2011 RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	<b>2,341,615</b>	2,147,031
Payments to contractors, suppliers and employees	<b>(1,892,977)</b>	(1,805,949)
Government grant received	<b>4,079</b>	-
Income from unit trusts	<b>590</b>	-
Income tax paid	<b>(117,203)</b>	(93,487)
<b>Net cash flow from operating activities</b>	<b>336,104</b>	247,595
<b>INVESTING ACTIVITIES</b>		
Acquisition of subsidiaries	<b>9,926</b>	-
Acquisition of a jointly controlled entity	<b>(51,000)</b>	-
Acquisition of short term investments	<b>(103,100)</b>	(540,640)
Purchases of property, plant and equipment, development and leasehold land, investment properties, concession assets, plantation development expenditure and deferred expenditure	<b>(479,623)</b>	(308,248)
Disposal of investments, property, plant and equipment, leasehold land, investment properties and assets held for sale	<b>360,248</b>	111,042
Interest received	<b>43,365</b>	43,155
Dividends received	<b>892</b>	10,163
Capital distribution from associate upon liquidation	<b>429</b>	-
Net (advances to) and repayments from associates and jointly controlled entities	<b>(81,489)</b>	(16,871)
<b>Net cash flow used in investing activities</b>	<b>(300,352)</b>	(701,399)
<b>FINANCING ACTIVITIES</b>		
Issuance of shares by the Company	<b>219</b>	97,262
- exercise of Warrants	<b>19,835</b>	46,450
Issuance of shares and warrants by subsidiaries to minority shareholders	<b>(26)</b>	(6)
Repurchase of treasury shares	<b>196,699</b>	(135,922)
Net proceeds from/(repayment to) bank and government borrowings	<b>-</b>	800,000
Net drawdown of Bonds, Commercial Papers and Medium Term Notes	<b>(5,000)</b>	(5,000)
Repayment to the State Government	<b>(971)</b>	(1,444)
Repayments to hire purchase and lease creditors	<b>(101,839)</b>	(107,363)
Interest paid	<b>(55,888)</b>	(48,011)
Dividends paid by subsidiaries to minority shareholders	<b>(110,531)</b>	(95,465)
Dividends paid by the Company	<b>13,939</b>	-
Net decrease of bank deposits assigned to trustees	<b>(43,563)</b>	550,501
<b>Net cash flow (used in)/from financing activities</b>	<b>(43,563)</b>	550,501
<b>Net (decrease)/increase in cash and cash equivalents during the financial period</b>	<b>(7,811)</b>	96,697
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>1,448,835</b>	<b>1,319,618</b>
Foreign exchange differences on opening balances	<b>6,703</b>	3,264
<b>Cash and cash equivalents at end of the financial period</b>	<b>1,447,727</b>	<b>1,419,579</b>

# IJM CORPORATION BERHAD (104131-A)

## 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 2012 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 2012.

### A2. Changes in Accounting Policies

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 “Agriculture” and/or IC Interpretation 15 “Agreements for Construction of Real Estate”, including its parent, significant investor and venturer (herein called “Transitioning Entities”).

Based on the MASB announcement on 30 June 2012, Transitioning Entities will be allowed to defer the adoption of the new MFRS Framework from the previous adoption date of 1 January 2013 to 1 January 2014. Consequently, the adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the scope of Transitioning Entities and accordingly, will adopt the MFRS Framework for the financial year beginning 1 April 2014. For the financial year ending 31 March 2013, the Group will continue to prepare its financial statements using the Financial Reporting Standards framework.

The significant accounting policies applied are consistent with those adopted for the audited financial statements for the year ended 31 March 2012 except for the adoption of the following new standards, amendments to standards and IC interpretations issued by MASB that are mandatory for the Group for the financial year beginning 1 April 2012:

IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to FRS 7	Disclosures – Transfers of Financial Assets
Amendments to FRS 112	Deferred tax: Recovery of Underlying Assets
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement

The adoption of the above pronouncements does not result in any significant change to the accounting policies and does not have any material impact on the interim financial information of the Group.

### A3. Audit Report

The audit report for the financial year ended 31 March 2012 was not subject to any qualification.

## IJM CORPORATION BERHAD (104131-A)

### **A4. Seasonality or Cyclicity of Operations**

The Group's operations are not materially affected by seasonal or cyclical factors except for the Plantation 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**

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 2012, the paid-up share capital of the Company was increased by RM54,880 by way of allotment and issue of 54,880 new ordinary shares of RM1.00 each arising from the exercise of IJM Warrants 2009/2014.
- (b) For the period ended 30 September 2012, 5,000 ordinary shares of RM1.00 each were repurchased in the open market at RM5.15 per share and retained as treasury shares of the Company. There were no other cancellations and repayments of debt and equity securities for the financial period-to-date.

### **A8. Dividend Paid**

On 4 July 2012, a single tier second interim dividend of 8 sen per share in respect of the financial year ended 31 March 2012 was paid totalling RM110,531,315.



## IJM CORPORATION BERHAD (104131-A)

### A9. Segmental Information

	Group revenue including share of revenue of JVs and associates		GROUP		GROUP	
	6 months ended 30/09/2012	6 months ended 30/09/2011	6 months ended 30/09/2012	6 months ended 30/09/2011	3 months ended 30/09/2012	3 months ended 30/09/2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>External revenue:</b>						
Construction	1,050,742	853,129	782,124	626,893	409,883	304,134
Property	552,864	557,712	539,759	547,442	281,069	294,906
Industry	397,615	457,165	390,616	448,333	202,819	215,148
Plantation	241,120	309,284	241,120	309,284	131,462	180,933
Infrastructure	343,735	336,381	229,707	199,455	116,498	102,548
Investment and others	171	111	171	111	80	58
	<b>2,586,247</b>	<b>2,513,782</b>	<b>2,183,497</b>	<b>2,131,518</b>	<b>1,141,811</b>	<b>1,097,727</b>
<b>Inter-segment revenue:</b>						
Construction			318,378	266,330	166,471	127,171
Property			50	67	50	38
Industry			36,940	46,912	17,910	28,376
Plantation			-	-	-	-
Infrastructure			-	-	-	-
Investment and others			112,222	107,016	112,222	73,612
			<b>467,590</b>	<b>420,325</b>	<b>296,653</b>	<b>229,197</b>
<b>Profit before taxation:</b>						
Construction			57,786	21,586	29,328	9,653
Property			141,382	116,387	66,798	51,314
Industry			61,869	70,359	30,361	38,693
Plantation			81,930	129,267	52,755	62,880
Infrastructure			49,917	18,547	54,704	(4,868)
Investment and others			6,611	6,904	(666)	3,768
			<b>399,495</b>	<b>363,050</b>	<b>233,280</b>	<b>161,440</b>
			<b>As at 30/09/2012</b>	<b>As at 31/03/2012</b>		
			<b>RM'000</b>	<b>RM'000</b>		
<b>Total Assets:</b>						
Construction			1,907,524	1,758,464		
Property			5,067,213	4,891,692		
Industry			1,056,837	999,746		
Plantation			1,803,383	1,839,957		
Infrastructure			3,951,539	3,909,102		
Investment and others			234,524	345,680		
Total segment assets			<b>14,021,020</b>	<b>13,744,641</b>		
Unallocated corporate assets			164,783	146,007		
Consolidated total assets			<b>14,185,803</b>	<b>13,890,648</b>		

## IJM CORPORATION BERHAD (104131-A)

### 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. Changes in the Composition of the Group

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

- i. On 21 March 2012, IJM Land Berhad, a 65.7% owned subsidiary of the Company, entered into a conditional Share Sale and Purchase Agreement with Aspirasi Ratna Sdn Bhd to acquire 1,000,000 ordinary shares of RM1 each in Nasa Land Sdn Bhd (“NLSB”), representing 50% of the issued and paid up share capital of NLSB for a total cash consideration of RM51 million. The acquisition was completed on 11 June 2012. This acquisition has no material impact on the Group for the financial period-to-date.
- ii. On 11 June 2012, IJM Construction Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a Sale of Shares Agreement with CSC Holdings Limited to dispose its entire 30% equity interest in CSC Ground Engineering Sdn Bhd for a total cash consideration of RM464,298. This disposal has no material impact on the Group for the financial period-to-date.
- iii. On 3 August 2012, IJM Land Berhad (“IJMLB”), a 65.7% owned subsidiary of the Company, entered into a Shareholders’ Agreement (“SA”) with Lite Bell Consolidated Sdn Bhd (“LBC”) to form a joint venture company in Jersey namely, Mintle Limited (“ML”), whereby IJMLB will acquire 51 ordinary shares of £1 per share. LBC will acquire the remaining 49 ordinary shares and 1 preference share of £1 in ML. In addition to the execution of the SA, ML has executed a Share Purchase Agreement to acquire 1 ordinary share of £1 each in RMS (England) Limited (“RMSEL”), representing the entire issued share capital of RMSEL, at a consideration of £1. These acquisitions have no material impact on the Group for the financial period-to-date.
- iv. On 30 August 2012, Gunaria Sdn Bhd, a wholly-owned subsidiary of IJM Plantations Berhad which in turn is a 55.1%-owned subsidiary of the Company, entered into a Conditional Share Subscription Agreement to acquire 23,750 shares of Rp.1,000,000 each, representing 95% of the share capital of PT Karya Bakti Sejahtera Agrotama for a total cash consideration of Rp.23,750,000,000 (approximately RM7.7 million). This acquisition has no material impact on the Group for the financial period-to-date.

## IJM CORPORATION BERHAD (104131-A)

### A12. Contingent Liabilities

The changes in contingent liabilities since 31 March 2012 are summarised as follows:-

	<b>RM'000</b>
Balances as at 31 March 2012	15,621
- Increase in sales and service tax matters under appeal	39
- Exchange differences	(470)
	<hr/>
Balances as at 30 September 2012	<u>15,190</u>

### A13. Capital Commitments

Capital commitments not provided for in the financial statements as at 30 September 2012 are as follows:

	<b>RM'000</b>
Approved and contracted for	744,318
Approved but not contracted for	412,143
	<hr/>
	<u>1,156,461</u>
 <u>Analysed as follows:</u>	
- Purchases of property, plant and equipment, leasehold land and plantation development expenditure	560,980
- Purchases of development land	198,735
- Concession assets	208,571
- Share of capital commitments of jointly controlled entities	188,175
	<hr/>
	<u>1,156,461</u>

An amount of RM705.42 million has been incurred up to 30 September 2012 for developing the oil palm plantations in Indonesia. A further sum of RM413.95 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. Detailed Analysis of Performance of all Operating Segments

In the current quarter, the Group achieved operating revenue of RM1,141.8 million representing a growth of 4.0% over the corresponding quarter of the preceding year with significant growth in the Construction and Infrastructure divisions. The Group's pre-tax profit rose 44.5% to RM233.3 million as the Group's Construction and Property divisions recorded profit growth of 203.8% and 30.2% compared to the corresponding quarter of the preceding year. Fluctuations in foreign exchange rates also resulted in unrealised gain of RM22.8 million in the current quarter compared to unrealised loss of RM29.0 million in the corresponding quarter of the previous year.

In the current year-to-date, the Group's operating revenue rose 2.4% to RM2,183.5 million compared to the preceding year-to-date with significant growth in the Construction and Infrastructure divisions. The Group's pre-tax profit increased by 10.0% to RM399.5 million as the Group's Construction and Property divisions recorded profit growth of 167.7% and 21.5% compared to the preceding year-to-date. Movements in foreign exchange rates also resulted in unrealised loss of RM8.1 million in the current year-to-date compared to unrealised loss of RM27.2 million in the preceding year-to-date.

Further analysis of the divisional performances is given below.

Operating Segment	Commentary
Construction	Revenue for current quarter and year-to-date grew 34.8% and 24.8% compared to the previous year as progress at various local projects continued to pick up while newer projects have also commenced works. Construction pretax profits for current quarter and year-to-date rose 203.8% and 167.7% mainly due to improved construction margins and higher contribution from the Group's joint venture projects.
Property	Despite slightly lower revenue compared to previous year, pre-tax profits for current quarter and year-to-date increased by 30.2% and 21.5% mainly due to one-off capital gains of approximately RM26.7 million arising from the disposal of investment property and property, plant and equipment.
Industry	Despite a substantial order book, revenue declined 5.7% for the current quarter and 12.9% for the year-to-date as the total tonnage of piles delivered for the year-to-date dropped 16.0% compared with the previous year due to delays in the progress of projects. Consequently, pre-tax profits for current quarter and year-to-date declined 21.5% and 12.1% compared to the previous year.
Plantation	Revenue for current quarter and year-to-date dropped 27.3% and 22.0% compared to the previous year as current year-to-date sales volumes of crude palm oil (CPO) and palm kernel oil (PKO) dropped 19.0% and 33.1% respectively. Due to the change in cropping pattern from the previous year, the Group's FFB production for the current quarter and year-to-date fell 14.6% and 25.3% compared to the previous year. Additionally, the Division incurred unrealised foreign exchange loss of RM7.9 mil in respect of its USD denominated borrowings during the current year-to-date. Consequently, the Division's profit for the current quarter and year-to-date fell by 16.1% and 36.6% compared to the previous year.
Infrastructure	Revenue for current quarter and year-to-date grew 13.6% and 15.2% compared to the previous year mainly due to increased revenue from the operation of Kuantan port following increased cargo throughput and ship revenues and continued traffic growth in the Group's wholly-owned toll concessions such as the New Pantai Expressway. Profits from Infrastructure division was further supported by unrealised foreign exchange gain of RM24.2 mil in the current quarter as compared with unrealised foreign exchange loss of RM31.6 mil in the corresponding quarter of the previous year. This also reduced the current year-to-date foreign exchange loss to RM2.9 mil compared to RM31.1 mil in the previous year. These foreign exchange gains/losses arose mainly from USD denominated borrowings used to finance IJM's investments in India.

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### **B2. Material Changes in the Quarterly Profit Before Taxation Compared to the Immediate Preceding Quarter**

The Group's pre-tax profit rose 40.4% compared to that of the immediate preceding quarter mainly due to:-

- i. unrealised foreign exchange gain of RM22.8 mil compared to an unrealised foreign exchange loss of RM31.0 mil in the immediate preceding quarter. These foreign exchange gains/losses arose mainly from USD denominated borrowings used to finance the Group's investments in India and the Indonesian operations.
- ii. higher plantation yields with production of fresh fruit bunches (FFB) increasing by 48.2% compared to the immediate preceding quarter as plantations began moving out from its traditional low crop season.

### **B3. Prospects for the Current Financial Year**

The Group's Construction Division expects a satisfactory level of performance with order book replenishment remaining encouraging following the award of major infrastructure and building projects. The Group's Property division expects to deliver a satisfactory performance in the current financial year underpinned by strong unbilled sales exceeding RM1.3 billion, strategically located land bank and a wide array of affordable products. Likewise, the Group's Industry division expects the sales of building materials to grow in line with increased construction and infrastructure activities. The Group's Plantation division expects local crop production to increase from current cropping levels during the second half of the year and with additional crops expected from increased matured acreage in Indonesia. With the current palm product prices declining, the Group expects a lower level of profitability. The Group's tolling, ports, power and water operations expect continued growth in concession revenues thereby further enhancing the bottom line of the Group's Infrastructure division. However, uncertainties due to foreign exchange fluctuations may dampen group results.

As a result of the above factors, and barring any unforeseen circumstances, the Group expects to achieve a satisfactory performance for the current financial year.

### **B4. Profit Forecast**

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

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### B5. Taxation

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

	<b>INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER</b>		<b>CUMULATIVE PERIOD 6 MONTHS ENDED 30 SEPTEMBER</b>	
	<b>2012 RM'000</b>	<b>2011 RM'000</b>	<b>2012 RM'000</b>	<b>2011 RM'000</b>
Malaysian income tax	52,759	50,015	101,145	100,703
Overseas taxation	651	(73)	651	(3,583)
Transfer to/(from) deferred taxation	1,105	308	(580)	1,102
	<u>54,515</u>	<u>50,250</u>	<u>101,216</u>	<u>98,222</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 expenses being not deductible for tax purposes and the non-recognition of deferred tax assets on unused tax losses on certain subsidiaries.

### B6. Status of Corporate Proposals

On 24 September 2012, the Company ("IJM") entered into two conditional agreements with Scomi Group Berhad ("SGB") as follows:-

- i. a subscription agreement for the proposed issuance by SGB of 119,109,500 new SGB Shares, representing approximately 10% of the issued and paid-up share capital of SGB (net of 14,427,200 SGB Shares which are held as treasury shares), by way of private placement, to be subscribed by IJM for a cash consideration of RM39,306,135 ("Shares Subscription Agreement"); and
- ii. a subscription agreement for the proposed issuance by SGB of the RM110.0 million nominal value of zero coupon 3-year redeemable convertible secured bonds ("Bonds"), to be subscribed by IJM for cash ("Bonds Subscription Agreement").

The Proposed Placement under the Shares Subscription Agreement was completed on 3 October 2012 with the listing of the 119,109,500 new SGB Shares on the Main Market of Bursa Malaysia Securities Berhad.

The Proposed Bonds Issue under the Bonds Subscription Agreement is still pending approvals from:

- i. the Securities Commission Malaysia for the issuance of the Bonds by SGB;
- ii. Bursa Malaysia Securities Berhad for the listing of the new SGB Shares to be issued arising from the conversion of the Bonds; and
- iii. shareholders of SGB for the issuance of the new SGB Shares to be issued arising from the conversion of the Bonds, at an extraordinary general meeting to be convened.

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### B7. Group Borrowings

Particulars of the Group's borrowings as at 30 September 2012 are as follows:

	<b>As at 30/09/2012 RM'000</b>
<b>(a) (i) Short Term Borrowings</b>	
Secured:-	
- Islamic bonds	52,455
- Term loan	71,501
- Hire purchase and lease creditors (included in trade and other payables)	1,872
- Revolving credits	35,085
Unsecured:-	
- Government support loans (included in trade and other payables)	4,965
- Term loan	497,233
- Revolving credits	220,548
- Bankers acceptances	62,916
- Letter of Credit	14,194
- Bank overdrafts	121,293
	<u>1,082,062</u>
<b>(ii) Long Term Borrowings</b>	
Unsecured Medium Term Notes	750,000
Secured Islamic bonds and notes	1,096,303
Unsecured Government support loans	206,647
Secured Hire purchase and lease creditors	521
Secured term loan	670,319
Unsecured term loan	885,911
	<u>3,609,701</u>

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	309,500	949,437
Indian Rupee	12,432,868	719,890
Chinese Renminbi	34,500	16,733
		<u>1,686,060</u>

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### B8. Changes in Material Litigation

There was no change in material litigation since 31 March 2012 which exceeds 5% of the Group's net assets.

### B9. Dividend

In respect of the financial year ended 31 March 2012, a single tier first interim dividend of 4 sen per share was paid on 22 December 2011 and a single tier second interim dividend of 8 sen per share was paid on 4 July 2012.

The Company has declared a single tier first interim dividend in respect of the financial year ending 31 March 2013 of 4 sen per share to be paid on 21 December 2012 to every member who is entitled to receive the dividend at the close of business on 14 December 2012.

### B10. Earnings per Share

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	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	137,258	74,777	226,091	189,807
(b) Weighted average number of ordinary shares ('000)	1,381,664	1,371,616	1,381,649	1,362,075
<b>Basic Earnings per share (sen)</b>	<b>9.93</b>	<b>5.45</b>	<b>16.36</b>	<b>13.94</b>
<u>Diluted Earnings per share:-</u>				
(a) Profit for the period attributable to owners of the Company	137,258	74,777	226,091	189,807
(b) Weighted average number of ordinary shares ('000)	1,381,664	1,371,616	1,381,649	1,362,075
Effect of dilution ('000)				
- Warrants	18,795	33,160	21,737	35,642
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,400,459	1,404,776	1,403,386	1,397,717
<b>Diluted Earnings per share (sen)</b>	<b>9.80</b>	<b>5.32</b>	<b>16.11</b>	<b>13.58</b>



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### B11. Notes to the Statement of Comprehensive Income

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	30/09/2012 RM'000	30/09/2011 RM'000	30/09/2012 RM'000	30/09/2011 RM'000
Interest income	31,749	31,090	64,617	61,901
Other income	18,474	17,741	61,181	25,965
Interest expense	(42,798)	(48,101)	(85,103)	(98,403)
Depreciation and amortisation	(37,832)	(43,987)	(83,711)	(85,375)
Provision for and write off of receivables	(857)	(1,870)	(1,584)	(4,071)
Provision for and write off of inventories	-	(620)	-	(655)
Gain/(loss) on disposal of investments or properties	9,247	814	30,538	3,051
Impairment of assets	-	-	-	(12,807)
Foreign exchange gain/(loss)	22,840	(29,037)	(8,137)	(27,171)
Gain/(loss) on derivatives	(6,269)	9,914	7,368	9,836

The above disclosure is prepared in accordance with the paragraph 16 of Appendix 9B of the Main Listing Requirements (“MLR”) issued by Bursa Malaysia Securities Berhad. Except for the above, the rest of the items required for disclosures pursuant to paragraph 16 of MLR are not applicable to the Group.

### B12. Fair value changes of financial liabilities

The Group recognised total fair value gains on derivative financial instruments of RM7.37 million during the current year to date of which RM0.05 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	Reasons for the losses
Interest rate swaps (from floating rate to fixed rate) – fully matured in September 2012	19	(45)	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 2012 up to the respective maturity dates of swaps have moved unfavourably.

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### B13. Disclosure of Realised and Unrealised Retained Profits / (Accumulated Losses)

The following analysis is prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants.

	<b>As at 30 September 2012 RM'000</b>	<b>As at 31 March 2012 RM'000</b>
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	4,093,479	3,975,614
- Unrealised <sup>N1</sup>	(212,123)	(120,384)
	3,881,356	3,855,230
 Total share of retained profits / (accumulated losses) from associates		
- Realised	201,268	186,091
- Unrealised <sup>N1</sup>	(9,283)	(12,749)
 Total share of retained profits / (accumulated losses) from jointly controlled entities		
- Realised	(117,811)	(111,782)
- Unrealised <sup>N1</sup>	2,720	2,720
	3,958,250	3,919,510
Add/Less: consolidation adjustments <sup>N2</sup>	(1,831,478)	(1,867,709)
 Total group retained profits / (accumulated losses) as per group accounts	2,126,772	2,051,801

N1 The unrealised retained profits/(accumulated losses) are mainly deferred tax provision, net gains arising from remeasurement of assets and liabilities at fair value through profits or losses and translation gains or losses of monetary items denominated in a currency other than the functional currency.

N2 Consolidation adjustments are mainly elimination of pre-acquisition profits or losses, fair value adjustments arising from the business combination and minorities' share of retained profits or accumulated losses.

### B14. Comparative Figures

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