



IJM CORPORATION BERHAD (104131-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended:	31/12/2012
Quarter:	3rd 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 31/12/2012

	Individual Quarter		Cumulative Period	
	Current year quarter 31/12/2012 RM'000	Preceding year quarter 31/12/2011 RM'000	Current year to date 31/12/2012 RM'000	Preceding year to date 31/12/2011 RM'000
1 Revenue	1,225,347	1,172,363	3,408,844	3,303,881
2 Profit before taxation	222,180	247,721	621,675	610,771
3 Net profit for the period	163,787	178,728	462,066	443,556
4 Net profit attributable to owners of the Company	130,371	135,234	356,462	325,041
5 Basic earnings per share (sen)	9.44	9.81	25.80	23.77
6 Proposed/Declared dividend per share (sen)	-	-	4.00	4.00
	As at end of current quarter 31/12/2012		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		4.00		3.87

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
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM'000	RM'000	RM'000	RM'000
Operating revenue	1,225,347	1,172,363	3,408,844	3,303,881
Cost of sales	(898,126)	(860,103)	(2,533,324)	(2,418,961)
Gross profit	327,221	312,260	875,520	884,920
Other operating income	57,919	75,792	183,717	163,658
Foreign exchange differences	(8,327)	(13,244)	(16,464)	(40,415)
Tendering, selling and distribution expenses	(32,837)	(32,695)	(87,379)	(93,568)
Administrative expenses	(67,539)	(53,168)	(181,780)	(137,580)
Other operating expenses	(11,299)	(14,680)	(34,998)	(38,220)
Operating profit before finance cost	265,138	274,265	738,616	738,795
Finance cost	(40,074)	(39,790)	(125,177)	(138,193)
Operating profit after finance cost	225,064	234,475	613,439	600,602
Share of profits of associates	20,876	11,816	41,521	29,868
Share of profits/(losses) of jointly controlled entities	(23,760)	1,430	(33,285)	(19,699)
Profit before taxation	222,180	247,721	621,675	610,771
Income tax expense	(58,393)	(68,993)	(159,609)	(167,215)
Net profit for the period	163,787	178,728	462,066	443,556
<u>Other comprehensive income / (loss) net of tax:</u>				
Currency translation differences	(8,786)	(38,861)	(47,965)	(48,627)
Share of other comprehensive income of associates	(33)	(53)	(22)	756
Total comprehensive income for the period	154,968	139,814	414,079	395,685
<u>Net profit attributable to:-</u>				
Owners of the Company	130,371	135,234	356,462	325,041
Non-controlling interests	33,416	43,494	105,604	118,515
	163,787	178,728	462,066	443,556
<u>Total comprehensive income attributable to:-</u>				
Owners of the Company	120,997	103,121	321,439	277,421
Non-controlling interests	33,971	36,693	92,640	118,264
	154,968	139,814	414,079	395,685
<u>Earnings per share (sen):-</u>				
Basic	9.44	9.81	25.80	23.77
Fully diluted	9.31	9.62	25.42	23.23

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

	31/12/2012	31/03/2012
	RM'000	RM'000
	(Unaudited)	(Audited)
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	1,382,664	1,381,609
Treasury shares	(140)	(89)
Share premium	1,938,211	1,934,782
Reserves	(57,125)	(20,052)
Retained profits	2,261,540	2,051,801
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	5,525,150	5,348,051
Non-controlling interests	1,655,715	1,609,647
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Total equity	7,180,865	6,957,698
NON-CURRENT LIABILITIES		
Bonds	1,044,756	1,096,121
Commercial Papers and Medium Term Notes	450,000	750,000
Term loans	1,654,780	1,351,763
Government support loans	208,415	208,111
Hire purchase and lease creditors	222	1,475
Deferred tax liabilities	388,993	388,165
Trade and other payables	85,630	85,630
Provisions	11,577	11,577
Retirement benefits	6,159	5,851
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	3,850,532	3,898,693
GOVERNMENT GRANTS	71,893	81,423
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	11,103,290	10,937,814
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IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED BALANCE SHEET

	31/12/2012	31/03/2012
	RM'000	RM'000
	(Unaudited)	(Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	1,477,569	1,330,335
Leasehold land	152,695	156,651
Concession assets	2,617,417	2,476,068
Plantation development expenditure	751,042	685,694
Investment properties	82,177	84,243
Associates	495,431	476,097
Jointly controlled entities	1,355,008	1,178,647
Derivative financial instruments	20,566	15,911
Available-for-sale financial assets	2,204	2,204
Long term receivables	133,946	85,214
Deferred tax assets	97,873	98,810
Land held for property development	885,056	705,532
Intangible assets	77,711	76,696
	8,148,695	7,372,102
CURRENT ASSETS		
Property development costs	1,895,819	1,754,108
Inventories	499,350	499,100
Trade and other receivables	1,795,370	1,883,863
Financial assets at fair value through profit or loss	406,946	584,625
Derivative financial instruments	2,070	73
Assets held for sale	6,872	50,560
Tax recoverable	71,301	47,197
Deposits, cash and bank balances	1,667,596	1,699,020
	6,345,324	6,518,546
CURRENT LIABILITIES		
Trade and other payables	1,885,543	1,785,685
Provisions	36,116	24,129
Derivative financial instruments	-	1,466
Borrowings:		
- Bank overdrafts	30,012	127,145
- Others	1,409,534	988,737
Current tax liabilities	29,524	25,672
	3,390,729	2,952,834
NET CURRENT ASSETS	2,954,595	3,565,712
	11,103,290	10,937,814
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	4.00	3.87

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 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
At 1 April 2012	1,381,609	(89)	1,934,782	(20,052)	2,051,801	5,348,051	1,609,647	6,957,698
Total comprehensive income for the period	-	-	-	(35,023)	356,462	321,439	92,640	414,079
Realisation of revaluation reserve upon disposal of assets	-	-	-	(1,786)	1,786	-	-	-
Dividends paid by subsidiaries to minority shareholders	-	-	-	-	-	-	(55,888)	(55,888)
Shares buy back	-	(51)	-	-	-	(51)	-	(51)
Accretion/dilution arising from changes in composition of the Group	-	-	-	-	17,288	17,288	(17,288)	-
Single tier second interim dividend: Year ended 31 March 2012	-	-	-	-	(110,531)	(110,531)	-	(110,531)
Single tier first interim dividend: Year ending 31 March 2013	-	-	-	-	(55,266)	(55,266)	-	(55,266)
Issuance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	26,600	26,600
Issuance of shares: - exercise of Warrants 2009/2014	1,055	-	3,429	(264)	-	4,220	-	4,220
Acquisition of a subsidiary	-	-	-	-	-	-	4	4
At 31 December 2012	1,382,664	(140)	1,938,211	(57,125)	2,261,540	5,525,150	1,655,715	7,180,865
At 1 April 2011	1,351,115	(77)	1,835,676	26,010	1,784,253	4,996,977	1,469,770	6,466,747
Total comprehensive income for the period	-	-	-	(47,620)	325,041	277,421	118,264	395,685
Accretion/dilution arising from changes in composition of the Group	-	-	-	-	6,624	6,624	(6,624)	-
Realisation of capital reserve	-	-	-	(2,000)	2,000	-	-	-
Interim dividends paid for: year ended 31 March 2011	-	-	-	-	(95,465)	(95,465)	-	(95,465)
year ended 31 March 2012	-	-	-	-	(55,261)	(55,261)	-	(55,261)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	(48,203)	(48,203)
Shares buy back	-	(12)	-	-	-	(12)	-	(12)
Issuance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	48,379	48,379
Issuance of shares: - exercise of Warrants 2009/2014	30,494	-	99,106	(7,624)	-	121,976	-	121,976
At 31 December 2011	1,381,609	(89)	1,934,782	(31,234)	1,967,192	5,252,260	1,581,586	6,833,846

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2012
(The figures have not been audited)

	9 months ended 31/12/2012 RM'000	9 months ended 31/12/2011 RM'000
OPERATING ACTIVITIES		
Receipts from customers	3,510,505	3,421,106
Payments to contractors, suppliers and employees	(2,857,918)	(2,688,789)
Government grant received	4,051	-
Income from unit trusts	784	382
Income tax paid	(175,957)	(163,536)
Net cash flow from operating activities	481,465	569,163
INVESTING ACTIVITIES		
Acquisition of subsidiaries	9,926	-
Acquisition of a jointly controlled entity	(51,000)	-
Acquisition of short term investments	(151,500)	(550,910)
Purchases of property, plant and equipment, development and leasehold land, investment properties, concession assets, plantation development expenditure and deferred expenditure	(699,756)	(510,267)
Disposal of investments, property, plant and equipment, leasehold land, investment properties and assets held for sale	427,007	113,970
Interest received	73,568	74,233
Dividends received	5,496	10,532
Capital distribution from associates upon liquidation	433	-
Net (advances to) and repayments from associates and jointly controlled entities	(102,007)	(72,858)
Net cash flow used in investing activities	(487,833)	(935,300)
FINANCING ACTIVITIES		
Issuance of shares by the Company	4,220	121,976
- exercise of Warrants	26,600	46,454
Issuance of shares and warrants by subsidiaries to minority shareholders	(51)	(12)
Repurchase of treasury shares	471,996	43,440
Net proceeds from/(repayment to) bank and government borrowings	(50,000)	755,000
Net (repayment)/drawdown of Bonds, Commercial Papers and Medium Term Notes	(5,000)	(5,000)
Repayment to the State Government	(1,457)	(1,899)
Repayments to hire purchase and lease creditors	(152,569)	(160,528)
Interest paid	(55,888)	(48,203)
Dividends paid by subsidiaries to minority shareholders	(165,797)	(150,726)
Dividends paid by the Company	24,138	-
Net decrease of bank deposits assigned to trustees	96,192	600,502
Net cash flow from financing activities	96,192	600,502
Net increase in cash and cash equivalents during the financial period	89,824	234,366
Cash and cash equivalents at beginning of the financial period	1,448,835	1,319,618
Foreign exchange differences on opening balances	(56)	4,086
Cash and cash equivalents at end of the financial period	1,538,603	1,558,070

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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 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.

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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 31 December 2012, the paid-up share capital of the Company was increased by RM1,054,880 by way of allotment and issue of 1,054,880 new ordinary shares of RM1.00 each arising from the exercise of IJM Warrants 2009/2014.
- (b) For the period ended 31 December 2012, 10,000 ordinary shares of RM1.00 each were repurchased in the open market at an average of RM5.05 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.

On 21 December 2012, a single tier first interim dividend of 4 sen per share in respect of the financial year ending 31 March 2013 was paid totalling RM55,265,457.

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A9. Segmental Information

	Group revenue including share of revenue of JVs and associates		GROUP		GROUP	
	9 months ended 31/12/2012	9 months ended 31/12/2011	9 months ended 31/12/2012	9 months ended 31/12/2011	3 months ended 31/12/2012	3 months ended 31/12/2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue:						
Construction	1,592,108	1,388,450	1,203,056	1,029,649	420,932	402,756
Property	940,746	854,002	907,493	840,500	367,734	293,058
Industry	613,687	686,480	602,968	673,426	212,352	225,093
Plantation	351,161	455,712	351,161	455,712	110,041	146,428
Infrastructure	511,214	526,332	343,682	304,427	113,975	104,972
Investment and others	484	167	484	167	313	56
	4,009,400	3,911,143	3,408,844	3,303,881	1,225,347	1,172,363
Inter-segment revenue:						
Construction			493,625	445,724	175,247	179,394
Property			28	109	(22)	42
Industry			56,674	80,213	19,734	33,301
Plantation			-	-	-	-
Infrastructure			-	-	-	-
Investment and others			145,880	138,431	33,658	31,415
			696,207	664,477	228,617	244,152
Profit before taxation:						
Construction			79,355	33,378	21,569	11,792
Property			231,152	197,459	89,770	81,072
Industry			96,875	111,554	35,006	41,195
Plantation			127,155	200,824	45,225	71,557
Infrastructure			76,578	54,419	26,661	35,872
Investment and others			10,560	13,137	3,949	6,233
			621,675	610,771	222,180	247,721
			As at	As at		
			31/12/2012	31/03/2012		
			RM'000	RM'000		
Total Assets:						
Construction			2,074,297	1,758,464		
Property			5,164,149	4,891,692		
Industry			1,067,542	999,746		
Plantation			1,853,920	1,839,957		
Infrastructure			3,893,698	3,909,102		
Investment and others			271,240	345,680		
Total segment assets			14,324,846	13,744,641		
Unallocated corporate assets			169,173	146,007		
Consolidated total assets			14,494,019	13,890,648		

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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. 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 65.5% 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. The disposal was completed on 26 December 2012. 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 65.5% 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.
- v. On 21 November 2012, Road Builder (M) Sdn Bhd, a wholly-owned subsidiary of IJM Construction Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company, entered into an Agreement to dispose of 2,500 ordinary shares of RM1 each representing 100% equity interest in Bukit Bendera Resort Sdn Bhd for a total cash consideration of RM59,735. This disposal has no material impact on the Group for the financial period-to-date.

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A12. Contingent Liabilities

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

	RM'000
Balances as at 31 March 2012	15,621
- Increase in sales and service tax matters under appeal	39
- Exchange differences	(992)
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Balances as at 31 December 2012	<u>14,668</u>

A13. Capital Commitments

Capital commitments not provided for in the financial statements as at 31 December 2012 are as follows:

	RM'000
Approved and contracted for	655,753
Approved but not contracted for	316,805
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	<u>972,558</u>
 <u>Analysed as follows:</u>	
- Purchases of property, plant and equipment, leasehold land and plantation development expenditure	481,843
- Purchases of development land	171,020
- Concession assets	138,020
- Share of capital commitments of jointly controlled entities	181,675
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	<u>972,558</u>

An amount of RM767.89 million has been incurred up to 31 December 2012 for developing the oil palm plantations in Indonesia. A further sum of RM351.48 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 posted an operating revenue of RM1,225.3 million representing a growth of 4.5% over the corresponding quarter of the preceding year with increased revenues from the Construction, Property and Infrastructure divisions. The Group's pre-tax profit declined 10.3% to RM222.2 million compared to the corresponding quarter of the preceding year as a decline in palm produce prices squeezed the Group's Plantation profits by 36.8%. Lower profits were also recorded in the Group's Industry and Infrastructure divisions while the Group's Construction and Property divisions recorded profit growth of 82.9% and 10.7%.

In the current year-to-date, the Group's operating revenue rose 3.2% to RM3,408.8 million compared to the preceding year-to-date with significant growth in the Construction, Property and Infrastructure divisions. The Group's pre-tax profit increased marginally to RM621.7 million as the Group's Construction and Property divisions recorded profit growth of 137.7% and 17.1% respectively compared to the preceding year-to-date. Movements in foreign exchange rates also resulted in unrealised loss of RM16.5 million in the current year-to-date compared to unrealised loss of RM40.4 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 4.5% and 16.8% respectively compared to the previous year as construction progress at various local projects continued to pick up while newer projects have also commenced. Construction pretax profits for current quarter and year-to-date rose 82.9% and 137.7% respectively mainly due to improved construction margins and higher contribution from the Group's joint venture projects.
Property	Revenue for current quarter and year-to-date rose 25.5% and 8.0% respectively compared to the previous year on the back of increased property sales. In tandem with higher revenue and higher profit margin derived from the division's ongoing development projects, pre-tax profits for current quarter and year-to-date increased by 10.7% and 17.1% respectively.
Industry	Despite a substantial order book, revenue declined 5.7% for the current quarter and 10.5% for the year-to-date as the total tonnage of piles delivered for the year-to-date dropped 12.0% compared with the previous year due to delays in the progress of projects as well as lower export sales. Consequently, pre-tax profits for current quarter and year-to-date declined 15.0% and 13.2% respectively compared to the previous year.
Plantation	Revenue for current quarter and year-to-date dropped 24.8% and 22.9% respectively compared to the previous year as current year-to-date sales volumes of crude palm oil (CPO) and palm kernel oil (PKO) dropped 13.8% and 43.5% respectively. Prices of CPO and PKO also fell 23.2% (to RM2,277 per ton) and 30.5% (to RM2,424 per ton) respectively in the current quarter compared to the previous year's corresponding quarter. Consequently, the Division's profit for the current quarter and year-to-date fell by 36.8% and 36.7% respectively compared to the previous year.
Infrastructure	Revenue for current quarter and year-to-date rose 8.6% and 12.9% respectively 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 reduced unrealised foreign exchange loss with the current year-to-date foreign exchange loss totalling RM4.3 mil compared to RM34.0 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 declined slightly by 4.8% compared to that of the immediate preceding quarter mainly due to:-

- i. unrealised foreign exchange loss of RM8.3 mil compared to an unrealised foreign exchange gain of RM22.8 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; and
- ii. lower plantation profits due to a decline in the price of CPO of 21.6% from RM2,903 per ton in the immediate preceding quarter to RM2,277 per ton in the current quarter.

B3. Prospects for the Current Financial Year

The Group's Construction division expects to perform satisfactorily as order book replenishment remains encouraging following the award of major infrastructure and building projects. The Group's Property division expects to deliver a better performance in the current financial year underpinned by strong unbilled sales exceeding RM1.4 billion, strategically located land bank and a wide range 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 decline during the last quarter of the financial year as production moves out of the peak cropping season. With the current low palm produce prices, the division expects lower 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:

	INDIVIDUAL QUARTER 3 MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD 9 MONTHS ENDED 31 DECEMBER	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Malaysian income tax	55,958	84,496	157,103	185,199
Overseas taxation	57	115	708	(3,468)
Transfer to/(from) deferred taxation	2,378	(15,618)	1,798	(14,516)
	<u>58,393</u>	<u>68,993</u>	<u>159,609</u>	<u>167,215</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

- a) 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 has been approved by:

- i. the Securities Commission Malaysia for the issuance of the Bonds by SGB (approved via its letter dated 13 December 2012);
 - ii. Bursa Malaysia Securities Berhad for the listing of the new SGB Shares to be issued arising from the conversion of the Bonds (approved via its letter dated 14 January 2013); 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 held on 31 January 2013.
- b) On 5 February 2013, Road Builder (M) Holdings Bhd ("RBH"), a wholly-owned subsidiary of the Company, has entered into a memorandum of understanding ("MOU") with Guangxi Beibu Gulf International Port Group Co. Ltd ("GUANGXI") for the disposal of 48,000,000 ordinary shares of RM1 each representing 40% equity interest in Kuantan Port Consortium Sdn Bhd to GUANGXI. The definitive agreement is expected to be executed within 6 months from the date of the MOU.

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B7. Group Borrowings

Particulars of the Group's borrowings as at 31 December 2012 are as follows:

	As at 31/12/2012 RM'000
(a) (i) Short Term Borrowings	
Secured:-	
- Islamic bonds	51,640
- Term loan	71,014
- Hire purchase and lease creditors (included in trade and other payables)	1,595
- Revolving credits	34,880
Unsecured:-	
- Medium Term Notes	300,000
- Government support loans (included in trade and other payables)	4,965
- Term loan	496,791
- Revolving credits	369,371
- Bankers acceptances	70,244
- Letter of Credit	15,594
- Bank overdrafts	30,012
	1,446,106
(ii) Long Term Borrowings	
Secured:-	
- Islamic bonds	1,044,756
- Hire purchase and lease creditors	222
- Term loan	660,566
Unsecured:-	
- Medium Term Notes	450,000
- Term loan	994,214
- Government support loans	208,415
	3,358,173

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	327,667	1,005,712
Indian Rupee	10,618,592	593,606
Chinese Renminbi	36,500	17,301
		1,616,619

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B8. Changes in Material Litigation

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

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.

In respect of the financial year ending 31 March 2013, a single tier first interim dividend of 4 sen per share was paid on 21 December 2012.

B10. Earnings per Share

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	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	130,371	135,234	356,462	325,041
(b) Weighted average number of ordinary shares ('000)	1,381,696	1,377,839	1,381,665	1,367,349
Basic Earnings per share (sen)	9.44	9.81	25.80	23.77
<u>Diluted Earnings per share:-</u>				
(a) Profit for the period attributable to owners of the Company	130,371	135,234	356,462	325,041
(b) Weighted average number of ordinary shares ('000)	1,381,696	1,377,839	1,381,665	1,367,349
Effect of dilution ('000)				
- Warrants	19,066	27,271	20,841	31,835
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,400,762	1,405,110	1,402,506	1,399,184
Diluted Earnings per share (sen)	9.31	9.62	25.42	23.23

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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
	31/12/2012 RM'000	31/12/2011 RM'000	31/12/2012 RM'000	31/12/2011 RM'000
Interest income	43,389	45,825	108,006	107,726
Other income	14,530	29,967	75,711	55,932
Interest expense	(40,074)	(39,790)	(125,177)	(138,193)
Depreciation and amortisation	(40,871)	(40,403)	(124,582)	(125,778)
(Provision for and write off) of receivables / writeback of provision for doubtful debts	106	(90)	830	2,590
(Provision for and write off) of inventories / reversal of provision for inventories	(146)	5	(146)	660
Gain/(loss) on disposal of investments or properties	2,141	1,363	32,679	4,414
Reversal of impairment of assets	14	1,181	14	13,988
Foreign exchange gain/(loss)	(8,327)	(13,244)	(16,464)	(40,415)
Gain/(loss) on derivatives	3,401	17,995	10,769	27,831
Exceptional items	N.A.	N.A.	N.A.	N.A.

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 RM10.77 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	-	(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.

	As at 31 Dec 2012 RM'000	As at 31 March 2012 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	4,267,551	3,975,614
- Unrealised ^{N1}	(218,136)	(120,384)
	4,049,415	3,855,230
Total share of retained profits / (accumulated losses) from associates		
- Realised	218,876	186,091
- Unrealised ^{N1}	(8,539)	(12,749)
Total share of retained profits / (accumulated losses) from jointly controlled entities		
- Realised	(142,685)	(111,782)
- Unrealised ^{N1}	2,719	2,720
	4,119,786	3,919,510
Add/Less: consolidation adjustments ^{N2}	(1,858,246)	(1,867,709)
Total group retained profits as per group accounts	2,261,540	2,051,801

N1 The unrealised retained profits are mainly deferred tax provisions, 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.