



IJM CORPORATION BERHAD (104131-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended: 31/12/2013
Quarter: 3rd Quarter
Financial Year End: 31/03/2014
The figures: Have not been audited
Full Quarterly Report: Refer attached

Part A2 : Summary of Key Financial Information for the financial period ended 31/12/2013

	Individual Quarter		Cumulative Period	
	Current year quarter 31/12/2013 RM'000	Preceding year quarter 31/12/2012 RM'000	Current year to date 31/12/2013 RM'000	Preceding year to date 31/12/2012 RM'000
1 Revenue	1,542,037	1,225,347	4,355,497	3,408,844
2 Profit before taxation	654,311	222,180	1,118,632	621,675
3 Net profit for the period	567,460	163,787	939,995	462,066
4 Net profit attributable to owners of the Company	516,714	130,371	821,355	356,462
5 Basic earnings per share (sen)	36.66	9.44	58.67	25.80
6 Proposed/Declared dividend per share (sen)	-	-	4.00	4.00
	As at end of current quarter 31/12/2013		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		4.50		4.06

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
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	RM'000	RM'000	RM'000	RM'000
Operating revenue	1,542,037	1,225,347	4,355,497	3,408,844
Cost of sales	(1,119,707)	(898,126)	(3,218,288)	(2,533,324)
Gross profit	422,330	327,221	1,137,209	875,520
Other operating income	454,120	57,919	613,312	183,717
Foreign exchange differences	(18,500)	(8,327)	(76,566)	(16,464)
Tendering, selling and distribution expenses	(40,406)	(32,837)	(106,698)	(87,379)
Administrative expenses	(66,489)	(67,539)	(212,008)	(181,780)
Other operating expenses	(72,244)	(11,299)	(115,517)	(34,998)
Operating profit before finance cost	678,811	265,138	1,239,732	738,616
Finance cost	(46,274)	(40,074)	(131,474)	(125,177)
Operating profit after finance cost	632,537	225,064	1,108,258	613,439
Share of (losses)/profits of associates	(3,690)	20,876	4,474	41,521
Share of profits/(losses) of jointly controlled entities	25,464	(23,760)	5,900	(33,285)
Profit before taxation	654,311	222,180	1,118,632	621,675
Income tax expense	(86,851)	(58,393)	(178,637)	(159,609)
Net profit for the period	567,460	163,787	939,995	462,066
<u>Other comprehensive income / (loss) net of tax:</u>				
Currency translation differences	11,067	(8,786)	(95,456)	(47,965)
Realisation of other comprehensive income arising from disposal of a foreign jointly controlled entity and closure of a foreign branch	15,570	-	28,518	-
Share of other comprehensive income of associates	(99)	(33)	1,103	(22)
Total comprehensive income for the period	593,998	154,968	874,160	414,079
<u>Net profit attributable to:-</u>				
Owners of the Company	516,714	130,371	821,355	356,462
Non-controlling interests	50,746	33,416	118,640	105,604
	567,460	163,787	939,995	462,066
<u>Total comprehensive income attributable to:-</u>				
Owners of the Company	551,004	120,997	795,128	321,439
Non-controlling interests	42,994	33,971	79,032	92,640
	593,998	154,968	874,160	414,079
<u>Earnings per share (sen):-</u>				
Basic	36.66	9.44	58.67	25.80
Fully diluted	35.80	9.31	57.32	25.42

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

	31/12/2013	31/03/2013
	RM'000	RM'000
	(Unaudited)	(Audited)
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	1,413,591	1,382,663
Treasury shares	(257)	(140)
Shares held in trust	(2,425)	-
Share premium	2,039,597	1,938,210
Reserves	(57,874)	(45,468)
Retained profits	2,969,481	2,331,974
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	6,362,113	5,607,239
Non-controlling interests	1,822,722	1,695,420
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Total equity	8,184,835	7,302,659
NON-CURRENT LIABILITIES		
Bonds	967,774	1,044,851
Commercial Papers and Medium Term Notes	450,000	450,000
Term loans	2,071,154	1,775,920
Government support loans	208,552	210,182
Deferred tax liabilities	545,821	401,486
Trade and other payables	262,114	237,721
Provisions	18,574	18,574
Retirement benefits	6,044	4,980
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	4,530,033	4,143,714
GOVERNMENT GRANTS	129,399	71,566
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	12,844,267	11,517,939
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IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED BALANCE SHEET

	31/12/2013	31/03/2013
	RM'000	RM'000
	(Unaudited)	(Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	1,473,133	1,498,231
Leasehold land	108,257	116,106
Concession assets	3,483,412	2,690,132
Plantation development expenditure	804,556	788,362
Investment properties	95,064	79,977
Associates	484,175	627,720
Jointly controlled entities	1,753,083	1,427,432
Derivative financial instruments	19,002	21,764
Available-for-sale financial assets	25,033	2,163
Long term receivables	21,053	20,740
Deferred tax assets	113,080	109,362
Land held for property development	889,891	777,595
Intangible assets	77,523	77,642
	9,347,262	8,237,226
CURRENT ASSETS		
Property development costs	2,907,772	2,216,900
Inventories	420,259	481,801
Trade and other receivables	2,299,746	1,841,459
Financial assets at fair value through profit or loss	477,936	362,730
Assets held for sale	1,517	17,268
Assets of disposal group classified as held for sale	-	125,765
Tax recoverable	103,200	72,100
Deposits, cash and bank balances	1,650,613	1,766,050
	7,861,043	6,884,073
CURRENT LIABILITIES		
Trade and other payables	2,235,380	1,960,521
Provisions	47,833	30,940
Derivative financial instruments	1,853	619
Borrowings:		
- Bank overdrafts	111,865	36,011
- Others	1,898,225	1,519,461
Liabilities of disposal group classified as held for sale	-	11,106
Current tax liabilities	68,882	44,702
	4,364,038	3,603,360
NET CURRENT ASSETS	3,497,005	3,280,713
	12,844,267	11,517,939
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	4.50	4.06

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2013
(The figures have not been audited)

	<-----Attributable to equity holders of the Company----->						Total RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Shares held in trust RM'000	Share premium RM'000	Other reserves RM'000	Retained profits RM'000			
At 1 April 2013	1,382,663	(140)	-	1,938,210	(45,468)	2,331,974	5,607,239	1,695,420	7,302,659
Total comprehensive income for the period	-	-	-	-	(26,227)	821,355	795,128	79,032	874,160
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(52,378)	(52,378)
Shares buy back	-	(117)	-	-	-	-	(117)	-	(117)
Accretion/dilution arising from changes in composition of the Group	-	-	-	-	(821)	(1,964)	(2,785)	3,167	382
Single tier second interim dividend: Year ended 31 March 2013	-	-	-	-	-	(125,415)	(125,415)	-	(125,415)
Single tier first interim dividend: Year ending 31 March 2014	-	-	-	-	-	(56,469)	(56,469)	-	(56,469)
Issuance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	89,960	89,960
Issuance of shares:									
- exercise of Warrants 2009/2014	29,806	-	-	96,869	(7,451)	-	119,224	-	119,224
- exercise of employee share options	1,122	-	-	4,518	(658)	-	4,982	-	4,982
- shares held in trust	-	-	(2,425)	-	-	-	(2,425)	-	(2,425)
Issuance of employee share options and share grants	-	-	-	-	22,751	-	22,751	-	22,751
Acquisition of subsidiaries	-	-	-	-	-	-	-	7,521	7,521
At 31 December 2013	1,413,591	(257)	(2,425)	2,039,597	(57,874)	2,969,481	6,362,113	1,822,722	8,184,835
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	-	-	-
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 ended 31 March 2013	-	-	-	-	-	(55,266)	(55,266)	-	(55,266)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(55,888)	(55,888)
Shares buy back	-	(51)	-	-	-	-	(51)	-	(51)
Issuance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	26,600	26,600
Acquisition of a subsidiary	-	-	-	-	-	-	-	4	4
Issuance of shares:									
- exercise of Warrants 2009/2014	1,055	-	-	3,429	(264)	-	4,220	-	4,220
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

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2013
(The figures have not been audited)

	9 months ended 31/12/2013 RM'000	9 months ended 31/12/2012 RM'000
OPERATING ACTIVITIES		
Receipts from customers	3,853,577	3,510,505
Payments to contractors, suppliers and employees	(3,397,286)	(2,857,918)
Government grant received	-	4,051
Income tax paid	(213,429)	(175,957)
Net cash flow from operating activities	242,862	480,681
INVESTING ACTIVITIES		
Acquisition of subsidiaries	(72,391)	9,926
Investments in associates	(66,949)	-
Acquisition of a jointly controlled entity	(33,590)	(51,000)
Acquisition of available-for-sale investments	(57)	-
Acquisition of short term investments	(568,156)	(151,500)
Purchases of property, plant and equipment, development and leasehold land, investment properties, concession assets, plantation development expenditure and deferred expenditure	(373,113)	(699,756)
Disposal of investments, property, plant and equipment, leasehold land, investment properties and assets held for sale	780,068	427,007
Interest received	81,155	73,568
Income from unit trusts	541	784
Dividends received	11,081	5,496
Capital distribution from associates upon liquidation	13,161	433
Net advances to associates and jointly controlled entities	(392,395)	(102,007)
Net cash flow used in investing activities	(620,645)	(487,049)
FINANCING ACTIVITIES		
Issuance of shares by the Company		
- exercise of Warrants	119,224	4,220
- exercise of Employee Share Options	4,982	-
- held in trust	(2,425)	-
Issuance of shares and warrants by subsidiaries to non-controlling shareholders	89,960	26,600
Repurchase of treasury shares	(117)	(51)
Net proceeds from bank and government borrowings	448,710	471,996
Repayment of Commercial Papers and Medium Term Notes	(50,000)	(50,000)
Repayment to the State Government	(5,000)	(5,000)
Repayments to hire purchase and lease creditors	(1,077)	(1,457)
Interests paid	(157,306)	(152,569)
Dividends paid by subsidiaries to non-controlling shareholders	(52,378)	(55,888)
Dividends paid by the Company	(181,884)	(165,797)
Uplifting of restricted deposits	31,471	24,138
Net cash flow from financing activities	244,160	96,192
Net (decrease)/increase in cash and cash equivalents during the financial period	(133,623)	89,824
Cash and cash equivalents at beginning of the financial period	1,638,675	1,448,835
Foreign exchange differences on opening balances	(30,802)	(56)
Cash and cash equivalents at end of the financial period	1,474,250	1,538,603
Cash and cash equivalents comprise the following		
Deposits, cash and bank balances	1,650,613	1,667,596
Bank overdrafts	(111,865)	(30,012)
	1,538,748	1,637,584
Less: restricted deposits with licensed bank	(64,498)	(98,981)
	<u>1,474,250</u>	<u>1,538,603</u>

IJM CORPORATION BERHAD (104131-A)

A NOTES TO THE QUARTERLY RESULTS

A1. Basis of Preparation

The audited 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 audited interim financial report should be read in conjunction with the audited financial statements for the year ended 31 March 2013 which are available at <http://www.ijm.com>. The explanatory notes attached to the audited 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 2013.

A2. Changes in Accounting Policies

Based on the Malaysian Accounting Standards Board (“MASB”) announcement on 30 June 2012, IJM Plantations Berhad and IJM Land Berhad, which are within the scope of MFRS 141 “Agriculture” and IC Interpretation 15 “Agreements for Construction of Real Estate”, and the Company as their holding company hereinafter defined as Transitioning Entities are permitted to defer the adoption of the new MFRS Framework from the previous adoption date of 1 January 2014 to 1 January 2015.

The significant accounting policies applied are consistent with those adopted for the audited financial statements for the year ended 31 March 2013 except for the adoption of the following new standards and amendments to standards issued by MASB that are mandatory for the Group for the financial year beginning 1 April 2013:

FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
Revised FRS 127	Separate Financial Statements
Revised FRS 128	Investments in Associates and Joint Ventures
Amendment to FRS 101	Presentation of Items of Other Comprehensive Income
Amendment to FRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
Improvements to FRSs (2012)	

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 2013 was not subject to any modification or qualification.

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 palms declining to a trough in the first half of a calendar year before rising to a peak in the second half.

IJM CORPORATION BERHAD (104131-A)

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, other than those referred to in B2 and the foreign exchange losses that arose mainly in respect of US Dollars (“USD”) denominated borrowings used to finance the Group’s investments in infrastructure and plantations in India and Indonesia respectively.

A6. Material Changes in Estimates

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

A7. Debt and Equity Securities

- (a) For the period ended 31 December 2013, the paid-up share capital of the Company was increased by RM30,927,851 by way of allotment and issuance of:-
- i. 29,805,751 new ordinary shares of RM1.00 each arising from the exercise of IJM Warrants 2009/2014 and
 - ii. 1,122,100 new ordinary shares of RM1.00 each arising from the exercise of IJM employee share options.
- (b) For the period ended 31 December 2013, 20,000 ordinary shares of RM1.00 each were repurchased in the open market at an average of RM5.80 per share and retained as treasury shares of the Company. There were no cancellations and repayments of debt and equity securities for the financial period-to-date.

A8. Dividend Paid

On 4 July 2013, a single tier second interim dividend of 9 sen per share in respect of the financial year ended 31 March 2013 was paid totalling RM125,414,661.

On 24 December 2013, a single tier first interim dividend of 4 sen per share in respect of the financial year ending 31 March 2014 was paid totalling RM56,469,295.

IJM CORPORATION BERHAD (104131-A)

A9. Segmental Information

	GROUP		GROUP	
	9 months ended 31/12/2013	9 months ended 31/12/2012	3 months ended 31/12/2013	3 months ended 31/12/2012
	RM'000	RM'000	RM'000	RM'000
<u>External revenue:</u>				
Construction	1,430,852	1,203,056	520,088	420,932
Property	1,372,229	907,493	477,824	367,734
Industry	668,640	602,968	216,233	212,352
Plantation	458,965	351,161	175,317	110,041
Infrastructure	424,420	343,682	152,494	113,975
Investment and others	391	484	81	313
	4,355,497	3,408,844	1,542,037	1,225,347
<u>Inter-segment revenue:</u>				
Construction	602,658	493,625	204,552	175,247
Property	-	28	-	(22)
Industry	50,987	56,674	18,731	19,734
Plantation	-	-	-	-
Infrastructure	-	-	-	-
Investment and others	327,921	145,880	6,313	33,658
	981,566	696,207	229,596	228,617
<u>Profit/(loss) before taxation:</u>				
Construction	87,603	79,355	50,255	21,569
Property	442,995	231,152	199,796	89,770
Industry	112,471	96,875	34,236	35,006
Plantation	30,267	127,155	31,194	45,225
Infrastructure	388,471	76,578	309,427	26,661
Investment and others	56,825	10,560	29,403	3,949
	1,118,632	621,675	654,311	222,180
	As at 31/12/2013 RM'000	As at 31/03/2013 RM'000		
<u>Total Assets:</u>				
Construction	2,089,571	2,007,460		
Property	6,470,005	5,450,395		
Industry	1,141,103	1,084,379		
Plantation	2,083,532	2,132,559		
Infrastructure	4,981,514	4,043,229		
Investment and others	226,300	221,815		
Total segment assets	16,992,025	14,939,837		
Unallocated corporate assets	216,280	181,462		
Consolidated total assets	17,208,305	15,121,299		

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.

IJM CORPORATION BERHAD (104131-A)

A11. Changes in the Composition of the Group

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

- i. On 27 May 2013, IJM Plantations Berhad, a 55% owned subsidiary of the Company, announced the voluntary winding-up of its wholly-owned subsidiary IJMP Investments (M) Limited (“IJMPIL”) pursuant to Section 137 of the Insolvency Act 2009. The liquidation of IJMPIL is part of the corporate restructuring exercise of the Group and has no material impact on the Group for the financial period-to-date.
- ii. On 4 March 2013, IJM Trichy (Mauritius) Limited, which is an indirect subsidiary of the Company, entered into a Share Purchase Agreement with Macquarie SBI Infrastructure Investments Pte Limited (“MSIF”) to dispose 59,302,209 equity shares of Indian Rupees (“INR”) 10 each representing 35.6% of the issued and paid up share capital of Trichy Tollway Private Limited (“TTPL”) for a total cash consideration of INR1,074.6 million (equivalent to RM60.1 million). This disposal was completed in June 2013 and resulted in a capital gain of RM56.5 million to the Group.
- iii. On 19 July 2013, IJM Land Berhad (“IJMLB”), a 64% owned subsidiary of the Company, announced that Murni Lapisan Sdn Bhd (“MLSB”) which is an indirect subsidiary of IJMLB, entered into a supplementary agreement to the Joint Venture Agreement (“JVA”) with Amona Development Sdn Bhd (“Amona”) to amend and vary the terms and conditions of the JVA that had been entered into on 11 September 2012 to jointly participate in the development of approximately 234,000 square metres of leasehold land. The supplemental agreement detailed the revised obligations of both MLSB and Amona in relation to all operational and funding matters of the development. The equity structure of Amona-MLSB JV will now be in the proportion of 30:70 respectively. All the conditions precedent under the JVA have been fulfilled during the financial period to date.
- iv. On 31 July 2013, RMS (England) Limited (“RMSEL”), a wholly-owned subsidiary of Mintle Limited, which in turn is a 51%-owned subsidiary of IJM Land Berhad, a 64%-owned subsidiary of the Company, has incorporated two wholly-owned subsidiaries known as RMS (England) 1 Limited and RMS (England) 2 Limited (collectively referred to as “the subsidiaries”), both incorporated in England and Wales. RMSEL has subscribed for one ordinary share of Great Britain Pound (“GBP”) 1 in each of the subsidiaries.
- v. On 5 October 2010 and 1 June 2011, the Company had entered into Agreements for Sale and Purchase of Shares to acquire shares in CIDB Inventures Sdn Bhd (“CIDBI”) from WCT (Overseas) Sdn Bhd, MTD Capital Bhd and Selia Ekuiti Sdn Bhd totalling 6,135,308 ordinary shares of RM1 each representing 61.35% of the issued and paid-up ordinary share capital and 716,723 redeemable preference shares of RM1 each representing 61.4% of the preference share capital for an aggregate consideration of RM37,802,159.

Furthermore, IJMII (Mauritius) Limited, a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company, had on 5 October 2010 and 1 June 2011 entered into Agreements for Sale and Purchase of Shares to acquire shares in Swarna Tollway Private Limited (“STPL”) from WCT (Offshore) Private Limited, International MTDCap (Mauritius) Limited and Bumi Hiway (India) Private Limited totalling 112,500,000 ordinary shares of INR10 each representing 45% of the issued and paid-up ordinary share capital and 7,396,000 9% cumulative redeemable preference shares of INR10 each representing 36.98% of the preference share capital for an aggregate consideration of USD33,200,620.

Prior to these acquisitions, CIDBI and STPL (via IJM Investments (M) Limited) were associates of the Company with effective equity interests of 33.65% and 25% respectively. Following the completion of the above acquisitions, CIDBI and STPL became 95%-owned and 70%-owned subsidiaries respectively.

The above acquisitions were completed on 25 October 2013.

IJM CORPORATION BERHAD (104131-A)

A11. Changes in the Composition of the Group (cont'd)

Details of net assets acquired are summarised as follows:

	Fair Value RM'000
Non-current assets	799,198
Non-current liabilities	(355,827)
Current assets	85,673
Current liabilities	<u>(37,273)</u>
Identifiable net assets	491,771
Less: Non-controlling interests at fair value	(7,321)
Less: Fair value of previously held stake	<u>(172,610)</u>
Fair value of identifiable net assets acquired	311,840
Less: purchase consideration	<u>(142,894)</u>
Fair value gains on acquisition of additional stake	<u>168,946</u>

Details of cash flow arising from the above acquisitions are as follows:

Total purchase consideration	142,894
Less: cash and cash equivalents of subsidiaries acquired	<u>(70,303)</u>
Cash outflow to the group on acquisitions	<u>72,591</u>

The fair value gains on acquisition and the fair value uplift of the previously held stake totaling approximately RM267.8 million are recognised in “other operating income” in the statement of comprehensive income.

- vi On 31 May 2013, Road Builder (M) Holdings Bhd (“RBH”), a wholly-owned subsidiary of the Company, as well as its wholly-owned subsidiaries Arena Wiramas Sdn Bhd and RB Port Sdn Bhd, entered into a Shares Sale Agreement (“SSA”) to dispose of 100% equity interests in RB Plantations Sdn Bhd (“RBPLT”), Pilihan Alam Jaya Sdn Bhd (“PAJ”), Sensasi Wawasan Jaya Sdn Bhd (“SWJ”), Sukma Samudra Sdn Bhd (“SS”) and 39% equity interest in Konsortium Pelabuhan Kemaman Sdn Bhd (“KPK”) to Eastern Pacific Industrial Corporation Berhad (“EPIC”) for a total cash consideration of RM240,000,000. This disposal was completed on 7 November 2013 and resulted in a capital gain of RM125.6 million.

- vii On 5 December 2013, IJM Land Berhad (“IJMLB”), a 64%-owned subsidiary of the Company, acquired one ordinary share of RM1 each and subscribed for 299,999 ordinary shares of RM1 each, representing a 60% equity interest in Asas Panorama Sdn Bhd (“ASAS”). ASAS has on 5 December 2013 entered into 67 conditional sale and purchase agreements to acquire 67 parcels of leasehold land in Mukim Sungai Karang, District of Kuantan, Pahang Darul Makmur measuring a total of approximately 273.214 hectares for a proposed mixed development project. 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 2013 are summarised as follows:-

	RM'000
Balance as at 31 March 2013	10,961
- Exchange differences	<u>(732)</u>
Balance as at 31 December 2013	<u>10,229</u>

A13. Capital Commitments

Capital commitments not provided for in the financial statements as at 31 December 2013 are as follows:

	RM'000
Approved and contracted for	989,173
Approved but not contracted for	<u>340,389</u>
	<u>1,329,562</u>
<u>Analysed as follows:</u>	
- Purchases of property, plant and equipment, leasehold land and plantation development expenditure	489,562
- Purchases of development land	496,899
- Concession assets	35,272
- Equity investment	47,250
- Share of capital commitments of a jointly controlled entity	<u>260,579</u>
	<u>1,329,562</u>

IJM CORPORATION BERHAD (104131-A)

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 RM1,542.0 million, an increase of 25.8% over the corresponding quarter of the preceding year, with increased revenues from all key operating divisions. The Group's pre-tax profit increased by 194.5% to RM654.3 million compared to the corresponding quarter of the preceding year as the Group's Construction, Property, Infrastructure, Investment and Others divisions recorded significant growth in profits. The current quarter pre-tax profits include a total one-off capital gain of RM125.6 mil realised upon disposal of the Group's land, wharf and other assets relating to the investment in Kemaman Port; fair value gains on acquisition and the fair value uplift totaling RM267.8 million upon acquisition of additional equity interests in CIDB Inventures Sdn Bhd and Swarna Tollway Private Limited. Excluding the non-recurring gains, the Group's current quarter profit increased by 17.4% compared to the corresponding quarter of the preceding year.

Over the current year to-date, the Group achieved an operating revenue of RM4,355.5 million representing a growth of 27.8% over the preceding year to-date with increased revenues from all key operating divisions. The Group's pre-tax profit also increased by 79.9% to RM1,118.6 million following increased profits contributed by the Group's Construction, Property, Industry and Infrastructure divisions.

Further analysis of the divisional performances is given below.

Operating Segment	Commentary
Construction	Current quarter revenue and pre-tax profit rose 23.6% and 133.0% respectively over the previous year's corresponding quarter following improved construction progress and higher margins achieved at various projects. Likewise for the same reason, year to-date revenue and pre-tax profit grew 18.9% and 10.4% respectively compared to the previous year's corresponding period.
Property	Revenue for the current quarter and year to-date rose 29.9% and 51.2% respectively compared to the previous year, which is mainly driven by the strong sales achieved and higher work progress. In tandem with higher revenue and higher profit margin derived from the division's current ongoing development projects, pre-tax profits for the current quarter and year to-date increased by 122.6% and 91.6% respectively. Excluding one-off gains on disposal of subsidiaries of RM80.5 million, the division's quarterly and yearly pre-tax profits increased by 32.9% and 56.8% respectively.
Industry	Current quarter revenue and pre-tax profit were almost unchanged, increasing 1.8% and decreasing 2.2% respectively while year to-date revenue and pre-tax profit increased 10.9% and 16.1% respectively compared to the previous year on the back of higher sales of concrete piles, quarry products and ready mixed concrete coupled with higher gross margins.
Plantation	Revenue for the current quarter and year to-date increased by 59.3% and 30.7% respectively compared to the previous year as current year to-date sales volumes of crude palm oil (CPO) and palm kernel oil (PKO) increased by 52.7% and 162.5% respectively. However, average prices of CPO and PKO fell 15.9% (to RM2,312 per ton) and 18.6% (to RM2,557 per ton) respectively in the current year to-date compared to the previous year. The division incurred unrealised foreign exchange losses totaling RM54.1 million due to a weakening Indonesian Rupiah ("IDR") against the USD. Furthermore, higher upkeep costs and reduction in closing inventories in the Malaysian operations, as well as full fixed plantation maintenance and overhead costs against the backdrop of the start-up crop yields in respect of newly matured acreage and start-up utilisation level of the new mill in the Indonesian operations also contributed to the division's pre-tax profits for the current year to-date falling by 76.2% to RM30.3 million.

IJM CORPORATION BERHAD (104131-A)

B1. Detailed Analysis of Performance of all Operating Segments (continued)

Operating Segment	Commentary
Infrastructure	Revenue for current quarter and year to-date rose 33.8% and 23.5% respectively compared to the previous year mainly due to increased revenue from the operations of the Kuantan port following increased cargo throughput and continued traffic growth in the Group's wholly-owned toll concessions. Pre-tax profit for current quarter and year to-date surged by more than 100% with the bulk of the increase mainly due to a one-off gain on disposal of the Division's Kemaman Port assets totaling RM25.9 million and fair value gains and uplift of RM267.8 million upon acquisition of additional equity interests in CIDB Inventures Sdn Bhd and Swarna Tollway Private Limited. These gains, along with another capital gain of RM56.5 mil in the first quarter for the partial disposal of Trichy Tollway, helped to negate the unrealised foreign exchange losses of RM47.9 mil for the current year to-date. These foreign exchange losses arose mainly from USD denominated borrowings used to finance IJM's investments in India.

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

The Group's pre-tax profit increased 215.2% compared to that of the immediate preceding quarter mainly due to:-

- i. disposal of Kemaman assets which resulted in a one-off capital gain of RM125.6 million in the current quarter; and
- ii. acquisition of additional equity interests in CIDB Inventures Sdn Bhd and Swarna Tollway Private Limited which resulted in fair value gains and uplift totaling RM267.8 million.

B3. Prospects for the Coming Financial Year

The Group's Construction division expects to perform satisfactorily on the current level of its order book.

The recent measures introduced by the Malaysian Government to promote sustainability of the property market such as the increase in real property gains tax (RPGT) and removal of developer interest bearing schemes (DIBS) have created some uncertainties in the property market. Nevertheless, the Property division is expecting to deliver a good performance for the current financial year on the back of strong unbilled sales in hand.

The Group's Industry division expects the sales of building materials to grow in tandem with increased construction activity in Malaysia.

The Group's Plantation division expects crop production to be sustained with additional crops expected from the young plantings and the new areas coming into maturity in the Indonesian operations. However, given the significant increase in the young matured area in Indonesian operations incurring full fixed plantation maintenance and overhead costs against the backdrop of the start-up crop yields and in light of the prevalent palm produce prices, as well as the growing pressure on the costs of production, the Plantation division expects the profitability level for the current financial year to be impacted.

The Group's toll, port, power and water operations are expected to provide growing recurrent revenue streams thereby further enhancing the bottom line of the Group's Infrastructure division.

However, increasing volatility in the global capital markets and the resultant uncertainties due to foreign exchange fluctuations may continue to impact the Group's 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.

IJM CORPORATION BERHAD (104131-A)

B4. Profit Forecast

Not applicable.

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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Malaysian income tax	93,391	55,958	192,593	157,103
Overseas taxation	2,091	57	3,005	708
Transfer (from)/to deferred taxation	(8,631)	2,378	(16,961)	1,798
	<u>86,851</u>	<u>58,393</u>	<u>178,637</u>	<u>159,609</u>

The Group's effective tax rate (excluding the results of associates and jointly controlled entities which are equity accounted net of tax) was lower than the statutory tax rate mainly due to certain income not being subject to tax such as the gain on disposal of investments as disclosed in note B11 below.

B6. Status of Corporate Proposals

- a) On 5 February 2013, Road Builder (M) Holdings Bhd ("RBH"), a wholly-owned subsidiary of the Company, 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 a 40% equity interest in Kuantan Port Consortium Sdn Bhd ("KPC") to GUANGXI. The definitive agreement ("DA") is expected to be executed within 6 months from the date of the MOU.

On 2 August 2013, RBH and GUANGXI signed a letter of extension of MOU to extend the expiry date of the MOU by 45 days (from 4 August 2013 to 18 September 2013) to execute the DA; and to agree that GUANGXI's wholly-owned subsidiary, Beibu Gulf Holding (Hong Kong) Co. Ltd ("BGH") will be the purchasing entity entering into the DA with RBH.

On 7 September 2013, the Share Sales Agreement ("SSA") was executed between RBH and BGH for the sale of 45,600,000 ordinary shares of RM1 each representing 38% equity interest in KPC for a total consideration of RM317,703,750. BGH has also executed a Letter of Undertaking ("LU") on 7 September 2013 to purchase 2,400,000 ordinary shares of RM1 each representing 2% equity interest in KPC from Essmarine Terminal Sdn Bhd, a wholly-owned subsidiary of RBH, for a total consideration of RM16,721,250.

The disposals under the SSA and LU are subject to the approval of the Government of Malaysia and/or any other governmental authority as may be required. The above disposals are expected to be completed by the last quarter of the financial year ending 31 March 2014.

IJM CORPORATION BERHAD (104131-A)

B6. Status of Corporate Proposals (continued)

- b) On 12 August 2013, IJM Properties Sdn Bhd (“IJMP”), a wholly owned subsidiary of IJM Land Berhad (“IJMLB”), which in turn is a 64% owned subsidiary of the Company, entered into a conditional share sale agreement with KEB Builders Sdn Bhd to acquire 100,000 ordinary shares of RM1 each in Radiant Pillar Sdn Bhd (“RPSB”), representing 10% of the issued and paid up share capital of RPSB for a total cash consideration of RM52.5 million. Prior to this proposed acquisition, RPSB was a jointly-controlled entity of IJMLB via IJMP with an effective interest of 50%. The proposed acquisition will enable IJMLB to increase its current equity interest to 60% and allow it to control and consolidate the results of RPSB upon completion of the proposed acquisition.

The above acquisition was completed on 24 January 2014.

- c) On 18 November 2013, IJM Vijayawada (Mauritius) Limited (“IJMVM”), a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company, executed a Share Purchase Agreement (“SPA”) with IDFC Trustee Company Limited, a trustee of India Infrastructure Fund (“IIF”) acting through IDFC Project Equity Company Limited, for the acquisition of 11,400,000 shares held by IIF and for the transfer or waiver of the zero interest shareholder’s loan for a total consideration of INR314 million (equivalent to RM16 million).

The above acquisition was completed on 10 January 2014.

IJM CORPORATION BERHAD (104131-A)

B7. Group Borrowings

Particulars of the Group's borrowings as at 31 December 2013 are as follows:

	As at 31/12/2013 RM'000
(a) (i) Short Term Borrowings	
Secured:-	
- Islamic bonds	77,302
- Term loans	80,760
- Hire purchase and lease creditors (included in trade and other payables)	213
- Revolving credits	34,517
Unsecured:-	
- Commercial Paper and Medium Term Notes	300,000
- Government support loans (included in trade and other payables)	6,951
- Term loans	619,963
- Revolving credits	685,108
- Bankers acceptances	77,234
- Letter of Credit	23,341
- Bank overdrafts	111,865
	2,017,254
 (ii) Long Term Borrowings	
Secured:-	
- Islamic bonds	967,774
- Term loans	847,529
Unsecured:-	
- Commercial Paper and Medium Term Notes	450,000
- Term loans	1,223,625
- Government support loans	208,552
	3,697,480

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	497,333	1,612,891
Indian Rupee	13,711,853	728,099
Chinese Renminbi	160,650	86,478
		2,427,468

B8. Changes in Material Litigation

There was no material litigation since 31 March 2013.

IJM CORPORATION BERHAD (104131-A)

B9. Dividend

In respect of the financial year ending 31 March 2014, a single tier first interim dividend of 4 sen per share was paid on 24 December 2013.

In respect of the financial year ended 31 March 2013, a single tier first interim dividend of 4 sen per share was paid on 21 December 2012 and a single tier second interim dividend of 9 sen per share was paid on 4 July 2013.

B10. Earnings per Share

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	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	516,714	130,371	821,355	356,462
(b) Weighted average number of ordinary shares ('000)	1,409,374	1,381,696	1,399,959	1,381,665
Basic Earnings per share (sen)	36.66	9.44	58.67	25.80
<u>Diluted Earnings per share:-</u>				
(a) Profit for the period attributable to owners of the Company	516,714	130,371	821,355	356,462
(b) Weighted average number of ordinary shares ('000)	1,409,374	1,381,696	1,399,959	1,381,665
Effect of dilution ('000)				
- Warrants	21,128	19,066	20,466	20,841
- Employee share option and share grant	12,699	-	12,393	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,443,201	1,400,762	1,432,818	1,402,506
Diluted Earnings per share (sen)	35.80	9.31	57.32	25.42

IJM CORPORATION BERHAD (104131-A)

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
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	RM'000	RM'000	RM'000	RM'000
Interest income	47,907	43,389	113,755	108,006
Other income (including investment income)	270,094	2,932	277,114	12,308
Interest expense	(46,274)	(40,074)	(131,474)	(125,177)
Depreciation and amortisation	(49,834)	(40,871)	(148,456)	(124,582)
Net provision for and write off of receivables	1,876	106	(7,206)	830
Net gains on disposal of investments or properties	119,333	2,142	185,607	32,680
Impairment of assets	(55,891)	(264)	(56,846)	(351)
Net foreign exchange losses	(18,500)	(8,327)	(76,566)	(16,464)
Net (losses)/gains on derivatives	(6,552)	3,401	(3,014)	10,769

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.

IJM CORPORATION BERHAD (104131-A)

B12. Fair value changes of financial liabilities

The Group recognised total net fair value loss on derivative financial instruments of RM3.01 million during the current year to date of which RM4.84 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
Forward foreign exchange contract	155	145	Exchange rate differentials between the market spot rate and the contracted rate between Japanese Yen and Malaysian Ringgit	The market spot rate for Japanese Yen against the Malaysian Ringgit has risen above the contracted rate.
Forward foreign exchange contract	(967)	(3,389)	Exchange rate differentials between the market spot rate and the contracted rate between GBP and USD	The market spot rate for GBP against the USD has risen above the contracted rate.
Crude palm oil pricing swap	(1,767)	(1,591)	Price differential between market price and contracted price	Increase in market crude palm oil price above the contracted prices

IJM CORPORATION BERHAD (104131-A)

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 December 2013 RM'000	As at 31 March 2013 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	5,301,717	4,427,406
- Unrealised ^{N1}	(478,758)	(236,072)
	4,822,959	4,191,334
Total share of retained profits / (accumulated losses) from associates		
- Realised	111,892	156,205
- Unrealised ^{N1}	125	(10,040)
Total share of retained profits / (accumulated losses) from jointly controlled entities		
- Realised	(90,081)	(154,395)
- Unrealised ^{N1}	3,753	3,753
	4,848,648	4,186,857
Less: consolidation adjustments ^{N2}	(1,879,167)	(1,854,883)
Total group retained profits as per group accounts	2,969,481	2,331,974

N1 The unrealised retained profits / (accumulated losses) 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 combinations and non-controlling interests' share of retained profits or accumulated losses.