



# IJM CORPORATION BERHAD (104131-A)

## Part A1 : Quarterly Report

**Quarterly report for the financial period ended:** 30/06/2014  
**Quarter:** 1st Quarter  
**Financial Year End:** 31/03/2015  
**The figures:** Have not been audited  
**Full Quarterly Report:** Refer attached

## Part A2 : Summary of Key Financial Information for the financial period ended 30/06/2014

	Individual Quarter		Cumulative Period	
	Current year quarter 30/06/2014 RM'000	Preceding year quarter 30/06/2013 RM'000	Current year to date 30/06/2014 RM'000	Preceding year to date 30/06/2013 RM'000
1 Revenue	1,373,038	1,401,829	1,373,038	1,401,829
2 Profit before taxation	258,636	256,767	258,636	256,767
3 Net profit for the period	185,430	201,813	185,430	201,813
4 Net profit attributable to owners of the Company	133,386	164,337	133,386	164,337
5 Basic earnings per share (sen)	9.23	11.83	9.23	11.83
6 Proposed/Declared dividend per share (sen)	-	-	-	-
	<b>As at end of current quarter 30/06/2014</b>		<b>As at preceding financial year end</b>	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		4.59		4.72

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME***(The figures have not been audited)*

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
	RM'000	RM'000	RM'000	RM'000
Operating revenue	<b>1,373,038</b>	1,401,829	<b>1,373,038</b>	1,401,829
Cost of sales	<b>(945,599)</b>	(1,052,964)	<b>(945,599)</b>	(1,052,964)
Gross profit	<b>427,439</b>	348,865	<b>427,439</b>	348,865
Other operating income	<b>42,574</b>	101,457	<b>42,574</b>	101,457
Foreign exchange differences	<b>(7,344)</b>	(23,375)	<b>(7,344)</b>	(23,375)
Tendering, selling and distribution expenses	<b>(37,616)</b>	(29,337)	<b>(37,616)</b>	(29,337)
Administrative expenses	<b>(70,439)</b>	(77,974)	<b>(70,439)</b>	(77,974)
Other operating expenses	<b>(18,459)</b>	(10,869)	<b>(18,459)</b>	(10,869)
Operating profit before finance cost	<b>336,155</b>	308,767	<b>336,155</b>	308,767
Finance cost	<b>(64,683)</b>	(42,815)	<b>(64,683)</b>	(42,815)
Operating profit after finance cost	<b>271,472</b>	265,952	<b>271,472</b>	265,952
Share of (losses)/profits of associates	<b>(5,520)</b>	2,505	<b>(5,520)</b>	2,505
Share of losses of jointly controlled entities	<b>(7,316)</b>	(11,690)	<b>(7,316)</b>	(11,690)
Profit before taxation	<b>258,636</b>	256,767	<b>258,636</b>	256,767
Income tax expense	<b>(73,206)</b>	(54,954)	<b>(73,206)</b>	(54,954)
Net profit for the period	<b>185,430</b>	201,813	<b>185,430</b>	201,813
<u>Other comprehensive income / (loss)</u> <u>(net of tax):</u>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Currency translation differences	<b>(50,322)</b>	(25,794)	<b>(50,322)</b>	(25,794)
Realisation of other comprehensive income arising from disposal of a foreign jointly controlled entity and closure of a foreign branch	-	12,948	-	12,948
Share of other comprehensive income of associates	<b>1,579</b>	364	<b>1,579</b>	364
	<b>(48,743)</b>	(12,482)	<b>(48,743)</b>	(12,482)
Total comprehensive income for the period	<b>136,687</b>	189,331	<b>136,687</b>	189,331
<u>Net profit attributable to:-</u>				
Owners of the Company	<b>133,386</b>	164,337	<b>133,386</b>	164,337
Non-controlling interests	<b>52,044</b>	37,476	<b>52,044</b>	37,476
	<b>185,430</b>	201,813	<b>185,430</b>	201,813
<u>Total comprehensive income attributable to:-</u>				
Owners of the Company	<b>102,203</b>	152,516	<b>102,203</b>	152,516
Non-controlling interests	<b>34,484</b>	36,815	<b>34,484</b>	36,815
	<b>136,687</b>	189,331	<b>136,687</b>	189,331
<u>Earnings per share (sen):-</u>				
Basic	<b>9.23</b>	11.83	<b>9.23</b>	11.83
Fully diluted	<b>9.05</b>	11.51	<b>9.05</b>	11.51

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

	<b>30/06/2014</b>	<b>31/03/2014</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>1,466,512</b>	1,427,531
Treasury shares	<b>(264)</b>	(257)
Shares held under trust	<b>(2,549)</b>	(2,038)
Share premium	<b>2,220,142</b>	2,089,511
Other reserves	<b>(51,611)</b>	(16,339)
Retained profits	<b>3,104,948</b>	3,240,400
	<hr/>	<hr/>
	<b>6,737,178</b>	6,738,808
Non-controlling interests	<b>2,259,723</b>	2,211,464
	<hr/>	<hr/>
Total equity	<b>8,996,901</b>	8,950,272
<b>NON-CURRENT LIABILITIES</b>		
Bonds	<b>1,767,774</b>	967,774
Commercial Papers and Medium Term Notes	<b>250,000</b>	250,000
Term loans	<b>1,994,330</b>	1,845,789
Government support loans	<b>205,127</b>	210,337
Deferred tax liabilities	<b>711,035</b>	713,337
Trade and other payables	<b>760,740</b>	745,620
Provisions	<b>25,237</b>	25,237
Retirement benefits	<b>5,216</b>	5,216
	<hr/>	<hr/>
	<b>5,719,459</b>	4,763,310
<b>GOVERNMENT GRANTS</b>	<b>126,225</b>	130,653
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	<b>14,842,585</b>	13,844,235
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**IJM CORPORATION BERHAD (104131-A)**  
**CONDENSED CONSOLIDATED BALANCE SHEET**

	<b>30/06/2014</b>	<b>31/03/2014</b>
	<b>RM'000</b>	<b>RM'000</b>
	(Unaudited)	(Audited)
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	<b>1,576,739</b>	1,590,106
Leasehold land	<b>102,589</b>	108,008
Concession assets	<b>3,589,773</b>	3,638,829
Plantation development expenditure	<b>856,805</b>	869,971
Investment properties	<b>38,929</b>	39,045
Associates	<b>498,612</b>	510,685
Joint ventures	<b>957,569</b>	984,882
Derivative financial instruments	<b>10,859</b>	14,738
Available-for-sale financial assets	<b>24,603</b>	25,022
Long term receivables	<b>88,412</b>	86,237
Deferred tax assets	<b>152,813</b>	151,806
Land held for property development	<b>954,370</b>	938,363
Intangible assets	<b>80,059</b>	80,252
	<b>8,932,132</b>	9,037,944
<b>CURRENT ASSETS</b>		
Property development costs	<b>4,168,087</b>	4,130,505
Inventories	<b>560,081</b>	592,802
Trade and other receivables	<b>2,493,700</b>	2,318,231
Financial assets at fair value through profit or loss	<b>277,741</b>	249,244
Derivative financial instruments	<b>4,106</b>	627
Assets held for sale	<b>11,942</b>	5,945
Tax recoverable	<b>47,447</b>	55,470
Deposits, cash and bank balances	<b>2,577,344</b>	2,007,700
	<b>10,140,448</b>	9,360,524
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<b>2,249,460</b>	2,038,086
Provisions	<b>50,327</b>	57,004
Derivative financial instruments	<b>2,243</b>	1,006
Borrowings:		
- Bank overdrafts	<b>96,071</b>	172,132
- Others	<b>1,723,763</b>	2,159,424
Current tax liabilities	<b>108,131</b>	126,581
	<b>4,229,995</b>	4,554,233
<b>NET CURRENT ASSETS</b>	<b>5,910,453</b>	4,806,291
	<b>14,842,585</b>	13,844,235
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)</b>	<b>4.59</b>	4.72

**IJM CORPORATION BERHAD (104131-A)**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 JUNE 2014**

*(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 under trust RM'000	Share premium RM'000	Other reserves RM'000	Retained profits RM'000			
<b>At 1 April 2014</b>	<b>1,427,531</b>	<b>(257)</b>	<b>(2,038)</b>	<b>2,089,511</b>	<b>(16,339)</b>	<b>3,240,400</b>	<b>6,738,808</b>	<b>2,211,464</b>	<b>8,950,272</b>
Total comprehensive income for the period	-	-	-	-	(31,183)	133,386	102,203	34,484	<b>136,687</b>
Total changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	-	16,892	16,892	(16,892)	-
Share of capital reserves in associate and jointly controlled entity	-	-	-	-	(44)	21,518	21,474	-	<b>21,474</b>
Single tier second interim dividend: Year ended 31 March 2014	-	-	-	-	-	(160,939)	(160,939)	-	<b>(160,939)</b>
Single tier special dividend: Year ended 31 March 2014	-	-	-	-	-	(146,309)	(146,309)	-	<b>(146,309)</b>
Issuance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	30,667	<b>30,667</b>
Issuance of shares:									
- exercise of Warrants 2009/2014	35,665	-	-	115,912	(8,916)	-	142,661	-	<b>142,661</b>
- exercise of employee share options	2,316	-	3,894	11,314	(3,348)	-	14,176	-	<b>14,176</b>
- shares held under trust	1,000	-	(4,405)	3,405	-	-	-	-	-
Issuance of employee share options and share grants	-	-	-	-	8,219	-	8,219	-	<b>8,219</b>
Shares buy back	-	(7)	-	-	-	-	(7)	-	<b>(7)</b>
<b>At 30 June 2014</b>	<b>1,466,512</b>	<b>(264)</b>	<b>(2,549)</b>	<b>2,220,142</b>	<b>(51,611)</b>	<b>3,104,948</b>	<b>6,737,178</b>	<b>2,259,723</b>	<b>8,996,901</b>
<b>At 1 April 2013</b>	<b>1,382,663</b>	<b>(140)</b>	<b>-</b>	<b>1,938,210</b>	<b>(45,468)</b>	<b>2,331,974</b>	<b>5,607,239</b>	<b>1,695,420</b>	<b>7,302,659</b>
Total comprehensive income for the period	-	-	-	-	(11,821)	164,337	152,516	36,815	189,331
Total changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	-	927	927	(927)	-
Single tier second interim dividend: Year ended 31 March 2013	-	-	-	-	-	(125,415)	(125,415)	-	(125,415)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(704)	(704)
Shares buy back	-	(58)	-	-	-	-	(58)	-	(58)
Issuance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	45,502	45,502
Issuance of shares:									
- exercise of Warrants 2009/2014	11,778	-	-	38,278	(2,944)	-	47,112	-	47,112
Issuance of employee share options and share grants	-	-	-	-	7,210	-	7,210	-	7,210
<b>At 30 June 2013</b>	<b>1,394,441</b>	<b>(198)</b>	<b>-</b>	<b>1,976,488</b>	<b>(53,023)</b>	<b>2,371,823</b>	<b>5,689,531</b>	<b>1,776,106</b>	<b>7,465,637</b>

**IJM CORPORATION BERHAD (104131-A)**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2014**  
*(The figures have not been audited)*

	<b>3 months ended 30/06/2014 RM'000</b>	<b>3 months ended 30/06/2013 RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	<b>1,251,258</b>	1,190,432
Payments to contractors, suppliers and employees	<b>(1,067,366)</b>	(1,028,193)
Government grant received	-	-
Income tax paid	<b>(83,283)</b>	(63,188)
<b>Net cash flow from operating activities</b>	<b>100,609</b>	99,051
<b>INVESTING ACTIVITIES</b>		
Investment in an associate	-	(981)
Acquisition of available-for-sale investments	-	(57)
Acquisition of short term investments	<b>(52,668)</b>	(301,152)
Purchases of property, plant and equipment, development and leasehold land, investment properties, concession assets, plantation development expenditure and deferred	<b>(92,859)</b>	(100,148)
Disposal of investments, property, plant and equipment, leasehold land, investment properties and assets held for sale	<b>32,985</b>	279,875
Interest received	<b>15,854</b>	19,776
Income from unit trusts	<b>41</b>	510
Dividends received	<b>4,250</b>	-
Net advances to associates and joint ventures	<b>(19,990)</b>	(63,649)
<b>Net cash flow used in investing activities</b>	<b>(112,387)</b>	(165,826)
<b>FINANCING ACTIVITIES</b>		
Issuance of shares by the Company		
- exercise of Warrants	<b>142,661</b>	47,112
- exercise of Employee Share Options	<b>14,176</b>	-
Issuance of shares and warrants by subsidiaries to non-controlling shareholders	<b>30,667</b>	45,502
Repurchase of treasury shares	<b>(7)</b>	(58)
Net proceeds from bank and government borrowings	<b>(43,105)</b>	139,378
Repayment of Commercial Papers and Medium Term Notes	<b>(200,000)</b>	(100,000)
Repayment to the State Government	<b>(7,000)</b>	(5,000)
Repayments to hire purchase and lease creditors	-	(397)
Interests paid	<b>(73,721)</b>	(48,027)
Dividends paid by subsidiaries to non-controlling shareholders	-	(704)
Drawdown of bonds	<b>800,000</b>	-
(Placement)/uplifting of restricted deposits	<b>(2,757)</b>	10,159
<b>Net cash flow from financing activities</b>	<b>660,914</b>	87,965
<b>Net increase in cash and cash equivalents during the financial year</b>	<b>649,136</b>	21,190
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>1,736,177</b>	1,638,675
Foreign exchange differences on opening balances	<b>(4,483)</b>	255
<b>Cash and cash equivalents at end of the financial year</b>	<b>2,380,830</b>	1,660,120
Cash and cash equivalents comprise the following:		
Deposits, cash and bank balances	2,577,344	1,795,343
Bank overdrafts	(96,071)	(52,770)
	<u>2,481,273</u>	<u>1,742,573</u>
Cash and bank balances classified as held for sale	-	1,104
Less: restricted deposits with licensed banks	(100,443)	(83,557)
	<u>2,380,830</u>	<u>1,660,120</u>

# 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 2014 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 for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2014.

### 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, or such other date as may be permitted by MASB.

The significant accounting policies applied are consistent with those adopted for the audited financial statements for the year ended 31 March 2014 except for the adoption of the following amendments to standards issued by MASB that are mandatory for the Group for the financial year beginning 1 April 2014:

Amendments to FRS 10, 12 & 127	Investment Entities
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting

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 2014 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.

### 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.

## IJM CORPORATION BERHAD (104131-A)

### 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 30 June 2014, the issued and paid-up ordinary share capital of the Company was increased by RM38,981,454 by way of allotment and issuance of:-
- i. 35,665,254 new ordinary shares of RM1.00 each arising from the exercise of IJM Warrants 2009/2014;
  - ii. 2,316,200 new ordinary shares of RM1.00 each arising from the exercise of options under the Employee Share Option Scheme (“ESOS”); and
  - iii. subscription of 1,000,000 new ordinary shares of RM1.00 each under Shares held under trust.
- (b) For the period ended 30 June 2014, 1,000 ordinary shares of RM1.00 each were repurchased in the open market at an average of RM6.80 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

No dividend has been paid during the current financial period ended 30 June 2014.



## IJM CORPORATION BERHAD (104131-A)

### A9. Segmental Information

	GROUP	
	3 months ended 30/06/2014	3 months ended 30/06/2013
	RM'000	RM'000
<b><u>External revenue:</u></b>		
Construction	285,112	418,338
Property	489,247	465,366
Industry	254,411	245,976
Plantation	177,768	134,497
Infrastructure	166,472	137,566
Investment and others	28	86
	<b>1,373,038</b>	<b>1,401,829</b>
<b><u>Inter-segment revenue:</u></b>		
Construction	308,424	205,507
Property	-	-
Industry	10,342	16,399
Plantation	-	-
Infrastructure	-	-
Investment and others	11,240	127,065
	<b>330,006</b>	<b>348,971</b>
<b><u>Profit/(loss) before taxation:</u></b>		
Construction	46,797	5,628
Property	115,196	117,793
Industry	36,436	44,084
Plantation	31,119	2,929
Infrastructure	36,454	75,091
Investment and others	(7,366)	11,242
	<b>258,636</b>	<b>256,767</b>
	<b>As at</b>	<b>As at</b>
	<b>30/06/2014</b>	<b>31/03/2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Total Assets:</u></b>		
Construction	2,325,446	1,945,470
Property	7,936,507	7,810,591
Industry	1,209,353	1,174,109
Plantation	2,159,858	2,208,224
Infrastructure	5,020,527	4,832,782
Investment and others	220,629	220,016
Total segment assets	<b>18,872,320</b>	<b>18,191,192</b>
Unallocated corporate assets	<b>200,260</b>	<b>207,276</b>
Consolidated total assets	<b>19,072,580</b>	<b>18,398,468</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 audited financial statements of FY2014.

### A11. Changes in the Composition of the Group

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

- i. On 8 May 2014, IJM Properties Sdn Bhd, a wholly-owned subsidiary of IJM Land Berhad, which in turn is a 64%-owned subsidiary of the Company, announced the acquisition of two ordinary shares of RM1 each representing 100% equity interest in Perda Development Sdn Bhd (formerly known as Simple Boundry Sdn Bhd) for a total cash consideration of RM2. This acquisition has no material impact on the Group for the financial period-to-date.
- ii. On 22 May 2014, IJM Properties Sdn Bhd, a wholly-owned subsidiary of IJM Land Berhad, which in turn is a 64%-owned subsidiary of the Company, entered into three Termination Agreements to terminate their respective joint venture agreements as follows:-
  - a. Star Everest Sdn Bhd, to terminate the 50:50 joint venture under Sierra Selayang Sdn Bhd pursuant to the Joint Venture/Shareholders' Agreement dated 25 January 2006;
  - b. G.L. Development Sdn Bhd, a subsidiary of Talam Transform Berhad ("TTB"), to terminate the 50:50 joint venture under Good Debut Sdn Bhd pursuant to the Joint Venture/Shareholders' Agreement dated 17 November 2006; and
  - c. Mutual Prosperous Sdn Bhd, a subsidiary of TTB, to terminate the 50:50 joint venture under Cekap Tropikal Sdn Bhd pursuant to the Joint Venture/Shareholders' Agreement dated 5 March 2007 and Supplemental Agreement dated 27 February 2008.

The joint ventures are terminated as the intended commercial objectives of the respective joint ventures are unlikely to materialise. The terminations have 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 2014 are summarised as follows:-

	<b>RM'000</b>
Balance as at 31 March 2014	9,917
- Exchange differences	<u>(182)</u>
Balance as at 30 June 2014	<u>9,735</u>

### A13. Capital Commitments

Capital commitments not provided for in the financial statements as at 30 June 2014 are as follows:

	<b>RM'000</b>
Approved and contracted for	714,611
Approved but not contracted for	<u>358,659</u>
	<u>1,073,270</u>
<u>Analysed as follows:</u>	
- Purchases of property, plant and equipment, leasehold land and plantation development expenditure	469,626
- Purchases of development land	298,186
- Concession assets	51,337
- Subscription of rights issue in an associate	169,533
- Share of capital commitments of joint ventures	<u>84,588</u>
	<u>1,073,270</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 RM1,373.0 million, a decrease of 2.0% over the corresponding quarter of the preceding year, mainly following a decrease in revenue from the Group's Construction division. The Group's pre-tax profit increased by 0.7% to RM258.6 million compared to the corresponding quarter of the preceding year as the Group's Construction and Plantations divisions recorded higher profits.

Further analysis of the divisional performances is given below.

Operating Segment	Commentary
Construction	Current quarter revenue declined 31.8% over the previous year's corresponding quarter as certain joint venture projects that contributed significantly to the previous year's corresponding quarter revenue have since been completed in the previous financial year. However, pre-tax profit rose 731.5% over the previous year's corresponding quarter following higher margins being achieved at various projects and a decrease in unrealised foreign exchange losses from RM13.0 mil in the previous year's corresponding quarter to RM1.2 mil in the current quarter.
Property	Revenue for the current quarter rose 5.1% compared to the previous year, driven mainly by the strong sales achieved and faster work progress. Pre-tax profits for the current quarter was only marginally lower compared to the previous year mainly attributable to higher operating expenses, higher advertising and promotional expenditure and also a decrease in unrealised foreign exchange gain.
Industry	Current quarter revenue increased by 3.4% while pre-tax profit declined by 17.3% compared to the previous year mainly due to lower delivery of higher-margin big-sized marine piles and increased delivery of lower-margin smaller sized piles in the current quarter.
Plantation	Revenue for the current quarter increased by 32.2% compared to the previous year as current quarter sales volume and average selling price of crude palm oil (CPO) increased by 15.2% and 14.9% respectively. Pre-tax profits for the current quarter surged 962.4% compared to the previous year as a result of higher commodity prices (increase from an average of RM2,234 per ton during first quarter of FY2013 to RM2,566 per ton for the current quarter) and lower plantation upkeep costs due to phased activities.
Infrastructure	Revenue for the current quarter increased by 21.0% compared to the previous year mainly due to continued traffic growth in the Group's toll road concessions as well as the consolidation of Swarna Tollway Pte Ltd since it became a subsidiary in October 2013. However, the Division's pre-tax profit dropped to RM36.5 mil in the current quarter compared to RM75.1 mil in the previous year's corresponding quarter largely due to the one-off gain of RM56.5 mil on part disposal of equity interest in Trichy Tollway Pte Ltd that was recorded in the previous year's corresponding quarter. Other reasons for the decrease in profits include lower cargo throughput in the port operations following the disposal of the Kemaman port assets in November 2013 and the increased expensing of interest cost following the opening of the Besraya tollway's eastern extension. The Division also recorded an unrealised foreign exchange gain of RM9.9 mil in the current quarter as opposed to an unrealised foreign exchange loss of RM20.2 mil in the previous year's corresponding quarter. These foreign exchange gains and 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 decreased by RM39.0 million (or 13.1%) compared to that of the immediate preceding quarter mainly due to:-

- i. gain on remeasurement of the previously held stake of RM222.7 million from the acquisition of additional equity interest in Radiant Pillar Sdn Bhd in the immediate preceding quarter; and
- ii. share of joint venture losses arising from impairment of concession assets in Vijayawada Tollway Pte Ltd and Lebuhraya Kajang Seremban Sdn Bhd totaling RM176.1 million in the immediate preceding quarter.

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

The Group's Construction division expects to perform satisfactorily on the current level of its order book, underpinned by a strong private sector in the domestic market, substantial ongoing development activities from the Group's Property division and coupled with the Malaysian government's emphasis on infrastructure spending.

The cautious sentiment in the property market as a result of measures introduced by the Malaysian Government and Bank Negara Malaysia to curb property speculation and rising household debt has been further aggravated by the recent hike in mortgage rate following the increase in the benchmark overnight policy rate from 3.00% to 3.25% by Bank Nagara Malaysia. Nonetheless, the Group's Property division expects to deliver a satisfactory performance in the current financial year with strong unbilled sales of about RM2 billion.

The Group's Industry division is well positioned to benefit from the expected increase in infrastructure spending under the Malaysian Economic Transformation Programme initiatives.

The Group's Plantation division expects a satisfactory level of profits on the back of higher crop production from the increasing young mature areas in Indonesia and the sustainability of FFB yields from the Malaysian operations, despite the production cost pressures attributable to the significant increase in young mature areas in the Indonesian operations incurring full fixed plantation maintenance and overhead costs set against start-up crop yields. However, the anticipated uncertainties in respect of CPO prices and foreign exchange rates would impact its profitability.

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.

### **B4. Profit Forecast**

Not applicable.

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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 30 JUNE		CUMULATIVE PERIOD 3 MONTHS ENDED 30 JUNE	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Malaysian income tax	71,793	58,389	71,793	58,389
Overseas taxation	2,537	552	2,537	552
Transfer (from)/to deferred taxation	(1,124)	(3,987)	(1,124)	(3,987)
	73,206	54,954	73,206	54,954

The Group's effective tax rate (excluding the results of associates and joint ventures which are equity accounted net of tax) was higher than the statutory tax rate mainly due to certain expenses not being deductible for tax purposes.

### 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.

On 7 September 2013, the Share Sales Agreement ("SSA") was executed between RBH and Beibu Gulf Holding (Hong Kong) Co. Ltd ("BGH"), a wholly-owned subsidiary of GUANGXI, for the sale of 45,600,000 ordinary shares of RM1 each representing a 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 disposal under the SSA was completed on 5 March 2014. The disposal under the LU is expected to be completed at a future date to be agreed upon by both parties.

- (b) On 20 June 2014, Road Builder (M) Holdings Bhd ("RBH"), a wholly-owned subsidiary of the Company, entered into a conditional Share Sale Agreement ("SSA") with SILK Holdings Berhad ("SHB") to acquire 220,000,000 ordinary shares of RM1 each in Sistem Lingkaran-Lebuhraya Kajang Sdn Bhd ("SILK"), representing a 100% equity interest in SILK, for a total consideration of RM395,000,000.

The completion of the SSA is pending fulfilment of certain conditions precedent.

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### B6. Status of Corporate Proposals (cont'd)

- (c) On 9 June 2014, the Company submitted a formal proposal (“Proposal Letter”) to the Board of Directors of IJM Land Berhad (“IJM Land”), a 64%-owned subsidiary of the Company, in respect of the proposed privatisation of IJM Land by the Company to be undertaken by way of a members’ scheme of arrangement pursuant to section 176 of the Companies Act, 1965 (“Proposed Privatisation”).

The Proposed Privatisation which is to be undertaken between IJM Land and all the shareholders of IJM Land other than the Company (“Scheme Shareholders”) involves the acquisition by the Company and/or its nominee(s) and transfer of all the IJM Land Shares by the Scheme Shareholders (“Scheme Shares”) to the Company and/ or its nominee(s) (“Scheme”). In consideration of the acquisition by the Company and/or its nominee(s) and transfer of each Scheme Share from the Scheme Shareholders to IJM and/ or its nominee(s) pursuant to the Scheme, the Company will pay RM3.55 for each Scheme Share (“Offer Price”) which shall be satisfied in the following manner:

- i. the issuance of 0.5 ordinary shares of RM1.00 each in the Company (“IJM Share”) at an issuance price of RM6.70 per IJM Share (“Issue Price”); and
  - ii. RM0.20 in cash (“Cash Consideration”),
- for every one Scheme Share held.

Based on 558,772,287 IJM Land Shares held by the Scheme Shareholders, representing approximately 35.85% of the issued and paid-up share capital of IJM Land as at 9 June 2014, the total consideration for the Proposed Privatisation is approximately RM1.98 billion to be satisfied in the following manner:

- i. the issuance of up to 279,386,143 Consideration Shares at the Issue Price which amounts to approximately RM1.87 billion; and
- ii. Cash Consideration of approximately RM0.11 billion.

It is the intention of the Company not to maintain the listing status of IJM Land and accordingly, upon completion of the Proposed Privatisation, IJM Land Shares will be de-listed from the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) subject to the receipt of Bursa Securities’ approval.

On 12 June 2014, the Company received a letter from IJM Land that the Directors of IJM Land (other than the common directors of IJM Land and the Company, namely Tan Sri Dato’ Tan Boon Seng @ Krishnan, Dato’ Teh Kean Ming, Dato’ Soam Heng Choon and Datuk Lee Teck Yuen) had deliberated on the Proposed Privatisation and agreed to present the Proposed Privatisation (on the terms and conditions as stated in the Proposal Letter dated 9 June 2014) to the shareholders of IJM Land, other than the Company, at the court meeting to be convened.

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### B7. Group Borrowings

Particulars of the Group's borrowings as at 30 June 2014 are as follows:

	<b>As at 30/06/2014 RM'000</b>
<b>(a) (i) Short Term Borrowings</b>	
Secured:-	
- Islamic bonds	77,302
- Term loans	180,389
- Revolving credits	38,349
Unsecured:-	
- Commercial Papers and Medium Term Notes	300,000
- Government support loans (included in trade and other payables)	6,951
- Term loans	858,458
- Revolving credits	203,535
- Bankers' acceptances	50,660
- Letters of credit	15,070
- Bank overdrafts	96,071
	1,826,785
<b>(ii) Long Term Borrowings</b>	
Secured:-	
- Islamic bonds	967,774
- Term loans	927,142
Unsecured:-	
- Islamic bonds	800,000
- Commercial Papers and Medium Term Notes	250,000
- Government support loans	205,127
- Term loans	1,067,188
	4,217,231

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	441,667	1,417,194
Indian Rupee	13,931,205	745,319
Chinese Renminbi	167,679	85,852
		2,248,365

### B8. Changes in Material Litigation

There was no material litigation since 31 March 2014.



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### B9. Dividend Payable

No dividend has been declared for the current financial year ending 31 March 2015.

In respect of the financial year ended 31 March 2014, a single tier first interim dividend of 4 sen per share was paid on 24 December 2013 and a single tier second interim dividend and a special dividend of 11 sen and 10 sen respectively per share was paid on 2 July 2014.

### B10. Earnings per Share

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
	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	133,386	164,337	133,386	164,337
(b) Weighted average number of ordinary shares ('000)	1,445,892	1,389,275	1,445,892	1,389,275
<b>Basic Earnings per share (sen)</b>	<b>9.23</b>	<b>11.83</b>	<b>9.23</b>	<b>11.83</b>
<u>Diluted Earnings per share:-</u>				
(a) Profit for the period attributable to owners of the Company	133,386	164,337	133,386	164,337
(b) Weighted average number of ordinary shares ('000)	1,445,892	1,389,275	1,445,892	1,389,275
Effect of dilution ('000)				
- Warrants	8,658	25,647	8,658	25,647
- Employee share option and share grant	18,945	12,564	18,945	12,564
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,473,495	1,427,486	1,473,495	1,427,486
<b>Diluted Earnings per share (sen)</b>	<b>9.05</b>	<b>11.51</b>	<b>9.05</b>	<b>11.51</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
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
	RM'000	RM'000	RM'000	RM'000
Interest income	25,672	29,082	25,672	29,082
Other income (including investment income)	2,912	3,033	2,912	3,033
Interest expense	(64,683)	(42,815)	(64,683) *	(42,815)
Depreciation and amortisation	(60,178)	(49,335)	(60,178)	(49,335)
Net provision for/write off of receivables	(657)	(5,426)	(657)	(5,426)
Net gains on disposal of investments or properties	2,395	57,589	2,395	57,589
Net impairment of assets	(2,010)	(725)	(2,010)	(725)
Net foreign exchange losses	(7,344)	(23,375)	(7,344)	(23,375)
Net (losses)/gains on derivatives	(392)	4,431	(392)	4,431

\* Includes RM9.8 mil of unrealised foreign exchange losses incurred by the Plantation division classified under 'Finance Cost'.

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.

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### B12. Fair value changes of financial liabilities

The Group recognised total net fair value loss on derivative financial instruments of RM0.39 million during the current year to date of which RM1.24 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	(123)	(123)	Exchange rate differentials between the market spot rate and the contracted rate between US Dollar and Malaysian Ringgit	The market spot rate for Malaysian Ringgit against the US Dollar has dropped below the contracted rate.
Forward foreign exchange contract	(1,114)	(1,114)	Exchange rate differentials between the market spot rate and the contracted rate between GBP and USD	The market spot rate for USD against the GBP has risen above the contracted rate.

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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 Jun 2014 RM'000</b>	<b>As at 31 Mar 2014 RM'000</b>
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	5,153,669	5,372,395
- Unrealised <sup>N1</sup>	(331,748)	(281,475)
	4,821,921	5,090,920
Total share of retained profits from associates		
- Realised	131,443	141,435
- Unrealised <sup>N1</sup>	1,734	1,380
Total share of retained profits / (accumulated losses) from jointly controlled entities		
- Realised	(182,360)	(214,904)
- Unrealised <sup>N1</sup>	3,771	3,395
	4,776,509	5,022,226
Less: consolidation adjustments <sup>N2</sup>	(1,671,561)	(1,781,826)
Total group retained profits as per group accounts	3,104,948	3,240,400

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 combinations and non-controlling interests' share of retained profits or accumulated losses.