



IJM CORPORATION BERHAD (104131-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended:	30/09/2014
Quarter:	2nd 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 30/09/2014

	Individual Quarter		Cumulative Period	
	Current year quarter 30/09/2014 RM'000	Preceding year quarter 30/09/2013 RM'000	Current year to date 30/09/2014 RM'000	Preceding year to date 30/09/2013 RM'000
1 Revenue	1,292,955	1,411,631	2,665,993	2,813,460
2 Profit before taxation	237,993	207,554	496,629	464,321
3 Net profit for the period	165,247	170,722	350,677	372,535
4 Net profit attributable to owners of the Company	111,487	140,304	244,873	304,641
5 Basic earnings per share (sen)	7.59	10.01	16.80	21.83
6 Proposed/Declared dividend per share (sen)	4.00	4.00	4.00	4.00
	As at end of current quarter 30/09/2014		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		4.68		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
	30/09/2014 RM'000	30/09/2013 RM'000	30/09/2014 RM'000	30/09/2013 RM'000
Operating revenue	1,292,955	1,411,631	2,665,993	2,813,460
Cost of sales	(893,521)	(1,045,617)	(1,839,120)	(2,098,581)
Gross profit	399,434	366,014	826,873	714,879
Other operating income	59,286	57,735	101,860	159,192
Foreign exchange differences	(7,567)	(34,691)	(14,911)	(58,066)
Tendering, selling and distribution expenses	(46,124)	(36,955)	(83,740)	(66,292)
Administrative expenses	(82,129)	(67,545)	(152,568)	(145,519)
Other operating expenses	(16,953)	(32,404)	(35,412)	(43,273)
Operating profit before finance cost	305,947	252,154	642,102	560,921
Finance cost	(65,055)	(42,385)	(129,738)	(85,200)
Operating profit after finance cost	240,892	209,769	512,364	475,721
Share of profits/(losses) of associates	3,372	5,659	(2,148)	8,164
Share of losses of jointly controlled entities	(6,271)	(7,874)	(13,587)	(19,564)
Profit before taxation	237,993	207,554	496,629	464,321
Income tax expense	(72,746)	(36,832)	(145,952)	(91,786)
Net profit for the period	165,247	170,722	350,677	372,535
<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	2,988	(80,729)	(47,334)	(106,523)
Realisation of other comprehensive income arising from disposal of a foreign jointly controlled entity and closure of a foreign branch	-	-	-	12,948
Share of other comprehensive income of associates	(2,637)	838	(1,058)	1,202
	351	(79,891)	(48,392)	(92,373)
Total comprehensive income for the period	165,598	90,831	302,285	280,162
<u>Net profit attributable to:-</u>				
Owners of the Company	111,487	140,304	244,873	304,641
Non-controlling interests	53,760	30,418	105,804	67,894
	165,247	170,722	350,677	372,535
<u>Total comprehensive income attributable to:-</u>				
Owners of the Company	108,227	91,608	210,430	244,124
Non-controlling interests	57,371	(777)	91,855	36,038
	165,598	90,831	302,285	280,162
<u>Earnings per share (sen):-</u>				
Basic	7.59	10.01	16.80	21.83
Fully diluted	7.43	9.77	16.45	21.29

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

	30/09/2014	31/03/2014
	RM'000	RM'000
	(Unaudited)	(Audited)
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	1,473,600	1,427,531
Treasury shares	(264)	(257)
Shares held under trust	(1,952)	(2,038)
Share premium	2,243,467	2,089,511
Other reserves	(48,548)	(16,339)
Retained profits	3,229,189	3,240,400
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	6,895,492	6,738,808
Non-controlling interests	2,267,332	2,211,464
	<hr/>	<hr/>
Total equity	9,162,824	8,950,272
NON-CURRENT LIABILITIES		
Bonds	1,767,774	967,774
Commercial Papers and Medium Term Notes	250,000	250,000
Term loans	2,302,537	1,845,789
Government support loans	206,917	210,337
Deferred tax liabilities	709,141	713,337
Trade and other payables	771,601	745,620
Provisions	25,237	25,237
Retirement benefits	5,217	5,216
	<hr/>	<hr/>
	6,038,424	4,763,310
GOVERNMENT GRANTS	123,862	130,653
	<hr/>	<hr/>
	15,325,110	13,844,235
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IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED BALANCE SHEET

	30/09/2014	31/03/2014
	RM'000	RM'000
	(Unaudited)	(Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	1,618,015	1,590,106
Leasehold land	111,807	108,008
Concession assets	3,558,562	3,638,829
Plantation development expenditure	936,111	869,971
Investment properties	38,812	39,045
Associates	619,062	510,685
Joint ventures	983,918	984,882
Derivative financial instruments	8,882	14,738
Available-for-sale financial assets	25,025	25,022
Long term receivables	90,274	86,237
Deferred tax assets	155,108	151,806
Land held for property development	1,211,789	938,363
Intangible assets	79,941	80,252
	9,437,306	9,037,944
CURRENT ASSETS		
Property development costs	4,228,991	4,130,505
Inventories	581,696	592,802
Trade and other receivables	2,492,163	2,318,231
Financial assets at fair value through profit or loss	236,535	249,244
Derivative financial instruments	4,763	627
Assets held for sale	9,734	5,945
Tax recoverable	55,575	55,470
Deposits, cash and bank balances	2,024,889	2,007,700
	9,634,346	9,360,524
CURRENT LIABILITIES		
Trade and other payables	2,006,591	2,038,086
Provisions	26,688	57,004
Derivative financial instruments	-	1,006
Borrowings:		
- Bank overdrafts	36,958	172,132
- Others	1,561,905	2,159,424
Current tax liabilities	114,400	126,581
	3,746,542	4,554,233
NET CURRENT ASSETS	5,887,804	4,806,291
	15,325,110	13,844,235
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	4.68	4.72

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 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			
At 1 April 2014	1,427,531	(257)	(2,038)	2,089,511	(16,339)	3,240,400	6,738,808	2,211,464	8,950,272
Total comprehensive income for the period	-	-	-	-	(34,443)	244,873	210,430	91,855	302,285
Total changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	-	29,769	29,769	(29,769)	-
Share of capital reserves in associate and jointly controlled entity	-	-	-	-	(12)	21,395	21,383	-	21,383
Single tier second interim dividend: Year ended 31 March 2014	-	-	-	-	-	(160,939)	(160,939)	-	(160,939)
Single tier special dividend: Year ended 31 March 2014	-	-	-	-	-	(146,309)	(146,309)	-	(146,309)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(61,631)	(61,631)
Issuance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	55,413	55,413
Issuance of shares:									
- exercise of Warrants 2009/2014	42,632	-	-	138,553	(10,658)	-	170,527	-	170,527
- exercise of employee share options	2,437	-	4,491	11,998	(3,623)	-	15,303	-	15,303
- shares held under trust	1,000	-	(4,405)	3,405	-	-	-	-	-
Issuance of employee share options and share grants	-	-	-	-	16,527	-	16,527	-	16,527
Shares buy back	-	(7)	-	-	-	-	(7)	-	(7)
At 30 September 2014	1,473,600	(264)	(1,952)	2,243,467	(48,548)	3,229,189	6,895,492	2,267,332	9,162,824
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	-	-	-	-	(60,517)	304,641	244,124	36,038	280,162
Total changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	(821)	(2,630)	(3,451)	3,833	382
Single tier second interim dividend: Year ended 31 March 2013	-	-	-	-	-	(125,415)	(125,415)	-	(125,415)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(52,347)	(52,347)
Shares buy back	-	(58)	-	-	-	-	(58)	-	(58)
Issuance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	88,751	88,751
Issuance of shares:									
- exercise of Warrants 2009/2014	21,222	-	-	68,971	(5,306)	-	84,887	-	84,887
Issuance of employee share options and share grants	-	-	-	-	14,981	-	14,981	-	14,981
At 30 September 2013	1,403,885	(198)	-	2,007,181	(97,131)	2,508,570	5,822,307	1,771,695	7,594,002

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

	6 months ended 30/09/2014 RM'000	6 months ended 30/09/2013 RM'000
OPERATING ACTIVITIES		
Receipts from customers	2,704,754	2,327,663
Payments to contractors, suppliers and employees	(2,117,452)	(2,203,234)
Income tax paid	(160,608)	(121,280)
Net cash flow from operating activities	426,694	3,149
INVESTING ACTIVITIES		
Investment in an associate	(121,084)	(66,949)
Investment in a joint venture	-	(250)
Acquisition of available-for-sale investments	-	(57)
Acquisition of short term investments	(126,523)	(443,500)
Purchases of property, plant and equipment, development and leasehold land, investment properties, concession assets, plantation development expenditure and deferred expenditure	(574,812)	(197,909)
Disposal of investments, property, plant and equipment, leasehold land, investment properties and assets held for sale	163,556	462,667
Interest received	38,590	44,054
Income from unit trusts	41	508
Dividends received	5,925	6,164
Capital distribution from associates upon liquidation	-	13,161
Net advances to associates and joint ventures	(33,404)	(176,715)
Net cash flow used in investing activities	(647,711)	(358,826)
FINANCING ACTIVITIES		
Issuance of shares by the Company		
- exercise of Warrants	170,527	84,887
- exercise of Employee Share Options	15,303	-
Issuance of shares and warrants by subsidiaries to non-controlling shareholders	55,413	88,751
Repurchase of treasury shares	(7)	(58)
Net proceeds from bank and government borrowings	68,466	223,552
Repayment of Commercial Papers and Medium Term Notes	(200,000)	-
Repayment to the State Government	(7,000)	(5,000)
Repayments to hire purchase and lease creditors	-	(785)
Interests paid	(157,525)	(99,594)
Dividends paid by subsidiaries to non-controlling shareholders	(61,631)	(52,347)
Dividend distribution tax paid by a subsidiary	(1,276)	-
Dividends paid by the Company	(307,248)	(125,415)
Drawdown of bonds	800,000	-
(Placement)/uplifting of restricted deposits	(6,153)	20,807
Net cash flow from financing activities	368,869	134,798
Net increase/(decrease) in cash and cash equivalents during the financial period	147,852	(220,879)
Cash and cash equivalents at beginning of the financial period	1,736,177	1,638,675
Foreign exchange differences on opening balances	(575)	(23,052)
Cash and cash equivalents at end of the financial period	1,883,454	1,394,744
Cash and cash equivalents comprise the following:		
Deposits, cash and bank balances	2,024,889	1,631,388
Bank overdrafts	(36,958)	(162,018)
	1,987,931	1,469,370
Cash and bank balances classified as held for sale	-	153
Less: restricted deposits with licensed banks	(104,477)	(74,779)
	1,883,454	1,394,744

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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 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 2 September 2014, the amendments to MFRS 116 and MFRS 141 “Agriculture: Bearer Plants” and the adoption of MFRS 15 “Revenue from Contracts with Customers” will be mandatory for annual periods beginning on or after 1 January 2016 and 1 January 2017 respectively. 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 to annual periods beginning after 1 January 2017.

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.

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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 September 2014, the issued and paid-up ordinary share capital of the Company was increased by RM46,068,778 by way of allotment and issuance of:-

- i. 42,631,578 new ordinary shares of RM1.00 each arising from the exercise of IJM Warrants 2009/2014;
- ii. 2,437,200 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 September 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

On 2 July 2014, a single tier second interim dividend and a special dividend of 11 sen and 10 sen respectively per share in respect of the financial year ended 31 March 2014 was paid totalling RM307,247,724.

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A9. Segmental Information

	GROUP		GROUP	
	6 months ended 30/09/2014	6 months ended 30/09/2013	3 months ended 30/09/2014	3 months ended 30/09/2013
	RM'000	RM'000	RM'000	RM'000
<u>External revenue:</u>				
Construction	506,734	910,764	221,622	492,426
Property	990,332	894,405	501,085	429,039
Industry	474,842	452,407	220,431	206,431
Plantation	351,498	283,648	173,730	149,151
Infrastructure	342,303	271,926	175,831	134,360
Investment and others	284	310	256	224
	2,665,993	2,813,460	1,292,955	1,411,631
<u>Inter-segment revenue:</u>				
Construction	604,484	398,106	296,060	192,599
Property	-	-	-	-
Industry	19,784	32,256	9,442	15,857
Plantation	-	-	-	-
Infrastructure	-	-	-	-
Investment and others	159,775	321,608	148,535	194,543
	784,043	751,970	454,037	402,999
<u>Profit/(loss) before taxation:</u>				
Construction	94,140	37,348	47,343	31,720
Property	226,901	243,199	111,705	125,406
Industry	69,376	78,235	32,940	34,151
Plantation	65,510	(927)	34,391	(3,856)
Infrastructure	33,823	79,044	(2,631)	3,953
Investment and others	6,879	27,422	14,245	16,180
	496,629	464,321	237,993	207,554
	As at 30/09/2014 RM'000	As at 31/03/2014 RM'000		
<u>Total Assets:</u>				
Construction	1,884,911	1,945,470		
Property	8,354,987	7,810,591		
Industry	1,242,582	1,174,109		
Plantation	2,284,214	2,208,224		
Infrastructure	4,821,230	4,832,782		
Investment and others	273,045	220,016		
Total segment assets	18,860,969	18,191,192		
Unallocated corporate assets	210,683	207,276		
Consolidated total assets	19,071,652	18,398,468		

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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 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 were terminated as the intended commercial objectives of the respective joint ventures were unlikely to materialise. The terminations have no material impact on the Group for the financial period-to-date.

- iii. On 14 July 2014, IJM Land Berhad entered into a Sale and Purchase Agreement with SP Setia Berhad ("SP Setia") to acquire 40 ordinary shares of RM1 each representing 40% of the issued and paid-up share capital of Kuantan Pahang Holding Sdn Bhd ("KPH") for a total cash consideration of RM40, and to repay SP Setia the advances (with accrued interest) made to KPH as a corporate shareholder totalling RM9,719,822.81. This acquisition was completed on 11 August 2014 and 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 2014 are summarised as follows:-

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

A13. Capital Commitments

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

	RM'000
Approved and contracted for	206,738
Approved but not contracted for	<u>243,595</u>
	<u>450,333</u>
 <u>Analysed as follows:</u>	
- Purchases of property, plant and equipment, leasehold land and plantation development expenditure	374,318
- Purchases of development land	25,352
- Concession assets	<u>50,663</u>
	<u>450,333</u>

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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 RM1,293.0 million, a decrease of 8.4% 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 14.7% to RM238.0 million compared to the corresponding quarter of the preceding year as the Group's Construction and Plantation divisions recorded higher profits.

Over the current year to-date, the Group achieved an operating revenue of RM2,666.0 million, a decrease of 5.2% over the preceding year to-date, mainly following a decrease in revenue from the Group's Construction division, whilst the Group's pre-tax profit increased by 6.9% to RM496.6 million following increased profits contributed by the Group's Construction and Plantation divisions. However, excluding the impact of the one-off gain of RM56.5 mil on the part disposal of Trichy Tollway Pte. Ltd recorded in the first quarter of the previous year, the Group's normalized pre-tax profits for the current period have increased by 21.7% over the preceding year to date.

Further analysis of the divisional performances is given below.

Operating Segment	Commentary
Construction	Current quarter revenue declined 55.0% over the previous year's corresponding quarter as certain 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 49.3% over the previous year's corresponding quarter following higher margins being achieved at various projects and favourable exchange rate movements resulting in an unrealised foreign exchange gain of RM0.4 mil in the current quarter compared to an unrealised foreign exchange loss of RM6.0 mil in the previous year's corresponding quarter. Likewise for the same reasons, year to-date revenue declined 44.4% and pre-tax profit grew 152.1% compared to the previous year's corresponding period.
Property	Revenue for the current quarter and year to-date rose 16.8% and 10.7% respectively compared to the previous year's corresponding periods, driven mainly by the higher work progress at major on-going projects such as the Shah Alam 2 and Bandar Rimbayu developments in Selangor. Pre-tax profits for the current quarter and year to-date declined 10.9% and 6.7% respectively compared to the previous year's corresponding periods mainly attributable to increased unrealised foreign exchange loss with the current quarter recording a forex loss of RM6.7 mil as opposed to a forex gain of RM13.9 mil in the previous year's corresponding quarter.
Industry	Current quarter and year to-date revenue increased by 6.8% and 5.0% respectively while current quarter and year to-date pre-tax profit declined by 3.5% and 11.3% respectively compared to the previous year mainly due to lower deliveries of higher margin marine piles vis a vis smaller sized piles, which earn lower margins.
Plantation	Revenue for the current quarter and year to-date increased by 16.5% and 23.9% respectively compared to the previous year as current quarter and year to-date sales volume of crude palm oil (CPO) increased by 15.4% and 15.3% respectively. Pre-tax profits for the current quarter and year to-date increased significantly over previous corresponding periods as a result of the higher commodity prices and sales volume mentioned above as well as due to a lesser adverse impact of the exchange rate movement of the Rupiah against the US Dollar.

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Operating Segment	Commentary
Infrastructure	Revenue for the current quarter and year to-date increased by 30.9% and 25.9% respectively 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 reduced by RM6.6 mil in the current quarter over the corresponding quarter of the previous year primarily due to the impact of RM8.3 mil towards higher major maintenance provisions and RM9.7 mil towards the amortization of the increase in fair value of the assets of Swarna Tollway Pte. Ltd. recognized pursuant to it becoming a subsidiary in October 2013. The Division's year to date pre-tax profits declined by RM45.2 mil against the corresponding period largely due to the recognition in the first quarter of the previous year, of the one-off gain of RM56.5 mil on part disposal of the equity interest in Trichy Tollway Pte Ltd. and the impact of the increased amortisation of Swarna Tollway. Other factors impacting the profits include the expensing of interest costs following the opening of the Besraya tollway's eastern extension and unrealized foreign exchange losses of RM13.5 mil in the current quarter and RM 3.6 mil year to date, arising mainly from USD denominated borrowings used to finance the Group'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 decreased by RM20.6 million (or 8.0%) compared to that of the immediate preceding quarter mainly due to lower contribution from the Group's overseas toll roads and power concessions.

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 in house property projects as well as the Malaysian government's continued 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 continued to impact the property development industry. Nonetheless, the Group's Property division expects to deliver a satisfactory performance in the current financial year with strong unbilled sales of about RM1.8 billion and a wide array of product offerings in strategic locations.

The Group's Industry division is well positioned to benefit from the expected increase in infrastructure spending under the Malaysian Economic Transformation Programme initiatives while embarking on prudent expansion programmes to further enhance its revenue and profit.

Whilst production cost pressures in the Indonesian operations are expected to continue, due to the significant increase in young mature areas incurring full fixed plantation maintenance and overhead costs set against start-up crop yields, the Group's Plantation division still expects the profitability level for the current financial year to be satisfactory on the back of higher crop production in Indonesia and the sustained FFB yields from the Malaysian operations. In addition, the uncertainties in respect of CPO prices and foreign exchange rates may impact the division's 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.

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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.

B5. Taxation

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

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER		CUMULATIVE PERIOD 6 MONTHS ENDED 30 SEPTEMBER	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Malaysian income tax	75,244	40,813	147,037	99,202
Overseas taxation	1,523	362	4,060	914
Transfer (from)/to deferred taxation	(4,021)	(4,343)	(5,145)	(8,330)
	<u>72,746</u>	<u>36,832</u>	<u>145,952</u>	<u>91,786</u>

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 and the non-recognition of deferred tax assets on unused tax losses on certain subsidiaries.

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 SSA on 25 April 2014 to purchase 2,400,000 ordinary shares of RM1 each representing a 2% equity interest in KPC from Essmarine Terminal Sdn Bhd ("ETSB"), a wholly-owned subsidiary of RBH, for a total consideration of RM16,721,250. The disposal under the SSA of 38% equity interest in KPC was completed on 5 March 2014. The disposal under the SSA of 2% equity interest in KPC 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 Lingkar-Lebuhraya Kajang Sdn Bhd ("SILK"), representing a 100% equity interest in SILK, for a total consideration of RM395,000,000. The SSA lapsed on 24 November 2014 due to the non-fulfilment of certain conditions precedent within the agreed time-line and hence has ceased to have any further effect.

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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.

On 25 November 2014, the Company has declared a single tier first interim dividend in respect of the financial year ending 31 March 2015 of 4 sen per IJM share (“IJM Dividend”). Given that the Scheme Shareholders will not be entitled to the IJM Dividend as the Consideration Shares will only be issued after the entitlement date of 16 December 2014, the Cash Consideration will be adjusted from RM0.20 to RM0.22 per Scheme Share.

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B7. Group Borrowings

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

	As at 30/09/2014 RM'000
(a) (i) Short Term Borrowings	
Secured:-	
- Islamic bonds	77,302
- Term loans	182,312
- Revolving credits	61,349
Unsecured:-	
- Commercial Paper and Medium Term Notes	300,000
- Government support loans (included in trade and other payables)	6,951
- Term loans	544,542
- Revolving credits	320,398
- Bankers' acceptances	61,004
- Letter of credit	14,998
- Bank overdrafts	36,958
	1,605,814
(ii) Long Term Borrowings	
Secured:-	
- Islamic bonds	967,774
- Term loans	1,096,647
Unsecured:-	
- Islamic bonds	800,000
- Commercial Papers and Medium Term Notes	250,000
- Government support loans	206,917
- Term loans	1,205,890
	4,527,228

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	430,333	1,413,527
Indian Rupee	10,078,821	539,217
Chinese Renminbi	167,679	88,954
		2,041,698

B8. Changes in Material Litigation

There was no material litigation since 31 March 2014.

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B9. Dividend Payable

The Company has declared a single tier first interim dividend in respect of the financial year ending 31 March 2015 of 4 sen per share to be paid on 23 December 2014 to every member who is entitled to receive the dividend at the close of business on 16 December 2014.

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
	30/09/2014 RM'000	30/09/2013 RM'000	30/09/2014 RM'000	30/09/2013 RM'000
<u>Basic Earnings per share:-</u>				
(a) Profit for the period attributable to owners of the Company	111,487	140,304	244,873	304,641
(b) Weighted average number of ordinary shares ('000)	1,468,932	1,401,110	1,457,474	1,395,225
Basic Earnings per share (sen)	7.59	10.01	16.80	21.83
<u>Diluted Earnings per share:-</u>				
(a) Profit for the period attributable to owners of the Company	111,487	140,304	244,873	304,641
(b) Weighted average number of ordinary shares ('000)	1,468,932	1,401,110	1,457,474	1,395,225
Effect of dilution ('000)				
- Warrants	6,094	22,866	6,022	22,856
- Employee share option and share grant	25,702	12,571	25,416	12,567
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,500,728	1,436,547	1,488,912	1,430,648
Diluted Earnings per share (sen)	7.43	9.77	16.45	21.29

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B11. Notes to the Statement of Comprehensive Income

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
	RM'000	RM'000	RM'000	RM'000
Interest income	40,541	36,766	66,213	65,848
Other income (including investment income)	1,826	3,987	4,738	7,020
Interest expense	(65,055)	(42,385)	(129,738) *	(85,200)
Depreciation and amortisation	(63,084)	(49,287)	(123,262)	(98,622)
Net provision for/write off of receivables	(715)	(3,656)	(1,372)	(9,082)
Net gains on disposal of investments or properties	3,191	8,685	5,586	66,274
Net impairment of assets	(257)	(230)	(2,267)	(955)
Net foreign exchange losses	(7,567)	(34,691)	(14,911)	(58,066)
Net gains/(losses) on derivatives	929	(893)	537	3,538

* Includes RM17.9 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.

B12. Fair value changes of financial liabilities

The Group recognised total net fair value gain on derivative financial instruments of RM0.54 million during the current year to date of which RM1.29 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	(172)	(1,286)	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.

	As at 30 Sep 2014 RM'000	As at 31 Mar 2014 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	5,441,888	5,372,395
- Unrealised ^{N1}	(343,178)	(281,475)
	5,098,710	5,090,920
Total share of retained profits / (accumulated losses) from associates		
- Realised	142,489	141,435
- Unrealised ^{N1}	(6,862)	1,380
Total share of retained profits / (accumulated losses) from jointly controlled entities		
- Realised	(188,672)	(214,904)
- Unrealised ^{N1}	3,771	3,395
	5,049,436	5,022,226
Less: consolidation adjustments ^{N2}	(1,820,247)	(1,781,826)
Total group retained profits as per group accounts	3,229,189	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.