



IJM CORPORATION BERHAD (104131-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended: 31/12/2014
Quarter: 3rd 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 31/12/2014

	Individual Quarter		Cumulative Period	
	Current year quarter 31/12/2014 RM'000	Preceding year quarter 31/12/2013 RM'000	Current year to date 31/12/2014 RM'000	Preceding year to date 31/12/2013 RM'000
1 Revenue	1,339,441	1,542,037	4,005,434	4,355,497
2 Profit before taxation	278,102	654,311	774,731	1,118,632
3 Net profit for the period	211,170	567,460	561,847	939,995
4 Net profit attributable to owners of the Company	137,805	516,714	382,678	821,355
5 Basic earnings per share (sen)	9.28	36.66	26.09	58.67
6 Proposed/Declared dividend per share (sen)	-	-	4.00	4.00
	As at end of current quarter 31/12/2014		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		4.71		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
	31/12/2014 RM'000	31/12/2013 RM'000	31/12/2014 RM'000	31/12/2013 RM'000
Operating revenue	1,339,441	1,542,037	4,005,434	4,355,497
Cost of sales	(923,442)	(1,119,707)	(2,762,562)	(3,218,288)
Gross profit	415,999	422,330	1,242,872	1,137,209
Other operating income	71,379	454,120	173,239	613,312
Foreign exchange differences	6,214	(18,500)	(8,697)	(76,566)
Tendering, selling and distribution expenses	(52,706)	(40,406)	(136,446)	(106,698)
Administrative expenses	(97,114)	(66,489)	(249,682)	(212,008)
Other operating expenses	(13,457)	(72,244)	(48,869)	(115,517)
Operating profit before finance cost	330,315	678,811	972,417	1,239,732
Finance cost	(59,827)	(46,274)	(189,565)	(131,474)
Operating profit after finance cost	270,488	632,537	782,852	1,108,258
Share of (losses)/profits of associates	(3,538)	(3,690)	(5,686)	4,474
Share of profits/(losses) of jointly controlled entities	11,152	25,464	(2,435)	5,900
Profit before taxation	278,102	654,311	774,731	1,118,632
Income tax expense	(66,932)	(86,851)	(212,884)	(178,637)
Net profit for the period	211,170	567,460	561,847	939,995
<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	12,063	11,067	(35,271)	(95,456)
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	2,252	(99)	1,194	1,103
	14,315	26,538	(34,077)	(65,835)
Total comprehensive income for the period	225,485	593,998	527,770	874,160
<u>Net profit attributable to:-</u>				
Owners of the Company	137,805	516,714	382,678	821,355
Non-controlling interests	73,365	50,746	179,169	118,640
	211,170	567,460	561,847	939,995
<u>Total comprehensive income attributable to:-</u>				
Owners of the Company	146,177	551,004	356,607	795,128
Non-controlling interests	79,308	42,994	171,163	79,032
	225,485	593,998	527,770	874,160
<u>Earnings per share (sen):-</u>				
Basic	9.28	36.66	26.09	58.67
Fully diluted	9.13	35.80	25.68	57.32

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

	31/12/2014	31/03/2014
	RM'000	RM'000
	(Unaudited)	(Audited)
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	1,490,891	1,427,531
Treasury shares	(270)	(257)
Shares held under trust	(4,217)	(2,038)
Share premium	2,302,460	2,089,511
Other reserves	(31,684)	(16,339)
Retained profits	3,270,548	3,240,400
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	7,027,728	6,738,808
Non-controlling interests	2,410,805	2,211,464
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Total equity	9,438,533	8,950,272
NON-CURRENT LIABILITIES		
Bonds	1,628,769	967,774
Commercial Papers and Medium Term Notes	-	250,000
Term loans	2,765,325	1,845,789
Government support loans	208,707	210,337
Deferred tax liabilities	746,949	713,337
Trade and other payables	597,253	745,620
Provisions	25,237	25,237
Retirement benefits	5,217	5,216
	<hr/>	<hr/>
	5,977,457	4,763,310
GOVERNMENT GRANTS	125,362	130,653
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	15,541,352	13,844,235
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IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED BALANCE SHEET

	31/12/2014	31/03/2014
	RM'000	RM'000
	(Unaudited)	(Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	1,663,700	1,590,106
Leasehold land	129,233	108,008
Concession assets	3,560,831	3,638,829
Plantation development expenditure	976,822	869,971
Investment properties	43,310	39,045
Associates	615,240	510,685
Joint ventures	858,042	984,882
Derivative financial instruments	-	14,738
Available-for-sale financial assets	25,025	25,022
Long term receivables	73,153	86,237
Deferred tax assets	159,309	151,806
Land held for property development	780,439	938,363
Intangible assets	81,743	80,252
	8,966,847	9,037,944
CURRENT ASSETS		
Property development costs	5,036,301	4,130,505
Inventories	562,642	592,802
Trade and other receivables	2,466,429	2,318,231
Financial assets at fair value through profit or loss	212,309	249,244
Derivative financial instruments	7,605	627
Assets held for sale	9,902	5,945
Tax recoverable	104,238	55,470
Deposits, cash and bank balances	1,978,729	2,007,700
	10,378,155	9,360,524
CURRENT LIABILITIES		
Trade and other payables	1,928,525	2,038,086
Provisions	18,655	57,004
Derivative financial instruments	-	1,006
Borrowings:		
- Bank overdrafts	66,592	172,132
- Others	1,672,733	2,159,424
Current tax liabilities	117,145	126,581
	3,803,650	4,554,233
NET CURRENT ASSETS	6,574,505	4,806,291
	15,541,352	13,844,235
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	4.71	4.72

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 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	-	-	-	-	(26,071)	382,678	356,607	171,163	527,770
Total changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	-	(4,834)	(4,834)	4,834	-
Transfer to retained profit upon expiry of IJM Warrants 2009/2014	-	-	-	-	(73)	73	-	-	-
Share of capital reserves in associate and jointly controlled entity	-	-	-	-	(12)	19,052	19,040	-	19,040
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)
Single tier first interim dividend: Year ending 31 March 2015	-	-	-	-	-	(59,573)	(59,573)	-	(59,573)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(61,856)	(61,856)
Issuance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	84,652	84,652
Issuance of shares:									
- exercise of Warrants 2009/2014	57,794	-	-	187,829	(14,448)	-	231,175	-	231,175
- exercise of employee share options	2,544	-	11,831	14,132	(5,396)	-	23,111	-	23,111
- shares held under trust	3,022	-	(14,010)	10,988	-	-	-	-	-
Issuance of employee share options and share grants	-	-	-	-	30,655	-	30,655	-	30,655
Shares buy back	-	(13)	-	-	-	-	(13)	-	(13)
Acquisition of a subsidiary	-	-	-	-	-	-	-	548	548
At 31 December 2014	1,490,891	(270)	(4,217)	2,302,460	(31,684)	3,270,548	7,027,728	2,410,805	9,438,533
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
Total changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	(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 ended 31 March 2014	-	-	-	-	-	(56,469)	(56,469)	-	(56,469)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(52,378)	(52,378)
Shares buy back	-	(117)	-	-	-	-	(117)	-	(117)
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	122	-	2,015	1,078	(658)	-	2,557	-	2,557
- shares held under trust	1,000	-	(4,440)	3,440	-	-	-	-	-
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

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2014
(The figures have not been audited)

	9 months ended 31/12/2014 RM'000	9 months ended 31/12/2013 RM'000
OPERATING ACTIVITIES		
Receipts from customers	3,990,999	3,853,577
Payments to contractors, suppliers and employees	(3,642,672)	(3,397,286)
Income tax paid	(285,585)	(213,429)
Net cash flow from operating activities	62,742	242,862
INVESTING ACTIVITIES		
Acquisitions and additional investment in subsidiaries	1,720	(72,391)
Investment in associates	(123,138)	(66,949)
Investment in a joint venture	-	(33,590)
Acquisition of available-for-sale investments	-	(57)
Acquisition of short term investments	(186,323)	(568,156)
Purchases of property, plant and equipment, development and leasehold land, investment properties, concession assets, plantation development expenditure and deferred expenditure	(392,006)	(373,113)
Disposal of investments, property, plant and equipment, leasehold land, investment properties and assets held for sale	247,228	780,068
Redemption of preference shares of an associate	1,599	-
Interest received	66,140	81,155
Income from unit trusts	41	541
Dividends received	10,089	11,081
Capital distribution from associates upon liquidation	-	13,161
Net advances to associates and joint ventures	(50,439)	(392,395)
Net cash flow used in investing activities	(425,089)	(620,645)
FINANCING ACTIVITIES		
Issuance of shares by the Company		
- exercise of Warrants	231,175	119,224
- exercise of Employee Share Options	23,111	2,557
Issuance of shares and warrants by subsidiaries to non-controlling shareholders	84,652	89,960
Repurchase of treasury shares	(13)	(117)
Net proceeds from bank and government borrowings	203,358	448,710
Repayment of Commercial Papers and Medium Term Notes	(200,000)	(50,000)
Repayment to the State Government	(7,000)	(5,000)
Repayments to hire purchase and lease creditors	-	(1,077)
Interests paid	(212,913)	(157,306)
Dividends paid by subsidiaries to non-controlling shareholders	(61,856)	(52,378)
Dividends paid by the Company	(366,821)	(181,884)
Net drawdown of bonds	726,000	-
Uplifting of restricted deposits	32,175	31,471
Net cash flow from financing activities	451,868	244,160
Net increase/(decrease) in cash and cash equivalents during the financial period	89,521	(133,623)
Cash and cash equivalents at beginning of the financial period	1,736,177	1,638,675
Foreign exchange differences on opening balances	17,432	(30,802)
Cash and cash equivalents at end of the financial period	1,843,130	1,474,250
Cash and cash equivalents comprise the following:		
Deposits, cash and bank balances	1,978,729	1,650,613
Bank overdrafts	(66,592)	(111,865)
	1,912,137	1,538,748
Less: restricted deposits with licensed banks	(69,007)	(64,498)
	<u>1,843,130</u>	<u>1,474,250</u>

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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 and IC Interpretation 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
IC Interpretation 21	Levies

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 31 December 2014, the issued and paid-up ordinary share capital of the Company was increased by RM63,359,754 by way of allotment and issuance of:-
- i. 57,793,654 new ordinary shares of RM1.00 each arising from the exercise of IJM Warrants 2009/2014;
 - ii. 2,544,400 new ordinary shares of RM1.00 each arising from the exercise of options under the Employee Share Option Scheme (“ESOS”); and
 - iii. subscription of 3,021,700 new ordinary shares of RM1.00 each under Shares held under trust.
- (b) For the period ended 31 December 2014, 2,000 ordinary shares of RM1.00 each were repurchased in the open market at an average price of RM6.705 per share and retained as treasury shares of the Company. A balance of 292,292 units of IJM Warrants 2009/2014 that were not exercised as at 24 October 2014 have lapsed and become null and void. 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.

On 23 December 2014, a single tier first interim dividend of 4 sen per share in respect of the financial year ending 31 March 2015 was paid totalling RM59,572,796.

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A9. Segmental Information

	GROUP		GROUP	
	9 months ended 31/12/2014	9 months ended 31/12/2013	3 months ended 31/12/2014	3 months ended 31/12/2013
	RM'000	RM'000	RM'000	RM'000
<u>External revenue:</u>				
Construction	700,292	1,430,852	193,558	520,088
Property	1,510,077	1,372,229	519,745	477,824
Industry	694,353	668,640	219,511	216,233
Plantation	534,910	458,965	183,412	175,317
Infrastructure	565,472	424,420	223,169	152,494
Investment and others	330	391	46	81
	4,005,434	4,355,497	1,339,441	1,542,037
<u>Inter-segment revenue:</u>				
Construction	934,061	602,658	329,577	204,552
Property	-	-	-	-
Industry	28,435	50,987	8,651	18,731
Plantation	-	-	-	-
Infrastructure	-	-	-	-
Investment and others	245,669	327,921	85,894	6,313
	1,208,165	981,566	424,122	229,596
<u>Profit before taxation:</u>				
Construction	113,720	87,603	19,580	50,255
Property	366,333	442,995	139,432	199,796
Industry	95,990	112,471	26,614	34,236
Plantation	104,224	30,267	38,714	31,194
Infrastructure	39,396	388,471	5,573	309,427
Investment and others	55,068	56,825	48,189	29,403
	774,731	1,118,632	278,102	654,311
	As at 31/12/2014 RM'000	As at 31/03/2014 RM'000		
<u>Total Assets:</u>				
Construction	1,771,539	1,945,470		
Property	8,577,408	7,810,591		
Industry	1,235,272	1,174,109		
Plantation	2,505,852	2,208,224		
Infrastructure	4,763,074	4,832,782		
Investment and others	228,310	220,016		
Total segment assets	19,081,455	18,191,192		
Unallocated corporate assets	263,547	207,276		
Consolidated total assets	19,345,002	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 Financial Year 2014.

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 a 100% equity interest in Simple Boundry Sdn Bhd (“SBSB”) for a total cash consideration of RM2.

SBSB changed its name to Perda Development Sdn Bhd on 2 June 2014 and subsequently assumed the name of The Light Waterfront Sdn Bhd on 21 January 2015. 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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A11. Changes in the Composition of the Group (continued)

- iv. On 10 December 2014, IJM Properties Sdn Bhd (“IJMPRP”), a wholly-owned subsidiary of IJM Land Berhad, which in turn is a 64%-owned subsidiary of the Company, subscribed for an additional 148,470,000 ordinary shares of HK\$1 each in Larut Leisure Enterprise (Hong Kong) Limited (“LLE”) at a subscription price of HK\$1 per share, representing 98% of the enlarged issued and paid-up share capital of LLE (“the Subscription”). The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of LLE. With the Subscription, LLE becomes a 99%-owned subsidiary of IJMPRP.

Details of net assets acquired are summarised as follows:

	Fair Value RM'000
Non-current assets	209
Non-current liabilities	(73,703)
Current assets	283,046
Current liabilities	<u>(148,254)</u>
Identifiable net assets	61,298
Less: Fair value of total net assets held by non-controlling interests	(548)
Less: Fair value of total net liabilities previously held	<u>5,946</u>
Fair value of identifiable net assets acquired	66,696
Less: Purchase consideration	<u>(66,696)</u>
	<u>—</u>

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

Total purchase consideration	(66,696)
Less: conversion of debts to equity	66,696
Less: cash and cash equivalents of a subsidiary acquired	<u>1,721</u>
Cash inflow to the group on acquisition	<u>1,721</u>

The gain on remeasurement of the previously held stake of approximately RM17.2 million was recognised in “other operating income” in the statement of comprehensive income.

Details of the gain on remeasurement of previously held stake are as follows:

Fair value of total net liabilities previously held	(5,946)
Less: Carrying value of investments	<u>(23,141)</u>
Gain on remeasurement of the previously held stake	<u>17,195</u>

This acquisition 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>91</u>
Balance as at 31 December 2014	<u><u>10,008</u></u>

A13. Capital Commitments

Capital commitments not provided for in the financial statements as at 31 December 2014 are as follows:

	RM'000
Approved and contracted for	317,471
Approved but not contracted for	<u>186,027</u>
	<u><u>503,498</u></u>
 <u>Analysed as follows:</u>	
- Purchases of property, plant and equipment, leasehold land and plantation development expenditure	318,720
- Purchases of development land	19,217
- Concession assets	42,631
- Privatisation of IJM Land Berhad	<u>122,930</u>
	<u><u>503,498</u></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 RM1,339.4 million, a decrease of 13.1% over the corresponding quarter of the preceding year, mainly due to decrease in revenue from the Group's Construction division. The Group's pre-tax profit decreased from RM654.3 million in the corresponding quarter of the preceding year to RM278.1 million in the current quarter. This was mainly because the preceding year's corresponding quarter included one-off capital gain of RM125.6 mil realised upon disposal of Kemaman port and land assets as well as fair value gain and gain on remeasurement totaling RM267.2 million upon acquisition of additional equity interests in CIDB Inventures Sdn Bhd and Swarna Tollway Private Limited. Excluding these two one-off items, the Group's pre-tax profit actually increased by 6.3% compared to the corresponding quarter of the preceding year.

Over the current year to-date, the Group achieved an operating revenue of RM4,005.4 million, a decrease of 8.0% 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 decreased by 30.7% to RM774.7 million mainly due to the one-off gains recorded in the preceding year as mentioned in the paragraph above in addition to another 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. Excluding the impact of these three non-recurring items, the Group's pre-tax profits for the current period have increased by 15.7% over the preceding year to date.

Further analysis of the divisional performances is given below.

Operating Segment	Commentary
Construction	Current quarter revenue and pre-tax profit declined by 62.8% and 61.0% respectively over the previous year's corresponding quarter as certain projects that contributed significantly to the previous year's corresponding quarter results have since been completed in the previous financial year. Likewise for the same reason, year to-date revenue declined 51.1% whereas pre-tax profit climbed 29.8% mainly due to better margins from various projects and favourable exchange rate movements resulting in an unrealised foreign exchange gain of RM1.1 for current year to-date as compared to an unrealised foreign exchange loss of RM7.8 mil in the preceding financial year to-date.
Property	Revenue for the current quarter and year to-date rose 8.8% and 10.1% respectively compared to the previous year's corresponding periods, driven mainly by higher sales results achieved and higher work progress at major on-going projects. Pre-tax profits for the current quarter and year to-date declined 30.2% and 17.3% respectively compared to the previous year's corresponding periods mainly attributable to one-off gains on disposal of subsidiaries of RM80.5 million recorded in the previous year's corresponding quarter. Excluding this one-off gain, the division's quarterly and yearly pre-tax profits increased by 16.9% and 1.1% respectively.
Industry	Current quarter and year to-date revenue increased by 1.5% and 3.8% respectively while current quarter and year to-date pre-tax profit declined by 22.3% and 14.6% 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.

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

Operating Segment	Commentary
Plantation	<p>Revenue for the current quarter and year to-date increased by 4.6% and 16.5% respectively compared to the previous year as current quarter and year to-date sales volume of crude palm oil (CPO) increased by 15.0% and 15.2% respectively. In addition to higher sales volume, pre-tax profits for the current quarter and year to-date increased by 24.1% and 244.3% respectively over previous corresponding periods as a result of the higher crop production (due to the recovery from palm stress experienced in the previous year) as well as due to a lesser adverse impact of the exchange rate movement of the Rupiah against the US Dollar.</p>
Infrastructure	<p>Revenue for the current quarter and year to-date increased by 46.3% and 33.2% 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 November 2013. However, the Division's pre-tax profit for the current quarter and year to-date declined by 98.2% and 89.9% respectively compared to the previous year largely due to the one-off gains recorded in the previous year as follows:-</p> <ul style="list-style-type: none"> • fair value gain and gain on remeasurement totalling RM267.2 million upon acquisition of additional equity interests in CIDB Inventures Sdn Bhd and Swarna Tollway Private Limited in the previous year's third quarter; • gain on disposal of the Division's Kemaman Port assets totaling RM25.9 million in the previous year's third quarter; and • gain of RM56.5 million on partial disposal of equity interest in Trichy Tollway Pte Ltd in the previous year's first quarter <p>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 RM51.4 million in the current quarter and RM55.0 million year to-date (previous year's foreign exchange losses totaled RM9.0 million for the quarter and RM47.9 million year to-date), arising mainly from USD denominated borrowings used to finance the Group's investments in India.</p>

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

The Group's pre-tax profit increased by RM40.1 million (or 16.9%) compared to that of the immediate preceding quarter mainly due to higher contributions from the Group's Property, Plantation and Infrastructure divisions as well as the gain on remeasurement of the previously held stake of RM17.2 million arising from the acquisition of additional equity interests in Larut Leisure Enterprise (Hong Kong) Limited in the current quarter.

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B3. Prospects for the Current Financial Year

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

The property market has remained subdued since the implementation of measures by Bank Negara Malaysia to promote a sustainable property market. Nonetheless, the Group's Property division expects to deliver a satisfactory performance in the current financial year on the back of unbilled sales and the wide array of strategically located projects.

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.

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.

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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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Malaysian income tax	72,094	93,391	219,131	192,593
Overseas taxation	6,025	2,091	10,085	3,005
Transfer from deferred taxation	(11,187)	(8,631)	(16,332)	(16,961)
	<u>66,932</u>	<u>86,851</u>	<u>212,884</u>	<u>178,637</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.

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B6. Status of Corporate Proposals (cont'd)

- (b) 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 (subsequently revised to RM6.66) per IJM Share (“Issue Price”); and
- ii. RM0.20 (subsequently revised to RM0.22) in cash (“Cash Consideration”),
for every one Scheme Share held.

On 25 November 2014, the Company 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 has been adjusted from RM0.20 to RM0.22 per Scheme Share. Accordingly, in accordance with the terms of the Proposal Letter, the Issue Price for the Consideration Shares has been adjusted from RM6.70 (as stated in the Proposal Letter) to RM6.66

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 RM1.86 billion; and
- ii. Cash Consideration of approximately RM0.12 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.

At the Company’s Extraordinary General Meeting held on 8 January 2015, the shareholders of the Company have approved the Proposed Privatisation. The Scheme Shareholders have also approved the Proposed Privatisation of IJM Land at the Court Convened Meeting held on 12 February 2015. IJM Land had submitted an application to the High Court of Malaya for the sanction of the Proposed Privatisation.

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B7. Group Borrowings

Particulars of the Group's borrowings as at 31 December 2014 are as follows:

	As at 31/12/2014 RM'000
(a) (i) Short Term Borrowings	
Secured:-	
- Islamic bonds	139,005
- Term loans	161,185
- Revolving credits	8,349
Unsecured:-	
- Commercial Paper and Medium Term Notes	550,000
- Government support loans (included in trade and other payables)	6,951
- Term loans	348,857
- Revolving credits	392,319
- Bankers' acceptances	53,511
- Letter of credit	19,507
- Bank overdrafts	66,592
	1,746,276
 (ii) Long Term Borrowings	
Secured:-	
- Islamic bonds	828,769
- Term loans	1,317,404
Unsecured:-	
- Islamic bonds	800,000
- Government support loans	208,707
- Term loans	1,447,921
	4,602,801

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	418,500	1,451,662
Indian Rupee	9,974,353	548,589
Chinese Renminbi	240,829	127,159
		2,127,410

B8. Changes in Material Litigation

There was no material litigation since 31 March 2014.

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B9. Dividend Payable

In respect of the financial year ending 31 March 2015, a single tier first interim dividend of 4 sen per share was paid on 23 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
	31/12/2014 RM'000	31/12/2013 RM'000	31/12/2014 RM'000	31/12/2013 RM'000
<u>Basic Earnings per share:-</u>				
(a) Profit for the period attributable to owners of the Company	137,805	516,714	382,678	821,355
(b) Weighted average number of ordinary shares ('000)	1,484,965	1,409,374	1,466,671	1,399,959
Basic Earnings per share (sen)	9.28	36.66	26.09	58.67
<u>Diluted Earnings per share:-</u>				
(a) Profit for the period attributable to owners of the Company	137,805	516,714	382,678	821,355
(b) Weighted average number of ordinary shares ('000)	1,484,965	1,409,374	1,466,671	1,399,959
Effect of dilution ('000)				
- Warrants	-	21,128	-	20,466
- Employee share option and share grant	24,196	12,699	23,574	12,393
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,509,161	1,443,201	1,490,245	1,432,818
Diluted Earnings per share (sen)	9.13	35.80	25.68	57.32

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B11. Notes to the Statement of Comprehensive Income

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	RM'000	RM'000	RM'000	RM'000
Interest income	42,897	47,907	109,110	113,755
Other income (including investment income)	1,139	2,321	5,877	9,341
Interest expense	(59,827)	(46,274)	(189,565) *	(131,474)
Depreciation and amortisation	(60,625)	(49,834)	(183,887)	(148,456)
Net provision for/write off of receivables	3,975	1,876	2,603	(7,206)
Net (losses)/gains on disposal of investments or properties	(913)	387,106	4,673	453,380
Net reversal of impairment/(impairment) of assets	1,646	(55,891)	(621)	(56,846)
Net foreign exchange gains/(losses)	6,214	(18,500)	(8,697)	(76,566)
Net losses on derivatives	(3,640)	(6,552)	(3,103)	(3,014)

* Includes RM27.0 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 loss on derivative financial instruments of RM3.10 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	-	(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 31 Dec 2014 RM'000	As at 31 Mar 2014 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	5,543,023	5,372,395
- Unrealised ^{N1}	(339,593)	(281,475)
	5,203,430	5,090,920
Total share of retained profits from associates		
- Realised	125,354	141,435
- Unrealised ^{N1}	468	1,380
Total share of retained profits / (accumulated losses) from jointly controlled entities		
- Realised	(154,483)	(214,904)
- Unrealised ^{N1}	3,771	3,395
	5,178,540	5,022,226
Less: consolidation adjustments ^{N2}	(1,907,992)	(1,781,826)
Total group retained profits as per group accounts	3,270,548	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.