



IJM CORPORATION BERHAD (104131-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended:	30/06/2015
Quarter:	1st Quarter
Financial Year End:	31/03/2016
The figures:	Have not been audited
Full Quarterly Report:	Refer attached

Part A2 : Summary of Key Financial Information for the financial period ended 30/06/2015

	Individual Quarter		Cumulative Period	
	Current year quarter 30/06/2015 RM'000	Preceding year quarter 30/06/2014 RM'000	Current year to date 30/06/2015 RM'000	Preceding year to date 30/06/2014 RM'000
1 Revenue	1,182,243	1,373,038	1,182,243	1,373,038
2 Profit before taxation	426,637	258,636	426,637	258,636
3 Net profit for the period	370,549	185,430	370,549	185,430
4 Net profit attributable to owners of the Company	336,867	133,386	336,867	133,386
5 Basic earnings per share (sen)	18.99	9.23	18.99	9.23
6 Proposed/Declared dividend per share (sen)	-	-	-	-
	As at end of current quarter 30/06/2015		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		4.84		5.62

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
	30/06/2015 RM'000	30/06/2014 RM'000	30/06/2015 RM'000	30/06/2014 RM'000
Operating revenue	1,182,243	1,373,038	1,182,243	1,373,038
Cost of sales	(811,284)	(945,599)	(811,284)	(945,599)
Gross profit	370,959	427,439	370,959	427,439
Other operating income	231,289	42,574	231,289	42,574
Foreign exchange differences	27,017	(7,344)	27,017	(7,344)
Tendering, selling and distribution expenses	(39,447)	(37,616)	(39,447)	(37,616)
Administrative expenses	(85,034)	(70,439)	(85,034)	(70,439)
Other operating expenses	(25,386)	(18,459)	(25,386)	(18,459)
Operating profit before finance cost	479,398	336,155	479,398	336,155
Finance cost	(53,381)	(64,683)	(53,381)	(64,683)
Operating profit after finance cost	426,017	271,472	426,017	271,472
Share of profits/(losses) of associates	417	(5,520)	417	(5,520)
Share of profits/(losses) of joint ventures	203	(7,316)	203	(7,316)
Profit before taxation	426,637	258,636	426,637	258,636
Income tax expense	(56,088)	(73,206)	(56,088)	(73,206)
Net profit for the period	370,549	185,430	370,549	185,430
<u>Other comprehensive income / (loss) (net of tax):</u>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Currency translation differences	(615)	(50,322)	(615)	(50,322)
Realisation of other comprehensive income arising from disposal of a foreign subsidiary	41,025	-	41,025	-
Share of other comprehensive income of associates	1,267	1,579	1,267	1,579
	41,677	(48,743)	41,677	(48,743)
Total comprehensive income for the period	412,226	136,687	412,226	136,687
<u>Net profit attributable to:-</u>				
Owners of the Company	336,867	133,386	336,867	133,386
Non-controlling interests	33,682	52,044	33,682	52,044
	370,549	185,430	370,549	185,430
<u>Total comprehensive income attributable to:-</u>				
Owners of the Company	378,505	102,203	378,505	102,203
Non-controlling interests	33,721	34,484	33,721	34,484
	412,226	136,687	412,226	136,687
<u>Earnings per share (sen):-</u>				
Basic	18.99	9.23	18.99	9.23
Fully diluted	18.71	9.05	18.71	9.05

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

	30/06/2015	31/03/2015
	RM'000	RM'000
	(Unaudited)	(Audited)
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	1,786,252	1,500,001
Treasury shares	(277)	(270)
Shares held under trust	(5,307)	(3,771)
Share premium	4,110,286	2,346,070
Other reserves	72,800	2,045,770
Retained profits	2,686,075	2,541,840
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Non-controlling interests	8,649,829	8,429,640
	1,172,574	1,145,897
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Total equity	9,822,403	9,575,537
NON-CURRENT LIABILITIES		
Bonds	1,980,481	1,628,769
Term loans	2,293,126	2,318,853
Government support loans	205,282	210,498
Hire purchase and lease creditors	224	188
Deferred tax liabilities	773,880	780,336
Trade and other payables	779,229	728,173
Provisions	106,519	99,675
Retirement benefits	5,271	5,271
	<hr/>	<hr/>
	6,144,012	5,771,763
GOVERNMENT GRANTS	81,888	83,287
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	16,048,303	15,430,587
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IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED BALANCE SHEET

	30/06/2015	31/03/2015
	RM'000	RM'000
	(Unaudited)	(Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	1,746,320	1,726,831
Land use rights	128,682	129,320
Concession assets	3,263,831	3,286,306
Plantation development expenditure	1,015,678	997,428
Investment properties	43,110	41,828
Associates	661,027	604,965
Joint ventures	746,536	663,520
Available-for-sale financial assets	25,022	25,022
Long term receivables	114,742	105,556
Deferred tax assets	203,963	201,196
Land held for property development	591,562	587,480
Intangible assets	85,639	85,738
Deposits with licensed banks	94,657	92,569
	8,720,769	8,547,759
CURRENT ASSETS		
Property development costs	5,583,645	5,479,179
Inventories	765,347	783,912
Trade and other receivables	2,393,641	2,424,292
Financial assets at fair value through profit or loss	278,286	214,908
Derivative financial instruments	716	3,727
Assets held for sale	3,992	7,464
Assets of disposal group classified as held for sale	-	361,280
Tax recoverable	105,233	89,511
Deposits, cash and bank balances	2,231,723	1,818,657
	11,362,583	11,182,930
CURRENT LIABILITIES		
Trade and other payables	2,127,994	2,014,477
Provisions	11,856	5,115
Derivative financial instruments	665	-
Borrowings:		
- Bank overdrafts	100,844	28,024
- Others	1,767,994	1,961,395
Liabilities of disposal group classified as held for sale	-	264,128
Current tax liabilities	25,696	26,963
	4,035,049	4,300,102
NET CURRENT ASSETS	7,327,534	6,882,828
	16,048,303	15,430,587
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	4.84	5.62

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2015

(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 2015	1,500,001	(270)	(3,771)	2,346,070	2,045,770	2,541,840	8,429,640	1,145,897	9,575,537
Total comprehensive income for the year	-	-	-	-	41,638	336,867	378,505	33,721	412,226
Accretion/dilution of interests in subsidiaries	-	-	-	-	-	11,413	11,413	(6,594)	4,819
Share of capital reserves in associates	-	-	-	-	(8)	(7,564)	(7,572)	-	(7,572)
Single tier second interim dividend: Year ended 31 March 2015	-	-	-	-	-	(196,481)	(196,481)	-	(196,481)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(450)	(450)
Issuance of shares:									
- exercise of employee share options	3,036	-	3,219	15,680	(3,881)	-	18,054	-	18,054
- award of employee share grants	2,829	-	-	12,587	(15,416)	-	-	-	-
- shares held under trust	1,000	-	(4,755)	3,755	-	-	-	-	-
Issuance of employee share options and share grants	-	-	-	-	16,277	-	16,277	-	16,277
Shares buy back	-	(7)	-	-	-	-	(7)	-	(7)
Shares allotted upon privatisation of IJM Land Berhad	279,386	-	-	1,732,194	(2,011,580)	-	-	-	-
At 30 June 2015	1,786,252	(277)	(5,307)	4,110,286	72,800	2,686,075	8,649,829	1,172,574	9,822,403
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	-	-	-	-	(31,183)	133,386	102,203	34,484	136,687
subsidiaries that do not result in a loss of control	-	-	-	-	-	16,892	16,892	(16,892)	-
Share of capital reserves in associates and joint ventures	-	-	-	-	(44)	21,518	21,474	-	21,474
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)
Shares buy back	-	(7)	-	-	-	-	(7)	-	(7)
Issuance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	30,667	30,667
Issuance of shares:									
- exercise of IJM Warrants 2009/2014	35,665	-	-	115,912	(8,916)	-	142,661	-	142,661
- exercise of employee share options	2,316	-	3,894	11,314	(3,348)	-	14,176	-	14,176
- shares held under trust	1,000	-	(4,405)	3,405	-	-	-	-	-
Issuance of employee share options and share grants	-	-	-	-	8,219	-	8,219	-	8,219
At 30 June 2014	1,466,512	(264)	(2,549)	2,220,142	(51,611)	3,104,948	6,737,178	2,259,723	8,996,901

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2015
(The figures have not been audited)

	3 months ended 30/06/2015 RM'000	3 months ended 30/06/2014 RM'000
OPERATING ACTIVITIES		
Receipts from customers	1,246,196	1,251,258
Payments to contractors, suppliers and employees	(1,036,471)	(1,067,366)
Income tax paid	(82,784)	(83,283)
Net cash flow from operating activities	126,941	100,609
INVESTING ACTIVITIES		
Acquisition of short term investments	(123,000)	(52,668)
Purchases of property, plant and equipment, development and leasehold land, investment properties, concession assets, plantation development expenditure and deferred expenditure	(60,254)	(92,859)
Disposal of investments, property, plant and equipment, leasehold land, investment properties and assets held for sale	263,303	32,985
Interest received	23,471	15,854
Income from unit trusts	7	41
Dividends received	6,205	4,250
Net repayments from/(advances to) associates and joint ventures	11,215	(19,990)
Net cash flow from/(used in) investing activities	120,947	(112,387)
FINANCING ACTIVITIES		
Issuance of shares by the Company		
- exercise of IJM Warrants 2009/2014	-	142,661
- exercise of Employee Share Options	18,054	14,176
Issuance of shares and warrants by subsidiaries to non-controlling shareholders	-	30,667
Repurchase of treasury shares	(7)	(7)
Net proceeds from bank and government borrowings	82,898	(50,105)
Repayment of Commercial Papers and Medium Term Notes	(380,000)	(200,000)
Repayments to hire purchase and lease creditors	(20)	-
Interests paid	(67,141)	(73,721)
Dividends paid by subsidiaries to non-controlling shareholders	(450)	-
Net drawdown of bonds	400,000	800,000
Uplifting/(placement) of restricted deposits	23,298	(2,757)
Partial disposal of equity interests in a subsidiary	16,722	-
Net cash flow from financing activities	93,354	660,914
Net increase in cash and cash equivalents during the financial period	341,242	649,136
Cash and cash equivalents at beginning of the financial period	1,637,354	1,736,177
Foreign exchange differences on opening balances	9,034	(4,483)
Cash and cash equivalents at end of the financial period	1,987,630	2,380,830
Cash and cash equivalents comprise the following :		
Deposits, cash and bank balances	2,326,380	2,577,344
Bank overdrafts	(100,844)	(96,071)
	2,225,536	2,481,273
Less: restricted deposits with licensed banks	(237,906)	(100,443)
	<u>1,987,630</u>	<u>2,380,830</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 2015 which are available at <http://www.ijm.com>. The explanatory notes attached to the unaudited interim financial report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2015.

A2. Changes in Accounting Policies

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 “Agriculture” and/or IC Interpretation 15 “Agreements for Construction of Real Estate”, including their parent, significant investor and venturer (herein called “Transitioning Entities”).

Based on the Malaysian Accounting Standards Board (“MASB”) announcement on 2 September 2014, the adoption of the amendments to MFRS 116 and MFRS 141 “Agriculture: Bearer Plants” will be mandatory for annual periods beginning on or after 1 January 2016, whereas the adoption of MFRS 15 “Revenue from Contracts with Customers” will be mandatory for annual periods beginning on or after 1 January 2017. 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 2015 except for the adoption of the following amendments to published standards issued by MASB that are effective for the Group’s financial year beginning on or after 1 April 2015 and applicable to the Group as follows:

- Annual improvements to FRSs 2010 - 2012 Cycle, which include Amendments to FRS 2 “Share-based Payment”, FRS 3 “Business Combinations”, FRS 8 “Operating Segments”, FRS 13 “Fair Value Measurement”, FRS 116 “Property, Plant and Equipment”, FRS 124 “Related Party Disclosures” and FRS 138 “Intangible Assets”.
- Annual improvements to FRSs 2011 – 2013 Cycle, which include Amendments to FRS 3 “Business Combinations”, FRS 13 “Fair Value Measurement” and FRS 140 “Investment Property”.
- Amendments to FRS 119 “Defined Benefit Plans: Employee Contributions”.

The amendments to published standards do not result in any significant change to the accounting policies and do not have a material impact on the interim financial information of the Group.

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A3. Audit Report

The audit report for the financial year ended 31 March 2015 was not subject to any modification or qualification.

A4. Seasonality or Cyclical 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 other than the one-off gains totalling RM168.7 million from the disposal of 74% equity interest in Jaipur Mahua Tollway Private Limited as explained in Note A11(ii) below.

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 2015, the issued and paid-up ordinary share capital of the Company was increased by RM286,250,710 by way of allotment and issuance of:-

- i. 279,386,110 new ordinary shares of RM1.00 each as part of the consideration for the privatisation of IJM Land Berhad;
- ii. 2,828,500 new ordinary shares of RM1.00 each arising from the vesting of shares under the Employee Share Grant Plan ("ESGP");
- iii. 3,036,100 new ordinary shares of RM1.00 each arising from the exercise of options under the Employee Share Option Scheme ("ESOS"); and
- iv. subscription of 1,000,000 new ordinary shares of RM1.00 each under Shares held under trust.

(b) For the period ended 30 June 2015, 1,000 ordinary shares of RM1.00 each were repurchased in the open market at an average of RM7.00 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 2015.

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A9. Segmental Information

	GROUP	
	3 months ended 30/06/2015	3 months ended 30/06/2014
	RM'000	RM'000
<u>External revenue:</u>		
Construction	213,407	285,112
Property	293,647	489,247
Industry	285,506	254,411
Plantation	141,742	177,768
Infrastructure	247,896	166,472
Investment and others	45	28
	1,182,243	1,373,038
<u>Inter-segment revenue:</u>		
Construction	167,756	308,424
Property	-	-
Industry	7,681	10,342
Plantation	-	-
Infrastructure	-	-
Investment and others	94,227	11,240
	269,664	330,006
<u>Profit/(loss) before taxation:</u>		
Construction	40,542	46,797
Property	50,061	115,196
Industry	40,014	36,436
Plantation	25,869	31,119
Infrastructure	243,705	36,454
Investment and others	26,446	(7,366)
	426,637	258,636
	As at	As at
	30/06/2015	31/03/2015
	RM'000	RM'000
<u>Total Assets:</u>		
Construction	2,192,665	1,685,816
Property	8,984,636	8,905,964
Industry	1,277,751	1,265,918
Plantation	2,553,890	2,527,221
Infrastructure	4,582,422	4,845,379
Investment and others	182,792	209,684
Total segment assets	19,774,156	19,439,982
Unallocated corporate assets	309,196	290,707
Consolidated total assets	20,083,352	19,730,689

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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 FY2015.

A11. Changes in the Composition of the Group

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

- i. On 14 May 2015, Maxharta Sdn Bhd, a wholly-owned subsidiary of IJM Properties Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company through IJM Land Berhad, acquired two ordinary shares of RM1 each representing 100% equity interest in Eksplorasi Cemerlang 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 6 December 2014, IJM Rajasthan (Mauritius) Limited, a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company, entered into a conditional Share Purchase and Debenture Subscription Agreement (“SPDSA”) to dispose 195,141,936 equity shares of Indian Rupees 10 each, representing 100% equity interest in Jaipur-Mahua Tollway Private Limited (“JMTPL”) to ISQ Asia Infrastructure I-A Private Limited (“IIA”) for a total cash consideration of INR5,250,000,000 (equivalent to approximately RM295 million).

The disposal will be initially for 74% of the equity interest in JMTPL and the balance of 26% of the equity interest shall be disposed upon obtaining the approval from the National Highways Authority of India (“NHAI”) pursuant to a put and call option within a period of two years from the completion of the disposal of 74% equity interest.

On 12 May 2015, the disposal of 74% equity interest in JMTPL was completed and resulted in a capital gain of approximately RM168.7 million to the Group.

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A12. Contingent Liabilities

The changes in contingent liabilities since 31 March 2015 are summarised as follows:-

	RM'000
Balance as at 31 March 2015	10,396
- Exchange differences	<u>71</u>
Balance as at 30 June 2015	<u><u>10,467</u></u>

A13. Capital Commitments

Capital commitments not provided for in the financial statements as at 30 June 2015 are as follows:

	RM'000
Approved and contracted for	175,768
Approved but not contracted for	<u>136,444</u>
	<u><u>312,212</u></u>
<u>Analysed as follows:</u>	
- Purchases of property, plant and equipment, leasehold land and plantation development expenditure	273,245
- Purchases of development land	14,392
- Concession assets	<u>24,575</u>
	<u><u>312,212</u></u>

A14. Significant events subsequent to the balance sheet date

- (a) On 20 July 2015, IJMII (Mauritius) Limited (“IJMIIM”), a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company, entered into a conditional Share Purchase Agreement with MAIF Investments India 3 Pte Ltd (“MAIF”) and Swarna Tollway Private Limited (“STPL”) to dispose 175,000,000 ordinary shares of INR10 each and 14,000,000 cumulative compulsorily convertible preference shares of INR10 each, representing 70% equity interest in STPL to MAIF for a total consideration of INR6,853.1 million (equivalent to about RM407.76 million) (“Disposal”). The expected gain from the Disposal is approximately RM92.62 million.

CIDB Inventures Sdn Bhd (“CIDBI”), a 95%-owned subsidiary of the Company and a 30% shareholder of STPL, will also dispose 75,000,000 ordinary shares of INR10 each and 6,000,000 cumulative compulsorily convertible preference shares of INR10 each, representing 30% equity interest in STPL to MAIF for a total consideration of INR3,176.8 million (equivalent to about RM189.02 million). The disposal of CIDBI’s 30% stake in STPL is subject to obtaining the necessary approvals from the authorities and within a period of forty two months from the completion of the Disposal.

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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 RM1,182.2 million, a decrease of 13.9% over the corresponding quarter of the preceding year, mainly due to decrease in revenue from the Group's Construction, Property and Plantation divisions. The Group's pre-tax profit for the current quarter stood at RM426.6 million, an increase of 65.0% compared to the corresponding quarter of the preceding year. This was mainly because the current quarter included an one-off gain from the disposal of 74% equity interest in Jaipur Mahua Tollway Private Limited totalling RM168.7 million.

Further analysis of the divisional performances is given below.

Operating Segment	Commentary
Construction	Current quarter revenue and pre-tax profit declined by 25.1% and 13.4% 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.
Property	Revenue and pre-tax profit for the current quarter dropped by 40.0% and 56.5% respectively compared to the previous year's corresponding quarter. The lower revenue and pre-tax profit was principally due to the completion of some projects in the previous financial year and lower sales achieved due to the challenging property market condition and policies implemented by the government to promote a sustainable property market.
Industry	Current quarter revenue and pre-tax profit increased by 12.2% and 9.8% respectively compared to the previous year's corresponding quarter mainly due to a 33.9% increase in the delivery tonnage of piles.
Plantation	Revenue for the current quarter declined by 20.3% compared to the corresponding quarter of the previous year as current quarter sales volume of crude palm oil (CPO) fell by 6.2% while the average CPO prices for the Division's Sabah and Indonesian operations dropped by 15.6% and 19.0% respectively. The lower commodity prices and lower FFB production also resulted in pre-tax profit weakening by 16.9% in the current quarter compared to the previous year's corresponding quarter.
Infrastructure	Revenue for the current quarter increased by 48.9% compared to the previous year's corresponding quarter mainly due to continued traffic growth in the Group's toll road concessions as well as higher cargo revenue recorded by the Group's port concession. The Division's pre-tax profit for the current quarter increased by 568.5% compared to the corresponding quarter of the previous year largely due to the one-off gains derived from the disposal of 74% equity interest in Jaipur Mahua Tollway Private Limited totalling RM168.7 million, coupled with the increased profits in Group's toll road and port concessions.

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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 increased by RM182.0 million (or 74.4%) compared to that of the immediate preceding quarter mainly due to the one-off gains derived from the disposal of 74% equity interest in Jaipur Mahua Tollway Private Limited totalling RM168.7 million in the current quarter. Other factors contributing to the increase in pre-tax profit were lower net unrealised foreign exchange losses on US Dollar denominated borrowings to finance the Group's investments in India and Indonesia; higher crop production in the Group's Plantation division; higher cargo revenue and margin from the Group's port concession and the increased sale of piles in the Group's Industry division.

B3. Prospects for the Current Financial Year

The Group's Construction division expects to perform satisfactorily on the current high level of its order book. Nevertheless it may not see the full impact in the current financial year given that many of these contracts are at their early stage of implementation.

The property market is expected to remain challenging in the current financial year, due to weak consumer sentiment following the implementation of GST and the uncertain economic environment, coupled with the continued stringent mortgage approvals. The financial performance of the property division is expected to be weaker for the current financial year.

The Group's Industry division is poised to gain from its healthy order book and the expected increase in infrastructure spending under the Malaysian Economic Transformation Programme initiatives.

The Group expects the profitability level of the Plantation division for the current financial year to be satisfactory on the back of higher crop production from the increasing young mature areas in Indonesia and FFB yields being sustained in the Malaysian operations barring unexpected adverse volatility in CPO prices and foreign exchange rates.

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

Increasing volatility in the foreign exchange market may continue to impact the Group's results 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 30 JUNE		CUMULATIVE PERIOD 3 MONTHS ENDED 30 JUNE	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Malaysian income tax	60,404	71,793	60,404	71,793
Overseas taxation	2,703	2,537	2,703	2,537
Transfer from deferred taxation	(7,019)	(1,124)	(7,019)	(1,124)
	<u>56,088</u>	<u>73,206</u>	<u>56,088</u>	<u>73,206</u>

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

B6. Status of Corporate Proposals

The Company proposes to undertake the following:

- (i) proposed increase in authorised share capital of the Company from RM3 billion comprising 3 billion ordinary shares of RM1.00 each in the Company ("IJM Shares" or "Shares") to RM5 billion comprising 5 billion IJM Shares of RM1.00 each ("Proposed Increase in Authorised Share Capital"); and
- (ii) proposed bonus issue of up to 1,792,633,010 IJM shares ("Bonus Shares") of RM1.00 each in the Company, to be credited as fully paid-up at par, on the basis of one Bonus Share for every one existing Share held by the entitled shareholders of the Company ("Proposed Bonus Issue").

Proposed Increase in Authorised Share Capital and Proposed Bonus Issue are collectively referred to as the Proposals. The Proposals are subject to approvals being obtained from the following:

- (A) Bursa Securities for the listing and quotation of the Bonus Shares on the Main Market of Bursa Securities, which was obtained vide its letter dated 21 July 2015, subject to amongst others, the following conditions:-
 - (a) to fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue;
 - (b) to inform Bursa Securities upon completion of the Proposed Bonus Issue;

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B6. Status of Corporate Proposals (continued)

- (c) to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue is completed;
 - (d) to make the relevant announcements pursuant to Paragraphs 6.35(2)(a) and (b) as well as 6.35(4) of the Listing Requirements; and
 - (e) to furnish Bursa Securities a certified true copy of the resolution passed by the shareholders in a general meeting approving the Proposed Bonus Issue;
- (B) the shareholders at the EGM to be convened for the Proposals.

The Proposed Bonus Issue is conditional upon the Proposed Increase in Authorised Share Capital.

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B7. Group Borrowings

Particulars of the Group's borrowings as at 30 June 2015 are as follows:

	As at 30/06/2015 RM'000
(a) (i) Short Term Borrowings	
Secured:-	
- Islamic bonds	101,752
- Term loans	184,774
- Hire purchase and lease creditors (included in trade and other payables)	30
- Revolving credits	15,349
Unsecured:-	
- Commercial Paper and Medium Term Notes	250,000
- Government support loans (included in trade and other payables)	6,951
- Term loans	480,933
- Revolving credits	681,452
- Bankers' acceptances	44,372
- Letter of credit	9,362
- Bank overdrafts	100,844
	1,875,819
 (ii) Long Term Borrowings	
Secured:-	
- Islamic bonds	780,481
- Term loans	1,033,900
- Hire purchase and lease creditors	224
Unsecured:-	
- Islamic bonds	1,200,000
- Government support loans	205,282
- Term loans	1,259,226
	4,479,113

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	406,000	1,532,521
Indian Rupee	6,597,079	392,526
Chinese Renminbi	208,838	126,243
		2,051,290

B8. Changes in Material Litigation

There was no material litigation since 31 March 2015.

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B9. Dividend Payable

No dividend has been declared for the current financial year ending 31 March 2016.

In respect of the financial year ended 31 March 2015, a single tier first interim dividend of 4 sen per share was paid on 23 December 2014 and a single tier second interim dividend of 11 sen per share was paid on 9 July 2015.

B10. Earnings per Share

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
	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	336,867	133,386	336,867	133,386
(b) Weighted average number of ordinary shares ('000)	1,773,980	1,445,892	1,773,980	1,445,892
Basic Earnings per share (sen)	18.99	9.23	18.99	9.23
<u>Diluted Earnings per share:-</u>				
(a) Profit for the period attributable to owners of the Company	336,867	133,386	336,867	133,386
(b) Weighted average number of ordinary shares ('000)	1,773,980	1,445,892	1,773,980	1,445,892
Effect of dilution ('000)				
- Warrants	-	8,658	-	8,658
- Employee share option and share grant	26,490	18,945	26,490	18,945
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,800,470	1,473,495	1,800,470	1,473,495
Diluted Earnings per share (sen)	18.71	9.05	18.71	9.05

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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
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
	RM'000	RM'000	RM'000	RM'000
Interest income	34,020	25,672	34,020	25,672
Other income (including investment income)	2,396	2,912	2,396	2,912
Interest expense	(53,381)	(64,683)	(53,381) *	(64,683) *
Depreciation and amortisation	(60,282)	(60,178)	(60,282)	(60,178)
Net write back/(allowance) for impairment of receivables	6,090	(657)	6,090	(657)
Net gains on disposal of investments or properties	169,020	2,395	169,020	2,395
Net reversal of impairment/(impairment) of assets	568	(2,010)	568	(2,010)
Net foreign exchange gains/(losses)	27,017	(7,344)	27,017	(7,344)
Net losses on derivatives	(3,370)	(392)	(3,370)	(392)

* Includes RM10.6 mil (2014: 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.

B12. Fair value changes of financial liabilities

The Group recognised total net fair value loss on derivative financial instruments of RM3.37 million during the current period to date of which RM1.15 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
Crude palm oil ("CPO") pricing swap contracts	(1,150)	(1,150)	Price differentials between the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange and the fixed contracted CPO prices.	The average future CPO price quoted on the Bursa Malaysia Derivative Exchange has risen above the contracted prices.

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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 June 2015 RM'000	As at 31 Mar 2015 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	5,681,478	5,672,146
- Unrealised ^{N1}	(324,947)	(368,715)
	5,356,531	5,303,431
Total share of retained profits from associates		
- Realised	70,925	102,184
- Unrealised ^{N1}	6,244	4,740
Total share of retained profits / (accumulated losses) from joint ventures		
- Realised	(154,475)	(153,772)
- Unrealised ^{N1}	3,023	2,619
	5,282,248	5,259,202
Less: consolidation adjustments ^{N2}	(2,596,173)	(2,717,362)
Total group retained profits as per group accounts	2,686,075	2,541,840

N1 The unrealised retained profits are mainly deferred tax provisions, net gains arising from remeasurement of assets and liabilities at fair value through profit or loss 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.