



IJM CORPORATION BERHAD (104131-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended:	31/12/2015
Quarter:	3rd 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 31/12/2015

	Individual Quarter		Cumulative Period	
	Current year quarter 31/12/2015 RM'000	Preceding year quarter 31/12/2014 RM'000	Current year to date 31/12/2015 RM'000	Preceding year to date 31/12/2014 RM'000
1 Revenue	1,439,941	1,339,441	3,961,144	4,005,434
2 Profit before taxation	372,507	278,102	1,020,954	774,731
3 Net profit for the period	294,236	211,170	839,587	561,847
4 Net profit attributable to owners of the Company	256,104	137,805	749,352	382,678
5 Basic earnings per share (sen)	7.17	4.21	21.00	11.76
6 Proposed/Declared dividend per share (sen)	-	-	3.00	4.00
	As at end of current quarter 31/12/2015		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		2.51		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
	31/12/2015 RM'000	31/12/2014 RM'000	31/12/2015 RM'000	31/12/2014 RM'000
Operating revenue	1,439,941	1,339,441	3,961,144	4,005,434
Cost of sales	(1,071,093)	(923,442)	(2,820,539)	(2,762,562)
Gross profit	368,848	415,999	1,140,605	1,242,872
Other operating income	170,392	71,379	441,653	173,239
Foreign exchange differences	37,246	6,214	57,051	(8,697)
Tendering, selling and distribution expenses	(54,056)	(52,706)	(139,735)	(136,446)
Administrative expenses	(91,574)	(97,114)	(259,710)	(249,682)
Other operating expenses	(16,383)	(13,457)	(62,578)	(48,869)
Operating profit before finance cost	414,473	330,315	1,177,286	972,417
Finance cost	(40,860)	(59,827)	(155,307)	(189,565)
Operating profit after finance cost	373,613	270,488	1,021,979	782,852
Share of profits/(losses) of associates	1,234	(3,538)	(3,062)	(5,686)
Share of (losses)/profits of joint ventures	(2,340)	11,152	2,037	(2,435)
Profit before taxation	372,507	278,102	1,020,954	774,731
Income tax expense	(78,271)	(66,932)	(181,367)	(212,884)
Net profit for the period	294,236	211,170	839,587	561,847
<u>Other comprehensive income / (loss) (net of tax):</u>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Currency translation differences	(20,507)	12,063	106,468	(35,271)
Realisation of other comprehensive income arising from disposal of a foreign subsidiary	(111,938)	-	(70,913)	-
Share of other comprehensive income of associates	4,445	2,252	9,682	1,194
	(128,000)	14,315	45,237	(34,077)
Total comprehensive income for the period	166,236	225,485	884,824	527,770
<u>Net profit attributable to:-</u>				
Owners of the Company	256,104	137,805	749,352	382,678
Non-controlling interests	38,132	73,365	90,235	179,169
	294,236	211,170	839,587	561,847
<u>Total comprehensive income attributable to:-</u>				
Owners of the Company	117,203	146,177	764,223	356,607
Non-controlling interests	49,033	79,308	120,601	171,163
	166,236	225,485	884,824	527,770
<u>Earnings per share (sen):-</u>				
Basic	7.17	4.21	21.00	11.76
Fully diluted	7.07	4.18	20.59	11.68

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

	31/12/2015	31/03/2015
	RM'000	RM'000
	(Unaudited)	(Audited)
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	3,575,067	1,500,001
Treasury shares	(3)	(270)
Shares held under trust	(3,560)	(3,771)
Share premium	2,329,605	2,346,070
Other reserves	66,228	2,045,770
Retained profits	2,990,809	2,541,840
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Non-controlling interests	8,958,146	8,429,640
	1,234,970	1,145,897
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Total equity	10,193,116	9,575,537
NON-CURRENT LIABILITIES		
Bonds	1,900,000	1,628,769
Term loans	2,473,494	2,318,853
Government support loans	182,699	210,498
Hire purchase and lease creditors	295	188
Deferred tax liabilities	601,716	780,336
Trade and other payables	732,476	728,173
Provisions	99,675	99,675
Retirement benefits	5,271	5,271
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	5,995,626	5,771,763
GOVERNMENT GRANTS	10,193	83,287
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	16,198,935	15,430,587
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IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED BALANCE SHEET

	31/12/2015	31/03/2015
	RM'000	RM'000
	(Unaudited)	(Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	1,835,009	1,726,831
Land use rights	137,048	129,320
Concession assets	2,792,185	3,286,306
Plantation development expenditure	1,103,710	997,428
Investment properties	46,715	41,828
Associates	854,393	604,965
Joint ventures	841,085	663,520
Available-for-sale financial assets	2,212	25,022
Long term receivables	130,266	105,556
Deferred tax assets	225,356	201,196
Land held for property development	600,542	587,480
Intangible assets	89,400	85,738
Deposits with licensed banks	-	92,569
	8,657,921	8,547,759
CURRENT ASSETS		
Property development costs	5,735,693	5,479,179
Inventories	972,484	783,912
Trade and other receivables	2,128,558	2,424,292
Financial assets at fair value through profit or loss	381,744	214,908
Derivative financial instruments	-	3,727
Assets held for sale	-	7,464
Assets of disposal group classified as held for sale	-	361,280
Tax recoverable	147,780	89,511
Deposits, cash and bank balances	1,985,952	1,818,657
	11,352,211	11,182,930
CURRENT LIABILITIES		
Trade and other payables	2,271,934	2,014,477
Provisions	6,435	5,115
Derivative financial instruments	8,638	-
Borrowings:		
- Bank overdrafts	130,350	28,024
- Others	1,353,031	1,961,395
Liabilities of disposal group classified as held for sale	-	264,128
Current tax liabilities	40,809	26,963
	3,811,197	4,300,102
NET CURRENT ASSETS	7,541,014	6,882,828
	16,198,935	15,430,587
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	2.51	5.62

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 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 period	-	-	-	-	14,871	749,352	764,223	120,601	884,824
Accretion/dilution of interests in subsidiaries	-	-	-	-	-	11,413	11,413	(7,403)	4,010
Share of capital reserves in associates	-	-	-	-	(8)	(8,117)	(8,125)	-	(8,125)
Single tier second interim dividend: Year ended 31 March 2015	-	-	-	-	-	(196,481)	(196,481)	-	(196,481)
Single tier first interim dividend: Year ending 31 March 2016	-	-	-	-	-	(107,198)	(107,198)	-	(107,198)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(24,125)	(24,125)
Issuance of shares:									
- exercise of employee share options	4,097	-	7,638	19,423	(5,504)	-	25,654	-	25,654
- award of employee share grants	3,033	-	-	13,005	(16,038)	-	-	-	-
- shares held under trust	2,090	-	(7,427)	5,337	-	-	-	-	-
Issuance of employee share options and share grants	-	-	-	-	38,717	-	38,717	-	38,717
Shares buy back	-	(10)	-	-	-	-	(10)	-	(10)
Disposal of Treasury shares	-	277	-	36	-	-	313	-	313
Shares allotted upon privatisation of IJM Land Berhad	279,386	-	-	1,732,194	(2,011,580)	-	-	-	-
Bonus issue	1,786,460	-	-	(1,786,460)	-	-	-	-	-
At 31 December 2015	3,575,067	(3)	(3,560)	2,329,605	66,228	2,990,809	8,958,146	1,234,970	10,193,116
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
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 associates and jointly controlled entities	-	-	-	-	(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 ended 31 March 2015	-	-	-	-	-	(59,573)	(59,573)	-	(59,573)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(61,856)	(61,856)
Shares buy back	-	(13)	-	-	-	-	(13)	-	(13)
Issuance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	84,652	84,652
Issuance of shares:									
- exercise of IJM 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
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

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2015
(The figures have not been audited)

	9 months ended 31/12/2015 RM'000	9 months ended 31/12/2014 RM'000
OPERATING ACTIVITIES		
Receipts from customers	4,246,838	3,990,999
Payments to contractors, suppliers and employees	(3,292,466)	(3,642,672)
Income tax paid	(255,956)	(285,585)
Net cash flow from operating activities	698,416	62,742
INVESTING ACTIVITIES		
Acquisition of subsidiaries	237	1,720
Investment in associates	(1,755)	(123,138)
Acquisition of short term investments	(285,804)	(186,323)
Purchases of property, plant and equipment, development and leasehold land, investment properties, concession assets, plantation development expenditure and deferred expenditure	(355,882)	(392,006)
Disposal of investments, property, plant and equipment, leasehold land, investment properties and assets held for sale	732,746	247,228
Redemption of preference shares of an associate	-	1,599
Cash consideration paid upon privatisation of a subsidiary	(122,931)	-
Interest received	63,316	66,140
Income from unit trusts	360	41
Dividends received	8,453	10,089
Net advances to associates and joint ventures	(10,703)	(50,439)
Net cash flow from/(used in) investing activities	28,037	(425,089)
FINANCING ACTIVITIES		
Issuance of shares by the Company		
- exercise of IJM Warrants 2009/2014	-	231,175
- exercise of Employee Share Options	25,654	23,111
Issuance of shares and warrants by subsidiaries to non-controlling shareholders	-	84,652
Repurchase of treasury shares	(10)	(13)
Disposal of treasury shares	313	-
Net (repayment of)/proceeds from bank and government borrowings	(61,063)	196,358
Repayment of Commercial Papers and Medium Term Notes	(550,000)	(200,000)
Repayments to hire purchase and lease creditors	(84)	-
Interests paid	(206,911)	(212,913)
Dividends paid by subsidiaries to non-controlling shareholders	(24,125)	(61,856)
Dividends paid by the Company	(303,679)	(366,821)
Net drawdown of bonds	270,000	726,000
Uplifting of restricted deposits	206,302	32,175
Partial disposal of equity interests in a subsidiary	16,722	-
Net cash flow (used in)/ from financing activities	(626,881)	451,868
Net increase in cash and cash equivalents during the financial period	99,572	89,521
Cash and cash equivalents at beginning of the financial period	1,637,354	1,736,177
Foreign exchange differences on opening balances	49,872	17,432
Cash and cash equivalents at end of the financial period	1,786,798	1,843,130
Cash and cash equivalents comprise the following :		
Deposits, cash and bank balances	1,985,952	1,978,729
Bank overdrafts	(130,350)	(66,592)
	1,855,602	1,912,137
Less: restricted deposits with licensed banks	(68,804)	(69,007)
	1,786,798	1,843,130

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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 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” was to be mandatory for annual periods beginning on or after 1 January 2016, whereas the adoption of MFRS 15 “Revenue from Contracts with Customers” was to be mandatory for annual periods beginning on or after 1 January 2017. However on 8 September 2015, MASB confirmed that the effective date of MFRS 15 “Revenue from Contracts with Customers” will be deferred to annual periods beginning on or after 1 January 2018. As a result, 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 2018.

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:

- (a) The one-off gains totalling RM168.7 million from the disposal of a 74% equity interest in Jaipur Mahua Tollway Private Limited as explained in Note A11(v).
- (b) The one-off gains totalling RM133.3 million from the disposal of a 70% equity interest in Swarna Tollway Private Limited as explained in Note A11(ii).
- (c) The bonus issue of 1,786,460,110 new ordinary shares of RM1.00 each ("Bonus Shares") that was allotted and issued on the basis of one (1) Bonus Share for every one (1) existing share held on 10 September 2015.

A6. Material Changes in Estimates

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

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A7. Debt and Equity Securities

- (a) For the period ended 31 December 2015, the issued and paid-up ordinary share capital of the Company was increased by RM2,075,065,820 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. 3,032,900 new ordinary shares of RM1.00 each arising from the vesting of shares under the Employee Share Grant Plan (“ESGP”);
 - iii. 4,096,300 new ordinary shares of RM1.00 each arising from the exercise of options under the Employee Share Option Scheme (“ESOS”);
 - iv. subscription of 2,090,400 new ordinary shares of RM1.00 each under Shares held under trust; and
 - v. 1,786,460,110 new ordinary shares of RM1.00 each arising from the bonus issue as mentioned in Note A5(c).
- (b) On 2 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. On 2 September 2015, the entire holding of treasury shares of the Company, comprising 50,000 ordinary shares of RM1.00 each, were sold in the open market at an average of RM6.29 per share. On 26 November 2015, 1,000 ordinary shares of RM1.00 each were repurchased in the open market at an average of RM3.42 per share and retained as treasury shares of the Company. There were no other cancellations and repayments of debt and equity securities for the financial period-to-date.

A8. Dividend Paid

On 23 December 2015, a single tier first interim dividend of 3 sen per share in respect of the financial year ending 31 March 2016 was paid totalling RM107,197,576.

On 9 July 2015, a single tier second interim dividend of 11 sen per share in respect of the financial year ended 31 March 2015 was paid totalling RM196,481,110.

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A9. Segmental Information

	GROUP		GROUP	
	9 months ended 31/12/2015	9 months ended 31/12/2014	3 months ended 31/12/2015	3 months ended 31/12/2014
	RM'000	RM'000	RM'000	RM'000
<u>External revenue:</u>				
Construction	1,058,656	700,292	485,176	193,558
Property	884,206	1,510,077	306,043	519,745
Industry	764,881	694,353	231,716	219,511
Plantation	442,566	534,910	155,687	183,412
Infrastructure	810,499	565,472	261,265	223,169
Investment and others	336	330	54	46
	3,961,144	4,005,434	1,439,941	1,339,441
<u>Inter-segment revenue:</u>				
Construction	469,789	934,061	135,764	329,577
Property	-	-	-	-
Industry	21,259	28,435	6,531	8,651
Plantation	-	-	-	-
Infrastructure	-	-	-	-
Investment and others	218,148	245,669	7,514	85,894
	709,196	1,208,165	149,809	424,122
<u>Profit/(loss) before taxation:</u>				
Construction	117,105	113,720	34,802	19,580
Property	154,842	366,333	20,537	139,432
Industry	100,879	95,990	22,779	26,614
Plantation	47,166	104,224	53,579	38,714
Infrastructure	466,879	39,396	261,069	5,573
Investment and others	134,083	55,068	(20,259)	48,189
	1,020,954	774,731	372,507	278,102
	As at 31/12/2015 RM'000	As at 31/03/2015 RM'000		
<u>Total Assets:</u>				
Construction	2,004,541	1,685,816		
Property	9,122,657	8,905,964		
Industry	1,309,138	1,265,918		
Plantation	2,669,579	2,527,221		
Infrastructure	4,453,031	4,845,379		
Investment and others	78,050	209,684		
Total segment assets	19,636,996	19,439,982		
Unallocated corporate assets	373,136	290,707		
Consolidated total assets	20,010,132	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 29 December 2015, SMC Islamabad (Private) Limited was incorporated in Islamabad, Pakistan as a 60%-owned subsidiary of Strong Mixed Concrete Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company through Industrial Concrete Products Sdn Bhd. This incorporation has no material impact on the Group for the financial period-to-date.
- ii. 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 RM441.09 million) (“Disposal”).

On 28 October 2015, the Disposal was completed and it resulted in a capital gain of approximately RM133.3 million to the Group.

- iii. On 17 August 2015, IJM Properties Sdn Bhd (“IJMPRP”), a wholly-owned subsidiary of IJM Land Berhad, which in turn is a wholly-owned subsidiary of the Company, entered into a share sale agreement (“SSA”) with WNG Sdn Bhd to acquire the remaining 125,000 ordinary shares of RM1 each in Ever Mark (M) Sdn Bhd (“EMM”), representing 50% of the issued and paid-up ordinary share capital of EMM for a total purchase consideration of RM125,000. With the acquisition, EMM becomes a wholly-owned subsidiary of IJMPRP. This acquisition has no material impact on the Group for the financial period-to-date.
- iv. 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 a 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.
- v. 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 a 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 was 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 the 74% equity interest.

On 12 May 2015, the disposal of the 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>985</u>
Balance as at 31 December 2015	<u><u>11,381</u></u>

A13. Capital Commitments

Capital commitments not provided for in the financial statements as at 31 December 2015 are as follows:

	RM'000
Approved and contracted for	225,422
Approved but not contracted for	<u>46,804</u>
	<u><u>272,226</u></u>
<u>Analysed as follows:</u>	
- Purchases of property, plant and equipment, leasehold land and plantation development expenditure	209,033
- Purchases of development land	12,035
- Concession assets	<u>51,158</u>
	<u><u>272,226</u></u>

A14. Significant events subsequent to the balance sheet date

On 18 February 2016, the 3-year zero coupon convertible redeemable secured bonds ("Bonds") of Scomi Group Berhad ("Scomi") was converted into 348,873,287 ordinary shares of RM0.10 each at the conversion price of RM0.365 per share upon maturity of the Bonds. With the conversion, the equity interests in Scomi has been increased from 7.66% to 24.59%.

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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 RM1,439.9 million, an increase of 7.5% over the corresponding quarter of the preceding year, mainly due to higher revenues contributed by the Group's Construction, Industry and Infrastructure divisions. The Group's pre-tax profit for the current quarter stood at RM372.5 million, an increase of 33.9% compared to the corresponding quarter of the preceding year, mainly due to higher contributions from the Group's Construction, Plantation and Infrastructure divisions.

Over the current year to-date, the Group achieved an operating revenue of RM3,961.1 million, a decrease of 1.1% over the preceding year to-date, mainly following decreases in revenue from the Group's Property and Plantation divisions. The Group's pre-tax profit for the current year to-date totalled RM1,021.0 million, an increase of 31.8% over the preceding year to-date, mainly due to the one-off gains from the disposals of the 74% equity interest in Jaipur Mahua Tollway Private Limited and the 70% equity interest in Swarna Tollway Private Limited totalling RM301.9 million recorded in the current year.

Further analysis of the divisional performances is given below.

Operating Segment	Commentary
Construction	Current quarter and year to-date revenue increased by 150.7% and 51.2% respectively over the previous year's corresponding periods following increased contribution from projects that were secured in the previous year. Likewise, the current quarter and year to-date pre-tax profit jumped by 77.7% and 3.0% respectively over the previous year's corresponding periods, which is in tandem with the increased revenues.
Property	Revenue and pre-tax profit for the current quarter dropped by 41.1% and 85.3% respectively whilst the current year to-date revenue and pre-tax profit dropped by 41.4% and 57.7% respectively compared to the previous year's corresponding periods. The decrease in revenue and pre-tax profit was mainly due to lower sales recorded, lower gross profit margin, as well as the completion of certain projects in the preceding year. The decrease in pre-tax profit was further exacerbated by the recognition of unrealised foreign exchange loss of RM10.7 million in the current quarter as opposed to a gain of RM5.2 million in the preceding year's corresponding quarter, as well as a one-off recognition of gain on remeasurement of existing equity interest in Larut Leisure Enterprise (Hong Kong) Limited amounting to RM17.2 million in the preceding year's corresponding quarter
Industry	Current quarter and year to-date revenues increased by 5.6% and 10.2% respectively compared to the previous year's corresponding periods mainly due to increases of 9.2% and 19.0% respectively in the delivered tonnage of piles. However, the current quarter pre-tax profit dropped by 14.4% while the year to-date pre-tax profit maintained a positive growth of 5.1% compared to the previous year's corresponding periods. The deterioration of pre-tax profit for the current quarter was mainly attributable to lower margins in the quarrying and ready mixed concrete sectors.

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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 declined by 15.1% and 17.3% respectively compared to the previous year's corresponding periods mainly due to lower commodity prices and lower sales volume. The sales volume of crude palm oil (CPO) fell by 11.7% and 10.5% for the current quarter and year to-date respectively while the average CPO prices for the Division's Sabah and Indonesian operations dropped by 1.7% and 15.9% respectively for the current quarter and 8.2% and 12.9% respectively for the current year to-date. In addition to lower sales volume and lower commodity prices, the Division's financial performance for the current quarter and year to-date were adversely impacted by the lower FFB production particularly in Sabah due to the dry weather. The production of FFB in the Division's Sabah operations fell by 26.0% and 14.8% for the current quarter and year to-date respectively. However, the adverse impact on pre-tax profit was mitigated by the net foreign exchange gain of RM35.3 million resulting from the weakening of the US Dollar against the Indonesian Rupiah in the current quarter.</p>
Infrastructure	<p>Revenue for the current quarter and year to-date increased by 17.1% and 43.3% respectively compared to the previous year's corresponding period mainly due to continued traffic growth in the Group's Malaysian 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 was boosted by the one-off gain derived from the disposal of a 70% equity interest in Swarna Tollway Private Limited totalling RM133.3 million. This gain together with another one-off gain derived from the disposal of a 74% equity interest in Jaipur Mahua Tollway Private Limited amounting to RM168.7 million recorded in the 1st quarter, as well as the increased profits in the Group's toll road and port concessions helped the Division to achieve an eleven-fold increase in pre-tax profit to RM466.9 million for the current year to-date compared to the previous year's corresponding period. The Division's results was also affected by fluctuation in foreign exchange rates resulting in an unrealised foreign exchange gain of RM29.5 million in the current quarter and an unrealised foreign exchange loss of RM136.7 million for the year to-date (previous year's foreign exchange losses amounted to RM51.4 million for the quarter and RM55.0 million loss for year to-date), arising mainly from the USD denominated borrowings used to finance the Group's investments in India. However, the unrealised foreign exchange gain of RM104.8 million in the year to-date as recognised in "Investment and Others" managed to reduce the unrealised foreign exchange loss suffered by the Infrastructure division.</p>

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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 RM150.7 million (or 67.9%) compared to that of the immediate preceding quarter mainly due to the one-off gain derived from the disposal of a 70% equity interest in Swarna Tollway Private Limited totalling RM133.3 million in the current quarter, coupled with the recognition of net unrealised foreign exchange gains in the current quarter as a result of the recovery of Ringgit Malaysia and Indonesian Rupiah against the US Dollar as opposed to the net unrealised foreign exchange losses in the immediate preceding quarter.

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, underpinned by a relatively strong private sector demand 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 property market is expected to remain challenging due to the weak consumer sentiments from the slower economic momentum, effect of the implementation of GST, coupled with continued stringent mortgage approvals and an increased supply of completed properties. Given the challenging market condition, the financial performance of the Group's Property division is expected to be weaker for the current financial year.

The Group's Industry division is expected to benefit from the sizeable construction order book and also the expected increase in infrastructure spending under the Malaysian Economic Transformation Programme initiatives.

Notwithstanding the higher crop production from the increasing young mature areas in Indonesia, the effect of the El Nino weather pattern has adversely impacted the overall crop production of the Group's Plantation division. Commodity prices were affected by the weak global demand scenario during the earlier part of the year and through the introduction of the Indonesian palm oil export levy of USD50 per metric tonne effective July 2015. As a result of the above factors and given the volatility of the foreign exchange rates, the Group's Plantation division expects a challenging financial year.

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

Increasing volatility in the global capital markets and the resultant uncertainties due to foreign exchange fluctuations may continue to impact the Group's results. However, barring any unforeseen circumstances, the Group expects to achieve a satisfactory performance for the current financial year.

B4. Profit Forecast

Not applicable.

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B5. Taxation

The taxation for 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Malaysian income tax	75,929	72,094	207,085	219,131
Overseas taxation	1,068	6,025	6,696	10,085
Transfer from deferred taxation	1,274	(11,187)	(32,414)	(16,332)
	<u>78,271</u>	<u>66,932</u>	<u>181,367</u>	<u>212,884</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 gains, as disclosed in note B11.

B6. Status of Corporate Proposals

As at 31 December 2015, there were no outstanding corporate proposals.

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B7. Group Borrowings

Particulars of the Group's borrowings as at 31 December 2015 are as follows:

	As at 31/12/2015 RM'000
(a) (i) Short Term Borrowings	
Secured:-	
- Islamic bonds	128,769
- Term loans	161,446
- Hire purchase and lease creditors (included in trade and other payables)	85
- Revolving credits	15,349
Unsecured:-	
- Government support loans (included in trade and other payables)	33,102
- Term loans	295,691
- Revolving credits	712,875
- Bankers' acceptances	21,866
- Letters of credit	17,035
- Bank overdrafts	130,350
	1,516,568
(ii) Long Term Borrowings	
Secured:-	
- Islamic bonds	700,000
- Hire purchase and lease creditors	295
- Term loans	911,872
Unsecured:-	
- Islamic bonds	1,200,000
- Government support loans	182,699
- Term loans	1,561,622
	4,556,488

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	387,125	1,664,239
Indian Rupee	4,486,212	290,258
Chinese Renminbi	190,377	125,363
		2,079,860

B8. Changes in Material Litigation

There was no material litigation since 31 March 2015.

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B9. Dividend Payable

In respect of the financial year ending 31 March 2016, a single tier first interim dividend of 3 sen per share was paid on 23 December 2015.

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
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RM'000	RM'000 (Restated)	RM'000	RM'000 (Restated)
<u>Basic Earnings per share:-</u>				
(a) Profit for the period attributable to owners of the Company	256,104	137,805	749,352	382,678
(b) Weighted average number of ordinary shares ('000)	3,573,174	3,271,425 *	3,568,829	3,253,131 *
Basic Earnings per share (sen)	7.17	4.21	21.00	11.76
<u>Diluted Earnings per share:-</u>				
(a) Profit for the period attributable to owners of the Company	256,104	137,805	749,352	382,678
(b) Weighted average number of ordinary shares ('000)	3,573,174	3,271,425 *	3,568,829	3,253,131 *
Effect of dilution ('000)				
- Employee share option and share grant	49,563	24,196	70,877	23,574
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	3,622,737	3,295,621	3,639,706	3,276,705
Diluted Earnings per share (sen)	7.07	4.18	20.59	11.68

* Adjusted for the effect of 1:1 bonus issue on 10 September 2015.

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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
	31/12/2015 RM'000	31/12/2014 RM'000	31/12/2015 RM'000	31/12/2014 RM'000
Interest income	20,738	42,897	85,505	109,110
Other income (including investment income)	2,513	1,139	7,225	5,877
Interest expense	(40,860)	(59,827)	(155,307) *	(189,565) *
Depreciation and amortisation	(64,992)	(60,625)	(197,360)	(183,887)
Net (allowance)/write back of impairment of receivables	(1,192)	3,975	1,382	2,603
Net gains/(losses) on disposal of investments or properties	139,389	(913)	308,155	4,673
Net reversal of impairment/(impairment) of assets	9	1,646	627	(621)
Net foreign exchange gains/(losses)	37,246	6,214	57,051	(8,697)
Net losses on derivatives	(2,140)	(3,640)	(11,696)	(3,103)

* Includes RM33.9 mil (2014: 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 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 a total net fair value loss on derivative financial instruments of RM11.70 million during the current period to date of which RM9.12 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	(2,262)	(9,121)	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 31 Dec 2015 RM'000	As at 31 Mar 2015 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	6,004,139	5,672,146
- Unrealised ^{N1}	(257,994)	(368,715)
	5,746,145	5,303,431
Total share of retained profits / (accumulated losses) from associates		
- Realised	114,226	102,184
- Unrealised ^{N1}	(26,716)	4,740
Total share of retained profits / (accumulated losses) from jointly controlled entities		
- Realised	(151,994)	(153,772)
- Unrealised ^{N1}	2,361	2,619
	5,684,022	5,259,202
Add/Less: consolidation adjustments ^{N2}	(2,693,213)	(2,717,362)
Total group retained profits as per group accounts	2,990,809	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.