



IJM CORPORATION BERHAD (104131-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended:	31/12/2016
Quarter:	3rd Quarter
Financial Year End:	31/03/2017
The figures:	Have not been audited
Full Quarterly Report:	Refer attached

Part A2 : Summary of Key Financial Information for the financial period ended 31/12/2016

	Individual Quarter		Cumulative Period	
	Current year quarter 31/12/2016 RM'000	Preceding year quarter 31/12/2015 RM'000	Current year to date 31/12/2016 RM'000	Preceding year to date 31/12/2015 RM'000
1 Revenue	1,596,543	1,439,941	4,396,017	3,961,144
2 Profit before taxation	200,916	372,507	634,798	1,020,954
3 Net profit for the period	149,079	294,236	469,562	839,587
4 Net profit attributable to owners of the Company	138,358	256,104	417,769	749,352
5 Basic earnings per share (sen)	3.84	7.17	11.61	21.00
6 Proposed/Declared dividend per share (sen)	-	-	3.00	3.00
	As at end of current quarter 31/12/2016		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		2.54		2.52

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
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	RM'000	RM'000	RM'000	RM'000
Operating revenue	1,596,543	1,439,941	4,396,017	3,961,144
Cost of sales	(1,250,524)	(1,071,093)	(3,412,700)	(2,820,539)
Gross profit	346,019	368,848	983,317	1,140,605
Other operating income	48,944	170,392	134,392	441,653
Foreign exchange differences	3,893	37,246	14,695	57,051
Tendering, selling and distribution expenses	(50,230)	(54,056)	(140,094)	(139,735)
Administrative expenses	(91,184)	(91,574)	(266,929)	(259,710)
Other operating expenses	(15,648)	(16,383)	(45,503)	(62,578)
Operating profit before finance cost	241,794	414,473	679,878	1,177,286
Finance cost	(33,984)	(40,860)	(95,232)	(155,307)
Operating profit after finance cost	207,810	373,613	584,646	1,021,979
Share of (losses)/profits of associates	(6,390)	1,234	44,458	(3,062)
Share of (losses)/profits of joint ventures	(504)	(2,340)	5,694	2,037
Profit before taxation	200,916	372,507	634,798	1,020,954
Income tax expense	(51,837)	(78,271)	(165,236)	(181,367)
Net profit for the period	149,079	294,236	469,562	839,587
<u>Other comprehensive income / (loss) (net of tax):</u>				
<i>Items that will not be reclassified to profit or loss:</i>				
Share of other comprehensive income/(loss) of associates	(1,339)	-	(1,339)	-
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Currency translation differences of foreign operations	41,861	(20,507)	94,089	106,468
Realisation of other comprehensive income arising from disposal of foreign subsidiaries and associate	-	(111,938)	(4,890)	(70,913)
Share of other comprehensive income/(loss) of associates	2,932	4,445	(8,353)	9,682
	43,454	(128,000)	79,507	45,237
Total comprehensive income for the period	192,533	166,236	549,069	884,824
<u>Net profit attributable to:-</u>				
Owners of the Company	138,358	256,104	417,769	749,352
Non-controlling interests	10,721	38,132	51,793	90,235
	149,079	294,236	469,562	839,587
<u>Total comprehensive income attributable to:-</u>				
Owners of the Company	164,849	117,203	452,661	764,223
Non-controlling interests	27,684	49,033	96,408	120,601
	192,533	166,236	549,069	884,824
<u>Earnings per share (sen):-</u>				
Basic	3.84	7.17	11.61	21.00
Fully diluted	3.79	7.07	11.46	20.59

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

	31/12/2016	31/03/2016
	RM'000	RM'000
	(Unaudited)	(Audited)
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	3,603,226	3,584,805
Treasury shares	(10)	(3)
Shares held under trust	(4,384)	(3,812)
Share premium	2,386,890	2,349,079
Other reserves	92,148	56,208
Retained profits	3,066,856	3,042,082
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	9,144,726	9,028,359
Non-controlling interests	1,261,255	1,208,045
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Total equity	10,405,981	10,236,404
NON-CURRENT LIABILITIES		
Bonds	1,950,000	1,880,000
Term loans	2,452,714	2,269,363
Government support loans	152,925	184,481
Hire purchase and lease payables	56	169
Deferred tax liabilities	667,964	631,326
Trade and other payables	754,037	764,463
Provisions	85,829	85,829
Retirement benefits	9,565	4,675
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	6,073,090	5,820,306
GOVERNMENT GRANTS	3,331	8,164
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	16,482,402	16,064,874
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IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED BALANCE SHEET

	31/12/2016	31/03/2016
	RM'000	RM'000
	(Unaudited)	(Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	1,926,985	1,812,557
Land use rights	158,216	134,839
Concession assets	3,061,025	2,912,176
Plantation development expenditure	1,196,697	1,088,487
Investment properties	62,698	60,083
Associates	839,520	869,633
Joint ventures	675,156	680,521
Available-for-sale financial assets	2,155	2,212
Long term receivables	134,992	128,787
Deferred tax assets	233,152	230,046
Land held for property development	618,747	604,143
Intangible assets	90,673	91,603
	9,000,016	8,615,087
CURRENT ASSETS		
Property development costs	5,808,825	5,632,922
Inventories	1,076,774	1,092,482
Trade and other receivables	2,235,145	2,256,370
Financial assets at fair value through profit or loss	423,456	407,200
Tax recoverable	198,112	152,023
Deposits, cash and bank balances	1,784,110	1,679,461
	11,526,422	11,220,458
CURRENT LIABILITIES		
Trade and other payables	2,508,519	2,258,316
Provisions	3,704	1,945
Derivative financial instruments	1,077	10,380
Borrowings:		
- Bank overdrafts	39,012	187,352
- Others	1,477,604	1,290,048
Current tax liabilities	14,120	22,630
	4,044,036	3,770,671
NET CURRENT ASSETS	7,482,386	7,449,787
	16,482,402	16,064,874
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	2.54	2.52

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2016

(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 2016	3,584,805	(3)	(3,812)	2,349,079	56,208	3,042,082	9,028,359	1,208,045	10,236,404
Total comprehensive income for the year	-	-	-	-	36,231	416,430	452,661	96,408	549,069
Share of reserves in associates	-	-	-	-	(821)	722	(99)	-	(99)
Accretion of interest in an associate	-	-	-	-	-	(1,229)	(1,229)	-	(1,229)
Issuance of employee share options and share grants	-	-	-	-	31,644	-	31,644	-	31,644
Acquisition of additional interests in subsidiaries	-	-	-	-	402	(31,992)	(31,590)	(12,851)	(44,441)
Accretion of interests in a subsidiary	-	-	-	-	-	872	872	(872)	-
Single tier second interim dividend: Year ended 31 March 2016	-	-	-	-	-	(143,967)	(143,967)	-	(143,967)
Single tier special dividend: Year ended 31 March 2016	-	-	-	-	-	(107,975)	(107,975)	-	(107,975)
Single tier first interim dividend: Year ending 31 March 2017	-	-	-	-	-	(108,087)	(108,087)	-	(108,087)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(35,375)	(35,375)
Issuance of shares by a subsidiary to non-controlling shareholders	-	-	-	-	-	-	-	5,900	5,900
Issuance of shares:									
- exercise of employee share options	5,279	-	11,386	14,508	(7,029)	-	24,144	-	24,144
- vesting of shares under ESGP	8,289	-	-	16,198	(24,487)	-	-	-	-
- shares held under trust	4,853	-	(11,958)	7,105	-	-	-	-	-
Shares buy back	-	(7)	-	-	-	-	(7)	-	(7)
At 31 December 2016	3,603,226	(10)	(4,384)	2,386,890	92,148	3,066,856	9,144,726	1,261,255	10,405,981
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	-	-	-	-	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 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 ended 31 March 2016	-	-	-	-	-	(107,198)	(107,198)	-	(107,198)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(24,125)	(24,125)
Shares buy back	-	(10)	-	-	-	-	(10)	-	(10)
Disposal of treasury shares	-	277	-	36	-	-	313	-	313
Issuance of shares:									
- shares allotted upon privatisation of IJM Land Berhad	279,386	-	-	1,732,194	(2,011,580)	-	-	-	-
- bonus issue	1,786,460	-	-	(1,786,460)	-	-	-	-	-
- exercise of employee share options	4,097	-	7,638	19,423	(5,504)	-	25,654	-	25,654
- vesting of shares under ESGP	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
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

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2016
(The figures have not been audited)

	9 months ended 31/12/2016 RM'000	9 months ended 31/12/2015 RM'000
OPERATING ACTIVITIES		
Receipts from customers	4,556,312	4,246,838
Payments to contractors, suppliers and employees	(3,476,829)	(3,292,466)
Income tax paid	(182,113)	(255,956)
Net cash flow from operating activities	897,370	698,416
INVESTING ACTIVITIES		
Acquisition of a subsidiary	-	237
Investments in associates	(3,402)	(1,755)
Acquisition of financial assets at fair value through profit or loss	(274,145)	(285,804)
Purchases of property, plant and equipment, development and leasehold land, investment properties, concession assets, plantation development expenditure and deferred expenditure	(395,767)	(355,882)
Disposal of investments, property, plant and equipment, leasehold land, investment properties and assets held for sale	350,750	732,746
Redemption of preference shares of an associate	1,627	-
Proceeds received from liquidation of an associate	62	-
Cash consideration paid upon privatisation of a subsidiary	-	(122,931)
Interest received	50,209	63,316
Income from unit trusts	395	360
Dividends received from associates and other investments	22,877	8,453
Net advances to associates and joint ventures	(14,110)	(10,703)
Net cash flow (used in)/from investing activities	(261,504)	28,037
FINANCING ACTIVITIES		
Issuance of shares by the Company		
- exercise of share options	24,144	25,654
Issuance of shares by subsidiaries to non-controlling shareholders	5,900	-
Re-purchase of treasury shares	(7)	(10)
Disposal of treasury shares	-	313
Net proceeds from/(repayment of) bank and government borrowings	218,650	(61,063)
Net repayments of Commercial Papers and Medium Term Notes	-	(550,000)
Repayments to hire purchase and lease creditors	(110)	(84)
Interest paid	(182,882)	(206,911)
Dividends paid by subsidiaries to non-controlling shareholders	(35,375)	(24,125)
Dividends paid by the Company	(360,029)	(303,679)
Net (repayments)/drawdown of bonds	(40,000)	270,000
Uplifting of restricted deposits	46,271	206,302
Acquisition of additional interests in a subsidiary	(44,441)	-
Partial disposal of equity interests in a subsidiary	-	16,722
Net cash flow used in financing activities	(367,879)	(626,881)
Net increase in cash and cash equivalents during the financial period	267,987	99,572
Cash and cash equivalents at beginning of the financial period	1,423,749	1,637,354
Foreign exchange differences on opening balances	28,954	49,872
Cash and cash equivalents at end of the financial period	1,720,690	1,786,798
Cash and cash equivalents comprise the following :		
Deposits, cash and bank balances	1,784,110	1,985,952
Bank overdrafts	(39,012)	(130,350)
	1,745,098	1,855,602
Less: restricted deposits with licensed banks	(24,408)	(68,804)
	1,720,690	1,786,798

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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 2016 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 2016.

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” respectively, 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 2016 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 2016 and applicable to the Group as follows:

- Annual improvements to FRSs 2012 - 2014 Cycle, which include Amendments to FRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, FRS 7 “Financial Instruments: Disclosures”, FRS 119 “Employee Benefits”, FRS 134 “Interim Financial Reporting”.
- Amendments to FRS 10, FRS 12 and FRS 128 “Investment Entities: Applying the Consolidation Exception”.
- Amendments to FRS 11 “Accounting for Acquisitions of Interests in Joint Operations”.
- Amendments to MFRS 101 “Disclosure Initiative”.
- Amendments to FRS 116 and FRS 138 “Clarification of Acceptable Methods of Depreciation and Amortisation”
- Amendments to FRS 127 “Equity Method in Separate Financial Statements”

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 2016 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.

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 financial period-to-date, the issued and paid-up ordinary share capital of the Company was increased by RM18,421,200 by way of allotment and issuance of:-
- i. 8,288,900 new ordinary shares of RM1.00 each arising from the vesting of shares under the Employee Share Grant Plan ("ESGP");
 - ii. 5,279,200 new ordinary shares of RM1.00 each arising from the exercise of options under the Employee Share Option Scheme ("ESOS"); and
 - iii. 4,853,100 new ordinary shares of RM1.00 each arising from the subscription of new shares under the Shares held under trust.
- (b) On 2 June 2016, 1,000 ordinary shares of RM1.00 each were repurchased in the open market at an average price of RM3.50 per share and retained as treasury shares of the Company. On 5 December 2016, 1,000 ordinary shares of RM1.00 each were repurchased in the open market at an average price of RM3.28 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 28 December 2016, a single tier first interim dividend of 3 sen per share in respect of the financial year ending 31 March 2017 was paid totalling RM108,086,989.

On 15 July 2016, a single tier second interim dividend of 4 sen per share and a single tier special dividend of 3 sen per share in respect of the financial year ended 31 March 2016 was paid totalling RM251,942,412.

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A9. Segmental Information

	GROUP		GROUP	
	9 months ended 31/12/2016	9 months ended 31/12/2015	3 months ended 31/12/2016	3 months ended 31/12/2015
	RM'000	RM'000	RM'000	RM'000
<u>External revenue:</u>				
Construction	1,670,743	1,058,656	619,467	485,176
Property development	873,568	884,206	311,094	306,043
Manufacturing and quarrying	858,012	764,881	293,299	231,716
Plantation	561,081	442,566	220,321	155,687
Infrastructure	432,249	810,499	152,296	261,265
Investment and others	364	336	66	54
	4,396,017	3,961,144	1,596,543	1,439,941
<u>Inter-segment revenue:</u>				
Construction	361,340	469,789	129,421	135,764
Property development	-	-	-	-
Manufacturing and quarrying	19,551	21,259	7,004	6,531
Plantation	-	-	-	-
Infrastructure	-	-	-	-
Investment and others	257,391	218,148	57,519	7,514
	638,282	709,196	193,944	149,809
<u>Profit/(loss) before taxation:</u>				
Construction	157,432	117,105	48,797	34,802
Property development	94,284	154,842	41,916	20,537
Manufacturing and quarrying	105,729	100,879	39,679	22,779
Plantation	131,573	47,166	28,859	53,579
Infrastructure	26,791	466,879	(9,729)	261,069
Investment and others	118,989	134,083	51,394	(20,259)
	634,798	1,020,954	200,916	372,507
	As at 31/12/2016 RM'000	As at 31/03/2016 RM'000		
<u>Total Assets:</u>				
Construction	2,000,320	1,907,204		
Property development	9,262,753	9,157,279		
Manufacturing and quarrying	1,445,381	1,306,096		
Plantation	2,954,254	2,550,813		
Infrastructure	4,343,820	4,446,445		
Investment and others	88,646	85,639		
Total segment assets	20,095,174	19,453,476		
Unallocated corporate assets	431,264	382,069		
Consolidated total assets	20,526,438	19,835,545		

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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 FY2016.

A11. Changes in the Composition of the Group

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

- i. On 13 May 2016, IJM Vijayawada (Mauritius) Limited (“IJM Vijayawada”), a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company, completed the acquisition of 2,970,000 ordinary shares of INR10 each, representing a 10.1% equity interest in Vijayawada Tollway Private Limited (“VTPL”) from IDFC Limited (formerly known as Infrastructure Development Finance Company Limited) for a total cash consideration of INR29,700,000. With this acquisition, the Company’s effective equity interest in VTPL has been increased from 89.8% to 99.9%. The accretion of IJM Vijayawada’s interest in VTPL was accounted for as a transaction with non-controlling interest and this acquisition has no material impact on the Group for the financial period-to-date.
- ii. On 22 June 2016, IJM Rajasthan (Mauritius) Limited, a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company, completed the disposal of its remaining balance of 50,736,903 equity shares of INR10 each, representing a 26% equity interest in Jaipur-Mahua Tollway Private Limited to Cube Highways and Infrastructure Pte Ltd (formerly known as ISQ Asia Infrastructure I-A Pte Ltd) for a total cash consideration of INR996,261,275. The disposal of this remaining stake resulted in a capital gain of approximately RM4.6 million to the Group for the current financial period-to-date.
- iii. On 18 August 2016, IJM Properties Sdn Bhd, a wholly-owned subsidiary of IJM Land Berhad, which in turn is a wholly-owned subsidiary of the Company, incorporated a 55%-owned subsidiary known as Era Moden Hartanah Sdn Bhd (“EMH”). The share capital of EMH is RM20 divided into 20 shares of RM1 each. The principal activity of EMH is property development. This incorporation has no material impact on the Group for the financial period-to-date.
- iv. On 30 December 2016, the Company acquired two ordinary shares of RM1 each representing a 100% equity interest in IJM RE Sdn Bhd (“IJMRE”) for a cash consideration of RM2. On the same day, IJMRE acquired two ordinary shares of RM1 each representing a 100% equity interest in IJM RE Commercial Sdn Bhd (“IJMREC”) for a cash consideration of RM2. IJMRE and IJMREC were incorporated on 15 December 2016 in Malaysia. The intended principal activity of IJMRE and IJMREC is investment holding. This acquisition has no material impact on the Group for the financial period-to-date.
- v. On 6 January 2017, Cypress Potential Sdn Bhd, a 70%-owned subsidiary of IJM Properties Sdn Bhd, which in turn is a wholly-owned subsidiary of IJM Land Berhad, which in turn is a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Sebana Holdings Sdn Bhd (“SHSB”) to acquire 7,000,000 ordinary shares of RM1 each and 23,741 preference shares of RM1 each, representing a 100% equity interest in Sebana Golf & Marina Resort Berhad (“SGMR”) for a total cash consideration of RM1. This acquisition has no material impact on the Group for the financial period-to-date.
- vi. On 22 February 2017, the Company incorporated a wholly-owned subsidiary in India, namely Dewas Bypass Tollway Private Limited (“DBTPL”) with an initial share capital of 1,000,000 equity shares of INR10 each. DBTPL is a special purpose vehicle to undertake the project of widening & upgradation of Dewas Bypass Road from KM 0+000 at Ujjain Dewas Junction and ending at KM 19+800 at Indore Junction to a four/six laning highway in the State of Madhya Pradesh on a Design, Build, Operate and Transfer basis.

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A12. Contingent Liabilities

The changes in contingent liabilities since 31 March 2016 are summarised as follows:-

	RM'000
Balance as at 31 March 2016	5,687
- Exchange differences	<u>643</u>
Balance as at 31 December 2016	<u><u>6,330</u></u>

A13. Capital Commitments

Capital commitments not provided for in the financial statements as at 31 December 2016 are as follows:

	RM'000
Approved and contracted for	1,239,943
Approved but not contracted for	<u>78,446</u>
	<u><u>1,318,389</u></u>
<u>Analysed as follows:</u>	
- Purchase of property, plant and equipment, land use rights and plantation development expenditure	260,828
- Purchase of development land	354
- Concession assets	951,624
- Investment properties	<u>105,583</u>
	<u><u>1,318,389</u></u>

A14. Significant events subsequent to the balance sheet date

There was no significant event subsequent to the balance sheet date of the current reporting period.

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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 RM1,596.54 million, an increase of 10.9% over the corresponding quarter of the preceding year, mainly due to higher revenue contributed by the Group's Construction, Property Development, Manufacturing & Quarrying and Plantation divisions. The Group also recorded a pre-tax profit for the current quarter of RM200.92 million, a decrease of 46.1% over the corresponding quarter of the preceding year, mainly due to the non-recurrence of a one-off gain derived from the disposal of a 70% equity interest in Swarna Tollway Private Limited totalling RM133.3 million recognised in the corresponding quarter of the preceding year. The Group's pre-tax profit for the current quarter was also affected by lower contributions from the Group's Plantation division as well as the Group's port concession.

For the current period to-date, the Group posted an operating revenue of RM4,396.02 million, an increase of 11.0% over the preceding year, mainly due to higher revenue contributed by the Group's Construction, Manufacturing & Quarrying and Plantation divisions. The Group's pre-tax profit for the current period to-date stood at RM634.80 million, a decrease of 37.8% compared to the corresponding period of the preceding year, mainly due to the non-recurrence of the one-off gains from the disposals of a 74% equity interest in Jaipur-Mahua Tollway Private Limited totalling RM168.7 million and a 70% equity interest in Swarna Tollway Private Limited totalling RM133.3 million that were recorded in the corresponding period of the preceding year. Excluding the effect of these one-off gains, the Group's pre-tax profit has declined 11.7% compared to the corresponding period of the preceding year, mainly due to lower contributions from the Group's Property Development and Infrastructure divisions.

Further analysis of the divisional performances is given below.

Operating Segment	Commentary
Construction	Current quarter and period to-date revenue grew by 27.7% and 57.8% respectively over the previous year's corresponding periods as the physical progress of certain major projects that were secured in the previous year gathered momentum and contributed significantly to the Division's topline. This has also boosted the Division's current quarter and period to-date pre-tax profit to increase by 40.2% and 34.4% respectively over the previous year's corresponding periods.
Property development	Revenue for the current quarter and period to-date was relatively unchanged compared to the previous year's corresponding periods. However, the pre-tax profit for the current quarter was 104.1% higher as compared to the preceding year's corresponding quarter mainly due to the recognition of unrealised foreign exchange gain of RM10.4 million in the current quarter as opposed to a loss of RM10.7 million in the preceding year's corresponding quarter. Despite maintaining its period to-date revenue, pre-tax profit for the current period to-date was 39.1% lower compared to the previous year's corresponding period. The drop in profit was due to lower gross profit margin as a result of a shift in product mix with higher focus on affordable properties and increased incentives being offered to buyers. In addition, the Group had recorded significant unrealised foreign exchange gain of RM38.2 million in the preceding period to-date which arose mainly from the fluctuation of the Pound Sterling against the Malaysian Ringgit as compared to a marginal gain of RM0.2 million in the current period to-date.

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

Operating Segment	Commentary
Manufacturing and quarrying	Current quarter revenue and pre-tax profit increased by 26.6% and 74.2% respectively compared to the previous year's corresponding quarter mainly due to higher off-takes from local and overseas projects which increased the delivered tonnage of piles (by 15.7%) and quarry products (by 69.6%). Over the period to-date, revenue and pre-tax profit increased by 12.2% and 4.8% respectively compared to the previous year. The current period to-date recorded a lower profit margin mainly because of a net foreign exchange gain that amounted to RM8.9 million in the previous year (current period to-date: nil).
Plantation	Revenue for the current quarter and period to-date increased by 41.5% and 26.8% respectively over the previous year's corresponding periods mainly due to higher crude palm oil (CPO) prices that have risen by 32.9% for the quarter and 26.4% for the period to-date over the respective previous year's corresponding periods in the Malaysian operations. The Indonesian operations also recorded increases in average CPO prices by 51.4% and 34.6% for the current quarter and period to-date respectively. The higher commodity prices boosted the overall profitability of the Division which was nonetheless impacted by the effects of foreign currency fluctuations between the US Dollar and the Indonesian Rupiah. The currency movements resulted in net foreign exchange losses of RM16.9 million for the quarter and RM2.1 million for the period to-date as opposed to the net foreign exchange gain of RM35.3 million and net foreign exchange loss of RM16.3 million in the respective previous year's corresponding periods.
Infrastructure	Revenue for the current quarter and period to-date fell by 41.7% and 46.7% respectively compared to the previous year's corresponding periods. This was mainly due to the decreased cargo throughput handled by the Group's port concession that had seen its current quarter's and period to-date's cargo throughput dropping to one-third of the previous year. The Division's results for the current quarter was also less favourable compared to the previous year's corresponding quarter largely due to the non-recurrence of a one-off gain derived from the disposal of a 70% equity interest in Swarna Tollway Private Limited ("STPL") totalling RM133.3 million recognised in the previous year. This was further exacerbated by the net foreign exchange loss recorded on USD-denominated borrowings amounting to RM47.9 million for the current quarter compared to a net foreign exchange gain of RM29.5 million in the corresponding quarter of the previous year. However, the foreign exchange gain of RM45.0 million in the current quarter as recorded in "Investment and Others" managed to reduce the foreign exchange loss incurred by the Infrastructure division. The Division's pre-tax profit for the current period to-date slumped 94.3% compared to the previous year's corresponding period mainly due to the non-recurrence of the one-off gains derived from the disposal of a 74% equity interest in Jaipur-Mahua Tollway Private Limited totalling RM168.7 million recorded in the first quarter of the previous year as well as the disposal of the 70% equity interest in STPL mentioned above. The Division's pre-tax profits were also significantly impacted by the drop in cargo throughput handled by the Group's port concession arising from the current Government moratorium on bauxite related activities.

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

The Group's pre-tax profit declined by RM58.4 million (or 22.5%) compared to that of the immediate preceding quarter as the Group's Construction, Plantation and Infrastructure divisions posted lower profits. The Group also recorded a lower net unrealised foreign exchange gain of RM3.9 million in the current quarter as compared to a net unrealised foreign exchange gain of RM16.7 million in the immediate preceding quarter.

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B3. Prospects for the Current Financial Year

The Group's Construction division expects to perform satisfactorily on the current level of its high order book, underpinned by substantial ongoing development activities from the Group's in house property projects and also from the Malaysian Government's continuous efforts in implementing the remaining projects under the 11th Malaysia Plan.

The property market is expected to remain challenging due to the weak consumer sentiments following the uncertainties in the global and local economic prospects, effect of the volatility in the Malaysian Ringgit, coupled with continued stringent mortgage approvals and an increased supply of completed properties. Nonetheless, with unbilled sales of about RM1.76 billion, the Group's Property division is expected to maintain a reasonable performance for the current financial year.

Notwithstanding that the operating environment in the domestic and external markets remains challenging, the Group's Industry division expects the performance for the current financial year to be positive on its healthy and strong order book position.

The Group's Plantation division expects a better financial performance than that of the previous year given the prevailing high commodity prices, notwithstanding the lower FFB production due to the unfavourable weather conditions.

The Group's toll and port operations are expected to provide recurrent revenue streams as its existing concessions mature, which further enhance the profitability of the Group's Infrastructure division.

Despite the challenging business environment and based on the above stated factors, the Group anticipates a satisfactory performance for the current financial year.

B4. Profit Forecast

Not applicable.

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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Malaysian income tax	43,654	75,929	144,573	207,085
Overseas taxation	(9,658)	1,068	(9,658)	6,696
Transfer to/(from) deferred taxation	17,841	1,274	30,321	(32,414)
	<u>51,837</u>	<u>78,271</u>	<u>165,236</u>	<u>181,367</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 of certain subsidiaries.

B6. Status of Corporate Proposals

As at 31 December 2016, there were no outstanding corporate proposals.

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B7. Group Borrowings

Particulars of the Group's borrowings as at 31 December 2016 are as follows:

	As at 31/12/2016 RM'000
(a) (i) Short Term Borrowings	
Secured:-	
- Islamic bonds	30,000
- Term loans	44,039
- Hire purchase and lease payables (included in trade and other payables)	176
- Revolving credits	42,824
- Government support loans (included in trade and other payables)	6,951
Unsecured:-	
- Government support loans (included in trade and other payables)	26,153
- Term loans	376,174
- Revolving credits	929,829
- Bankers acceptances	48,730
- Letter of Credit	6,008
- Bank overdrafts	39,012
	1,549,896
(ii) Long Term Borrowings	
Secured:-	
- Islamic bonds	650,000
- Hire purchase and lease payables	56
- Term loans	851,414
- Government support loans	77,291
Unsecured:-	
- Islamic bonds	1,300,000
- Government support loans	75,634
- Term loans	1,601,300
	4,555,695

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	385,600	1,729,841
Indian Rupee	4,107,786	271,114
Chinese Renminbi	172,054	109,655
		2,110,610

B8. Changes in Material Litigation

There was no material litigation since 31 March 2016.

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B9. Dividends

In respect of the financial year ending 31 March 2017, a single tier first interim dividend of 3 sen per share was paid on 28 December 2016.

In respect of the financial year ended 31 March 2016, a single tier first interim dividend of 3 sen per share was paid on 23 December 2015 and a single tier second interim dividend and special dividend of 4 sen and 3 sen respectively per share was paid on 15 July 2016.

B10. Earnings per Share

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	RM'000	RM'000	RM'000	RM'000
<u>Basic Earnings per share:-</u>				
(a) Net profit for the period attributable to owners of the Company	138,358	256,104	417,769	749,352
(b) Weighted average number of ordinary shares ('000)	3,602,224	3,573,174	3,597,879	3,568,829
Basic Earnings per share (sen)	3.84	7.17	11.61	21.00
<u>Diluted Earnings per share:-</u>				
(a) Net profit for the period attributable to owners of the Company	138,358	256,104	417,769	749,352
(b) Weighted average number of ordinary shares ('000)	3,602,224	3,573,174	3,597,879	3,568,829
Effect of dilution ('000)				
- Employee share options and share grants	44,698	49,563	46,016	70,877
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	3,646,922	3,622,737	3,643,895	3,639,706
Diluted Earnings per share (sen)	3.79	7.07	11.46	20.59

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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
	31/12/2016 RM'000	31/12/2015 RM'000	31/12/2016 RM'000	31/12/2015 RM'000
Interest income	27,960	20,738	72,968	85,505
Other income (including investment income)	2,906	2,513	10,027	7,225
Interest expense	(33,984)	(40,860)	(95,232) *	(155,307) *
Depreciation and amortisation	(64,510)	(64,992)	(191,403)	(197,360)
Net (allowance)/reversal of impairment of receivables	(588)	(1,192)	(3,036)	1,382
Net gains on disposal of investments or properties	168	139,389	6,576	308,155
Net (allowance)/reversal of impairment of assets	(135)	9	1,108	627
Net foreign exchange gains	3,893	37,246	14,695	57,051
Net (losses)/gains on derivatives	(1,789)	(2,140)	1,817	(11,696)

* Includes RM5.5 mil (2015: RM33.9 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 the MLR are not applicable to the Group.

B12. Fair value changes of financial liabilities

The Group recognised a total net fair value gain on derivative financial instruments of RM1.82 million during the current period to date arising 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 gains
Crude palm oil ("CPO") pricing swap contracts	(1,789)	1,595	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 had dropped below the contracted prices.
Forward foreign exchange contract	-	222	Exchange rate differentials between the market spot rate and the contracted rate between US Dollar ("USD") and Ringgit Malaysia ("RM")	The market spot rate for USD against RM had 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 December 2016 RM'000	As at 31 March 2016 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	6,457,357	6,204,458
- Unrealised ^{N1}	(298,728)	(472,970)
	6,158,629	5,731,488
Total share of retained profits/(accumulated losses) from associates:		
- Realised	104,665	138,152
- Unrealised ^{N1}	29,661	(26,118)
Total share of retained profits/(accumulated losses) from joint ventures:		
- Realised	(190,986)	(67,554)
- Unrealised ^{N1}	2,362	2,362
	6,104,331	5,778,330
Add/Less: consolidation adjustments ^{N2}	(3,037,475)	(2,736,248)
Total group retained profits as per group accounts	3,066,856	3,042,082

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.