



IJM CORPORATION BERHAD (104131-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended: 31/03/2017
Quarter: 4th Quarter
Financial Year End: 31/03/2017
The figures: Have been audited
Full Quarterly Report: Refer attached

Part A2 : Summary of Key Financial Information for the financial period ended 31/03/2017

	Individual Quarter		Cumulative Period	
	Current year quarter 31/03/2017 RM'000	Preceding year quarter 31/03/2016 RM'000	Current year to date 31/03/2017 RM'000	Preceding year to date 31/03/2016 RM'000
1 Revenue	1,669,318	1,167,054	6,065,335	5,128,198
2 Profit before taxation	375,212	134,843	1,010,010	1,155,797
3 Net profit for the period	297,242	41,948	766,804	881,535
4 Net profit attributable to owners of the Company	236,004	44,235	653,773	793,587
5 Basic earnings per share (sen)	6.54	1.24	18.16	22.22
6 Proposed/Declared dividend per share (sen)	4.50	7.00	7.50	10.00
	As at end of current quarter 31/03/2017		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		2.63		2.52

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Operating revenue	1,669,318	1,167,054	6,065,335	5,128,198
Cost of sales	(1,225,626)	(874,009)	(4,638,326)	(3,694,548)
Gross profit	443,692	293,045	1,427,009	1,433,650
Other operating income	95,270	66,412	229,662	508,065
Foreign exchange differences	15,422	(65,383)	30,117	(8,332)
Tendering, selling and distribution expenses	(60,055)	(43,042)	(200,149)	(182,777)
Administrative expenses	(72,086)	(92,950)	(339,015)	(352,660)
Other operating expenses	(20,512)	(33,915)	(66,015)	(96,493)
Operating profit before finance cost	401,731	124,167	1,081,609	1,301,453
Finance cost	(49,438)	(13,917)	(144,670)	(169,224)
Operating profit after finance cost	352,293	110,250	936,939	1,132,229
Share of profits of associates	11,945	16,787	56,403	13,725
Share of profits of joint ventures	10,974	7,806	16,668	9,843
Profit before taxation	375,212	134,843	1,010,010	1,155,797
Income tax expense	(77,970)	(92,895)	(243,206)	(274,262)
Net profit for the period	297,242	41,948	766,804	881,535
<u>Other comprehensive income / (loss)</u> (net of tax):				
<i>Items that will not be reclassified to profit or loss:</i>				
Revaluation gains on property, plant and equipment	20,562	-	20,562	-
Actuarial loss on defined benefit plan	-	(751)	-	(751)
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Currency translation differences of foreign operations	44,148	(47,166)	138,237	59,302
Realisation of other comprehensive income/(loss) arising from disposal of foreign subsidiaries, associates and joint ventures	-	17,024	(4,890)	(53,889)
Share of other comprehensive income/(loss) of associates	13,787	(5,892)	4,095	3,790
	78,497	(36,785)	158,004	8,452
Total comprehensive income for the period	375,739	5,163	924,808	889,987
<u>Net profit/(loss) attributable to:-</u>				
Owners of the Company	236,004	44,235	653,773	793,587
Non-controlling interests	61,238	(2,287)	113,031	87,948
	297,242	41,948	766,804	881,535
<u>Total comprehensive income/(loss) attributable to:-</u>				
Owners of the Company	317,541	23,429	770,202	787,652
Non-controlling interests	58,198	(18,266)	154,606	102,335
	375,739	5,163	924,808	889,987
<u>Earnings per share (sen):-</u>				
Basic	6.54	1.24	18.16	22.22
Fully diluted	6.46	1.22	17.94	21.81

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

	31/03/2017	31/03/2016
	RM'000	RM'000
	(Audited)	(Audited)
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	6,022,651	3,584,805
Treasury shares	(10)	(3)
Shares held under trust	(4,016)	(3,812)
Share premium	-	2,349,079
Other reserves	175,746	56,208
Retained profits	3,302,903	3,042,082
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	9,497,274	9,028,359
Non-controlling interests	1,319,406	1,208,045
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Total equity	10,816,680	10,236,404
NON-CURRENT LIABILITIES		
Bonds	1,950,000	1,880,000
Term loans	2,121,809	2,269,363
Government support loans	154,474	184,481
Hire purchase and lease payables	802	169
Deferred tax liabilities	669,456	631,326
Trade and other payables	701,402	764,463
Provisions	109,705	85,829
Retirement benefits	10,511	4,675
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	5,718,159	5,820,306
DEFERRED INCOME	73,063	8,164
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	16,607,902	16,064,874
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IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED BALANCE SHEET

	31/03/2017	31/03/2016
	RM'000	RM'000
	(Audited)	(Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	1,989,646	1,812,557
Land use rights	165,831	134,839
Concession assets	3,097,066	2,912,176
Plantation development expenditure	1,201,570	1,088,487
Investment properties	68,867	60,083
Associates	901,392	869,633
Joint ventures	754,783	680,521
Available-for-sale financial assets	2,155	2,212
Long term receivables	176,699	128,787
Deferred tax assets	297,762	230,046
Land held for property development	514,788	604,143
Intangible assets	102,618	91,603
	9,273,177	8,615,087
CURRENT ASSETS		
Property development costs	5,587,380	5,632,922
Inventories	1,421,961	1,092,482
Trade and other receivables	2,031,003	2,256,370
Financial assets at fair value through profit or loss	299,164	407,200
Derivative financial instruments	2,909	-
Tax recoverable	129,329	152,023
Deposits, cash and bank balances	2,147,777	1,679,461
	11,619,523	11,220,458
CURRENT LIABILITIES		
Trade and other payables	2,518,205	2,258,316
Provisions	10,718	1,945
Derivative financial instruments	-	10,380
Borrowings:		
- Bank overdrafts	44,514	187,352
- Others	1,698,382	1,290,048
Current tax liabilities	12,979	22,630
	4,284,798	3,770,671
NET CURRENT ASSETS	7,334,725	7,449,787
	16,607,902	16,064,874
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	2.63	2.52

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2017

(The figures have been audited)

	<-----Attributable to equity holders of the Company----->						Total Non-controlling interests	Total equity	
	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			Total 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	-	-	-	-	117,768	652,434	770,202	154,606	924,808
Share of reserves in an associate	-	-	-	-	(821)	722	(99)	-	(99)
Accretion of interest in an associate	-	-	-	-	-	(1,229)	(1,229)	-	(1,229)
Issuance of employee share options and share grants	-	-	-	-	39,560	-	39,560	-	39,560
Acquisition of additional interests in subsidiaries	-	-	-	-	402	(31,077)	(30,675)	(13,770)	(44,445)
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 ended 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	15,311	-	30,924	17,841	(12,884)	-	51,192	-	51,192
- vesting of shares under ESGP	8,289	-	-	16,198	(24,487)	-	-	-	-
- shares held under trust	18,735	-	(31,128)	12,393	-	-	-	-	-
Shares buy back	-	(7)	-	-	-	-	(7)	-	(7)
Transition to no-par value regime on 31 January 2017 *	2,395,511	-	-	(2,395,511)	-	-	-	-	-
At 31 March 2017	6,022,651	(10)	(4,016)	-	175,746	3,302,903	9,497,274	1,319,406	10,816,680

* With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium account of RM2,395,511,000 has been transferred into the share capital account. Pursuant to the subsection 618(3) and 618(4) of the New Act, the Group may exercise its right to use the credit amounts being transferred from the share premium account within 24 months after the commencement of the New Act.

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	-	-	-	-	(5,484)	793,136	787,652	102,335	889,987
Share of reserves in associates	-	-	-	-	(8)	(188)	(196)	-	(196)
Issuance of employee share options and share grants	-	-	-	-	54,173	-	54,173	-	54,173
Partial disposal of equity interests in a subsidiary	-	-	-	-	-	11,412	11,412	5,309	16,721
Acquisition of additional interests in a subsidiary	-	-	-	-	76	(439)	(363)	(21,301)	(21,664)
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	-	-	-	-	-	-	-	(24,195)	(24,195)
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	7,299	-	23,766	29,054	(10,702)	-	49,417	-	49,417
- vesting of shares under ESGP	3,033	-	-	13,004	(16,037)	-	-	-	-
- shares held under trust	8,626	-	(23,807)	15,181	-	-	-	-	-
Shares buy back	-	(10)	-	-	-	-	(10)	-	(10)
Disposal of treasury shares	-	277	-	36	-	-	313	-	313
At 31 March 2016	3,584,805	(3)	(3,812)	2,349,079	56,208	3,042,082	9,028,359	1,208,045	10,236,404

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2017
(The figures have been audited)

	12 months ended 31/03/2017 RM'000	12 months ended 31/03/2016 RM'000
OPERATING ACTIVITIES		
Receipts from customers	6,559,858	5,630,936
Payments to contractors, suppliers and employees	(4,806,887)	(4,523,148)
Income tax paid	(261,807)	(349,295)
Net cash flow from operating activities	1,491,164	758,493
INVESTING ACTIVITIES		
Acquisition of subsidiaries	(361)	237
Investments in associates	(3,402)	(2,387)
Subscription of Redeemable Unsecured Murabahah Stocks in an associate	(16,200)	-
Additional investments in a joint venture	(500)	-
Acquisition of financial assets at fair value through profit or loss	(377,317)	(562,696)
Purchases of property, plant and equipment, development land and land use rights, investment properties, concession assets, plantation development expenditure and deferred expenditure	(612,588)	(533,392)
Disposal of investments, property, plant and equipment, land use rights, investment properties and assets held for sale	595,901	991,878
Redemption of preference shares of an associate	1,628	-
Proceeds from liquidation of an associate	62	-
Cash consideration paid upon privatisation of a subsidiary	-	(122,931)
Interest received	80,828	85,767
Income from unit trusts	483	540
Dividends received from associates and other investments	27,922	8,759
Net advances to associates and joint ventures	(54,975)	(45,858)
Net cash flow used in investing activities	(358,519)	(180,083)
FINANCING ACTIVITIES		
Issuance of shares by the Company	51,192	49,417
- exercise of share options	5,900	-
Issuance of shares by subsidiaries to non-controlling shareholders	(7)	(10)
Re-purchase of treasury shares	-	313
Disposal of treasury shares	127,229	(188,214)
Net proceeds from/(repayment of) bank and government borrowings	-	(550,000)
Net repayments of Commercial Papers and Medium Term Notes	(152)	(119)
Repayments to hire purchase and lease creditors	(249,976)	(270,895)
Interest paid	(35,375)	(24,195)
Dividends paid by subsidiaries to non-controlling shareholders	(360,029)	(303,679)
Dividends paid by the Company	(40,000)	270,000
Net (repayments)/drawdown of bonds	45,326	205,380
Uplifting of restricted deposits	(44,445)	(8,952)
Acquisition of additional interests in subsidiaries	-	16,721
Partial disposal of equity interests in a subsidiary	-	-
Net cash flow used in financing activities	(500,337)	(804,233)
Net increase/(decrease) in cash and cash equivalents during the financial year	632,308	(225,823)
Cash and cash equivalents at beginning of the financial year	1,423,749	1,637,354
Foreign exchange differences on opening balances	21,274	12,218
Cash and cash equivalents at end of the financial year	2,077,331	1,423,749
Cash and cash equivalents comprise the following :		
Deposits, cash and bank balances	2,147,777	1,679,461
Bank overdrafts	(44,514)	(187,352)
	2,103,263	1,492,109
Less: restricted deposits with licensed banks	(25,932)	(68,360)
	<u>2,077,331</u>	<u>1,423,749</u>

IJM CORPORATION BERHAD (104131-A)

A NOTES TO THE QUARTERLY RESULTS

A1. Basis of Preparation

The audited 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 audited 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 audited interim financial report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 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” and 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 FRS 101 “Presentation of Financial Statements” - “Disclosure Initiative”.
- Amendments to FRS 116 and FRS 138 “Clarification of Acceptable Methods of Depreciation and Amortisation”.
- Amendments to FRS 127 “Separate Financial Statements” - “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 reports for the financial years ended 31 March 2017 and 31 March 2016 were 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 year-to-date.

A6. Material Changes in Estimates

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

A7. Debt and Equity Securities

- (a) For the financial year ended 31 March 2017, the number of issued and paid-up ordinary shares of the Company was increased from 3,584,805,820 to 3,613,386,720 by way of the issuance of:-
- i. 8,288,900 new ordinary shares arising from the vesting of shares under the Employee Share Grant Plan ("ESGP");
 - ii. 8,196,700 new ordinary shares arising from the exercise of options under the Employee Share Option Scheme ("ESOS"); and
 - iii. 12,095,300 new ordinary shares arising from the subscription of new shares under the Shares held under trust.
- (b) On 2 June 2016, 1,000 ordinary shares 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 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 year-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 ended 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	
	12 months ended 31/03/2017	12 months ended 31/03/2016	3 months ended 31/03/2017	3 months ended 31/03/2016
	RM'000	RM'000	RM'000	RM'000
<u>External revenue:</u>				
Construction	2,151,456	1,414,182	480,713	355,526
Property development	1,437,744	1,184,961	564,176	300,755
Manufacturing and quarrying	1,133,423	979,782	275,411	214,901
Plantation	753,711	557,613	192,630	115,047
Infrastructure	588,395	991,074	156,146	180,575
Investment and others	606	586	242	250
	6,065,335	5,128,198	1,669,318	1,167,054
<u>Inter-segment revenue:</u>				
Construction	502,551	592,677	141,211	122,888
Property development	-	-	-	-
Manufacturing and quarrying	27,784	26,919	8,233	5,660
Plantation	-	-	-	-
Infrastructure	-	-	-	-
Investment and others	296,479	271,560	39,088	53,412
	826,814	891,156	188,532	181,960
<u>Profit/(loss) before taxation:</u>				
Construction	216,715	170,569	59,283	53,464
Property development	303,277	159,288	208,993	4,446
Manufacturing and quarrying	142,417	124,090	36,688	23,211
Plantation	168,514	50,408	36,941	3,242
Infrastructure	62,313	555,773	35,522	88,894
Investment and others	116,774	95,669	(2,215)	(38,414)
	1,010,010	1,155,797	375,212	134,843
	As at 31/03/2017 RM'000	As at 31/03/2016 RM'000		
<u>Total Assets:</u>				
Construction	2,212,505	1,907,204		
Property development	9,315,317	9,157,279		
Manufacturing and quarrying	1,450,689	1,306,096		
Plantation	2,950,654	2,550,813		
Infrastructure	4,449,784	4,446,445		
Investment and others	86,660	85,639		
Total segment assets	20,465,609	19,453,476		
Unallocated corporate assets	427,091	382,069		
Consolidated total assets	20,892,700	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 year-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 year-to-date.
- ii. On 17 June 2016, Industrial Concrete Products Sdn Bhd (“ICP”), a wholly-owned subsidiary of the Company, acquired 1,260,000 ordinary shares in ICP Jiangmen Co. Ltd (“ICPJM”), representing a 21% equity interest in ICPJM for a total cash consideration of RM15,389,576. With this acquisition, the Company’s effective equity interests in ICPJM has been increased from 75% to 96%. The accretion of ICP’s interest in ICPJM was accounted for as a transaction with non-controlling interest and this acquisition has no material impact on the Group for the financial year-to-date.
- iii. 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 year-to-date.
- iv. 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 year-to-date.
- v. 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 year-to-date.

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A11. Changes in the Composition of the Group (cont'd)

- vi. 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 the Company, entered into a sale and purchase agreement with Sebana Holdings Sdn Bhd (“SHSB”) to acquire 7,000,000 ordinary shares and 23,741 preference shares, 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 year-to date.
- vii. On 22 February 2017, the Company announced the incorporation of 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. Subsequently the Company announced the incorporation of IJM Dewas (Mauritius) Limited (“IJMDM”) in the Republic of Mauritius on 17 March 2017 as a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly owned subsidiary of the Company. IJMDM will be used as the vehicle to invest up to 96.15% in DBTPL. The incorporation of DBTPL and IJMDM has no material impact on the Group for the financial year-to-date.
- viii. On 31 March 2017, the Company announced the voluntary winding-up of two dormant subsidiaries, namely Expedient Resources Sdn Bhd (“ERSB”) and Tadmansori Rubber Industries Sdn Bhd (“TRI”), pursuant to Section 439(1)(b) of the Companies Act, 2016. ERSB is a wholly-owned subsidiary of Industrial Concrete Products Sdn Bhd which in turn is a wholly-owned subsidiary of the Company. TRI is a wholly-owned subsidiary of ERSB. The voluntary winding-up of these companies has no material impact on the Group for the financial year-to-date, and no material losses are expected arising from the winding-up proceedings.
- ix. On 17 May 2017, IJM Realty (Mauritius) Limited is incorporated in the Republic of Mauritius as a wholly-owned subsidiary of IJM (Investments) (M) Limited, which in turn is a wholly-owned subsidiary of the Company.

A12. Contingent Liabilities

The changes in contingent liabilities are summarised as follows:-

	RM'000
Balance as at 31 March 2016	5,687
- Exchange differences	<u>854</u>
Balance as at 31 March 2017	<u>6,541</u>

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A13. Capital Commitments

Capital commitments not provided for in the financial statements as at 31 March 2017 are as follows:

	RM'000
Approved and contracted for	1,098,039
Approved but not contracted for	71,913
	<u>1,169,952</u>
<u>Analysed as follows:</u>	
- Purchases of property, plant and equipment, land use rights and plantation development expenditure	265,607
- Purchases of development land	5,948
- Concession assets	808,942
- Investment properties	89,455
	<u>1,169,952</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 achieved an operating revenue of RM1,669.32 million, an increase of 43.0% over the corresponding quarter of the preceding year, following increased 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 RM375.21 million, an increase of 178.3% over the corresponding quarter of the preceding year, mainly due to improved earnings from the Group's Construction, Property Development, Manufacturing & Quarrying and Plantation divisions.

For the current year to-date, the Group achieved an operating revenue of RM6,065.34 million, an increase of 18.3% over the preceding year with higher revenue contributed by the Group's Construction, Property Development, Manufacturing & Quarrying and Plantation divisions. The Group's pre-tax profit for the current year to-date stood at RM1,010.01 million, a decrease of 12.6% compared to 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 preceding year. Excluding the effect of these one-off gains, the Group's pre-tax profit actually grew by 18.3% over the preceding year, mainly due to better earnings from the Group's Construction, Property Development, Manufacturing & Quarrying and Plantation divisions.

Further analysis of the divisional performances is given below.

Operating Segment	Commentary
Construction	Current quarter and year to-date revenue grew by 35.2% and 52.1% respectively over the previous year's corresponding periods as construction works at certain major projects that were secured in the previous year continued to contribute significantly to the Division's topline. This has boosted the Division's current quarter and year to-date pre-tax profit to increase by 10.9% and 27.1% respectively over the previous year's corresponding periods.
Property development	The Division posted an 87.6% increase in revenue from RM300.76 million in the preceding year's corresponding quarter to RM564.18 million in the current quarter. Total revenue for the current year to-date increased by 21.3% from RM1,185.0 million in the preceding year to-date to RM1,437.7 million in the current year to-date. Pre-tax profit for the current quarter and year-to-date was 4,600.7% and 90.4% higher as compared to the preceding year's corresponding quarter and year to-date respectively. The increases in revenue and pre-tax profit for both the current quarter and year to-date were contributed mainly by the recognition of the sale of a 32-acre land situated at the Light Waterfront Penang (Phase 2) as well as the completion of some projects in the current quarter and year to-date. The increase in pre-tax profit for the current quarter was further supplemented by the recognition of an unrealised foreign exchange gain of RM1.0 million in the current quarter as opposed to a loss of RM30.9 million in the preceding year's corresponding quarter.

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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 28.2% and 58.1% respectively compared to the previous year's corresponding quarter mainly due to increased orders from local and overseas projects which boosted the delivered tonnage of piles (by 23.4%) and quarry products (by 45.0%). Over the year to-date, revenue and pre-tax profit increased by 15.7% and 14.8% respectively compared to the previous year. The current year to-date recorded a slightly lower profit margin mainly because of a net foreign exchange gain that amounted to RM10.7 million in the previous year (current year to-date: RM0.2 million).
Plantation	Revenue for the current quarter and year to-date increased by 67.4% and 35.2% respectively over the previous year's corresponding periods mainly due to higher crude palm oil (CPO) prices that have risen by 34.3% for the quarter and 28.5% for the year 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 39.3% and 36.3% for the current quarter and year 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 gains of RM3.9 million for the quarter and RM1.8 million for the year to-date as opposed to the net foreign exchange gain of RM15.5 million and net foreign exchange loss of RM0.8 million in the respective previous year's corresponding periods. Gains on crude palm oil swap contracts of RM3.4 million and RM5.0 million for the current quarter and year-to-date respectively (2016: current quarter loss of RM6.2 million; year to-date loss of RM15.3 million) has also improved the performance of the Group.
Infrastructure	Revenue for the current quarter and year to-date fell by 13.5% and 40.6% respectively compared to the previous year's corresponding periods. This was mainly due to the slowdown in cargo throughput handled by the Group's port concession with the year to-date's cargo throughput falling by 61% compared to the previous year. The Division's pre-tax profit for the current quarter was 60.0% lower than the previous year's corresponding quarter mainly due to lesser contribution from associates as well as lesser net foreign exchange gain recorded on USD-denominated borrowings amounting to RM18.9 million for the current quarter compared to a net foreign exchange gain of RM49.6 million in the corresponding quarter of the previous year. The Division's results for the current year to-date was also less favourable compared to the previous year largely due to the non-recurrence of the one-off gains derived from the disposal of a 70% equity interest in Swarna Tollway Private Limited totalling RM133.3 million and the disposal of a 74% equity interest in Jaipur-Mahua Tollway Private Limited totalling RM168.7 million recognised in the previous year. The Division's pre-tax profits were also significantly hit 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 increased by RM174.30 million (or 86.8%) compared to that of the immediate preceding quarter mainly due to the recognition of the sale of a 32-acre land situated at the Light Waterfront Penang (Phase 2) in the current quarter. This has improved the earnings of the Group's Property Development division alongside the Group's Construction, Plantation and Infrastructure divisions that also recorded higher profits. The share of results from associates and joint ventures also increased substantially to a profit of RM22.9 million in the current quarter as compared to a loss of RM6.9 million in the immediate preceding quarter.

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B3. Prospects for the Coming Financial Year

The Group's Construction division is expecting a satisfactory performance on the current level of its high order book, underpinned by ongoing development activities from the Group's in house property and infrastructural projects and also from the Malaysian Government's continuous efforts in implementing the public infrastructural projects under the 11th Malaysia Plan.

The property market is expected to remain challenging given weaker consumer sentiment coupled with continued stringent mortgage approval and incoming supply of completed properties. Nonetheless, with unbilled sales of about RM1.7 billion, the Group's Property Development division is expected to maintain its performance in the coming financial year.

Whilst the operating environment remains challenging both domestically as well as overseas, the Group's Industry division expects a reasonable performance for the coming financial year supported by its healthy and strong order book position.

Barring unexpected adverse impact of volatility in the palm produce prices and foreign exchange rates, the Group's Plantation division expects the profitability level for the coming 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.

The Group's toll and port operations will continue to provide recurrent revenue streams as its existing concessions mature, further improving the earnings of the Group's Infrastructure division.

Despite the constantly changing business environment, based on the above stated factors, the Group anticipates a satisfactory performance for the coming financial year.

B4. Profit Forecast

Not applicable.

B5. Taxation

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

	INDIVIDUAL QUARTER 3 MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD 12 MONTHS ENDED 31 MARCH	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Malaysian income tax	148,319	73,606	292,892	280,691
Overseas taxation	(2,262)	673	(11,920)	7,369
Transfer to/(from) deferred taxation	(68,087)	18,616	(37,766)	(13,798)
	<u>77,970</u>	<u>92,895</u>	<u>243,206</u>	<u>274,262</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 March 2017, there were no outstanding corporate proposals.

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B7. Group Borrowings

Particulars of the Group's borrowings as at 31 March 2017 are as follows:

	As at 31/03/2017 RM'000
(a) (i) Short Term Borrowings	
Secured:-	
- Islamic bonds	30,000
- Term loans	232,985
- Hire purchase and lease payables (included in trade and other payables)	685
- Revolving credits	92,824
- 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	455,717
- Revolving credits	816,588
- Bankers' acceptances	62,159
- Letters of credit	8,109
- Bank overdrafts	44,514
	1,776,685
 (ii) Long Term Borrowings	
Secured:-	
- Islamic bonds	650,000
- Hire purchase and lease payables	802
- Term loans	613,651
- Government support loans	78,002
Unsecured:-	
- Islamic bonds	1,300,000
- Government support loans	76,472
- Term loans	1,508,158
	4,227,085

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	385,600	1,705,428
Indian Rupee	4,147,927	282,889
Chinese Renminbi	161,573	102,627
Sterling Pound	3,240	17,896
		2,108,840

B8. Changes in Material Litigation

There was no material litigation since 31 March 2016.

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B9. Dividends

The Company has declared a single tier second interim dividend in respect of the financial year ended 31 March 2017 of 4.5 sen per share to be paid on 21 July 2017 to every member who is entitled to receive the dividend at the close of business on 30 June 2017.

In respect of the financial year ended 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
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	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	236,004	44,235	653,773	793,587
(b) Weighted average number of ordinary shares ('000)	3,607,772	3,580,324	3,600,319	3,571,689
Basic Earnings per share (sen)	6.54	1.24	18.16	22.22
<u>Diluted Earnings per share:-</u>				
(a) Net profit for the period attributable to owners of the Company	236,004	44,235	653,773	793,587
(b) Weighted average number of ordinary shares ('000)	3,607,772	3,580,324	3,600,319	3,571,689
Effect of dilution ('000)				
- Employee share options and share grants	44,782	49,009	43,993	67,650
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	3,652,554	3,629,333	3,644,312	3,639,339
Diluted Earnings per share (sen)	6.46	1.22	17.94	21.81

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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
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	RM'000	RM'000	RM'000	RM'000
Interest income	43,411	26,606	116,379	112,111
Other income (including investment income)	4,109	5,241	14,136	12,466
Interest expense	(49,438)	(13,917)	(144,670) *	(169,224) *
Depreciation and amortisation	(109,067)	(64,337)	(300,470)	(261,697)
Net allowance of impairment of receivables	(3,394)	(10,491)	(6,430)	(9,109)
Net gains on disposal of investments or properties	8,123	11,722	14,699	319,877
Net reversal/(allowance) of impairment of assets	2,817	(1,103)	3,925	(476)
Net foreign exchange gains/(losses)	15,422	(65,383)	30,117	(8,332)
Net gains/(losses) on derivatives	3,420	(6,424)	5,237	(18,120)

* Includes RM1.4 mil (2016: RM9.1 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 RM5.24 million during the current year 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	3,420	5,015	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 Mar 2017 RM'000	As at 31 Mar 2016 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	6,698,505	6,204,458
- Unrealised ^{N1}	(234,447)	(472,970)
	6,464,058	5,731,488
Total share of retained profits / (accumulated losses) from associates		
- Realised	103,417	138,152
- Unrealised ^{N1}	38,212	(26,118)
Total share of retained profits / (accumulated losses) from joint ventures		
- Realised	(163,260)	(67,554)
- Unrealised ^{N1}	2,362	2,362
	6,444,789	5,778,330
Add/Less: consolidation adjustments ^{N2}	(3,141,886)	(2,736,248)
Total group retained profits as per group accounts	3,302,903	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.