



IJM CORPORATION BERHAD (104131-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended:	30/06/2017
Quarter:	1st Quarter
Financial Year End:	31/03/2018
The figures:	Have not been audited
Full Quarterly Report:	Refer attached

Part A2 : Summary of Key Financial Information for the financial period ended 30/06/2017

	Individual Quarter		Cumulative Period	
	Current year quarter 30/06/2017 RM'000	Preceding year quarter 30/06/2016 RM'000	Current year to date 30/06/2017 RM'000	Preceding year to date 30/06/2016 RM'000
1 Revenue	1,468,311	1,313,229	1,468,311	1,313,229
2 Profit before taxation	197,505	174,569	197,505	174,569
3 Net profit for the period	143,828	129,900	143,828	129,900
4 Net profit attributable to owners of the Company	126,395	115,516	126,395	115,516
5 Basic earnings per share (sen)	3.49	3.22	3.49	3.22
6 Proposed/Declared dividend per share (sen)	-	-	-	-
	As at end of current quarter 30/06/2017		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		2.61		2.63

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Operating revenue	1,468,311	1,313,229	1,468,311	1,313,229
Cost of sales	(1,162,638)	(1,029,965)	(1,162,638)	(1,029,965)
Gross profit	305,673	283,264	305,673	283,264
Other operating income	52,858	50,800	52,858	50,800
Foreign exchange differences	(3,638)	(5,918)	(3,638)	(5,918)
Tendering, selling and distribution expenses	(41,151)	(42,644)	(41,151)	(42,644)
Administrative expenses	(78,074)	(86,865)	(78,074)	(86,865)
Other operating expenses	(15,343)	(15,004)	(15,343)	(15,004)
Operating profit before finance cost	220,325	183,633	220,325	183,633
Finance cost	(45,068)	(31,103)	(45,068)	(31,103)
Operating profit after finance cost	175,257	152,530	175,257	152,530
Share of profits of associates	17,252	21,857	17,252	21,857
Share of profits of joint ventures	4,996	182	4,996	182
Profit before taxation	197,505	174,569	197,505	174,569
Income tax expense	(53,677)	(44,669)	(53,677)	(44,669)
Net profit for the period	143,828	129,900	143,828	129,900
<u>Other comprehensive income / (loss)</u> <u>(net of tax):</u>				
<i>Items that will not be reclassified to profit or loss:</i>				
Share of other comprehensive losses of associates	(2,190)	-	(2,190)	-
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Currency translation differences of foreign operations	(47,013)	13,589	(47,013)	13,589
Realisation of other comprehensive income/(loss) arising from disposal of foreign subsidiaries and associates	-	(4,890)	-	(4,890)
Share of other comprehensive losses of associates	(904)	(15,194)	(904)	(15,194)
	(50,107)	(6,495)	(50,107)	(6,495)
Total comprehensive income for the period	93,721	123,405	93,721	123,405
<u>Net profit attributable to:-</u>				
Owners of the Company	126,395	115,516	126,395	115,516
Non-controlling interests	17,433	14,384	17,433	14,384
	143,828	129,900	143,828	129,900
<u>Total comprehensive income attributable to:-</u>				
Owners of the Company	87,198	94,639	87,198	94,639
Non-controlling interests	6,523	28,766	6,523	28,766
	93,721	123,405	93,721	123,405
<u>Earnings per share (sen):-</u>				
Basic	3.49	3.22	3.49	3.22
Fully diluted	3.45	3.17	3.45	3.17

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

	30/06/2017	31/03/2017
	RM'000	RM'000
	(Unaudited)	(Audited)
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	6,067,547	6,022,651
Treasury shares	(10)	(10)
Shares held under trust	(2,789)	(4,016)
Other reserves	119,673	175,746
Retained profits	3,264,159	3,302,903
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	9,448,580	9,497,274
Non-controlling interests	1,325,859	1,319,406
	<hr/>	<hr/>
Total equity	10,774,439	10,816,680
NON-CURRENT LIABILITIES		
Bonds	1,950,000	1,950,000
Term loans	1,798,674	2,121,809
Government support loans	148,784	154,474
Hire purchase and lease payables	795	802
Deferred tax liabilities	674,407	669,456
Trade and other payables	705,482	701,402
Provisions	109,705	109,705
Retirement benefits	13,535	10,511
	<hr/>	<hr/>
	5,401,382	5,718,159
DEFERRED INCOME	72,028	73,063
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	16,247,849	16,607,902
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IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED BALANCE SHEET

	30/06/2017	31/03/2017
	RM'000	RM'000
	(Unaudited)	(Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	1,974,757	1,989,646
Land use rights	162,720	165,831
Concession assets	3,107,016	3,097,066
Plantation development expenditure	1,187,740	1,201,570
Investment properties	74,768	68,867
Associates	891,590	901,392
Joint ventures	742,392	754,783
Available-for-sale financial assets	2,155	2,155
Long term receivables	178,105	176,699
Deferred tax assets	295,613	297,762
Land held for property development	515,169	514,788
Intangible assets	102,067	102,618
	9,234,092	9,273,177
CURRENT ASSETS		
Property development costs	5,635,660	5,587,380
Inventories	1,344,115	1,421,961
Trade and other receivables	2,149,549	2,031,003
Financial assets at fair value through profit or loss	266,586	299,164
Derivative financial instruments	2,969	2,909
Tax recoverable	159,922	129,329
Deposits, cash and bank balances	2,017,280	2,147,777
	11,576,081	11,619,523
CURRENT LIABILITIES		
Trade and other payables	2,490,939	2,518,205
Provisions	11,627	10,718
Borrowings:		
- Bank overdrafts	16,414	44,514
- Others	2,030,432	1,698,382
Current tax liabilities	12,912	12,979
	4,562,324	4,284,798
NET CURRENT ASSETS	7,013,757	7,334,725
	16,247,849	16,607,902
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	2.61	2.63

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2017
(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 2017	6,022,651	(10)	(4,016)	-	175,746	3,302,903	9,497,274	1,319,406	10,816,680
Total comprehensive income for the period	-	-	-	-	(37,007)	124,205	87,198	6,523	93,721
Accretion of interest in an associate	-	-	-	-	-	246	246	-	246
Issuance of employee share options and share grants	-	-	-	-	10,357	-	10,357	-	10,357
Single tier second interim dividend: Year ended 31 March 2017	-	-	-	-	-	(163,195)	(163,195)	-	(163,195)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(70)	(70)
Issuance of shares:									
- exercise of employee share options	14,884	-	6,893	-	(5,077)	-	16,700	-	16,700
- vesting of shares under ESGP	24,346	-	-	-	(24,346)	-	-	-	-
- shares held under trust	5,666	-	(5,666)	-	-	-	-	-	-
At 30 June 2017	6,067,547	(10)	(2,789)	-	119,673	3,264,159	9,448,580	1,325,859	10,774,439
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 period	-	-	-	-	(20,877)	115,516	94,639	28,766	123,405
Share of reserves in associates	-	-	-	-	(778)	549	(229)	-	(229)
Issuance of employee share options and share grants	-	-	-	-	11,798	-	11,798	-	11,798
Acquisition of additional interests in a subsidiary	-	-	-	-	(904)	(7,734)	(8,638)	6,827	(1,811)
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)
Issuance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	5,900	5,900
Issuance of shares:									
- exercise of employee share options	4,093	-	5,371	10,731	(4,877)	-	15,318	-	15,318
- vesting of shares under ESGP	8,289	-	-	16,198	(24,487)	-	-	-	-
- shares held under trust	2,000	-	(4,750)	2,750	-	-	-	-	-
Share buy back	-	(4)	-	-	-	-	(4)	-	(4)
At 30 June 2016	3,599,187	(7)	(3,191)	2,378,758	16,083	2,898,471	8,889,301	1,249,538	10,138,839

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2017
(The figures have not been audited)

	3 months ended 30/06/2017 RM'000	3 months ended 30/06/2016 RM'000
OPERATING ACTIVITIES		
Receipts from customers	1,445,817	1,481,056
Payments to contractors, suppliers and employees	(1,328,279)	(1,131,325)
Income tax paid	(76,271)	(65,315)
Net cash flow from operating activities	41,267	284,416
INVESTING ACTIVITIES		
Investments in associates	-	(958)
Acquisition of financial assets at fair value through profit or loss	(405,854)	(123,705)
Purchases of property, plant and equipment, development land and land use rights, investment properties, concession assets, plantation development expenditure and deferred expenditure	(121,492)	(116,866)
Disposal of investments, property, plant and equipment, land use rights, investment properties and assets held for sale	443,356	229,554
Redemption of preference shares of an associate	-	1,627
Interest received	22,255	14,100
Income from unit trusts	119	275
Dividends received from associates and other investments	5,721	8,413
Net advances to associates and joint ventures	(81,955)	(13,069)
Net cash flow used in investing activities	(137,850)	(629)
FINANCING ACTIVITIES		
Issuance of shares by the Company		
- exercise of share options	16,700	15,318
Issuance of shares by subsidiaries to non-controlling shareholders	-	5,900
Re-purchase of treasury shares	-	(4)
Net proceeds from bank and government borrowings	55,327	106,980
Repayments to hire purchase and lease creditors	(159)	(36)
Interest paid	(65,388)	(60,624)
Dividends paid by subsidiaries to non-controlling shareholders	(70)	-
Net repayments of bonds	-	(45,000)
Placements of restricted deposits	(340)	(29,145)
Acquisition of additional interests in a subsidiary	-	(1,811)
Net cash flow from/(used in) financing activities	6,070	(8,422)
Net (decrease)/increase in cash and cash equivalents during the financial period	(90,513)	275,365
Cash and cash equivalents at beginning of the financial period	2,077,331	1,423,749
Foreign exchange differences on opening balances	(11,711)	5,747
Cash and cash equivalents at end of the financial period	1,975,107	1,704,861
Cash and cash equivalents comprise the following :		
Deposits, cash and bank balances	2,017,280	1,963,190
Bank overdrafts	(16,414)	(160,670)
	2,000,866	1,802,520
Less: restricted deposits with licensed banks	(25,759)	(97,659)
	<u>1,975,107</u>	<u>1,704,861</u>

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A NOTES TO THE QUARTERLY RESULTS

A1. Basis of Preparation

The unaudited interim financial report has been prepared in accordance with *FRS 134: Interim Financial Reporting* and *Chapter 9 Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad*.

The unaudited interim financial report should be read in conjunction with the audited financial statements for the year ended 31 March 2017 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 2017.

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 2017 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 2017 and applicable to the Group as follows:

- Annual improvements to FRSs 2014 - 2016 Cycle, which include Amendments to FRS 12 “Disclosure of Interests in Other Entities”.
- Amendments to FRS 107 “Statement of Cash Flows” – “Disclosure Initiative”.
- Amendments to FRS 112 “Income Taxes” – “Recognition of Deferred Tax Assets for Unrealised Losses”.

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 2017 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 ended 30 June 2017, the number of issued and paid-up ordinary shares of the Company was increased from 3,613,386,720 to 3,626,562,720 by way of the issuance of:-
- i. 7,166,300 new ordinary shares arising from the vesting of shares under the Employee Share Grant Plan ("ESGP");
 - ii. 3,909,700 new ordinary shares arising from the exercise of options under the Employee Share Option Scheme ("ESOS"); and
 - iii. 2,100,000 new ordinary shares arising from the subscription of new shares under the Shares held under trust.
- (b) There were no share buyback, cancellation and repayment of debt and equity securities for the financial period-to-date.

A8. Dividend Paid

On 21 July 2017, a single tier second interim dividend of 4.5 sen per share in respect of the financial year ended 31 March 2017 was paid totalling RM163,195,187.

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A9. Segmental Information

	GROUP	
	3 months ended 30/06/2017	3 months ended 30/06/2016
	RM'000	RM'000
<u>External revenue:</u>		
Construction	532,920	494,103
Property development	298,694	292,957
Manufacturing and quarrying	275,063	250,009
Plantation	184,594	139,378
Infrastructure	176,805	136,724
Investment and others	235	58
	1,468,311	1,313,229
<u>Inter-segment revenue:</u>		
Construction	142,419	126,089
Property development	-	-
Manufacturing and quarrying	6,620	6,701
Plantation	-	-
Infrastructure	-	-
Investment and others	323,423	160,681
	472,462	293,471
<u>Profit before taxation:</u>		
Construction	58,119	50,108
Property development	24,536	19,916
Manufacturing and quarrying	22,405	26,736
Plantation	24,773	38,640
Infrastructure	64,644	20,765
Investment and others	3,028	18,404
	197,505	174,569
	As at	As at
	30/06/2017	31/03/2017
	RM'000	RM'000
<u>Total Assets:</u>		
Construction	2,070,856	2,212,505
Property development	9,368,962	9,315,317
Manufacturing and quarrying	1,453,765	1,450,689
Plantation	2,878,591	2,950,654
Infrastructure	4,385,453	4,449,784
Investment and others	197,011	86,660
Total segment assets	20,354,638	20,465,609
Unallocated corporate assets	455,535	427,091
Consolidated total assets	20,810,173	20,892,700

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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 FY2017.

A11. Changes in the Composition of the Group

During the financial period-to-date, the following change in composition was effected:

- i. On 11 July 2017, IJM Land Berhad, a wholly-owned subsidiary of the Company, entered into a conditional Share Sale Agreement (“SSA”) with Aseania Development Sdn Bhd (“ADSB”) to acquire 250,000 ordinary shares, representing a 100% equity interest in Giant Hectares Sdn Bhd for a total cash consideration of RM250,000. This acquisition has no material impact on the Group for the financial period-to-date.

A12. Contingent Liabilities

The changes in contingent liabilities are summarised as follows:-

	RM'000
Balance as at 31 March 2017	6,541
- Exchange differences	<u>(173)</u>
Balance as at 30 June 2017	<u>6,368</u>

A13. Capital Commitments

Capital commitments not provided for in the financial statements as at 30 June 2017 are as follows:

	RM'000
Approved and contracted for	1,069,712
Approved but not contracted for	<u>67,964</u>
	<u>1,137,676</u>
<u>Analysed as follows:</u>	
- Purchases of property, plant and equipment, land use rights and plantation development expenditure	236,230
- Purchases of development land	5,613
- Concession assets	812,444
- Investment properties	<u>83,389</u>
	<u>1,137,676</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 RM1,468.31 million, an increase of 11.8% over the corresponding quarter of the preceding year, following increased revenue contributed by all the divisions of the Group. The Group also recorded a pre-tax profit for the current quarter of RM197.51 million, an increase of 13.1% over the corresponding quarter of the preceding year, mainly due to improved earnings from the Group's Construction, Property Development and Infrastructure divisions.

Further analysis of the divisional performances is given below.

Operating Segment	Commentary
Construction	Current quarter revenue and pre-tax profit grew by 7.9% and 16.0% respectively over the previous year's corresponding quarter as construction works at certain major infrastructural projects gathered momentum while projects that were secured in the previous year further supplemented the Division's current quarter's results.
Property development	The Division posted a 2.0% increase in revenue from RM293.0 million in the preceding year's corresponding quarter to RM298.7 million in the current quarter. Pre-tax profit for the current quarter was 23.2% higher as compared to the preceding year's corresponding quarter. It was mainly due to the recognition of unrealised foreign exchange gain of RM1.3 million in the current quarter as compared to a loss of RM9.6 million in the preceding year's corresponding quarter primarily due to the appreciation of GBP against RM.
Manufacturing and quarrying	Current quarter revenue increased by 10.0% 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 4.9%) and quarry products (by 17.4%). The current quarter pre-tax profit however declined by 16.2% as margins were compressed by increased raw material prices as well as lower volumes in the ready-mixed concrete sector.
Plantation	Revenue for the current quarter increased by 32.4% over the previous year's corresponding quarter mainly due to higher CPO prices and sales volume. Crop production increased by 26.1% over the previous year's corresponding quarter as more crops were harvested from the larger area attaining maturity in the Indonesian operations. However, pre-tax profit of the Division dropped to RM24.8 million compared to RM38.6 million in the previous year's corresponding quarter. Lower pre-tax profit was mainly due to the net unrealised foreign exchange loss of RM0.8 million on the US Dollar denominated borrowings as compared to a gain of RM5.4 million in the preceding year's corresponding quarter, lower crude palm oil pricing swaps gain of RM0.7 million (Quarter 1 of FY 2017: RM6.4 million gain) as well as production cost pressures from the increase in young mature areas incurring full fixed plantation maintenance and overhead costs set against start-up crop yields.

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

Operating Segment	Commentary
Infrastructure	Revenue for the current quarter increased by 29.3% over the previous year's corresponding quarter. This was mainly attributable to the increase in cargo throughput handled by the Group's port concession with the current quarter's cargo throughput expanding by 73% compared to the previous year's corresponding quarter (Q1 FY2018: 5,114k FWT ; Q1 FY2017: 2,949k FWT). The Division's pre-tax profit for the current quarter also rose to RM64.6 million compared to RM20.8 million in the previous year's corresponding quarter. This was also mainly due to the increase in cargo throughput handled by the Group's port concession and also higher contribution from the associates.

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

The Group's pre-tax profit decreased by RM177.7 million (or 47.4%) compared to that of the immediate preceding quarter mainly due to the sale of a 32-acre land situated at the Light Waterfront Penang (Phase 2) that was recognised in the immediate preceding quarter. This was further compounded by a net unrealised foreign exchange loss of RM3.6 million in the current quarter as compared to a net unrealised foreign exchange gain of RM15.4 million recorded in the immediate preceding quarter.

B3. Prospects for the Coming Financial Year

The Group's Construction division expects the market outlook to remain encouraging based on a record level of RM8.7 billion of outstanding order book, underpinned by the implementation of ongoing domestic infrastructural projects as well as a healthy pipeline of new large public infrastructure projects to be rolled out under the 11th Malaysia Plan.

The local property market is expected to remain challenging as weak consumer sentiment persists due to weaker economic prospects, continued stringent mortgage approval and incoming supply of new launches and competing completed properties. Nonetheless, the Property Development division will remain steadfast to grow its business in view of the strategic locations of its properties and the brand premium that it has established. With unbilled sales of about RM1.7 billion, the division is expected to maintain a satisfactory performance in the current financial year.

Although the operating environment remains challenging both domestically as well as overseas, the Group's Industry division should see continued momentum by leveraging on heightened construction activities in Malaysia as well as being 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 current financial year to be satisfactory on the back of higher crop production from the increasing young mature areas in Indonesia and FFB yields being sustained in the Malaysian operations.

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

Despite the challenging business environment, based on the above stated factors, the Group expects a reasonable performance for the current financial year.

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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 30 JUNE		CUMULATIVE PERIOD 3 MONTHS ENDED 30 JUNE	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Malaysian income tax	45,731	39,049	45,731	39,049
Overseas taxation	(161)	-	(161)	-
Transfer to/(from) deferred taxation	8,107	5,620	8,107	5,620
	<u>53,677</u>	<u>44,669</u>	<u>53,677</u>	<u>44,669</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 30 June 2017, there were no outstanding corporate proposals.

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B7. Group Borrowings

Particulars of the Group's borrowings as at 30 June 2017 are as follows:

	As at 30/06/2017 RM'000
(a) (i) Short Term Borrowings	
Secured:-	
- Islamic bonds	30,000
- Term loans	232,475
- Hire purchase and lease payables (included in trade and other payables)	527
- Revolving credits	98,324
- 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	816,264
- Revolving credits	784,993
- Bankers' acceptances	56,369
- Letters of Credit	12,007
- Bank overdrafts	16,414
	2,080,477
(ii) Long Term Borrowings	
Secured:-	
- Islamic bonds	650,000
- Hire purchase and lease payables	795
- Term loans	589,610
- Government support loans	71,675
Unsecured:-	
- Islamic bonds	1,300,000
- Government support loans	77,109
- Term loans	1,209,064
	3,898,253

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	402,450	1,730,124
Indian Rupee	3,979,062	264,210
Chinese Renminbi	151,092	94,650
Sterling Pound	3,240	18,109
		2,107,093

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B8. Changes in Material Litigation

There was no material litigation since 31 March 2017.

B9. Dividends

No dividend has been declared for the current financial year ending 31 March 2018.

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 and a single tier second interim dividend of 4.5 sen per share was paid on 21 July 2017.

B10. Earnings per Share

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
	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	126,395	115,516	126,395	115,516
(b) Weighted average number of ordinary shares ('000)	3,618,373	3,590,484	3,618,373	3,590,484
Basic Earnings per share (sen)	3.49	3.22	3.49	3.22
<u>Diluted Earnings per share:-</u>				
(a) Net profit for the period attributable to owners of the Company	126,395	115,516	126,395	115,516
(b) Weighted average number of ordinary shares ('000)	3,618,373	3,590,484	3,618,373	3,590,484
Effect of dilution ('000)				
- Employee share options and share grants	47,767	50,533	47,767	50,533
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	3,666,140	3,641,017	3,666,140	3,641,017
Diluted Earnings per share (sen)	3.45	3.17	3.45	3.17

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B11. Notes to the Statement of Comprehensive Income

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	30/06/2017 RM'000	30/06/2016 RM'000	30/06/2017 RM'000	30/06/2016 RM'000
Interest income	29,085	22,522	29,085	22,522
Other income (including investment income)	2,927	4,418	2,927	4,418
Interest expense	(45,068)	(31,103)	(45,068)	(31,103)
Depreciation and amortisation	(79,993)	(61,186)	(79,993)	(61,186)
Net allowance of impairment of receivables	(2,806)	(1,768)	(2,806)	(1,768)
Net gains on disposal of investments or properties	1,545	5,963	1,545	5,963
Net (allowance)/reversal of impairment of assets	(81)	1,519	(81)	1,519
Net foreign exchange losses	(3,638)	(5,918)	(3,638)	(5,918)
Net gains on derivatives	720	6,653	720	6,653

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 derivative financial instruments

The Group recognised a total net fair value gain on derivative financial instruments of RM0.72 million during the current period-to-date. 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	720	720	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.

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B13. Disclosure of Realised and Unrealised Retained Profits / (Accumulated Losses)

The following analysis is prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants.

	As at 30 June 2017 RM'000	As at 31 March 2017 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	6,660,289	6,698,505
- Unrealised ^{N1}	(277,760)	(234,447)
	6,382,529	6,464,058
Total share of retained profits from associates		
- Realised	102,304	103,417
- Unrealised ^{N1}	38,256	38,212
Total share of retained profits/(accumulated losses) from joint ventures		
- Realised	(177,537)	(163,260)
- Unrealised ^{N1}	2,362	2,362
	6,347,914	6,444,789
Add/Less: consolidation adjustments ^{N2}	(3,083,755)	(3,141,886)
Total group retained profits as per group accounts	3,264,159	3,302,903

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.