



IJM CORPORATION BERHAD (104131-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended:	30/09/2017
Quarter:	2nd 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 30/09/2017

	Individual Quarter		Cumulative Period	
	Current year quarter 30/09/2017 RM'000	Preceding year quarter 30/09/2016 RM'000	Current year to date 30/09/2017 RM'000	Preceding year to date 30/09/2016 RM'000
1 Revenue	1,593,809	1,486,245	3,062,120	2,799,474
2 Profit before taxation	181,972	259,313	379,477	433,882
3 Net profit for the period	124,365	190,583	268,193	320,483
4 Net profit attributable to owners of the Company	110,862	163,895	237,257	279,411
5 Basic earnings per share (sen)	3.06	4.55	6.55	7.77
6 Proposed/Declared dividend per share (sen)	3.00	3.00	3.00	3.00
	As at end of current quarter 30/09/2017		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		2.63		2.63

IJM CORPORATION BERHAD (104131-A)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter			Cumulative Period		
	Current year quarter	Preceding year quarter	Change (+/-)	Current year to date	Preceding year to date	Change (+/-)
	30/09/2017 RM'000	30/09/2016 RM'000	%	30/09/2017 RM'000	30/09/2016 RM'000	%
Operating revenue	1,593,809	1,486,245	7.2%	3,062,120	2,799,474	9.4%
Cost of sales	(1,254,721)	(1,132,211)	10.8%	(2,417,359)	(2,162,176)	11.8%
Gross profit	339,088	354,034	-4.2%	644,761	637,298	1.2%
Other operating income	49,619	34,648	43.2%	102,477	85,448	19.9%
Foreign exchange differences	(377)	16,720	-102.3%	(4,015)	10,802	-137.2%
Tendering, selling and distribution expenses	(40,754)	(47,220)	-13.7%	(81,905)	(89,864)	-8.9%
Administrative expenses	(98,896)	(88,880)	11.3%	(176,970)	(175,745)	0.7%
Other operating expenses	(16,076)	(14,851)	8.2%	(31,419)	(29,855)	5.2%
Operating profit before finance cost	232,604	254,451	-8.6%	452,929	438,084	3.4%
Finance cost	(50,340)	(30,145)	67.0%	(95,408)	(61,248)	55.8%
Operating profit after finance cost	182,264	224,306	-18.7%	357,521	376,836	-5.1%
Share of (losses)/profits of associates	(2,964)	28,991	-110.2%	14,288	50,848	-71.9%
Share of profits of joint ventures	2,672	6,016	-55.6%	7,668	6,198	23.7%
Profit before taxation	181,972	259,313	-29.8%	379,477	433,882	-12.5%
Income tax expense	(57,607)	(68,730)	-16.2%	(111,284)	(113,399)	-1.9%
Net profit for the period	124,365	190,583	-34.7%	268,193	320,483	-16.3%
Other comprehensive income / (loss) (net of tax):						
Items that will not be reclassified to profit or loss:						
Share of other comprehensive losses of associates	(230)	-	>100%	(2,420)	-	>100%
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences of foreign operations	(41,763)	38,639	-208.1%	(88,776)	52,228	-270.0%
Realisation of other comprehensive income/(loss) arising from disposal of foreign subsidiaries and associates	-	-	0.0%	-	(4,890)	-100.0%
Share of other comprehensive (losses)/profits of associates	(15,072)	3,909	-485.6%	(15,976)	(11,285)	41.6%
	(57,065)	42,548	-234.1%	(107,172)	36,053	-397.3%
Total comprehensive income for the period	67,300	233,131	-71.1%	161,021	356,536	-54.8%
Net profit attributable to:-						
Owners of the Company	110,862	163,895	-32.4%	237,257	279,411	-15.1%
Non-controlling interests	13,503	26,688	-49.4%	30,936	41,072	-24.7%
	124,365	190,583	-34.7%	268,193	320,483	-16.3%
Total comprehensive income attributable to:-						
Owners of the Company	66,214	193,173	-65.7%	153,412	287,812	-46.7%
Non-controlling interests	1,086	39,958	-97.3%	7,609	68,724	-88.9%
	67,300	233,131	-71.1%	161,021	356,536	-54.8%
Earnings per share (sen):-						
Basic	3.06	4.55		6.55	7.77	
Fully diluted	3.02	4.49		6.47	7.67	

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

	30/09/2017	31/03/2017
	RM'000	RM'000
	(Unaudited)	(Audited)
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	6,072,223	6,022,651
Treasury shares	(10)	(10)
Shares held under trust	(1,828)	(4,016)
Other reserves	85,685	175,746
Retained profits	3,373,139	3,302,903
	9,529,209	9,497,274
Non-controlling interests	1,297,171	1,319,406
Total equity	10,826,380	10,816,680
NON-CURRENT LIABILITIES		
Bonds	1,910,000	1,950,000
Term loans	1,711,642	2,121,809
Government support loans	123,095	154,474
Hire purchase and lease payables	859	802
Deferred tax liabilities	683,632	669,456
Trade and other payables	711,112	701,402
Provisions	109,705	109,705
Retirement benefits	16,251	10,511
	5,266,296	5,718,159
DEFERRED INCOME	71,035	73,063
	16,163,711	16,607,902

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

	30/09/2017	31/03/2017
	RM'000	RM'000
	(Unaudited)	(Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	1,968,752	1,989,646
Land use rights	158,498	165,831
Concession assets	3,145,453	3,097,066
Plantation development expenditure	1,171,269	1,201,570
Investment properties	81,794	68,867
Associates	860,088	901,392
Joint ventures	707,091	754,783
Available-for-sale financial assets	2,155	2,155
Long term receivables	184,056	176,699
Deferred tax assets	299,843	297,762
Land held for property development	517,108	514,788
Intangible assets	101,726	102,618
	9,197,833	9,273,177
CURRENT ASSETS		
Property development costs	5,773,915	5,587,380
Inventories	1,309,963	1,421,961
Trade and other receivables	2,396,065	2,031,003
Financial assets at fair value through profit or loss	272,554	299,164
Derivative financial instruments	-	2,909
Tax recoverable	176,381	129,329
Deposits, cash and bank balances	1,654,673	2,147,777
	11,583,551	11,619,523
CURRENT LIABILITIES		
Trade and other payables	2,529,934	2,518,205
Provisions	11,286	10,718
Derivative financial instruments	148	-
Borrowings:		
- Bank overdrafts	29,702	44,514
- Others	2,025,087	1,698,382
Current tax liabilities	21,516	12,979
	4,617,673	4,284,798
NET CURRENT ASSETS	6,965,878	7,334,725
	16,163,711	16,607,902
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	2.63	2.63

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 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	-	-	-	-	(81,425)	234,837	153,412	7,609	161,021
Accretion of interest in an associate	-	-	-	-	1,652	(1,406)	246	-	246
Issuance of employee share options and share grants	-	-	-	-	20,087	-	20,087	-	20,087
Single tier second interim dividend: Year ended 31 March 2017	-	-	-	-	-	(163,195)	(163,195)	-	(163,195)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(29,844)	(29,844)
Issuance of shares:									
- exercise of employee share options	18,912	-	8,502	-	(6,029)	-	21,385	-	21,385
- vesting of shares under ESGP	24,346	-	-	-	(24,346)	-	-	-	-
- shares held under trust	6,314	-	(6,314)	-	-	-	-	-	-
At 30 September 2017	6,072,223	(10)	(1,828)	-	85,685	3,373,139	9,529,209	1,297,171	10,826,380
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	-	-	-	-	8,401	279,411	287,812	68,724	356,536
Share of reserves in associates	-	-	-	-	(821)	722	(99)	-	(99)
Accretion of interest in an associate	-	-	-	-	-	(1,355)	(1,355)	-	(1,355)
Issuance of employee share options and share grants	-	-	-	-	22,518	-	22,518	-	22,518
Acquisition of additional interests in subsidiaries	-	-	-	-	(904)	(19,496)	(20,400)	3,202	(17,198)
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)
Dividends paid by a subsidiary to non-controlling shareholders	-	-	-	-	-	-	-	(19,729)	(19,729)
Issuance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	5,900	5,900
Issuance of shares:									
- exercise of employee share options	4,872	-	8,532	13,072	(6,141)	-	20,335	-	20,335
- vesting of shares under ESGP	8,289	-	-	16,198	(24,487)	-	-	-	-
- shares held under trust	3,500	-	(8,555)	5,055	-	-	-	-	-
Shares buy back	-	(4)	-	-	-	-	(4)	-	(4)
At 30 September 2016	3,601,466	(7)	(3,835)	2,383,404	54,774	3,050,294	9,086,096	1,265,270	10,351,366

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

	6 months ended 30/09/2017 RM'000	6 months ended 30/09/2016 RM'000
OPERATING ACTIVITIES		
Receipts from customers	2,791,962	2,913,961
Payments to contractors, suppliers and employees	(2,522,017)	(2,313,835)
Income tax paid	(136,318)	(113,428)
Net cash flow from operating activities	133,627	486,698
INVESTING ACTIVITIES		
Investments in associates	-	(3,421)
Subscription of Redeemable Unsecured Murabahah Stocks in an associate	(1,500)	-
Acquisition of financial assets at fair value through profit or loss	(493,318)	(173,544)
Purchases of property, plant and equipment, development land and land use rights, investment properties, concession assets, plantation development expenditure and deferred expenditure	(275,379)	(236,887)
Disposal of investments, property, plant and equipment, land use rights, investment properties and assets held for sale	527,897	337,284
Redemption of preference shares of an associate	-	1,627
Interest received	42,362	29,679
Income from unit trusts	193	338
Dividends received from associates, joint venture and other investments	83,577	15,028
Net advances to associates and joint ventures	(112,229)	(4,293)
Net cash flow used in investing activities	(228,397)	(34,189)
FINANCING ACTIVITIES		
Issuance of shares by the Company		
- exercise of share options	21,385	20,335
Issuance of shares by subsidiaries to non-controlling shareholders	-	5,900
Re-purchase of treasury shares	-	(4)
Net (repayment of)/proceeds from bank and government borrowings	(36,811)	117,065
Repayments to hire purchase and lease creditors	(352)	(72)
Interest paid	(124,373)	(120,174)
Dividends paid by subsidiaries to non-controlling shareholders	(29,844)	(19,729)
Dividends paid by the Company	(163,195)	(251,942)
Net repayments of bonds	(30,000)	(65,000)
Placements of restricted deposits	(740)	(29,136)
Acquisition of additional interests in subsidiaries	-	(17,198)
Net cash flow used in financing activities	(363,930)	(359,955)
Net (decrease)/increase in cash and cash equivalents during the financial period	(458,700)	92,554
Cash and cash equivalents at beginning of the financial period	2,077,331	1,423,749
Foreign exchange differences on opening balances	(19,225)	10,833
Cash and cash equivalents at end of the financial period	1,599,406	1,527,136
Cash and cash equivalents comprise the following :		
Deposits, cash and bank balances	1,654,673	1,747,616
Bank overdrafts	(29,702)	(122,201)
	1,624,971	1,625,415
Less: restricted deposits with licensed banks	(25,565)	(98,279)
	<u>1,599,406</u>	<u>1,527,136</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 September 2017, the number of issued and paid-up ordinary shares of the Company was increased from 3,613,386,720 to 3,628,037,520 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. 5,084,500 new ordinary shares arising from the exercise of options under the Employee Share Option Scheme ("ESOS"); and
 - iii. 2,400,000 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			GROUP		
	3 months ended 30/09/2017	3 months ended 30/09/2016	Change (+/-)	6 months ended 30/09/2017	6 months ended 30/09/2016	Change (+/-)
	RM'000	RM'000	%	RM'000	RM'000	%
External revenue:						
Construction	664,323	557,173	19.2%	1,197,243	1,051,276	13.9%
Property development	275,834	269,517	2.3%	574,528	562,474	2.1%
Manufacturing and quarrying	299,258	314,704	-4.9%	574,321	564,713	1.7%
Plantation	196,438	201,382	-2.5%	381,032	340,760	11.8%
Infrastructure	157,492	143,229	10.0%	334,297	279,953	19.4%
Investment and others	464	240	93.3%	699	298	134.6%
	1,593,809	1,486,245	7.2%	3,062,120	2,799,474	9.4%
Inter-segment revenue:						
Construction	145,347	105,830	37.3%	287,766	231,919	24.1%
Property development	-	-		-	-	
Manufacturing and quarrying	4,808	5,846	-17.8%	11,428	12,547	-8.9%
Plantation	-	-		-	-	
Infrastructure	-	-		-	-	
Investment and others	57,723	39,191	47.3%	381,146	199,872	90.7%
	207,878	150,867	37.8%	680,340	444,338	53.1%
Profit before taxation:						
Construction	62,357	58,527	6.5%	120,476	108,635	10.9%
Property development	34,248	32,452	5.5%	58,784	52,368	12.3%
Manufacturing and quarrying	27,459	39,314	-30.2%	49,864	66,050	-24.5%
Plantation	18,258	64,074	-71.5%	43,031	102,714	-58.1%
Infrastructure	35,730	15,755	126.8%	100,374	36,520	174.8%
Investment and others	3,920	49,191	-92.0%	6,948	67,595	-89.7%
	181,972	259,313	-29.8%	379,477	433,882	-12.5%
				As at 30/09/2017 RM'000	As at 31/03/2017 RM'000	
Total Assets:						
Construction				2,001,395	2,212,505	
Property development				9,482,135	9,315,317	
Manufacturing and quarrying				1,460,781	1,450,689	
Plantation				2,786,461	2,950,654	
Infrastructure				4,415,230	4,449,784	
Investment and others				159,158	86,660	
Total segment assets				20,305,160	20,465,609	
Unallocated corporate assets				476,224	427,091	
Consolidated total assets				20,781,384	20,892,700	

A10. Carrying Amount of Revalued Property, Plant and Equipment

The valuations of certain property, plant and equipment have been brought forward without amendments from the audited financial statements of FY2017.

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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 with Aseania Development Sdn Bhd 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>(345)</u>
Balance as at 30 September 2017	<u><u>6,196</u></u>

A13. Capital Commitments

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

	RM'000
Approved and contracted for	1,139,291
Approved but not contracted for	<u>91,748</u>
	<u><u>1,231,039</u></u>
<u>Analysed as follows:</u>	
- Purchases of property, plant and equipment, land use rights and plantation development expenditure	313,225
- Purchases of development land	5,535
- Concession assets	836,081
- Investment properties	<u>76,198</u>
	<u><u>1,231,039</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 achieved an operating revenue of RM1,593.81 million, an increase of 7.2% over the corresponding quarter of the preceding year, following increased revenue contributed by the Group's Construction, Property Development and Infrastructure divisions. The Group also recorded a pre-tax profit for the current quarter of RM181.97 million, a decrease of 29.8% over the corresponding quarter of the preceding year, mainly due to lower contributions from the Group's Manufacturing & Quarrying and Plantation divisions as well as the non-recurrence of a one-off gain of RM27.9 million that was contributed by an associate in the corresponding quarter of the preceding year. This was further compounded by a net unrealised foreign exchange loss of RM0.4 million in the current quarter as opposed to a net unrealised foreign exchange gain of RM16.7 million in the corresponding quarter of the preceding year.

For the current period to-date, the Group posted an operating revenue of RM3,062.12 million, an increase of 9.4% over the preceding year, mainly due to higher revenue contributed across all divisions of the Group. The Group's pre-tax profit for the current period to-date stood at RM379.48 million, a decrease of 12.5% compared to the corresponding period of the preceding year, mainly due to lower contributions from the Group's Manufacturing & Quarrying and Plantation divisions as well as the non-recurrence of a one-off gain of RM27.9 million that was contributed by an associate in the preceding year. This was further compounded by a net unrealised foreign exchange loss of RM4.0 million in the current year as opposed to a net unrealised foreign exchange gain of RM10.8 million in the corresponding period of the preceding year.

Further analysis of the divisional performances is given below.

Operating Segment	Commentary
Construction	Current quarter and period to-date revenue increased by 19.2% and 13.9% respectively over the previous year's corresponding periods as the progress of construction works at certain major infrastructural projects continued its uptrend and this was further supplemented by the progress achieved by projects that were secured in the previous year. Likewise, current quarter and period to-date pre-tax profit increased by 6.5% and 10.9% respectively over the previous year's corresponding periods.
Property development	The Division's revenue increased by 2.3% for the current quarter and 2.1% for the period to-date compared to the previous year's corresponding periods on the back of higher sales recorded as well as higher work progress in the current quarter and period to-date. Likewise, current quarter and period to-date pre-tax profit increased by 5.5% and 12.3% respectively over the previous year's corresponding periods.
Manufacturing and quarrying	Current quarter revenue and pre-tax profit decreased by 4.9% and 30.2% respectively compared to the previous year's corresponding quarter mainly due to lower volumes in the quarrying and ready-mixed concrete sectors. The period to-date revenue increased marginally by 1.7% over the previous year's corresponding period following increased delivery tonnage of piles (by 5.3%) whereas the period to-date pre-tax profit decreased by 24.5% compared to the previous year's corresponding period as margins were compressed by increased raw material prices as well as lower volumes in the quarrying and ready-mixed concrete sectors.

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

Operating Segment	Commentary
Plantation	<p>Revenue for the current quarter was 2.5% lower than the previous year's corresponding quarter mainly due to lower CPO sales volume in the Malaysian operations. Revenue for the period to-date was 11.8% higher than the previous year's corresponding period on the back of increased CPO sales volume as a result of a larger area attaining maturity in the Indonesian operations. However, pre-tax profit for the current quarter and period to-date dropped to RM18.3 million and RM43.0 million respectively compared to RM64.1 million and RM102.7 million respectively in the previous year's corresponding periods. Lower pre-tax profit was mainly due to the net unrealised foreign exchange losses of RM8.5 million and RM9.3 million on the US Dollar denominated borrowings for the current quarter and period to-date respectively as compared to the net unrealised foreign exchange gains of RM9.4 million and RM14.8 million in the preceding year's corresponding periods respectively. This was further compounded by the higher costs from increased replanting activities, minimum wage and harvesting rates revision in the Malaysian operations and the increased mature area in the Indonesian operations incurring full fixed plantation maintenance and overhead costs set against start-up crop yield.</p>
Infrastructure	<p>Revenue for the current quarter and period to-date increased by 10.0% and 19.4% respectively compared to the previous year's corresponding periods. This was mainly attributable to the increase in cargo throughput handled by the Group's port concession with the current quarter's and period to-date's cargo throughput expanding by 15% and 41% respectively compared to the previous year's corresponding periods. The Division's pre-tax profit for the current quarter and period to-date also increased to RM35.7 million and RM100.4 million respectively compared to RM15.8 million and RM36.5 million respectively in the previous year's corresponding periods. This was also mainly due to the increase in cargo throughput handled by the Group's port concession, higher contribution from the associates as well as the lower net foreign exchange losses of RM3.5 million and RM4.4 million for the current quarter and period to-date respectively compared to losses of RM12.2 million and RM28.7 million respectively in the previous year's corresponding periods.</p>

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

The Group's pre-tax profit decreased by RM15.5 million (or 7.9%) compared to that of the immediate preceding quarter mainly due to lower contribution from the associates with share of profits declining from RM17.3 million in the immediate preceding quarter to a loss of RM3.0 million in the current quarter.

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B3. Prospects for the Current Financial Year

The Group's Construction division expects an encouraging market outlook supported by RM8.3 billion of outstanding order book, underpinned by the implementation of on-going 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 uncertain market sentiments, 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 RM1.9 billion, the division is expected to maintain a satisfactory performance in the current financial year.

Despite a challenging operating environment both domestically as well as overseas, the Group's Industry division should see continued growth by leveraging on heightened construction activities in Malaysia whilst supported by its healthy and strong order book position.

The Group's Plantation division expects the overall performance for the current financial year to be challenging due to the uncertainty in the recovery of crop production particularly in the Malaysian operations. In Indonesia, notwithstanding the higher crop production from the increased young mature areas, the business environment is expected to be impacted by the volatility of the foreign exchange rates particularly the US Dollars against the Indonesian Rupiah.

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 constantly changing business environment, based on the above stated factors, the Group expects a reasonable 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 30 SEPTEMBER		CUMULATIVE PERIOD 6 MONTHS ENDED 30 SEPTEMBER	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Malaysian income tax	51,677	61,870	97,408	100,919
Overseas taxation	-	-	(161)	-
Transfer to deferred taxation	5,930	6,860	14,037	12,480
	<u>57,607</u>	<u>68,730</u>	<u>111,284</u>	<u>113,399</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 September 2017, there were no outstanding corporate proposals.

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B7. Group Borrowings

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

	As at 30/09/2017 RM'000
(a) (i) Short Term Borrowings	
Secured:-	
- Islamic bonds	40,000
- Term loans	132,325
- Hire purchase and lease payables (included in trade and other payables)	400
- Revolving credits	105,763
- 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	895,636
- Revolving credits	802,504
- Bankers' acceptances	37,500
- Letter of Credit	11,359
- Bank overdrafts	29,702
	2,088,293
(ii) Long Term Borrowings	
Secured:-	
- Islamic bonds	610,000
- Hire purchase and lease payables	859
- Term loans	587,832
- Government support loans	72,349
Unsecured:-	
- Islamic bonds	1,300,000
- Government support loans	50,746
- Term loans	1,123,810
	3,745,596

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	411,450	1,738,058
Indian Rupee	4,063,415	262,497
Chinese Renminbi	152,212	95,344
Pound Sterling	7,504	42,571
		2,138,470

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B8. Changes in Material Litigation

There was no material litigation since 31 March 2017.

B9. Dividends

The Company has declared a single tier first interim dividend in respect of the financial year ending 31 March 2018 of 3 sen per share to be paid on 28 December 2017 to every member who is entitled to receive the dividend at the close of business on 15 December 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 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
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
	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	110,862	163,895	237,257	279,411
(b) Weighted average number of ordinary shares ('000)	3,627,478	3,600,848	3,622,950	3,595,693
Basic Earnings per share (sen)	3.06	4.55	6.55	7.77
<u>Diluted Earnings per share:-</u>				
(a) Net profit for the period attributable to owners of the Company	110,862	163,895	237,257	279,411
(b) Weighted average number of ordinary shares ('000)	3,627,478	3,600,848	3,622,950	3,595,693
Effect of dilution ('000)				
- Employee share options and share grants	46,287	47,607	45,755	48,890
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	3,673,765	3,648,455	3,668,705	3,644,583
Diluted Earnings per share (sen)	3.02	4.49	6.47	7.67

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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
	30/09/2017 RM'000	30/09/2016 RM'000	30/09/2017 RM'000	30/09/2016 RM'000
Interest income	26,955	22,486	56,040	45,008
Other income (including investment income)	2,186	2,703	5,113	7,121
Interest expense	(50,340)	(30,145)	(95,408) *	(61,248) *
Depreciation and amortisation	(75,788)	(65,707)	(155,781)	(126,893)
Net reversal/(allowance) of impairment of receivables	3,089	(680)	283	(2,448)
Net gains on disposal of investments or properties	638	445	2,183	6,408
Net (allowance)/reversal of impairment of assets	(1,456)	(276)	(1,537)	1,243
Net foreign exchange (losses)/gains	(377)	16,720	(4,015)	10,802
Net (losses)/gains on derivatives	(3,003)	(3,047)	(2,283)	3,606

* Includes RM9.1 mil (2016: RM Nil) 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 derivative financial instruments

The Group recognised a total net fair value loss on derivative financial instruments of RM2.28 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 losses
Crude palm oil ("CPO") pricing swap contracts	(3,003)	(2,283)	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 risen above the contracted prices.

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

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

	As at 30 September 2017 RM'000	As at 31 March 2017 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	7,004,239	6,698,505
- Unrealised ^{N1}	(314,419)	(234,447)
	6,689,820	6,464,058
Total share of retained profits from associates:		
- Realised	109,467	103,417
- Unrealised ^{N1}	17,523	38,212
Total share of retained profits / (accumulated losses) from joint ventures:		
- Realised	(232,071)	(163,260)
- Unrealised ^{N1}	2,362	2,362
	6,587,101	6,444,789
Less: consolidation adjustments ^{N2}	(3,213,962)	(3,141,886)
Total group retained profits as per group accounts	3,373,139	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.