IJM CORPORATION BERHAD

ANNUAL REPORT **2017**

ENDURING VALUES ADVANCING POSSIBILITIES

CONSTRUCTION

PROPERTY

INDUSTRY

OUR GLOBAL PRESENCE

PLANTATION

INFRASTRUCTURE

Scan this to view our Annual Report online. Our Annual Report, financial and other information about IJM Corporation Berhad can also be found at **www.ijm.com**

Workplace by facebook

1ST Public listed company in Malaysia to be connected via Workplace by **Facebook**

33rd ANNUAL GENERAL MEETING OF IJM CORPORATION BERHAD

Wednesday
23 August 2017
3.00pm

Victorian Ballroom, Level 1 Holiday Villa Hotel & Suites Subang
9 Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia

Refer to pages 352 to 354 for more detailed information on our AGM

Con

tents

Since 1986 » 2017

GROUP MARKET **CAPITALISATION**

186 times

RM12.29 BILLION

as at 31 March 2017

GROUP **TOTAL ASSETS**

121 times

RM20.89 BILLION

as at 31 March 2017

GROUP PROFIT **BEFORE TAX**

83 times

RM1,010.01 MILLION

as at 31 March 2017

CORPORATE PROFILE

IJM Corporation Berhad ("IJM") is a leading Malaysian conglomerate and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). Its core business activities encompass construction, property development, manufacturing and quarrying, infrastructure concessions and plantations.

Headquartered in Selangor, Malaysia, IJM's international aspirations have seen it establish its presence in 10 countries, with primary focus in Malaysia, India, China and Indonesia.

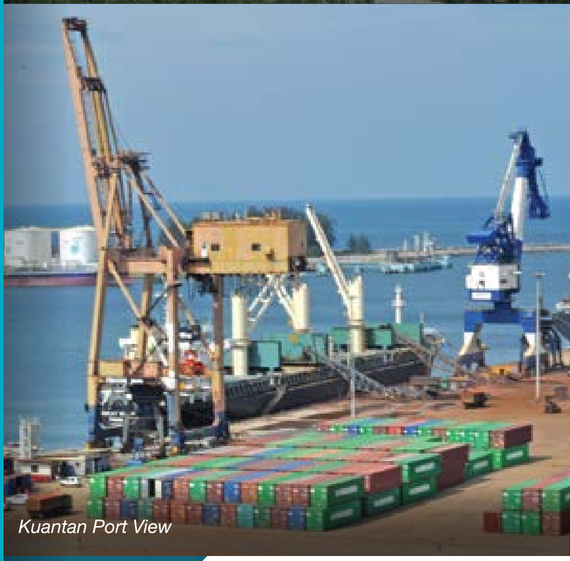
IJM's growth over the past three decades has been the result of its unwavering focus on its core competencies, diversification into strategically related businesses and selective expansion into new markets.

IJM was formed in 1983 as a result of a merger between three medium-sized local construction companies – IGB Construction Sdn Bhd, Jurutama Sdn Bhd and Mudajaya Sdn Bhd – to compete more effectively against bigger foreign contractors in Malaysia at the time. In the years following its formation, the Company quickly established itself as a professionally managed construction group and rapidly gained market acceptance. During this time, the Company progressively built on its delivery capabilities, competitive prowess and financial capacity to strengthen its footing as a reputable local contractor.

In April 2007, IJM acquired the Road Builder Group ("RBH"), its nearest competitor, to augment its position as one of the country's biggest builders. In addition to bolstering its construction order book, property land bank and infrastructure portfolio, the enlarged Group enabled IJM to attain considerable synergistic benefits, greater local prominence as well as possess a more sizeable balance sheet to bid for larger jobs and facilitate its expansion into overseas markets.

ICP Piles used at Rapid Package 2, Pengerang, Johor

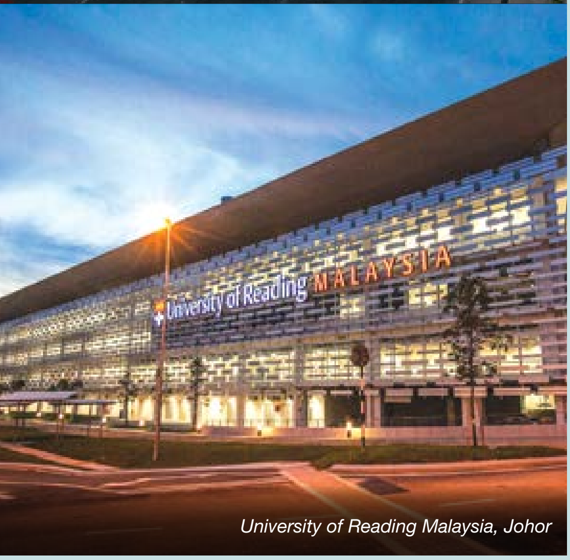
Rakanan Jaya North Estate, Sabah



Kuantan Port View

Sherwood 2, Kinrara South, Selangor

Western Access Tollway, Argentina



University of Reading Malaysia, Johor

IJM's undertaking as a property developer began as a natural progression from its experience in the construction business. The Group's property arm, led by IJM Land Berhad, has since grown considerably and has emerged as one of the largest property developers in Malaysia with sprawling townships, commercial buildings and high-rise condominiums under development in key growth areas throughout the country. Besides establishing itself as a reputable township developer in India, IJM has also successfully undertaken overseas ventures in Orlando, USA, Singapore and Australia. Current overseas developments include projects in London, China and Vietnam.

Initially supporting in-house needs, the Group's Industry Division grew its operations into scalable core activities focused on catering to demand from outside the Group. IJM continued to expand this division with strategic acquisitions such as the takeover of Industrial Concrete Products Berhad in 2004 and successful market diversifications into China, India and Pakistan.

Leveraging on its construction expertise, the Group also owns and operates infrastructure concessions to create long-term recurrent income streams. Initial advancements into concession assets in Malaysia, however, proved elusive and an international focus was adopted. IJM's involvement in overseas infrastructure privatisation Build-Operate-Transfer schemes met with considerable success. Amongst the Group's present investments in major overseas infrastructure projects are the Western Access Tollway in Argentina, four tolled highways and the Gautami power plant in India, and the Binh An water treatment concession in Vietnam. In Malaysia, the Group owns and operates the NPE, Besraya and LEKAS expressways as well as the Kuantan Port. IJM also owns a stake in the West Coast Highway that is currently being constructed. The Group had previously invested in and profitably sold several infrastructure assets in China.

The Group ventured into oil palm plantations in 1985 as a source of steady income to cushion the cyclical nature of its core construction business. Now listed on the Main Market of Bursa Securities, IJM Plantations Berhad has contributed significantly to the Group's earnings over the years and has also accorded the Group better resilience to weather macroeconomic and input costs volatilities. It is currently expanding its plantation operations into Indonesia.

IJM IN THE NEWS

IJM获11.6亿BBCC工程

（吉隆坡23日讯）IJM（IJM，
3336，主板建筑股）宣布，获得
武吉免登城市中心（BBCC）发
展有限公司总
吉的建筑合约
IJM今日向
公司IJM建筑
MFBBCC Retail
司（MFBBCC）
BBCC第一期
建设。
根据文告

同时，IJM也宣布，截至12
月杪第三季，净赚1亿3835万
8000令吉，或每股3.84仙，年

IJM eyes 74% stake in India highway concessionaire

BY SAMANTHA HO

KUALA LUMPUR: IJM Corp Bhd has established a private vehicle to invest up to a 74% stake in Dewas

in the widening and upgradi
the 19.8km Dewas Bypass Ro
Madhya Pradesh, India, to a fou
six-lane highway. The works ar
done on a design, build, opera

FTSE Russell adds IJM Corp to FBM KLCI

KUALA LUMPUR: FTSE Russell, the global index provider, has announced one change to the constituents of the FTSE Bursa Malaysia KLCI (FBM KLCI) with IJM Corp Bhd added to the index and SapuraKencana Petroleum being deleted.

In a joint statement yesterday, FTSE Russell and Bursa Malaysia said this followed the semi-annual review of the FTSE Bursa Malaysia Index Series yesterday.

The index series is reviewed semi-annually in accordance with the index ground rules.

IJM: A GREAT MALAYSIAN STORY TO BE TOLD

RIDING THROUGH THE ECONOMIC CYCLES AND EMERGING STRONGER EACH TIME

Triple protection for house buyers

3-IN-1 SCHEME: IJM Land collaborates with Allianz Life and Allianz General to offer HomeTIPS

Construction and industry divisions to drive IJM

Group is expecting more rollout of infrastructure jobs

IJM Corporation ada tempahan projek lebih RM7 bilion

IJM Corporation Berhad, Jalan Yong Shook Lin, Petaling Jaya. - Foto Munira Abdul Ghani

PETALING JAYA: IJM Corporation Bhd mempunyai tempahan bernilai lebih RM7 b
bagi sektor pembinaan untuk tempoh sehingga tiga tahun akan datang, sebahagi
besar disumbangkan oleh projek baharu di pasaran domestik.

Pengarah Urusan dan Ketua Pegawai Eksekutifnya, Datuk Soam Heng Choon, be
berdasarkan jumlah tempahan itu, ia bakal menyumbang pendapatan sekurang-
kurangnya RM2 bilion setahun bagi tempoh dua tahun akan datang untuk sektor
pembinaan sahaja.

Beliau berkata, projek utama yang diperoleh kumpulan pembinaan terbesar nega
termasuk Lebuhraya Pantai Barat bernilai RM2.828 bilion dan pembinaan Fasa S
Terminal Laut Dalam Baharu di Pelabuhan Kuantan bernilai RM1.188 bilion.

"Kami akan meneruskan usaha untuk menyertai tender untuk projek baharu di pa
tempatan dan luar negara bagi memastikan jumlah tempahan kami sentiasa dig
semula," katanya dalam temubual eksklusif bersama wartawan akhbar Kumpulan
New Straits Times Press (M) Bhd (NSTP) di sini, baru-baru ini.

IJM, MRCB among winners of MRT work packages

ZARINA ZAKARIAH

KUALA LUMPUR: IJM Corp Bhd and Malaysian Resources Corp Bhd (MRCB) are among the recipients of the latest four packages of mass rapid transit (MRT) contracts for the Sungai Buloh-Serdang-Putrajaya (SSP) Line worth a combined RM4.2 billion.

IJM won a contract w
billion to build a 4.6
guideway and other
works from Jinjang
to the Jalan Ipoh
North Portal.

MRCB secured a RM648 million contract to build a 2.6km viaduct guideway and other associated works from Persiaran Apec in Cyberjaya to Putrajaya Sentral.

The biggest contract, a systems work package worth RM1.62 billion, went to the consortium of Hyundai Rotem Co and Posco Engineering South Korea and Malay
ay Apex Communicatio

train control system.

The Bombardier-Global Rail group was the contractor for the signalling and train control system of the MRT Sungai Buloh-Kajang (SBK) Line.

The latest contracts were awarded following a procurement committee meeting chaired by Prime Minister Datuk Seri Najib Razak, said MRT

IJM Plantations eyes better FY17 on possible 'windfall gains'

BY TAN SIEW MUNG

KUALA LUMPUR: IJM Plantations

"We've seen the upside of palm oil prices firming up. If the trend continues, it will be more positive to the group," Tek said, adding that there would be potential for "windfall gains" if palm oil prices were to cross over to between RM2,600 and RM2,800. Its cost of palm oil ranged between RM1,400 and RM1,600 per tonne. The commodity is now trading around RM2,580 per tonne, according to *Bloomberg* data.

IJM Plantations slipped into the red in the fourth-quarter ende March 31, 2016 (4QFY16), with a ne loss of RM16.48 million, compared with a net profit of RM10.08 million in 4QFY15, mainly due to lower FF production and palm oil prices.

The quarterly losses also dragged its FY16 net profit down 73.2% year-on-year to RM24.2 million, its worst yearly performance since FY03.

Tek said the group's financial performance was dragged by commodity prices over the last few years. Indonesia's palm oil levy of US$50 per tonne, implemented since July 16, 2015, also affected the group's performance in FY16.

"We are not making losses; it is only that we are not making the profit that we'd like to make. If commodity prices stay at RM2,300 to RM2,400, we will make the same profit [as last year]," Tek added.

Meanwhile, the group plans to spend RM160 million in FY17 and FY18 to upgrade its facilities, finish replanting and to set up its mill.

The group's chief financial officer Puru Kumaran said the group will spend RM10 million in FY17 to upgrade its facilities in Malaysia, and RM150 million over the next two years to finish the planting and setting up of its third mill in Indonesia

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IJM Corp 2Q net profit up 4.8%, pays three sen dividend

BY BILLY TOH

KUALA LUMPUR: IJM Corp Bhd's net profit rose 4.8% to RM163.9 million or 4.55 sen per share in the second financial quarter ended Sept 30, 2016 (2QFY17) from RM156.4 million or 4.38 sen per share a year ago.

Revenue grew 11% to RM1.49 billion in 2QFY17 from RM1.34 billion in 2QFY16.

In a filing with Bursa Malaysia yesterday, IJM said the improved performance was mainly due to

RM493.2 million in 1HFY16, mainly due to lower contributions from the group's property development, manufacturing and quarrying and infrastructure divisions.

This was despite its revenue growing by 11% to RM2.8 billion from RM2.52 billion in 1HFY16.

In a separate statement yesterday, IJM chief executive officer and managing director Datuk Soam Heng Choon said the group's prospects under the construction and industry divisions are underscored by strong current outstanding or-

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IJM indirect unit to invest in India highway concessionaire

KUALA LUMPUR: IJM Corp Bhd has set up an indirect wholly-owned subsidiary, IJM Dewas (Mauritius) Ltd, as the vehicle to invest up to 74% in a highway concessionaire in India.

In a filing with Bursa Malaysia yesterday, IJM said IJM Dewas (Mauritius) would take the stake in Dewas Bypass Tollway Pte Ltd, which will carry out the project to widen and upgrade the 19.8 km Dewas bypass road in Madhya Pradesh, India.

Dewas Bypass Tollway Pte Ltd was formed by IJM last month with an initial share capital of 1 million shares of 10 rupees each.

According to various reports last year, the state cabinet had agreed to spend a sum of 2.862 billion rupees (RM193.8mil) on the project, which involves converting the highway to a four/six-lane highway on a design, build, operate and transfer basis.

In its announcement last month, IJM said the concession agreement for the project was expected to be executed on Feb 27, 2017.

IJM's infrastructure division already has three tolled highways in India - the 367km Rewa Tollway, 145km Swarna Tollway (which it is in the process of divesting for 10.03 billion rupees or RM678.7mil) and 79km Chilkaluripet-Vijayawada Tollway).

Of the well-diversified group's businesses, infrastructure was the largest contributor to IJM's profit before tax for the financial year ended March 31, 2016, at RM555.77mil.

The profit was largely attributable to the disposals and fair value gains on the remeasurement of its equity interests in Swarna Tollway Pte Ltd and Jaipur-Mahua Tollway Pte Ltd and a balance stake disposal in Trichy Tollway Pte Ltd totalling RM307.48mil.

But for the nine months ended Dec 31, 2016, the infrastructure business contributed the least due mainly to the one-off gains in the previous financial year - i.e. from the disposal of its 74% equity interest in Jaipur-Mahua Tollway and 70% equity interest in Swarna Tollway.

IJM poised to ride construction wave

IJM Corporation lahir tenaga kerja profesional pembinaan

PETALING JAYA: IJM Corporation Bhd bukan sahaja mencatatkan prestasi mengagumkan dalam sektor pembinaan, tetapi turut mel profesional yang berkebolehan dalam sektor terbabit di n

Reputasi kukuh IJM sering menjadikannya antara rujukan termasuk syarikat berkaitan kerajaan (GLC) atau syarikat apabila ingin mengambil kakitangan, terutama bagi menja

"Jika mereka ingin mencari kakitangan untuk sektor pem syarikat seperti IJM atau Gamuda Bhd.

"Maka, kami jadi seperti pusat latihan untuk melahirkan te pengurusan," kata Pengarah Urusan dan Ketua Pegawai E

IJM Land's Waterside Residence condominium sees 70% take-up

An artist's impression of The Light Waterside Residence condominium

It is a positive sign as genuine buyers are still looking for opportunities to invest – Chong

Young angels show graceful rhythm

Uzbekistan gymnasts dominate junio of international competition at Bukit J

IJM Land sees RM30b GDV for its landbank

UPBEAT: But CEO says value can double as various developments progress

MCKIPSB eyes RM10bil investments

Industrial park developer targets big jump in capital injections

IJM Plantations expected to have stronger 2HFY17

IJM unit secures RM1bil job from MFBBCC Retail Mall

PETALING JAYA: IJM Corp Bhd has clinched a construction job from MFBBCC Retail Mall Sdn Bhd worth RM1.16bil.

In a filing with Bursa Malaysia yesterday, it said its wholly owned subsidiary IJM Construction Sdn Bhd had accepted the letter of award from MFBBCC Retail Mall for the design and build of the retail mall substructure and superstructure works with associated local infrastructure and landscaping works (Parcel 1, Phase 1 of the Bukit Bintang City Centre Development) at Jalan Hang Tuah/Jalan Pudu, Kuala Lumpur.

The construction period of the project is 40 months.

en-storey retail mall with one level of lower ground and one level

vel car park.

富時綜指 成分股調整

富時大馬 70指數成分股

入榜：

怡保工程

出榜：

沙肯石油

入榜：

怡克伟士

綜指成分股調整

沙肯出局　怡保工程入榜

（吉隆坡1日讯）富时罗素（FTSE Russell）公布马股指数半年检讨行动，怡保工程（IJM,3336,主板建筑组）上榜成为富时综合指数成分股新成员，而沙肯石油（SKPETRO,5218,主板贸服组）则被淘汰出局。

大马交易所文告指出，大马富时综合指数成分股的候补名单，主要包括5只市值最高的非指数成分股，分别为星狮（F&N,3689,主板消费

板建筑组）、IOI产业（IOIPG,524 主板产业组）、大马机（AIRPORT,5014,主板贸服组）及忠礼电力（YTLPOWR,6742,主板基计划组）。

一旦在半年的检讨活动，有任股项跌出榜外，候补名单中的股项有望挤入榜中。

文告指出，上述变动将从2016

IJM GIVING A VOICE TO ITS PEOPLE IN THE WORKSPACE

WHAT IJM-ERS ARE SAYING ABOUT FACEBOOK AT WORK

'Mega port in the making should worry Singapore'

IJM posts higher net profit at RM793.6mil

Gains made from the disposal of equity interests in subsidiaries

Anchored on enduring values,
IJM Group continues to make headlines in 2017.

AWARDS & ACCOLADES

In our pursuit for excellence, we are honoured to have been recognised for our industry leadership, corporate and community stewardship as well as for having a dynamic workplace culture.

Here is an overview of our awards and accolades that showcases our track record and performance in the sectors that we operate in.

CONSTRUCTION

- **Malaysian Construction Industry Excellence Awards**
  Builder of the Year Award in 2015, 2002 and 2001
- **Malaysian Construction Industry Excellence Awards**
  Best Project Award for Major Project (Building) in 2016, 2015, 2013 and Best Infrastructure Project for Major Project in 2016
- **Malaysian Construction Industry Excellence Awards**
  Contractor of the Year Award in 2012 and 2009
- **Malaysian Construction Industry Excellence Awards**
  International Achievement Award in 2007, 2006 and 2001
- **RAM Ratings Blueprint Awards**
  Project Finance Landmark Deal in 2015
- **PAM Awards for Excellence in Architecture**
  Silver Award in Public and Institutional Category (SOCSO Rehabilitation Centre) in 2015
- **Utusan Business Awards**
  Industry Excellence in Construction Sector in 2015
- **National Health and Safety Award**
  Construction for The Light Collection IV in 2014
- **Top Asia Corporate Ball**
  Malaysia's Top Construction Giant Award in 2013
- **Occupational Safety & Health National Excellence Award**
  Gold Medal Award in 2007
- **MITI Industry Excellence Award**
  Export Excellence (Services) in 2007 and 2003
- **Malaysian Construction Industry Excellence Awards**
  International Contractor of the Year Award in 2005 and 2000
- **Malaysian Construction Industry Excellence Awards**
  Project Award (Major Scale Project) in 2004 for New Pantai Expressway and Major Building Category for Putrajaya Convention Centre in 2003

PROPERTY

- **The Edge Malaysia Property Excellence Awards**
  Top Property Developers Awards in 2016 and 2015; and Property Development Excellence Award for Seremban 2 in 2016
- **StarProperty.my Awards 2017**
  The All-Star Award: Top Ranked Developer of the Year; The Family-Friendly Award (Excellence) for Seremban 2; The Skyline Award (Excellence) for Seri Riana Residence; and StarProperty.my Readers' & Voters' Choice Award
- **StarProperty.my Awards 2016**
  The All-Star Award: Top Ranked Developer of the Year; The Family-Friendly Award (Excellence) for Bandar Rimbayu; and The WOW Award (Excellence) for The Light Waterfront Penang
- **Property Insight Malaysia's Prestigious Developer Awards**
  Top 10 Developers Award in 2017, 2016 and 2015
- **FIABCI Malaysia Property Awards**
  Master Plan Category Winner for Bandar Rimbayu in 2016 and The Light Waterfront Penang in 2014
- **BCI Asia Top 10 Developer Awards (Malaysia)**
  in 2016, 2015 and 2014
- **Malaysia Landscape Architecture Awards 2015**
  Honours in Landscape Design for DeBunga Residensi and The Address in 2016
- **MIP Planning Excellence Awards 2016**
  Place Making and Public Space Award for The ARC at Bandar Rimbayu and Merit in Design Excellence for Bandar Rimbayu
- **FIABCI World Prix D'Excellence Awards 2015**
  World Silver in Master Plan Category for The Light Waterfront Penang
- **The Edge Malaysia Property Excellence Awards 2015**
  Notable Property Achievement Award for The Light Waterfront Penang
- **The Edge Malaysia Property Excellence Awards 2014**
  The Edge-PAM Green Excellence Award (Honorary Mention) for The ARC at Bandar Rimbayu
- **Malaysia Book of Records 2015 for The Light Waterfront Penang**
  for being the first marine ecosystem in a residential precinct (national record)
- **International Property Awards (Asia Pacific) 2015**
  Highly Commended for Condominium Malaysia for Seri Riana Residence and Architecture Multiple Residence Malaysia for Debunga Residensi
- **International Property Awards (Asia Pacific) 2014**
  Best Developer Website Asia Pacific; Five-Star Awards for Best Development Marketing Malaysia and Best Developer Website Malaysia; and Highly Commended Award for Residential Landscape Architecture Malaysia for Pantai Sentral Park

- **International Property Awards (Asia Pacific) 2014**
  Highly Commended Award for Public Services Development Malaysia for Seremban 2
- **PAM Awards 2014**
  Silver Award (Commercial Mixed Development and Hospitality) for Rimbayu Club Village at Bandar Rimbayu and Special Category for The ARC at Bandar Rimbayu
- **Malaysia Landscape Architecture Awards (MLAA) 2014**
  Landscape Design Award for The ARC at Bandar Rimbayu
- **MIID Nippon Paint REKA Awards 2014**
  Gold Award for Green Interior Award Category for Bandar Rimbayu's Sales Gallery
- **The Edge Malaysia Property Excellence Awards 2014**
  The Edge-PAM Green Excellence Award (Honorary Mention) for The ARC at Bandar Rimbayu

PLANTATION

- **ACCA Malaysia Sustainability Reporting Awards (MaSRA)**
  Finalist in 2016
- **Malaysian Palm Oil Board Industry Excellence Award**
  Best Kernel Crushing Plant (IJM Edible Oils Sdn Bhd, Kernel Crushing Plant) in 2016
- **Asia Money Best Managed Company** (Small Cap)
  in Malaysia in 2015
- **Malaysian Palm Oil Board Industry Excellence Award**
  Best Estate (Rakanan Jaya North Estate) in 2014
- **Malaysian Investor Relations Awards** (Mid Cap)
  Best CEO and Best CFO in 2014

Here is the recognition that IJM has received for its culture of professionalism, performance and good governance as well as care for society and the environment.

GOVERNANCE, REPORTING, INVESTOR RELATIONS AND CORPORATE SOCIAL RESPONSIBILITY

- **The Edge Billion Ringgit Club Corporate Awards**
  Highest Profit Growth Company (Construction) in 2016 and 2015
- **BrandLaureate Awards**
  Most Valuable Brand Award for Construction and Builder of Choice in 2016
- **ASEAN Corporate Governance Awards**
  Top 50 Public Listed Companies in ASEAN in 2015
- **MSWG-ASEAN Corporate Governance Transparency Index, Findings & Recognition**
  Top 10 Disclosure Merit Recognition Award in 2015
- **Malaysia-ASEAN Corporate Governance Index**
  Industry Excellence Award (Industrial/Trading) in 2014
- **Malaysian Corporate Governance Index**
  Corporate Governance Industry Excellence (Industries) in 2013 and Merit Award in 2010 and 2009
- **Asia Money Best Managed Company** (Mid Cap)
  in Malaysia in 2014 and 2006
- **NACRA Industry Excellence Awards**
  (Construction and Infrastructure) in 2016, 2014, 2013, 2009, 2008, 2007, 2006, 2004 and 2003, and Merit Awards in 2015 and 2010
- **Malaysian Investor Relations Awards**
  for Best Investor Relations Professional (Mid Cap) in 2013
- **Malaysian Investor Relations Awards**
  for Best Investor Relations Website (Mid Cap) in 2012
- **Prime Minister's CSR Awards** (Environment Category)
  in 2007
- **ACCA Malaysia Environmental and Social Reporting Awards**
  2006

WORKPLACE AND DIVERSITY

- **Malaysia's 100 (M100) Leading Graduate Employer**
- **GRADUAN Brand Awards**
  Top 50 Companies
- **TalentCorp Life @ Work Awards 2016**
  Honouree
- **HR Asia Best Companies**
  to Work for in Asia 2014 Awards

BUILT ON ENDURING VALUES, IJM'S

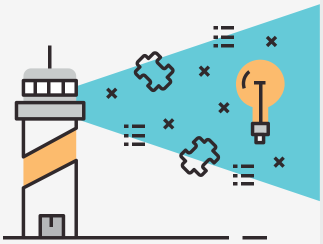
CONSTRUCTION

DIVISION IS EXPANDING REACH AND CAPABILITIES CONTRIBUTING TO NATIONAL PROGRESS.

IJM CHARTER

- Quality Products & Services
- Trusted Client Relationships
- Safety, Health & Environment
- Employee Welfare
- Social Responsibility
- Good Corporate Governance
- Maximising Stakeholder Returns
- Ethical Conduct

OUR VISION



Our corporate vision is to become a leading Malaysian conglomerate in the markets we serve.

INTEGRITY

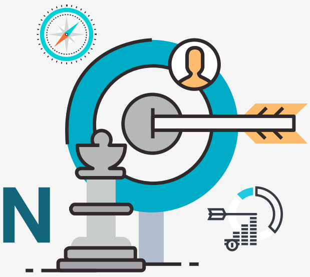
We act with professionalism in everything we do and with everyone we deal with, always delivering on our promise.

TEAMWORK

We work, collaborate and succeed in unity, believing and trusting each other in pursuing our shared goals. We embrace a philosophy of openness in acknowledging differences of opinions, cultures and contributions among all team members, treating all with respect.

OUR BUSINESS POLICY AND CONDUCT CONTINUE TO BE GUIDED BY A STRONG COMMITMENT TOWARDS...

OUR MISSION



Our mission is to deliver sustainable value to our stakeholders and enrich lives with the IJM Mark of Excellence.

OUR CORE VALUES

At IJM, we are guided by a set of core values in everything we do. These values form an integral part of our corporate culture, which is geared towards long-term success.

INNOVATION

We believe in continuous improvements, always exploring new ideas and promoting creative thinking. We commit passionately to excel at all we do, constantly striving to push the limits and surpass standards of excellence at every opportunity.

CUSTOMER FOCUS

We place our customers at the heart of everything we do, constantly delivering at the right time with high quality and great attitude. We relentlessly rise to exceed customers' expectations with the IJM Mark of Excellence.

IJM GROUP

CONSTRUCTION

- ◉ IJM Construction Sdn Bhd
  - Road Builder (M) Sdn Bhd
    - RBM-PATI JV
  - Commerce House Sdn Bhd
  - IJM Building Systems Sdn Bhd
  - IJM Construction Vietnam Company Limited
  - IJM Investments J. A. Limited
    - IJM Construction (Pakistan) (Private) Limited
    - IM Technologies Pakistan (Private) Limited
    - Karachi Expressway J. A. Limited
  - Jurutama Sdn Bhd
  - Prebore Piling & Engineering Sdn Bhd
  - IJM-Norwest JV
  - Hexacon Construction Pte Limited
  - Integrated Water Services (M) Sdn Bhd
  - Highway Master Sdn Bhd
  - BSC-RBM-PATI JV
  - IJMC-Ambang Usaha Joint Venture
  - IJM-LFE Joint Venture
  - IJMC-Zublin Joint Venture
  - IJM LFE Sdn Bhd
  - IJM Sunway Sdn Bhd
  - ISZL Consortium
  - Shimizu-Nishimatsu-UEMB-IJM Joint Venture
  - Kiara Teratai-IJM Joint Venture
  - IJMC-JAKS Joint Venture
  - IJM-CHEC Joint Venture
- ◉ IJM Construction (Middle East) Limited Liability Company

IJM (India) Infrastructure Limited ⬡
  - IJM (India) Geotechniques Private Limited

PROPERTY

- ◉ IJM Land Berhad
  - IJM Land Management Services Sdn Bhd
  - IJM Properties Sdn Bhd
    - Aqua Aspect Sdn Bhd
    - Chen Yu Land Sdn Bhd
    - Cypress Potential Sdn Bhd
      - Sebana Golf & Marina Resort Berhad
    - IJM Management Services Sdn Bhd
    - Jelutong Development Sdn Bhd
    - Manda'rina Sdn Bhd
    - Maxharta Sdn Bhd
      - Jelita Kasturi Sdn Bhd
      - Panorama Jelita Sdn Bhd
    - NS Central Market Sdn Bhd
    - Suria Bistari Development Sdn Bhd
    - Worldwide Ventures Sdn Bhd
      - Island Golf View Sdn Bhd
    - Preferred Accomplishment Sdn Bhd
    - Radiant Pillar Sdn Bhd
      - Bandar Rimbayu Sdn Bhd
    - Valencia Terrace Sdn Bhd
    - Larut Leisure Enterprise (Hong Kong) Limited
      - Jilin Dingtai Enterprise Company Limited
  - RB Land Sdn Bhd
    - Aras Varia Sdn Bhd
    - Casa Warna Sdn Bhd
    - Dian Warna Sdn Bhd
    - Ikatan Flora Sdn Bhd
    - RB Property Management Sdn Bhd
    - Seremban Two Holdings Sdn Bhd
    - Seremban Two Properties Sdn Bhd
    - Seremban Two Property Management Sdn Bhd
    - Shah Alam 2 Sdn Bhd
    - Titian Tegas Sdn Bhd
    - Tarikan Abadi Sdn Bhd
    - Murni Lapisan Sdn Bhd
    - Unggul Senja Sdn Bhd
  - Sova Holdings Sdn Bhd
  - Emko Properties Sdn Bhd
    - Emko Management Services Sdn Bhd
  - ERMS Berhad
  - RB Development Sdn Bhd
  - Mintle Limited
    - RMS (England) Limited
  - OneAce Global Limited
  - Asas Panorama Sdn Bhd
  - Kuantan Pahang Holding Sdn Bhd
  - Sierra Selayang Sdn Bhd
  - Cekap Tropikal Sdn Bhd
  - Good Debut Sdn Bhd
  - Elegan Pesona Sdn Bhd
  - IJM Management Services-Giat Bernas Joint Venture
  - IJM Properties-JA Manan Development Joint Venture
  - Nasa Land Sdn Bhd
  - IJM Perennial Development Sdn Bhd
  - 368 Segambut Sdn Bhd
  - Sierra Ukay Sdn Bhd

IJM Lingamaneni Township Private Limited ★

Swarnandhra-IJMII Integrated Township Development Company Private Limited ★

NPE Property Development Sdn Bhd ✱

Kuching Riverine Resort Management Sdn Bhd ▲

STRUCTURE

INDUSTRY

- ◉ **Industrial Concrete Products Sdn Bhd**
  - Durabon Sdn Bhd
  - ICP Investments (L) Limited
    - ICPB (Mauritius) Limited
      - IJM Concrete Products Private Limited
        - IJM-AIKYA Joint Venture
  - ICP Jiangmen Co. Ltd
  - Malaysian Rock Products Sdn Bhd
    - Azam Ekuiti Sdn Bhd
    - IJM Concrete (Private) Limited
      - IJM Concrete Pakistan
    - Kuang Rock Products Sdn Bhd
    - Oriental Empire Sdn Bhd
    - Scaffold Master Sdn Bhd
    - Strong Mixed Concrete Sdn Bhd
      - SMC Islamabad (Private) Limited
    - Warga Sepakat Sdn Bhd
- ◉ **Kemena Industries Sdn Bhd**
- ◉ Cofreth (M) Sdn Bhd

PLANTATION

- ◉ **IJM Plantations Berhad**
  - Berakan Maju Sdn Bhd
  - Desa Talisai Sdn Bhd
  - Dynasive Enterprise Sdn Bhd
  - Excellent Challenger (M) Sdn Bhd
  - Gunaria Sdn Bhd
    - PT Sinergi Agro Industri
    - PT Karya Bakti Sejahtera Agrotama
  - IJM Edible Oils Sdn Bhd
  - Minat Teguh Sdn Bhd
    - PT Primabahagia Permai
      - PT Prima Alumga
      - PT Indonesia Plantation Synergy
  - Rakanan Jaya Sdn Bhd
  - Ratus Sempurna Sdn Bhd

INFRASTRUCTURE & OTHERS

- ◉ **Road Builder (M) Holdings Bhd**
  - Besraya (M) Sdn Bhd
  - New Pantai Expressway Sdn Bhd
  - Kuantan Port Consortium Sdn Bhd
    - KP Port Services Sdn Bhd
- ○ West Coast Expressway Sdn Bhd
  KP Depot Services Sdn Bhd ✻
- ◉ **IJM Investments (M) Limited**
  - IEMCEE Infra (Mauritius) Limited
    - GVK Gautami Power Limited
  - IJMII (Mauritius) Limited
    - Roadstar (India) Infrastructure Private Limited ★
    - Swarnandhra Road Care Private Limited ★
  - IJM Rajasthan (Mauritius) Limited
  - IJM Rewa (Mauritius) Limited
    - Rewa Tollway Private Limited
  - IJM Trichy (Mauritius) Ltd
  - IJM Vijayawada (Mauritius) Ltd
    - Vijayawada Tollway Private Limited
  - IJM Dewas (Mauritius) Limited
    - Dewas Bypass Tollway Private Limited
- ◉ **IJM International Limited**
- ◉ **IJM Investments (L) Ltd**
- ◉ **IJM Highway Services Sdn Bhd**
- ◉ **CIDB Inventures Sdn Bhd**
  - Swarna Tollway Private Limited
- ◉ Emas Utilities Corporation Sdn Bhd
- ◉ Grupo Concesionario del Oeste S. A.
- ◉ WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad)
- ◉ Scomi Group Berhad
- ◉ Lebuhraya Kajang-Seremban Sdn Bhd

◉ Direct subsidiary/associate/joint venture of IJM Corporation Berhad

● Subsidiaries

● Associates

● Joint Ventures

✳ Direct subsidiary of Road Builder (M) Holdings Bhd

○ Direct associate of Road Builder (M) Holdings Bhd

★ Direct subsidiary of IJM (India) Infrastructure Limited, a subsidiary of IJMII (Mauritius) Limited

⬡ Direct subsidiary of IJMII (Mauritius) Limited

✻ Associate of KP Port Services Sdn Bhd

▲ Direct subsidiary of RB Manufacturing Sdn Bhd, a wholly-owned subsidiary of IJM Corporation Berhad

Note: Non-operating or dormant companies are not included

CORPORATE DIARY

01
APRIL
2016

Property Insight Malaysia's - Prestigious Developer Awards 2016

IJM Land was named as one of the Top 10 Developers in Malaysia serving as a testament for its quality excellence as well as innovative products and services that enhance the communities it serves.

08
APRIL

Kuantan Port Customer Appreciation Night @ Swiss Garden Beach Resort Kuantan

The event was organised to express appreciation to customers who have contributed to our port business and financial achievement for the year 2015.

30
APRIL

RHB Shimano Highway Ride @ Lekas Highway

Malaysia's First Closed Highway Night Cycling Event attracted 3,200 cycling enthusiasts from 16 countries to enjoy a smooth and safe ride on our Toll Division's fully LED-lit highway. IJM sponsored young riders from ages 7 to 21.

19
MAY

Package V203 of Projek Mass Rapid Transit Laluan 2: Sungai Buloh – Serdang – Putrajaya

IJM Construction accepted the Letter of Acceptance from Mass Rapid Transit Corporation Sdn Bhd for Package V203 for a contract sum of RM1.47 billion, which involves the construction and completion of viaduct guideway and associated works from Jinjang to Jalan Ipoh North Portal.

23
MAY

Press Conference on Implementation of Full Electronic Toll Collection ("ETC")

Loke Yew Toll Plaza hosted the third Media Press Conference for the implementation of the full ETC system in a number of highways located in the Klang Valley including Besraya. Full ETC system commenced on 1 June 2016.

26
MAY

Nursery Field Trip

Our Plantation Division organised a nursery field trip to Desa Talisai Estate for Malaysian Palm Oil Board and smallholders from Beluran district.

31
MAY

MCKIP Visit by Delegation of Investors

The Vice-Governor of Guangxi Zhuang Autonomous Region of China, H.E. Zhang Xiaoqin led a delegation of investors from China to visit the Malaysia-China Kuantan Industrial Park ("MCKIP") in Kuantan and Kuantan Port, as part of a two-day Second Investment Promotion Conference for Malaysia-China "Two Countries, Twin Parks".

06-08
JUNE

UBS Non-Deal Roadshow @ Edinburgh – London

IJM participated in one-on-one sessions and small group meetings with fund managers in UK.

21
JUNE

Kuantan Port Visit by Chinese Ambassador

The Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to Malaysia, H.E. Huang Hui Kang visited Kuantan Port.

30
JUNE

Monthly Medical Checkup @ Plantations

Monthly checkups are available for our Plantation Division's employees conducted by in-house nurses as part of its staff welfare programme.

01
JULY

Festive Road Safety Campaign

In conjunction with the festive season, our Toll Division collaborated with the Ministry of Works, PSKLM, PDRM, JPJ and MKJR to carry out Safety Awareness Programme for road users and distributed safety gears such as helmets, safety vests and fire extinguishers.

11
JULY

Sand Mining Business Diversification

Our Industry Division's maiden sand mine in Bestari Jaya, Selangor commenced operations with a monthly production capacity of 100,000 tonnes.

22
JULY

Hari Raya Celebration @ Wisma IJM

Staff and underprivileged children were treated to a spread of Malay cuisine and performances to mark 'Eid celebrations'.

28
JULY

Visit by Minister of International Trade & Industry to Kuantan Port

YB Dato' Sri Mustapa Mohamed visited Kuantan Port and was briefed by the port management on the latest development of its New Deep Water Terminal and breakwater project.

29
JULY

Official Commissioning of Industrial Concrete Products' ("ICP") Kapar Solar Project

Dato' Harry Khor, Head of Industry Division, officiated the commissioning of the Division's inaugural solar project at Kapar factory which has a capacity of 450kWp.

CORPORATE DIARY (cont'd)

05-07 AUGUST

IJM Games @ Penang

Our Construction Division of Penang hosted this biennial sporting event to foster sportsmanship, winning spirit and teamwork among IJMers. For this year's games, the overall champion was IJM Plantations.

16 AUGUST

Bakau Tree Planting @ IJM Plantations

As part of its sustainability efforts, our Plantation Division planted Bakau trees for soil conservation at its plantations.

24 AUGUST

AGM @ Holiday Villa Subang

IJM held its 32nd Annual General Meeting and shareholders approved a number of resolutions including reappointment of directors and auditors, among others.

08 SEPTEMBER

Senior Management Forum 2016 @ Holiday Villa Subang

The Board, Senior Management and Managers attended the annual forum to discuss Group and divisional performances as well as operational strategies. The theme of the forum was 'Reinvent For Success'.

09 SEPTEMBER

IJM Scholarship and Academic Excellence Awards 2016

Scholarship and academic excellence awards were awarded to develop and nurture outstanding students in this annual ceremony.

15-17 SEPTEMBER

7th Borneo Bird Festival

IJM Plantations supported and volunteered to make the 7th Borneo Bird Festival a successful event.

24
SEPTEMBER

IJM Annual Dinner 'Tropidise' 2016 @ One World Hotel

The beach themed annual dinner was attended by directors, staff and guests who were treated to live performances, lucky draws, great food and camaraderie.

27
SEPTEMBER

Cattle Integration

Our Plantation Division has implemented a cattle integration with oil palm programme for weed control in Sugut, Sabah.

12
OCTOBER

Carrom Championship 2016

Kelab Sukan IJM ("KSIJM") organised a carrom championship to foster networking and healthy competition amongst its members.

18-20
OCTOBER

Buildtech Asia 2016 @ Singapore Expo

ICP participated in this exhibition in conjunction with the Singapore Construction Productivity week hosted by Building and Construction Authority. Our Industry Division raised awareness about spun piles among builders, consultant engineers and authorities.

19
OCTOBER

Opening of Eco Majestic Interchange & Toll Plaza @ LEKAS Highway

The opening ceremony of the interchange and toll plaza was officiated by Minister of Ministry of Work, YB Dato' Sri Haji Fadillah bin Haji Yusof.

27
OCTOBER

Movie Night @ GSC Pavilion

Fund managers, analysts and bankers were treated to a special screening of 'Dr Strange' movie. Also invited to the show were 20 Shelter Home children who were treated to dinner and received goodie bags.

CORPORATE DIARY (cont'd)

31 OCTOBER

The Edge's Property Development Excellence Award and Top Property Developers Awards 2016

IJM Land won two awards - Property Development Excellence Award for Seremban 2 and Top Property Developers Awards (2nd place). IJM Corporation's CEO & MD, Dato' Soam Heng Choon received the Outstanding Property CEO Award.

17 NOVEMBER

FIABCI Malaysia Property Award 2016

IJM Land's 1,879-acre Bandar Rimbayu township was announced as the winner in the Master Plan Category at the FIABCI Malaysia Property Award 2016. The win qualified the development to participate at the International FIABCI World Prix d'Excellence Awards 2017 to be held in Andorra la Vella in 2017.

12 NOVEMBER

Blood Donation Campaign

Throughout the year, our Plantation Division organised numerous blood donation campaigns and contributed 212 pints of blood to the local blood bank.

01 DECEMBER

NACRA Industry Excellence Award 2016

IJM Corporation won the Industry Excellence Award in the Construction & Infrastructure category for the 9th time.

12 NOVEMBER

Field Trip by University Students

IJM Plantations hosted a group of students from Universiti Malaysia Sabah's Engineering School and organised an educational field trip for them.

01-03 DECEMBER

Myanmar International Building & Construction Industry Show @ MIDA Ground Yangon

Our Industry Division and its Myanmar distributor participated in this trade show to market and create awareness for its products in the Myanmar market.

03
DECEMBER

Give Day Out 2016

This year's theme was 'Fun with Nature' and IJMers group-wide united to revive forest reserves and trails as well as tree planting in various regions of Malaysia, China and India.

28
DECEMBER

Workers' Children @ IJM Plantations

During the school holidays, IJM Plantations organised numerous activities amongst many, a colouring activity, for its workers' children.

29
DECEMBER

Toll Division's Back to School Programme

30 underprivileged children from selected schools located along our Besraya highway received school aid including school uniforms, shoes, socks and school bags.

06
JANUARY
2017

Combined Festivals Celebration

It was a joyous moment as IJMers celebrated Deepavali, Christmas and the New Year in one sitting at Uncle Chilli's, Hilton Petaling Jaya.

18
JANUARY

Maybank Kim Eng One Belt One Road Seminar ("OBOR") @ Kuala Lumpur

IJM presented to local and foreign institutional investors in a large group setting about the developments taking place in Kuantan Port under the OBOR initiative.

22
JANUARY

Launching of Waterside Residence @ The Light Waterfront Phase 2

IJM Land launched its first residential tower, Waterside Residence at The Light Waterfront Phase 2 development in Penang. It received strong response from buyers during the official launch.

CORPORATE DIARY (cont'd)

25 JANUARY

Stakeholder Visit @ IJM Plantations

Our Plantation Division hosted a stakeholder engagement activity for the US Environmental Ambassador and the Wildlife Rescue Unit.

06 FEBRUARY

Chinese New Year Celebration @ Wisma IJM

Staff and guests ushered in the Year of the Rooster with great food, lion dance, drums and er-hu performances.

13 FEBRUARY

Breakwater Fun Walk @ Kuantan Port

Kelab Kebajikan dan Rekreasi KPC organised the first fun walk on the 1.6 km existing breakwater. The two hour walk on the breakwater was a memorable event for the participants.

13 FEBRUARY

A Day in Plantations with Smallholders' Workshop

Our Plantation Division organised a workshop with the purpose of sharing information on plantation management amongst smallholders.

16 FEBRUARY

NKF – IJM Toll Division Organ Donation Campaign

The campaign was part of the Toll Division's CSR programme for staff welfare which was also opened to the public to get their health checked for free.

23 FEBRUARY

Acceptance of Letter of Award for Retail Mall in Bukit Bintang City Centre ("BBCC")

IJM Construction accepted the Letter of Award from MFBBCC Retail Mall Sdn Bhd for the Design and Build for Retail Mall (Parcel 1, Phase 1 of BBCC Development), Kuala Lumpur for a contract sum of approximately RM1.16 billion.

23
FEBRUARY

KSIJM Bowling Championship 2017

An annual event organised by KSIJM for its members to get together and promote healthy competition in a bowling championship.

08
MARCH

Opening of Kuchai Link Ramp @ Taman Desa Interchange

Motorists in Kuchai Lama can now enjoy a more comfortable journey with the opening of the new Kuchai Link Ramp at Taman Desa elevated interchange of the New Pantai Expressway, which was officiated by Minister of Works, YB Datuk Seri Hj Fadillah Bin Hj Yusof.

16
MARCH

Visit by Ministry of International Trade & Industry @ Kuantan Port

Deputy Minister (Trade) Ministry of International Trade & Industry, YB Datuk Chua Tee Yong paid a courtesy visit to the port and was briefed on the latest port developments.

21
MARCH

IJM Land Wins @ StarProperty.my Awards 2017

IJM Land won numerous awards namely, the Skyline Excellence Award for Seri Riana Residence, Family-Friendly Excellence Award for Seremban 2 and named one of the Top Ranked Developers of the Year. IJM Land was also recognised for the StarProperty.my Readers' and Voters' Choice Award.

28
MARCH

Human - Elephant Conflict Meeting @ Sabah

IJM Plantations hosted a Human - Elephant Conflict Meeting organised by the Sabah Wildlife Rescue Unit to discuss on solving elephant encroachment in Kg. Ulu Muanad area.

28-29
MARCH

Credit Suisse - 20th Asian Investment Conference @ Hong Kong

IJM participated in one-on-one sessions and small group meetings with fund managers.

ANCHORED ON ENDURING VALUES, IJM'S

PROPERTY

DIVISION IS ABLE TO STAY RESILIENT IN A CHALLENGING ENVIRONMENT WHILE REMAINING POISED TO UNVEIL NEW POSSIBILITIES.

BOARD OF DIRECTORS AND SECRETARY

front

left to right

Dato' Soam Heng Choon

Tan Sri Abdul Halim bin Ali

Tan Sri Dato' Tan Boon Seng @ Krishnan

back

Mr. Lee Chun Fai

Datuk Lee Teck Yuen

Datuk Ir. Hamzah bin Hasan

Mr. Pushpanathan a/l S A Kanagarayar

Mr. Goh Tian Sui

Dato' David Frederick Wilson

Ms. Ng Yoke Kian, *Secretary*

PROFILE OF DIRECTORS AND SECRETARY

Tan Sri Abdul Halim bin Ali

• **PMN, PJN, SPMS, SIMP, DGSM, DHMS, DSDK, JSM, KMN** • *BA (Hons)*
Independent Non-Executive Chairman
- Audit Committee (Member), Nomination & Remuneration Committee (Member), Securities & Options Committee (Chairman)

AGE/GENDER 74/Male **NATIONALITY** Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION:
- Bachelor of Arts (Honours), University of Malaya

DATE APPOINTED/WORKING EXPERIENCE:
Tan Sri Abdul Halim joined the Board of IJM Corporation Berhad ("IJM") on 25 April 2007 and was subsequently appointed Chairman of IJM on 24 August 2011.

He joined the Ministry of Foreign Affairs and served in the Malaysian Diplomatic Service from 1966 to 1996. During this period, he served in several diplomatic missions overseas, including ambassadorial appointments in Vietnam and Austria. He was appointed the Chief Secretary to the Government of Malaysia in 1998 and retired in 2001. After his retirement, he was made the Chairman of the Employees Provident Fund Board until January 2007.

DIRECTORSHIP:
Listed Companies
- Malaysia Building Society Berhad (Chairman)
- Sedania Innovator Berhad

Other Public Companies
- University of Technology Malaysia School of Professional and Continuing Education (UTMSpace) (Chairman)

OTHER INFORMATION:
Tan Sri Abdul Halim was the Chairman of the Minority Shareholders Watchdog Group (2001-2012) and Multimedia Development Corporation (2003-2016).

Tan Sri Dato' Tan Boon Seng @ Krishnan

• **PSM, DSPN, SMS** • *B.Econs(Hons), CPA(M), MBA*
Deputy Non-Executive Chairman

AGE/GENDER 64/Male **NATIONALITY** Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION:
- Bachelor of Economics (Honours), University of Malaya
- Master of Business Administration, Golden Gate University, San Francisco, USA
- Member of the Malaysian Institute of Certified Public Accountants (MICPA)

DATE APPOINTED/WORKING EXPERIENCE:
Tan Sri Krishnan was appointed Deputy Non-Executive Chairman of IJM Corporation Berhad ("IJM") on 1 January 2014.

He joined IJM as Financial Controller in 1983 and then the Board as an Alternate Director on 12 June 1984, Director on 10 April 1990 and Deputy Managing Director on 1 November 1993. He was appointed Group Managing Director on 1 January 1997 and was redesignated Chief Executive Officer & Managing Director ("CEO&MD") on 26 February 2004. He stepped down as the CEO&MD of IJM on 31 December 2010 and was appointed the Executive Deputy Chairman from 1 January 2011 to 31 December 2013. He was also the Chairman of IJM Land Berhad from 2007 to 2015.

Prior to joining IJM, he was with Kumpulan Perangsang Selangor Berhad for seven (7) years, his last position was Group Financial Controller.

DIRECTORSHIP:
Listed Companies
- IJM Plantations Berhad
- Grupo Concesionario del Oeste S.A., Argentina

Other Public Companies
- HSBC Bank Malaysia Berhad (Independent Non-Executive Chairman)
- Malaysia Airlines Berhad
- Malaysia Aviation Group Berhad
- Malaysian Community & Education Foundation

OTHER INFORMATION:
Tan Sri Krishnan is actively involved in the promotion of Malaysia-India business ties and is the Founder President of the Malaysia-India Business Council (MIBC) and the Co-Chairman of the Malaysia India CEO Forum. He was the President of MIBC from 2008 to 2015.

He also serves as a management committee member of the Olympic Council Trust and President of the Klang High School Old Boys Association.

PROFILE OF DIRECTORS AND SECRETARY (cont'd)

Dato' Soam Heng Choon

- **DIMP, DPNS** • *B.Sc. (Civil Eng.) (Hons), P.Eng., MIEM*

Chief Executive Officer & Managing Director

- Executive Committee (Chairman), Securities & Options Committee (Member)

AGE/GENDER 57/Male **NATIONALITY** Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Bachelor of Science (1st Class Honours) in Civil Engineering, University of Strathclyde, United Kingdom
- Professional Engineer (P.Eng.) and a member of the Institution of Engineers, Malaysia

DATE APPOINTED/WORKING EXPERIENCE:

Dato' Soam was appointed Chief Executive Officer ("CEO") & Managing Director ("MD") of IJM Corporation Berhad ("IJM") on 6 April 2015. He was the Deputy CEO & Deputy MD from 7 June 2013 to 5 April 2015.

He was with the Ministry of Works for 10 years prior to joining Road Builder (M) Holdings Bhd ("RBH") Group in 1989. On 25 May 2004, he was appointed Executive Director of RB Land Holdings Berhad (now known as IJM Land Berhad ("IJML")) and MD on 2 October 2006. Subsequent to the acquisition of RBH Group by IJM in 2007, he was redesignated CEO&MD of IJML on 1 February 2010. He stepped down as the CEO&MD of IJML on 5 April 2015 prior to his appointment as CEO&MD of IJM. He has extensive experience in construction and property development.

DIRECTORSHIP:

Listed Companies

- IJM Plantations Berhad

Other Public Companies

- IJM Land Berhad
- ERMS Berhad
- Road Builder (M) Holdings Bhd
- Malaysian South-South Corporation Berhad
- Perdana Leadership Foundation
- Construction Labour Exchange Centre Berhad

OTHER INFORMATION:

Dato' Soam is the Deputy President of Real Estate and Housing Developers Association Malaysia (REHDA).

Lee Chun Fai

- **B. Acct. (Hons), MBA**

Deputy Chief Executive Officer & Deputy Managing Director

- Executive Committee (Member)

AGE/GENDER 46/Male **NATIONALITY** Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Bachelor of Accountancy (Honours), University Utara Malaysia
- Master of Business Administration, Northwestern University (Kellogg) and The Hong Kong University of Science & Technology

DATE APPOINTED/WORKING EXPERIENCE:

Mr Lee was appointed Deputy Chief Executive Officer & Deputy Managing Director of IJM Corporation Berhad ("IJM") on 6 April 2015.

He started his career with a public accounting firm. In October 1995, he joined Road Builder (M) Holdings Bhd ("RBH Group") and was the Head of Corporate Services Division of RBH Group prior to the acquisition of RBH Group by IJM in 2007. He has extensive experience in corporate finance, privatisation projects and financial management. He is currently the Head of Corporate Strategy & Investment and Head of Information Systems Department. Prior to that, he was the Deputy Chief Financial Officer for the IJM Group.

DIRECTORSHIP:

Listed Companies

- Scomi Group Bhd
- Scomi Energy Services Bhd
- WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad)

Other Public Companies

- IJM Land Berhad
- Road Builder (M) Holdings Bhd
- Sebana Golf & Marina Resort Berhad

OTHER INFORMATION:

Mr Lee is the board representative of IJM in WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad), Scomi Group Bhd and Scomi Energy Services Bhd.

Datuk Lee Teck Yuen

• **PJN** • *BSc.(Hons) Civil Eng. & Bus. Adm.*

Senior Independent Non-Executive Director

- Nomination & Remuneration Committee (Chairman)

AGE/GENDER 60/Male **NATIONALITY** Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Bachelor of Science (Honours) in Civil Engineering and Business Administration, University of Leeds, United Kingdom

DATE APPOINTED/WORKING EXPERIENCE:

Datuk Lee was appointed Director of IJM Corporation Berhad on 30 May 2007, and Senior Independent Non-Executive Director on 9 November 2012.

He was a Director of IJM Land Berhad from 2007 to 2015. Datuk Lee has more than 30 years' experience in property development.

OTHER DIRECTORSHIP IN PUBLIC COMPANIES:

- Road Builder (M) Holdings Bhd
- Malaysian South-South Corporation Berhad
- Asean Business Forum

OTHER INFORMATION:

He is currently the President of Malaysian Water Ski Federation and Honorary Secretary of Malaysian South-South Association.

Datuk Ir. Hamzah bin Hasan

• **PJN, DPMT, DNS** • *MSc.(Construction Management), BSc.(Hons) Civil Eng.*

Independent Non-Executive Director

- Audit Committee (Member), Nomination & Remuneration Committee (Member)

AGE/GENDER 66/Male **NATIONALITY** Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Bachelor of Science (Honours) in Civil Engineering, Glasgow University, United Kingdom
- Master of Science (Construction Management), Loughborough University, United Kingdom
- Professional Engineer of the Board of Engineers Malaysia

DATE APPOINTED/WORKING EXPERIENCE:

Datuk Hamzah was appointed Director of IJM Corporation Berhad on 16 November 2012.

He started his career as a Civil Engineer in the Public Works Department ("JKR") in 1975. Since then he has served JKR for 23 years until 1998. In 1998, he joined Ahmad Zaki Resources Berhad, a public listed company, as Group Managing Director until 2002. With his vast experience in both the public and private sectors, he was appointed as Chief Executive Officer of the Construction Industry Development Board ("CIDB"), Malaysia in 2003 and then served as the Chairman of CIDB from 2011 to February 2014.

DIRECTORSHIP:

Listed Companies

- WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad)

Other Public Companies

- School of Professional and Continuing Education, University of Technology Malaysia (UTMSpace)
- Phillip Mutual Berhad

OTHER INFORMATION:

Datuk Hamzah is a Fellow of the Chartered Institute of Building, Royal Institute of Chartered Surveyors, Institution of Engineers Malaysia, Institute of Value Engineering Malaysia, ASEAN Federation of Engineering Organizations and Honorary Fellow of the Project Management Institution Malaysia.

PROFILE OF DIRECTORS AND SECRETARY (cont'd)

Pushpanathan a/l S A Kanagarayar

- *CA(Scotland), CPA(M), CA(M)*

Independent Non-Executive Director

- Audit Committee (Chairman)

AGE/GENDER 65/Male **NATIONALITY** Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Member of the Institute of Chartered Accountants of Scotland
- Member of the Malaysian Institute of Certified Public Accountants ("MICPA")
- Member of the Malaysian Institute of Accountants ("MIA")

DATE APPOINTED/WORKING EXPERIENCE:

Mr Pushpanathan was appointed Director of IJM Corporation Berhad on 9 November 2012.

He retired as a partner of Ernst & Young on 31 December 2009. He has more than 39 years of experience in providing advisory, accounting and audit services in the role of a partner-adviser for a large number of clients based in Malaysia and internationally (both private and public corporations) in a variety of industries. He was also involved in share valuations of corporations, mergers and acquisitions, restructurings, takeovers, flotations, investigations and tax planning.

DIRECTORSHIP:

Listed Companies

- Bursa Malaysia Berhad • IJM Plantations Berhad

Other Public Companies

- Asian Institute of Finance Berhad
- Sun Life Malaysia Assurance Berhad
- Sun Life Malaysia Takaful Berhad
- MICPA
- Malaysian Community & Education Foundation

OTHER INFORMATION:

Mr. Pushpanathan is currently a Council Member and EXCO Member of MICPA. He also serves as a member of the Listing Committee of Bursa Malaysia and a Trustee of WWF-Malaysia.

He was a Board Member of the Malaysian Accounting Standards Board ("MASB") (2009-2015), Honorary Secretary of the Financial Reporting Foundation (2010-2015), President of MICPA (2012-2014), a Council Member of MIA (2012-2014), Chairman of MICPA's Financial Statements Review Committee and is currently the Project Chairman of the Insurance Standards Working Group of MASB on IFRS 17. He also headed the MICPA Working Group, which undertook a revision of the specimen financial statements of Model Insurance Berhad. He has served as an inaugural member of the International Federation of Accountants (IFAC's) Developing Nations Permanent Taskforce for 2004/2005. He has been actively involved in the National Annual Corporate Report Awards (NACRA), which is jointly organised by MICPA, MIA and Bursa Malaysia, as Chairman of the Adjudication and/or Organising Committees from 2003 to 2009.

Goh Tian Sui

- *BSc.(Hons), FRICS, FRISM*

Independent Non-Executive Director

AGE/GENDER 62/Male **NATIONALITY** Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Bachelor of Science (Honours) in Estate Management, University of Reading, United Kingdom
- Fellow of the Royal Institution of Chartered Surveyors (RICS), United Kingdom
- Fellow of the Royal Institution of Surveyors Malaysia (RISM)
- Registered Valuer with the Board of Valuers, Appraisers and Estate Agents, Malaysia

DATE APPOINTED/WORKING EXPERIENCE:

Mr Goh was appointed Director of IJM Corporation Berhad on 20 June 2016.

He has more than 30 years of experience as a Chartered Valuation Surveyor in both public and private sectors and has been involved in various real estate valuation and advisory assignments. He was appointed as a Director of C H Williams Talhar & Wong Sdn Bhd in 1989 and was made the Managing Director in 2003 until his retirement in 2010. He also served as an Independent Non-Executive Director of GLM REIT Management Sdn Bhd, the Manager of Tower Real Estate Investment Trust, from 2006 to 2010, and was a member of the RICS Malaysia Working Group from 2006 to 2012, of which he was the Chairman from 2010 to 2012. He was also an Independent Non-Executive Director of IJM Land Berhad from January 2013 until May 2015.

OTHER DIRECTORSHIP IN PUBLIC COMPANIES:

- Nil

OTHER INFORMATION:

Mr Goh's other past appointments include Executive Committee member of the Association of Valuers & Property Consultants in Private Practice (1991-2000), Council member of RISM (1996-1999), Board member of the Board of Valuers, Appraisers and Estate Agents, Malaysia (1999-2010) and Board member of the RICS Asia Valuation Professional Group (2010-2016).

Dato’ David Frederick Wilson

- **DIMP** • *MA (Mech.Sc).*

Independent Non-Executive Director

- Securities & Options Committee (Member)

AGE/GENDER 72/Male **NATIONALITY** British

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Master of Arts in Mechanical Sciences, Cambridge University, United Kingdom
- Fellow of the Institution of Civil Engineers, United Kingdom
- Fellow of the Chartered Institution of Highways and Transportation, United Kingdom

DATE APPOINTED/WORKING EXPERIENCE:

Dato’ Wilson was appointed Director of IJM Corporation Berhad on 30 May 2007, and was redesignated Independent Non-Executive Director on 25 May 2017.

He worked on various infrastructure and development projects in United Kingdom, Africa, Central America, the Caribbean and the Middle East before coming to Malaysia in 1980 as the Chief Resident Engineer for the construction of the Kuala Lumpur-Seremban Expressway and the implementation of the first highway toll systems in Malaysia.

In 1986, he joined United Engineers (Malaysia) Berhad as General Manager - Technical Services and was Managing Director of Kinta Kellas plc from 1990 to 1994 during which time he was responsible for the management of the construction of the North-South Expressway. Subsequent appointments included Managing Director of Renong Overseas Corporation Sdn Bhd (1995-2002), Managing Director of Crest Petroleum Berhad (1998-2000) and President of the Construction and Engineering Division of the Renong Group (1998-2002).

In 2002, he moved to Road Builder (M) Holdings Bhd initially as Non-Executive Director and later as Executive Director responsible for construction operations in India.

OTHER DIRECTORSHIP IN PUBLIC COMPANIES:

- Nil

Ng Yoke Kian

- **ACIS**

Company Secretary

AGE/GENDER 49/Female **NATIONALITY** Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Associate of Malaysian Institute of Chartered Secretaries & Administrators (MAICSA)

DATE APPOINTED/WORKING EXPERIENCE:

Ms Ng joined IJM Corporation Berhad (“IJM”) in 1997 and was appointed Company Secretary on 6 April 2012. She was subsequently appointed to head the Corporate Services Department on 24 September 2012. She is also the Company Secretary of IJM Plantations Berhad.

She started her career with a secretarial firm for about 5 years and was an Assistant Manager of the Technical and Research Department of MAICSA prior to joining IJM. She has more than 25 years experience in corporate secretarial work.

Note:-

1. There are no family relationship between the Directors and/or major shareholders of the Company.
2. Save for Tan Sri Dato’ Tan Boon Seng @ Krishnan and Lee Chun Fai who have interest in certain related party transactions as disclosed in Note 51(c) to the financial statements, none of the Directors has any financial interest in any business arrangement involving the Group.
3. All Directors maintain a clean record with regard to convictions for offences.

GROUP ORGANISATION CHART

BOARD OF DIRECTORS

- Executive Committee
- Audit Committee
  - Risk Management Committee
  - Internal Audit
- Nomination & Remuneration Committee
- Securities & Options Committee
- Company Secretary

DIVISIONS

Construction
Liew Hau Seng

Property
Edward Chong Sin Kiat

Industry
Dato' Khor Kiem Teoh

Plantation
Joseph Tek Choon Yee

Infrastructure – Port
Dato' Haji Khasbullah
Bin A Kadir

Infrastructure – Tolls
Wan Salwani Binti
Wan Yusoff

GROUP SUPPORT

Accounts & Finance
Cyrus Eruch Daruwalla

Corporate Strategy & Investment and Information Systems
Lee Chun Fai

Corporate Services
Ng Yoke Kian

Investor Relations
Shane Guha Thakurta

Health, Safety & Environment
Rozaimy bin Amiruddin

Internal Audit
Ong Ai Lin

CEO & Managing Director
Dato' Soam Heng Choon

Deputy CEO & Deputy Managing Director
Lee Chun Fai

SERVICES

Legal
James Ponniah Joseph

Human Resources & Administration
Agnes Choon

Corporate Communications
Mandy Chen Man Lee

Quality
S. Ramesh a/l V. Subramaniam

INTERNATIONAL VENTURES

India & Middle East
Tan Kiam Choon

Pakistan
Pook Fong Fee

Indonesia
Purushothaman a/l Kumaran

Vietnam
Tan Peng Kok

Argentina
Adam Eleod

PROFILE OF KEY SENIOR MANAGEMENT

Dato' Khor Kiem Teoh

DIMP
B.Civil Engineering

Managing Director
Industrial Concrete Products Sdn Bhd

AGE/GENDER 58/Male

NATIONALITY Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Bachelor of Science in Civil Engineering, Auburn University, Alabama, USA

DATE APPOINTED/WORKING EXPERIENCE:

Dato' Khor was appointed Chief Executive Officer & Managing Director of Industrial Concrete Products Sdn Bhd ("ICP") on 5 November 2007.

He started his career as an Engineer in Jurutera Konsultant (SEA) Sdn Bhd. He was involved in the design of North-South Expressway.

He joined ICP in 1984 as a Sales Engineer and was promoted to Sales Manager in 1993. He was Deputy General Manager in 2002 and then General Manager in 2003. He was appointed Chief Operating Officer on 17 August 2004 and was Alternate Director to the late Mr Lim Yong Keat from 17 August 2004 to 21 September 2005. He was appointed as Executive Director of ICP on 16 August 2006.

DIRECTORSHIP IN PUBLIC COMPANIES:

- Nil

Edward Chong Sin Kiat

B. Bus (Acct), CA(M), CPA (Aust)

Managing Director
IJM Land Berhad

AGE/GENDER 45/Male

NATIONALITY Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION

- Bachelor of Business (Accountancy), Royal Melbourne Institute of Technology, Australia
- Chartered Accountant of the Malaysian Institute of Accountants
- Certified Practising Accountant of CPA Australia

DATE APPOINTED/WORKING EXPERIENCE:

Mr Edward Chong was appointed Managing Director of IJM Land Berhad ("IJML") on 6 April 2015. Prior to this, he was the Chief Operating Officer & Chief Financial Officer of IJML since 1 November 2012.

He joined the Group in 2000 as Assistant General Manager of Corporate Affairs and since held various positions such as General Manager of Corporate Affairs, General Manager of Finance and Chief Financial Officer prior to his appointment as the Chief Operating Officer & Chief Financial Officer. Before joining the Group, he was attached to the corporate finance department of an investment bank and prior to that, a public accounting firm.

DIRECTORSHIP:

Listed Companies

- Nil

Other Public Companies

- IJM Land Berhad
- ERMS Berhad

Joseph Tek Choon Yee

B. Sc. (Hons), MPhil. (Cantab)

Chief Executive Officer & Managing Director
IJM Plantations Berhad

AGE/GENDER 51/Male

NATIONALITY Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION

- Bachelor of Science (1st Class Honours), Universiti Kebangsaan Malaysia
- Master in Philosophy (Plant Breeding), Cambridge University, England
- ASEAN Senior Management Development Programme, Harvard Business School

DATE APPOINTED/WORKING EXPERIENCE:

Mr Joseph Tek was appointed Chief Executive Officer & Managing Director (“CEO&MD”) of IJM Plantations Berhad (“IJMP”) on 23 May 2010.

He joined IJMP in September 2004 to head the research, training and development activities of IJMP Group, and was appointed an Alternate Director on 22 May 2008 and Executive Director on 19 October 2008 besides being the General Manager – Plantations (Sabah). He was then redesignated to the position of Chief Operating Officer & Executive Director on 18 May 2009, prior to his appointment as CEO&MD of IJMP.

Prior to joining IJMP in 2004, he was with Sime Darby Plantations Sdn Bhd as Plant Breeder in Ebor Research (1991-1997), R&D Manager (1997-2000) and later Manager-Agritech Business (2000-2001) with Sime Aerogreen Sdn Bhd and Sime Gardentech Sdn Bhd. His last position was Head of R&D with the Malaysian Palm Oil Association (“MPOA”) (2001-2004).

DIRECTORSHIP:

Listed Companies

- IJM Plantations Berhad

Other Public Companies

- Nil

OTHER INFORMATION:

Mr Joseph Tek is the President of the Malaysian Estate Owners’ Association (MEOA) since 2015 and the Board member of the Malaysian Palm Oil Board (MPOB) since May 2016. He was a member of the Programme Advisory Committee (PAC) of the Malaysian Palm Oil Board (MPOB) (2011-2013), a Council Member of the Malaysian Oil Scientists’ and Technologists’ Association (MOSTA) (2006-2007), a member of the Criteria Working Group for the Roundtable on Sustainable Palm Oil (RSPO) (2005-2006) and Vice-Chairman of the MPOA Environment Working Committee (2004-2005).

PROFILE OF KEY SENIOR MANAGEMENT (cont'd)

Liew Hau Seng

B. Eng. (Civil) (Hons), MBA

Managing Director
IJM Construction Sdn Bhd

AGE/GENDER 51/Male

NATIONALITY Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION
- Bachelor of Engineering (1st Class Honours) in Civil Engineering, Universiti Teknologi Malaysia
- Master in Business Administration, HELP University

DATE APPOINTED/WORKING EXPERIENCE:

Mr Liew was re-designated as Managing Director of IJM Construction Sdn Bhd ("IJMC") on 6 April 2015. He was the Executive Director of IJMC from 1 June 2012 to 5 April 2015, and was appointed to head the Construction Division with effect from 7 June 2013.

He started his career in IJM Corporation Berhad in 1989 as an Engineer of GR Concrete Sdn Bhd. He held various other positions since then, namely as Senior Engineer (1995-2002), Senior Project Manager (2003-2005), Project Director (2006-2009) and Operations Director (2010-2011), prior to his appointment as Executive Director of IJMC and to head the Construction Division for local operations in 2012.

DIRECTORSHIP IN PUBLIC COMPANIES:
- Nil

Wan Salwani Binti Wan Yusoff

B.Sc. (Electrical Engineering), MBA (International Business)

Chief Operating Officer
Toll Division, Malaysia

AGE/GENDER 50/Female

NATIONALITY Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION:
- Bachelor of Science in Electrical Engineering, University of Arizona, USA
- Master in Business Administration, Universiti Putra Malaysia

DATE APPOINTED/WORKING EXPERIENCE:

Puan Wan Salwani was appointed the Chief Operating Officer of Toll Division on 1 May 2013 responsible for the tollway operations in Malaysia.

She worked for Enserv Sdn Bhd as Application Engineer prior to joining Besraya (M) Sdn Bhd, a subsidiary of Road Builder (M) Holdings Bhd ("RBH"), as Project Engineer in November 1996. When Besraya Highway commenced its operations in 1999, she was responsible for the maintenance of Electrical & Mechanical, and a year later she was appointed as Assistant Manager to assist the Head of Engineering and Maintenance Department. She was transferred to New Pantai Expressway Sdn Bhd in 2001 when RBH took over the New Pantai Highway project from Berjaya Group. She held the position of Manager (January 2003-December 2007) and later Senior Manager (January 2008-June 2009), responsible for toll operations, mechanical & electrical matters, concession monitoring, land acquisition and corporate communication before being promoted to General Manager, Toll Division on 1 July 2009.

DIRECTORSHIP IN PUBLIC COMPANIES:
- Nil

Dato’ Ir. Haji Khasbullah bin A. Kadir

DIMP

B.Sc. Hons. Engineering (Electrical & Electronic)

Chief Executive Officer
Kuantan Port Consortium Sdn Bhd

AGE/GENDER 55/Male

NATIONALITY Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION

- Bachelor of Science in Electrical & Electronic Engineering, Thames Polytechnic, United Kingdom
- Professional Engineer (PE) certification, Board of Engineers
- Competence Engineer (11KV), Energy Commission of Malaysia
- Modern Port Management Programme conducted by the United Nations Conference on Trade and Development (UNCTAD) at Port of Dublin

DATE APPOINTED/WORKING EXPERIENCE:

Dato’ Ir. Haji Khasbullah was appointed the Chief Executive Officer of Kuantan Port Consortium Sdn Bhd on 1 July 2016 to oversee the operation of Port Division.

He started his career as an Equipment Engineer at Astech Inc. in 1984. He joined Kuantan Port Authority in 1985 as an Electrical Engineer and opted to retire from the Government Service in 1997 to join Kuantan Port Consortium Sdn Bhd, when Kuantan Port was privatised on 1 January 1998. He was the Manager, Electrical Engineering (1998-2003) and Manager, Traffic (2004-2006) before being promoted to General Manager, Traffic & Engineering Support Services in May 2006. On 1 October 2011, he was also responsible for the operation of Marine Services Department and assumed the position of General Manager, Traffic, Marine & Engineering Support Services. He was promoted to Acting Chief Operating Officer on 1 January 2012 and subsequently as Chief Operating Officer on 1 March 2013.

DIRECTORSHIP IN PUBLIC COMPANIES:

- Nil

Cyrus Eruch Daruwalla

ACCA, B. Commerce

Chief Financial Officer

AGE/GENDER 55/Male

NATIONALITY Indian

ACADEMIC/PROFESSIONAL QUALIFICATION

- Bachelor of Commerce (Honours), University of Bombay
- Associate Member of the Association of Chartered Certified Accountants, United Kingdom

DATE APPOINTED/WORKING EXPERIENCE:

Mr Cyrus joined IJM Corporation Berhad in September 2006 as Chief Financial Officer, heading the Accounts & Finance Department for the overall Group.

Upon graduation, Mr Cyrus completed his audit articleship with Ernst & Young, London, UK prior to joining Addmoss Taylor & Partners, London, before being appointed as Senior Accountant for Portlands of Blackheath Ltd., UK in 1987. In Malaysia, he worked as Head of Professional Programmes for Emile Woolf Far East Sdn Bhd, before being appointed as Group Financial Controller for the Sri America Group of Companies. In 1999, he joined PricewaterhouseCoopers, Malaysia as Manager before assuming the position of Executive Director in 2003.

DIRECTORSHIP:

Listed Companies

- Scomi Group Bhd
- Scomi Engineering Bhd

Other Public Companies

- Road Builder (M) Holdings Bhd

OTHER INFORMATION:

Mr Cyrus is the board representative of IJM in Scomi Group Bhd and Scomi Engineering Bhd. He is also a Director for several of the Group’s overseas entities.

PROFILE OF KEY SENIOR MANAGEMENT (cont'd)

Tan Kiam Choon

B. Sc. (Hons)

Country Head
IJM (India) Infrastructure Limited

AGE/GENDER 62/Male

NATIONALITY Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION

- Bachelor of Science, Queen's University, Belfast, Northern Ireland

DATE APPOINTED/WORKING EXPERIENCE:

Mr Tan was appointed the Country Head of IJM (India) Infrastructure Limited ("IJMII") on 16 February 2014. Prior to taking up the post in IJMII, he was the Regional Director of IJM Construction (Middle East) LLC from June 2009 overseeing operations in Kingdom of Bahrain and Dubai.

He started his career as a Laboratory Engineer with Public Works Department in 1979 and was later transferred to JKR Regional Materials Laboratory in Kota Bharu, Kelantan in 1980. In 1982, he joined Shawinigan Engineering Co. Ltd as Concrete Engineer for the Bersia Hydro Electric Power Project in Gerik, Perak. From 1984-1990, he was involved in the design of pre-stressed and precast concrete, concrete repair and structural restoration. In 1991, he joined IJM Corporation Berhad ("IJM") as Project Manager, and later transferred to IJM Management Services Sdn Bhd as General Manager (1995-1997). He was then a Project Director of IJM (1997-2004), overseeing operations in the Northern Region including the reclamation and construction of the Jelutong Expressway Project and in-house property development projects in Penang.

DIRECTORSHIP IN PUBLIC COMPANIES:

- Nil

Tong Wai Yong

B. Eng. (Civil Eng) (Hons), P.Eng., FIEM

Executive Director
Road Builder (M) Sdn Bhd

AGE/GENDER 59/Male

NATIONALITY Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Bachelor of Engineering (Honours) in Civil Engineering, University of Malaya
- Fellow Member of the Institution of Engineers, Malaysia
- Registered Professional Engineer with Practicing Certificate

DATE APPOINTED/WORKING EXPERIENCE:

Mr. Tong has been the Executive Director of Road Builder (M) Sdn Bhd ("RBM") since 20 November 2006. He is also the Operations Director of IJM Construction Sdn Bhd. He heads the Construction Services at Head Office as Director-in-Charge of Commerce House Sdn Bhd (Purchasing) and Plant Director of Plant & Workshop/Store Department. He is the QSSD Director of Quality Management System and Health, Safety & Environmental Management System Departments.

He started his career as a Project Engineer with the Ministry of Works (1982-1984) and subsequently worked as the Site Agent for Syarikat Pembinaan Raya Sdn Bhd (1984-1989). He was the Group General Manager and later Chief Operating Officer of Pati Sdn Bhd (1989-2003) prior to joining RBM as the Director for Special Projects in 2003

DIRECTORSHIP IN PUBLIC COMPANIES:

- Nil

Purushothaman A/L Kumaran

B. Acc. (Hons), CA, MBA

Chief Financial Officer & Executive Director
IJM Plantations Berhad

AGE/GENDER 55/Male

NATIONALITY Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION

- Bachelor of Accounting (Honours), University of Malaya
- Master in Business Administration, Anglia Polytechnic University, Cambridge, England
- Member of the Malaysian Institute of Accountants

DATE APPOINTED/WORKING EXPERIENCE:

Mr Puru Kumaran was appointed the Chief Financial Officer & Executive Director ("CFO&ED") of IJM Plantations Berhad ("IJMP") on 23 May 2010. He was also appointed the Chief Executive Officer for the Group's Indonesian operations on 1 January 2016.

He joined IJMP as Financial Controller on 1 January 2004. He was redesignated to General Manager - Corporate Affairs & Finance on 1 January 2007, prior to his appointment as CFO&ED.

Prior to joining IJMP, he was with Unilever Group for over 14 years, serving various finance and commercial positions in Malaysia, England and Indonesia. His last post was as Commercial Director of its plantation operations in Malaysia.

DIRECTORSHIP:

Listed Companies

- IJM Plantations Berhad

Other Public Companies

- Nil

Note:-

1. The Key Senior Management has no family relationship with any of the Directors and/or major shareholders of the Company.
2. Save for Dato' Khor Kiem Teoh, Joseph Tek Choon Yee, Liew Hau Seng, Wan Salwani binti Wan Yusoff and Tong Wai Yong who have interest in certain related party transactions as disclosed in Note 51(c) to the financial statements, none of the Key Senior Management has any financial interest in any business arrangement involving the Group.
3. All Key Senior Management maintain a clean record with regard to convictions for offences.

COMMITTED TO ENDURING VALUES, IJM'S

INDUSTRY

DIVISION IS DELIVERING SUSTAINABLE PERFORMANCE THROUGH CONTINUOUS IMPROVEMENTS IN EFFICIENCY, RELIABILITY AND PRODUCTIVITY.

GROUP FINANCIAL HIGHLIGHTS

		2017	2016	2015	2014	2013
OPERATING REVENUE (N1)	RM'000					
Construction		**2,532,146**	1,642,997	1,224,314	2,080,082	1,976,066
Property development		**1,516,225**	1,289,966	2,203,422	2,224,957	1,348,848
Manufacturing & quarrying		**1,136,614**	982,769	926,767	890,330	862,379
Plantation		**753,711**	557,613	667,666	646,981	486,276
Infrastructure		**975,515**	1,295,014	1,031,410	881,565	682,417
Investment & others		**3,528**	14,493	10,113	692	761
		6,917,739	5,782,852	6,063,692	6,724,607	5,356,747
PROFIT BEFORE TAXATION	RM'000					
Construction		**216,715**	170,569	184,844	168,173	115,437
Property development		**303,277**	159,288	494,660	748,655	322,952
Manufacturing & quarrying		**142,417**	124,090	125,601	146,229	139,308
Plantation		**168,514**	50,408	89,409	109,082	156,611
Infrastructure		**62,313**	555,773	42,276	189,118	83,678
Investment & others		**116,774**	95,669	82,567	55,057	17,862
		1,010,010	1,155,797	1,019,357	1,416,314	835,848
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION & AMORTISATION (EBITDA)	RM'000	**1,457,723**	1,587,495	1,516,610	1,848,182	1,168,014
NET PROFIT FOR THE FINANCIAL YEAR	RM'000	**766,804**	881,535	713,041	1,075,656	562,205
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	RM'000	**653,773**	793,587	480,944	829,599	420,892
EARNINGS PER SHARE (Basic)	Sen	**18.16**	22.22	14.75*	26.00*	13.28*
EARNINGS PER SHARE (Fully Diluted)	Sen	**17.94**	21.81	14.65*	25.74*	13.18*
GROSS DIVIDEND PER SHARE	Sen	**7.50**	10.00	15.00	25.00	13.00
ISSUED SHARE CAPITAL	RM'000	**6,022,651*****	3,584,805	1,500,001	1,427,531	1,382,663
SHAREHOLDERS' FUNDS	RM'000	**9,497,274**	9,028,359	8,429,640	6,738,808	5,607,239
TOTAL ASSETS	RM'000	**20,892,700**	19,835,545	19,730,689	18,398,468	15,121,299
TOTAL BORROWINGS	RM'000	**6,003,770**	5,844,662	6,154,763	5,612,407	5,042,778
NET ASSETS PER SHARE	RM	**2.63**	2.52	5.62	4.72	4.06
RETURN ON TOTAL ASSETS	%	**3.13**	4.00	2.44	4.51	2.78
RETURN ON EQUITY	%	**6.88**	8.79	5.71	12.31	7.51
GEARING (Net Debt/Equity)	%	**40.60**	46.13	50.34	53.49	58.44
MARKET CAPITALISATION	RM'000	**12,285,516**	12,654,362	10,800,007	8,765,040	7,535,513
SHARE PRICE						
High	RM	**3.64**	3.75*	3.65*	3.08*	2.86*
Low	RM	**3.07**	2.87	3.05*	2.65*	2.26*
Close	RM	**3.40**	3.53	3.60*	3.07*	2.73*
WARRANT PRICE 2009/2014						
High	RM	**–**	–	2.81	1.96	1.98
Low	RM	**–**	–	1.94	1.25	1.09
Close	RM	**–**	–	2.39**	1.94	1.36

[N1] *Including share of associate and joint venture's revenue*

* *After adjustment for 1:1 Bonus Issue*

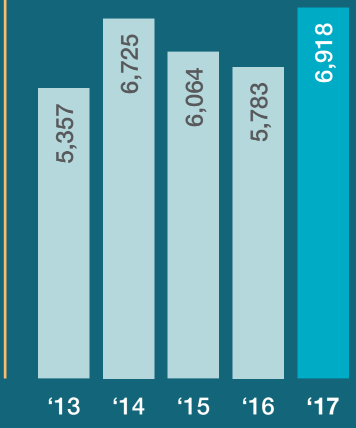
** *Warrants 2009/2014 ceased trading and expired on 8 October 2014 and 24 October 2014 respectively*

*** *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.*

OPERATING REVENUE

RM million

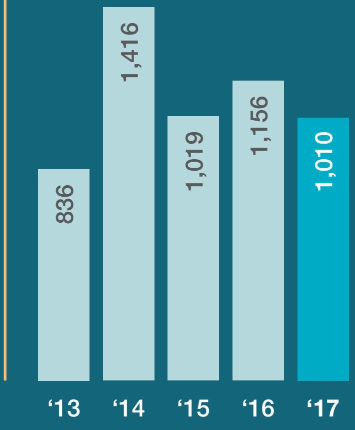
RM**6,918**million



PROFIT BEFORE TAXATION

RM million

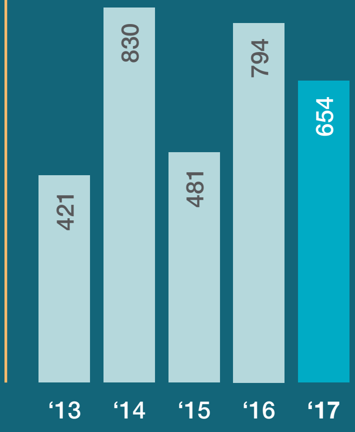
RM**1,010**million



NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

RM million

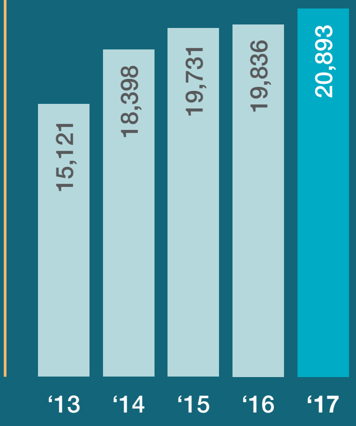
RM**654**million



TOTAL ASSETS

RM million

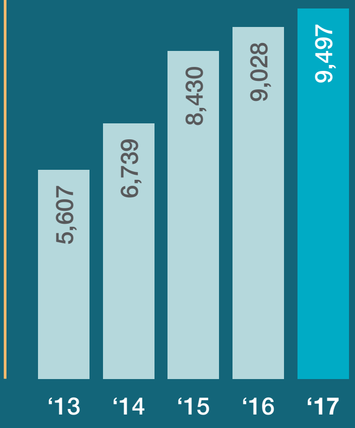
RM**20,893**million



SHAREHOLDERS' FUNDS

RM million

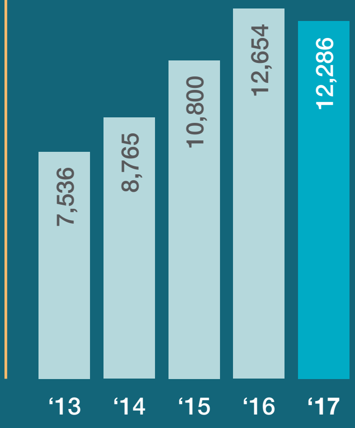
RM**9,497**million



MARKET CAPITALISATION

RM million

RM**12,286**million

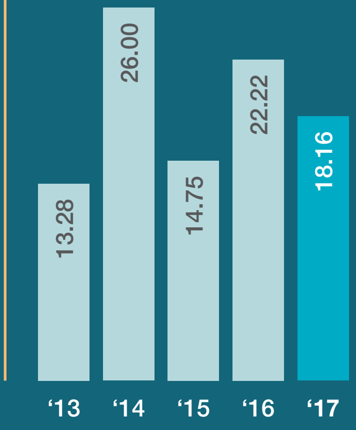


EARNINGS PER SHARE

(Basic)

Sen

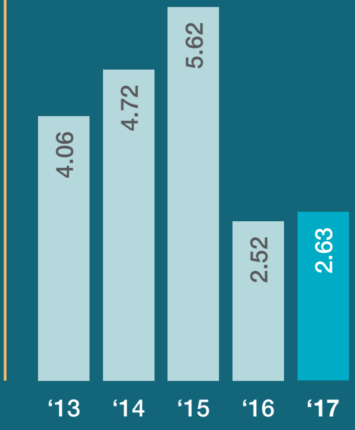
Sen**18.16**



NET ASSETS PER SHARE

RM

RM**2.63**

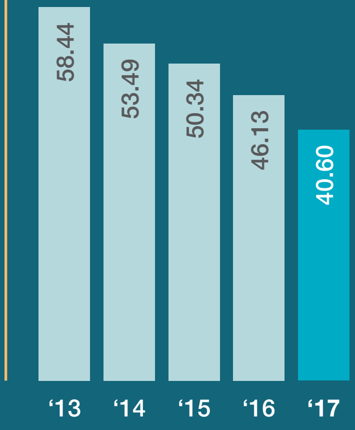


GEARING

(Net Debt/Equity)

%

40.60%



GROUP QUARTERLY PERFORMANCE

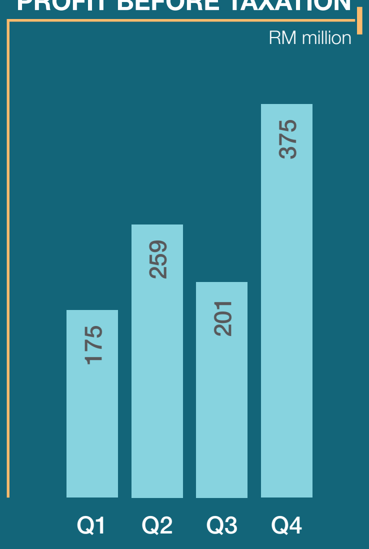
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
OPERATING REVENUE [N1]	RM'000				
Construction		574,404	711,211	725,347	521,184
Property development		331,829	282,473	320,698	581,225
Manufacturing & quarrying		250,860	315,439	294,039	276,276
Plantation		139,378	201,382	220,321	192,630
Infrastructure		237,582	226,652	232,477	278,804
Investment & others		58	240	66	3,164
		1,534,111	1,737,397	1,792,948	1,853,283
PROFIT/(LOSS) BEFORE TAXATION	RM'000				
Construction		50,108	58,527	48,797	59,283
Property development		19,916	32,452	41,916	208,993
Manufacturing & quarrying		26,736	39,314	39,679	36,688
Plantation		38,640	64,074	28,859	36,941
Infrastructure		20,765	15,755	(9,729)	35,522
Investment & others		18,404	49,191	51,394	(2,215)
		174,569	259,313	200,916	375,212
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION & AMORTISATION (EBITDA)	RM'000	268,597	353,617	303,340	532,169
NET PROFIT FOR THE FINANCIAL YEAR	RM'000	129,900	190,583	149,079	297,242
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	RM'000	115,516	163,895	138,358	236,004
EARNINGS PER SHARE (Basic)	Sen	3.22	4.55	3.84	6.54
EARNINGS PER SHARE (Fully Diluted)	Sen	3.17	4.49	3.79	6.46
GROSS DIVIDEND PER SHARE	Sen	–	3.00	–	4.50
ISSUED SHARE CAPITAL	RM'000	3,599,187	3,601,466	3,603,226	6,022,651*
SHAREHOLDERS' FUNDS	RM'000	8,889,301	9,086,096	9,144,726	9,497,274
TOTAL ASSETS	RM'000	19,994,580	20,095,540	20,526,438	20,892,700
TOTAL BORROWINGS	RM'000	5,915,927	5,914,991	6,105,591	6,003,770
NET ASSETS PER SHARE	RM	2.47	2.52	2.54	2.63
RETURN ON TOTAL ASSETS (Annualised)	%	2.27	2.74	2.70	3.13
RETURN ON EQUITY (Annualised)	%	5.00	5.97	6.00	6.88
GEARING (Net Debt/Equity)	%	44.47	45.87	47.26	40.60
MARKET CAPITALISATION	RM'000	12,561,163	11,560,706	11,530,323	12,285,516
SHARE PRICE					
High	RM	3.64	3.51	3.40	3.61
Low	RM	3.31	3.21	3.07	3.18
Close	RM	3.49	3.21	3.20	3.40

[N1] *Including share of associate and joint venture's revenue*

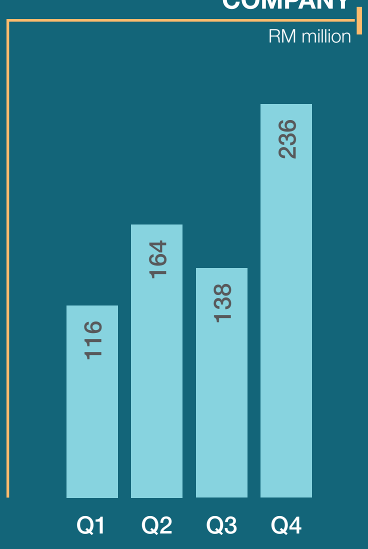
* *With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium account of RM2,395,511,000 has been transferred into the share capital account. Pursuant to the subsection 618(3) and 618(4) of the New Act, the Group may exercise its right to use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

OPERATING REVENUE

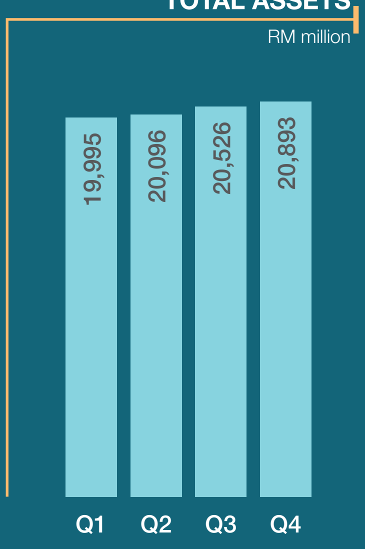
PROFIT BEFORE TAXATION



NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

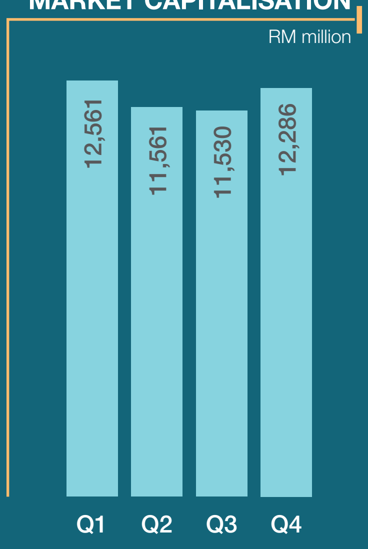


TOTAL ASSETS

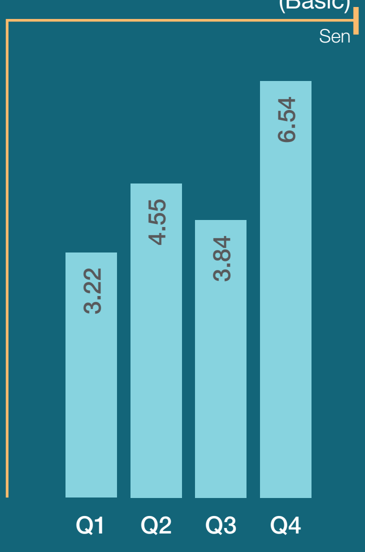


SHAREHOLDERS' FUNDS

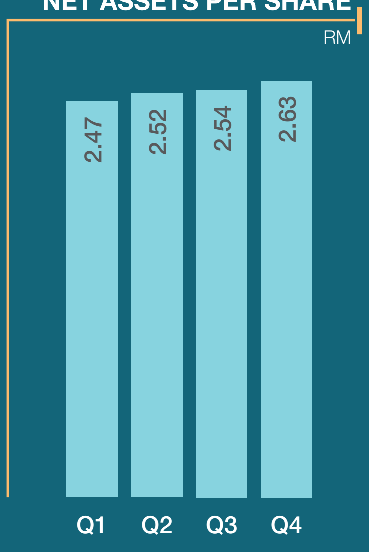
MARKET CAPITALISATION



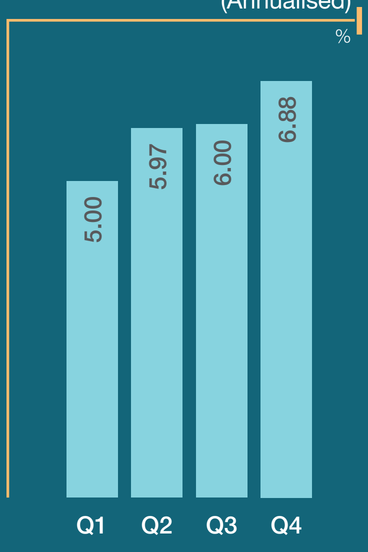
EARNINGS PER SHARE (Basic)



NET ASSETS PER SHARE



RETURN ON EQUITY (Annualised)



STATEMENT OF VALUE ADDED & DISTRIBUTION

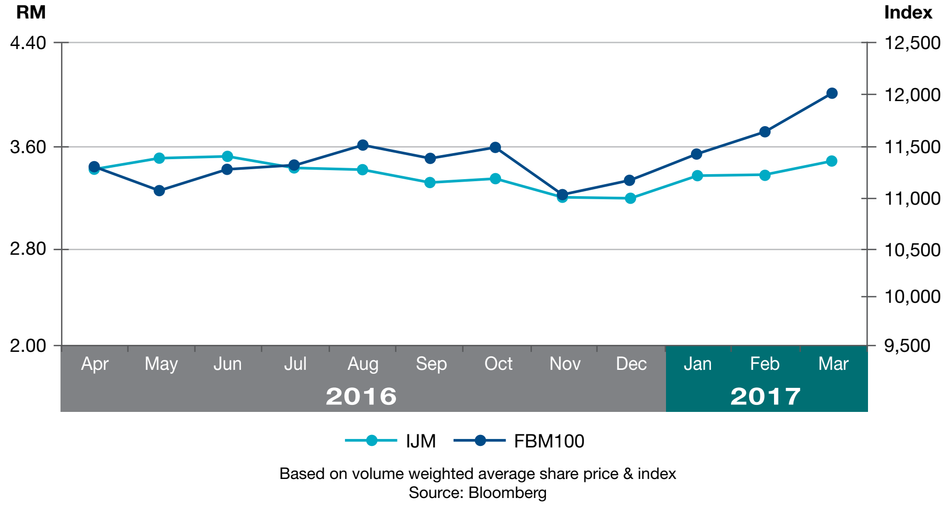
	2017 RM'000	2016 RM'000
VALUE ADDED		
Operating revenue	**6,065,335**	5,128,198
Purchases of goods & services	**(4,250,519)**	(3,138,758)
Value added by the Group	**1,814,816**	1,989,440
Share of profits of associates	**56,403**	13,725
Share of profits of joint ventures	**16,668**	9,843
Total Value Added	**1,887,887**	2,013,008
DISTRIBUTION		
To employees		
- Salaries & other staff costs	**423,992**	418,867
To Governments		
- Taxation	**243,206**	274,262
To providers of capital		
- Dividends	**360,029**	303,679
- Finance cost	**144,670**	169,224
- Non-controlling interests	**113,031**	87,948
Retained for future reinvestment & growth		
- Depreciation and amortisation	**309,215**	269,120
- Retained profits	**293,744**	489,908
Total Distributed	**1,887,887**	2,013,008

Value added is a measure of wealth created. The above statement shows the Group's value added for 2017 and 2016 and its distribution by way of payments to employees, governments and capital providers, with the balance retained in the Group for future reinvestment and growth.

RECONCILIATION		
Profit for the year	**653,773**	793,587
Add : Depreciation and amortisation	**309,215**	269,120
Finance cost	**144,670**	169,224
Staff costs	**423,992**	418,867
Taxation	**243,206**	274,262
Non-controlling interests	**113,031**	87,948
Total Value Added	**1,887,887**	2,013,008

INFORMATION FOR INVESTORS

IJM Corporation Berhad ("IJM") Share Price vs FBM100



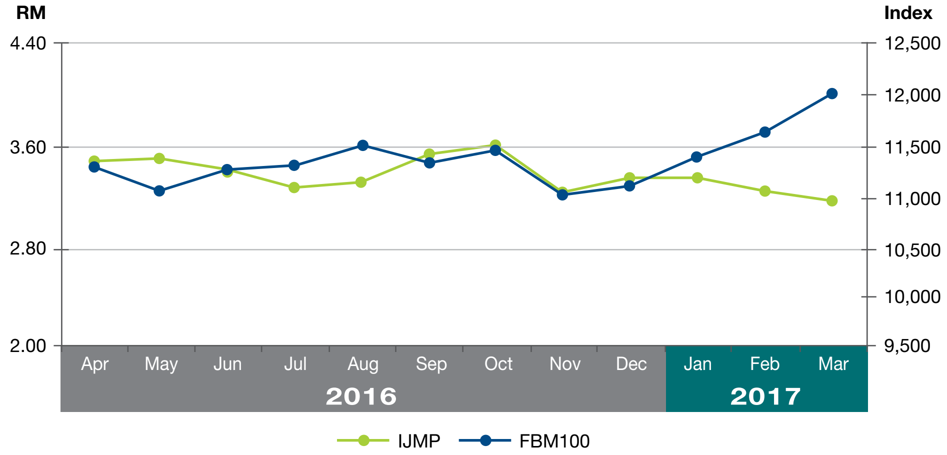
Based on volume weighted average share price & index
Source: Bloomberg

IJM's share price (stock code: 3336) saw a gradual decline from RM3.45 in April 2016 to RM3.20 in December 2016 before gaining back its momentum.

The share price recovery from December 2016 onwards was due to improved investor sentiment as prospects for the Group's Construction and Industry Divisions became brighter with a growing order book and higher expectation of job rollouts in Malaysia, underpinned by the implementation of domestic on-going and new large public infrastructure projects as well as the Malaysian government's continued emphasis on infrastructure spending to meet the demographic and economic needs under the 11th Malaysia Plan.

IJM saw its share price close the year at RM3.46 compared to FBM100 which rose 6% in the same period of IJM's financial year of 2017.

IJM Plantations Berhad ("IJMP") Share Price vs FBM100



Based on volume weighted average share price & index
Source: Bloomberg

IJMP's share price (stock code: 2216) declined for the first 5 months from RM3.50 in April 2016 to RM3.30 in August 2016 given weaker CPO price and lower demand from China and EU. IJMP's share price rebounded in September 2016 as CPO price recovered. However, as the market started to expect an increase in the CPO inventory level, coupled with slower demand from China and India, CPO prices began to soften, thus causing the share price of IJMP to trend downwards to close at RM3.17 in March 2017.

Over the same period, IJMP's share price declined 5% compared to a 6% gain by FBM100.

INFORMATION FOR INVESTORS (cont'd)

IJM's 2014/2034 Sukuk Murabahah (RM3.0 Billion)

RAM Ratings has reaffirmed IJM's RM3.0 Billion Sukuk Murabahah Programme with a rating of "AA3" with a stable outlook in June 2017.

Details of the programme are disclosed in Note 16 to the Financial Statements.

CREDIT RATING RATIONALE

CORPORATE RATINGS

RAM

IJM Corporation Berhad

- RM3.0 billion Sukuk Murabahah Programme (2014/2034)

June 2017

FINANCIAL CALENDAR

Financial Year End		31 March 2017
Announcement of Results	1st Quarter	24 August 2016
	2nd Quarter	28 November 2016
	3rd Quarter	23 February 2017
	4th Quarter	25 May 2017
Notice of Annual General Meeting		25 July 2017
Annual General Meeting		23 August 2017

INVESTOR SERVICE

The Group maintains a dynamic website (www.ijm.com) which provides detailed information on the Group's operations and latest developments.

For shareholder and company related matters, please contact:

Ms Ng Yoke Kian
Company Secretary
Tel: +603 79858131 Fax: +603 79521200
E-mail: csa@ijm.com

For financial performance or company development matters, please contact:

Mr Shane Guha Thakurta
Investor Relations Senior Manager
Tel: +603 79858041 Fax: +603 79529388
E-mail: shanethakurta@ijm.com

ANALYSIS OF SHAREHOLDINGS

as at 16 June 2017

Number of Issued Share	:	**3,625,898,620***
Class of Shares	:	**Ordinary Shares**
Voting Rights		
On show of hands	:	**1 vote**
On a poll	:	**1 vote for each share held**

* inclusive of 3,000 shares bought-back by the Company and retained as treasury shares as at 16 June 2017

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	Number of Shareholders	Number of Shares	Percentage of Issued Capital
Less than 100	265	9,053	0.00%
100 – 1,000	2,254	1,833,387	0.05%
1,001 - 10,000 (1)	6,378	26,661,969	0.73%
10,001 – 100,000	1,887	56,303,021	1.55%
100,001 to less than 5% of issued shares	916	2,711,938,232	74.80%
5% and above of issued shares	3	829,149,958	22.87%
	11,703	3,625,895,620	100.00%

(1) excluding 3,000 treasury shares

REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Number of Shares		Percentage of Issued Capital
	Direct	Deemed	
1. Employees Provident Fund Board	532,958,958	–	14.699%
2. AmanahRaya Trustees Berhad – Amanah Saham Bumiputera	220,552,000	–	6.083%
3. Lembaga Tabung Haji	199,784,700	–	5.510%

THIRTY LARGEST SHAREHOLDERS

		Number of Shares	Percentage of Issued Capital
1.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	412,877,258	11.39%
2.	AmanahRaya Trustees Berhad Amanah Saham Bumiputera	223,458,800	6.16%
3.	Lembaga Tabung Haji	192,813,900	5.32%
4.	Kumpulan Wang Persaraan (Diperbadankan)	116,321,488	3.21%
5.	AmanahRaya Trustees Berhad Amanah Saham Malaysia	94,926,800	2.62%
6.	AmanahRaya Trustees Berhad Amanah Saham Wawasan 2020	91,000,580	2.51%
7.	Permodalan Nasional Berhad	86,076,800	2.37%
8.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd	84,208,240	2.32%
9.	Cartaban Nominees (Asing) Sdn Bhd Exempt AN for State Street Bank & Trust Company (WEST CLT OD67)	81,245,696	2.24%

ANALYSIS OF SHAREHOLDINGS (cont'd)

as at 16 June 2017

THIRTY LARGEST SHAREHOLDERS (cont'd)

	Number of Shares	Percentage of Issued Capital
10. HSBC Nominees (Asing) Sdn Bhd BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	58,134,800	1.60%
11. Cartaban Nominees (Asing) Sdn Bhd GIC Private Limited for Government of Singapore (C)	57,341,928	1.58%
12. AMSEC Nominees (Tempatan) Sdn Bhd MTrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)	56,791,100	1.57%
13. Cartaban Nominees (Tempatan) Sdn Bhd PAMB for Prulink Equity Fund	55,679,800	1.54%
14. AmanahRaya Trustees Berhad AS 1Malaysia	55,055,100	1.52%
15. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	52,922,480	1.46%
16. Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)	46,000,000	1.27%
17. Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	44,135,818	1.22%
18. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (NOMURA)	40,310,700	1.11%
19. HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Total International Stock Index Fund	39,248,820	1.08%
20. AmanahRaya Trustees Berhad Public Islamic Dividend Fund	37,067,608	1.02%
21. AmanahRaya Trustees Berhad Public Ittikal Sequel Fund	31,802,500	0.88%
22. AmanahRaya Trustees Berhad Amanah Saham Bumiputera 2	30,000,000	0.83%
23. AmanahRaya Trustees Berhad Amanah Saham Didik	29,380,900	0.81%
24. Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	28,616,100	0.79%
25. CIMB Group Nominees (Tempatan) Sdn Bhd Yayasan Hasanah (AUR-VCAM)	26,170,300	0.72%
26. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AFFIN-HWG)	24,959,500	0.69%
27. HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Stichting Depositary APG Emerging Markets Equity Pool	24,819,800	0.68%
28. AmanahRaya Trustees Berhad Public Islamic Select Enterprises Fund	21,919,900	0.60%
29. Citigroup Nominees (Asing) Sdn Bhd CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	21,647,826	0.60%
30. AmanahRaya Trustees Berhad Public Islamic Sector Select Fund	21,000,000	0.58%
	2,185,934,542	60.29%

DIRECTORS' SHAREHOLDINGS IN IJM CORPORATION BERHAD

as at 16 June 2017

Name of Directors	Number of Shares		Percentage of Issued Capital
	Direct	Deemed	
Tan Sri Abdul Halim bin Ali	30,000	–	0.001%
Tan Sri Dato' Tan Boon Seng @ Krishnan	6,043,066	321,972[1]	0.176%
Dato' Soam Heng Choon	1,561,800	–	0.043%
Lee Chun Fai	424,300	250,000[1]	0.019%
Datuk Lee Teck Yuen	11,764,692	–	0.324%
Datuk Ir. Hamzah bin Hasan	–	–	–
Pushpanathan a/l S A Kanagarayar	–	–	–
Goh Tian Sui	–	10,000[1]	0.00%
Dato' David Frederick Wilson	–	–	–

Note:

[1] *Through a family member*

DIRECTORS' INTERESTS UNDER THE EMPLOYEE SHARE OPTION SCHEME OF IJM CORPORATION BERHAD

as at 16 June 2017

Options over ordinary shares ("Options") under Employee Share Option Scheme						
		+Provisional Number of Options Awarded	+Balance Provisional Number of Options as at 16 June 2017	Number of Options Vested	Number of Options Exercised	Number of Options Unexercised
First Award on 24.12.2012	Dato' Soam Heng Choon	250,250*	–	384,900*	384,900	–
	Lee Chun Fai	250,250*	–	376,400*	–	376,400
Second Award on 24.12.2013	Lee Chun Fai	308,000*	–	378,500*	–	378,500
Third Award on 24.12.2014	Dato' Soam Heng Choon	935,000*	280,500*	654,500	–	654,500
	Lee Chun Fai	165,000*	49,500*	113,300	–	113,300
Fourth Award on 24.12.2015	Dato' Soam Heng Choon	1,320,000	792,000	528,000	–	528,000
	Lee Chun Fai	385,000	231,000	154,000	–	154,000

ANALYSIS OF SHAREHOLDINGS (cont'd)
as at 16 June 2017

DIRECTORS' INTERESTS UNDER THE EMPLOYEE SHARE GRANT PLAN OF IJM CORPORATION BERHAD
as at 16 June 2017

Shares under Employee Share Grant Plan							
Award		Total				+ Balance Provisional Number of Shares as at 16 June 2017	
		+ Provisional Number of Shares Awarded		Number of Shares Vested			
		PSP++	RSP+++	PSP	RSP	PSP++	RSP+++
First Award on 15.04.2013	Dato' Soam Heng Choon	72,750*	29,100*	145,500	43,600	–	–
	Lee Chun Fai	72,750*	29,100*	145,500	43,600	–	–
Second Award on 15.04.2014	Lee Chun Fai	97,000*	38,800*	97,000	58,200	–	–
Third Award on 15.04.2015	Dato' Soam Heng Choon	393,000*	101,200*	98,300	75,900	196,500	50,600
Fourth Award on 15.04.2016	Dato' Soam Heng Choon	629,600	184,600	158,000	94,800	471,600	121,400
	Lee Chun Fai	347,600	139,000	39,500	47,400	268,600	107,400
Fifth Award on 15.04.2017	Dato' Soam Heng Choon	471,600	121,400	–	–	471,600	121,400
	Lee Chun Fai	189,600	75,800	–	–	189,600	75,800

Notes:-

\+ *The vesting of the Options and Shares to the eligible Directors are subject to the fulfillment of the relevant vesting conditions as at the relevant vesting dates*

++ *The quantum of shares to be vested may vary from 0% to 200% of the number of shares provisionally awarded*

+++ *The quantum of shares to be vested may vary from 0% to 150% of the number of shares provisionally awarded*

* *Including the Bonus Issue adjustment on 1:1 basis on 11 September 2015*

DIRECTORS' SHAREHOLDINGS IN IJM PLANTATIONS BERHAD

as at 16 June 2017

Name of Directors	Number of Shares		Percentage of Issued Capital
	Direct	Deemed	
Tan Sri Abdul Halim bin Ali	20,000	–	0.002%
Tan Sri Dato' Tan Boon Seng @ Krishnan	716,060	481,033[1]	0.136%
Dato' Soam Heng Choon	–	–	–
Lee Chun Fai	–	–	–
Datuk Lee Teck Yuen	–	–	–
Datuk Ir. Hamzah bin Hasan	–	–	–
Pushpanathan a/l S A Kanagarayar	–	–	–
Goh Tian Sui	–	–	–
Dato' David Frederick Wilson	–	–	–

Note:

[1] *Through a family member*

SHARE BUY BACK SUMMARY

for Financial Year Ended 31 March 2017

			Purchase Price Per Share (RM)		
	No. of Shares Purchased & Retained as Treasury Shares/ (Resold)	Total Consideration RM	Highest	Lowest	Average
2016					
Balance at the beginning of financial year	1,000	3,467			
Purchases during the financial year					
April 2016	–	–	–	–	–
May 2016	–	–	–	–	–
June 2016	1,000	3,548	3.50	3.50	3.55
July 2016	–	–	–	–	–
August 2016	–	–	–	–	–
September 2016	–	–	–	–	–
October 2016	–	–	–	–	–
November 2016	–	–	–	–	–
December 2016	1,000	3,327	3.28	3.28	3.33
January 2017	–	–	–	–	–
February 2017	–	–	–	–	–
March 2017	–	–	–	–	–
Balance at end of financial year	**3,000**	**10,342**			

No treasury shares were cancelled during the financial year.

GROWING ON ENDURING VALUES, IJM'S

PLANTATION

DIVISION ENSURES SUSTAINABLE AGRICULTURAL PRACTICES AND ADHERES TO INDUSTRY REGULATIONS AND STANDARDS.

CHAIRMAN'S STATEMENT

IJM GROUP'S LONG TERM GROWTH PROSPECTS REMAIN POSITIVE BASED ON A RECORD LEVEL OF OUTSTANDING ORDER BOOK, A STRONG COMPETITIVE POSITION AND CONTINUED SPENDING ON INFRASTRUCTURE PROJECTS BY THE MALAYSIAN GOVERNMENT. ON BEHALF OF THE BOARD OF DIRECTORS OF IJM CORPORATION BERHAD, I AM PLEASED TO PRESENT THE ANNUAL REPORT OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017.

Tan Sri Abdul Halim bin Ali
Chairman

OPERATING RESULTS

The Group recorded its highest ever consolidated revenue at RM6,065.34 million, representing an increase of 18% from RM5,128.20 million reported in the previous year. Increased revenue contributed by the Construction, Property, Industry and Plantation Divisions helped to offset lower revenue from the Infrastructure Division due to reduced cargo throughput at the Port operations. The Group's pre-tax profit for the year stood at RM1,010.01 million, a decrease of 13% compared to RM1,155.80 million last year, mainly due to the non-recurrence of one-off gains from the disposal of equity interests in Indian infrastructure assets and fair value gain on remeasurements of its equity interests in Jaipur-Mahua Tollway Private Limited and Swarna Tollway Private Limited totalling RM307.48 million that were recorded in the preceding year.

The Group results reflect strength in the diversity of its businesses that were able to negate a very challenging year for the Port operations. Further details of the Group's financial performance are contained in the *Management Discussion & Analysis* section on pages 60 to 95.

Ikan Emas Interchange, Besraya Highway

CHAIRMAN'S STATEMENT (cont'd)

BUSINESS OUTLOOK AND OPERATIONAL STRATEGIES FOR FY2018

The Malaysian economy in 2017 is expected to be positive and is largely predicated on an improving global economy and continued growth in domestic demand. As such, the Malaysian economy is expected to grow by 4.3% - 4.8% in 2017 as compared with 4.2% in 2016. The supportive macro environment, although still susceptible to adverse shocks, should augur well for the Group's prospects in the coming year.

The outlook for the Construction Division remains encouraging based on a record level of RM8.5 billion of outstanding order book and a healthy pipeline of large domestic infrastructure projects to be rolled out under the 11th Malaysia Plan. Supported by unbilled sales of about RM1.7 billion, the Property Division is expected to maintain its performance in the coming financial year despite a still challenging market. The Industry Division should see continued momentum by leveraging on heightened construction activities in Malaysia while the Plantation Division expects to see higher crop production from its Indonesian operations as more areas come into prime production age. The Infrastructure Division should continue to see positive contributions from its Toll operations while cargo throughput at the Port operations is expected to recover from the 15 million freight weight tonnes achieved in FY2017. The Group, nonetheless, remains vigilant in its outlook for FY2018 in light of a rising cost environment.

For the coming years, the Group will continue to pursue its long term strategies of strengthening its regional footprint, growing its recurrent income base, pursuing its domestic growth agenda, and continue reviewing its asset portfolio.

CORPORATE GOVERNANCE & SUSTAINABILITY

IJM is focused on maintaining high standards of corporate governance, compliance, business conduct, safety and environmental management – all of which are vital to the Group's performance and business sustainability. It is our belief that good corporate governance supports long-term value creation for all our stakeholders.

Our Corporate Governance Statement can be found on pages 96 to 111.

IJM's commitment to sustainability is reinforced by having rethought the way we report on our sustainability performance. I am pleased to present our first Sustainability Statement on pages 124 to 167.

S2 - Hill Park Club House @ Saujana Duta

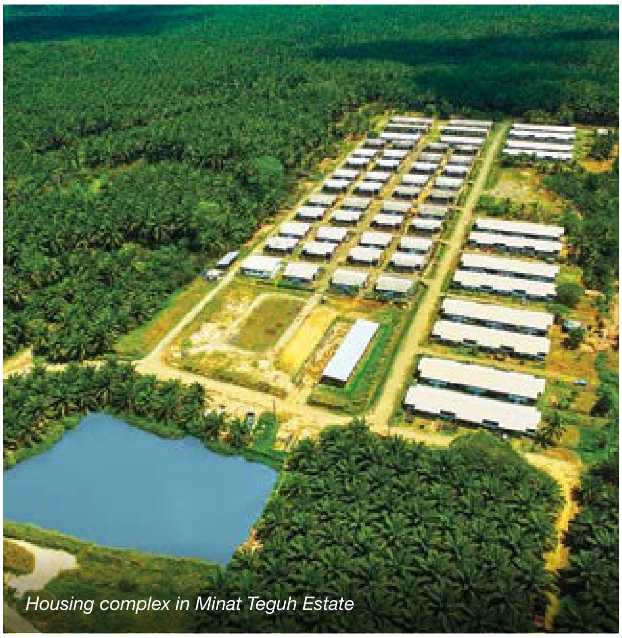
Construction of West Coast Expressway

Sand Mining at Bestari Jaya

ACKNOWLEDGEMENT

On behalf of the Board, I would like to thank the Directors, management and all employees of the Group for their dedication, concerted efforts and contributions to the Group in the past year. I would also like to take this opportunity to thank the shareholders, associates, clients, bankers, subcontractors and suppliers for their support to the Group. The Group values and looks forward to this continued support as we undertake new challenges and opportunities ahead.

Tan Sri Abdul Halim bin Ali
Chairman



Housing complex in Minat Teguh Estate

DEAR SHAREHOLDERS,

THE IJM GROUP FACED YET ANOTHER CHALLENGING YEAR BUT CONTINUED TO DELIVER SATISFACTORY PERFORMANCE AMIDST THE VOLATILITY IN THE DOMESTIC AND GLOBAL MARKETS, FLUCTUATING COMMODITY PRICES AND FOREIGN EXCHANGE RATES, SLOWER ECONOMIC GROWTH AS WELL AS THE UNEXPECTED POLITICAL OUTCOMES AROUND THE WORLD.

I am pleased to state that, on 19 December 2016, IJM entered the FTSE Bursa Malaysia KLCI Index which comprised of 30 largest companies on Bursa Malaysia by market capitalisation that met the requirements of the FTSE Bursa Malaysia Index Ground Rules. For this accomplishment, I am grateful and thankful to our people, customers, partners and stakeholders for their continued support.

Dato' Soam Heng Choon
CEO & Managing Director

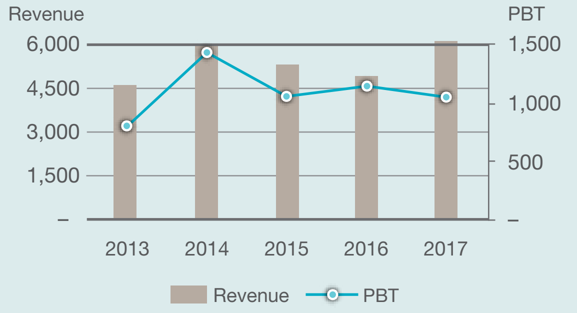
MANAGEMENT DISCUSSION & ANALYSIS

We have made good progress in implementing our business strategies and initiatives to achieve strategic and operational objectives. We are confident that these actions will help us weather the current challenges and provide the Group a competitive advantage, elevate growth and steer us to the next level as we work towards ***Enduring Values Advancing Possibilities***.

The Group has performed reasonably well for the financial year ended 31 March 2017 ("FY2017") in the face of macroeconomic challenges and uncertainties. Here is a snapshot of our performance:

- We achieved a consecutive record high construction order book exceeding RM8.5 billion.
- Recorded our highest revenue in IJM's history of RM6,065.34 million.
- Core Group PBT was RM1,010.01 million, up 19%.
- Consequently PBT margin was 14.6%, consistent with prior year's 14.7%.
- Profit after tax and minority interests reported was RM653.77 million.
- Basic EPS was 18.16 sen and Diluted EPS was 17.94 sen.
- Net Assets per share improved to RM2.63, up 4%.

Group Performance (RM' million)



Record High Construction Order Book
> RM8.5 billion

Highest Revenue in IJM's History
RM6,065.34 million

Core Group PBT
19%
RM1,010.01 million

PBT Margin
14.6%

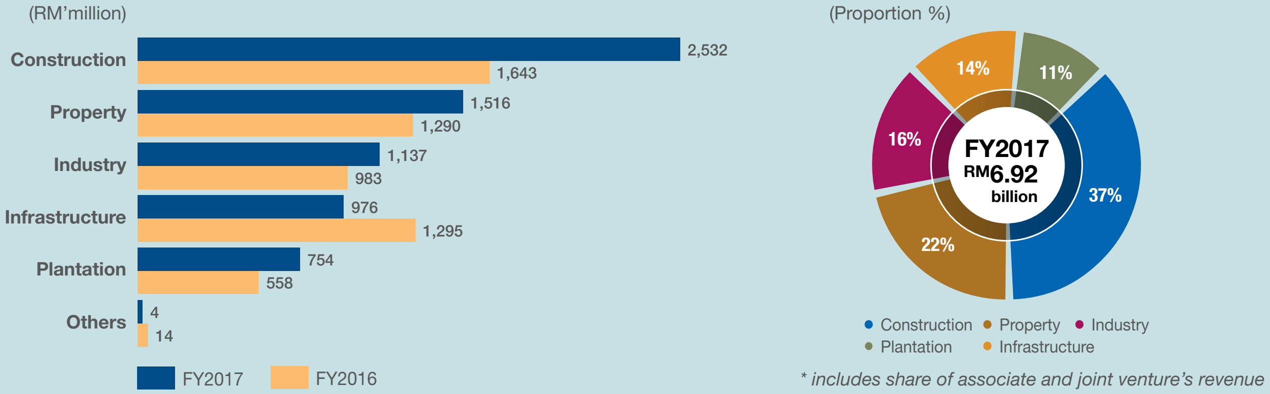
Profit after tax and minority interests
RM653.77 million

Basic EPS
18.16 sen

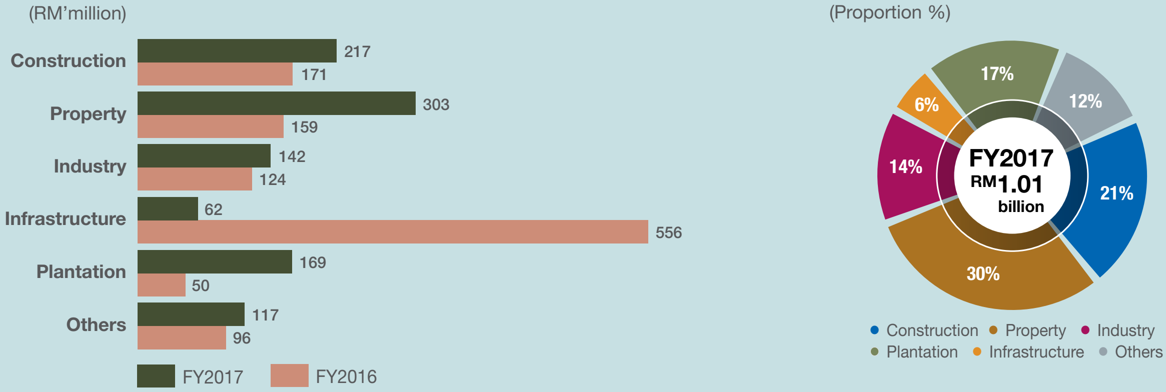
Net Assets per share
4%
RM2.63

Diluted EPS
17.94 sen

MANAGEMENT DISCUSSION & ANALYSIS (cont'd)


GROUP REVENUE BY DIVISION*

** includes share of associate and joint venture's revenue*


GROUP PBT BY DIVISION

BUSINESS ENVIRONMENT

Global growth in 2016 moderated to 3.1% as compared to 3.2% the year before mainly due to subdued investment growth across major economies and economic rebalancing in China from an investment-driven growth model towards a consumption-led one. Global financial markets remained volatile in 2016 and were still contending with challenges from the legacies of the 2008/09 global financial crisis – heightened global leverage amid unprecedented quantitative easing, low productivity growth and ongoing structural reforms in major economies. Unexpected political developments in the UK and the US exacerbated uncertainties in the global financial market that resulted in significant reversals of capital flows from emerging economies in 2016.

Domestically, the Malaysian economy continued to face headwinds from dampened business and consumer sentiments that were affected by international financial market volatility, the significant underperformance of the Ringgit and higher cost of living amid soft employment conditions. Despite these challenges, the Malaysian economy registered a growth of 4.2% in 2016 as compared to 5.0% last year. Domestic demand continued to anchor growth during the year, supported mainly by private sector spending. The construction sector grew at a moderate pace of 7.4% in 2016 as compared to 8.2% in the previous year. Driven by higher activity in existing multi-year projects, the faster pace of expansion in the civil engineering and residential sub-sectors more than offset the slower activity in the non-residential sub-sector, particularly commercial office and retail space.

FINANCIAL PERFORMANCE

For FY2017, the Group reported a higher consolidated revenue by 18% to RM6,065.34 million with the Construction, Property, Industry and Plantation Divisions being the major revenue contributors for the year as compared to RM5,128.20 million in the previous year. This was boosted by the physical completion of certain major construction projects contributing significantly, completion of some property projects, increased delivered tonnage of piles and quarry products as well as higher CPO prices during the financial year.

Correspondingly, the Group's profit before tax ("PBT") in FY2017 was RM1,010.01 million, a decrease of 13% from RM1,155.80 million in the preceding year mainly due to one-off monetisation gains from our disposal of matured Indian infrastructure assets and fair value gains on remeasurement of the remaining equity interests held in Jaipur-Mahua Tollway and Swarna Tollway totaling RM307.48 million in the prior year. Excluding the effect of these non-recurring items, the Group's core PBT in FY2016 would be RM848.32 million and therefore, the Group's PBT actually grew by 19% over the preceding year, mainly due to improved earnings from the Construction, Property, Industry and Plantation Divisions

The performances of the Group's divisions are detailed in the following pages.

DIVIDENDS

The Company is committed to the payment of annual dividends. The quantum of dividends is determined after taking into account, inter alia, the level of available funds, the amount of retained earnings, capital expenditure commitments and other investment planning requirements.

For the financial year ended 31 March 2017, the Company declared a single tier second interim dividend of 4.5 sen per share, paid on 21 July 2017. Combined with a single tier first interim dividend of 3 sen per share paid earlier on 28 December 2016, the total dividends declared for this financial year amounted to 7.5 sen per share.

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. Also, a single tier special dividend of 3 sen per share in addition to a single tier second interim dividend of 4 sen per share were both paid on 15 July 2016.

BOS JOURNEY

The Group started its strategic roadmap Blue Ocean Strategy ("BOS") co-creation at the end of 2015 with a dedicated team consisting of senior management and various levels of employees from across our business divisions.

Through a systematic process, we developed a five-year strategic blueprint for the IJM Group with close to 100 initiatives spreading over a five-year horizon. Implementation kicked off in 2016 with the respective Divisional Heads spearheading their division specific strategies. Presently, 56 initiatives have been launched under the implementation stage, covering areas in operations, existing and new markets, technology and innovation, branding as well as human capital.

26 Strategic Thrusts Defined

99 Initiatives Formulated

56 Initiatives Launched

AWARDS & RECOGNITION

IJM is regularly recognised as a leader in the construction and property industries. We have received recognition and awards for our overall performance as a company, exemplary corporate governance and reporting practices, valued branding, corporate social responsibility and a dynamic workplace culture. Our most recent accomplishments include The Edge Billion Ringgit Club 2016 Highest Growth In Profit Before Tax Over Three Years Award (Construction), The Brand Laureate Best Brands Award Most Valuable Brand for Construction & Builder of Choice 2015-2016 and NACRA 2016 Industry Excellence Awards for Construction & Infrastructure Project Companies. Our Construction Division further excelled with the receipt of the Malaysian Construction Industry Excellence Awards 2016 for Best Project (Building) and Best Infrastructure Project for the Platinum Park Phase 3 and Pahang Selangor Raw Water Transfer (Semantan Pipeline) projects respectively.

Our property arm, IJM Land performed very well during the year by attaining some prestigious awards. The Division was conferred the Top Property Developer in The Edge Malaysia Property Excellence Awards 2016, BCI Asia Awards (Malaysia) 2016, StarProperty.my Awards 2017 and Property Insight Malaysia's Prestigious Developer Awards 2017. Its property projects stood out in The Edge Malaysia's Property Development Excellence Award (Seremban 2), StarProperty.my Awards: The Family-Friendly Award (Excellence) (Seremban 2) and The Skyline Award (Excellence) (Seri Riana Residence), FIABCI Malaysia Property Awards 2016: Master Plan Winner (Bandar Rimbayu) and MIP Planning Excellence Awards 2016 for Place Making and Public Space Awards and Merit in Design Excellence (Bandar Rimbayu).

IJM Plantations, our plantation group was accorded the Malaysian Palm Oil Board Industry Excellence Award's Best Kernel Crushing Plant. On a separate note, I am grateful to receive the Outstanding Property CEO Award at The Edge Property Excellence Awards. The awards rendered to the Group are testimonies of the collective effort, dedication and hard work of our people and not forgetting, the continuous support from our business associates and stakeholders.

WORKPLACE BY FACEBOOK

IJM, being the first public listed Malaysian company to embrace the enterprise version of the social media service, Workplace by Facebook, has been using it for over a year now. Over 4,800 employees across 10 offices spanning Asia, Middle East and Europe are constantly apprised with the latest happenings and progress of the Group. I believe that this interface has brought the IJM family closer to one another, altogether embracing the 3Cs – Connect, Communicate and Collaborate culture.

SUSTAINABILITY STATEMENT

In our continued commitment to sustainable development, value creation and business continuity, the Group had embarked on a multi-step process in early 2016 to identify material economic, environmental and social risks and opportunities in order to develop a robust sustainability framework and overall strategies. Emphasis was placed in focus areas of Marketplace, Environment, Communities and Workplace in the Group's sustainability agenda. We are pleased to share our sustainability journey in our first Sustainability Statement in this Annual Report.

The Starling, Damansara Uptown

CONSTRUC

FY2017
Revenue

RM2,532.15 million

FY2016
RM1,643.00 million

54%

FY2017
PBT

RM216.72 million

FY2016
RM170.57million

27%

FY2017
PBT MARGIN

8.6%

FY2016
10.4%

TION

MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

Construction Management Team

Liew Hau Seng

Soo Sik Sang

Tong Wai Yong

Pook Fong Fee

Ong Teng Cheng

Yong Juen Wah

Tan Kiam Choon

Chan Kai Leong

Lee Foh Ching

Wong Heng Wai

Beh Lai Seng

Ng Eng Aan

Construction of Equatorial Plaza, Kuala Lumpur

Continued Successful Year of Record High Order Book Exceeding

RM8.50 billion

for IJM's Construction Division

During the financial year under review, the Division successfully secured another record high order book exceeding RM8.50 billion by procuring several new projects locally and overseas which increased the total order book by another RM3.0 billion.

Amongst the projects secured locally included the Mass Rapid Transit Project Line 2 – Package V203 (RM1,470.00 million) and Retail Mall in Bukit Bintang City Centre (RM1,160.50 million). In India, the Division clinched a new road job, namely the Dewas Bypass Tollway (RM155.00 million).

With the healthy pipeline of new projects coming into the market especially huge infrastructure jobs such as the Light Rail Transit 3 ("LRT3"), Gemas-Johor Bahru Double Tracking Rail and East Coast Rail Link, the Division is optimistic that it will continue to secure more jobs and replenish its existing order book in the medium term. Nonetheless, the Division will remain vigilant in the selection of new jobs taking cognisance of the challenges that lie ahead in the construction industry.

In line with the Division's strategy, it has launched three strategic thrusts which encompass nine (9) initiatives that are aimed to improve the financial performance of its business, talent management and cost efficiency. Essentially, these strategies are expected to enhance the Division's competitiveness and ensure alignment with Group objectives.

The overall construction sector recorded a moderate growth of 7.4% in 2016 (2015: 8.2%). The faster pace of expansion in the civil engineering and residential sub-sectors was partially offset by a decline in non-residential activity. Growth in the civil engineering sub-sector was driven by higher activity in existing multi-year projects, particularly in petrochemical, transportation and utilities segments. Activity in the residential sub-sectors was supported by large property launches in the previous year while growth in the special trade sub-sector continued to be supported by early and end-works activity. Growth in the non-residential sub-sectors, however, was weighed down by slower activity in the commercial property segment amidst the oversupply of office and retail space.

For the financial year ended 31 March 2017, the Construction Division achieved a solid growth with profit before taxation of RM216.72 million, which was 27% higher than the previous year of RM170.57 million. The increase was mainly due to higher contributions from local projects especially the West Coast Expressway Road Project ("WCE") and the New Deep Water Terminal at Kuantan Port – Phase 1 Project. Its 45.5% associate in Singapore, Hexacon Construction Pte Ltd ("Hexacon") had contributed a net profit of RM35.72 million to the Division's results in FY2017. Its PBT margin regularised to around 8.6% compared to prior year's 10.4% which included one-off recoveries of certain old progress claims from completed projects in FY2016.

JKG Tower, Kuala Lumpur

MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

Construction Support Services


James Ponniah Joseph


Gabriel Chia Kee Loy


Soh Wan Heng


Jim Mah Foong Kong


Cho Foong Khuan


Pang Sek Loh


Harjeet Singh


Casslyn Chong Siew Chen


Cheong Kong Wah


Construction of Almas, Puteri Harbour, Johor

During the financial year, the Construction Division generated revenues of RM2,532.15 million compared to the last financial year of RM1,643.00 million, representing a significant increase of 54%, mainly attributable to existing projects such as WCE, New Deep Water Terminal at Kuantan Port – Phase 1 Project, Equatorial Plaza Project, Potpourri Project, Damansara Uptown Retail Centre Project, Radia Phase 1 & 2 Project, Radia Phase 3 & 4 Project and Puteri Cove Residences Project which are operating at their peaks. In addition, there are a few new projects which commenced works during the financial year and started to contribute turnover to the Division such as the Breakwater Kuantan Project and MRT V203 Package Project. Its associate, Hexacon had contributed a significant turnover of RM283.03 million or 11.18% to the Division in FY2017.

The Division has successfully completed several projects during the financial year. These completed external projects include the Asia Pacific University in Taman Teknologi Malaysia, JKG Tower Commercial Building at Jalan Raja Laut, Damansara Uptown Retail Center including Hotel in Damansara Utama and Sub-Structure Works for an Office Building at Jalan Tun Razak.

As for in-house projects, the Division has completed The Light Collection IV for 2 Blocks of 6-Storey Condominium & 3-Storey Water Villas in Penang and DeBunga Residential for Semi-Detached and Bungalow Homes in the Klang Valley. On top of that, it has also completed new phases of the Residential and Shop Office for Seremban 2, Bandar Rimbayu and certain common infrastructure works for the township development at Pantai Sentral Park, Kuala Lumpur.

IJM's motto '*Excellence Through Quality*' and taglines '*Mark of Excellence*' and '*We Deliver*' are the driving forces behind its process and quality excellence which guides the Division to ensure its continued success. The Division was once again accorded with several prestigious awards in FY2017 such as '*The Best Project Award*' and '*The Best Infrastructure Award*' for the Platinum Park Phase 3 and Pahang Selangor Raw Water Transfer (Semantan Pipeline) projects respectively. Besides that, the Division attained the 'Five-Star SCORE' rating from the Construction Industry Development Board ("CIDB") Malaysia for its role as a high performance contractor. Its adherence to the IJM Quality Management System which complies with ISO9001 is the foundation of the Division's accomplishments.

The Division has an internally developed self-regulated system called the IJM Quality Standard Assessment System (IQSAS) for various aspects of building and infrastructure construction management which serves as a benchmark for the Division to achieve minimum targeted CONQUAS/QLASSIC score and for continuous quality improvement. The Division progressively reviews its Quality Management System to address any shortfall and ensure its relevance.

The Division ensures that it stays on track with the industry's development and strives to provide products that meet its customers' requirements and the industry's regulatory standards. It was recently certified with the ISO9001:2015 version in October 2016. Customer focus is one of IJM's core values and the Division places great emphasis on customer satisfaction which is the yardstick to measure its success.

This year is the Division's fifth year of Health, Safety and Environmental ("HSE") Campaign and it is committed to ensure that all of its employees have the necessary HSE knowledge through trainings. Proper HSE management systems are implemented at all project sites to ensure that the best HSE practices are applied and complies with the regulatory requirements.

The Division aims to create an environment in which all employees are accountable and work towards achieving the objectives of the Division. It is mindful that human capital is an asset to the company and is committed to talent development in the areas of technical and leadership competencies. The Division has invested a substantial amount on staff trainings to enhance their technical knowledge and competencies.

Despite the challenging economic landscape, the Division expects the market outlook to remain supportive mainly underpinned by the implementation of domestic on-going and new large public infrastructure projects, particularly multiple rail works projects such as LRT3, Gemas - Johor Bahru Double Tracking Rail, East Coast Rail Link, KL-Singapore High Speed Rail and Pan Borneo Highway as well as the Malaysian government's continued emphasis on infrastructure spending to meet the demographic and economic needs under the 11th Malaysia Plan. Nonetheless, the Division will remain resilient moving forward to weather the challenging business environment and soft property market.

MRT Station, Cheras

Private Berth Marina at Sebana Cove, Johor

PROPER

FY2017
Revenue

RM1,516.23
million

18%

FY2016
RM1,289.97 million

FY2017
PBT

RM303.28
million

90%

FY2016
RM159.29 million

FY2017
PBT MARGIN

20.0%

FY2016
12.3%

TY

MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

Property Management Team

Edward Chong Sin Kiat
Dato' Toh Chin Leong
Dato' Hoo Kim See
Shuy Eng Leong
Chai Kian Soon
Roger Lee Wai Hin
Patrick Oye Kheng Hoon
Bahrin Bin Baharudin
Lee Kok Hoo
Chai King Sing
Tan Khee Leng
Lim Hock Seng
Leong Fook Yew
Pee Poh Hun

ICE Gallery @ Pantai Sentral Park, Kuala Lumpur

The property sector saw decline in both total volume and value of transactions in 2016 compared to the prior year. According to the Malaysian Property Market Report 2016, the volume of property transactions dropped by 11.5% in 2016 to 320,425 transactions from 362,105 transactions in the previous year whilst the total value of transactions declined by 3.0% in 2016 to RM145.41 billion from RM149.9 billion. There were fewer new property launches in Malaysia with 52,713 units in 2016 as compared to 58,411 units in 2015, a decline of 9.8%. The sales performance of these new launches in 2016 was also lower at 31.4% as compared to 42.1% in prior year. The dramatic decrease in property transactions was weighed down by market sentiments which were led by the weakening Ringgit, low crude oil prices, stringent loan requirements, increasing cost of living and economic uncertainties.

For FY2017, the Property Division achieved a total sales value of RM1.40 billion which marginally decreased by 4% from FY2016. During the financial year, the Division recorded a higher revenue of RM1,516.23 million which increased by 18% from RM1,289.97 million recorded a year earlier. Correspondingly, the Division reported a notable profit before tax and PBT margin of RM303.28 million and 20.0% respectively during FY2017 which were significantly higher from the previous year, as a result of the completion of higher margin projects as well as the gain arising from the disposal of a parcel of commercial land in Penang.

During the financial year, the Property Division focused on customising their products in terms of design and affordability to match the needs of their customers in various locations and also disposing off the current inventories on hand. Its township developments continue to receive good response, especially from first-time home buyers and also upgraders, due to the overall amenities in its townships, good connectivity and accessibility as well as a wide variety of products to cater for all categories of buyers. Some of the Division's projects include Penduline double-storey link homes at Bandar Rimbayu, Rimbun Irama double-storey link homes, Kalista executive apartments and Rimbun Vista double-storey super-link homes in Seremban 2, and Danau Perintis apartments in Shah Alam 2, Puncak Alam. In January 2017, the Division launched the 256-unit Waterside Residence, the first residential tower in The Light Waterfront Penang Phase 2 development which received overwhelming take-up rates at the launch.

In response to challenging market conditions, the Division introduced various innovative marketing campaigns such as '*Home TIPS (Triple Insurance Protection) Scheme*', the first unemployment insurance protection scheme in Malaysia offered to home buyers, '*Oh Money Grow*', a flexible instalment and promotional scheme as well as '*Beli Rumah, Jom Umrah*' and '*Double Plus*' campaigns to attract prospective buyers of various focus groups.


Bandar Rimbayu, Selangor


Seri Riana Residence, Wangsa Maju, Kuala Lumpur

MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

FY2017 was also a year where the market continued to acknowledge and recognise the IJM Land brand. The Division was accorded various key industry awards including the prestigious FIABCI Malaysia Property Award where Bandar Rimbayu was conferred the winner of the Master Plan category and The Edge Property Excellence Awards where Seremban 2 was adjudged winner of The Edge Property Development Excellence Award. Seremban 2 and Seri Riana Residence clinched the Family-Friendly Award and the Skyline Award respectively at the StarProperty.my Awards 2016. IJM Land was also recognised amongst the luminaries in property development at the BCI Asia Top 10 Developers Awards (Malaysia), The Edge Malaysia's Top Property Developers Awards and All-Star Awards - Top Ranked Developers of the Year at the StarProperty.my Awards and Property Insight Malaysia's Prestigious Developer Awards.

S2 Saujana Duta, Duta Villa, Seremban

Malaysia remains the Division's core market where Penang, the Greater Klang Valley and Johor continue to be the focus for a multitude of new residential developments in the coming financial year. Buyers continue to be discerning and as such, strategically located projects with excellent connectivity and affordable pricing will continue to be well sought-after. In FY2018, the Division will focus on launching suitable products to cater to current market needs. Some of the highly anticipated projects include 3 Residence condominium in Bandar Sri Pinang, Penang and Riana Dutamas serviced apartments in Segambut, Kuala Lumpur, Livia double-storey link homes in Bandar Rimbayu, Rimbun Harmoni double-storey link homes and Safira apartments in Seremban 2, and double-storey terrace homes in Austin Duta, Johor – all of which are priced to target new market entrants and young working adults.

On the international front, the Division will concentrate on the construction and completion of Phase 1 of the Royal Mint Gardens development in London, United Kingdom. As for Phase 2 of the project, re-planning is ongoing to convert the existing hotel cum residential scheme to a predominantly residential-led scheme. The Division is also planning to launch Hui Hai International, an 8-storey retail and commercial complex in Xi'An Avenue, located within the People Square – Chongqing Road Commercial Area, which is the core business and retail district of the Changchun city, China.

In India, the highly controversial demonetisation initiative in the fourth quarter of 2016 rendered high-value notes worthless to drive cash from the "grey economy" into the mainstream. Demonetisation had severely impacted the real estate segment with a fall in residential sales in top eight cities by 40%, making it the worst performing year since the global financial crisis in 2008. With the impending implementation of Real Estate Regulation Act (RERA), Goods & Services Tax (GST), lower interest rates regime and fiscal benefits for tax payers have infused the '*Feel Good Factor*' which is expected to revive the property industry. First half of 2017 is expected to be largely muted. Consumer demand may still be subdued due to a mindset that property prices may undergo reduction along with the lowering of interest rates.

The Division, being an early entrant and having completed the first phase of Raintree Park Dwaraka Krishna Township in Vijayawada, India, is currently constructing Phase 2 of the development with scheduled delivery by April 2019. Vijayawada, Guntur and the corridor between the two towns will be the major urban centres that are expected to benefit from Amaravathi as the new state capital. Additionally, there are huge investment commitments from domestic and international corporates, across industries like retail, energy, education and hospital cum medical institutes that will have a positive impact on Amaravthi's real estate and the capital region in general.

The Division continues to place the highest commitment and priority on delivering quality excellence in its developments. During the year, all its projects, assessed using QLASSIC, achieved an average score of 77.58%. The Division also places strong emphasis on HSE practices and has adopted the SHASSIC framework in its projects to ensure the safety of its employees, contractors and customers.

As a conscientious developer, the Division is mindful of the impact that its projects have on the environment. The Division has maintained an unwavering support to the protection of the environment and mitigating the impact of its operations on the surroundings where it operates and is committed to comply with regulatory guidelines on environmental preservation set by the authorities.

The Division will continue to invest in both the customer experience as well as the professional growth of its people. As it strives to elevate customer experience, strengthening the development of its people was a strategic priority during the financial year. The Division takes great care in enabling its personnel with the right skills to deliver service excellence. Its training curriculum was refreshed to ensure its relevance and suitability for its employees.

In the coming FY2018, the local property market is expected to remain challenging. Nonetheless, the Division is cautiously optimistic about the property market in Malaysia. The Division will remain steadfast in making continuous improvements and balancing profit and prudence to create higher value for its stakeholders. It remains confident of the Division's ability to grow the value of its business in view of the strategic locations of its properties and the brand premium that it has established.

Raintree Park Dwaraka Krishna Township,Vijayawada, India

ICP Piles used at Dinding Food Processing Plant, Lumut Port Industrial Park, Perak

INDUS

TRY

FY2017
Revenue

RM1,136.61 million

FY2016
RM982.77 million

16%

FY2017
PBT

RM142.42 million

FY2016
RM124.09 million

15%

FY2017
PBT MARGIN

12.5%

FY2016
12.6%

MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

Industry Management Team


Dato' Khor Kiem Teoh


Leong Yew Kuen


Tan Boon Leng


Pang Chwee Hoon


Leong Siew Wah


Tan Khuan Beng


Faizal Amir B Mohd Zain


Choy Teik San


Chan Kok Keong


Low Hong Imm


Lee Hong Chai


K. Kunabalan


Lee Chee Heong


ICP Piles at Ulu Choh Factory, Johor

FY2017's performance saw a marked improvement for the Industry Division. Its core activity, the manufacturing and sale of Pretensioned Spun Concrete piles continued to scale new heights in terms of revenue achieved and tonnage delivered. Revenue of RM718.34 million and deliveries of 1.84 million tonnes surpassed its previous highs of RM652.0 million and 1.71 million tonnes respectively. The quarrying division delivered higher volumes compared to the previous year but was dragged down by poorer selling prices. Overall pre-tax profit of the Division increased by 15% to RM142.42 million backed by higher revenue which increased by 16% to RM1,136.61 million. PBT margins remained steady during the reporting period.

First half of FY2017 saw strong sales volume as the momentum from FY2016 continued. Major projects contributing higher deliveries were the WCE; Northport Wharf 8A Project, Port Klang, Selangor; projects in RAPID, Pengerang, Johor; Maple Residence at Bandar Bestari, Klang; Container Terminal 8 (2nd 300m), Westport, Port Klang, Selangor; and Affordable Housing Programme under PRIMA and PPA1M. In August 2016, a new milestone was achieved when monthly deliveries crossed 200,000 tonnes for the first time.

Sales volume for the second half of FY2017 were mainly driven by projects in Forest City Development, Johor; WCE; New Deep Water Terminal, Kuantan Port, Pahang; Alliance Steel Factory at MCKIP, Pahang; Dinding Poultry Processing Plant, Lumut, Perak; AMD Factory, Bayan Lepas, Penang; Container Terminal 9 (1st & 2nd 300m), Westport, Port Klang, Selangor; Ferringhi Residences 2, Penang; Dutamas Residential Artis 3, Jelutong, Penang; and Menaiktaraf Lebuhraya Pulau Indah, Klang, Selangor.

The Division's exports for FY2017 achieved a volume of 185,722 tonnes or 10% of total tonnage delivered. This was mainly contributed by Temburong Bridge Project, Brunei; Wilmar Jetty at Thilawa, Myanmar; and HDB Projects in Singapore.

For FY2018, on the domestic front, the Division will be vying for projects such as the Light Rail Transit 3 Project; Dinding Poultry Processing Plant (Phase 2), Lumut, Perak; JW Marriot Hotel at Gurney Drive, Penang; Penang Sentral (Phase 2), Butterworth, Penang; Alliance Steel Factory at MCKIP, Pahang; Ikano Shopping Center at Johor Bahru, Johor; Vertu Resort at Batu Kawan, Penang; Hospital Tanjung Karang, Selangor; and Maju Expressway (Phase 2), Selangor.

The Division will also continue to capitalise from projects within the IJM Group, such as the New Deep Water Terminal, Kuantan Port, Pahang; continuation of WCE (Section 1, 2, 3 & 6); and projects under IJM Land, such as The Light Commercial District at Penang.

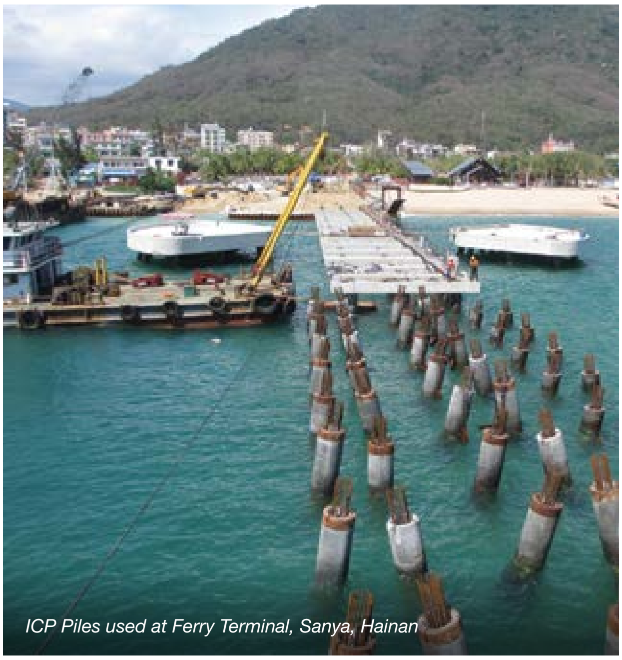
In line with its business strategy, the Division is expecting additional contributions from its Grade 100 concrete piles as it has a competitive advantage of being the sole producer in the market and targets to compete with other foundation systems such as square and bore piles.

On the overseas front, the Division will continue to capitalise on the HDB Projects in Singapore and expand its presence in Myanmar with the appointment of a local distributor. The Division will explore opportunities in Indonesia and at the same time pursue projects in Bangladesh and Cambodia. The continuation of Temburong Bridge Project in Brunei will also provide significant contribution to the Division's revenue and PBT.

In a volatile environment, cost down initiatives were crucial in containing production cost. During FY2017, substantial purchases of steel materials were committed when prices and USD were at the year's low which yielded substantial savings. Improvements were also seen in its continual cost optimisation programme which reduced material wastage. Its newly upgraded line at Klang factory began operations in October 2016 and produces small size piles at reduced cost by using a concrete pumping system to improve production speed with lesser workers and concrete spillage.

Ready Mixed Concrete Plant at Whitefield, India

MANAGEMENT DISCUSSION & ANALYSIS (cont'd)



ICP Piles used at Ferry Terminal, Sanya, Hainan

The management places great emphasis in HSE as it affects the safety and working environment of its staff. During the year, HSE campaigns were conducted at various factories to promote awareness amongst staff regarding the importance of work safety and sustainable environment. Areas of focus were on the reduction of wastage and waste generation, increase in recycling rate as well as first aid and CPR awareness.

In line with the Group's commitment to preserve the environment, the Division's first solar panel roof top plant which was installed for own consumption, in Kapar factory was commissioned in July 2016 while the second plant in Jawi started operations in October 2016. Two more similar plants are scheduled for installation in Senai and Lumut factories next year. Following the first installation of concrete reclaimer in Ulu Choh factory in FY2016, two more reclaimers were installed in Klang and Jawi factories in FY2017. These initiatives will help the Division to save cost and create a cleaner environment through effective management of waste disposal and reduction in carbon footprint.

The Division's R&D Laboratory is accredited by Standards Malaysia in scope of testing and calibration. In FY2017, the laboratory delivered new accredited testing services to its subsidiary, KRP Sdn Bhd for Kuantan Port's New Deep Water Terminal project. These tests included aggregate crushing value test, aggregate 10% fine test and aggregate particle density and water absorption test for aggregate quality verifications to project consultants. By performing such tests in-house, some cost savings were achieved.

ICP Jiangmen, China achieved improved results by recording a lower pre-tax loss of RM3.75 million (FY2016: RM9.1 million). Revenue doubled due to higher deliveries as some projects in Guangdong Province resumed after some delays. Moving forward, more projects are expected to take off and the subsidiary is now working on securing major marine projects such as the Sinopec-Kuwait JV Refinery Terminal in Zhanjiang and other marine projects in Southern China. Cost optimisation will be intensified to improve productivity and bottom-line.

Durabon Sdn. Bhd. ("DSB") achieved a revenue of RM112.40 million, an increase of 13% from FY2016 backed by higher sales volume which increased by 16% from prior year. However, PBT was lower by 9% to RM4.07 million as margin was affected by lower selling prices due to competition from imported Chinese PC Bars. Both local and export sales are expected to remain challenging with the continuous influx of cheap finished products from China. DSB will continue its cost-cutting initiatives to enhance its competitiveness.

Turnover in the quarry sector rose 61% to RM182.93 million on higher sales volume, which surged 49% from the previous year. The increase was mainly attributed to deliveries to the Kuantan Port's Breakwater Project and the new sand mining operation in Bestari Jaya, Selangor which commenced operation in July 2016. Both contributed about 34% of total quarry revenue. Elsewhere, its quarries except Ulu Choh and Kuang registered higher sales. In tandem with the better turnover but negated by margin squeeze from lower selling prices which fell by a further 10% to 15% from last year, PBT rose only 12% to RM23.59 million.

Rock reserves in its quarries in Kulai and Ulu Choh are nearly exhausted, with estimated lifespan of 1 year and 2.5 years respectively. Efforts are made to identify new quarries in Johor to maintain its presence there and in other strategic locations. The Division plans to start a new quarry in Segari, Perak by December 2017 which is strategically located to support the requirement for amour rocks of varying sizes for projects around the southern coast of Penang Island, E&O Project, Gamuda's Penang South reclamation project and exports to Bangladesh and Myanmar besides supplying quarry materials for WCE, ICP and local markets. Total capital expenditure required is approximately RM8 million to be funded by internally generated funds. To address the drop in margins, the quarrying division will scrutinise its costs and trim wherever possible. Going forward, the market demand is expected to improve, albeit at a slow pace.

The Malaysian ready mixed business under Strong Mixed Concrete Sdn Bhd performed reasonably well. Revenue grew by 4% to RM90.9 million from the previous year on higher volumes supplied from 3 new plants. However, with the write-offs and demobilisation costs incurred for its plant in Kwasa Damansara and Technology Park Malaysia, PBT fell 22% to RM2.11 million. The Division plans to relocate its Penang plant to cater for projects which include The Light Waterfront Phase 2's office towers and malls, hotels and convention center and to set up a plant in Segambut to supply to IJM Land's Riana Dutamas, MRT Line 2 and other projects in the vicinity.

In India, the performance of the ready-mix sector of IJMCPPL improved despite demonetisation of the Indian currency which caused some short term uncertainties. In the longer term, it is expected to improve due to lesser competition as unorganised small players will not be able to sell their products in cash due to cash withdrawal controls. In FY2017, it registered a 10% increase in turnover to RM75.79 million and pre-tax profit of RM1.14 million (FY2016: Loss of RM3.35 million). The quarry business did not fare well when it suffered a higher pre-tax loss of RM1.37 million (FY2016: RM0.81 million) from its quarries in Jhansi and Magadi. The division has since discontinued operations in Jhansi due to frequent plant breakdown and difficulty in getting spare parts due to its location.

The Division's ready-mix plant in Islamabad, Pakistan recorded a 5% decrease in turnover due to the shift to a new location when the current land lease expired. Consequently, pre-tax profit fell 52% to RM0.69 million.

The introduction of heavy duty (Shoring System) scaffolding in FY2017 helped the scaffolding rental business under Scaffold Master Sdn Bhd to achieve an 8% growth in turnover to RM15.53 million. However, pre-tax profit remained flat at RM5.73 million on lower rental rates and higher depreciation. With the CIDB Act 520 (Amendment 2011) coming into force on 1 December 2015 which prescribes heavy duty scaffoldings to be used, the scaffolding division targets to take advantage of this requirement to promote its products as there are not many players with strong financial backing to compete.

Kemena Industries Sdn Bhd, a 55% subsidiary in Bintulu, Sarawak is engaged in the production and sales of ready-mixed concrete and precast reinforced concrete products. Its turnover decreased by 37% to RM12.52 million and pre-tax profit decreased by 68% to RM0.40 million mainly due to intense competition from existing and new players. Generally, business is expected to be challenging with the continued subdued property market.

The Malaysian economy is expected to improve due to higher global economic activities and inflow of Chinese funds. However, it will be challenged by higher inflation, volatile capital flows and lingering uncertainties in the global and financial markets. With the current competitive environment, the Division is embarking on stringent cost optimisation programmes to mitigate margin erosion.

On the positive side, the Division's piles order book remains strong. Major projects coming on stream such as the RM55 billion 600km East Coast Rail Line, KL-Singapore High Speed Rail and other major projects under the One Belt One Road initiative are expected to augur well for the Industry Division.

Armour Rocks at Gebeng Quarry

Replanting in Sijas Estate, Sabah

PLANTA

FY2017
Revenue

RM753.71
million

FY2016
RM557.61 million

35%

FY2017
PBT

RM168.51
million

FY2016
RM50.41 million

234%

FY2017
PBT
MARGIN

22.4%

FY2016
9.0%

TION

MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

Plantation Management Team


Joseph Tek Choon Yee


Purushothaman A/L Kumaran


P K Venugopal


Sandra Segran A/L Kenganathan


Lee Hock Leang


Desa Talisai palm oil mill

The Division is principally engaged in the cultivation of oil palms, processing fresh fruit bunches ("FFB") into crude palm oil ("CPO") and processing of palm kernel ("PK") into crude palm kernel oil and expellers. The Division's plantation journey goes back to 1985 when it first planted oil palms on 4,000 hectares of virgin land in its Desa Talisai estate in Sabah, Malaysia. As of today, the Division's cultivated areas have increased by fifteen (15) folds. On top of that, the Division has successfully established its footprint in the international arena by expanding into Indonesia. The Division was listed on the Main Board of Bursa Malaysia in 2003.

The Division operates six (6) palm oil mills with a total FFB processing capacity of 345 metric tonne ("mt") of FFB per hour. Four (4) of the palm oil mills are located in Malaysia with a total processing capacity of 180 mt of FFB per hour. At its Indonesian operations, the existing mill has a production capacity of 105 mt of FFB per hour while another mill with an expected capacity of 60 mt of FFB per hour is scheduled to be commissioned in early FY2018.

For the financial year under review, the oil palm plantation industry remained challenging as the lagging effects of the 'El Nino' dry weather continued to batter down production, in addition to increased minimum wages and other input costs that continued to add pressure on the Division's bottom line.

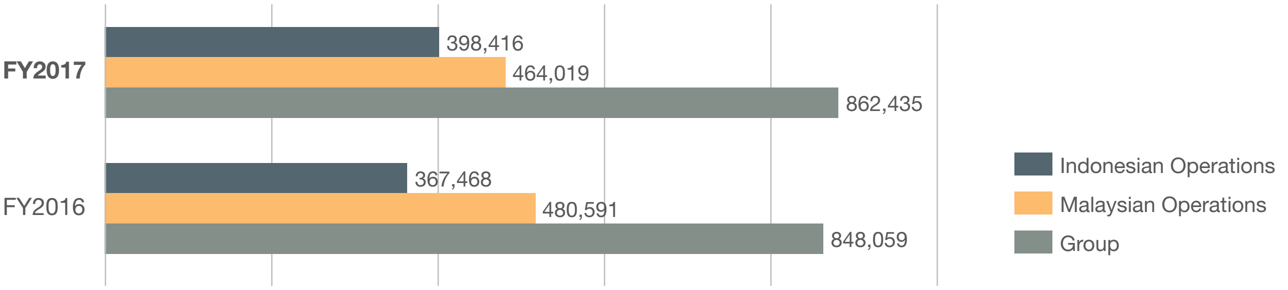
Although the drop in global palm oil production had slowly driven up CPO prices in the earlier part of the year, the price increase was insufficient to compensate for the loss from lower production. The production loss however recovered at a faster pace in the later part of 2016 when significant drop in production from the world's two largest producers, Malaysia and Indonesia, became apparent and resulted in a strong recovery in CPO prices. In the same period, the weakening of the Ringgit against US Dollar further supported CPO prices.

Details of the Division's oil palm age profile are as follows:

	Malaysian Operations		Indonesian Operations		Group Total	
	Hectares	%	Hectares	%	Hectares	%
Mature (> 20 years)	1,881	7%	–	0%	1,881	3%
Mature - Prime (8 - 20 years)	18,629	74%	1,557	4%	20,186	33%
Mature - Young (4 - 7 years)	2,636	10%	27,095	76%	29,731	49%
Immature (1 - 3 years)	1,975	9%	6,797	20%	8,772	15%
Total	**25,121**	**100%**	**35,449**	**100%**	**60,570**	**100%**
Weighted average age of palms (years)		**14.4**		**5.9**		**9.5**

The Division's total planted area as at FY2017 was 60,570 hectares (FY2016: 59,595 hectares) of which the Indonesian operations comprised of 35,449 hectares (FY2016: 34,544 hectares). 91% of the Malaysian operations' planted areas are mature whereas for Indonesian operations, the mature area increased to 80% as compared to 73% in the previous year. The relatively young palm profile of the Indonesian operations, with a weighted average age of 5.9 years as at FY2017 puts the Division in a good position to capitalise on future production growth opportunities as the oil palm trees reach prime age.

FFB PRODUCTION (MT)



MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

By geographical segment, the Division's FFB production from Malaysia dropped to 464,019 mt in FY2017 (FY2016: 480,591 mt) due to prolonged dry weather compounded with ongoing replanting programme. In Indonesia, it continued to register a growth of more than 8% in FY2017 with 398,416 mt of FFB (FY2016: 367,468 mt) as more areas attained maturity and additional young palms moved into prime age. With continued production growth from its Indonesian operations, the Division managed to cushion most of the drop in production of its Malaysian operations to end the financial year with 862,435 mt (FY2016: 848,059 mt) of FFB production, a slight increase of 2%.

In terms of crop productivity, the prolonged dry weather had adversely affected crop yield. The Malaysian operations recorded a 3.8% drop in FFB yield in FY2017 with 20.0 mt per hectare (FY2016: 20.8 mt), whilst Indonesian operations recorded FFB yield of 13.9 mt per hectare (FY2016: 14.6 mt).

Total FFB milled, inclusive of outside fruit purchases had exceeded one (1) million mt in FY2017 of 1,010,111 mt (FY2016: 994,802 mt). Of this total, 350,486 mt (FY2016: 310,453 mt) were from its Indonesian operations. A total of 211,680 mt (FY2016: 219,504 mt) of CPO and 46,348 mt (FY2016: 47,482 mt) of PK was produced. Average oil extraction rate ("OER") and kernel extraction rate ("KER") achieved were 21.0% (FY2016: 22.1%) and 4.6% (FY2016: 4.8%) respectively. Whereas, in the kernel crushing operations, 44,596 mt (FY2016: 48,053 mt) of palm kernels were processed to produce 19,875 mt (FY2016: 21,583 mt) of crude palm kernel oil ("CPKO") and 23,063 mt (FY2016: 24,179 mt) of palm kernel expellers ("PKE"). Average CPKO and PKE extraction rates achieved were 44.6% (FY2016: 44.9%) and 51.7% (FY2016: 50.3%) respectively.

By geographical location, the Division's four (4) palm oil mills in Malaysia processed a total of 659,625 mt (FY2016: 684,349 mt) of FFB to produce 135,275 mt (FY2016: 144,875 mt) of CPO and 32,672 mt (FY2016: 34,742 mt) of PK. The drop of 3.6% in FFB processed was attributed to lower crop availability. Average OER achieved by its Malaysian mills was slightly lower at 20.5% (FY2016: 21.2%), mainly due to poorer formation of fruits during the severe dry period, while KER was 5.0% (FY2016: 5.1%).

In Indonesia, a total of 350,486 mt of FFB (FY2016: 310,453 mt) were processed to produce 76,405 mt (FY2016: 74,629 mt) of CPO and 13,676 mt (FY2016: 12,740 mt) of PK. The higher volume processed was attributed to more palms attaining maturity. The average OER and KER achieved were 21.8% (FY2016: 24.0%) and 3.9% (FY2016: 4.1%) respectively.

Oil palm fruitlets

The Division's kernel crushing plant in Malaysia processed 32,202 mt (FY2016: 35,311 mt) of palm kernel to produce 14,669 mt (FY2016: 16,272 mt) of CPKO and 15,876 mt (FY2016: 17,455 mt) PKE. The average extraction rate for CPKO was 45.6% (FY2016: 46.1%) and PKE was 49.3% (FY2016: 49.4%). Whereas in Indonesia, the kernel crushing plant which was in its fourth year of operations processed 12,394 mt (FY2016: 12,742 mt) of palm kernels to produce 5,206 mt (FY2016: 5,311 mt) and 7,187 mt (FY2016: 6,724 mt) of CPKO and PKE respectively. The average extraction rates achieved in Indonesian operations for CPKO and PKE were 42.0% (FY2016: 41.8%) and 58.0% (FY2016: 52.8%) respectively. In recognition of its operational excellence, the Division was accorded the Malaysian Palm Oil Board ("MPOB") Industry Excellence Award for the Best Kernel Crushing Plant under its company, IJM Edible Oils Sdn Bhd.

Overall, the average CPO price achieved by the Division increased by 31% to RM2,695 per metric tonne ("pmt") (FY2016: RM2,060 pmt). Average CPO price from its Malaysian operations increased to RM2,753 pmt (FY2016: RM2,142 pmt), whereas in its Indonesian operations, the average CPO price was RM2,589 pmt (FY2016: RM1,899 pmt).

The higher CPO prices during the financial year substantially increased the Division's revenue by 35% to RM753.71 million (FY2016: RM557.61 million). Consequently, pre-tax profit and margin improved significantly to RM168.51 million and 22.4% respectively (FY2016: RM50.41 million and 9.0%). During the same period, it recorded fair value gains totaling RM5.02 million (FY2016: Fair value loss of RM15.32 million) arising from CPO swap transactions used to hedge CPO prices against downside risk.

During FY2017, the Division's cost of sales increased by 20% as compared to prior year, mainly due to higher outside fruit purchase costs in tandem with higher commodity prices, increased minimum wages in Malaysia, and higher production cost in Indonesia as more young mature areas incur full fixed plantation costs set against start-up crop yields. Contribution to the Sabah state sales tax, windfall profit levy to the Federal government and statutory payment of cess to MPOB amounted to RM30.07 million (FY2016: RM25.35 million).

The Division's capital expenditure of RM90.72 million in FY2017 (FY2016: RM131.34 million) consists of its Indonesian development expenditure including the cost to construct its second oil mill and infrastructures. The lower spent was primarily due to the timing of incurring the expenditure. Furthermore, it incurred lower plantation development expenditure of RM31.90 million (FY2016: RM61.66 million) due to fewer immature areas.

The Division has been participating in the pilot project under the Malaysian Sustainable Palm Oil ("MSPO") scheme since year 2014. One of its mills, Desa Talisai Palm Oil Mill and its three (3) supplying estates have been certified under the MSPO certification scheme. The Division will move towards certifying the other mills in Malaysia under MSPO in order to meet the timeline for mandatory implementation. Due to the lack of demand for ISCC-PLUS of the International Sustainability and Carbon Certification ("ISCC") in the region, the scheme was discontinued in the financial year. However, the Division will continue with the recertification with ISCC-EU where premiums are derived. Across in Indonesia, three (3) estates in the operations were successfully certified under the Indonesian Sustainable Palm Oil ("ISPO") scheme during the year.

The Division is mindful of the challenging operating environment facing the palm oil industry today and pursued measures to contain rising production costs such as fertiliser, fuel and labour, implementing in-field crop collection mechanisation, harnessing workable innovations and technologies, replanting with high yielding planting materials besides actively implementing other resource conservation initiatives.

The Division's research centres carry out oil palm breeding, selection and progeny testing programme to improve planting materials to ensure better yields and other desired oil palm characteristics. Its seed production unit is able to produce over 1.5 million DxP seeds per annum derived from Deli Dura and AVROS pedigree, and accredited with SIRIM's MS157:2005 certification. The Division has research collaborations with the International Plant Nutrition Institute on best management practices, and with ACGT Sdn Bhd and Genting Green Tech Sdn Bhd on oil palm biotechnology involving high yield biomarkers. The Division's pragmatic replanting policy is strictly adhered to in order to achieve the desired age profile. Replanting programmes are carried out in accordance with '*zero burning policy*'.

The Division is mindful of the importance of human capital development in ensuring sustainable growth and higher productivity. As such, the Division implemented various incentive schemes to attract and retain skilled workers. Occupational safety and health, training and retraining are carried out while initiatives to upgrade living quarters complete with amenities are carried out in phases. Nevertheless, the availability of skilled workers will remain a key challenge for the industry per se in years to come.

Underscoring its environmental commitment, the Division has set aside parts of its land bank for conservation, biodiversity enhancement, research and education purposes while actively engaging relevant stakeholders through various platforms and activities.

As CPO prices began to soften significantly since the end of 2016 when production recovered, input costs continue to escalate coupled with ongoing changes in macroeconomic policies around the world, the Division expects the oil palm industry to be more challenging in the coming financial year. Looking ahead, FFB production is expected to be sustained in the Malaysian operations while higher crop production is expected from its Indonesian operations as more areas come into prime production age. In view of the above, the Division expects the profitability level for the coming financial year to be satisfactory.

Drip-irrigated nursery

Kuchai Link Ramp at Taman Desa Interchange, New Pantai Expressway

INFRASTRU

CTURE

FY2017
Revenue

RM975.52 million

FY2016
RM1,295.01 million

25%

FY2017
PBT

RM62.31 million

FY2016
RM555.77 million

89%

FY2017
PBT MARGIN

6.4%

FY2016
42.9%

MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

Toll Management Team


Wan Salwani Binti Wan Yusoff


Tan Kiam Choon


Yap Pak How


Ong See Chang


Md Zohir Harun


Chua Lay Hoon


Hwa Tee Hai


Ungku Zaki Ungku Hamzah


Azarulizam Bin Ismail


Nur Amani Bt Zakaria

Port Management Team


Dato' Haji Khasbullah Bin A Kadir


Dato' Azahari Bin Muhammad Yusof


Selvarajah Nallapan


Ahmad Kamil Bin Shaharudin


Mazlim Bin Husin

Loke Yew Toll Plaza, Besraya

The Infrastructure Division recorded a decreased turnover by 25% to RM975.52 million (FY2016: RM1,295.01 million) mainly due to the drop in cargo revenue recorded by the port concession.

Accordingly, pre-tax profit and margin decreased to RM62.31 million and 6.4% respectively (FY2016: RM555.77 million and 42.9%) mainly due to prior year's one-off gains derived from the Indian road disposals and fair value gains on the remeasurement of the remaining equity interests held in Swarna Tollway and Jaipur-Mahua Tollway totalling RM307.48 million and lower profits from the toll road and port concessions.

The Division's total infrastructure assets comprised of eight toll road concessions (with four in Malaysia, four in India and one in Argentina), a port in Pahang, a power plant in India and a water treatment plant in Vietnam.

TOLL ROADS

On the domestic front, our toll concessions in Malaysia continued to contribute recurring revenues to the Infrastructure Division for FY2017. These toll concessionaires are wholly-owned urban highways, 28.9 Km Besraya Highway ("Besraya") and 19.6 Km New Pantai Highway ("NPE"), and 50%-owned inter-urban highway, 44.3 Km Kajang Seremban Highway ("LEKAS"). These concessions hold concession periods of 44, 34 and 33 years respectively.

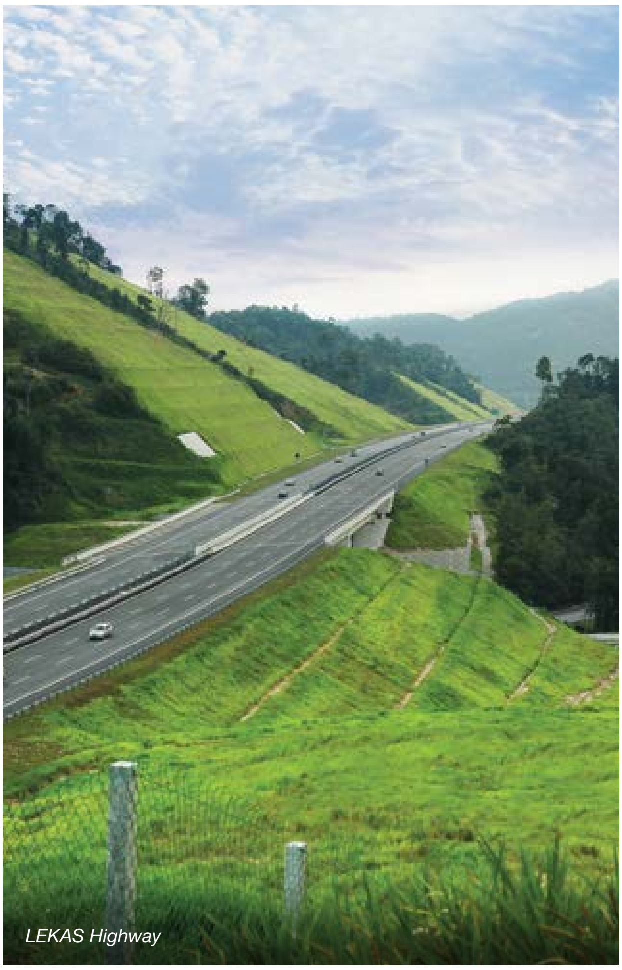
On 15 October 2015, the toll rates on 18 highways for all classes of vehicles, except buses, were increased in accordance with their concession agreements. Higher toll rates coupled with increased urban living costs had impacted the travelling patterns of road users and the traffic performance for most highways. In addition, the government had deferred the scheduled toll rates hike in 2016 and 2017. As of FY2017, the scheduled toll hikes for Class 1 vehicle of NPE's PJS 2 Toll Plaza and Class 5 vehicle (bus) for Besraya, NPE and LEKAS were deferred. All toll hike deferments shall be compensated in accordance with the concession agreements.

The public transportation system in the Klang Valley is gradually improving with the Light Rail Transit Extension and Mass Rapid Transit where new lines have commenced operations in 2016. In the short term, it is unlikely that these public transportation modes will have any significant impact on the traffic plying our highways. The Division believes that a significant shift in travelling pattern will only occur when a fully integrated public transport system is in place.

Against this backdrop, the Toll Division delivered a mixed performance in FY2017. Besraya contributed an increased turnover by 2% to RM119.31 million during the financial year mainly driven by sturdy traffic growth from the Loke Yew Toll Plaza. Pre-tax profit increased by 36% to RM28.71 million mainly due to interest income, third party access fee and advertising fee.

For FY2017, NPE recorded a revenue of RM164.83 million and pre-tax profit of RM94.38 million representing a decrease of 4% and 6% respectively as compared to the previous year. The weaker traffic performance led to the revision of traffic projections resulting in higher amortisation cost and lower profit in FY2017. Furthermore, the toll hike in 2015 had affected traffic growth however traffic is expected to normalise eventually.

LEKAS posted a revenue of RM35.78 million, which decreased 1% from RM36.19 million last year. Share of losses reduced by 13% to RM25.12 million (FY2016: RM28.97 million) mainly due to contribution from other operating income. A new Eco Majestic Toll Plaza and Interchange opened on 19 October 2016 and is expected to enhance accessibility into the highway and contribute new traffic streams upon the maturity of nearby townships.



LEKAS Highway

MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

Western Access Tollway, Argentina

Moving forward, relieving traffic congestion during peak hours is the key primary concern for the Toll Division. NPE, LEKAS and Besraya have successfully implemented 100% Electronic Toll Collection Programme on 13 January, 2 March and 1 June in 2016 respectively. With that, traffic throughput and toll plaza management have improved significantly. Under the Government's initiative, the radio-frequency identification ("RFID") toll collection technology will make an official debut in 2017, as more highways become fully cashless operations. Besraya and NPE plans to implement the RFID lanes in the coming financial year.

The Division is also working to provide more timely information to road users in order to manage traffic flow better especially on busy stretches in order to reduce congestion and to carry out roadworks with minimal impact to road users.

The Kuchai Link ramp which connects Besraya to NPE opened on 8 March 2017 and reduced travelling time and queues at Jalan Kuchai Lama's signal junction. In view of that success, new upgrading works are being carried out for Kuchai Link 2, a new dual direction ramp linking NPE and Besraya, enabling improved dispersal capacity and is expected to complete in 2019.

Construction of a new interchange connecting our property development, Pantai Sentral Park to NPE's Pantai Dalam Interchange is expected to complete in 2018 and serves as an alternative link between NPE and Kerinchi/Bangsar South. Another new link from LEKAS's Ulu Temiang Interchange to a PRIMA housing project is nearing completion in 2017 and upon opening, it will provide a direct route to LEKAS for the residents of Temiang and its surrounding vicinity.

The traffic management scheme at the Jalan Templer junction and Old Klang Road at NPE continues to ease the traffic plying between PJ State, Petaling Jaya and NPE during peak hours. Another innovative contra flow traffic management scheme was implemented between KM 4 to KM 5 on the south bound direction of Besraya, providing a dedicated bypass route for traffic from Mines South Toll Plaza to Putrajaya and has significantly reduced travelling time and queues at the toll plaza

While there are increasing challenges in the toll industry from new highways, toll-free alternative routes, improvements in public transportation system and toll rate disparities among competing highways – all of which affects traffic performance, the Division is confident of attaining positive revenue growth to contribute towards the Group's recurring income base.

Going forward, the Division is confident that road travel will remain the main transportation mode in the Klang Valley in view of continued growth and urbanisation. The Division will continue to observe residential and commercial developments along its alignments. With the forthcoming completion of the Pantai Sentral Park, KL EcoCity and Bangsar South at NPE, Setia EcoHill and Eco Majestic townships at LEKAS and dense township and industrial areas along Besraya (Putrajaya, Cheras, Balakong, Kuchai, Serdang), are expected to contribute steady traffic growth to its highways.

IJM via its investments in WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad) and West Coast Expressway Sdn Bhd ("WCESB") has a 41% effective interest in the 233 Km West Coast Expressway project connecting Banting to Taiping. It has a 50-year concession and is currently under construction.

In India, the Division's operating toll roads comprised of wholly-owned Rewa Tollway (387 Km), 99.9%-owned Chilkaluripet-Vijayawada Tollway (79 Km) and 30%-owned Swarna Tollway (145 Km) with concession periods ranging from 16 to 31 years. Its latest addition is wholly-owned Dewas Bypass Tollway (19.8 Km) which was secured in February 2017 and construction is expected to commence in the third quarter of 2017.

During FY2017, the Indian tollways contributed lower revenues by 39% to RM121.50 million (FY2016: RM199.88 million) mainly due to part divestment of Jaipur-Mahua and Swarna Tollways. Consequently, the Indian tollways pre-tax profit reduced to RM10.57 million (FY2016: RM37.94 million).

In Argentina, the Group's 20%-owned Grupo Concesionario del Oeste S.A. ("GCO") which operates a 21-year concession of the 56 Km Western Access Tollway in Buenos Aires, contributed a higher turnover by 11% to RM72.74 million while its share of profit increased by 67% to RM10.57 million in FY2017, mainly due to increased toll rates since January 2016, stable traffic volume and financial income earned from deposits in financial institutions. The concession agreement renegotiations were successful and the concession period has been extended to 31 December 2030.

PORT

During the financial year, Kuantan Port recorded a turnover of RM210.59 million (FY2016: RM525.98 million). Its pre-tax profit decreased by 73% to RM66.43 million (FY2016: RM250.57 million) mainly due to decreased cargo throughput. Cargo throughput recorded was 15.0 million (FY2016: 38.8 million) freight weight tonnes, a decrease of 61% from previous year mainly from the decrease in bauxite exports due to the moratorium period on mining imposed by the Ministry of Natural Resources and Environment since 15 January 2016.

Panorama view of Kuantan Port

MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

With the development of the New Deep Water Terminal ("NDWT") at Kuantan Port and the expected completion of Phase 1A in the second quarter of 2018 and Phase 1B in the second quarter of 2019, Kuantan Port has embarked on plans to provide more efficient and cleaner handling methods for bulk cargoes. Such initiatives include a 15 Km tubular conveyor belt system connecting NDWT to Alliance Steel's modern iron and steel plant currently under construction in the Malaysia-China Industrial Park ("MCKIP"). The production output from the steel mill is expected to contribute positively to the port's performance in the future. There will also be dedicated equipment at the wharf (ship unloaders) to handle bulk cargoes.

Kuantan Port is physically linked to MCKIP via a network of existing industrial infrastructures and more are being built by the Government. This includes highways and interchanges to cater for future cargo movements for import and export activities. Kuantan Port expects to handle bulk cargo driven by high-end technologies and heavy industries in MCKIP

In June 2016, Kuantan Port received a conditional approval from the Ministry of Finance to establish a Free Zone Port. The Port Division is expecting to secure the final clearance to operate as a Free Zone Port by the end of 2017. This is an important instrument for the port to be a multi-cargo transhipment hub for the region towards becoming the main gateway for China, Far East and beyond. Furthermore, the close proximity and short shipping time between Kuantan Port and its sister port, China's Qinzhou Port of approximately 3 to 4 days, are expected to create business synergies between the ports to partake in the growth potential of ASEAN and Asia Pacific markets.

POWER PLANT

The Group's sole power plant concession in Andhra Pradesh, India, is its 20%-owned Gautami Power, a 469 MW natural gas based Combined Cycle Power Plant. During the financial year, the Group ceased to equity account for its share of losses in Gautami Power which has been accounted up to its investment cost. In addition, the Group had impaired its balance investment carrying amount in FY2017 resulting in a loss of RM17.10 million (FY2016: Share of loss of RM27.50 million). The plant continues to be short of gas supply. Once the gas supply is stabilised, the investment is expected to turnaround and contribute regular income streams to the Group until the year 2023.

Chilkaluripet-Vijayawada Tollway, India

WATER TREATMENT PLANT

The Group's 36%-owned associate, Binh An Water Corporation Ltd in Vietnam contributed a consistent net profit of RM4.76 million (FY2016: RM4.63 million) to the Group during the financial year. The investment is expected to contribute stable income streams until the year 2019.

OTHERS

The Group's 24.59% stake in Scomi Group Berhad ("Scomi") has contributed a revenue of RM230.16 million during the financial year (FY2016: RM149.48 million). Its share of losses of RM28.38 million (FY2016: Share of profit of RM4.86 million) was attributable to operational loss and non-recurring write-offs and adjustments. Scomi is a global service provider mainly in the oil and gas industry specialising in high-performance drilling fluids solutions. It also provides transport solutions focused on the manufacturing and design of monorail systems, buses, special purpose vehicles, rail wagons and defence vehicles.

OUTLOOK

In the forthcoming financial year, the prospects of the Construction Division is expected to be satisfactory despite the economic challenges, based on the current level of high order book as well as the Malaysian government's continuous efforts in implementing large public infrastructure projects such as LRT3, Gemas - Johor Bahru Double Tracking Rail, East Coast Rail Link, KL-Singapore High Speed Rail and Pan Borneo Highway, and other projects under the 11th Malaysia Plan. Our Industry Division is poised to benefit from the healthy construction activities and increase in demand for building materials and coupled with its strong order book, this should auger very well for the division moving forward.

The challenges in the property market is expected to continue as consumers remain cautious given weaker consumer sentiment coupled with continued stringent mortgage approval and in-coming supply of new launches and competing completed properties. The Division will remain steadfast to grow its business in view of the strategic locations of its properties and the brand premium it has established. With unbilled sales of about RM1.7 billion, the Property Division is expected to maintain a satisfactory performance in the coming financial year.

As world oil palm production recovers at the end of 2016, CPO prices began to soften while input costs continue to escalate. Barring unexpected adverse impact of volatility in CPO prices and foreign exchange rates, the 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 its Indonesian operations and FFB yields being sustained in the Malaysian operations.

The Group's toll, port and water operations concessions are expected to provide recurrent revenue streams as its existing concessions mature thereby further enhancing the earnings of the Infrastructure Division. On the whole, the IJM Group expects to achieve a reasonable performance for the coming financial year in 2018.

CONCLUSION

Overall, the Group has overcome a challenging FY2017 and the current difficult environment is expected to persist into the next financial year. The continued volatility in the global capital markets and foreign exchange rates, fiscal tightening, bearish commodity prices and rising costs may continue to impact our earnings going forward. To address these challenging times, we have implemented our Blue Ocean Strategies, key measures and initiatives at Group and divisional levels which are currently on-going and at different stages of progress.

We have taken steps to safeguard the Group's assets and financial position with prudence and discipline. We will also continue to focus on enhancing operational efficiency and productivity. As we continue in our sustainability journey, we will work towards reducing the material economic, environmental and social risks whilst advancing the opportunities, as we endure the challenges to deliver enhanced value to our shareholders and stakeholders.

Dato' Soam Heng Choon
CEO & Managing Director

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("the Board") has always been proactive to promote good corporate governance and ensures that the principles and best practices of good governance are practiced throughout IJM Corporation Berhad ("IJM" or "the Company") and its subsidiaries (collectively referred to as "the Group"). The Board believes that a strong corporate governance is essential in enhancing shareholders' value and for long-term sustainability and growth.

With the release of the Malaysian Code on Corporate Governance 2017 ("New Code") on 26 April 2017, the Board aspires to ensure that the principles and best practices as set out in the New Code are well understood, applied and reported for promoting greater internalisation of corporate governance culture within the Group.

The Board is pleased to present this statement which describes on how the Company has applied the principles as set out in the Malaysian Code on Corporate Governance 2012 ("the Code") and the extent of its compliance with the principles. The reason for not applying specific principles in the Code is explained in this statement.

A. BOARD OF DIRECTORS

1. Composition of the Board

There are nine (9) Board members, seven (7) of whom are Non-Executive Directors, and among the Non-Executive Directors, six (6) are Independent Non-Executive Directors. The Board comprises a majority of Independent Directors and the Chairman is one (1) of the Independent Non-Executive Directors.

Datuk Lee Teck Yuen is the Senior Independent Non-Executive Director to whom queries or concerns relating to the Group may be conveyed by shareholders by way of writing to the Company's registered address or electronic mail to csa@ijm.com or contact via Tel: +603-79858131.

The balance between Independent Non-Executive, Non-Executive and Executive Directors, together with the support from Management, is to ensure that there is an effective and fair representation for the shareholders, including minority shareholders. It further ensures that issues of strategy, performance and resources are fully addressed and investigated to take into account the long-term interests of shareholders, relevant stakeholders and the community in which the Group conducts its business.

The composition and size of the Board is reviewed from time to time to ensure its appropriateness and effectiveness. The profile of each Director is presented on pages 27 to 31.

2. Board Charter

All Board members are expected to show good stewardship and act in a professional manner, as well as uphold the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities. The Board Charter sets out the role, functions, composition, operation and processes of the Board and is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members. The Board Charter also acts as a source of reference and primary induction literature in providing insights to Board members and senior management.

The Board reviews the Board Charter from time to time and the last review was carried out in May 2016.

The details of the Board Charter are available for reference at www.ijm.com.

3. Roles and Responsibilities of the Board

The Board is primarily responsible for the Group's overall strategic plans for business performance, overseeing the proper conduct of business, succession planning of key management, risk management, shareholders' communication, internal control, management information systems and statutory matters; whilst Management is accountable for the execution of the expressed policies and attainment of the Group's corporate objectives. The demarcation complements and reinforces the supervisory role of the Board. Nevertheless, the Board is always guided by the Board Charter which outlines the duties and responsibilities and matters reserved for the Board in discharging its duties.

In accordance with the Board Charter, the matters reserved for the Board include the approval of corporate plans, annual budgets (including the Key Performance Indicators ("KPI") under the Balanced Scorecard of the Group), new ventures, acquisitions and disposals of undertakings and properties of a substantial value, and changes to the management and control structure within the Group, including key policies, delegated authority limits, and participation in the adjudication of tenders for construction projects in excess of established limits.

The Board assumes, *inter alia*, the following responsibilities:-

a) Reviewing and adopting a strategic plan for the Group

- the Board approves the strategic plan and ensures that the necessary resources are in place for the Group to meet its objectives and review Management's performance;
- the Board reviews the capital budgets and regularly monitors their progress of utilisation throughout the year, using appropriate financial indicators and industry benchmarks;
- the Board reviews, challenges and approves the Management's proposed strategic plan for the Group; and
- the Board reviews the strategies on promoting sustainability and focuses on economic, environmental and social aspects.

b) Overseeing the conduct of the Group's business

- the Board devotes sufficient time in learning about the Group's businesses and understands them well enough to provide critical stewardship, and guides their performance not just year-to-year but in the long term; and
- the Board reviews the performance of the Group and it is measured against the KPI in four (4) areas, namely Commercial, Stakeholders, Efficiency and Infrastructure under the Balanced Scorecard of the Group.

c) Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks

- the Board reviews the adequacy and effectiveness of the Group's risk management and internal control system which is embedded in all aspects of the Group's activities;
- the Board ensures that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks; and
- the Board sets the risk appetite within which the Board expects Management to operate; reviews the processes as well as responsibilities and assesses for reasonable assurance that risks have been managed within the Group's risk appetite and tolerable ranges. The details of the key processes are set out in the Statement on Risk Management and Internal Control.

d) Succession planning

- the Board focuses on management succession in alignment with the Group's strategic challenges and through the Nomination & Remuneration Committee ("NRC") assesses the calibre of the senior management and reviews the changes of key appointments in the Group.

e) Communication with stakeholders

- the Board ensures the Company has in place procedures to enable effective communication with stakeholders, including the development and implementation of a shareholder communications policy for the Company.

f) Reporting with integrity

- the Board ensures the adequacy and integrity of the Group's financial and non-financial reporting including reviews of the appropriateness of accounting policies, internal controls and key risks of the Group.

The Group had developed a 5-year strategic plan with the main objectives of implementing sustainable and commercially driven action plans and promoting strategic vision. The Board reviews the development of the 5-year strategic plan of the Group periodically.

4. Code of Conduct

The Board emphasises professionalism and exemplary corporate conduct at work and adheres to the principles and standards of business ethics and conduct as stipulated in the Code of Ethics and Conduct ("CEC") of the Group. The principles of the CEC include:-

a) avoid conflict of interest;

b) exercise caution and due care to safeguard confidential information;

c) avoid insider trading;

d) ensure accuracy and reliability of records;

e) avoid discrimination or prejudice in the workplace; and

f) avoid acts of misconduct.

5. Roles and Responsibilities of the Chairman and the Chief Executive Officer & Managing Director

The role of the Independent Non-Executive Chairman and the Chief Executive Officer & Managing Director ("CEO&MD") are distinct and separate to ensure that there is a balance of power and authority. The responsibilities of the Independent Non-Executive Chairman includes, but is not limited to, leading the Board and ensuring its effectiveness, ensuring an efficient organisation and conduct of the Board's function and meetings, promoting constructive and respectful relations between the Board and Management, and ensuring effective communication with shareholders and other relevant stakeholders. The Independent Non-Executive Chairman did not previously hold the position of CEO&MD in the Group.

The CEO&MD focuses on the day-to-day management and the business of the Group, and is responsible for the implementation of the Board's policies and decisions. The responsibilities of the CEO&MD, amongst others, are to develop and implement corporate strategies for the Group, to supervise the heads of divisions and departments who are responsible for various functions contributing to the success of the Group, to ensure the efficiency and effectiveness of the operations of the Group, to assess business opportunities and to bring materials and other relevant matters to the attention of the Board in an accurate and timely manner.

6. Independence

The Independent Non-Executive Directors play a crucial role of bringing objectivity to the decisions made by the Board. They provide independent judgment, experience and objectivity without being subordinated to operational considerations. They help to ensure that the interests of all stakeholders are taken into account and that the relevant issues are subjected to objective and impartial consideration by the Board.

The Board assesses the independence of an Independent Director through the Assessment of Independence of Independent Directors under the annual Board evaluation process. The assessment of independence is based on the criteria prescribed under the Main Market Listing Requirements ("LR") and the Corporate Governance Guide issued by Bursa Malaysia Berhad. During the financial year, none of the Independent Directors disclosed any relationships and/or transactions that could materially interfere with their independent judgements and decisions. The independence assessment undertaken for the financial year has shown that all the Independent Directors have demonstrated their ability to act independently. The Board was satisfied with the level of independence of all Independent Directors.

With the aim of enhancing the overall Board effectiveness, the NRC and the Board have always considered the length of service of a Director as a key element in their review of any renewal of a Board position. The Company has adopted a policy to limit the tenure of independent directors to a maximum of 12 years. However, the retention of independent directors after serving a cumulative term of nine (9) years are subject to shareholders' approval in line with the recommendation of the Code. The Board is mindful that the limitation of term of service may result in a significant loss to the Company by the exit of Board members who are making critical contributions. The Board also recognises that the benefits of experience and stability brought by the longer serving Directors are often in the best interest of the Company and its shareholders. Taking into consideration of the above, the NRC and the Board may exercise their discretion to recommend the retention of an Independent Non-Executive Director in the same capacity after serving a cumulative term of nine (9) years. In such a situation, the Board would provide the relevant justifications and seek the shareholders' approval accordingly.

Having recognised the benefits of the long serving Directors, the Board also acknowledges that "fresh pairs of eyes and fresh blood" are critical for bringing new perspectives for the benefit of the Group. In order to strike a balance on the tenure of independent directors, the Board takes a moderate course of limiting the tenure to a maximum of 12 years.

None of the Independent Directors' tenure has exceeded a cumulative term of nine (9) years, except for Tan Sri Abdul Halim bin Ali, the Independent Non-Executive Chairman of the Company, who had completed the 9-year tenure on 25 April 2016, and was retained as an Independent Non-Executive Chairman following the approval of shareholders at the last Annual General Meeting ("AGM") held on 24 August 2016. Tan Sri Abdul Halim continues bringing strong independent viewpoints and objective judgement to Board deliberations and decision making, besides seeking clarifications and challenging Management on the conduct of the Group's business and other issues raised at various Board and Board Committee meetings. He provides leadership for the Board and facilitates the Board to perform its responsibilities effectively through his independent and objective chairmanship. In addition, the insight and good understanding of the Group's various core business operations acquired by Tan Sri Abdul Halim during his tenure of office would continue to facilitate him to discharge the duties and role as an Independent Director effectively. The experience and stability brought by Tan Sri Abdul Halim due to his long-service on the Board and as an active participant in the corporate community will serve the interest of the Company and its shareholders. As such, the NRC and the Board would like to recommend the retention of Tan Sri Abdul Halim as an Independent Director and Chairman of the Company. Accordingly, the Board will seek the approval of the shareholders at the forthcoming AGM for Tan Sri Abdul Halim to continue as an Independent Director and Chairman of the Company.

Tan Sri Abdul Halim has and will continue to abstain himself from all deliberations and/or voting at the meetings of the Company pertaining to his retention as an Independent Director.

7. Board Diversity

The Directors have a diverse set of skills, experience and knowledge necessary to govern the Group. The Directors are professionals in the fields of engineering, finance, accounting, property, real estate valuation and toll infrastructure and experienced senior public administrators. Together, they bring a wide range of competencies, capabilities, technical skills and relevant business experience to ensure that the Group continues to be a competitive leader within its diverse industry segments with a strong reputation for technical and professional competence.

In evaluating candidates for appointment to the Board, the NRC and the Board will always evaluate and match the criteria of the candidate based on experience, skill, competency, knowledge, potential contribution and boardroom diversity (including gender, ethnicity and age). The Board is mindful of the Recommendation 2.2 of the Code and women candidates were sought as part of the recruitment exercise of new Directors for the Company. As indicated in the Board Diversity Policy adopted by the Board, and in supporting the Government's target for women to fill 30% or more of the decision-making positions in corporate Malaysia, the Board will identify at least a suitably qualified woman director by the end of year 2018 and endeavour to meet the 30% women directors on the Board as soon as practicable. Appointments of women directors have been undertaken in some of the subsidiaries of the Group, including the listed subsidiary, namely IJM Plantations Berhad.

The current board composition in terms of each of the Director's industry and/or background experience, age and ethnic composition is as follows:-

	Industry/ Background Experience						Age Composition				Ethnic Composition			
Directors	Public Service	Accounting/Finance	Construction & Engineering	Property Development	Real Estate Valuation	Toll Infrastructure	40 to 49 years	50 to 59 years	60 to 69 years	70 to 79 years	Bumiputera	Chinese	Indian	Others
Tan Sri Abdul Halim bin Ali	✓									✓	✓			
Tan Sri Dato' Tan Boon Seng @ Krishnan		✓							✓			✓		
Dato' Soam Heng Choon			✓	✓				✓				✓		
Lee Chun Fai		✓				✓	✓					✓		
Datuk Lee Teck Yuen				✓					✓			✓		
Datuk Ir. Hamzah bin Hasan			✓						✓		✓			
Pushpanathan a/l S A Kanagarayar		✓							✓					✓
Dato' David Frederick Wilson			✓			✓				✓				✓
Goh Tian Sui					✓				✓			✓		

8. Board Meetings

Board meetings (including Board Committees' meetings) are scheduled in advance prior to the new calendar year, to enable the Directors to plan ahead and coordinate their respective schedules and/or events. The Board conducts at least four (4) scheduled meetings annually, with additional meetings convened as and when necessary. Directors are also invited to attend the Board Committees' meetings, where deemed necessary. During the financial year, four (4) Board meetings were held.

The attendance record of each Director is as follows:

	Number of Meetings Attended	Percentage
Executive Directors		
Dato' Soam Heng Choon	4/4	100%
Lee Chun Fai	4/4	100%
Independent Non-Executive Directors		
Tan Sri Abdul Halim bin Ali	4/4	100%
Datuk Lee Teck Yuen	4/4	100%
Pushpanathan a/l S A Kanagarayar	4/4	100%
Datuk Ir. Hamzah bin Hasan	4/4	100%
Goh Tian Sui *(Appointed on 20 June 2016)*	3/3	100%
Dato' David Frederick Wilson	4/4	100%
Non-Executive Directors		
Tan Sri Dato' Tan Boon Seng @ Krishnan	3/4	75%

Besides these Board meetings, the Directors also attended tender adjudication meetings and investment briefings, where Directors deliberate on the Group's participation in major project bids in excess of RM500 million (or RM250 million for overseas contracts) or investments. Informal meetings and consultations are frequently and freely held to share expertise and experiences. Directors also attended the annual Senior Management Forum where operational strategies, performance progress and other issues are presented, discussed and communicated to the managers of the Group. In addition, Directors also attended the functions and/or activities organised by the Group, such as the IJM Games, annual dinners and festive celebrations. Details of their attendance are available at www.ijm.com.

In fostering the commitment of the Board that the Directors devote sufficient time to carry out their responsibilities, the Directors are required to notify the Chairman before accepting any new directorships and such notifications shall include an indication of time that will be spent on the new appointments. In addition, assurances are given by the Directors that their new appointments will not affect their commitments and responsibilities as Directors of the Company. In the event that the Chairman has any new directorship or significant commitments outside the Company, he will also notify the Board. All Directors shall hold not more than five (5) directorships each in public listed companies.

During the annual Board evaluation, each Director was assessed whether he was able to devote adequate time and attention for Board meetings, Board briefings, Committee meetings and activities of the Company. Overall, the Board was satisfied with the commitment of all members of the Board and the time contributed by each of them. The time commitment of the Directors was demonstrated by the attendance and time spent at the Board and Board's Committee meetings during the financial year.

9. Access to Information and Advice

All Directors are provided with the performance and progress reports on a timely basis prior to the scheduled Board meetings. The Company had moved towards electronic Board and Board Committee papers since 2011. All Board papers, including those on complicated issues or specific matters and minutes of all Board Committee meetings, are distributed at least five (5) business days in advance electronically to ensure Directors are well informed and have the opportunity to seek additional information, and are able to obtain further clarification from the Company Secretary, should such a need arise. The Company Secretary always ensures proper minutes of all deliberations and decisions of the Board and Board Committees are recorded. Where necessary, the services of other senior management or external consultants will be arranged to brief and help the Directors clear any doubts or concerns. The Directors may also seek independent advice at the expense of the Company, so as to ensure that they are able to make independent and informed decisions.

10. Company Secretary

The Board is supported by a qualified and competent Company Secretary to provide sound governance advice, ensure adherence to Board policies, rules and procedures, and advocate adoption of corporate governance best practices. The profile of the Company Secretary is provided on page 31. The Directors always have access to the advice and services of the Company Secretary especially relating to procedural and regulatory requirements such as company and securities laws and regulations, governance matters and LR. The Company Secretary undertakes continuous professional development and her details of attendance at trainings/seminars are available for reference at www.ijm.com.

The roles and responsibilities of the Company Secretary include advising the Board on its roles and responsibilities, assisting in the induction of new Directors, advising the Board and Management on governance matters, LR and related statutory obligations, monitoring corporate governance developments and assisting the Board in applying governance practices, managing, attending and recording minutes of all Board and Board committee meetings and shareholder meetings, and ensuring proper upkeep of the statutory registers and records.

11. Committees Established by the Board

The Board has delegated certain functions to the Committees it established to assist in the execution of its responsibilities. The Committees operate under clearly defined terms of reference. The Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their terms of reference. The Chairmen of the respective Committees report to the Board the outcome of the Committee meetings and such reports are included in the Board papers.

The Board Committees of the Company and their composition are as follows:

Executive Committee	**Dato' Soam Heng Choon** - *Chairman* *Chief Executive Officer (CEO) & Managing Director (MD)* **Lee Chun Fai** *Deputy CEO & Deputy MD*
Audit Committee	**Pushpanathan a/l S A Kanagarayar** - *Chairman* *Independent Non-Executive Director* **Tan Sri Abdul Halim bin Ali** *Independent Non-Executive Chairman* **Datuk Ir. Hamzah bin Hasan** *Independent Non-Executive Director*
Nomination & Remuneration Committee	**Datuk Lee Teck Yuen** - *Chairman* *Senior Independent Non-Executive Director* **Tan Sri Abdul Halim bin Ali** *Independent Non-Executive Chairman* **Datuk Ir. Hamzah bin Hasan** *Independent Non-Executive Director*
Securities and Options Committee	**Tan Sri Abdul Halim bin Ali** - *Chairman* *Independent Non-Executive Chairman* **Dato' David Frederick Wilson** *Independent Non-Executive Director* **Dato' Soam Heng Choon** *CEO&MD*

(a) Executive Committee

The Executive Committee was established on 31 March 1995 and its membership consists of the Executive Directors of the Board. The Executive Committee supports the Board in the operations of the Group and meets monthly to review the operations of the Group's operating divisions. In attendance are the Heads of Division, Chief Financial Officer, Company Secretary and relevant departmental heads. The terms of reference of the Executive Committee are available for reference at www.ijm.com.

The attendance record of each member of the Executive Committee during the financial year is as follows:

	Number of Meetings Attended	Percentage
Executive Committee		
Dato' Soam Heng Choon	11/11	100%
Lee Chun Fai	11/11	100%

(b) Audit Committee

The Audit Committee was established on 31 January 1994 comprising entirely of Independent Non-Executive Directors. The authority empowered by the Board to the Audit Committee include authority to investigate any activity within its terms of reference and the Audit Committee has unrestricted access to any information of the Group. The profile of the Audit Committee members are set out in the Profile of Directors on pages 27 to 31. The details of meetings and activities of the Audit Committee are set out on pages 112 to 115 of the Audit Committee Report and the terms of reference are available for reference at www.ijm.com.

(c) Nomination & Remuneration Committee

The Remuneration Committee was established on 2 December 1998 and was renamed as the Nomination & Remuneration Committee ("NRC") on 16 May 2001. The NRC comprises wholly of Independent Non-Executive Directors. The duties and responsibilities of the NRC, amongst others, are to assist the Board in reviewing and recommending the appropriate remuneration policies applicable to Directors, the CEO&MD and senior management, and the appointment and evaluation of the performance of the Directors (including Board Committees).

The terms of reference of the NRC are available for reference at www.ijm.com.

The activities of the NRC for the financial year included the following:

(i) review of the IJM Scheme & Conditions of Service;

(ii) review of the appointment of Directors in the Group;

(iii) review of the Balanced Scorecard of the CEO&MD, divisions and Group;

(iv) review of the salaries, bonuses & incentives of senior management of the Group;

(v) review of the service contracts of senior management staff;

(vi) revision of the terms of reference of NRC, Audit Committee and Executive Committee;

(vii) review of the tenure of service of Independent Non-Executive Directors;

(viii) review of the retention of Independent Non-Executive Directors and re-appointment and re-election of Directors at the AGM;

(ix) review of the basis of entitlement for the vesting of shares under the second award of the Employee Share Grant Plan ("ESGP");

(x) revision of the vesting criteria of Performance Share Plan under ESGP;

(xi) assessment and evaluation of the effectiveness of the Board and individual Directors through the annual Board evaluations (including the CEO&MD and the independence of Independent Non-Executive Directors); and

(xii) assessment and evaluation of the effectiveness of the Audit Committee through the annual Audit Committee evaluations.

All recommendations of the NRC are subject to endorsement of the Board.

The NRC meets as required. Two (2) meetings were held during the financial year and the attendance record of each member of the NRC is as follows:

	Number of Meetings Attended	Percentage
Datuk Lee Teck Yuen	2/2	100%
Tan Sri Abdul Halim bin Ali	2/2	100%
Datuk Ir. Hamzah bin Hasan	2/2	100%

(d) Securities and Options Committee

The Securities and Options Committee was established on 27 August 2007 combining the roles and responsibilities of the Share Committee and Employee Share Option Scheme Committee which were previously established on 3 September 1986 and 30 October 2003 respectively. The function of the Securities and Options Committee is mainly to administer the options and/or shares under the employee share scheme and to regulate the securities transactions of the Company.

The terms of reference of the Securities and Options Committee are available for reference at www.ijm.com.

The activities of the Securities and Options Committee for the financial year included the following:

(i) approved the allotment of shares pursuant to the exercise of options under the Employee Share Option Scheme ("ESOS") of the Long Term Incentive Plan ("LTIP");

(ii) reviewed and approved the adjustment to options prices under the ESOS of the LTIP arising from the payment of special dividend;

(iii) reviewed and approved the award and vesting of shares under the ESGP for the eligible Group Employees; and

(iv) reviewed and approved the award and vesting of options to the eligible Group Employees under the ESOS.

12. Board and Board Committee Evaluation

The Board undertook a formal and rigorous annual evaluation of its own performance, that is the Board as a whole and that of the Individual Directors for the financial year ended 31 March 2017 via an in-house e-Evaluation System. The Board evaluation comprised a Board Assessment by Individual Directors, Self & Peer Assessments and Assessments of Independence of Independent Directors (collectively referred to as "the Assessments"). Based on the results of the Assessments, the NRC was satisfied with the performance and effectiveness of the Board.

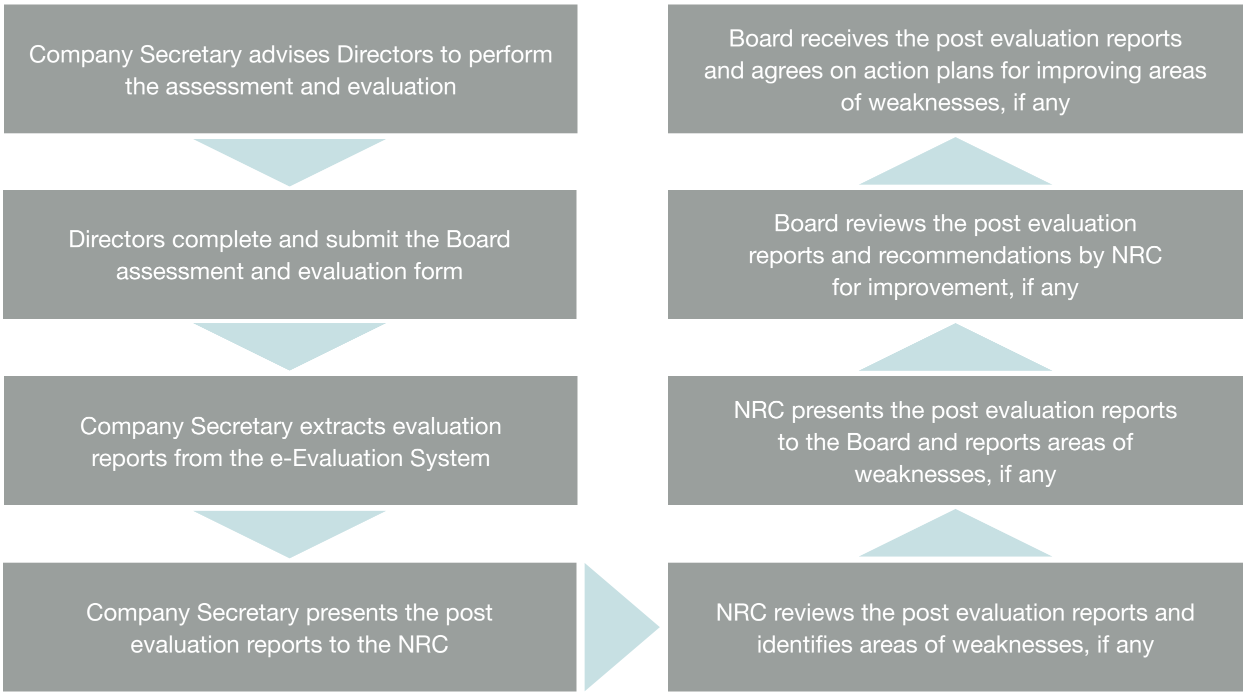
The assessment of the Board by Individual Directors was based on specific criteria, covering areas such as the Board composition and structure, principal responsibilities of the Board, the Board process, the CEO&MD's performance, succession planning and Board governance. There were no major concerns from the results of the assessments. In order to further enhance the Board governance, the Board will be implementing a regular session to be attended by Non-Executive Directors without the presence of Executive Directors to address any areas of concern, prior to each of the Board meetings in the current financial year.

For Self & Peer Assessments, the assessment criteria included contributions to interactions, roles and duties, knowledge and integrity, governance and independence and risk management. The criteria for assessing the independence of an Independent Director included the relationship between the Independent Director and the Group and his involvement in any significant transactions with the Group.

The Board also undertook an evaluation on the Audit Committee via the e-Evaluation System to review its performance and determine whether the Audit Committee had carried out its duties in accordance with its terms of reference. The assessment criteria included the oversight over the effectiveness and quality, internal and external audits, risk management and internal control and financial reporting. The Board was satisfied with the performance and effectiveness of the Audit Committee.

CORPORATE GOVERNANCE STATEMENT (cont'd)

The process of the assessment and evaluation of the Board and Audit Committee is as follows:



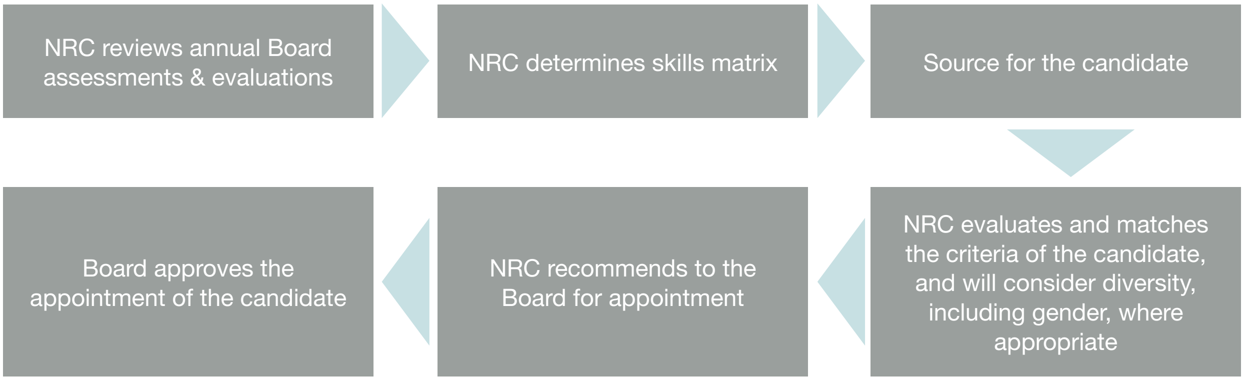
The Board acknowledges that the Board evaluation shall be facilitated by a professional independent party periodically in order to achieve a greater objectivity to the assessment by providing an unbiased perspective on a Director's performance and contribution. As such, the engagement of an independent expert will be looked into at the appropriate time as may be determined by the Board.

13. Appointment to the Board

The NRC is responsible for making recommendations for the appointment of Directors to the Board, including those of subsidiaries and associated companies. In making these recommendations, the NRC considers the criteria such as the required mix of skills, experience and knowledge which the Directors bring to the Board.

In identifying the candidates for appointment as Directors, other than relying on the recommendations from the existing Board members, Management and/or major shareholders, the NRC will also explore independent sources to identify suitably qualified candidates.

The process for the appointment of Non-Executive Directors (both the Independent and non-Independent Directors) to the Board is as follows:



The Company, from time to time, also uses the services of retired Executive Directors for specific roles in the Company's operations for specific periods. These Directors are paid remuneration for their services accordingly.

14. Re-election and Re-appointment

The Articles of Association provides that every new Director appointed by the Board be subjected to re-election at the immediate AGM. Furthermore, one third (1/3) of the Board shall retire from office by rotation and be eligible for re-election at every AGM, and all the Directors including the CEO&MD should submit themselves for re-election at least once in every three (3) years.

Tan Sri Abdul Halim bin Ali and Dato' David Frederick Wilson, both of whom are above the age of 70, were re-appointed pursuant to Section 129 of the Companies Act 1965 at the last AGM of the Company held on 24 August 2016 to hold office until the conclusion of the next AGM. Their term of office, therefore will end at the conclusion of the forthcoming 33rd AGM.

With the Companies Act 2016 coming into force on 31 January 2017, and having repealed Section 129 of the Companies Act 1965, there is no longer an age limit for Directors. The re-appointment of Tan Sri Abdul Halim bin Ali and Dato' David Frederick Wilson will be proposed to shareholders for approval, so that they will continue in office as Directors from the date of the 33rd AGM and thereafter be subject to retirement by rotation pursuant to the Articles of Association of the Company.

The list of Directors who are subject to re-election or re-appointment are presented to the NRC for endorsement. The Directors who are subject to re-election or re-appointment are assessed through the Self & Peer Assessments under the annual Board evaluations. The assessment criteria and process undertaken are disclosed in Section A item 12 of this Statement. The recommendations of the NRC will then be presented to the Board and shareholders for approval.

15. Directors' Training

All Directors have attended the Directors' Mandatory Accreditation Programme organised by Bursa Malaysia Securities Berhad ("Bursa Securities"). Our Directors have attended conferences, seminars and training programmes from time to time covering areas such as finance, sustainability, risk management, regulatory laws, rules and guidelines. An induction briefing is also provided by our Company Secretary and senior executives to newly appointed Directors.

The Company is aware of the importance of continuous training for Directors to enable them to effectively discharge their duties, and will on a continuous basis, evaluate and determine the training needs of the Directors. The Board has undertaken an assessment of the training needs of each Director through the Self & Peer Assessment during the financial year.

During the financial year, all the Directors have attended various in-house and external training programmes, workshops, seminars, briefings and/or conferences. The trainings attended by the Directors were related to corporate governance, finance, industry knowledge, sustainability and legislations.

The details of training of each of the Directors of the Company are available for reference at www.ijm.com

Updates on companies and securities legislation, and other relevant rules and regulations, such as amendments to the LR together with the summary of enforcement related press releases of the Companies Commission of Malaysia, Bursa Securities and Securities Commission, were provided to the Board quarterly, together with the Board papers, in order to acquaint them with the latest developments in these areas.

Where possible and when the opportunity arises, Board meetings will be held at locations within the Group's operating businesses to enable the Directors to obtain a better perspective of the business and enhance their understanding of the Group's operations. Some of the Directors had visited Seremban 2 Township in Negeri Sembilan, the oil palm estates and mills in Sabah and Indonesia during the financial year.

B. REMUNERATION

The remuneration policy of the Company is based on the philosophy of giving higher weightage on performance-related bonuses. These are entrenched in the remuneration policy for Executive Directors and senior management, which are reviewed annually by the NRC. The Group also participates in industry specific surveys by independent professional firms to obtain current benchmarking data for the Group.

The performance of Directors is measured by the Directors' contribution and commitment to both the Board and the Group. The Executive Directors' and senior management's remuneration depend on the performance of the Group during the financial year, which is determined based on the individual KPIs and aligned to the Balanced Scorecard of the Group. The KPIs comprise quantitative and qualitative targets. The strategic initiatives or KPIs set for the CEO&MD for the financial year ended 31 March 2017 encompass four (4) main areas of consideration, namely, Commercial, Stakeholders, Efficiency and Infrastructure. The weightage of the areas of consideration may be adjusted to accommodate the aspiration of the Group. The quantitative targets under Commercial included annual revenue, profit before tax, and EBITDA, and the qualitative targets under the other three (3) areas included stakeholders' engagement, leveraging on technology and human capital development.

In addition to the basic salary and bonus & incentives for all its employees, including the Executive Directors, the Group provides benefits-in-kind such as private medical care and cars in accordance with the IJM Scheme and Conditions of Service. On top of the Employees Provident Fund statutory contribution rate of 12%, the Group provides additional contributions ranging from 1% to 5% to all its employees based on their length of service. For building up the retirement income of the employees, the Group further contributes to a private retirement scheme, which is incorporated under the insurance plan for the employees.

The Group rewards its employees and the Executive Directors with options under the ESOS and shares under the ESGP of the LTIP. The Non-Executive Directors are not entitled to participate in any of the performance-based remuneration schemes such as LTIP in order to maintain appropriate checks and balances. The details of the awards and/or vesting of options under the ESOS and awards of shares under the ESGP are set out in Note 14 of the Audited Financial Statements for the financial year ended 31 March 2017.

In the case of Non-Executive Directors, the remuneration philosophy is to establish a remuneration structure that commensurate with the contribution and level of responsibilities undertaken by a particular Non-Executive Director. A review of the remuneration for the Non-Executive Directors was undertaken for the financial year to ensure that the remuneration is fair and reasonable compared to other companies of a similar nature, size and complexity.

Directors' Remuneration

The details of the remuneration of Directors during the financial year are as follows:

A. Aggregate remuneration of Directors categorised into appropriate components:

The Company

	Salaries RM'000	Fees RM'000	Bonus, Incentives & Others RM'000	EPF RM'000	Benefits -in-kind RM'000	Total RM'000
Executive Directors	2,088	–	4,162	723	79	7,052
Non-Executive Directors	600	1,109	937	–	102	2,748*
Total	2,688	1,109	5,099	723	181	**9,800**

** Includes an allowance of RM1,000 paid to the Non-Executive Directors for each of the Board and Board Committee meetings attended.*

Other Related Companies

	Salaries RM'000	Fees RM'000	Bonus, Incentives & Others RM'000	EPF RM'000	Benefits -in-kind RM'000	Total RM'000
Executive Directors	–	138	10	–	–	148
Non-Executive Directors	–	277	14	–	–	291
Total	–	415	24	–	–	**439**

B. Aggregate remuneration of each Director:

	Remuneration received from the Company	Remuneration received from Other Related Companies
Executive Directors	**RM'000**	**RM'000**
Dato' Soam Heng Choon	4,534	148 #
Lee Chun Fai	2,518	–
Non-Executive Directors		
Tan Sri Dato' Tan Boon Seng @ Krishnan	1,605	112 #@
Tan Sri Abdul Halim bin Ali	344	–
Datuk Lee Teck Yuen	144	20 @
Datuk Ir. Hamzah bin Hasan	212	–
Pushpanathan a/l S A Kanagarayar	233	159 #
Dato' David Frederick Wilson	118	–
Goh Tian Sui *(Appointed on 20 June 2016)*	92	–
Total	**9,800**	**439**

Fees and allowances received from IJM Plantations Berhad in their capacity as Non-Executive Directors.

@ *Fees received from Kuantan Port Consortium Sdn Bhd in their capacity as Non-Executive Directors.*

C. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

1. Dialogue between the Company and Investors

The Company places great importance in ensuring the highest standards of transparency and accountability in its communication with investors, analysts and the public.

This is achieved through timely announcements and disclosures made to Bursa Securities, which include quarterly financial results, as well as relevant particulars of sizeable contract awards, changes in the composition of the Group and any other material information that may affect investors' decision making. The Group and Company's full year audited financial results are released within two (2) months after the financial year end. A comprehensive annual report is released within four (4) months after the financial year end.

At least two (2) scheduled Company Briefings are held each year, usually coinciding with the release of the Group's second and final quarterly results, to explain the results achieved as well as immediate and long term strategies, along with their implications.

The Company also conducts regular dialogues with financial analysts. As at 31 March 2017, IJM was covered by 22 research houses, with 15 having a "Buy" call and 5 having a "Hold" call on the Company.

The Company also participates in several institutional investor forums both locally and outside Malaysia. The summary of the Group's investor relations activities during the financial year and additional corporate information and/or disclosures of the Group are available for reference at www.ijm.com.

Any information that may be regarded as material would not be given to any single shareholder or shareholder group on a selective basis except to the extent of their representation on the Board. During the financial year, no substantial shareholder of the Company was represented on the Board.

CORPORATE GOVERNANCE STATEMENT (cont'd)


IJM Corporation Berhad's board of directors at the 32nd Annual General Meeting


Management participated in a forum to share information at the annual Senior Management Forum

2. General Meetings

The AGM is the principal forum for dialogue with shareholders. The notice of meeting and the annual report for 2017 are sent out to shareholders at least 28 days before the date of the meeting in line with the recommendation in the New Code.

All Directors had attended the AGM held during the financial year. At the AGM, a presentation was given to shareholders by the CEO&MD to explain the Group's strategy, performance and major developments, including the responses to questions raised by the Minority Shareholder Watchdog Group ("MSWG") in relation to the strategy and financial performance of the Group, which were submitted by MSWG prior to the AGM. The Board encourages shareholders to participate in the question and answer session at all general meetings.

Shareholders are encouraged to be aware of their rights with regards to the convening of general meetings and appointment of proxies. The details of the shareholder's rights are available for reference at www.ijm.com.

At the last AGM, all shareholders were briefed on the voting procedures by the poll administrator prior to the poll voting and an independent Scrutineer was appointed to validate the votes cast and announce the poll results.

The extract of minutes of general meetings (including the list of attendance of Directors, questions raised by shareholders and the respective responses, and outcome of the voting results) are made available to the shareholders and public for reference at www.ijm.com.

A press conference is normally held after each AGM and/or General Meeting of the Company to provide the media an opportunity to receive an update from the Board on the proceedings at the meetings and to address any queries or areas of interest.


Analyst briefing is conducted twice a year at Wisma IJM

3. Dividend Policy

The Company is committed to the payment of annual dividends. The quantum of dividends is determined after taking into account, inter alia, the level of available funds, the amount of retained earnings, capital expenditure commitments and other investment planning requirements.

The dividends for the current and preceding financial years are set out in the Management Discussion & Analysis on page 63. The details of the dividends (including unclaimed dividends) and other distributions are available for reference at www.ijm.com.

4. Investor Relations Function

The Group, recognising the importance of investor relations, has an established Investor Relations Department to continuously develop and maintain its investor relations programme and to consistently inform shareholders and the investor community of the Group's developments in an effective, clear and timely manner. An Investor Relations report is presented to the Board at every scheduled quarterly Board meeting.

5. Openness and Transparency

The Group has established a comprehensive website at www.ijm.com, which includes a dedicated section on Investor Relations, to support its communication with the investment community. In the Investor Relations section, the information available includes the financial information, announcements and securities holdings of the Directors, principal officers and substantial shareholders.

The Group has also included a Corporate Governance section on the website where information such as the Board Charter, CEC, Corporate Disclosure Policy, Diversity and Inclusion Policy, Board Diversity Policy and External Auditors Policy are made available to the shareholders and the public.

To better serve stakeholders of the Group, a feedback page on the website provides an avenue for stakeholders to suggest improvements to the Group via email: ijmir@ijm.com. In addition, stakeholders who wish to reach the respective divisions of the Group can do so through the 'Contact Us' or 'Feedback' page.

Investor queries pertaining to financial performance or company developments may be directed to the Senior Manager (Investor Relations) of IJM Corporation Berhad, Mr Shane Guha Thakurta (Tel : +603-79858041, Fax : +603-79529388, E-mail : shanethakurta@ijm.com), whereas shareholder and company related queries may be referred to the Company Secretary, Ms Ng Yoke Kian (Tel : +603-79858131, Fax : +603-79521200, E-mail : csa@ijm.com).

D. ACCOUNTABILITY AND AUDIT

1. Financial Reporting

In presenting the annual financial statements and quarterly announcements to the shareholders, the Board aims to present a balanced and understandable assessment of the Group's position and prospects. This also applies to other price sensitive public reports and reports to regulators.

The Audit Committee assists the Board in overseeing the financial reporting, which includes adherence to the appropriate accounting standards, review of reasonableness of accounting policies used, integrity of the processes and controls in place.

2. Directors' Responsibility Statement

The Directors are required by the Companies Act, 2016 ("the Act") to cause Management to prepare the financial statements for each financial year in accordance with the provisions of the Act and applicable approved accounting standards to give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year. Where there are new accounting standards or policies that become effective during the year, the impact of these new treatments would be stated in the notes to the financial statements, accordingly.

In the preparation of the financial statements, the Directors ensure that Management have:

i) adopted appropriate accounting policies which were consistently applied;

ii) made judgments and estimates that are reasonable and prudent;

iii) ensured that all applicable approved accounting standards have been followed; and

iv) prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence in the foreseeable future.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose, with reasonable accuracy, the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the provisions of the Act.

The Directors have also taken such steps as are reasonably available to safeguard the assets of the Group and the Company, and to prevent fraud and other irregularities.

3. Risk Management and Internal Control

The Board is responsible for establishing and maintaining a sound risk management and internal control system to ensure that the shareholders' investments, stakeholders' interests and assets of the Group are safeguarded. The Board through the Audit Committee evaluates the adequacy and effectiveness of the internal control system by reviewing the actions taken on lapses, recommendations of internal auditors and Management responses.

The Group's Statement on Risk Management and Internal Control which provides an overview of the risk management framework and state of internal control within the Group, is set out on pages 116 to 121.

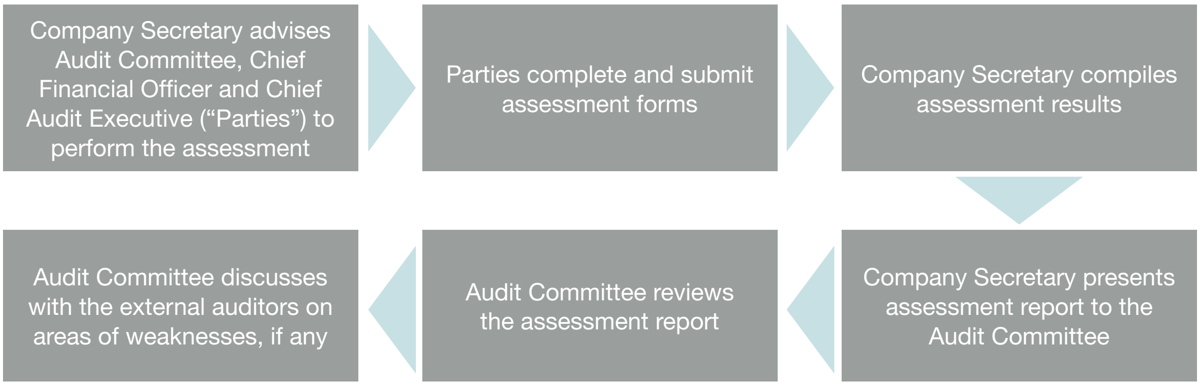
4. Relationship with the Auditors

Through the Audit Committee, the Board has a direct relationship with the external auditors. The role of the Audit Committee in relation to the external auditors is set out on pages 112 to 115. The external auditors were invited and had attended all the Audit Committee meetings and AGM of the Company during the financial year.

The Audit Committee (together with the Chief Financial Officer and Chief Audit Executive) had undertaken an assessment on the suitability of the external auditors for the financial year pursuant to the External Auditors Policy ("the EAP"), which has outlined the guidelines and procedures for the assessment and monitoring of external auditors. The details of the EAP are available for reference at www.ijm.com.

The criteria for the External Auditors Assessment include quality of services, sufficiency of resources, communication and interaction, independence, objectivity and professional skepticism. There were no major concerns from the results of the assessment of the External Auditors. The Board was satisfied with the external auditors' technical competency and audit independence.

The process of the assessment of the external auditors is as follows:-



5. Audit and Non-Audit Fees

The external auditors and their affiliated firms/corporations can be engaged to perform non-audit services that are not, and are not perceived to be, in conflict with their role as the external auditors. The Group adopts the following three (3) basic principles for non-audit services:-

a) external auditors cannot function in the role of Management;

b) external auditors cannot audit their own work; and

c) external auditors cannot serve in an advocacy role for the Company and its subsidiaries.

The details of audit and non-audit fees for the financial year ended 31 March 2017 are set out in the Audit Committee Report.

6. Related Party Transactions

Significant related party transactions of the Group for the financial year are disclosed in Note 51 to the Financial Statements. Except for those disclosed in the Financial Statements, there were no material contracts of the Group involving Directors' and major shareholders' interest during the period.

The Audit Committee had reviewed the related party transactions that arose within the Group to ensure that the transactions were fair and reasonable, not detrimental to the minority shareholders and were in the best interests of the Company.

E. SUSTAINABILITY

The Board places great importance on business sustainability and embraces it as an integral part of the Group's business philosophy and corporate culture.

The Sustainability Statement, which provides an overview of sustainability framework, practices and activities, are set out on pages 124 to 167 and is available for reference at www.ijm.com under the Nurturing Sustainability section.

F. CODES AND POLICIES

1. Board Diversity Policy

The Company recognises that Board diversity enhances decision making capability and quality of the Board's performance, and it believes that a truly diverse Board will leverage differences in perspective, knowledge, skill, industry experience, background, age, ethnicity, race and gender amongst the Directors, and these differences will be considered in determining the optimum composition of the Board. A Board Diversity Policy was adopted to set out the approach to achieve diversity on the Board.

The details of the Board Diversity Policy are available for reference at www.ijm.com.

2. Code of Ethics and Conduct

The Board has made a commitment to create a corporate culture within the Group to operate the businesses in an ethical manner and to uphold the highest standards of professionalism and exemplary corporate conduct. The CEC of the Group which sets out the principles and standards of business ethics and conduct of the Group is applicable to all employees (including full time, probationary, contract and temporary staff) and Directors of the Group.

The CEC states that no Directors or employees shall use price sensitive non-public information, which can affect the prices of the securities of the Company when it becomes publicly known for personal benefit. All the Directors and principal officers are advised on a quarterly basis their obligations to comply with the LR in relation to dealings in the securities of the Company prior to the release of the quarterly financial results.

The CEC also provides that Directors and employees should avoid involving themselves in situations where there are real or apparent conflict of interest between them as individuals and the interest of the Group. In addition, the Directors or employees shall avoid any situation in which they have interest in any entity or matters that may influence their judgment in the discharge of their responsibilities. In the event the Directors are interested or deemed interested in any proposal, they will abstain from Board deliberation and also abstain from voting in respect of the resolution relating to the proposal.

The details of the CEC are available for reference at www.ijm.com.

3. Whistle-Blowing Policy

The Board encourages employees and associates to report suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse involving the resources of the Company. The Whistle-Blowing Policy adopted by the Company provides and facilitates a mechanism for any employee and associate to report concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse.

The Whistle-Blowing Policy is posted on the Company's website at www.ijm.com for ease of access for reporting by employees, associates and third parties of the Group.

4. Corporate Disclosure Policy

The Board places importance in ensuring disclosures made to shareholders and investors are comprehensive, accurate and on a timely and even basis as they are critical towards building and maintaining corporate credibility and investor confidence. The Corporate Disclosure Policy of the Group has set out the policies and procedures for disclosure of material information of the Group. The policy is applicable to all employees (including full time, probationary, contract and temporary staff) and Directors of the Group.

The details of the policy are available for reference at www.ijm.com.

5. Diversity and Inclusion Policy

The Board believes that a diverse and inclusive workforce is a source of strength and a market differentiator, and embraces a philosophy of openness in acknowledging differences of opinions, cultures and contributions, and treating everyone with respect. The Diversity and Inclusion Policy adopted by the Company provides the guiding principles which are to promulgate basic human and labour rights and values to achieve organisational goals and maintain sustainable growth through a healthy, harmonious and professional workplace. The policy is applicable to all the employees and Directors of the Group.

The details of the policy are available for reference at www.ijm.com.

This Corporate Governance Statement is made in accordance with a resolution of the Board of Directors dated 6 July 2017.

AUDIT COMMITTEE REPORT

During the financial year, the Audit Committee carried out its duties and responsibilities in accordance with its terms of reference and held discussions with the internal auditors, external auditors and relevant members of Management. The Audit Committee is of the view that no material misstatements or losses, contingencies or uncertainties have arisen, based on the reviews made and discussions held.

MEMBERSHIP AND TERMS OF REFERENCE OF THE AUDIT COMMITTEE

MEMBERSHIP

The Audit Committee is appointed by the Board of Directors from amongst the Non-Executive Directors and consists of three (3) members, all of whom are Independent Non-Executive Directors.

The Chairman of the Audit Committee, Mr Pushpanathan a/l S A Kanagarayar is a member of the Institute of Chartered Accountants of Scotland, the Malaysian Institute of Certified Public Accountants ("MICPA") and the Malaysian Institute of Accountants ("MIA"). The other members of the Audit Committee are Tan Sri Abdul Halim bin Ali and Datuk Ir Hamzah bin Hasan.

Members of the Audit Committee *(left to right)*
- Pushpanathan a/l S A Kanagarayar
- Tan Sri Abdul Halim bin Ali
- Datuk Ir Hamzah bin Hasan

MEETINGS AND MINUTES

Five (5) meetings were held during the financial year with the attendance of the Chief Financial Officer, Head of Internal Audit, senior representatives of the external auditors and the Company Secretary.

A quorum consists of two (2) members present and both of whom must be Independent Directors. Other Board members and Senior Management may attend meetings upon the invitation of the Audit Committee. Both the internal and external auditors, too, may request a meeting if they consider that one is necessary.

During the financial year, the Chairman of the Audit Committee had engaged on a continuous basis with Senior Management, Head of Internal Audit and the external auditors, in order to keep abreast of matters and issues affecting the Group.

The Company Secretary acts as the secretary to the Audit Committee. Minutes of each meeting are distributed electronically to each Board member, and the Chairman of the Audit Committee reports on key issues discussed at each meeting of the Board.

Details of the Audit Committee members' attendance are tabled below:

		No. of meetings attended
1	Pushpanathan a/l S A Kanagarayar *Independent Non-Executive Director (Chairman)*	5/5
2	Tan Sri Abdul Halim bin Ali *Independent Non-Executive Director*	5/5
3	Datuk Ir Hamzah bin Hasan *Independent Non-Executive Director*	5/5

AUTHORITY AND DUTIES

The details of the terms of reference of the Audit Committee are available for reference at www.ijm.com.

REVIEW OF THE AUDIT COMMITTEE

An annual assessment and evaluation on the performance and effectiveness of the Audit Committee was undertaken by the Board of Directors for the financial year ended 31 March 2017. The Audit Committee was assessed based on four (4) key areas, namely effectiveness and quality, internal and external audit, risk management and internal control, and financial reporting, to determine whether the Audit Committee had carried out its duties in accordance with its terms of reference.

The Board is satisfied that the Audit Committee and its members have discharged their functions, duties and responsibilities in accordance with the Audit Committee's terms of reference.

SUMMARY OF ACTIVITIES FOR THE FINANCIAL YEAR

During the year, the Audit Committee carried out the following activities:

1.0 Financial Reporting

- Reviewed the quarterly financial results and announcements as well as the year end financial statements of the Group, and recommended them for approval by the Board;
- In the review of the quarterly financial results and annual audited financial statements, the Audit Committee discussed with Management and the external auditors, amongst others, the accounting principles and standards that were applied and their judgement exercised on the items that may affect the financial results and statements; and
- Confirmed with Management and the external auditors that the Company's and Group's annual audited financial statements have been prepared in compliance with applicable Financial Reporting Standards.

2.0 Internal Audit

- Reviewed and approved the annual audit plan proposed by the internal auditors to ensure the adequacy of the scope and coverage of work;
- Reviewed the effectiveness of the audit process, organisation structure, resource requirements (adequacy and suitability) for the year and assessed the performance of the overall Internal Audit function;
- The Audit Committee met with the Head of Internal Audit twice during the year, without the presence of Management, to review key issues within their sphere of coverage and responsibility. During the private session with the Head of Internal Audit, it was noted that there were no major concerns from the Head of Internal Audit and she conveyed that internal audit had been receiving full cooperation from the Management and staff;
- Reviewed the audit reports presented by the internal auditors on their findings and recommendations with respect to system and control weaknesses. The Audit Committee then considered those recommendations including the Management's responses thereto, before proposing that those control weaknesses be rectified and recommendations for improvements be implemented;
- Reviewed the internal auditors findings on the significant whistle-blowing cases, if any, and management's responses and resolutions thereon; and
- Reviewed the report on the verification of allocation of options and shares conducted by the internal auditors in relation to the Employee Share Option Scheme and Employee Share Grant Scheme under the Long Term Incentive Plan ("LTIP") of the Company that it is in compliance with the criteria set out in the By-Laws of the LTIP, that has been disclosed by the Company to the employees of the Group.

3.0 External Audit

- Reviewed and endorsed the external auditors' audit strategy, audit plan and scope of work for the year;
- Exercised oversight over the relationship with the external auditors to ensure that their coverage is focused and that suitable overlap with the work of internal audit is achieved;
- Reviewed the assistance given by internal auditors to the external auditors;
- The Audit Committee deliberated on the external auditors' presentation of:
  - the terms, areas of responsibility, associated duties and scope of the audit as set out in the external auditors' engagement letter;
  - the overall work plan and fee proposal;
  - the major issues that arose during the course of the audit and their resolution;
  - key accounting and audit judgements;
  - the unadjusted differences identified during the audit; and
  - recommendations made by them in their management letters and the adequacy of Management's responses thereto;
- Reviewed and approved the provision of non-audit services by the external auditors that were agreed to prior to the commencement of their work and confirmed as permissible for them to undertake, as provided under the By-Laws of the Malaysian Institute of Accountants.

  The amount of external audit fees and non-audit fees incurred for the financial year ended 31 March 2017 were as follows:

Fees incurred	Audit Fees RM'000	Non-Audit Fees RM'000
The Company	426	39
The Group	4,081	600

The non-audit services rendered included tax compliance and advisory services.

AUDIT COMMITTEE REPORT (cont'd)

- The Audit Committee met with the external auditors twice during the year, without the presence of Management, to review key issues within their sphere of coverage and responsibility. During the private session with the external auditors, it was noted that there were no major concerns from the external auditors and they conveyed that they had been receiving full cooperation from the Management and staff;
- Reviewed the external auditors report to the Audit Committee;
- Reviewed, assessed and monitored the performance, suitability and independence of the external auditors pursuant to the External Auditors Policy ("the Policy"). The Audit Committee undertook an annual assessment to assess the performance, suitability and independence of the external auditors based on, amongst others, the quality of service, adequacy of resources, communication and interaction, as well as independence, objectivity and professional skepticism. The external auditors provide an annual confirmation of their independence in accordance with the terms of all professional and regulatory requirements.

  Pursuant to the Policy, the engagement and concurring partners responsible for the Group audit are rotated at least every five (5) financial years.

  Following the review of the external auditors' effectiveness and independence, the Audit Committee concluded that there was nothing in the performance of the external auditors which required a change and that the relevant independence continues to be met. Accordingly, the Board was recommended to re-appoint PricewaterhouseCoopers as auditors of the Company. A resolution for their re-appointment will be tabled for approval at the forthcoming Annual General Meeting; and
- Recommended the proposed audit fee for the Board's approval.

4.0 Risk Management Committee

- Reviewed the Risk Management Committee's reports, assessed the adequacy and effectiveness of the risk management framework and the appropriateness of Management's responses to key risk areas and proposed recommendations for improvements to be implemented.

5.0 Related Party Transactions

- Reviewed the related party transactions that arose within the Group to ensure that the transactions are fair and reasonable to, and are not to the detriment of, the minority shareholders.

TRAINING

During the year, all the Audit Committee members attended various seminars, training programmes and conferences. Details of these are available at www.ijm.com.

INTERNAL AUDIT FUNCTION

The Group's Internal Audit function is carried out by the Internal Audit Department ("IAD") which is headed by Ms Ong Ai Lin, who is a member of the MICPA, MIA and an Associate member of the Institute of Internal Auditors (AIIA) and reports directly to the Audit Committee. The internal auditors have direct access to the Audit Committee and the Chief Executive Officer & Managing Director. The Audit Committee is satisfied that the internal auditors' independence have been maintained as adequate safeguards are in place. All internal auditors have signed the annual declaration that they were and had been independent, objective and in compliance with the Code of Ethics and Conduct of IJM Corporation Berhad ("IJM"), MIA, and The Institute of Internal Auditors in carrying out their duties for the financial year. The Audit Committee remained satisfied that the Internal Audit function had sufficient resources and is able to access information to undertake its duties effectively.

The Internal Audit function provides to the Board (primarily via the Audit Committee) and to Management reasonable assurance on the effectiveness of the Group's systems of internal control and the adequacy of these systems to manage business risks and to safeguard the Group's assets and resources.

The Internal Audit Charter sets out the purpose, functions, scope and responsibilities of the Internal Audit function and how it maintains independence from the first and second line of defence by management of the Group. The four main functions of Internal Audit are to:

- Assess and report on the effectiveness of the design and operation of the framework of controls which enable risks to be assessed and managed;
- Assess and report on the effectiveness of management actions to address deficiencies in the framework of controls;
- Investigate and report on cases of suspected employee fraud and malpractice, if any; and
- Undertake designated consulting services for management provided that they do not threaten the function's independence from management.

The Internal Audit Plan for 2016-2017 which was approved by the Audit Committee in February 2016 reflected the priorities in the Group's 2016-2017 Operational Plan and were prioritised following a risk-based assessment of the business and a review against the Group's risk policies. The reviews carried out covered an extensive sample of controls over all risk types, business units and entities. During the year, the Internal Audit Plan for 2017-2018 was reviewed and approved by the Audit Committee in February 2017.

The IAD adopts a risk based auditing approach, using the International Professional Practices Framework (IPPF), prioritising audit assignments based on the Group's business activity, risk management and past audit findings. It evaluated the adequacy and effectiveness of key controls in responding to risks within the organisation's governance, operations and information systems, in terms of:

- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations;
- Safeguarding of assets; and
- Compliance with relevant laws, regulations and contractual obligations.

All internal control deficiencies were reported to the appropriate levels of management when identified. The Audit Committee received quarterly reports from the IAD on audit reviews carried out, management's responses to the findings and progress in addressing identified issues. The management members were made responsible for ensuring that corrective actions on reported control deficiencies were taken within the required timeframes. IAD conducted follow-up audits on key engagements to ensure that the corrective actions were implemented appropriately. In this respect, IAD has added value to enhancing the governance, risk management and control processes within the Group.

The Audit Committee reviewed and approved the IAD's financial budget and human resource requirements to ensure that the function is adequately resourced.

The total cost incurred in managing the IAD for the financial year under review was RM4.2 million (FY2016: RM4.8 million).

A summary of internal audit cost distribution is as follows:

Cost category	% of total cost
Manpower	67.8%
Training	1.6%
Travelling (inclusive of accommodation)	23.0%
Overheads	7.6%

INTERNAL AUDIT ACTIVITIES FOR THE FINANCIAL YEAR

During the financial year, the IAD had completed and reported on seventy-one (71) audit assignments where periodic testings were conducted and while providing independent assessments covering the Construction, Property, Industry, and Infrastructure Divisions, as well as the overseas operations of the Group and functional audits of Group Support Services. These included special audits conducted on the basis of special requests from the Board, Audit Committee, Senior Management or those arising from the Group's Whistle Blowing Programme.

The IAD, during the financial year, provided internal audit services to IJM Plantations Berhad, and in an effort to provide value added services, it also plays an active advisory role in the review and improvement of existing internal controls within the Group. IAD had completed and reported on twenty-eight (28) audit assignments to the Audit Committee of IJM Plantations Berhad which were in addition to the 71 assignments as mentioned above.

Currently, IAD comprises twenty-four (24) auditors with approximately 44,000 available man-hours per annum. All auditors have been trained during the year on, and had started to implement, the use of audit management and data analytics software (ACL) in efforts to increase the efficiency and effectiveness of the function's audit management process and data analytics capabilities.

The level of expertise and professionalism at the end of the financial year end of 2016-2017 is as follows:

Expertise Category	Percentage of total auditors
Diploma	4%
Bachelor's Degree	50%
Post Graduate (MBA, MA, etc)	8%
Professional (CPA, CIA, ACCA, CIMA, etc)	38%

IJM is a Corporate Member of The Institute of Internal Auditors Malaysia.

This Audit Committee Report is made in accordance with the resolution of the Board of Directors dated 6 July 2017.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board is committed to nurture and preserve throughout the Group a sound system of risk management and internal controls and good corporate governance practices as set out in the Board's Statement on Risk Management and Internal Control, made in compliance with Paragraph 15.26(b) of the Main Market Listing Requirements ("LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

BOARD'S RESPONSIBILITY

The Board acknowledges its responsibility for maintaining a sound risk management framework and internal control system to safeguard the shareholders' investments and the Group's assets, as well as to discharge its stewardship responsibility in identifying principal risks and ensuring the implementation of an appropriate risk management and internal control system to manage those risks in accordance with Principle 6 of the Malaysian Code on Corporate Governance 2012.

The Board continually articulates, implements and reviews the adequacy and effectiveness of the Group's risk management and internal control system which has been embedded in all aspects of the Group's activities. The Board reviews the processes, responsibilities and assesses for reasonable assurance that risks have been managed within the Group's risk appetite and tolerable ranges and to ensure that the system is viable and robust.

Notwithstanding, the Group's system by its nature can only reduce rather than eliminate the risks of failure to achieve the business objectives. Accordingly, such systems can only provide a reasonable but not absolute assurance against material misstatement, loss or fraud.

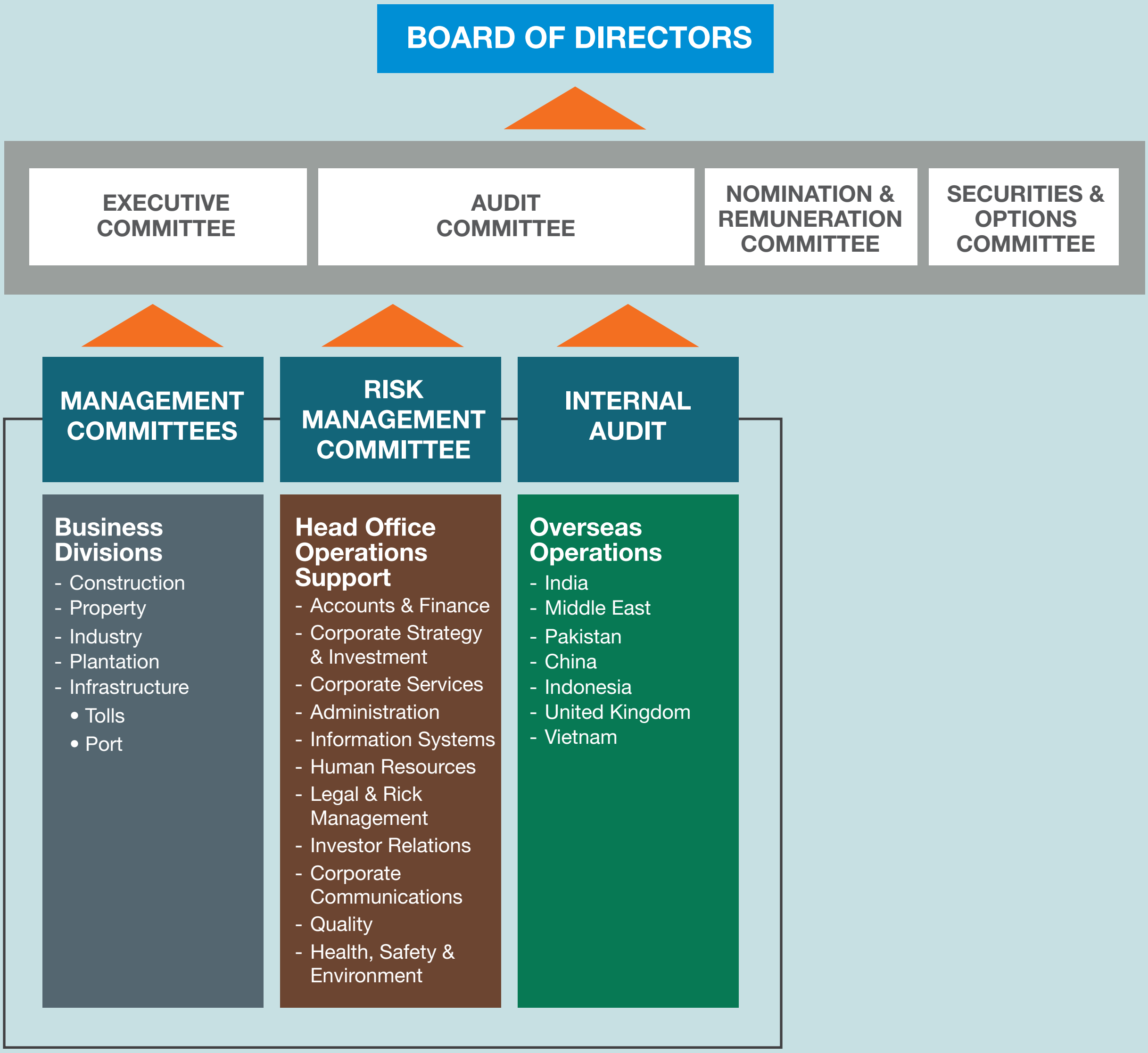
The Board has received assurance from the Chief Executive Officer & Managing Director and the Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control framework of the Group.

KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

The Group has a well-defined organisational structure with clearly delineated lines of accountability, authority and responsibility to the Board, its committees and operating units. Key processes have been established in reviewing the adequacy and effectiveness of the risk management and internal control system including the following:

- The Executive Committee of the Board was established to manage the Group's operating divisions in accordance with corporate objectives, strategies, policies, key performance indicators and annual budgets as approved by the Board. Further details on the Executive Committee are set out in the Corporate Governance Statement.
- The Audit Committee of the Group, with the assistance of the Risk Management Committee, performs regular risk management assessments and through the Internal Audit Department, reviews the internal control procedure and processes, and evaluates the adequacy and effectiveness of the risk management and internal control system. The committee also seeks the observations of the independent external auditors of the Group. Further details are set out in the Audit Committee Report.
- The Risk Management Committee ("RMC") was established to oversee, perform regular reviews on risk management processes and to ensure prudent risk management over the Group's business and operations. The RMC is chaired by the Group's Chief Financial Officer and includes representatives from all business divisions, both local and overseas, as well as from the relevant Head Office operations support departments. Each business division's risk management function is led by the respective head of the division. The RMC reports to the Audit Committee on a quarterly basis where key risks and mitigating actions are deliberated and implemented.
- The Internal Audit Department performs internal audits on various operating units within the Group on a risk-based approach based on the annual audit plan approved by the Audit Committee. The department checks for compliance with policies and procedures and the effectiveness of the internal control system and highlights significant findings of non-compliance in the quarterly Audit Committee meetings of the Company and major subsidiaries.

- The Nomination & Remuneration Committee ("NRC") assists the Board to review and recommend appropriate remuneration policies for Directors and senior management to ensure that their remuneration commensurates with their performance. The NRC also reviews and recommends candidates to the Board of the Company, and evaluates the performance of Directors (including Board Committees) on an annual basis.
- The Securities and Options Committee administers options and/or shares under the employee share scheme and regulates the securities transactions in accordance with established regulations and by-laws. Further details are set out in the Corporate Governance Statement.
- Management committees are established by the respective Boards of major subsidiaries of the Group to assume the functions, of the Executive Committee as stated above, in those subsidiaries.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

Key Elements of the Risk Management and Internal Controls

- Clearly documented standard operating policies and procedures to ensure compliance with internal controls, laws and regulations, which are subjected to regular reviews and improvement, have been communicated to all levels.
- Established guidelines for recruitment, human capital development and performance appraisal to enhance staff competency levels have been disseminated to all employees.
- Clearly defined levels of authority for day-to-day business aspects of the Group covering procurement, payments, investments, acquisition and disposal of assets have been disseminated to all employees.
- Top down communication is made to all levels, of the company's values such as the IJM charter, including statements of vision, mission and core values, code of ethics and conduct, corporate disclosure policy, diversity and inclusion policy as well as avenues for whistle-blowing.
- Regular comprehensive information are conveyed to the Board, its committees and management committees of the Group and major subsidiaries covering finance, operations, key performance indicators and other business indicators such as economic and market conditions at their monthly or periodic meetings.
- Annual budgets are prepared to monitor actual versus budgeted and prior period's performance with major variances being reviewed and management actions taken as necessary.
- Half-yearly company briefings with analysts are conducted on the day of release of the financial results to apprise the shareholders, stakeholders and general public of the Group's performance whilst promoting transparency and open discussion.

RISK MANAGEMENT FRAMEWORK

The RMC principally develops, executes and maintains the risk management system to ensure that the Group's corporate objectives and strategies are achieved within the acceptable risk appetite of the Group. Its reviews cover responses to significant risks identified including non-compliance with applicable laws, rules, regulations and guidelines, changes to internal controls and management information systems, and output from monitoring processes as well as continual review process of identified risks and effectiveness of mitigation strategies and controls.

A risk map addressing the risks to the achievement of strategic, financial, operational and other business objectives, using quantitative and qualitative aspects to assess their likelihood and impact matrices, and the controls for assuring the Board that processes put in place continue to operate adequately and effectively, is prepared annually by each business unit.

As the business risk profile changes, new areas are introduced for risk assessment and the necessary changes are made to the existing risks.

The Group's Head Office considers and incorporates the risks associated with the Group's strategic objectives and overall risk appetite which are not addressed by the respective business units. The consolidated major risks and the mitigating actions are reported to the RMC before being presented to the Audit Committee on a quarterly basis.

RISK ASSESSMENT REVIEWS

During the financial year, all divisions conducted their risk management and internal control system reviews which were assessed by the RMC and reported to the Audit Committee at each quarter.

The Group identified major risk areas of concern and mitigating actions were undertaken within appropriate timeframes. The management of the Group's significant risks identified for the financial year 2017 is outlined below:

Significant Risks for the financial year 2017	
Risk 1	Market Risk Management
Risk 2	Credit and Liquidity Risk Management
Risk 3	Operational Risk Management

1. MARKET RISK MANAGEMENT

Market risks refer to the risks resulting from economic and regulatory conditions and the inherent cyclical nature of the Group's businesses.

Economic risks

In the current economic climate, the slowdown in the local and global economy may affect the Construction and Industry Division's order book replenishment and result in overcapacity situations in its factories. During the financial year, the Industry Division's quarrying performance was affected by softening demand for its quarry products and lower selling prices, while the Property Division continued to face challenges of a subdued and saturated market as well as stiff competition. All of these factors affect the Group's profitability.

To mitigate such economic risks, the Group has various measures in place including the following:

- Securing long term Build-Operate-Transfer ("BOT") projects;
- Exploring various business and geographical diversifications;
- Regularly reviewing the business plans against performances to address any shortfalls;
- Maintaining good relationships with vendors and negotiating for more favourable terms;
- Maintaining existing customers and winning new customers;
- Seeking alternative uses of available capacity for its factories;
- Enhancing efficiency and productivity in its operations;
- Cost reduction initiatives to contain rising production costs such as sourcing cheaper alternative raw materials; and
- Adopting innovative marketing strategies with appropriate product differentiation and flexibility in product offerings to suit the market demand for its properties.

The Group has invested in emerging markets over the years such as in India, the Middle East, Indonesia and China. Whilst the Group is able to tap into these markets, foreign engagements entail added risks given their different operating, economic and regulatory environments as well as intensive local and international competition. Nevertheless, the Group continues to monitor these market risks, employ detailed feasibility assessments whilst continuously seeking out local as well as other international opportunities to replenish orders, diversify its business and grow earnings.

Commodity and Currency risks

Commodity risk is prevalent in the Plantation Division as its prices for palm products are subject to market volatility which affects its profitability. The Plantation Division manages such commodity risk with the following measures:

- Constant monitoring of the commodity prices to determine the appropriate timing to transact sales;
- Selling using the Malaysian Palm Oil Board's average price mechanism;
- Hedging through forward sales contracts;
- Entering into crude palm oil pricing swap arrangements with financial institutions as an additional hedge; and
- Close monitoring of the pricing trends of major oils and fats for market intelligence.

The Group is also exposed to foreign currency fluctuations due to its investments in foreign countries such as India and Indonesia which may affect its profitability due to the negative fluctuation in the functional currencies of the foreign subsidiaries. These foreign exchange exposures are managed by the Group with the following measures:

- Entering into forward foreign exchange contracts or cross currency swap contracts where applicable; and
- Keeping foreign currency denominated borrowings at an acceptable level.

Regulatory risks

The Group's businesses are governed by relevant laws, regulations, standards, licenses and concession agreements. The Group constantly assesses the impact of new laws and regulations affecting its businesses to ensure that its processes and infrastructure setting are able to operate under the new requirements. New laws and regulations which have an impact to the Group includes the following:

- Companies Act 2016;
- Finance Act 2017; and
- LR of Bursa Securities.

The Group manages these regulatory risks with the following measures:

- Be updated with the new laws and/or requirements by participating in seminars, conferences and trainings, both in-house and external, presented by authorities, experts or specialists;
- Implementing appropriate policies, procedures, guidelines, self-audit processes and contracts management; and
- Maintaining regular communication with the authorities, industry, accounting, tax and legal experts to ensure compliance at all times.

In addition, the other policies which affect the Group's Property Division are the loan to value cap requirement and strict mortgage lending policies by banks resulting in lower loan approvals. Coupled with the slower project approvals from the authorities, all these factors affect the demand for the Division's properties, slow down the progress of its developments and reduce profitability levels. To mitigate such risks, the Property Division carries out the following measures:

- Liaising closely with government officials and external institutions;
- Maintaining close working relationships with financial institutions to counter the cooling policies;
- Developing innovative marketing strategies and negotiating for attractive interest rates for loans;
- Adopting the industrialised building system which is less dependent on labour, whilst improving the productivity and quality of construction work;
- Switching product focus to landed properties and/ or affordable housing where demand is still resilient due to support by the younger demographic; and
- Delaying the launch of certain high-end high rise projects where appropriate.

In addition to the above, the Group's legal department provides legal input on compliance with applicable laws and regulations, including on business, contracts and operational matters.

2. CREDIT AND LIQUIDITY RISK MANAGEMENT

These risks arise from the inability to recover debts in a timely manner which may affect the Group's profitability, cash flows and funding. Such risks are more widespread in the Construction and Industry Division's overseas operations.

The Group minimises such exposures with the following measures:

- Assessing the creditworthiness of potential customers before granting credit limits and periods;
- Employing strict debt repayment policies;
- Persistent and close monitoring of collections and overdue debts; and
- Ensuring effective credit utilisation to keep leverage at a comfortable level.

3. OPERATIONAL RISK MANAGEMENT

Inadequate skilled workforce risk

Similar to many other companies in the same line of business, the Group faces a common challenge in the form of inadequate skilled workforce. This risk is more acute in the Plantation Division due to the difficulty in recruiting skilled workers which may slow down its harvesting operations. Various measures carried out by the Plantation Division to attract more skilled labour included the following:

- Working with the industry fraternity to improve the availability of labour;
- Upgrading the living quarters of guest workers complete with amenities including electricity and water, medical care, crèche, education centres, recreational and sports facilities in phases;
- Entering into partnership with NGOs such as the Borneo Child Aid to provide education to the children of guest workers with the intention of retaining the workers;
- Encouraging local school leavers to participate in the plantation sector and to offer suitable internship programmes for undergraduates via joint ventures with universities and agricultural/labour authorities; and
- Reviewing the remuneration benefits of workers from time to time to stay competitive.

To mitigate the risk of inadequate skilled workforce within the Group, it implemented various remuneration and welfare schemes to attract and retain employees to meet existing and future needs. Some of these initiatives are as follows:

- The Long Term Incentive Plan ("LTIP"), which comprises an employee share option scheme and an employee share grant plan for qualified employees. For more details of the LTIP scheme, please refer to the Financial Statements section of the Annual Report;
- Enhancing work-life practices such as staggered hours, family care leave, car park space for expectant mothers and extended maternity leave; and
- Enhancing the Group's hospitalisation and surgical plans.

Adverse weather risk

During the financial year, the Plantation Division's crop productivity continued to be affected by the pro-longed dry weather. The Division's fresh fruit bunches ("FFB") production from the Malaysian operations dropped by 3% to 464,019 metric tonnes due to the severe dry weather. As a result, the Malaysian operations recorded a 3.8% drop in FFB yield to 20.0 tonnes per hectare in FY2017.

To mitigate the dry weather condition and in anticipation of its recurrence in the future, the Plantation Division had carried out measures which included the following:

- Employing good agronomic and estate practices as per the Division's operating manual;
- Carrying out water conservation and irrigation measures to ensure its oil palms receive adequate water;


Kuantan Port performs regular disaster drills such as oil spill drills

- Deepening reservoirs, where possible, to increase water storage capacity with the objective of irrigating the surrounding fields; and
- Ensuring appropriate agricultural training for its cadets and field staff.

CYBER SECURITY

Cyber security is one of the most urgent issues of today. Cyber attacks can cause major damage to the bottom line, as well as to business reputation and consumer trust. In order to proactively protect IT systems from cyber attacks, the Group has established a team of ISACA (Information Systems Audit and Control Association) certified IT security professionals. The Group has also developed a set of IT security policies and procedures based on the industry best practices, e.g. ISMS (Information Security Management System) and ITSMS (Information Technology Service Management System). In addition, independent enterprise wide assessments are conducted on a regular basis to ensure that the systems are effective and continuously improved to enhance the Group's cyber resilience. The Group is proactively monitoring, controlling the risk and protecting its systems in a constantly changing cyber threat environment.

DISASTER RECOVERY PLANNING

With threats of Management Information System ("MIS") failure and other potential hazards such as fires, floods, earthquakes and major equipment failures, amongst others, the continuity of business operations is of a major concern to the Group. In line with that, the Group has a crisis management plan to deal with major incidences and crisis situations affecting our businesses, financial position and are of public concern. The Group regularly reviews the contingency plans to ensure its relevance and appropriateness of the mitigating actions.

Additionally, the Group has a production site for ERP systems at an external hosting centre in Cyberjaya, Selangor which was designed to be near disaster free while the IJM Data Recovery Centre maintained at Menara IJM Land, Penang acts as a warm site for systems recovery in the event of a MIS failure. The non-ERP applications are safely maintained in Cyberjaya or by cloud hosts.

Regular incident management drills at our properties ranging from basic fire safety to mass evacuation drills are conducted to ensure that our employees are familiar with the emergency response and crisis management plans. During the financial year, the Group did not encounter any major business interruption or crisis situations.

INSURANCE

As a global conglomerate with a diverse business portfolio, the Group faces exposure to numerous risks. Hence, the Group has in place adequate and regularly reviewed insurance coverage for its business operations, assets and employees where it is available on economically acceptable terms to minimise the related financial impacts.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the LR of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Recommended Practice Guide ("RPG") 5 (Revised 2015) issued by the Malaysian Institute of Accountants. RPG 5 (Revised 2015) does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

CONCLUSION

For the financial year under review and up to the date of issuance of this statement, the Board is pleased to state that the Group's system of risk management and internal control was rated overall as satisfactory, adequate and effective for the Group's purpose and safeguards the shareholders' investments, and the interests of customers, employees and other stakeholders. There have been no material losses, contingencies or uncertainties identified from the reviews.

THE GROUP WILL CONTINUE TO MONITOR ALL MAJOR RISKS AFFECTING THE GROUP AND WILL TAKE THE NECESSARY MEASURES TO MITIGATE THEM AND ENHANCE THE ADEQUACY AND EFFECTIVENESS OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM OF THE GROUP.

This Statement on Risk Management and Internal Control is made in accordance with a resolution of the Board of Directors dated 6 July 2017.

PROVIDING QUALITY AND ENDURING VALUES, IJM'S

INFRASTRUCTURE

DIVISION CONTINUES TO UPHOLD A REPUTATION OF EXCELLENCE ON BOTH INTERNATIONAL AND DOMESTIC FRONTS.

SUSTAINABILITY STATEMENT

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OUR ROADMAP FOR SUSTAINABILITY

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Better Results Through Better Practices

ENVIRONMENT
Towards a Greener Planet

COMMUNITIES
Driving Positive Change on Our Doorstep

WORKPLACE
Targeting Excellence Together

OUR ROADMAP FOR SUSTAINABILITY

IJM CHARTER

OUR BUSINESS POLICY AND CONDUCT CONTINUES TO BE GUIDED BY A STRONG COMMITMENT TOWARDS...

- Quality Products & Services
- Trusted Client Relationships
- Safety, Health & Environment
- Employee Welfare
- Social Responsibility
- Good Corporate Governance
- Maximising Stakeholder Returns
- Ethical Conduct

The IJM Group Charter guides our Organisation in its tireless efforts to be a responsible corporate citizen, to protect and nurture the environment, to be a positive strength in our communities, and to ensure our workplaces are safe, respectful and empowering. The values enshrined in our Charter stress on sustainability, and have consistently given rise to divisional-level initiatives over the years. Meanwhile, we continually advance the means by which we measure and report on the progress we make on our sustainability journey.

As we set key financial targets and pursue new growth opportunities, we also recognise the importance of building sustainability and shared value creation into our corporate strategies. Our long-established Health, Safety and Environment ("HSE"), Quality, and Corporate Communications teams have persistently driven sustainability practices within our operations. We went a step further in 2016, by establishing a dedicated sustainability team at the Group level to support comprehensive sustainability efforts across the Group and ensure that initiatives are monitored for continuous improvement.

As part of this drive, we also revisited the way we report on our sustainability performance. Investors today routinely seek detailed insights into how companies are managing the risks and opportunities associated with an increasingly warm and resource-scarce world. Stock exchanges worldwide, including Bursa Malaysia, also require companies to include statements of material economic, environmental and social performance in their annual reports. Seizing the opportunity to better serve our stakeholders, we decided to revitalise our sustainability reporting process to address these changing stakeholder needs.

Specific reporting frameworks already exist for many industries. However, the diversity of our business activities makes a standardised approach impractical. We therefore chose to create a bespoke framework that would enable the identification of material sustainability issues at divisional levels so that risks and opportunities could be consolidated and mapped out at the Group level. Throughout early 2017, we collected data on key sustainability parameters, as defined by international reporting frameworks including the Global Reporting Initiative ("GRI"), within each of our business divisions.

This sustainability statement presents the findings of this process. It describes our performance on key non-financial metrics for the period 1 April 2016 to 31 March 2017. It also evaluates our existing Corporate Social Responsibility ("CSR") initiatives and provides a roadmap for strengthening our sustainability management activities, processes and reporting in the future.

The scope of this statement covers the IJM Group's business operations in Malaysia and IJM Plantations' operations in Indonesia, which accounted for 91% and 5% of the Group's total operating revenue in FY2017 respectively. The statement includes data from the IJM subsidiaries, but not from associate companies or joint ventures.

OUR ROADMAP FOR SUSTAINABILITY (cont'd)

Sustainability governance at IJM Corporation Berhad

Our sustainability strategy is led by the Board of Directors of IJM, and is implemented and monitored within the following governance framework:

BOARD OF DIRECTORS

The Board oversees the overall sustainability framework and sets policies to drive sustainability practices in the Group.

AUDIT COMMITTEE

The Audit Committee oversees any periodic or ad-hoc audit or assurance activities with respect to sustainability management and reporting process.

EXECUTIVE COMMITTEE

The Executive Committee reviews progress quarterly to ensure best practices of sustainability are embedded across the Group. The Executive Committee also has responsibility for approving significant investments or direction for major innovations relating to sustainability.

GROUP SUSTAINABILITY STEERING TEAM

The Executive Committee also engages with the Group Sustainability Steering Team who oversees the delivery of the Group's sustainability strategy and the production of the Group's sustainability reporting.

BUSINESS DIVISION SUSTAINABILITY STEERING TEAMS

The Group Sustainability Steering Team interfaces with respective Sustainability Steering Teams of each Business Division, who drive the sustainability efforts and initiatives while ensuring consistency with the Group's sustainability strategy.

BUSINESS DIVISION SUSTAINABILITY WORKING TEAMS

Dedicated working groups implement the sustainability efforts and initiatives and meet on a regular basis to review progress against the plan.

REFINING OUR REPORTING FRAMEWORK

In early 2016, we initiated a multi-step process with the aim of creating a robust framework to guide IJM's future sustainability reporting and overall sustainability strategy. To gain an objective assessment of our performance to date, and ensure alignment with global reporting standards, we engaged an external sustainability consultant as a facilitator.

The process steps were as follows:

01

UNDERSTANDING THE CONTEXT

We began by conducting a benchmarking exercise to identify key sustainability issues and broader trends in sectors where IJM and its subsidiaries operate. We explored current best practices adopted by our Malaysian peers and global sustainability leaders. We also compared their public disclosures with our own, factoring in typical stakeholder requirements as well as international reporting standards and investor-led benchmarks, including the GRI, FTSE4Good and the Dow Jones Sustainability Indices.

02

IDENTIFYING DISCLOSURE GAPS

As IJM has not been previously subject to sustainability disclosure requirements, we acknowledge that aspects of our performance, including many division-level initiatives, could be covered more comprehensively in the Group disclosures. Our next step was therefore to collect data from all business divisions – including environmental and resource use metrics, sustainability-related policies and existing key performance indicators ("KPIs") – in order to identify reporting gaps and expand our disclosures accordingly.

03

DETERMINING MATERIAL ISSUES AT DIVISION LEVEL

A workshop was conducted for each of our six businesses. Six workshops were held in total, each attended by 15 to 40 staff, managers and the heads of divisions, as well as by the Group Sustainability Steering Team. To secure understanding of the issues and best practices in each sector, participants were presented with the benchmarking results and our consultant's assessment of our current performance and disclosures. These led to deep discussions and eventual agreement on the key material sustainability issues impacting each Division, as well as a list of existing corporate responsibility initiatives undertaken at the divisional levels.

04

PRIORITISING ISSUES

Based on this consensus, workshop groups prioritised and positioned each issue on a materiality matrix with two axes: 'importance to stakeholders' and 'importance to IJM Group'. The draft matrix for each division then underwent validation with representatives from each workshop group and final adjustments were made.

05

GROUP MATERIALITY MATRIX AND IJM BOARD REVIEW

Division matrices were consolidated into a Group matrix of 18 priority issues. This consolidated matrix, the validated materiality matrix for each division and all other workshop inputs were then presented to our Board of Directors and senior management teams for review and discussion.

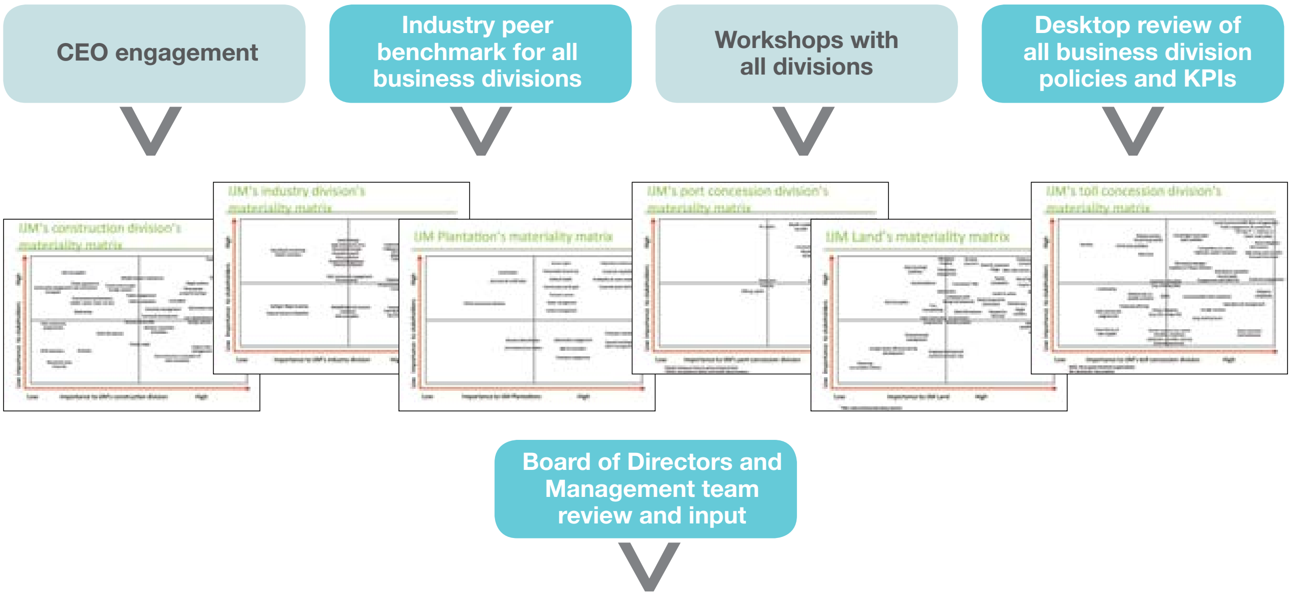
06

DEFINING KEY PERFORMANCE INDICATORS ("KPIs")

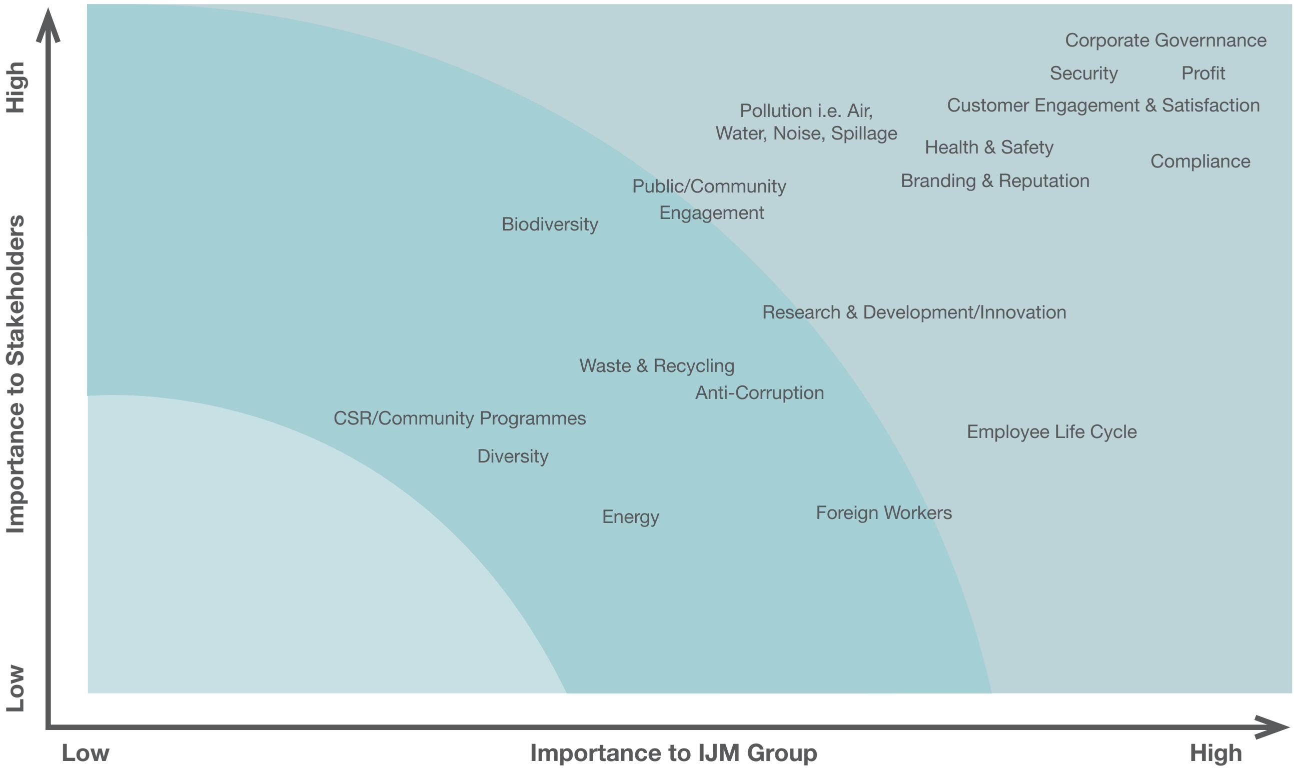
Following the Board's input and approval, the Group matrix has formed a basis for us to define a set of KPIs for measuring and reporting on IJM Group's sustainability performance in the future. Aligned with the four dimensions of our corporate responsibility framework – marketplace, environment, community and workplace – these indicators will provide further input for guiding our overall sustainability strategy.

OUR ROADMAP FOR SUSTAINABILITY (cont'd)

Materiality identification process



IJM Corporation Berhad's materiality matrix



Next steps FY2018

The process described above has enabled us to identify key material sustainability issues, map current performance levels and gather feedback from across our stakeholder groups. We are therefore confident that the KPIs selected accurately reflect those sustainability issues that impact our Group and our stakeholders most. Our task over the next reporting period (FY2018) is to translate what we have learned into an overall sustainability roadmap that clearly defines Group priorities, as well as the actions required from each of our business divisions to address them.

IJM GROUP SUSTAINABILITY TARGETS FY2018

TARGET	FINANCIAL YEAR
Corporate	
Establish a Group Board-approved sustainability roadmap to drive policy developments, implementation and strategy	2018
Marketplace	
Establish robust customer engagement measurement system	2018
Environment	
Perform a carbon footprint assessment	2018
Perform an energy and water footprint assessment	2018
Adopting new technologies to manage waste	2018 - 2022
Community	
Develop a Group-level community investment strategy	2018
Workplace	
Zero fatalities at the workplace for all business divisions	Ongoing
5% overall reduction in accidents	2018
Review leadership competencies to enable business growth	2018
Improvement measures following the feedback from Employee Engagement Survey	2018 - 2020

MARKETPLACE

better results through better practices

Our success as an organisation depends on the strong and continuing support of our customers, suppliers, business partners, investors, bankers, governments and regulatory bodies. We believe that being an outstanding corporate citizen and contributing to the vitality of our marketplace are the best ways to command our stakeholders' respect and confidence.

Business ethics, corporate governance and stakeholder engagement are therefore of key material importance for the IJM Group as a whole. In this section we will review IJM Group's approach to sustainable business and cover the key engagements and performance highlights from FY2017.

OUR CODE OF ETHICS AND CONDUCT

Our Code of Ethics and Conduct sets out the principles and standards by which we do business. Beyond strict adherence to local laws and regulations, our Code of Ethics and Conduct explicitly defines our high expectations of every employee in terms of business practices and personal conduct. The IJM Code of Ethics and Conduct is made available to all employees and can be accessed at our Group website: www.ijm.com.

Anti-corruption

The risk of corruption is seen as moderately significant in the IJM Group materiality matrix. To secure compliance, the Board encourages the use of our Whistle-Blowing Policy, a mechanism by which any employee, associate or any third party can report concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse. The Whistle-Blowing Policy is available to be downloaded from our Group website at www.ijm.com.

IJM Group provides assurance that individuals who report concerns may remain anonymous, that the information disclosed will only be revealed on a 'need to know' basis (for instance, if required by law, court or authority), and that the reporting individuals will be protected against reprisals and/or retaliation taken in response to their disclosure.

CORPORATE GOVERNANCE AND COMPLIANCE

IJM Group, guided by the Malaysian Code on Corporate Governance, has been proactive in promoting good corporate governance and ensures that the principles and best practices of good governance are applied throughout the Group. In recognition of our good corporate governance practices, IJM has been accorded numerous awards, including induction into the ASEAN Corporate Governance Awards' Top 50 Public Listed Companies and a Top Ten Disclosure Merit Recognition Award by the MSWG-ASEAN Corporate Governance Transparency Index, Findings & Recognition 2015. Details of our corporate governance framework and practices are elaborated in the Corporate Governance Statement on pages 96 to 111 of the Annual Report.

To ensure compliance with all internal controls, laws and regulations, the Group has established clearly documented standard operating policies and procedures, defined levels of authority, and guidelines for recruitment and human capital development. These policies, procedures and guidelines are subjected to regular reviews and improvements, and have been communicated to all staff levels.

STAKEHOLDER ENGAGEMENT

IJM Group is committed to engaging all stakeholders in a timely, effective and transparent manner. Our Investor Relations and Stakeholder Engagement Programme ensures that accurate and high quality information about the IJM Group developments, operations and financial performance reach a broad range of interest groups.

A comprehensive overview of Group activities and performance, as well as a dedicated 'Investor Relations' section, is also accessible at www.ijm.com, where visitors are invited to direct enquiries, offer feedback and suggest improvements to our products and services.

MARKETPLACE (cont'd)

Financial announcements and analyst briefings

Throughout FY2017, IJM Group delivered prompt quarterly financial announcements and biannual analyst briefings to ensure our stakeholders were kept up to date with accurate data and insights. The investor community continued to recognise the exceptional standards set by our engagement activities, with IJM Corporation Berhad and IJM Plantations Berhad both claiming top 10 positions for Best Investor Relations (mid cap) at the 2016 Malaysian Investor Relations Awards.

Media engagements

IJM Group's commitment to open communication is the cornerstone of the long-term and trusting relationships we build with all our stakeholders. We regularly engage the media through press releases, media briefings, interviews with senior management and networking events to provide financial and business updates, as well as to highlight the work that we do and specific industry issues.

Our Property Division had extensive engagements with the media throughout the reporting period. Notable events included media appreciation functions and property tours in Seremban 2 on 25 January 2017 and Penang on 11 February 2017. Both events were well attended by guests from various media outlets.

Biannual analyst briefing

IJM Land's Seremban 2 management team and media guests celebrate good media relations at a restaurant in conjunction with Chinese New Year celebrations

Ushering in the Lunar New Year during Star Media Group's visit to IJM Group's office in Petaling Jaya

Industry and international engagements

The Port operations ramped up an extensive programme of stakeholder engagements for FY2017, hosting national and international trade and industry delegations, ministry officials, investors, technical partners and customers. Of key interest to all were the industrial developments at Kuantan Port, particularly the New Deep Water Terminal ("NDWT") and the Malaysia-China Kuantan Industrial Park ("MCKIP").

To understand and deliver on the needs of such a diverse range of stakeholders, the Port has provided in-depth Q&A sessions, progress reports, investor briefings, and even tug-boat tours where stakeholders can witness the progress of the NDWT project up close – and envision its potential.

Visiting delegations in FY2017 included a group of 120 Chinese investors led by Zhang Xiaoqin, Vice Governor of Guangxi Zhuang Autonomous Region; the Chinese Ambassador to Malaysia, His Excellency Dr. Huang Huikang; representatives from the Hong Kong Trade Development Council; and, in conjunction with Maybank Invest ASEAN 2017, a group of fund managers from Malaysia's leading financial institutions. The Port also received numerous visits by representatives from Malaysia's Ministry of International Trade and Industry, as well as by the Prime Minister's Special Envoy to China.

The Port remains highly responsive to a broad range of stakeholder interests. Malaysia's Minister of Natural Resources and Environment, YB. Dato' Seri Haji Wan Junaidi Tuanku Jaafar visited Kuantan Port in December 2016 to follow up on a number of operational improvements and was satisfied that all Government stipulations had been met. The Port also hosted a delegation from the Department of Environmental Protection of Guangxi Autonomous Region to exchange experiences and explore opportunities for collaboration.

Visit by Minister of International Trade & Industry, YB Dato' Sri Mustapa Mohamed to Kuantan Port on 28 July 2016

In April 2016, IJM Plantations hosted its annual "Walk with CEO" at the Sandakan and Sugut estates, engaging industry experts, bankers, analysts, media and NGOs. In conjunction with the "Walk with CEO", IJM Plantations took the opportunity to invite neighbouring smallholder plantation representatives to join the Palm Oil Seminar and Dialogue presented by industry experts.

Visit by Malaysian Prime Minister's Special Envoy to China, YBhg Tan Sri Dato' Seri Ong Ka Ting to Kuantan Port on 9 March 2017

Visit by Second Minister of International Trade & Industry, YB Dato' Seri Ong Ka Chuan to Kuantan Port on 5 September 2016

Kuantan Port welcomes Minister of Natural Resources and Environment YB Dato' Seri Haji Wan Junaidi Tuanku Jaafar on 20 December 2016

MARKETPLACE (cont'd)

COMMITMENT TO QUALITY

With the ISO 9001:2008 quality system certification secured across most divisions, IJM Group now has the policies, procedures and best practices in place to deliver products and services of outstanding quality. Furthermore, regular reviews, process improvements and quality control assessments are ensuring that our production processes remain in compliance and are continually enhanced. Most Group divisions are now securing compliance with ISO 9001:2015, the latest edition of ISO's flagship quality management systems standard incorporating the process approach and risk-based thinking, and should be compliant well before the September 2018 deadline. More details about the Group's quality system and processes can be found at www.ijm.com.

IJM Group's unflagging commitment to quality, proven by our remarkable track record, once again garnered a succession of prestigious industry excellence awards in FY2017.

Awards for quality construction

IJM Construction has been the proud recipient of a host of Malaysian Construction Industry Excellence Awards ("MCIEA"), which are accorded by the Construction Industry Development Board, the industry regulator. The Division's most recent MCIEA honours include the 2016 Best Project Award for a Major Project (Building) and the 2016 Best Infrastructure Project Award for a Major Project, for the Platinum Park Phase 3 and Pahang Selangor Raw Water Transfer (Semantan Pipeline) projects respectively.

Awards for quality in property development

The Property Division also scored several high profile wins, notably at The Edge Malaysia Property Excellence Awards 2016, where the Division was presented with the Top Property Developers Award and the Property Development Excellence Award for Seremban 2. IJM Land was again named one of the Top 10 Developers in Malaysia at both the Property Insight Malaysia's Prestigious Developer Awards (2015, 2016 and 2017) and at the BCI Asia Top 10 Developer Awards for Malaysia (2014, 2015 and 2016).

The StarProperty.my Awards 2017 also singled out IJM Land for its responsiveness to evolving consumer needs. Not only did IJM Land receive the All-Star Award: Top Ranked Developer of the Year, but also the Family-Friendly Award (Excellence Winner) for Seremban 2, the Skyline Award (Excellence Winner) for Seri Riana Residence, and the StarProperty.my Readers' & Voters' Choice Award. In addition, Bandar Rimbayu township secured the Division a 2016 FIABCI Malaysia Property Award in the Master Plan category for its dedication towards innovative design and quality excellence.

A full list of IJM's most recent awards and accolades at Group and division levels can be found on pages 8 to 9 of the Annual Report.

Recognitions and sustainability certifications in plantations

Our Plantation Division, IJM Plantations, received industry excellence awards from the Malaysian Palm Oil Board ("MPOB"), including for Best Kernel Crushing Plant in 2016 and Best Estate (Rakanan Jaya North Estate) in 2014. IJM Plantations' focus on quality and sustainability is further substantiated by national and international certification standards, including:

- Certificate of Compliance for Indonesian Sustainable Palm Oil (ISPO) for Pertama, Belidan and Manubar Estates in Indonesian operations since 2016.
- Certificate of Compliance for International Sustainability & Carbon Certification (ISCC) for Malaysian operations since 2015.
- Certificate of Compliance for Malaysian Sustainable Palm Oil (MSPO) for Desa Talisai Palm Oil Mill and its supply base in Malaysian operations.
- Certificate of Compliance for MPOB Codes of Practice for Malaysian operations since 2009.

BRANDING AND REPUTATION

The IJM brand is more than just a promise to our stakeholders. Our tagline "We Deliver" is embedded into our culture and represents our commitment to performance, efficiency, cost, quality and delivery, standards by which we live and ensure our continued success.

IJM is also committed to building a positive reputation with its stakeholders across our footprint. We are known for our deep industry knowledge, excellence in service delivery, integrity and professionalism across the business divisions and industries we operate in. We believe that the IJM brand is an important driver when we pursue new business opportunities and attract talents.

Based on the coverage we receive in the media, brand and customer surveys that our Property Division regularly conducts, the awards we receive in categories of business excellence, as well as our long-standing customer relationships, our stakeholders recognise IJM's ability to create value reliably in changing market conditions.

Brand enhancement was one of the key strategies identified in building long term value for our stakeholders. In FY2018, we will be embarking on a comprehensive brand strategy programme which is supported by positioning our brand personality, messaging and identity across all communication channels to continue strengthening and growing the IJM brand.

CUSTOMER SATISFACTION

Customer satisfaction and engagement was identified as one of the most important material issues in the marketplace dimension across all our divisions. Knowing exactly what customers expect from us improves our bottom line and strengthens our brands and reputation in the long term. To keep our finger on the pulse, we conduct regular customer satisfaction surveys, market surveys and brand audits. The feedback generated provides insights into customer expectations that enable us to develop and deliver better products and services.

Enhancing customer experiences at sales galleries

To move the needle from good to great on customer experiences, our Property Division undertook a 12-month rejuvenation exercise nationwide to promote innovative thinking around ways to better meet customer needs – both today and in the future. The exercise involved extensive customer profiling as well as idea generation sessions that took place at 23 internal workshops and roadshows. Division personnel from all levels participated. Frontline employees were also provided with advanced training on soft skills to improve customer care.

The Division's sales galleries, amenities and facilities are constantly refined to provide a better sense of home and comfort. Some of our galleries are equipped with a children's play area to give parents an undistracted period to make enquiries, concentrate and deliberate – or simply to imagine. To assist mothers with young children, we have added private and comfortable nursing rooms to some of our facilities. Buggy services are also provided to potential buyers and visitors to our show galleries and township developments.

IJM Land employs extensive customer surveys at relevant touch points: one month after the sales and purchase agreement is signed, on delivery of vacant possession, and within the first year of period of residence. The outcome of our satisfaction rates and survey feedback support our efforts to consistently exceed customers' expectations.

Exploring new engagement platforms

Our Property Division has embarked on several social media platforms to drive effective engagements and build a loyal following among online customers and stakeholders. Over 140,000 fans of IJM Land's Facebook page are engaged with product updates, upcoming developments, lifestyle tips, community service and corporate announcements, as well as campaigns. In recognition of such active engagement efforts and quality content, the division was awarded the Social Media Excellence Award for Property Development at the World Bloggers and Social Media Awards 2016, an event organised by the Malaysian Social Media Chambers. This is the third consecutive year that the division has achieved this accolade.

The Division is presently revamping its Customer Relationship Management system to enhance its service offerings and communication platform for existing customers.

MARKETPLACE (cont'd)

Improving user experiences with cashless tolls

Serving thousands of people every day, our Toll operations face relatively more customer issues than other IJM Group divisions. A total of 111 complaints were received and resolved by the Division in FY2017, the most common relating to toll barriers, road debris, animal crossings and customer service issues.

IJM Group is confident that the 2016 implementation of 100% Electronic Toll Collection (ETC) across our Malaysian highways will enhance users' experiences. Our Highway Users Satisfaction Survey revealed that our Toll operations met and exceeded the service rating set by the Malaysian Highway Authority (82%) and our own KPI (83%) for the year 2016. The biannual survey evaluates performance on criteria including wait times, sufficient ETC lanes, peak-time capacity, functionality, and teller service.

Assuring customer privacy and data protection

As we embrace new technologies to connect with our customers – including social media channels – we are mindful of our responsibility to protect individual privacy and personal data. IJM Group has a formal customer privacy policy and is compliant with the Personal Data Protection Act 2010.

OUR FOCUS ON SECURITY

We believe in a right to security: for the public, for our customers, for our residents, partners and investors – as well as for the generations to come. Security is an important issue for all IJM divisions, and each is bringing its skills to bear in order to enhance security for our stakeholders.

Property: Crime prevention through environmental design

Our townships are designed to be beautiful, but they are also designed to be safe. Most of our development parcels have single ingress and egress points to screen off intruders, while pedestrian walkways and motorised lanes are separated by buffers to deter snatch thieves. To ensure quieter and safer neighbourhoods, we have introduced cul-de-sac layouts and traffic calming measures, and bright street lighting contributes to overall urban safety. Physical elements, such as landscaping and fencing, are also used to enhance homeowers' sense of belonging and responsibility.

Property: Safe City Initiative

IJM Land works in collaboration with local law enforcement agencies as part of the "Safe City Initiative". Delivering on our commitment to community safety, the Property Division donated to the local police force one Toyota Hiace Window Van designed to serve as a mobile police station and two fully equipped Honda PCX 150 motorcycles. This new hardware supports existing security efforts in Seremban 2. The local force conducts regular patrols throughout the township to preserve order and enhance residents' quality of life through an increased visible presence.

IJM Land collaborates with the local police on various strategies for maintaining community safety and security, including the organisation of crime prevention campaigns and dialogues with local communities. As a matter of practice, the Division actively assists in the formation of residents' associations and provides additional support through safety talks.

The Division has also harnessed new technologies to increase security, introducing a private community mobile application available for residents at Bandar Rimbayu, new phases at Seremban 2 and Seri Riana Residence. The application functions as an extension of existing security measures, allowing the user to communicate directly with the guardhouse. It also enables the resident to stay up to date with pertinent information about the property through a community notice board.

IJM Corporation Berhad CEO and Managing Director Dato' Soam Heng Choon presents the vehicles to Bukit Aman's Director of Management Dato' Sri Zulkifli Abdullah (second from left) to help police with crime prevention duties in Seremban 2

Industry: Handling explosives at quarry sites

Our Industry Division has specific policies and guidelines in place to ensure the safe transport, storage, handling, use and disposal of explosives at all quarry sites. Any worker that uses or handles explosive products or may be affected by their use must be authorised and trained in all relevant safety procedures in accordance with all national regulations and HSE standards. Site managers must notify all relevant authorities of any planned use of explosives or installation of surface magazines, or of any uncontrolled or unexpected explosion.

International Ship and Port Facility Security (ISPS)

The International Ship and Port Facility Security (ISPS) Code is a 2004 amendment to the Safety of Life at Sea (SOLAS) Convention. It sets out the responsibilities of Governments, shipping companies, shipboard personnel, and port personnel to "detect security threats and take preventative measures against security incidents affecting ships or port facilities used in international trade".

Kuantan Port Security Department is operated by Auxiliary Police Officers, vested with police powers to ensure a secure environment within the port premises

In accordance with the ISPS Code, the Kuantan Port Security Department has been set up to keep order and security within the port areas, and to undertake measures to prevent crime. The department is vested with police powers to ensure a secure environment within the port premises, protect cargo and assets, monitor vessels and enforce the ISPS Code requirements.

ENVIRONMENT

towards a greener planet

At IJM Group we strive to be custodians of the ecosystems we operate in. We are mindful of the environmental impact of our activities and maintain full compliance with all environmental regulations. IJM Group continues to develop effective environmental initiatives to protect our natural resources for future generations.

At the Group level, the key material sustainability issues identified for the industries IJM Group operates in are the risk of pollution (particularly air, water, soil and noise), protection of biodiversity, waste management, energy and water usage. In this section we will explore how our businesses have been addressing these issues, assess their performance against key environmental indicators and propose actions and targets for the next reporting period and beyond.

TAKING ACTION ON AIR QUALITY

As seasonal 'haze' becomes a regular phenomenon in Southeast Asia, air quality is an increasingly hot topic for Governments, industries and the general public. All IJM Group divisions strictly adhere to the Environmental Pollution Control Guidelines on air pollution control in line with the objectives of our Health, Safety and Environment ("HSE") Policy. IJM Group divisions operating in industry sectors that are associated with air quality issues – such as construction, agriculture and manufacturing – have adopted industry-specific measures where appropriate.

Plantations tackle open burning

IJM Group's HSE Policy prohibits all open burnings to prevent emissions of smoke, particles and toxic gases. Our Plantation Division has gone further and implemented a strict 'zero burning policy' that covers all replanting and new planting activities in our estates in Indonesia and Sabah. The Division is working to secure commitment to the policy amongst scheme and independent smallholders who supply its mills, as well as among local communities in Indonesia through frequent sosialisasi meetings.

Scheduled patrols of fire risk hotspots have been organised by the estate management, and workers are regularly briefed to stay alert for fires and fire risks in their workplaces and surroundings.

Industry, Construction and Infrastructure combat dust pollution

Air quality is also an important issue for our Industry, Construction and Infrastructure (Port) Divisions, as dust from these operations can contribute to air pollution if it is not carefully controlled.

As well as monitoring dust levels and erecting protective fencing around quarries and factories in compliance with Malaysian environmental regulations, our Industry Division minimises dust pollution through scheduled road spraying, where sprinkler systems, forklifts and water trucks spray harvested rainwater to prevent particulate matter becoming airborne. Spills involving dusty materials are cleaned using a pneumatic vacuum cleaner.

Where possible, the Division also uses Kelat Paya trees to create dust barriers to protect roads and the surrounding environment. Some 188 of the hardy and densely foliated trees have been planted at the Kuang Rock Products quarry and a further 382 at the Malaysian Rock Products quarry. We have also employed hydroseeding on loose soil on slopes to catalyse grass growth for soil erosion control. Hydroseeding involves the application of slurry combining seeds and mulch to ensure quick growth, and is now widely used to control soil erosion on hillsides. Over 5,000 square feet of sloping ground at each site have now been planted using the technique.

The Construction Division has also implemented dust control strategies to protect the health of workers and minimise any impact on communities living close to project sites. Mitigation measures include wheel-washing facilities at all site entrances, stabilised site access to reduce dust dispersion, the deployment of water bowsers to dampen access routes and the use of road sweepers to keep routes clean.


Road sweeper at MRT V203 project


The high pressure washing bay is used to ensure that all dump trucks that transport the cargoes are cleaned before going to the road. The washing bay has its own sedimentation pond and the water is recycled

ENVIRONMENT (cont'd)

Kuantan Port is equipped with 3 units of road sweeper and 6 units of high pressure water jetter to maintain the road cleanliness around the clock

The covered warehouse for storing mineral cargoes is equipped with a pollution control system

At Kuantan Port, nine-metre dust mitigation panels prevent airborne particles reaching surrounding areas. Efforts have also been taken to adequately cover stockpiles of dry bulk with protective sheeting. All lorries carrying bulk cargo, such as iron ore, bauxite, palm kernel expellers, fertilisers and other bulk goods, are covered before entering the port facility, and a high-pressure washing bay is used to ensure all cargo trucks are clean before going back on the road. Power sweepers and water jets keep all operational areas dust-free.

Kuantan Port has embarked on a new policy of using covered warehousing to store mineral cargo. The objective is to prevent pollution of surface runoff and groundwater, which in turn ensures that regulatory requirements on water discharge are met. The warehouse is equipped with a washing bay, perimeter drains and a retention pond.

Driving down vehicle emissions

Vehicle emissions are a key material issue for toll highways. Toll plazas are associated with poor air quality as high volumes of commercial and non-commercial traffic become congested. To speed up the flow of traffic at tolls, the Infrastructure (Toll) Division rolled out an automated electronic toll collection system ("ETC") across all its Malaysian highways in 2016. ETC has enhanced operational efficiency and reduced toll plazas' carbon footprint, improving air quality as a result.

Our Port also experiences concentrations of vehicle exhaust from ships, trucks and cargo-handling equipment. While external parties are responsible for the majority of these emissions, the Infrastructure (Port) Division continues to explore strategies for improving air quality. Our wholly-owned tug-boats undergo scheduled maintenance and testing, and are now covered by an international marine insurance policy with stringent requirements. Further emission reductions will be achieved in the future by deploying equipment that harness green technologies at the Port's New Deep Water Terminal.

ASSESSING OUR WATER FOOTPRINT

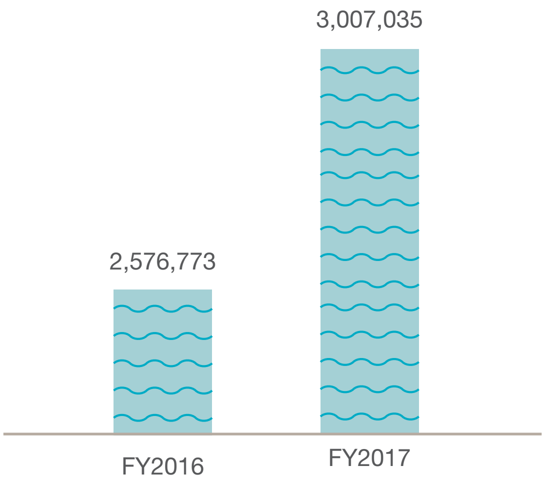
Water use management and water source protection are increasingly important issues for both the IJM Group and its stakeholders as prolonged periods without rainfall reduce the amount of water available for residential and industrial use. Just over 3 million m^3 of water were consumed across all IJM business divisions in FY2017. Our Port and Plantation Divisions were the largest consumers, together accounting for 72% of our total water footprint.

Kuantan Port consumed 1.1 million m^3, including 95,072 m^3 surface water, 95,072 m^3 rainwater and 950,715 m^3 from municipal sources, which was used for general purposes such as wharf cleaning. Water usage at Kuantan Port has increased since the last reporting period. The FY2017 spike was caused by additional cleaning activities including the washing of trucks, berths, roads and building surfaces.

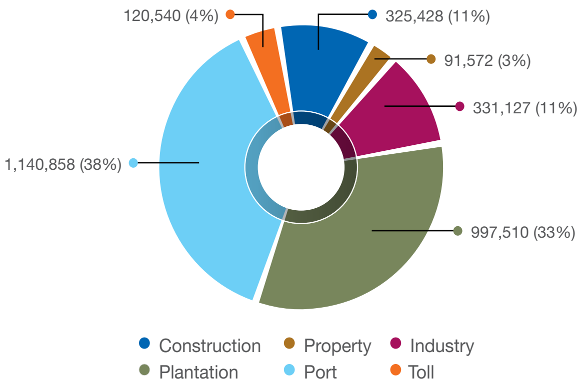
IJM Plantations used just under 1 million m^3 in FY2017, mainly for the processing of fresh fruit bunches ("FFB") in mills. An ongoing focus on water savings and efficiencies enabled the Division to reduce the amount of water consumed per tonne of FFB processed from 1.15 m^3 in FY2016 to 1.05 m^3 in FY2017. Our Industry Division, where water is used as a primary ingredient in the production of concrete piles, consumed 331,127 m^3 in the course of its FY2017 operations.

A critical aspect of our ongoing environmental management plans will be to identify opportunities to reduce water usage in high-consumption sectors. Our next step will be to conduct water footprint assessments for our Port, Plantation and Industry Divisions to understand the nature of their water usage and develop effective reduction and conservation strategies.

Water usage in m^3



Water usage in m^3 by business (FY2017)



Note: Water usage figures do not include Head Office or external subcontractors for Construction Division.

ENVIRONMENT (cont'd)

SAFEGUARDING OUR WATER SOURCES

Acknowledging that some of our businesses are heavily reliant on water, and that competition for water resources is rising, our priority must be to ensure that water sources are not adversely affected by our business activities. Our Port and Plantation operations may have an impact on water quality and as a Group we constantly work to mitigate any such risks.

A key initiative in this area has been our Environment Quality Monitoring Programme ("EQMP"), which we use to assess the quality of the environment surrounding our operations. The EQMP has a specific focus on monitoring the quality of water discharged, enabling us to measure and minimise the impact of our activities on riparian ecosystems.

Water management at Plantations

Our Plantation Division has a water management plan in place for each operating unit and every plan is monitored and regularly reviewed using an environmental monitoring checklist. Environmental audits are performed at all the operating units periodically to ensure the environmental management plans and policies are implemented and adhered to. In addition, we have monitored the drinking water quality through an accredited laboratory to ensure the water is safe for human consumption.

No spraying or manuring activities are permitted within riparian reserves to ensure that connecting rivers fed by the Division's waterways are free from agrochemicals. A programme has been set up to monitor water quality in rivers that flow through the Division's plantations since 2012. This programme is operational in all units.

Pollution control at Kuantan Port

Kuantan Port complies with all local and international regulations, including the Marine Oil Pollution Convention (MARPOL 73/78 Convention) and the International Safety Guide for Oil Tankers and Terminals (ISGOTT). All oil tankers docking at Kuantan Port must adhere to the ship-shore safety checklist. An Oil Spill Emergency Response Team is always on standby in case of emergencies and the division regularly participates in a state-level joint oil spill drill exercise at the port basin.

To reduce the risk of water pollution at the Port, a filtering pond is used to filter dirty water before being discharged back into rivers and the sea. An enhanced wharf cleaning system also reduces sea pollution, and the installation of low concrete walls and perimeter drains prevents dry bulk cargo from falling into the ocean.

WATER CONSERVATION AND RECYCLING EFFORTS

A number of our divisions are making good progress in the challenging area of water conservation and recycling. In fact, divisions with the highest water consumption are often those that are recycling the most.

Water recycling at Kuantan Port

Kuantan Port recycled a total of 152,115 m^3 of water in FY2017. Recycled water is used in the Port's washing bays for lorries carrying bulk cargo such as bauxite, as well as for road cleaning. The Port has entered an agreement with one of its oleochemicals clients to collect treated water from their plant for general use. The treated water complies with the Department of Environment's ("DOE") conditions for Effluent Standard B – not consumable but can be used for general purposes, such as road cleaning. This initiative saves some 200,000 m^3 of fresh water annually.

Conserving water on our plantations

Water conservation was an important issue for our Plantation Division in FY2017, as a prolonged dry spell in 2016 triggered by El Niño had a serious impact on crop yields. To mitigate the effects of extended dry spells in the future, the Division has taken proactive steps to increase the storage capacity and ensure uninterrupted water supplies. Specific measures include establishing supplementary water catchment ponds, deepening canals and constructing bunds for water retention. Water storage trucks and additional pumps are now always on standby to deliver water. To keep up the momentum, employees receive regular briefings on water conservation while tips and best practices are shared through newsletters and social networks.

As part of a drive towards precision agriculture, the Division has also implemented a drip irrigation system to optimise water consumption at its Malaysian oil palm nurseries. Drip irrigation helps minimises water wastage while ensuring good seedling quality before field planting. The system also saves energy as there is less need for water pumps to run for long durations.

Rainwater harvesting

Our Toll operations have implemented rainwater harvesting systems at the Loke Yew and Eco Majestic Toll Plazas to divert excess rainwater and reduce reliance on municipal water supplies. Harvested rainwater is used for landscaping and road cleaning purposes.

Our Property Division has also implemented rainwater harvesting systems at The Light Waterfront in Penang and The Arc at Bandar Rimbayu in Selangor. The Arc, which is home to one of the largest rainwater harvesting systems in Malaysia, incorporates a creek that collects rainwater to irrigate plants and a green roof deck that filters rainwater before discharging it to waterways and community vegetable gardens. As a result, no treated water has been used for irrigation at The Arc in the past three years.

> **Combining resource conservation in such an innovative community space is just one of the unique sustainability features that have resulted in Bandar Rimbayu being awarded a "green township" status certified by the Green Building Index (GBI). GBI certification is also held by two other projects developed by our Property Division for Penang – The Address and The Light Waterfront (Phase 1).**

Our Industry Division harvested over 7,000 m^3 of rainwater for use at its quarries and factories, including for road spraying to control dust. In FY2016, Kuantan Port began using rainwater and surface water in its operations to offset consumption from municipal sources. Rainwater is also collected at the Port operation's shaded warehouse for use in high-pressure washing bays. This saves on average 100,000 m^3 of fresh water annually.

PROTECTING BIODIVERSITY AND NO DEFORESTATION

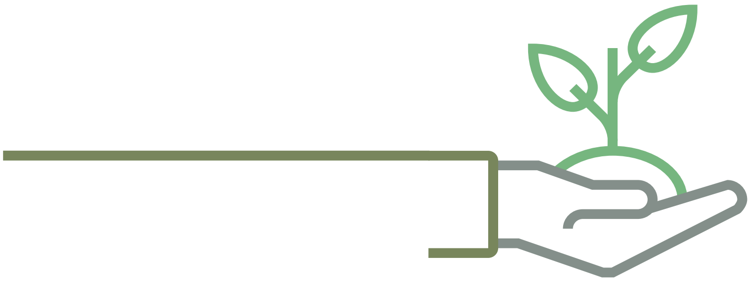
Deforestation is an important material issue for our stakeholders and one that IJM takes extremely seriously. While most IJM activities take place in urban and industrial zones, our Infrastructure, Plantation and Industry Divisions do operate near areas of rich biodiversity, and therefore continue taking action on our commitments to ecosystem protection and no deforestation.

Plantations committed to no deforestation and enhancing rehabilitation

Our Plantation Division strictly adheres to a policy of no deforestation in high conservation value ("HCV") areas or on peatlands. About 5,076 hectares or 8.4% of the total planted land bank in our Malaysian and Indonesian operations is set aside for conservation and rehabilitation. Conservation sites include flood-prone and swamp areas, sites with marginal soils and also special set-aside conservation lots. Notable conservation sites include the Hundred-Acre Wood and the Secret Garden in the Sugut region, Sabah.

The Division continues to rehabilitate and enhance biodiversity within these sites, and species used for replanting are carefully selected to match local ecosystems. For example, bongkul (*Neonauclea subdita*) has been planted in low-lying areas, such as the Rakanan Jaya South Estate in Sabah.

ENVIRONMENT (cont'd)



The Hundred-Acre Wood: our conservation hub

Inaugurated in 2006 with a RM300,000 annual budget, the Hundred-Acre Wood is a centre of excellence for conservation and education. Based in Sugut, the centre welcomes IJM employees, stakeholders, academics and NGOs to partake in various environmental programmes. Activities in FY2017 included rehabilitation work, such as the planting of tropical forest tree species, and the continued maintenance of the orchid sanctuary, which contains more than 200 species, many of which are native to Sabah.

Placing just as much focus on fauna, Plantation Division also hosted a Human-elephant conflict meeting organised by Sabah's Wildlife Rescue Unit to discuss and explore solutions for managing elephant enroachment issues in the Kampung Ulu Muanad area. Once again, IJM Plantations sponsored and volunteered at the annual Borneo Bird Festival.

Protecting wetlands and mangrove forests

Wetlands and mangrove forests are breeding grounds for a large number of marine organisms. They also protect vulnerable coastlines from coastal erosion and rising sea levels resulting from global warming. For World Wetlands Day 2016, IJM Group supported an event hosted by the Sabah Wetlands Conservation Society to build awareness about these unique and vital landscapes. Our Plantation Division has also implemented a mangrove forest rehabilitation programme in both its Malaysian and Indonesian operations.

Soil conservation

Soil conservation has remained an integral part of our Plantation Division's commitment towards Good Agricultural Practice (GAP). Terracing continues to be practised in hilly areas in order to conserve soil, water and nutrients. Legume Cover Crops (LCC), fronds and empty fruit bunches are also used to minimise soil erosion, improve soil structure and retain moisture.

Soil and erosion control measures have also been implemented by our Construction Division to enhance project aesthetics and eliminate appreciable damage to off-site receiving channels, property and natural resources. Best management practices include sand-bagging site perimeters to control runoff, installing fibromat and turfing to stabilise slopes and minimise erosion, and using silt traps and curtains to control the dispersion of suspended solids and ensure discharged water is within compliance limits.

Flash flooding and soil erosion at tolls

Incidences of flash flooding have occurred at our Toll operations during the reporting period. Although short- and long-term actions have been undertaken to eliminate these occurrences, our mitigation efforts may be limited, primarily due to the rapid development of land along the highways.

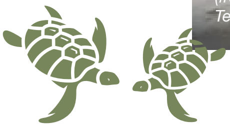
Three issues involving soil erosion, settlement and sinkholes occurred on our highways in FY2017. All resulted from either settlement of backfilled materials, piping works or water seeping from drainage. In all cases, immediate action was taken and ongoing monitoring established. Long-term measures – including lane reconstruction, drain and cavity rehabilitation and grouting – were proposed and all have been completed at the time of reporting.

Releasing sea turtles to their natural habitat through a pilot conservation project

Thirty green sea turtles *(Chelonia mydas)* aged between 8 and 30 months were released to the open seas from the Teluk Bahang beach in Penang in conjunction with the 2016 Merdeka Day celebrations. Their release was part of a joint pilot conservation and research project between IJM Land and the Turtle and Marine Endangered Species Research Centre, part of the Department of Fisheries Malaysia, in Rantau Abang, Terengganu.

Collected as tiny hatchlings from a conservation centre, the turtles were raised in the seawater pond of The Light Waterfront Penang's waterways. Results from the first phase of the programme, which was launched in 2014, proved encouraging. The turtles' high survival rates of between 70% and 80% indicated that the waterways provide a conducive environment for marine life to thrive. New collaborative efforts between IJM Land and the Fisheries Department are now in the pipeline, with further plans to utilise the waterways for future breeding and rehabilitation programmes.


IJM Land Northern Region Senior General Manager Dato' Toh Chin Leong (front row, centre) and other officials release the turtles at the beach in Teluk Bahang, Penang



MANAGING WASTE

Waste was identified as an important theme for all our business divisions and stakeholders. The specific sub-themes that emerged in our materiality identification workshops included waste management, compliance, and the recycling of by-products.

As a Group, we generated just under 60,000 tonnes of waste during the reporting period. The highest volumes in FY2017 were generated within our Construction (26,606 tonnes), Property (14,716 tonnes) and Industry (13,560 tonnes) Divisions, with the main sources including waste concrete, cement and timber, as well as spent rebar. These operations are continuing their recycling efforts to divert more of these wastes from landfills. Around 19% of our total waste footprint was recycled for building materials during the reporting period.

	Non-Schedule Waste (MT)	Scheduled Waste (MT)
Construction	26,606	27
Property	14,716	0
Industry	13,560	28

Concrete reclamation

Our Industry Division has installed a concrete reclamation system that reclaims concrete waste generated from production activities at its Ulu Choh, Klang and Jawi factories. The concrete reclaimer separates unused concrete into sand, aggregates and slurry effluent, resulting in cost savings and effective management of waste disposal. In FY2017, the system reclaimed a total of 423 tonnes of sand and 555 tonnes of aggregates. Recovered sand and aggregates are mixed back into the stockpile for use in production. Slurry effluent from the concrete reclaimer flows into a tank to let sediments settle. Water separated by this method, totalling 5000 m^3 in FY2017, was then reused in the concrete reclamation process. A concrete reclaimer will be installed at our ready mix concrete batching plant in Ulu Choh in FY2018.


Concrete reclaimer installed at Ulu Choh factory

Reduce, reuse and recycle in Construction

Reduce, reuse and recycle waste management practices have been embraced at all project sites. These involved a provision for waste management at site, implementation of segregation of waste and programmes to cultivate good practices among employees. In addition, a Waste Management Plan is prepared at every site to outline specific measures for waste handling and to identify opportunities to minimise waste generation.

ENVIRONMENT (cont'd)

Driving compliance on effluent treatment standards

Ensuring compliance on effluent discharge was highlighted as an important issue for our Construction Division. The Division monitors water quality based on an indicator defined as the percentage of water discharged in compliance with permissible Total Suspended Solids ("TSS") limit set by the DOE. In the reporting period, the Division recorded a total compliance rate of 93.6% for all water discharged.

Total Palm Oil Mill Effluent ("POME") in our Plantation operations in Sabah and Indonesia accounted for a total 692,891 m^3 in the FY2017 period. The POME is treated via ponding systems and tertiary treatments to achieve the discharge stipulated by DOE. Water samples were collected at designated sampling stations for third party laboratory testing. Discharge from all our mills is in compliance with the stipulated biochemical oxygen demand ("BOD") limit.

Our Property Division highlighted waste disposal handled by external contractors as an important material issue for its stakeholders. The Division has already compelled all contractors to submit data on their waste generation and water consumption from September 2016, and will continue to engage and support third party contractors to ensure that they comply with best practices and regulatory requirements on environmental preservation set by the local authorities.

Kuantan Port significant spills FY2017

Two significant spill events occurred at Kuantan Port in FY2017 resulting in DOE notices. In both cases, torrential rainfall resulted in surface runoff and the overflowing of water from the facility's bauxite retention pond.

Kuantan Port has responded comprehensively in the wake of these spills. Additional perimeter drains and silt traps have been installed to prevent the dispersion of runoff waste into the environment. Cargo handling methods have been refined to include bins, buckets and barges to eliminate the need for storage directly on the wharf. A system will also be established to expedite the sedimentation process of bauxite in the retention pond during periods of high rainfall.

CLIMATE CHANGE AND ENERGY USAGE

As a Group, we believe we have a responsibility to reduce our carbon footprint. While we work continuously to address key drivers of climate change - including energy use - in our daily operations, the diversity and range of our business activities have so far made the development of a unified Group-level carbon reduction strategy particularly challenging.

Our next course of action will therefore be to consider a carbon footprint assessment as part of our environmental strategy. Our decision on this matter, including any targets and timelines, will be communicated at a later date.

Exploring renewable energy solutions

To contribute towards Malaysia's United Nations Framework Convention on Climate Change ("UNFCCC") commitment to reducing greenhouse gas (GHG) emissions, IJM Group's Industry Division has initiated a Solar Renewable Energy Project. Solar panels have already been installed on the rooftops of the Division's Kapar and Jawi factories, generating a total of 312,702 kWh and 411,107 kWh respectively for on-site consumption. Carbon emissions avoided by both factories amounted to 506,666 kg. The Division will expand the project in FY2018, installing rooftop solar panels at its Senai, Ulu Choh and Lumut ICP factories.

Solar panels installed on the Jawi factory rooftop

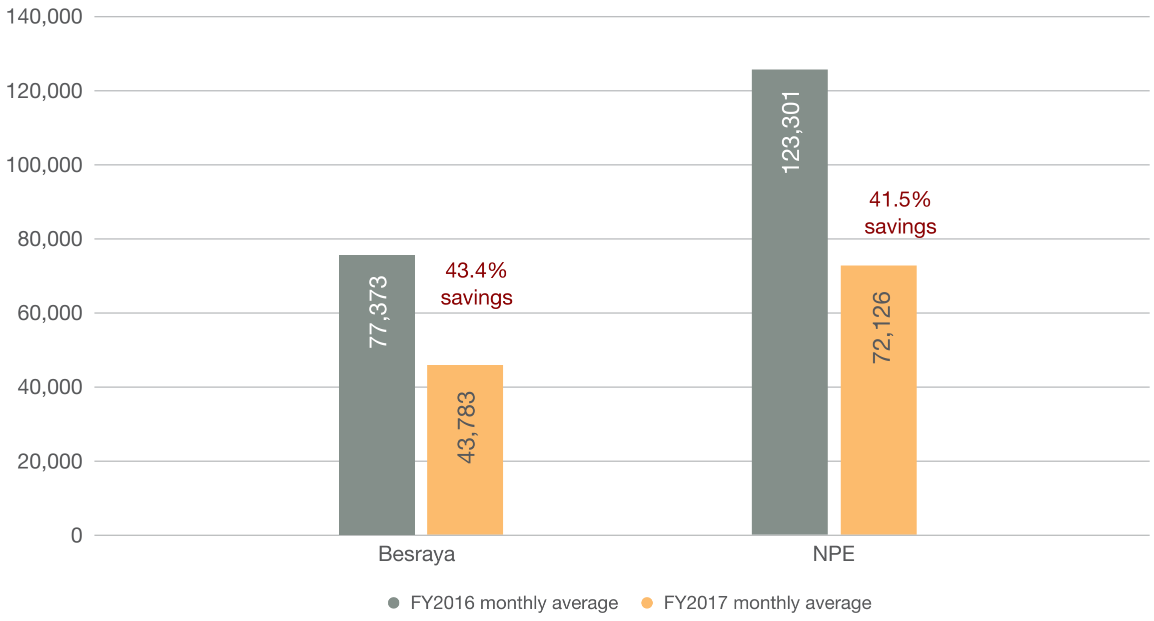
Illuminating Malaysian tollways with LED lights

The installation of light emitting diode (“LED”) technology to replace high-pressure sodium vapour (“HPSV”) lamps along all IJM’s local tollways was a big investment in terms of both time and cost, but it is already delivering significant financial and energy savings. LEDs are typically six to seven times more energy efficient than conventional incandescent lights. They have a long lasting operational life of up to 25 times conventional lighting, and contain no mercury. By installing LEDs lighting at our tollways, we reduced the carbon footprint by 1,649.50 tonnes CO_2 per year for the New Pantai Highway and 1,351.98 tonnes CO_2 per year for Besraya Highway. To put this in perspective, this saving of 3,001.48 tons of CO_2 which is equivalent to planting 76,962 trees per year. The added benefit is that LED lights give at least 7 to 10 years of hassle-free service, including cost saving on parts and workmanship.

LED streetlights installed at Besraya Highway

Following full implementation of LED lights, our Toll operations have recorded cost savings of between 41% and 44% based on average monthly utility bills before and after installation.

Energy cost savings following installation of LED street lighting



Eco-Innovation

Our Property Division designs and builds houses to take advantage of natural energy. This helps minimise negative impacts on the environment while providing additional benefits for our customers. The majority of the residential parcels that we build are north–south orientated without direct exposure to morning or evening sun. This results in a cooler home, reduced use of air-conditioning and improved natural air circulation for internal spaces. Large glass panels including windows and doors are lightly tinted to reduce the transfer of heat and penetration of ultraviolet rays. Additional energy-conserving features, such as solar panels for water heating and rainwater harvesting systems, are also available in a number of our developments.

COMMUNITIES

driving positive change on our doorstep

We firmly believe in being a force for good in our communities. Community engagements and community-focused initiatives are seen by all Group divisions as opportunities to mobilise our skills and resources to drive positive change at a grassroots level. During the reporting period, IJM Group contributed over RM4.55 million in community investments and hundreds of volunteer hours to elevate living standards, build community spirit, catalyse local growth, rehabilitate our environment and create new education and job opportunities. In this section we review the highlights from FY2017.

IJM GIVE DAY OUT 2016: ON THE NATURE TRAIL

IJM Group's flagship Give Day Out initiative was conceived to offer our employees the chance to take their talents beyond the company's gate and make a difference for the communities we operate in. Now in its seventh year, Give Day Out has empowered thousands of volunteers from across our business areas to undertake social and environmental activities – from repairing schools and renovating playgrounds, to planting native seedlings and revitalising degraded natural landscapes.

"Fun with Nature", the theme for Give Day Out 2016, engaged over 2,000 IJM employees in the improvement of 12 nature trails across regions in Malaysia, China and India. Each IJM Group division deployed enthusiastic volunteers to help make the adopted trails and associated facilities, which are relied upon by residents, children and visitors for healthy recreation and relaxation, more accessible and aesthetically pleasing. Volunteers maintained and cleared trails, planted and fertilised trees and repaired existing facilities to create safer and cleared green spaces for the benefit of local communities.

IJM Give Day Out 2016 in numbers:

- 1,900 IJM volunteers across Malaysia; around 170 in India and China
- 700 Central Region employees and 60 DBKL (City Hall) members maintain trails at Taman Rimba Bukit Kerinchi, Kuala Lumpur's urban forest reserve
- 180 Central Region employees revamp trails in Kota Damansara Community Forest Reserve (KDCF) in partnership with the KDCF Society
- 130 volunteers deployed to build the S2 Trail for the Seremban 2 community
- 180 Northern Region employees maintain and refurbish facilities on trails at Bukit Jambul and Bukit Mertajam, Penang
- 420 employees carry out trail maintenance at Taman Eko Rimba Bukit Pelindung, Kuantan
- 120 Southern Region staff plant trees and shrubs along Jalan Tun Abdul Razak, Johor Bahru.
- 170 IJM East Malaysia staff plant mangrove trees at Tandawan, Elopura Forest Reserves in Sabah and Kuching Wetlands National Park, Semariang, Sarawak

Give Day Out volunteers complete the new S2 Trail providing a healthy recreation area for the Seremban 2 community

Mangrove planting in Kuching National Wetland

Communities (cont'd)

SUPPORTING COMMUNITY GROWTH AND WELLNESS

We encourage and empower our business divisions to develop their own community activities and participate in Group-wide initiatives that are centred on strengthening community welfare and growth. Every year we invest in community-based charities and programmes supporting education, disaster relief and local business opportunities, particularly those that make a difference to the lives of underprivileged people.

Wellness initiatives

To support community health initiatives, IJM Group has provided financial support to various NGOs and associations, including donations totalling RM800,000 in FY2017. Among other good causes, donations in cash and in kind have aided people with terminal illnesses and patients in dire financial need. Donations have also sustained Majlis Kanser Nasional (MAKNA), a not-for-profit social enterprise that supports cancer patients and their families.

Blood donation campaign held at Wisma IJM in November 2016

Home Rehabilitation Programme

Our Property Division continues to enhance the lives of underprivileged families through its signature Home Rehabilitation Programme. In FY2017, through a united effort, the Division successfully adopted and revamped the homes of two families, one in Negeri Sembilan and one in Bayan Lepas. The programme also received massive support from our contractors and suppliers, serving as a key initiative for engaging and inculcating a culture of corporate responsibility among our business associates.

Launched in 2010, the Home Rehabilitation Programme entails close collaboration between our Property Division and the State Social Welfare Department as they identify old, unsafe and dilapidated homes belonging to less fortunate members of the community. Once identified, these homes undergo repairs and improvements to enhance the living conditions of the residents.

Before

After

Promoting health awareness

IJM Plantations is working to elevate breast health awareness through grassroots campaigns targeting students, particularly in the rural towns in Sabah. The Division sponsors and is directly involved in organising various awareness programmes in collaboration with local NGOs, such as the Sandakan Kinabalu Pink Ribbon and the local Duchess of Kent Hospital in Sandakan.

FY2017 activities also included the distribution of breast health information and breast health talks for IJM Plantations employees to coincide with Pink October Breast Health Awareness Month 2016. Clinical screenings and awareness sessions themed "Protect Yourself, Get Screened Today" were organised by and for the benefit of our female guest workers in our Sabah operation. A consultant radiologist has been engaged to offer ultrasound screenings to all female staff.

Conducting a breast awareness outreach programme at SMK Beluran 2

Building liveable, healthy communities

Our Property Division's neighbourhoods and townships are designed to be conducive to healthy and safe community living. Focal points such as parks, recreational areas, jogging paths and bicycle lanes are integrated within its developments. We also devote special attention to creating user-friendly facilities and promoting outdoor activities in the belief that these benefit the overall wellbeing of our residents.

30-acre Hill Park, a 15-acre City Park and the S2 Trail serving as green lungs for the Seremban 2 township

BUILDING EDUCATIONAL CAPACITY

Supporting sustainable growth through the creation of local opportunities requires a long-term and holistic approach. We believe that access to education is a vital ingredient in improving quality of life for individuals in local communities. In helping to realise their aspirations, we provide opportunities for deserving young talents to reach their potential and pursue challenging and fulfilling careers.

IJM Scholarship Programme

For over two decades, IJM Group has empowered and nurtured young talent by providing scholarships to deserving students. Launched in 1994, The IJM Scholarship Programme has to date benefitted more than 250 students, and continues developing tomorrow's best talents through a structured career development programme. The programme awarded 17 scholarships with a total value of nearly RM900,000 in FY2017.

Beyond financing, IJM scholars also gain access to a mentor at IJM, and this mentorship continues when they join IJM as an employee after graduation. While still studying, students are given the opportunity to complete their internship in the organisation in preparation for their career. Many IJM scholars hold positions at IJM Group, including as project and contract managers, accountants and senior engineers.

Communities (cont'd)

IJM Academic Excellence Awards 2016

We also give recognition to the children of IJM Group employees for achieving outstanding results in their SPM, STPM and A-Level examinations. As well as encouraging students to excel, and rewarding them for their efforts, the awards recognise the importance of parental involvement in children's education. A total of 51 deserving students received Academic Excellence Awards in FY2017.

Educating the children of guest workers

Our Plantation Division works in partnership with Humana Child Aid Society Sabah, a Sabah-based social NGO, to establish purpose-built learning centres in our operating units. The learning centres provide pre-school and primary education for plantation workers' children who are not eligible to attend local schools. The learning centres are also open for local villagers and communities located remotely from the estates.

To date the Division has established one centre in the Sandakan region and two others in the Sugut region where IJM Plantations Berhad operates. A total of 223 children were enrolled at the centres in FY2017. We also maintain an ongoing collaboration with the Indonesian Consulate to provide extension studies for children aged 12 years and over through the Community Learning Centre (CLC) programme.

Hosting site visits for students and industry associations

Our Industry Division hosted several groups of university students and industry associations at its spun pile factories throughout FY2017. The purpose of these visits is to increase industry exposure, giving visitors the opportunity to learn more about our manufacturing processes and the application of pre-stressed concrete spun piles as a foundation material.

IJM Scholarship & Academic Excellence Award Presentation Ceremony 2016

Tech Dome Penang

In 2016, our Property Division supported Penang State Government's mission to set up a learning hub for science and technology. The objective of Tech Dome Penang, the state's very first Science Discovery Centre, is to cultivate an inquisitive spirit and a passion for science, engineering and technology. This is in line with IJM Group's core value of promoting innovation and we hope, through our support, to encourage individuals from all walks of life to develop the skills needed to thrive in a high-tech, knowledge-based future.

NURTURING CREATIVITY

It should be no surprise that IJM Group is an avid supporter of Malaysia's young designers, architects and artists. Embedded in our core value of innovation is a commitment to exploring new possibilities and thinking creatively. Through award programmes and targeted activities we aim to nurture this spirit in the young people whose concepts and designs will be central to solving new challenges and shaping our world tomorrow.

Asia Young Designer Award

To bridge the gap between design education and industry, our Property Division collaborated with Nippon Paint Malaysia Group to organise the Asia Young Designer Award ("AYDA") for the third consecutive year. Inaugurated in 2008, the awards aim to inspire sustainable, innovative and creative thinking among local interior design and architecture students. All AYDA gold and silver winners in the architecture and interior design categories are offered internships at IJM Land.

Asia Young Designer Award (AYDA) 2016 recipients

For AYDA 2016, a total of more than 1,200 entries were received from 50 faculties of higher education institutions as well as from emerging professionals. The 2016 theme – "Be Bold. Be Free. Be You." – challenged designers and architects to deliver concepts encapsulating boldness, freedom and originality while staying true to the inherent AYDA values of environmental sustainability and community.

Supporting local artists

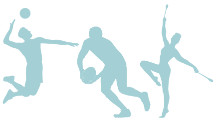
In its second year of partnership with The Edge Galerie, IJM Land brought the works of emerging and established artists to the community. Since January 2015, the Division has contributed to making art accessible to appreciative audiences through events and exhibitions such as "Penang Art: Then and Now", "Modern Malaysian Sculptures of Latiff Mohidin" and The Edge Auction Preview in Kuala Lumpur and Penang.

Modern Malaysian Sculptures of Latiff Mohidin at The Edge Gallery

SPORTS FOR DEVELOPMENT

We use sports as a platform to encourage health in our communities, unite people of diverse backgrounds, foster civic pride and participation, improve educational outcomes and train the next generation of leaders.

Championing non-mainstream sports



IJM Group champions the development of non-mainstream sports in Malaysia, including rugby, volleyball and gymnastics. As well as supporting tournaments, state and national athletes, and selected national sports teams and associations, the Group also uses these sports to build youth outreach platforms. Through the joint partnership with the Sabah Rugby Union (SRU), Eagles Rugby Club (ERC) and the Sabah Education Department, IJM Plantations set up the Sabah Rugby Academy to encourage character and leadership development. Students from rural parts of Sabah are selected to attend the Academy and are guided in both their game and their studies. In FY2017, over 3,500 children from 53 primary and 65 secondary schools were involved in the development of rugby through the Academy.

In April 2016, the Division also organised the annual state-level junior rugby tournament for students in Sandakan. This tournament features prominently in the Sabah junior rugby calendar and in 2016, drew overwhelming participation with over 400 participants from 28 school teams across the region. Rugby camps and workshops for school children, as well as seminars for rugby coaches and referees, have also been organised to sharpen playing skills and secure enhanced knowledge of the game.

Communities (cont'd)

Community sports development

IJM Group supports the call by Malaysia's Ministry of Youth and Sports for the private sector to promote and invest in community sports events. Throughout FY2017 we supported community-based sports initiatives in line with our goal of encouraging healthy urban lifestyles. We have also provided safe and well-organised venues for sports enthusiasts of all levels through our assets.

Our Property and Infrastructure Divisions are title sponsors and organisers of signature running and cycling events that take place around the Group-developed townships and toll highways. In FY2017, IJM Land organised two major running events that are synonymous with the townships it is developing: the IJM Land Half Marathon in Seremban 2 and Bandar Rimbayu's "Run With Me". Both events attracted record turnouts, with around 8,000 runners in total taking part. IJM Group is also the venue sponsor and organiser of Malaysia's biggest night-cycling event, the RHB-SHIMANO Highway Ride. The 2016 night ride took place at our LEKAS Highway toll concession and attracted more than 3,000 cyclists.

In line with our efforts to support talented young sportspeople in our communities, the Property Division took the title sponsorship for the IJM Land Penang Women's Open 2016.

The PSA 5 event offers a platform for promising local players to sharpen their game through exposure to world-class squash champions. The tournament was organised by the Squash Rackets Association of Penang and sanctioned by the PSA World Tour. Penang State Government, Penang State Sports Council and the Squash Racquets Association of Malaysia also supported the event.


IJM Land Half Marathon 2016 in Seremban 2

RHB-SHIMANO Highway Ride 2016 at LEKAS


"Run With Me" in Bandar Rimbayu

THE IJM Land Penang Women's Open 2016 sponsored by IJM Land

MY Astro Chinese New Year Countdown Gala 2017 at Seremban 2 City Park

CELEBRATING MALAYSIA'S MULTICULTURALISM

We celebrate the rich traditions of Malaysia's diverse cultures with various activities during festive seasons. By enabling members of the general public, our community residents and our employees to come together at these special times, we strengthen community ties and foster deeper relationships, both within our organisation and with our different stakeholder groups.

During FY2017 our Property Division hosted a series of celebrations within its developments to celebrate the festivities of Chinese New Year and Hari Raya together for its communities across respective regions. Festive gatherings for Chinese New Year, Hari Raya, Deepavali and Christmas were also organised across the IJM Group locations for employees to share and enjoy.

IJM Plantations celebrates Sabah's ethnic diversity by hosting the Kaamatan Festival in the Sugut Region, Sandakan. The festival combines traditional tribal and cultural exhibitions, the Unduk Ngadau beauty pageant, and traditional sports and cultural activities such as blowpipe and catapult competitions.

Our Toll operations also brightens the journey of motorists by distributing festive giveaways and treats during all major celebrations.

Jom Raya Sinar at Shah Alam 2

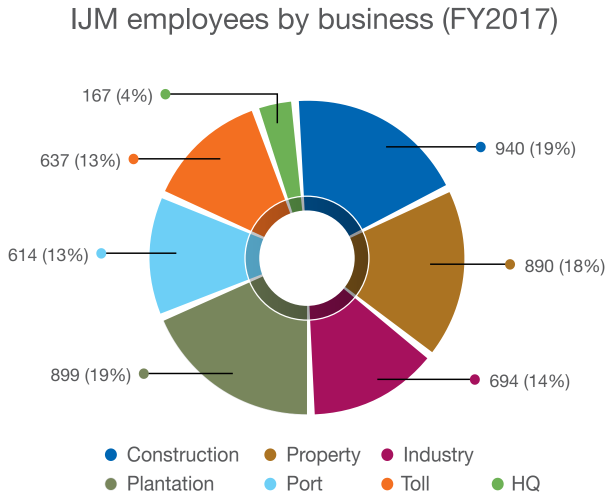
WORKPLACE

targeting excellence together

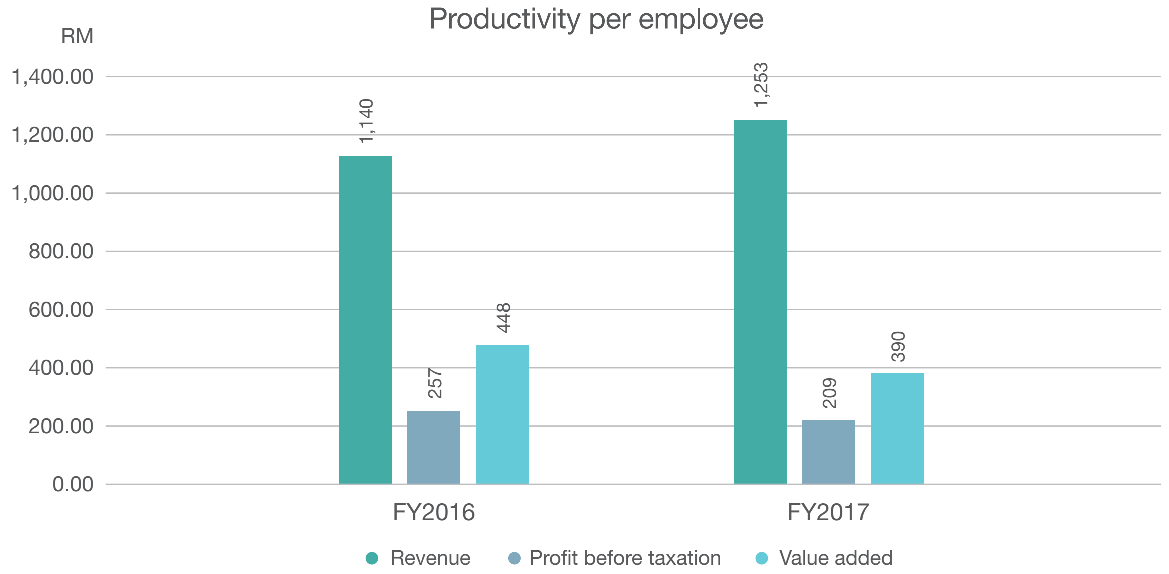
Our businesses thrive on the passion and performance of our people, and by ensuring a safe, engaging and innovative working environments we empower our employees to achieve their full potential. This understanding is reflected in the workplace issues deemed most important across the Group. Raising the bar on employee wellbeing, development opportunities and diversity gives us the edge in an increasingly competitive recruitment environment and supports our ambition to be an employer of choice. In this section we review the progress we made in our workplaces in FY2017.

EMPLOYER PROFILE

IJM Corporation Berhad employs 4,841 people across its business divisions as at 31 March 2017. Our biggest employers are the Construction Division (940 employees), the Plantation Division (899 employees, not including plantation workers) and the Property Division (890 employees). Permanent full-time employees make up 87% of the workforce. Our reputation as an attractive employer and our ability to retain talent are demonstrated by the fact that 56% of our employees have been with us for five or more years. This high level of retention also enables us to continually increase our productivity per employee.



Note: Figures for IJM employees by business do not include plantation workers.



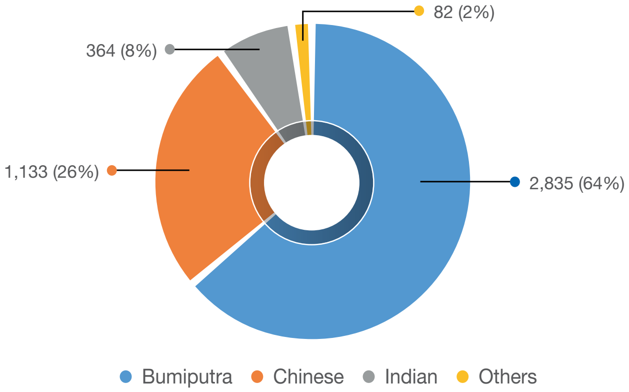
Workplace (cont'd)

STRONGER BUSINESS THROUGH DIVERSITY

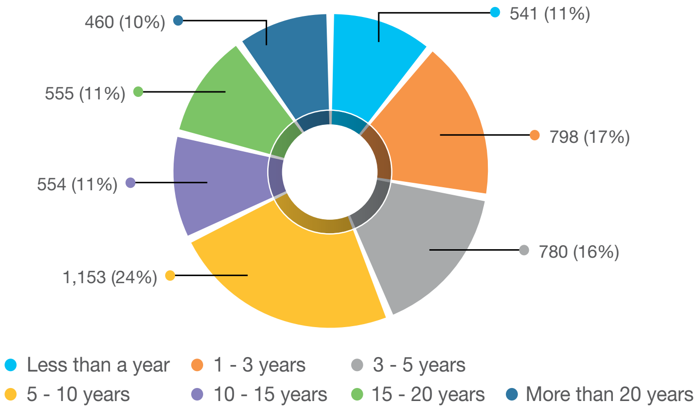
We value diversity because it gives our businesses a competitive advantage. Our diverse organisation provides a wealth of differences and creativity to tap into, infusing new ideas and supporting team synergies. It also makes a career with IJM an attractive proposition, regardless of a candidate's age, race or gender. Our commitment to acknowledge different opinions, cultures and contributions among all team members, and treating all with respect, is embedded in our core value "teamwork" and enshrined in our Diversity and Inclusion Policy which can be accessed at www.ijm.com.

Non-Malaysian nationals constitute less than 1% of the workforce in all our divisions except for IJM Plantations, where they make up around 47% of the total workforce in the Sabah and Indonesian operations. As at 31 March 2017, 64% of our total Malaysian workforce is Bumiputra (Malays and indigenous populations), 26% are Chinese and 8% are Indian.

IJM Malaysian employees by race (FY 2017)



Workforce by length of service (FY 2017)



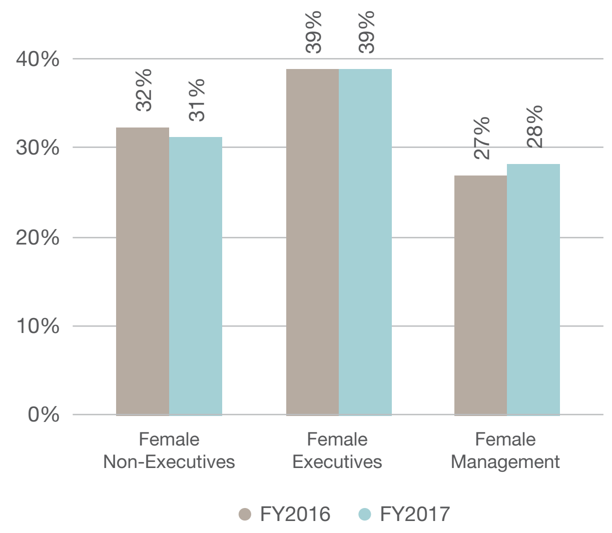
Working towards gender equality

Women make up one third of our total labour force and just under one third of the Group's non-executive workforce. As at 31 March 2017, 39% of our executive roles and 28% of our management roles were held by women.

There are currently no women on our Board of Directors. However, the Board will identify at least one suitably qualified woman Director by 2018, and will endeavour to achieve a Board composition including 30% women Directors as soon as practicable. However, the Board is mindful of Recommendation 2.2 in the Malaysian Code on Corporate Governance and suitable candidates are considered as part of the recruitment exercise for new Directors. A woman Director will be appointed to the Board as soon as a suitable candidate is identified.

As part of our commitment to diversity, we have continued to create flexible working options for women in our workforce. These now include staggered working hours, family care leave, car parks for expectant mothers, breastfeeding rooms and extended maternity leave (with an optional third month).

IJM Group women employees



HEALTHIER WORK-LIFE PRACTICES

Having a healthy workforce strengthens our productivity and ability to succeed. We are committed to providing ample opportunities for our employees to stay healthy and we take a comprehensive approach to enabling their wellbeing in our workspaces.

Employee Wellness Programme

The Employee Wellness Programme promotes healthy living in our workforce. The Programme is designed based on the four pillars of financial, emotional, environmental and physical wellbeing. It also promotes work-life balance and enhances performance by building competencies in decision-making and goal-setting.

IJM Group provides fitness facilities at its corporate headquarters, including a gym and sports amenities. The Plantation Division encourages the employees to participate in various sports activities by organising friendly matches throughout the year and provision of sporting facilities such as in-door sports facilities, football fields in the operating units.

Other wellness programmes offered include weight management initiatives; weekly yoga, zumba and cardio dance sessions; regular health screenings; financial and retirement planning; anger and stress management; and courses on crime safety and self-protection.

A popular wellness programme open to all IJM employees was The Biggest Loser Challenge, a three-month visceral fat loss programme held in partnership with Pantai Hospital. Two rounds of the Challenge were completed in FY2017 with a total of 60 participants. Those undertaking the programme reported a positive impact, with 81% achieving significant reductions in visceral fat. So far the programme has been rolled out at the Group headquarters and extended to the Toll operations. The next round is scheduled for September 2017.

Workplace (cont'd)

IJM Games 2016 held in Penang

IJM Games 2016

The biennial IJM Games brings athletes from across our business areas together for a week of competition and camaraderie. The games were initiated in 1996 with an ambition to foster greater bonds between IJM employees across our five divisions. The 2016 IJM Games, held in August and hosted by our Construction Division in Penang, included 12 sports disciplines.

EMPLOYEE ENGAGEMENT

Regular employee engagement surveys measure the extent to which our people feel motivated, valued and aligned with the Group's business strategies and vision. Our Employee Engagement 2017 survey had an 81% response rate and revealed a highly engaged workforce. IJM employees are motivated by learning opportunities that enable continual self-improvement and by having a clear understanding of possible career paths. Our culture is socially supportive, with latitude to learn from mistakes, and our confidence is fuelled by a firm belief in our senior management's well-formulated business strategies, as well as by a shared appreciation of the goals and objectives of each respective department.

The results of the 2017 survey by an independent third party, showed a marked improvement from previous surveys, with significant advances made across all 18 categories. Overall, IJM employees reported being very happy with the current pace of change and having a positive outlook for our organisation's future. The survey findings have been used in the roll out of various engagement initiatives, including frequent communications and Balanced Scorecard cascading sessions led by department heads. Other activities designed to increase inclusivity and team spirit include Regional Alignment Forums, formal and informal teambuilding sessions and the implementation of Workplace by Facebook to improve team collaboration in line with the company's goal of enhancing the "3 Cs" – Connect, Communicate, Collaborate.

Supporting learning and development

IJM Group's learning and development initiatives are designed to ensure that every employee has the right skills to support our strategic and operational objectives and further their own professional development. As a Group we invested RM2.46 million in learning and development in FY2017, delivering 800 training sessions and a total of 56,966 training hours (including internal, external and on-the-job training).

Our training portfolio includes programmes on Health, Safety and Environment (HSE) and quality assurance, as well as development programmes for finance, leadership, soft skills and technical skills. Specific leadership development programmes have been developed for different talent pipelines. These include the Senior Leadership Development Programme (SLDP), Leadership Accelerated Development Programme (LEAD), Leadership Development Programme (LDP), and Young Talent Programme (YTP).

Leadership Accelerated Development Programme

Launched in 2015, IJM Group's Leadership Accelerated Development (LEAD) programme continues to enhance leadership skills among high potential employees at junior and middle management levels across divisions and disciplines. On the two-year programme, candidates undergo classroom-based leadership workshops, build skills through the Harvard ManageMentor® e-learning platform, gain Executive Mentoring from the senior leadership team and participate in cross-functional projects.

Cross-generational coaching competencies are a core part of the IJM Leadership Development Programme. As an age-diverse organisation – where several generations may be found working under one roof – coaching is a crucial skill for bridging the experience gap and sustaining and growing our organisation's capabilities.

PUTTING HUMAN AND LABOUR RIGHTS FIRST

IJM Group is committed to protecting our employees' rights and treating them with dignity and respect. Futhermore, IJM complies with all applicable labour laws, rules and regulations in the countries where we operate, including the Malaysian Employment Act and regulations governing key issues such as child labour and forced labour.

Diversity and inclusion policy

Our Diversity and Inclusion Policy states that we promote diversity and an inclusive culture in the workplace, premised on mutual trust and respect, and that we avoid practices and policies that discriminates against gender, marital status, race, nationality, ethnicity or age. The Policy applies to all IJM employees and Group Directors, and can be accessed at www.ijm.com.

Foreign workers and undocumented labour

Non-nationals make up less than 1% of the workforce in our Construction, Property, Industry and Infrastructure Divisions. In Sabah, our Plantation Division employed 2,342 non-Malaysian workers during the reporting period. These workers were chiefly employed on plantation estates and in mills.

Similar to local employees, foreign workers are given a contract of employment and are awarded the same employment conditions as local workers. We do not require workers to lodge monetary deposits or other collaterals as a condition of employment. Fees or costs to the company for services directly related to their recruitment (e.g. by private employment agencies) are not charged back to workers. We also ensure that employees are never subject to the unlawful withholding of wages, identification cards, passports or other travel documents, or other personal belongings without their consent.

No instances of child labour were reported during the FY2017 period. IJM Group does not and will not employ any person below the age of 17.

ENSURING SAFER WORKING ENVIRONMENTS

Beyond all other considerations, the health and safety of our employees and the public is the most important material issue for all IJM Group divisions. This is reflected in our ongoing determination and investment to create safe and healthy working environments.

Our Health, Safety and Environment (HSE) Policy governs how we live up to our commitment to continuous improvement on HSE practices. The Policy has three key objectives:

- Preventing accidents.
- Preventing occupational illnesses.
- Preventing environmental pollution.

HSE Management System

Our HSE Management System (HSEMS) was established in compliance with the following nationally and internationally recognised environmental and safety management standards:

- **ISO 14001:2004**: a set of environmental management standards emphasising continual improvement.
- **OHSAS 18001:2007**: standard applied to OHS management systems to ensure demonstrably sound OHS performance.
- **MS 1722:2011** a Malaysian standard applied to OHS management systems to manage risks and improve OHS performance.

Integrating environmental management with Occupational Safety and Health (OSH), HSEMS serves as guide to achieving these standards and ensuring continual improvement. We are in preparation for compliance to ISO14001:2015 and on target to achieve full compliance by September 2017, one full year ahead of the September 2018 compliance deadline.

Workplace (cont'd)

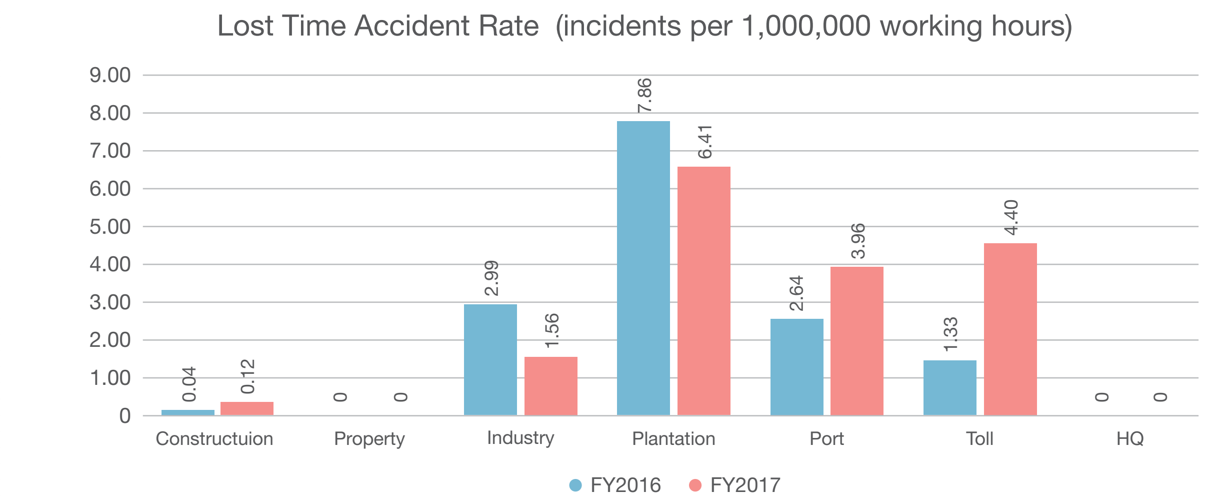
HSE Policy Statement

The Group has set up HSE policies, procedures and a comprehensive framework to ensure:

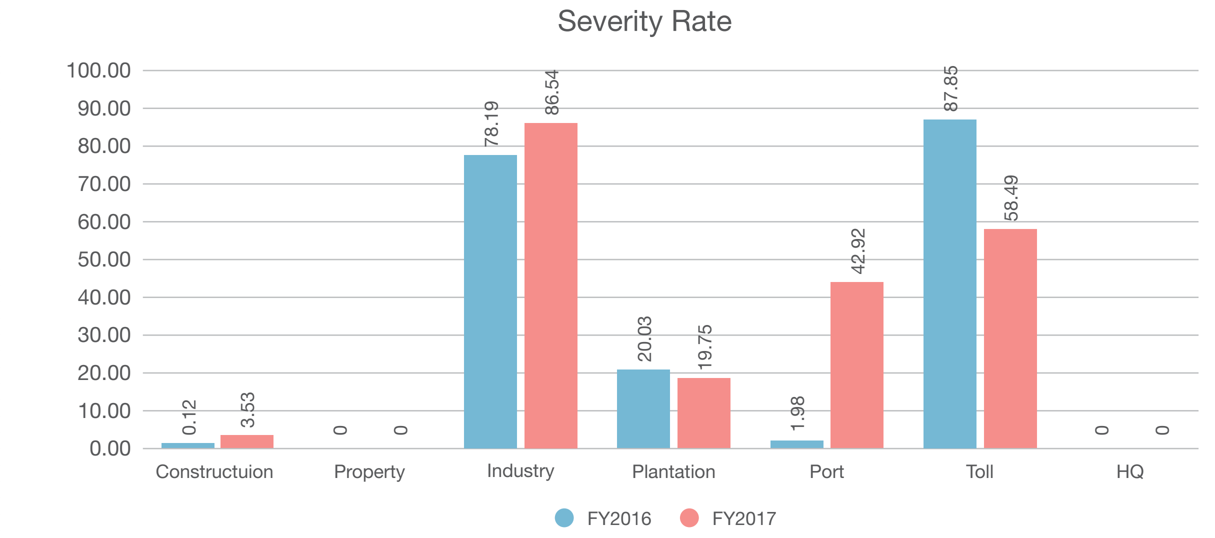
- Compliance with all applicable HSE legislation and other requirements.
- Familiarisation with HSE training, HSE information and available facilities for all employees and stakeholders.
- Increased HSE awareness and accountability at all levels of the organisation.
- The monitoring and regular review of all set HSE objectives.

Workplace accidents

IJM Group documented a total of 175 recordable injuries across all divisions during the reporting period. The Plantation Division recorded the highest Lost Time Accident rates in the Group due to the manual and physical nature of the working environment. Most of the accidents are minor cases caused by thorn pricks and cuts sustained during harvesting, road accidents (motorcycle) and accidents during processing operations.



Our Industry and Infrastructure (Toll) Divisions recorded the highest accident severity rates across the Group, with totals of 87 and 58 lost work days per number of recordable injuries respectively. In our Industry Division, hand and finger injuries sustained during manual handling activities were the most common type of accidents. At our toll highways, traffic accidents occurred while employees were commuting between toll plazas and patrolling on highways. On a number of occasions, employees also suffered finger and leg injuries at the workplace while providing on-site help to highway users.



Fatalities FY2017

Two fatalities were recorded in our Construction Division in FY2017. On 3 September 2016, a mobile crane tipped over at a construction site and its boom struck a worker. The worker was immediately rushed to hospital but did not survive. Additional control measures to prevent similar accidents include the establishment of exclusion zones before work starts and ground condition inspections prior to heavy machinery use after adverse weather conditions. On 4 November 2016, a separate incident involving a piling rig that toppled and landed on a public vehicle resulted in a second fatality case. The case is still under investigation at the time of reporting. In addition to a stop-work order issued by the Department of Occupational Safety and Health ("DOSH"), the Construction Division voluntarily stopped work on the entire section to facilitate investigations. To prevent similar incidents occurring in the future, a review of our safety precautions has been undertaken and measures have been strengthened where necessary.

Addressing noise pollution

We take innovative measures to ensure that employees in our Construction and Property Divisions are protected from hazardous noise levels, and that members of the public are not troubled by the sound of our activities. Smart noise monitors have proven to be an efficient means to monitor and contain on-site volume levels, delivering an instant alert when predefined noise limits are exceeded so that site workers can take prompt action. We have also installed barriers at designated areas along our toll highways to protect nearby residents from excessive traffic noise.

Smart Noise Monitor installed at MRT V203 project

MANAGING AND MONITORING OUR HSE PERFORMANCE

HSE management programmes have been implemented to support our divisions as they work towards minimising accidents in the workplace. These include awareness-based initiatives such as our HSE Climate Survey, an assessment tool for gauging employee understanding on HSE issues, as well as Behavioural Based Safety surveys that track the growing strength of our 'safety culture' as we continually improve HSEMS efficacy.

Compliance with the OHSAS:18001, MS 1722 and MS ISO 14001 standards are regularly assessed through internal HSE audits at all IJM Construction project sites. A total of 20 HSE audits and 44 HSE surprise inspections were carried out in FY2017. The ratings recorded in the surprise inspections were:

- Excellent – 1
- Good – 35
- Average – 8
- Below average – 0

Measures based on these findings have been used to improve site conditions.

HSE AWARENESS AND COMPETENCY TRAINING

HSE training is offered to IJM Group employees on a regular basis in order to build safety awareness and competencies in division-specific contexts. Training includes in-house and external courses covering:

- **HSE Committee Awareness Training**: Educating HSE committee members on HSE regulations and requirements as well as their roles and responsibilities.
- **HSE On-Job-Training ("OJT")**: Health, safety and environmental training on specific topics conducted by internal and external trainers for IJM site personnel and sub-contractors at their respective project sites.
- **Emergency Response Team ("ERT") Training**: Providing training and practice on emergency drills, evacuation and first aid deployment.

Workplace (cont'd)

Our Industry Division provides guidance that all employees must receive eight hours of HSE training annually, while our Construction Division stipulates that all employees must attend HSE training and competency sessions. The Construction Division requires all site personnel to attend competency training and HSE On-Job-Training (OJT). OJT is conducted at least three times per month at site. The training includes Emergency Response Team awareness, Chemical Health Risk Assessments (CHRA), scheduled waste management, scaffolding, confined space training, workplace inspection and HSE internal audit training.

A series of HSE roadshows visited all Construction Division project sites in FY2017 to build strong engagement around HSE issues with and among project teams. The roadshows provided a platform to share information across functions and gather feedback on ways to strengthen our safety culture and improve our performance.

DIVISION-SPECIFIC HSE INITIATIVES

Construction: fall protection best practices

Safeguarding our employees from falling hazards is a top priority on all project sites. Fall prevention measures adopted and installed on sites include fencing systems for edge protection, a Rail Climbing Screen System to prevent falls from high-rise constructions, safety net fans to protect the public from falling materials and a protection system for floor opening hazards.

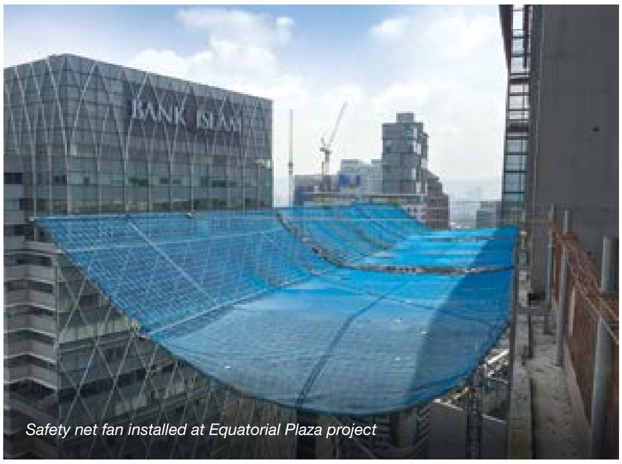
Construction: annual HSE campaign

HSE Campaign for Construction Division FY2017 was launched by the Chief Executive Officer and Managing Director of the Group. The campaign themed "Be Persistent! Continual Enhancement of HSE Values to Greater Heights" emphasised on encouraging employees to attain excellence in HSE. During the campaign, the top management and all project managers pledged their commitment towards continuously improving HSE at the workplace.

Property and Construction: ramping up PEMP

Project Environmental Management Plans ("PEMP") are now established and tailored to the nature of each construction and development project to ensure environmental control measures are taken into account and comply with all statutory requirements. For effective management, a dedicated PEMP coordinator is detailed to each project to organise works and closely monitor HSE performance.

Health, safety and environmental training conducted for IJM site personnel and sub-contractors at project sites



Safety net fan installed at Equatorial Plaza project

IJM Corporation Berhad's CEO and Managing Director, Dato' Soam Heng Choon signing the pledge during the HSE campaign

Property: setting up HSE committees at sales galleries and offices

HSE committees have been set up at all IJM Land sales galleries and offices to conduct more effective on-site inspections. Committee members, who are also part of the Emergency Response Team ("ERT"), have been provided with relevant training to perform their duties. Fire drills are carried out annually.

Industry: raising HSE standards through friendly competition

Our Industry Division has been appealing to its teams' competitive spirits to raise HSE awareness and improve safety practices. All factories and quarries are subject to twice-yearly surprise visits, where they are assessed for compliance to HSE best practices and for introducing HSE initiatives, and where they are penalised for infractions. The top-performing facilities are acknowledged at the culmination of the competition, while low achievers receive the 'wooden spoon'.

Plantations: risk-based approached in managing safety issues and risks

Our Plantation Division is focused on risk-based approach to identify, manage and take necessary preventive measures on all potential risks and hazards in operations, i.e. Hazard Identification Risk Assessment and Risk Control (HIRARC) and Chemical Health Risk Assessment (CHRA). The Division also strives to pursue continuous improvement to enhance its OHS performance and to realise the commitment of zero fatality case at the workplace.

Tolls: improving road safety

Our Toll Division carries out routine pavement condition assessments, as well as checks on bridges, slopes, culverts and drains, to ensure the integrity of highway properties road users' safety. In the current reporting period, the Division also continued its 'Ops Selamat' road safety campaign, handing out thousands of leaflets containing information about road safety practices to members of the public.

Plantations and Industry: handling scheduled waste

The handling of scheduled waste is a prominent workplace issue identified by our Plantation and Industry Divisions. Both have specific statements of compliance and detailed standard operating procedures, including that all scheduled waste is clearly labelled with appropriate safety information and stored in accordance with the specifications outlined in the Safety Data Sheet. Storage facilities must also carry clear warning signage to alert workers of the potential hazard.

Ports: ensuring emergency preparedness

The Port Division's Emergency Response Team (ERT) conducts regular drills – such as the Oil Spill Drill – in our port basin to ensure immediate response and evacuation in the event of emergencies. The drills are conducted together with our clients and the Port Authority. Daily safety briefings and toolbox meetings are conducted in addition to weekly audits and monthly joint-audits performed with the local regulator, Kuantan Port Authority.

ADDRESSING HSE CHALLENGES IN FY2017

Bauxite spillage in Kuantan

Bauxite became an issue in Kuantan in 2016, as spillovers from lorries carrying the ore, which is mined in the area and transported through Kuantan on its way to the port, began turning local roads and rivers red. Bauxite dust was also found in homes and public buildings, while the local fishing community reported red-coloured sediment in and around the seashore. In response, the Federal Government ordered a temporary moratorium on bauxite mining and has imposed new regulations and guidelines covering its extraction and transportation.

IJM Group does not operate any bauxite mines, and we share the deep concern of all Kuantan residents and other stakeholders about this issue. In the first three months of the moratorium, we fulfilled the conditions to clear over three million tonnes of bauxite stockpiled in the Port. Thereafter, cleaning works were carried out at the Port and in surrounding areas. Facilities enhancements, such as dedicated washing bays, sedimentation ponds and drainage facilities, were also introduced. Specific measures implemented at the Port, including best practices for bauxite handling and facilities such as washing bays, have been used as references by Government authorities.

INNOVATION AS A CULTURE

We have undertaken efforts to incorporate innovation into our workplace. We have a framework to drive innovation – building the right innovation culture, having multiple platforms for collaboration and exchanging of ideas as well as providing skillset training through accelerator programmes. Recently, IJM entered into a partnership with Malaysia Global Innovation & Creativity Centre (MaGIC) and Malaysia Digital Economy Corporation (MDEC) to prepare ourselves for digital innovation adoption. We will be launching an innovation lab that will serve as a space to hold regular sessions of ideation to solve business challenges and knowledge sharing.

FINAN STATE

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DIRECTORS' REPORT AND STATEMENT

The Directors have pleasure in submitting their report and statement together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2017.

PRINCIPAL ACTIVITIES

The Company is principally engaged in construction and investment holding activities. The Group's principal activities are in construction, property development, manufacturing and quarrying, hotel operations, port operations, tollway operations, plantations and investment holding.

There have been no significant changes in these principal activities during the financial year.

FINANCIAL RESULTS

	The Group RM'000	The Company RM'000
Net profit for the financial year	766,804	259,471
Attributable to:		
Owners of the Company	653,773	259,471
Non-controlling interests	113,031	–
	766,804	259,471

DIVIDENDS

Dividends paid since the end of the previous financial year are as follows:

	RM'000
In respect of the financial year ended 31 March 2016:	
A single tier second interim dividend of 4 sen per share, paid on 15 July 2016	143,967
A single tier special dividend of 3 sen per share, paid on 15 July 2016	107,975
In respect of the financial year ended 31 March 2017:	
A single tier first interim dividend of 3 sen per share, paid on 28 December 2016	108,087
	360,029

On 25 May 2017, the Directors have 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 as at 5:00 pm on 30 June 2017.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2017.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are disclosed in the financial statements.

ISSUE OF SHARES

During the financial year, 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");

ISSUE OF SHARES (cont'd)

(ii) 8,196,700 new ordinary shares arising from the exercise of options under the Employee Share Option Scheme ("ESOS") at the following issue prices; and

Number of shares issued	ESOS exercise price	Award of options under ESOS ("ESOS Award")
units	RM/share	
1,946,100	2.18	First ESOS Award
1,101,700	2.16*	First ESOS Award
1,643,900	2.57	Second ESOS Award
2,136,800	2.54**	Second ESOS Award
503,100	2.94	Third ESOS Award
609,500	2.91***	Third ESOS Award
255,600	3.03****	Fourth ESOS Award
8,196,700		

(iii) 12,095,300 new ordinary shares arising from the subscription of new shares under the shares held under trust at the following issue prices:

Number of shares issued	ESOS exercise price	Award of options under ESOS ("ESOS Award")
units	RM/share	
1,000,000	2.18	First ESOS Award
1,500,000	2.16*	First ESOS Award
1,000,000	2.57	Second ESOS Award
5,553,000	2.54**	Second ESOS Award
1,537,300	2.91***	Third ESOS Award
1,505,000	3.03****	Fourth ESOS Award
12,095,300		

* *ESOS exercise price of RM2.18 had been adjusted on 25 June 2016*

** *ESOS exercise price of RM2.57 had been adjusted on 25 June 2016*

*** *ESOS exercise price of RM2.94 had been adjusted on 25 June 2016*

**** *ESOS exercise price of RM3.06 had been adjusted on 25 June 2016*

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

TREASURY SHARES

During the financial year, the Company repurchased 2,000 of its ordinary shares from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") for RM6,872. The average price paid for the shares repurchased was approximately RM3.39 per share.

Details of the treasury shares are set out in Note 14(C) to the financial statements.

LONG TERM INCENTIVE PLAN

At an Extraordinary General Meeting held on 19 October 2012, the Directors were authorised to proceed with the establishment and administration of the Long Term Incentive Plan ("LTIP"), which comprises an ESOS and an ESGP. The Directors have appointed a committee ("Committee") to administer the LTIP. The Directors and/or the Committee have also established trusts which are administered by a trustee in accordance with the trust deeds dated 20 December 2012 for the LTIP.

DIRECTORS' REPORT AND STATEMENT (cont'd)

LONG TERM INCENTIVE PLAN (cont'd)

The main features of the ESOS are as follows:

(a) The ESOS was implemented on 24 December 2012, and shall be in force for a period of five years and expires on 23 December 2017. On 24 November 2015, the Board of Directors had extended the scheme period of the ESOS for another five years effective from 24 December 2017 to 23 December 2022 pursuant to the By-Laws of the LTIP.

(b) Eligible employees are determined at the absolute discretion of the Committee subject to the employee, Executive Director (holding office in a full time executive capacity) and a Person Connected to an Executive Director, collectively known as "Group Employee", having been confirmed in the employment or appointment of the Company and its subsidiaries (save for any subsidiaries which are dormant or incorporated outside Malaysia) on or up to the date of the ESOS award ("ESOS Award") and has attained the age of eighteen (18) years. An Executive Director shall only be eligible if he is on the payroll and involved in the day-to-day management of the Company and his participation in the Scheme is specifically approved by the shareholders of the Company in a general meeting.

(c) In respect of a Group Employee, the employee who is a Malaysian citizen, has been in employment with Company and its subsidiaries for a period of at least 3 consecutive years prior to and up to the date of the ESOS Award; the employee who is a non-Malaysian citizen, has been in employment with the Company and its subsidiaries on a full-time contract for a period of at least 4 consecutive years prior to and up to the date of the ESOS Award.

(d) The option price shall be the volume-weighted average market price of the Company's shares as shown in the Daily Official List of Bursa Malaysia for the five market days immediately preceding the date of the ESOS Award with an allowance for a discount of not more than ten per centum (10%) therefrom.

(e) Vesting dates for the First, Second, Third, Fourth and Fifth ESOS Awards and percentage for each vesting date are as follows:

Vesting Dates					
First ESOS Award	Second ESOS Award	Third ESOS Award	Fourth ESOS Award	Fifth ESOS Award	Percentage (%)
24/12/2013	24/12/2014	24/12/2015	24/12/2016	24/12/2017	40
24/12/2014	24/12/2015	24/12/2016	24/12/2017	24/12/2018	30
24/12/2015	24/12/2016	24/12/2017	24/12/2018	24/12/2019	30

On 24 December 2012, the first award of options under the ESOS of 29,640,600 options ("First ESOS Award") was awarded to the Group Employee at an option price of RM4.44 per ordinary share. The vesting of the options was contingent upon the acceptance of the First ESOS Award by the eligible Group Employee and fulfilment of the relevant vesting conditions as at the relevant vesting dates. The vesting conditions include the tenure and performance of the eligible Group Employee who had accepted the First ESOS Award. The ESOS exercise price had been adjusted to RM4.37 on 13 June 2014, following the declaration of a single tier special dividend of 10 sen per share for the financial year ended 31 March 2014 on 27 May 2014. The ESOS exercise price was adjusted to RM2.18 on 11 September 2015, following the 1:1 Bonus Issue. The ESOS exercise price was further adjusted to RM2.16 on 25 June 2016, following the declaration of a single tier special dividend of 3 sen per share for the financial year ended 31 March 2016 on 26 May 2016.

On 24 December 2013, the second award of options under the ESOS of 31,729,600 options ("Second ESOS Award") was awarded to the Group Employee at an option price of RM5.22 per ordinary share. The vesting of the options was contingent upon the acceptance of the Second ESOS Award by the eligible Group Employee and fulfilment of the relevant vesting conditions as at the relevant vesting dates. The vesting conditions include the tenure and performance of the eligible Group Employee who had accepted the Second ESOS Award. The ESOS exercise price had been adjusted to RM5.14 on 13 June 2014, following the declaration of a single tier special dividend of 10 sen per share for the financial year ended 31 March 2014 on 27 May 2014. The ESOS exercise price was adjusted to RM2.57 on 11 September 2015, following the 1:1 Bonus Issue. The ESOS exercise price was further adjusted to RM2.54 on 25 June 2016, following the declaration of a single tier special dividend of 3 sen per share for the financial year ended 31 March 2016 on 26 May 2016.

LONG TERM INCENTIVE PLAN (cont'd)

On 24 December 2014, the third award of options under the ESOS of 10,651,000 options ("Third ESOS Award") was awarded to the Group Employee at an option price of RM5.88 per ordinary share. The vesting of the options will be contingent upon the acceptance of the Third ESOS Award by the eligible Group Employee and fulfilment of the relevant vesting conditions as at the relevant vesting dates. The vesting conditions include the tenure and performance of the eligible Group Employee who have accepted the Third ESOS Award. The ESOS exercise price was adjusted to RM2.94 on 11 September 2015, following the 1:1 Bonus Issue. The ESOS exercise price was further adjusted to RM2.91 on 25 June 2016, following the declaration of a single tier special dividend of 3 sen per share for the financial year ended 31 March 2016 on 26 May 2016.

On 24 December 2015, the fourth award of options under the ESOS of 19,605,100 options ("Fourth ESOS Award") was awarded to the Group Employee at an option price of RM3.06 per ordinary share. The vesting of the options will be contingent upon the acceptance of the Fourth ESOS Award by the eligible Group Employee and fulfilment of the relevant vesting conditions as at the relevant vesting dates. The vesting conditions include the tenure and performance of the eligible Group Employee who have accepted the Fourth ESOS Award from the date of the Fourth ESOS Award. The ESOS exercise price had been adjusted to RM3.03 on 25 June 2016, following the declaration of a single tier special dividend of 3 sen per share for the financial year ended 31 March 2016 on 26 May 2016.

On 24 December 2016, the fifth award of options under the ESOS of 16,034,000 options ("Fifth ESOS Award") was awarded to the Group Employee at an option price of RM2.93 per ordinary share. The vesting of the options will be contingent upon the acceptance of the Fifth ESOS Award by the eligible Group Employee and fulfilment of the relevant vesting conditions as at the relevant vesting dates. The vesting conditions include the tenure and performance of the eligible Group Employee who have accepted the Fifth ESOS Award from the date of the Fifth ESOS Award.

The number of outstanding options is set out in Note 14(D) to the financial statements.

The main features of the ESGP are as follows:

(a) The ESGP was implemented on 24 December 2012, and shall be in force for a period of ten years and expires on 23 December 2022.

(b) ESGP comprises a retention share plan ("RSP") and a performance share plan ("PSP").

    (i) The RSP is a share plan for selected middle to senior management employees of the Group who are holding job grades 1 to 8 or such rank or position as may be designated by the Committee from time to time.

    (ii) The PSP is a performance share plan for selected senior management employees of the Group who are holding job grades 1 to 3 or such rank or position as may be designated by the Committee from time to time.

(c) On 15 April 2013, the first award of shares under the ESGP ("First ESGP Award") was made to the eligible Group Employee and once accepted was vested to the eligible Group Employee at no consideration over a period of up to three (3) years, subject to the fulfilment of vesting conditions.

(d) On 15 April 2014, the second award of shares under the ESGP ("Second ESGP Award") was made to the eligible Group Employee and once accepted will be vested to the eligible Group Employee at no consideration over a period of up to three (3) years, subject to the fulfilment of vesting conditions.

(e) On 15 April 2015, the third award of shares under the ESGP ("Third ESGP Award") was made to the eligible Group Employee and once accepted will be vested to the eligible Group Employee at no consideration over a period of up to three (3) years, subject to the fulfilment of vesting conditions.

(f) On 15 April 2016, the fourth award of shares under the ESGP ("Fourth ESGP Award") was made to the eligible Group Employee and once accepted will be vested to the eligible Group Employee at no consideration over a period of up to three (3) years, subject to the fulfilment of vesting conditions.

(g) On 15 April 2017, the fifth award of shares under the ESGP ("Fifth ESGP Award") was made to the eligible Group Employee and once accepted will be vested to the eligible Group Employee at no consideration over a period of up to three (3) years, subject to the fulfilment of vesting conditions

DIRECTORS' REPORT AND STATEMENT (cont'd)

LONG TERM INCENTIVE PLAN (cont'd)

The provisional number of shares awarded under the First, Second, Third, Fourth and Fifth ESGP Awards are as follows:-

	Provisional Number of Shares Awarded				
ESGP	First ESGP Award	Second ESGP Award	Third ESGP Award	Fourth ESGP Award	Fifth ESGP Award
PSP	1,516,100[*1]	1,357,100[*1]	1,429,000[*1]	3,701,400[*1]	3,379,200[*1]
RSP	4,559,300[*2]	5,034,400[*2]	5,321,900[*2]	11,552,800[*2]	11,605,800[*2]

[*1] *The quantum of shares to be vested may vary from 0% to 200% of the provisional number of shares awarded.*

[*2] *The quantum of shares to be vested may vary from 0% to 150% of the provisional number of shares awarded.*

The total number of new Company's shares which may be made available under the LTIP shall not exceed ten per centum (10%) of the total issued and paid-up share capital (excluding treasury shares) comprising ordinary shares of the Company at any time during the duration of the LTIP.

The aggregate maximum allocation of the options and shares to the Directors and senior management of the Group shall not be more than 50% of the Company's shares available under the LTIP. As at 31 March 2017, the total number of options (ESOS) and shares (ESGP) allocated to the Directors and senior management of the Group is 11.95% of the shares available under the LTIP. Whereas, the total number of options (ESOS) and shares (ESGP) allocated to the Directors and senior management of the Group during the financial year is 1.81% of the shares available under the LTIP.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Tan Sri Abdul Halim bin Ali#*@, *Independent Non-Executive Chairman*

Tan Sri Dato' Tan Boon Seng @ Krishnan, *Deputy Non-Executive Chairman*

Dato' Soam Heng Choon@, *Chief Executive Officer ("CEO") & Managing Director ("MD")*

Mr Lee Chun Fai, *Deputy CEO & Deputy MD*

Datuk Lee Teck Yuen*, *Senior Independent Non-Executive Director*

Datuk Ir. Hamzah bin Hasan#*, *Independent Non-Executive Director*

Mr Pushpanathan a/l S A Kanagarayar#, *Independent Non-Executive Director*

Mr Goh Tian Sui, *Independent Non-Executive Director* (appointed as Independent Non-Executive Director on 20 June 2016)

Dato' David Frederick Wilson@, *Independent Non-Executive Director* (redesignated as Independent Non-Executive Director on 25 May 2017)

\# *members of the Audit Committee*

* *members of the Nomination and Remuneration Committee*

@ *members of the Securities and Options Committee*

DIRECTORS' SHAREHOLDING

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, particulars of interests of Directors who held office at the end of the financial year in shares and options over ordinary shares of the Company and its related corporations during the financial year are as follows:

IJM Corporation Berhad

	Number of ordinary shares			
Name of Directors	**Balance at 1.4.2016/ At date of Appointment**	**Acquired**	**Disposed**	**Balance at 31.3.2017**
Tan Sri Abdul Halim bin Ali				
Direct interest	30,000	–	–	**30,000**
Tan Sri Dato' Tan Boon Seng @ Krishnan				
Direct interest	5,793,666	249,400	–	**6,043,066**
Indirect interest	371,972(1)	–	50,000	**321,972**(1)
Dato' Soam Heng Choon				
Direct interest	623,900	637,300	–	**1,261,200**
Lee Chun Fai				
Direct interest	256,200	203,600	100,000	**359,800**
Indirect interest	250,000(1)	–	–	**250,000**(1)
Datuk Lee Teck Yuen				
Direct interest	11,764,692	–	–	**11,764,692**
Goh Tian Sui(2)				
Indirect interest	10,000(1)	–	–	**10,000**(1)

	Options over ordinary shares ("Options") under Employee Share Option Scheme ("ESOS")					
	Provisional Number of Options+		**Number of Options**			
Name of Directors	**At 1.4.2016**	**At 31.3.2017**	**At 1.4.2016**	**Vested**	**Exercised**	**At 31.3.2017**
First ESOS Award on 24.12.2012						
Dato' Soam Heng Choon	–	**–**	384,900	–	384,900	**–**
Lee Chun Fai	–	**–**	376,400	–	–	**376,400**
Second ESOS Award on 24.12.2013						
Lee Chun Fai	115,500	**–**	263,000	115,500	–	**378,500**
Third ESOS Award on 24.12.2014						
Dato' Soam Heng Choon	561,000	**280,500**	374,000	280,500	–	**654,500**
Lee Chun Fai	99,000	**49,500**	63,800	49,500	–	**113,300**
Fourth ESOS Award on 24.12.2015						
Dato' Soam Heng Choon	1,320,000	**792,000**	–	528,000	–	**528,000**
Lee Chun Fai	385,000	**231,000**	–	154,000	–	**154,000**

DIRECTORS' REPORT AND STATEMENT (cont'd)

DIRECTORS' SHAREHOLDING (cont'd)

IJM Corporation Berhad (cont'd)

	Number of ordinary shares ("Shares") under Employee Share Grant Plan ("ESGP")					
	Performance Share Plan++			Retention Share Plan+++		
Name of Directors	+Provisional Number at 1.4.2016	+Provisional Number at 31.3.2017	Vested	+Provisional Number at 1.4.2016	+Provisional Number at 31.3.2017	Vested
First ESGP Award on 15.4.2013						
Tan Sri Dato' Tan Boon Seng @ Krishnan	196,500	**–**	198,400	50,600	**–**	51,000
Dato' Soam Heng Choon	48,500	**–**	97,000	19,400	**–**	29,000
Lee Chun Fai	48,500	**–**	97,000	19,400	**–**	29,000
Second ESGP Award on 15.4.2014						
Lee Chun Fai	97,000	**48,500**	48,500	38,800	**19,400**	29,100
Third ESGP Award on 15.4.2015						
Dato' Soam Heng Choon	393,000	**393,000**	–	101,200	**101,200**	–
Fourth ESGP Award on 15.4.2016						
Dato' Soam Heng Choon	–	**550,600**	79,000	–	**153,000**	47,400
Lee Chun Fai	–	**347,600**	–	–	**139,000**	–

IJM Plantations Berhad (a subsidiary)

	Number of ordinary shares			
Name of Directors	Balance at 1.4.2016	Acquired	Disposed	Balance at 31.3.2017
Tan Sri Abdul Halim bin Ali				
Direct interest	20,000	–	–	**20,000**
Tan Sri Dato' Tan Boon Seng @ Krishnan				
Direct interest	716,060	–	–	**716,060**
Indirect interest	481,033(1)	–	–	**481,033**(1)

Notes:-

(1) *Through a family member*

(2) *Appointed on 20 June 2016*

\+ *The vesting of the Options and/or Shares to the eligible Director is subject to the fulfilment of the relevant vesting conditions as at the relevant vesting dates.*

++ *The quantum of shares to be vested may vary from 0% to 200% of the number of shares provisionally awarded*

+++ *The quantum of shares to be vested may vary from 0% to 150% of the number of shares provisionally awarded*

Except as disclosed above, the Directors in office at the end of the financial year do not have any direct or indirect interests in the shares or Options of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS AND REMUNERATION

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the fees and other emoluments shown under Directors' Remuneration in the financial statements) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Details of the Directors' Remuneration are set out in Note 7 to the financial statements.

Except as disclosed above, neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangement whose object was to enable the Directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the shares or Options of the Company.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a liability insurance for the Directors and officers of the Group throughout the financial year, which provides appropriate insurance cover for the Directors and officers of the Group. The amount of insurance premium paid for the financial year 2017 was RM276,429.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(a) to ascertain the action taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report and statement, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts of the Group and of the Company inadequate to any substantial extent and the values attributed to current assets of the Group and of the Company misleading; or

(b) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(c) not otherwise dealt with in this report and statement or in the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report and statement, neither any charge on the assets of the Group and the Company has arisen which secures the liability of any other person nor any contingent liability of the Group and the Company.

In the interval between the end of the financial year and the date of this report and statement, no item, transaction or other events of a material and unusual nature has arisen which, in the opinion of the Directors, would substantially affect the results of the operations of the Group and of the Company for the current financial year.

No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.

In the opinion of the Directors:

(a) other than as disclosed in the financial statements, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature;

OTHER STATUTORY INFORMATION (cont'd)

In the opinion of the Directors: (cont'd)

(b) the financial statements of the Group and of the Company set out on pages 180 to 341 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2017 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the Financial Reporting Standards in Malaysia and the provisions of the Companies Act 2016; and

(c) the information set out in Note 55 on page 342 of the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016, the list of Directors of the subsidiaries during the financial year and up to the date of this report and statement is as follows:

Dato' Sri Haji Abd Rahim bin Abdul
Dato' Abdullah Yusuff bin Basiron
Tuan Haji Adam bin Abdul Hamid
Tengku Ahmad Rithauddeen bin Tengku Ismail
Amir Amin Haji Muhammed
A.V. Sunil Kumar
Aw Soon Lee
Dato' Azahari bin Muhammad Yusof
Aziz Bin Bahaman
B Rajagopala Rao Bendi
Chai Kian Soon
Chan Kai Leong
Chan Kok Keong
Chang Cheen Ying
Tan Sri Dato' Chen Wing Sum
Choo Lai Fong
Datuk Dr Choo Yuen May
Chow Man Fui
Chua Lay Hoon
Claire Louise Le Brocq
Cyrus Eruch Daruwalla
Deepak Dasgupta
Devananda Naraidoo
Edward Chong Sin Kiat
Fong Wah Sin
Gan Chin Giap
Datuk Givananadam a/l Kalinan
Goh Chee Huat
Harjeet Singh Daya Singh
Dato' Hoo Kim See
Hu Hai Shan
James Ponniah a/l Joseph
Jenny Pascaline Anna
John Patrick Griffin
John Lee Yow Meng
Joseph Tek Choon Yee
Dato' Josphine Juliana A/P S Arulanandam
Dato' Haji Khasbullah bin A Kadir
Khor Kar Buan
Dato' Khor Kiem Teoh
Khoo Choom Kwong
K. Ravi Kumar
Kunabalan Konasingam
Lee Chun Fai
Lee Hong Chai
Lee Kok Hoo
Datuk Lee Teck Yuen
Leong Yew Kuen
Liew Hau Seng
Liew Kiam Woon
Low Hong Imm
Lu, Yong
Marie Cindhia Veronique Magny-Antoine
Mark Andrew Lahiff
Ma, Zhengguo
Dato' Md Naim bin Nasir
Michael Robinson
Dato' Mohamed Feisal bin Ibrahim
M. Ramachandran a/l V. D. Nair
Muhammed Rafiq Haji Abdul Rahim
Muhammad Umair
Najeeb Amin
Natarajan Thulasidas
Ong Teng Cheng
Ong Wah Cheong
Pang Chwee Hoon
Tan Sri Datuk Wira Pang Tee Chew
Philip Andrew Bolton
P.K. Venugopal a/l Krishna Poduval
Pook Fong Fee
Purushothaman a/l Kumaran
Pushpanathan a/l S A Kanagarayar
Ramakrishnan Karikal Valaven
Rodziah binti Morshidi
Sachidananda Payandee Govinda
Sandra Segran a/l Kenganathan
Shane Michael Hollywood
Dato' Soam Heng Choon
S S Charkraborty
Syed Sarfaraz Haider Rizvi
Tan Boon Leng
Tan Sri Dato' Tan Boon Seng @Krishnan
Tan Khee Leng
Tan Kiam Choon
Tang King Hua
Tang Kwong Hieng
Tharamangalam Sundaramurthy Subramanyam
Dato' Toh Chin Leong
T. Vijay Kumar
Tong Wai Yong
Venkatesen Saminada Chetty
Wan Chee Leong
Wan Salwani binti Wan Yusoff
Wei Tao
Wong Kian Foong
Tan Sri Dato' Wong See Wah
Wong Soon Fah
Yong Juen Wah
Zabidin bin Abu Samah

SUBSIDIARIES

Details of subsidiaries are set out in Note 54 to the financial statements.

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 8 to the financial statements.

AUDITORS

The Auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

This report and statement was approved by the Board of Directors on 25 May 2017.

Signed on behalf of the Board of the Directors:

Halim

TAN SRI ABDUL HALIM BIN ALI
DIRECTOR

DATO' SOAM HENG CHOON
DIRECTOR

Petaling Jaya

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31 March 2017

		The Group		The Company	
	Note	**2017** **RM'000**	**2016** **RM'000**	**2017** **RM'000**	**2016** **RM'000**
Operating revenue	4,13	**6,065,335**	5,128,198	**298,059**	270,372
Cost of sales		**(4,638,326)**	(3,694,548)	**(1,962)**	(14)
Gross profit		**1,427,009**	1,433,650	**296,097**	270,358
Other operating income		**259,779**	508,065	**99,882**	78,382
Tendering, selling and distribution expenses		**(200,149)**	(182,777)	**–**	–
Administrative expenses		**(339,015)**	(352,660)	**(38,177)**	(45,277)
Other operating expenses		**(66,015)**	(104,825)	**(13,531)**	(25,985)
Operating profit before finance cost	5	**1,081,609**	1,301,453	**344,271**	277,478
Finance cost	9	**(144,670)**	(169,224)	**(70,170)**	(73,463)
Operating profit after finance cost		**936,939**	1,132,229	**274,101**	204,015
Share of profits of associates		**56,403**	13,725	**–**	–
Share of profits of joint ventures		**16,668**	9,843	**–**	–
Profit before taxation	13	**1,010,010**	1,155,797	**274,101**	204,015
Income tax expense	10	**(243,206)**	(274,262)	**(14,630)**	(9,865)
Net profit for the financial year		**766,804**	881,535	**259,471**	194,150
Other comprehensive income (net of tax):					
Items that will not be reclassified to profit or loss:					
Actuarial loss on defined benefit plan		**–**	(751)	**–**	–
Revaluation gains on property, plant and equipment		**20,562**	–	**–**	–
		20,562	(751)	**–**	–
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences of foreign operations		**138,237**	59,302	**(4,201)**	(52)
Share of other comprehensive income of associates		**4,095**	3,790	**–**	–
Realisation of other comprehensive income arising from disposal of foreign subsidiaries and joint ventures		**(4,890)**	(53,889)	**–**	–
		137,442	9,203	**(4,201)**	(52)
		158,004	8,452	**(4,201)**	(52)
Total comprehensive income for the financial year		**924,808**	889,987	**255,270**	194,098

		The Group		The Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Net profit attributable to:					
Owners of the Company		**653,773**	793,587	**259,471**	194,150
Non-controlling interests		**113,031**	87,948	**–**	–
Net profit for the financial year		**766,804**	881,535	**259,471**	194,150
Total comprehensive income attributable to:					
Owners of the Company		**770,202**	787,652	**255,270**	194,098
Non-controlling interests		**154,606**	102,335	**–**	–
Total comprehensive income for the financial year		**924,808**	889,987	**255,270**	194,098
Earnings per share for net profit attributable to owners of the Company:					
- Basic	11(a)	**18.16 Sen**	22.22 Sen		
- Fully diluted	11(b)	**17.94 Sen**	21.81 Sen		

CONSOLIDATED BALANCE SHEET

as at 31 March 2017

	Note	2017 RM'000	2016 RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	14(A)	**6,022,651**	3,584,805
Share premium	14(B)	**–**	2,349,079
Treasury shares	14(C)	**(10)**	(3)
Shares held under trust	14(E)	**(4,016)**	(3,812)
Revaluation reserve		**91,759**	71,197
Exchange translation reserve		**(44,550)**	(138,432)
Share-based payment reserve		**80,138**	77,949
Other reserves	15	**48,399**	45,494
Retained profits		**3,302,903**	3,042,082
		9,497,274	9,028,359
NON-CONTROLLING INTERESTS		**1,319,406**	1,208,045
TOTAL EQUITY		**10,816,680**	10,236,404
NON-CURRENT LIABILITIES			
Bonds	16	**1,950,000**	1,880,000
Term loans	17	**2,121,809**	2,269,363
Government support loans	18	**154,474**	184,481
Hire purchase and lease payables	19	**802**	169
Deferred tax liabilities	22	**669,456**	631,326
Trade and other payables	23	**701,402**	764,463
Retirement benefits	24	**10,511**	4,675
Provisions	25	**109,705**	85,829
		5,718,159	5,820,306
Deferred income	26	**73,063**	8,164
		16,607,902	16,064,874
NON-CURRENT ASSETS			
Property, plant and equipment	27	**1,989,646**	1,812,557
Land use rights	28	**165,831**	134,839
Investment properties	29	**68,867**	60,083
Concession assets	30	**3,097,066**	2,912,176
Associates	32	**901,392**	869,633
Joint ventures	33	**754,783**	680,521
Available-for-sale financial assets	34	**2,155**	2,212
Long term receivables	35	**176,699**	128,787
Intangible assets	36	**102,618**	91,603
Deferred tax assets	22	**297,762**	230,046
Land held for property development	37(a)	**514,788**	604,143
Plantation development expenditure	38	**1,201,570**	1,088,487
		9,273,177	8,615,087

	Note	2017 RM'000	2016 RM'000
CURRENT ASSETS			
Property development costs	37(b)	**5,587,380**	5,632,922
Inventories	39	**1,421,961**	1,092,482
Trade and other receivables	40	**2,031,003**	2,256,370
Financial assets at fair value through profit or loss	41	**299,164**	407,200
Derivative financial instruments	21	**2,909**	–
Tax recoverable		**129,329**	152,023
Deposits, cash and bank balances	42	**2,147,777**	1,679,461
		11,619,523	11,220,458
Less:			
CURRENT LIABILITIES			
Trade and other payables	43	**2,518,205**	2,258,316
Current tax liabilities		**12,979**	22,630
Derivative financial instruments	21	**–**	10,380
Provisions	25	**10,718**	1,945
Borrowings			
- Bank overdrafts	44	**44,514**	187,352
- Others	44	**1,698,382**	1,290,048
		4,284,798	3,770,671
NET CURRENT ASSETS		**7,334,725**	7,449,787
		16,607,902	16,064,874

COMPANY BALANCE SHEET

as at 31 March 2017

	Note	2017 RM'000	2016 RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	14(A)	**6,022,651**	3,584,805
Share premium	14(B)	**–**	2,349,079
Treasury shares	14(C)	**(10)**	(3)
Shares held under trust	14(E)	**(4,016)**	(3,812)
Exchange translation reserve		**(2,209)**	1,992
Share-based payment reserve		**80,138**	77,949
Other reserves	15	**–**	–
Retained profits		**184,957**	285,515
TOTAL EQUITY		**6,281,511**	6,295,525
NON-CURRENT LIABILITIES			
Bonds	16	**1,300,000**	1,200,000
Term loans	17	**176,940**	157,300
Trade and other payables	43	**948,028**	964,234
		2,424,968	2,321,534
		8,706,479	8,617,059
NON-CURRENT ASSETS			
Property, plant and equipment	27	**2,430**	2,491
Investment properties	29	**7,312**	7,477
Subsidiaries	31	**7,038,258**	7,136,241
Associates	32	**371,800**	368,529
Joint ventures	33	**225,700**	218,600
Available-for-sale financial assets	34	**2,050**	2,050
Deferred tax assets	22	**2,132**	2,520
		7,649,682	7,737,908
CURRENT ASSETS			
Trade and other receivables	40	**1,357,059**	1,099,484
Financial assets at fair value through profit or loss	41	**20,807**	39,156
Deposits, cash and bank balances	42	**230,397**	173,043
Tax recoverable		**2,196**	4,579
		1,610,459	1,316,262
Less: **CURRENT LIABILITIES**			
Trade and other payables	43	**342,564**	347,111
Borrowings			
- Bank overdraft	44	**1,098**	–
- Others	44	**210,000**	90,000
		553,662	437,111
NET CURRENT ASSETS		**1,056,797**	879,151
		8,706,479	8,617,059

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 March 2017

		Attributable to owners of the Company											
The Group	Note	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Shares held under trust RM'000	Re-valuation reserve RM'000	Exchange translation reserve RM'000	Share-based payment reserve RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 April 2016		3,584,805	2,349,079	(3)	(3,812)	71,197	(138,432)	77,949	45,494	3,042,082	9,028,359	1,208,045	10,236,404
Comprehensive income:													
Net profit for the financial year		–	–	–	–	–	–	–	–	653,773	653,773	113,031	766,804
Other comprehensive income													
Currency translation differences arising from translation of net investment in foreign operations		–	–	–	–	–	96,662	–	–	–	96,662	41,575	138,237
Realisation of other comprehensive income arising from disposal of a foreign associate		–	–	–	–	–	(4,890)	–	–	–	(4,890)	–	(4,890)
Share of other comprehensive income/(losses) of associates		–	–	–	–	–	1,708	–	3,726	(1,339)	4,095	–	4,095
Revaluation gains on property, plant and equipment		–	–	–	–	20,562	–	–	–	–	20,562	–	20,562
		–	–	–	–	20,562	93,480	–	3,726	(1,339)	116,429	41,575	158,004
Total comprehensive income for the financial year		–	–	–	–	20,562	93,480	–	3,726	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 ESOS and ESGP		–	–	–	–	–	–	39,560	–	–	39,560	–	39,560

STATEMENTS OF CHANGES IN EQUITY (cont'd)

for the financial year ended 31 March 2017

The Group (cont'd)	Note	Attributable to owners of the Company										Non-controlling interests RM'000	Total equity RM'000
		Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Shares held under trust RM'000	Re-valuation reserve RM'000	Exchange translation reserve RM'000	Share-based payment reserve RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000		
Transactions with owners:													
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	12	–	–	–	–	–	–	–	–	(143,967)	(143,967)	–	(143,967)
Single tier special dividend: - Year ended 31 March 2016	12	–	–	–	–	–	–	–	–	(107,975)	(107,975)	–	(107,975)
Single tier first interim dividend: - Year ended 31 March 2017	12	–	–	–	–	–	–	–	–	(108,087)	(108,087)	–	(108,087)
Dividends paid by subsidiaries to non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	(35,375)	(35,375)

		Attributable to owners of the Company											
The Group (cont'd)	**Note**	**Share capital RM'000**	**Share premium RM'000**	**Treasury shares RM'000**	**Shares held under trust RM'000**	**Re-valuation reserve RM'000**	**Exchange translation reserve RM'000**	**Share-based payment reserve RM'000**	**Other reserves RM'000**	**Retained profits RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
Transactions with owners: (cont'd)													
Issuance of shares by a subsidiary to non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	5,900	5,900
Issuance of shares:													
- Vesting of shares under ESGP	14(A),(B)	8,289	16,198	–	–	–	–	(24,487)	–	–	–	–	–
- Exercise of ESOS	14(A),(B),(E)	15,311	17,841	–	30,924	–	–	(12,884)	–	–	51,192	–	51,192
- Shares held under trust	14(A),(B),(E)	18,735	12,393	–	(31,128)	–	–	–	–	–	–	–	–
Shares buy back	14(C)	–	–	(7)	–	–	–	–	–	–	(7)	–	(7)
Transition to no-par value regime on 31 January 2017	14(A),(B)	2,395,511	(2,395,511)	–	–	–	–	–	–	–	–	–	–
Total transactions with owners		2,437,846	(2,349,079)	(7)	(204)	–	402	(37,371)	–	(391,106)	(339,519)	(43,245)	(382,764)
At 31 March 2017		**6,022,651**	**–**	**(10)**	**(4,016)**	**91,759**	**(44,550)**	**80,138**	**48,399**	**3,302,903**	**9,497,274**	**1,319,406**	**10,816,680**

STATEMENTS OF CHANGES IN EQUITY (cont'd)

for the financial year ended 31 March 2017

		Attributable to owners of the Company											
The Group	**Note**	**Share capital RM'000**	**Share premium RM'000**	**Treasury shares RM'000**	**Shares held under trust RM'000**	**Re-valuation reserve RM'000**	**Exchange translation reserve RM'000**	**Share-based payment reserve RM'000**	**Other reserves RM'000**	**Retained profits RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 April 2015		1,500,001	2,346,070	(270)	(3,771)	71,197	(137,193)	50,515	2,061,251	2,541,840	8,429,640	1,145,897	9,575,537
Comprehensive income:													
Net profit for the financial year		–	–	–	–	–	–	–	–	793,587	793,587	87,948	881,535
Other comprehensive income:													
Currency translation differences arising from translation of net investment in foreign operations		–	–	–	–	–	44,615	–	–	–	44,615	14,687	59,302
Realisation of other comprehensive income arising from disposal of foreign subsidiaries and joint ventures		–	–	–	–	–	(53,889)	–	–	–	(53,889)	–	(53,889)
Share of other comprehensive income/(losses) of associates		–	–	–	–	–	7,959	–	(4,169)	–	3,790	–	3,790
Actuarial loss on defined benefit plan		–	–	–	–	–	–	–	–	(451)	(451)	(300)	(751)
		–	–	–	–	–	(1,315)	–	(4,169)	(451)	(5,935)	14,387	8,452
Total comprehensive income for the financial year		–	–	–	–	–	(1,315)	–	(4,169)	793,136	787,652	102,335	889,987
Share of reserves in an associate		–	–	–	–	–	–	–	(8)	(188)	(196)	–	(196)
Issuance of ESOS and ESGP		–	–	–	–	–	–	54,173	–	–	54,173	–	54,173

The Group (cont'd)	Note	Attributable to owners of the Company Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Shares held under trust RM'000	Re-valuation reserve RM'000	Exchange translation reserve RM'000	Share-based payment reserve RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Transactions with owners:													
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	12	–	–	–	–	–	–	–	–	(107,198)	(107,198)	–	(107,198)
Dividends paid by subsidiaries to non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	(24,195)	(24,195)

STATEMENTS OF CHANGES IN EQUITY (cont'd)

for the financial year ended 31 March 2017

		Attributable to owners of the Company											
The Group (cont'd)	**Note**	**Share capital RM'000**	**Share premium RM'000**	**Treasury shares RM'000**	**Shares held under trust RM'000**	**Re-valuation reserve RM'000**	**Exchange translation reserve RM'000**	**Share-based payment reserve RM'000**	**Other reserves RM'000**	**Retained profits RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
Transactions with owners: (cont'd)													
Issuance of shares:													
- Shares allotted upon privatisation of IJM Land Berhad	14(A),(B),15	279,386	1,732,194	–	–	–	–	–	(2,011,580)	–	–	–	–
- Bonus issue	14(A),(B)	1,786,460	(1,786,460)	–	–	–	–	–	–	–	–	–	–
- Vesting of shares under ESGP	14(A),(B)	3,033	13,004	–	–	–	–	(16,037)	–	–	–	–	–
- Exercise of ESOS	14(A),(B),(E)	7,299	29,054	–	23,766	–	–	(10,702)	–	–	49,417	–	49,417
- Shares held under trust	14(A),(B),(E)	8,626	15,181	–	(23,807)	–	–	–	–	–	–	–	–
Shares buy back	14(C)	–	–	(10)	–	–	–	–	–	–	(10)	–	(10)
Disposal of treasury shares	14(C)	–	36	277	–	–	–	–	–	–	313	–	313
Total transactions with owners		2,084,804	3,009	267	(41)	–	76	(26,739)	(2,011,580)	(292,706)	(242,910)	(40,187)	(283,097)
At 31 March 2016		3,584,805	2,349,079	(3)	(3,812)	71,197	(138,432)	77,949	45,494	3,042,082	9,028,359	1,208,045	10,236,404

The Company	Note	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Shares held under trust RM'000	Exchange translation reserve RM'000	Share-based payment reserve RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000
			Non-distributable						Distributable	
At 1 April 2016		3,584,805	2,349,079	(3)	(3,812)	1,992	77,949	–	285,515	6,295,525
Comprehensive income:										
Net profit for the financial year		–	–	–	–	–	–	–	259,471	259,471
Other comprehensive income:										
Currency translation differences arising from translation of foreign projects		–	–	–	–	(4,201)	–	–	–	(4,201)
Total comprehensive income for the financial year		–	–	–	–	(4,201)	–	–	259,471	255,270
Issuance of ESOS and ESGP		–	–	–	–	–	39,560	–	–	39,560
Transactions with owners:										
Single tier second interim dividend:										
- Year ended 31 March 2016	12	–	–	–	–	–	–	–	(143,967)	(143,967)
Single tier special dividend:										
- Year ended 31 March 2016	12	–	–	–	–	–	–	–	(107,975)	(107,975)
Single tier first interim dividend:										
- Year ended 31 March 2017	12	–	–	–	–	–	–	–	(108,087)	(108,087)
Issuance of shares:										
- Vesting of shares under ESGP	14(A),(B)	8,289	16,198	–	–	–	(24,487)	–	–	–
- Exercise of ESOS	14(A),(B),(E)	15,311	17,841	–	30,924	–	(12,884)	–	–	51,192
- Shares held under trust	14(A),(B),(E)	18,735	12,393	–	(31,128)	–	–	–	–	–
Shares buy back	14(C)	–	–	(7)	–	–	–	–	–	(7)
Transition to no-par value regime on 31 January 2017	14(A),(B)	2,395,511	(2,395,511)	–	–	–	–	–	–	–
At 31 March 2017		**6,022,651**	**–**	**(10)**	**(4,016)**	**(2,209)**	**80,138**	**–**	**184,957**	**6,281,511**

STATEMENTS OF CHANGES IN EQUITY (cont'd)

for the financial year ended 31 March 2017

			Non-distributable						Distributable	
The Company	**Note**	**Share capital RM'000**	**Share premium RM'000**	**Treasury shares RM'000**	**Shares held under trust RM'000**	**Exchange translation reserve RM'000**	**Share-based payment reserve RM'000**	**Other reserves RM'000**	**Retained profits RM'000**	**Total RM'000**
At 1 April 2015		1,500,001	2,346,070	(270)	(3,771)	2,044	50,515	2,011,580	395,044	6,301,213
Comprehensive income:										
Net profit for the financial year		–	–	–	–	–	–	–	194,150	194,150
Other comprehensive income:										
Currency translation differences arising from translation of foreign projects		–	–	–	–	(52)	–	–	–	(52)
Total comprehensive income for the financial year		–	–	–	–	(52)	–	–	194,150	194,098
Issuance of ESOS and ESGP		–	–	–	–	–	54,173	–	–	54,173
Transactions with owners:										
Single tier second interim dividend:										
- Year ended 31 March 2015		–	–	–	–	–	–	–	(196,481)	(196,481)
Single tier first interim dividend:										
- Year ended 31 March 2016	12	–	–	–	–	–	–	–	(107,198)	(107,198)
Issuance of shares:										
- Shares allotted upon privatisation of IJM Land Berhad	14(A),(B),15	279,386	1,732,194	–	–	–	–	(2,011,580)	–	–
- Bonus issue	14(A),(B)	1,786,460	(1,786,460)	–	–	–	–	–	–	–
- Vesting of shares under ESGP	14(A),(B)	3,033	13,004	–	–	–	(16,037)	–	–	–
- Exercise of ESOS	14(A),(B),(E)	7,299	29,054	–	23,766	–	(10,702)	–	–	49,417
- Shares held under trust	14(A),(B),(E)	8,626	15,181	–	(23,807)	–	–	–	–	–
Shares buy back	14(C)	–	–	(10)	–	–	–	–	–	(10)
Disposal of treasury shares	14(C)	–	36	277	–	–	–	–	–	313
At 31 March 2016		3,584,805	2,349,079	(3)	(3,812)	1,992	77,949	–	285,515	6,295,525

CONSOLIDATED CASH FLOW STATEMENTS

for the financial year ended 31 March 2017

	Note	2017 RM'000	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	47(a)(i), 47(b)(ii)	**(361)**	237
Investments in associates		**(3,402)**	(2,387)
Additional investment in a joint venture		**(500)**	–
Cash consideration paid for privatisation of IJM Land Berhad ("IJML")		**–**	(122,931)
Acquisition of financial assets at fair value through profit or loss		**(377,317)**	(562,696)
Subscription of Redeemable Unsecured Murabahah Stocks in an associate		**(16,200)**	–
Purchase of land held for property development		**(69,540)**	(9,937)
Purchase of property, plant and equipment, land used rights and investment properties		**(235,303)**	(213,345)
Cost incurred on concession assets		**(47,161)**	(77,370)
Additions to plantation development expenditure		**(22,451)**	(49,991)
Additions to port infrastructure		**(233,645)**	(173,605)
Quarry development expenditure incurred	36	**(4,488)**	(9,144)
Disposal of property, plant and equipment, land used rights and investment properties		**17,666**	5,586
Disposal of assets held for sale		**–**	4,114
Disposal of disposal group classified as assets held for sale	48(i)	**–**	197,161
Disposal of a subsidiary	48(ii)	**–**	374,082
Disposal of an associate		**79,678**	–
Disposal of available-for-sale financial assets		**60**	28,346
Disposal of financial assets at fair value through profit or loss		**498,497**	382,589
Redemption of preference shares of an associate		**1,628**	–
Proceeds from liquidation of an associate		**62**	–
Dividends received from associates		**27,412**	8,369
Dividends received from other investments		**510**	390
Income from unit trusts		**483**	540
Interest received		**80,828**	85,767
Advances to associates		**–**	(36)
Repayments from associates		**359**	14,407
Advances to joint ventures		**(96,165)**	(69,270)
Repayments from joint ventures		**40,831**	9,041
Net cash flow used in investing activities		**(358,519)**	(180,083)

CONSOLIDATED CASH FLOW STATEMENTS (cont'd)

for the financial year ended 31 March 2017

	Note	2017 RM'000	2016 RM'000
FINANCING ACTIVITIES			
Issuance of shares by the Company:			
- Exercise of share options		**51,192**	49,417
Issuance of shares by subsidiaries to non-controlling shareholders		**5,900**	–
Drawdown of Commercial Papers and Medium Term Notes		**–**	150,000
Repayments of Commercial Papers and Medium Term Notes		**–**	(700,000)
Drawdown of bonds		**100,000**	400,000
Repayment of bonds		**(140,000)**	(130,000)
Proceeds from bank borrowings		**523,168**	536,924
Repayments of bank borrowings		**(359,737)**	(715,038)
Repayments to the State Government		**–**	(3,100)
Repayment of government support loans		**(36,202)**	(7,000)
Repayments to hire purchase and lease creditors		**(152)**	(119)
Interest paid		**(249,976)**	(270,895)
Dividends paid by subsidiaries to non-controlling shareholders		**(35,375)**	(24,195)
Dividends paid by the Company		**(360,029)**	(303,679)
Re-purchase of treasury shares	14(C)	**(7)**	(10)
Proceeds from disposal of treasury shares		**–**	313
Uplifting of restricted deposits		**45,326**	205,380
Acquisition of additional interests in a subsidiary		**(44,445)**	(8,952)
Partial disposal of equity interests in a subsidiary		**–**	16,721
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	49	**2,077,331**	1,423,749

COMPANY CASH FLOW STATEMENTS

for the financial year ended 31 March 2017

		2017 RM'000	2016 RM'000
OPERATING ACTIVITIES			
Receipts from customers		**16,058**	19,905
Payments to contractors, suppliers and employees		**(27,874)**	(39,162)
Income tax paid		**(11,858)**	(17,690)
Net cash flow used in operating activities		**(23,674)**	(36,947)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(850)**	(343)
Disposal of property, plant and equipment		**133**	170
Acquisition of financial assets at fair value through profit or loss		**(51)**	(32,621)
Acquisition of shares in subsidiaries		**(30,932)**	(8,951)
Acquisition of shares in an associate		**(3,321)**	(2,387)
Cash consideration paid for privatisation of IJML		**–**	(122,931)
Proceeds from liquidation of an associate		**62**	–
Disposal of financial assets at fair value through profit or loss		**20,370**	–
Dividends received from subsidiaries		**249,128**	235,166
Dividends received from associates		**17,300**	6,344
Dividends received from other investments		**363**	341
Interest received		**7,493**	5,576
Repayments from subsidiaries		**455,496**	698,192
Repayments from associates		**352**	6,149
Repayments from joint ventures		**158**	50
Advances to subsidiaries		**(488,919)**	(279,540)
Advances to associates		**(5)**	(2)
Advances to joint ventures		**(154)**	–
Net cash flow from investing activities		**226,623**	505,213
FINANCING ACTIVITIES			
Issuance of shares by the Company:			
- Exercise of share options		**51,192**	49,417
Drawdown of bonds		**100,000**	400,000
Drawdown of Commercial Papers and Medium Term Notes		**–**	150,000
Repayments of Commercial Papers and Medium Term Notes		**–**	(700,000)
Proceeds from bank borrowings		**310,000**	414,567
Repayments of bank borrowings		**(190,000)**	(214,582)
Repayment to a subsidiary		**–**	(76,101)
Interest paid		**(70,170)**	(71,798)
Dividends paid by the Company		**(360,029)**	(303,679)
Re-purchase of treasury shares	14(C)	**(7)**	(10)
Proceeds from disposal of treasury shares		**–**	313
Net cash flow used in financing activities		**(159,014)**	(351,873)
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		**43,935**	116,393
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**173,043**	55,804
FOREIGN EXCHANGE DIFFERENCES ON OPENING BALANCES		**12,321**	846
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	49	**229,299**	173,043

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 March 2017

The following accounting policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the financial statements, unless otherwise stated.

1 BASIS OF PREPARATION

The financial statements of the Group and the Company have been prepared in accordance with the Financial Reporting Standards ("FRS") and the requirements of the Companies Act 2016 in Malaysia.

The Group includes transitioning entities and has elected to continue to apply FRS during the current and next financial year. The Group will be adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards ("MFRS") for annual period beginning on 1 April 2018. In adopting the new framework, the Group will be applying MFRS 1 "First-time adoption of MFRS".

The financial statements have been prepared under the historical cost convention, unless otherwise indicated in this summary of significant accounting policies.

The preparation of financial statements in conformity with FRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Management to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the Management's best knowledge of current events and actions, actual results may differ from those estimates.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2 to the financial statements.

The Group and the Company adopted the following Standards, Amendments and Annual interpretation to Standards.

(a) Amendments to published standards that are effective

The amendments to published standards that are effective for the Group's and the Company's financial year beginning on 1 April 2016 and applicable to the Group and the Company are as follows:

- Amendments to FRS 11 "Accounting for Acquisitions of Interests in Joint Operations"
- 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"
- 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 101 "Presentation of Financial Statements" – "Disclosure Initiative"
- Amendments to FRS 10, FRS 12 and FRS 128 "Investment Entities: Applying the Consolidation Exception"

The amendments to published standards do not result in a significant change to the accounting policies and do not have a material impact on the financial statements of the Group and the Company.

1 BASIS OF PREPARATION (cont'd)

(b) Standards, amendments to published standards and interpretation that are applicable to the Group and the Company, but are not yet effective and have not been early adopted

(i) The amendments to published standards that are mandatory for the Group's and the Company's financial year beginning on 1 April 2017 and the Group and the Company have not early adopted, are as follows* :

- Amendments to FRS 107 "Statement of Cash Flows" – "Disclosure Initiative" introduce an additional disclosure on changes in liabilities arising from financing activities.

- Amendments to FRS 112 "Income Taxes" – "Recognition of Deferred Tax Assets for Unrealised Losses" clarify the requirements for recognising deferred tax assets on unrealised losses arising from deductible temporary differences on assets carried at fair value. In addition, in evaluating whether an entity will have sufficient taxable profits in future periods against which deductible temporary differences can be utilised, the amendments require an entity to compare the deductible temporary differences with future taxable profits that exclude tax deductions resulting from the reversal of those temporary differences.

- Annual improvements to FRSs 2014 – 2016 Cycle, which include Amendments to FRS 12 "Disclosure of Interests in Other Entities"

(ii) The new standards, amendments to published standards and interpretation that are mandatory for the Group's and the Company's financial year beginning on 1 April 2018 and the Group and the Company have not early adopted are as follows* :

- Amendments to MFRS 1 "First-time adoption of Malaysian Financial Reporting Standards" remove the short term exemptions covering transition provisions of MFRS 7, MFRS 10 and MFRS 119. Those reliefs provided were available for entities with reporting periods that had passed and therefore no longer applicable.

- MFRS 9 "Financial Instruments"

  MFRS 9 "Financial Instruments" will replace FRS 139 "Financial Instruments: Recognition and Measurement". MFRS 9 retains but simplifies the mixed measurement model in FRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

  For liabilities, the standard retains most of the FRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

  MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in FRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

1 BASIS OF PREPARATION (cont'd)

(b) Standards, amendments to published standards and interpretation that are applicable to the Group and the Company, but are not yet effective and have not been early adopted (cont'd)

(ii) The new standards, amendments to published standards and interpretation that are mandatory for the Group's and the Company's financial year beginning on 1 April 2018 and the Group and the Company have not early adopted are as follows* : (cont'd)

- MFRS 15 "Revenue from Contracts with Customers"

  MFRS 15 "Revenue from contracts with customers" deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. Transfer of control is not the same as transfer of risks and rewards as currently considered for revenue recognition. A company would recognise revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer). Extensive disclosures are required to provide greater insight into both revenue that has been recognised, and revenue that is expected to be recognised in the future from existing contracts. Significant management judgments and changes in those judgments that management made to determine revenue are also required to be disclosed.

  The standard replaces MFRS 118 "Revenue", MFRS 111 "Construction Contracts" and related interpretations.

- Amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 141 "Agriculture: Bearer Plants" introduce a new category of biological assets i.e. bearer plants. A bearer plant is a living plant that is used in the production and supply of agricultural produce, is expected to bear produce for more than one period, and has remote likelihood of being sold as agricultural produce. Bearer plants are accounted for under MFRS 116 as an item of property, plant and equipment. Agricultural produce growing on bearer plants continue to be measured at fair value less costs to sell under MFRS 141, with fair value changes recognised in profit or loss as the produce grows.

- Amendments to MFRS 128 "Investments in Associates and Joint Ventures" allows venture capital organisations, mutual funds, unit trusts and similar entities to elect, on an individual basis, measuring their investments in associates and joint ventures at fair value through profit or loss. An entity that is not an investment entity can retain their fair value measurement applied by its associates or joint ventures (that are investment entities) when applying equity method.

- Amendments to MFRS 140 "Classification on 'Change in Use' – Assets transferred to, or from, Investment Properties" clarify that to transfer to, or from investment properties there must be a change in use. A change in use would involve an assessment of whether a property meets, or has ceased to meet, the definition of investment property. The change must be supported by evidence that the change in use has occurred and a change in management's intention in isolation is not sufficient to support a transfer of property. The amendments clarify the same principle that applies to assets under construction.

- IC Interpretation 22 "Foreign Currency Transactions and Advance Consideration" applies when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. MFRS 121 requires an entity to use the exchange rate at the "date of the transaction" to record foreign currency transactions. It provides guidance on how to determine "the date of transaction" when a single payment/receipt is made, as well as for situations where multiple payments/receipts are made. The date of transaction is the date when the payment or receipt of advance consideration gives rise to the non-monetary asset or non-monetary liability when the entity is no longer exposed to foreign exchange risk. If there are multiple payments or receipts in advance, the entity should determine the date of the transaction for each payment or receipt.

1 BASIS OF PREPARATION (cont'd)

(b) Standards, amendments to published standards and interpretation that are applicable to the Group and the Company, but are not yet effective and have not been early adopted (cont'd)

(iii) The new standard that is mandatory for the Group's and the Company's financial year beginning on 1 April 2019 and the Group and the Company have not early adopted is as follows* :

- MFRS 16 "Leases"

  MFRS 16 "Leases" supersedes MFRS 117 "Leases" and the related interpretations. Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

  MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases.

  The right-of-use asset is depreciated in accordance with the principle in MFRS 116 "Property, Plant and Equipment" and the lease liability is accreted over time with interest expense recognised in the income statement.

  For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases, and account for them differently.

  MFRS 16 is likely to have a significant impact on lessees that have significant number of off balance sheet operating leases under MFRS 117.

  * These standards and amendments to published standards will be adopted on the respective effective dates upon the adoption of the MFRS framework.

The Group is in the process of assessing the full impact of the above standards, amendments to published standards and interpretation on the financial statements of the Group and the Company in the year of initial application.

2 ECONOMIC ENTITIES IN THE GROUP

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

The existence and effect of potential voting rights are considered when assessing whether the Group controls another entity. In assessing whether potential voting rights contribute to control, the Group examines all facts and circumstances (including the terms of exercise of the potential voting rights and any other contractual arrangements whether considered individually or in combination) that affect potential voting rights.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases. Subsidiaries are consolidated using the acquisition method of accounting, except for business combinations involving entities or businesses under common control, which are accounted for using the predecessor basis of accounting.

Under the acquisition method of accounting, the consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. The costs directly attributable to the acquisition are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the date of acquisition. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill – See accounting policy 3 on goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(a) Subsidiaries (cont'd)

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gains or losses arising from such remeasurement are recognised in profit or loss.

Under the predecessor basis of accounting, assets and liabilities acquired are not restated to their respective fair values but at the carrying amounts in the consolidated financial statements of the ultimate holding company of the Group and adjusted to ensure uniform accounting policies of the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities (as of the date of transaction) of the acquired entity is recognised as an adjustment to equity. No additional goodwill is recognised. The acquired entity's results, assets and liabilities are consolidated as if both the acquirer and the acquiree had always been combined. Consequently, the consolidated financial statements reflect both entities' full year's results. The comparative information is restated to reflect the combined results of both entities.

Non-controlling interest represents that portion of profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Company. It is measured on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets at the date of acquisition and the non-controlling interests' share of changes in the subsidiaries' equity since that date.

All earnings and losses of the subsidiary are attributed to the owners of the Company and the non-controlling interests, even if the attribution of losses to the non-controlling interests results in a debit balance in the total equity.

All inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated except for contracted finished goods which are stated at net realisable value. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(c) Disposal of subsidiaries

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets and liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(d) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. The existence and the effect of potential voting rights are considered when assessing whether the group exercises significant influence over another entity. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies.

Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and adjusted thereafter to recognise the investor's share of the profit or loss of the associate in profit or loss, and the Group's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount and recognises the amount as a separate line item in profit or loss.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

For incremental interest in an associate when significant influence is retained, the date of acquisition is the purchase date at each stage and goodwill is calculated at each purchase date based on the fair value of assets and liabilities identified. The previously held interest is not re-measured.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. The fair value of the retained interest shall be regarded as its fair value on initial recognition as a financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(e) Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

(i) Joint ventures

The Group's interest in a joint venture is accounted for in the financial statements by the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the joint venture in profit or loss, and the Group's share of movements in other comprehensive income of the joint venture in other comprehensive income. Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. An impairment is recognised for the amount by which the carrying amount of the joint venture exceeds its recoverable amount and recognises the amount as a separate line item in profit or loss.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its joint venture because of a loss of joint control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

(ii) Joint operations

In relation to the Group's interest in the joint operations, the Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

3 GOODWILL

Goodwill arises from a business combination and represents the excess of the aggregate of fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previously held equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in profit or loss.

Goodwill on acquisition of subsidiaries is included in the balance sheet as intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and carried at cost less accumulated impairment. Any impairment is recognised immediately as an expense and is not subsequently reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the business combination in which the goodwill arose. The Group allocates goodwill to each business segment in each country in which it operates. See accounting policy 25 on impairment of non-financial assets.

Goodwill on acquisitions of joint ventures and associates is included in investments in joint ventures and associates respectively. Such goodwill is tested for impairment as part of the total carrying value.

4 INVESTMENTS

In the Company's separate financial statements, investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy 25 on impairment of non-financial assets. On disposal of investments in subsidiaries, joint ventures and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Long term investments are classified as available-for-sale financial assets. These are initially measured at fair value plus transaction costs and subsequently, at fair value except for investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. These are measured at cost and are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Changes in fair values of available-for-sale equity securities are recognised in other comprehensive income. A significant or prolonged decline in the fair value of the investment below its cost is considered as an indicator that the asset is impaired. See accounting policy 22(d)(ii) on impairment of available-for-sale financial assets.

Short term investments in marketable securities are classified as financial assets at fair value through profit or loss and measured at fair value on the date a transaction is entered into and are subsequently re-measured at fair value with changes in fair value recognised in profit or loss. Market value is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date. On disposal of an investment, the difference between net disposal proceeds and its fair value is recognised in profit or loss.

5 FOREIGN CURRENCIES

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except that exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs are classified as borrowing costs.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rates at the date of that balance sheet;
- Income and expenses for each statement of comprehensive income presented are translated at the average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates on the dates of the transactions); and
- All resulting exchange differences are recognised as a separate component of other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate at the date of the balance sheet. Exchange differences arising are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign operations are recognised in other comprehensive income. On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences relating to that foreign operation recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss, as part of the gain or loss on disposal. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

6 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

All property, plant and equipment are stated at cost or at valuation less accumulated depreciation and accumulated impairment except for freehold land and capital work-in-progress which are not depreciated. Freehold land is not depreciated as it has an infinite life. Depreciation on capital work-in-progress commences when the assets are ready for their intended use. The cost is net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the government. When the amount of GST incurred is not recoverable from the government, the GST is recognised as part of the cost of acquisition of the property, plant and equipment.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are recognised as expenses in profit or loss during the financial year in which they are incurred.

Hotel properties comprise leasehold land, hotel buildings and related fixed plant and equipment. Hotel properties are initially stated at cost and are subsequently revalued periodically by independent professional valuers at an interval not exceeding 5 years with additional revaluations in the intervening years where market conditions indicate that the carrying values of the revalued properties materially differ from the market values.

The Group amortises plantation infrastructure in equal annual instalments over the period of the respective leases ranging from 21 to 81 years. Leasehold lands classified as finance leases are amortised in equal instalments over the period of the respective leases that range from 60 to 883 years. Other property, plant and equipment are depreciated on a straight-line basis to write-off the cost of the assets, or their revalued amounts, to their residual values over their estimated useful lives. The annual rates of depreciation are:

Buildings, including hotel properties	2 to 10.0%
Plant, machinery, equipment and vehicles	4 to 33.3%
Office equipment, furniture and fittings and renovations	5 to 33.3%

Other than hotel properties, the Directors have applied the transitional provisions of International Accounting Standards ("IAS") 16 "Property, Plant and Equipment", which have been adopted by the Malaysian Accounting Standards Board ("MASB"), which allows the assets to be stated at their last revalued amounts less accumulated depreciation and accumulated impairment. Accordingly, these valuations have not been updated.

When an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income as a revaluation surplus reserve. When the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus reserve of that asset; all other decreases are recognised in profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision of the residual values and useful lives are included in profit or loss for the financial year in which the changes arise.

At each balance sheet date, the Group assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount. See accounting policy 25 on impairment of non-financial assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in profit or loss. On disposal of revalued assets, amounts in the revaluation reserve relating to those assets are transferred to retained earnings.

Where applicable, the fair value of property, plant and equipment at the date of acquisition of subsidiaries is carried forward in place of cost.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2017

7 INVESTMENT PROPERTIES

Investment properties, comprising principally land and buildings, are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs if the investment property meets the definition of a qualifying asset. After initial recognition, investment property is stated at cost less accumulated depreciation and accumulated impairment.

Freehold land is not depreciated as it has an infinite life. Leasehold land is amortised on a straight line basis over the respective lease periods between 15 and 99 years. Depreciation on buildings is calculated so as to write off the cost of the assets less residual values on a straight-line basis over the expected useful lives. The annual depreciation rate for buildings is 2%.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period of the retirement or disposal.

At each balance sheet date, the Group assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount. See accounting policy 25 on impairment of non-financial assets.

8 CONCESSION ASSETS

Items classified as concession assets comprise expressway development expenditure and port infrastructure.

(a) Expressway development expenditure

Expressway Development Expenditure ("EDE") comprises the costs of construction (inclusive of the cost of reconstruction, widening and rehabilitation) of the concession assets. EDE is measured at cost less accumulated amortisation and accumulated impairment.

Where the Group provides construction services in exchange for the concession assets, the revenue and profits relating to the construction services are recognised in accordance with accounting policy 9(a) on revenue and profit recognition for construction contracts.

Upon completion of the construction works and commencement of road tolling operations, the EDE are amortised over the concession periods based on the following formula:

$$\frac{\text{Cumulative traffic volume to-date}}{\text{Projected total traffic volume for the entire concession period}} \text{ X EDE}$$

The projected total traffic volume for the entire concession period is determined by a traffic survey carried out by a firm of independent traffic consultants and Directors' annual re-assessment of the projected total traffic volume.

All interest and fees incurred during the period of construction are capitalised in the EDE which in turn are amortised in profit or loss in accordance with the formula above. Interest and fees incurred after the completion of construction are charged to profit or loss.

Compensation received relating to variations in terms of concession agreements are recognised as deferred income and are credited to profit or loss over the expected lives of the related assets, on bases consistent with amortisation of the related assets.

8 CONCESSION ASSETS (cont'd)

(b) Port infrastructure

Port infrastructure consists of buildings, berths, storage facilities and inner harbour basins. It is stated at cost less accumulated amortisation and accumulated impairment. The cost of port infrastructure is amortised on a straight-line basis over the concession period.

At each balance sheet date, the Group assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount. See accounting policy 25 on impairment of non-financial assets.

9 REVENUE AND PROFIT RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of goods and services tax and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity as well as specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion of a construction contract is determined based on the proportion that the contract costs incurred for work performed to-date bear to the estimated total costs for the contract. Costs incurred during the financial year in connection with future activity on a contract are excluded from costs incurred to-date when determining the stage of completion of a contract. Such costs are shown as amounts due from/(to) customers on construction contracts within trade and other receivables on the balance sheet unless it is not probable that such contract costs are recoverable from the customers, in which case such costs are recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is only included in contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim.

(b) Property development activities

When the outcome of the development activity can be estimated reliably and the sale of the development unit is effected, property development revenue and costs are recognised as revenue and expenses respectively by reference to the stage of completion of development activity at the balance sheet date. The stage of completion is determined based on the proportion that the property development costs incurred to-date bear to the estimated total costs for the property development.

9 REVENUE AND PROFIT RECOGNITION (cont'd)

(b) Property development activities (cont'd)

When the outcome of a development activity cannot be estimated reliably, property development revenue is recognised only to the extent of property development costs incurred that is probable to be recoverable and the property development costs on the development units sold are recognised as an expense when incurred.

Irrespective of whether the outcome of a property development activity can be estimated reliably, when it is probable that total property development costs will exceed total property development revenue, the expected loss is recognised as an expense in the period in which the loss is identified.

(c) Sale of goods

Sales are recognised upon delivery of products and customer acceptance, and performance of after-sales services, if any, net of goods and services tax ("GST") or sales tax and discounts and after eliminating sales within the Group.

(d) Concession revenue

Concession revenue from the operation of toll roads and port operations is recognised as and when the services are performed.

Pursuant to the relevant Concession Agreements, the Government of Malaysia reserves the right to restructure or to restrict the imposition of unit toll rate increases, and in such event, the Government shall compensate for any reduction in toll revenue, subject to negotiation and other considerations that the Government may deem fit. Toll compensation is recognised in profit or loss over the period in which the compensation relates to based on the arrangements as disclosed in Note 30 to the financial statements.

(e) Hotel and club operations revenue

Hotel revenue represents income derived from room rentals, sales of food and beverage and other hotel related income. Room rental income is accrued on a daily basis on customer-occupied rooms. Sales of food and beverage are recognised upon delivery to customers. Hotel revenue is recognised net of GST and discounts.

Revenue from clubhouse operations represents income derived from membership subscription fees and sales of services. Membership subscription fees are recognised on an accrual basis as and when they are due. Revenue from sales of services is recognised upon performance of services.

(f) Other revenue

Dividend income is recognised when the Group's right to receive payment is established.

Interest income is recognised using the effective interest method, taking into account the principal outstanding and the effective rate over the period to maturity, unless collectibility is in doubt, in which case it is recognised on a cash receipt basis.

When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables are recognised using the original effective interest rate.

Rental income is recognised on an accrual basis unless collectibility is in doubt, in which case the recognition of such income is suspended.

Revenue from management services is recognised upon performance of services.

10 BORROWINGS AND BORROWING COSTS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the initial recognised amount and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method, except for borrowing costs incurred for the acquisition, construction or production of any qualifying assets.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

General and specific borrowing costs, including exchange differences to the extent that they are regarded as an adjustment to interest costs, directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs incurred on borrowings directly associated with property development activities and construction contracts up to completion is capitalised and included as part of property development costs and construction contract costs.

Borrowing costs incurred on borrowings to finance the plantation expenditure, construction of concession assets and property, plant and equipment during the period that is required to complete and prepare the asset for its intended use are capitalised as part of the cost of the asset.

All other borrowing costs are charged to profit or loss in the period in which they are incurred.

11 LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

Land held for property development consists of land held for future development where no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost or at valuation less accumulated impairment. Land held for property development is transferred to property development costs (under current assets) when development activities, including activities associated with obtaining approvals prior to commencement of physical development, have commenced and the development is expected to be completed within the normal operating cycle.

Costs associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where the Group had previously recorded the land at revalued amount, it continues to retain this amount as its deemed cost as allowed by FRS 201$_{2004}$ on “Property Development Activities”. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy 25 on impairment of non-financial assets.

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or that can be allocated on a reasonable basis to these activities.

Property development costs not recognised as an expense are recognised as an asset and are stated at the lower of cost and net realisable value. Cost includes cost of land, all direct building costs, and other related development expenditure, including interest expenses incurred during the period of active development.

Where revenue recognised in profit or loss exceeds billings to purchasers, the balance is shown as accrued billings under trade and other receivables (within current assets). Where billings to purchasers exceed revenue recognised in profit or loss, the balance is shown as progress billings under trade and other payables (within current liabilities).

Where applicable, the fair value of land at the date of acquisition of subsidiaries is carried forward in place of cost.

12 INVENTORIES

(a) Completed buildings, vacant industrial and bungalow lots

Units of completed development properties, vacant industrial and bungalow lots held for sale are stated at the lower of cost and net realisable value. The cost comprises proportionate cost of land and related development and construction expenditure.

Where applicable, the fair value of completed buildings at the date of acquisition of subsidiaries is carried forward in place of cost.

(b) Finished goods, quarry and manufactured products, raw materials, construction materials, crude palm oil, crude palm kernel oil, palm kernel expellers, stores and spares

Inventories are stated at the lower of cost and net realisable value, other than contracted crude palm oil, crude palm kernel oil and palm kernel expellers which are stated at net realisable value. Cost is determined on a weighted average basis. The costs of raw materials, oil palm nurseries, stores and spares comprise the original cost of purchase plus the cost of bringing the inventories to their present location and for finished goods and quarry products, it consists of direct materials, direct labour, direct charges and production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

13 AMOUNTS DUE FROM/(TO) CUSTOMERS ON CONSTRUCTION CONTRACTS

Where the amounts of construction contract costs incurred plus recognised profits (less recognised losses) exceed progress billings, the net balance is shown as amounts due from customers on construction contracts under trade and other receivables. Where the progress billings exceed the sum of construction contract costs incurred and recognised profits (less recognised losses), the net balance is shown as amounts due to customers on construction contracts under trade and other payables.

14 TRADE AND OTHER RECEIVABLES

(a) Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and include retention monies withheld by principals. Other receivables generally arise from transactions outside the usual operating activities of the Group. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value. After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment (see accounting policy 22(d) on impairment of financial assets).

(b) Advances for plasma schemes represent accumulated plantation development cost including borrowing costs and indirect overheads less repayments to date and provisions for impairment, which are recoverable from plasma farmers (see accounting policy 22(d) on impairment of financial assets).

In the event the Group provides a corporate guarantee to the plasma scheme for obtaining loans from financial institutions, it will be accounted for as a financial guarantee contract (see accounting policy 30 on financial guarantee contracts).

15 LEASES

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

(a) Accounting by lessee

Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings.

Each lease payment is allocated between the liability and finance charges so as to achieve a periodic constant rate of interest on the lease principal outstanding. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease expense.

Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on the straight line basis over the lease period.

(b) Accounting by lessor

Finance leases

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return on the balance outstanding.

Operating leases

When assets are leased out under an operating lease, the asset is included in property, plant and equipment in the balance sheet. Lease income (net of any incentives given to lessees) is recognised over the term of the lease on a straight-line basis.

16 QUARRY DEVELOPMENT

Expenses incurred on the development of quarry faces are capitalised and amortised based on actual production volume over the estimated reserves available from the quarry faces developed, which is based on the higher of the existing or new quarry development phases.

The criteria that the Group uses to determine the recognition of overburden removal costs in the development of a quarry face as deferred expenditure is if all the following conditions are met:

- It is probable that the future economic benefit (improved access to the quarry face) associated with the overburden removal activity will flow to the entity;
- The entity can identify the component of the quarry face for which access has been improved; and
- The costs relating to the overburden removal activity associated with that component can be measured reliably.

Where an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount. See accounting policy 25 on impairment of non-financial assets.

17 LAND USE RIGHTS

Land use rights where a significant portion of the risks and rewards of ownership is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. Land use rights are carried at cost or surrogate carrying amount and are amortised on a straight line basis over the lease terms.

Land use rights are amortised over the land use rights periods ranging from 15 to 99 years.

18 INCOME TAXES

The income tax expense for the period comprises current and deferred tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable profits. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

18 INCOME TAXES (cont'd)

Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is adjusted against goodwill on acquisition.

Deferred tax and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

19 EMPLOYEE BENEFITS

(a) Short term employee benefits

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the owners of the Company after certain adjustments. The Group recognises a provision where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

Wages, salaries, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(b) Post-employment benefits

The Group has various post-employment benefit schemes in accordance with local conditions and practices in the countries in which it operates. These benefit plans are either defined contribution or defined benefit plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependant on one or more factors such as age, years of service and compensation.

(i) Defined contribution plan

The Group's contributions to a defined contribution plan are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"), which is a defined contribution plan.

(ii) Defined benefit plan

The liability recognised in the balance sheet in respect of a defined benefit plan is the present value of the defined benefit obligation at the balance sheet date, less the fair value of plan assets, together with adjustments for its actuarial gains/losses and past service costs.

The defined benefit obligation, calculated using the projected unit credit method, is determined by independent actuaries, by discounting the estimated future cash outflows using market yields at the balance sheet date on government bonds which have currency and terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in other comprehensive income in the period in which they arise. The actuarial gains and losses are not subsequently reclassified to profit or loss in subsequent periods.

The current service cost of the defined benefit plan reflects the increase in the defined benefit obligation resulting from employee service in the current year. It is recognised in the profit or loss in employee benefit expense, except where included in the cost of an asset.

19 EMPLOYEE BENEFITS (cont'd)

(b) Post-employment benefits (cont'd)

(ii) Defined benefit plan (cont'd)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs, unless the changes to the plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

(c) Share-based compensation

The Group operates a number of equity-settled share-based compensation plans under which the entity receives services from employees as consideration for equity instruments of the Group. The fair values of the share options and share grants granted in exchange for the employee services received are recognised as employee benefit expense in profit or loss over the vesting period of the grant, with a corresponding increase in share-based payment reserve within equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options and share grants granted, excluding the impact of any non-market performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of options and grants that are expected to vest. At each balance sheet date, the Group reviews, and adjusts as appropriate, its estimates of the number of share options and share grants that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to share-based payment reserves in equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital when the share options and share grants are exercised. When share options and share grants are not exercised and lapsed, the share-based payment reserves are transferred to retained earnings.

If the terms of equity-settled share-based compensation plans are modified, at a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

In the separate financial statements of the Company, the grant by the Company of share options and share grants over its equity instruments to the employees of subsidiaries in the Group is treated as a capital contribution to the subsidiary. The fair value of share options and share grants granted to employees of the subsidiary in exchange for the services of the employees to the subsidiary are recognised as investment in subsidiary, with a corresponding credit to equity of the Company. When the Company subsequently charges the subsidiaries for the costs of share options and share grants, the Company recognises a return of the capital contribution by the subsidiaries as a decrease in investment in subsidiaries.

20 CASH AND CASH EQUIVALENTS

For the purpose of cash flow statements, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash in hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, less bank overdrafts.

Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents in the statement of cash flows. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

21 SHARE CAPITAL

(i) Classification

Ordinary shares are classified as equity.

(ii) Share issue costs

Incremental costs directly attributable to the issue of new shares are deducted against the share capital account. In other cases, they are charged to the profit or loss when incurred.

(iii) Dividends

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period. Distributions to holders of an equity instrument is recognised directly in equity.

(iv) Purchase of own shares

Where the Company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental external costs, net of tax, is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled, reissued or disposed of.

Where such shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on disposal or reissue, net of any directly attributable incremental transaction costs, is recognised in the capital reserve account.

Where such shares are subsequently cancelled, the cost of treasury shares is deducted against the retained profits of the Company.

(v) Shares held under trust

Shares issued by the Company under the ESOS Trust Funding Mechanism ("ETF mechanism") are recorded as shares held under trust in the balance sheet. The subscription amounts of the shares are included in equity attributable to owners of the Company as shares held under trust and are reduced upon the exercise of options under the ETF mechanism.

22 FINANCIAL INSTRUMENTS

Financial instruments are contracts that give rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

Financial Assets:

(a) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it is acquired or incurred principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be sold within 12 months; otherwise, they are classified as non-current assets.

22 FINANCIAL INSTRUMENTS (cont'd)

(a) Classification (cont'd)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. The Group's loans and receivables comprise 'long term receivables', 'trade and other receivables' (other than amounts due from customers on construction contracts, accrued billings in respect of property development, prepayments and GST receivables) and 'deposits, cash and bank balances' in the balance sheet.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the management intends to dispose of the assets within 12 months after the balance sheet date.

Investment in unquoted equity instruments which are classified as available-for-sale and whose fair value cannot be reliably measured are measured at cost. These investments are assessed for impairment at each reporting date.

(b) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are expensed in profit or loss.

(c) Subsequent measurement – gains and losses

Financial assets, both available-for-sale and at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividend income, are recognised in profit or loss in the period in which the changes arise.

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, except for impairment (see accounting policy Note 22(d)(ii) on impairment of available-for-sale financial assets) and foreign exchange gains and losses on monetary assets. The exchange differences on monetary assets are recognised in profit or loss, whereas exchange differences on non-monetary assets are recognised in other comprehensive income as part of fair value change.

Interest and dividend income on available-for-sale financial assets are recognised separately in profit or loss. Dividend income on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

(d) Subsequent measurement – impairment of financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired and recognises an allowance for impairment when such evidence exists. A financial asset or a group of financial assets is impaired and impairment is incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

22 FINANCIAL INSTRUMENTS (cont'd)

(d) Subsequent measurement – impairment of financial assets (cont'd)

If any such evidence exists, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss.

The carrying amount of the financial assets is reduced by the impairment directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

When a receivable is uncollectible, it is written off against the related allowance account. Such receivables are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

If 'loans and receivables' have a variable interest rate, the discount rate for measuring any impairment is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 22(d)(i) above, a significant or prolonged decline in the fair value of the equity investment below its cost is also considered as an indicator that the asset is impaired. If any such evidence exists, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in profit or loss. The amount of cumulative loss that is reclassified to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment of that financial asset previously recognised in profit or loss. Impairment recognised in profit or loss on equity instruments classified as available-for-sale is not reversed through profit or loss in subsequent periods.

(e) Derecognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

When available-for-sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

(f) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

(g) Fair value estimation

The fair value of publicly traded derivatives and securities is based on quoted market prices at the balance sheet date.

The fair value of interest rate swap contracts is calculated as the present value of the estimated future cash flows. The fair value of crude palm oil ("CPO") pricing swap contracts is based on quoted market prices at the balance sheet date.

22 FINANCIAL INSTRUMENTS (cont'd)

(g) Fair value estimation (cont'd)

In assessing the fair value of non-traded derivatives and financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for the specific or similar instruments are used for long term debt. Other techniques and bases, such as discounted value of future cash flows and the underlying net asset base of the instrument, are used to determine fair value for the remaining financial instruments. In particular, the fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

The carrying values of financial assets and financial liabilities with a maturity period of less than one year are assumed to approximate their fair values.

(h) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

Financial liabilities:

(a) Classification

The Group classifies its financial liabilities as financial liabilities at fair value through profit or loss and other financial liabilities. The classification depends on the nature of the liabilities and the purpose for which the financial liabilities were incurred. Management determines the classification at initial recognition.

(i) Financial liabilities at fair value through profit or loss

The Group classifies financial liabilities at fair value through profit or loss if they are held for trading. They are presented as current liabilities if they are expected to be settled within 12 months after the end of the reporting period; otherwise they are presented as non-current liabilities. Derivatives are also categorised as held for trading unless they are designated as hedges.

(ii) Other financial liabilities

Other financial liabilities of the Group comprise 'bonds', 'commercial papers and medium term notes', 'term loans', 'government support loans', 'hire purchase and lease creditors', 'trade and other payables' (other than amounts due to customers on construction contracts, progress billings in respect of property development, retirement benefits payable and GST payables) and 'borrowings' in the balance sheet.

(b) Recognition, initial measurement and subsequent measurement

When other financial liabilities are recognised initially, they are measured at fair value plus directly attributable transaction costs.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of comprehensive income when the other financial liabilities are derecognised, and through the amortisation process.

(c) Derecognition

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expired.

23 TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year, or in the normal operating cycle of the business if longer. Otherwise, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

24 GOVERNMENT GRANTS

Grants from the government are recognised at their fair values where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the acquisition of assets and operational maintenance of the concession assets are classified as non-current and are credited to the statement of comprehensive income over the expected lives of the related assets, on bases consistent with the depreciation of the related assets.

The Group also treats the benefit of a government loan at a below market rate of interest as a government grant. In accordance with the transitional provision of the amendments to FRS 120 “Accounting for Government Grants and Disclosure of Government Assistance”, loans received on or after 1 April 2010 are recognised and measured initially at their fair value. The benefit of the government loan at below market rate of interest is measured as the difference between the initial carrying value of the loan and the proceeds received, and is recognised as a government grant, which will be credited to the statement of comprehensive income over the expected lives of the related assets on bases consistent with the depreciation of the related assets for which the loan was granted to the Group.

Government support loans obtained prior to 1 April 2010 are recognised and measured initially based on proceeds received, and hence do not give rise to a government grant.

25 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets (including goodwill or intangible assets not ready for use) that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Other non-financial assets (including those which are subject to amortisation) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying values may not be recoverable. An impairment is recognised for the amount by which the carrying value of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment is charged to profit or loss unless it reverses a previous revaluation, in which case it is charged to the revaluation surplus. Impairment of goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment of a revalued asset, in which case it is taken to revaluation surplus reserve.

26 PROVISIONS

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- a reliable estimate of the amount can be made.

Where the Group expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management’s best estimate of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2017

27 SEGMENTAL INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The Executive Committee ("EXCO"), which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CODM.

Segment revenue, expenses, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment.

Segment revenue, expenses, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process.

28 CONTINGENT LIABILITIES

The Group does not recognise contingent liabilities other than those arising from business combinations, but discloses their existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably. Contingent liabilities do not include financial guarantee contracts.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where their fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions and the information about the contingent liabilities acquired are disclosed in the notes to the financial statements.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provisions of FRS 137 "Provisions, Contingent Liabilities and Contingent Assets" and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with FRS 118 "Revenue".

29 PLANTATION DEVELOPMENT EXPENDITURE

Plantation development expenditure comprises new planting expenditure, estate administration, finance cost relating to qualifying expenditure, depreciation of property, plant and equipment, amortisation of land use rights and upkeep of plantation up to its maturity and are stated at cost or valuation. All expenditure incurred subsequent to maturity, replanting expenditure and upkeep and maintenance expenditure including fertilising costs are charged to profit or loss when incurred.

Certain plantation expenditure of the subsidiaries of the Company had been revalued in 1997. The Directors have not adopted a policy of regular revaluations of such assets and no later valuation has been recorded.

30 FINANCIAL GUARANTEE CONTRACTS

Financial guarantee contracts are contracts that require the Group or Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of the debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with FRS 137 "Provisions, contingent liabilities and contingent assets" and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of a financial guarantee is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2017

1 GENERAL INFORMATION

The Company is principally engaged in construction and investment holding activities. The Group's principal activities consist of construction, property development, manufacturing and quarrying, hotel operations, tollway operations, port operations, plantations and investment holding. The principal activities of the subsidiaries and associates are described in Note 54 to the financial statements.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The address of the registered office of the Company is 2nd Floor, Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 25 May 2017.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Due to the complexity of transactions entered into by the Group, significant judgement is required in determining capital allowances, deductibility of certain expenses and the chargeability of certain income during the estimation of the provision for income taxes. In determining the tax treatment, the Directors have relied upon industry practice and experts opinions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

(b) Deferred tax assets

Deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised.

(c) Construction contracts

The Group recognises contract profits based on the stage of completion method. The stage of completion of a construction contract is determined based on the proportion that the contract costs incurred for work performed to-date bear to the estimated total costs for the contract. When it is probable that the estimated total contract costs of a contract will exceed the total contract revenue of the contract, the expected loss on the contract is recognised as an expense immediately.

Significant judgement is required in the estimation of total contract costs. Where the actual total contract costs is different from the estimated total contract costs, such difference will impact the contract profits/(losses) recognised.

The Group has estimated total contract revenue based on the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably based on the latest available information, and in the absence of such, the Directors' best estimates derived from reasonable assumptions, experience and judgement.

Where the actual approved variations and claims differ from the estimates, such difference will impact the contract profits/(losses) recognised.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(d) Property development

The Group recognises property development profits by reference to the stage of completion of the development activity at the balance sheet date. The stage of completion is determined based on the proportion that the property development costs incurred to-date bear to the estimated total costs for the property development. Where it is probable that total property development costs of a development phase will exceed total property development revenue of the development phase, the expected loss on the development phase is recognised as an expense immediately.

Significant judgement is required in determining the completeness and accuracy of the total property development costs as estimates of future property development costs are inherently uncertain, which involve management's estimation of future cost to completion of the development. Substantial changes in cost estimates in future periods may affect the profitability of the respective property development projects.

Where the actual total property development costs is different from the estimated total property development costs, such difference will impact the property development profits/(losses) recognised.

There is no estimation required in determining the transaction prices as revenue from property development are based on fixed contracted selling prices.

(e) Plantation expenditure

There are certain parcels of land use rights where the remaining periods are less than 25 years. The assumption of further extension of the land use rights periods to be granted on those lands involve judgement on the future decision by the local authority and the explicit terms and conditions imposed on the land titles. Based on their assessment of the assumed extension of the land use rights, management is of the view that there is no impairment indicator of the plantation expenditure.

(f) Amortisation of expressway development expenditure

The expressway development expenditure of the Group are amortised over the concession period based on the following formula:

$$\frac{\text{Cumulative traffic volume to-date}}{\text{Projected total traffic volume for the entire concession period}} \text{ X Expressway development expenditure}$$

In order to determine the projected total traffic volume for the entire concession period, the Group relies on the traffic survey carried out by a firm of independent traffic consultants and Directors' annual re-assessment of the current and future years' projected total traffic volume. Any changes in the projected total traffic volume for the entire concession period will impact the amortisation charge for the year.

(g) Allowance for impairment of receivables

The Group recognises an allowance for impairment of receivables when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

Significant judgement is required in the assessment of the recoverability of receivables. If there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event'), significant judgement is required to estimate the amount and timing of future cash flows to determine the impairment amount required.

To the extent that actual recoveries deviate from management's estimates, such variances may have a material impact on the profit or loss. Based on their assessment, management believes that the current level of allowance for impairment of receivables is adequate. In addition, management is also rigorously monitoring the recoverability of these receivables.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(h) Impairment of assets

The Group determines whether an asset is impaired by evaluating the extent to which the recoverable amount of an asset is less than its cost. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods are used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Group's test for impairment of assets.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to market (including foreign currency exchange, interest rate and price risks), credit and liquidity risks. The Group's overall financial risk management objective is to minimise any potential adverse effects from the unpredictability of financial markets on the Group's financial performance in order to ensure the Group creates value for its shareholders. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to the Group's financial risk management policies. The management regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

The Group uses derivative financial instruments such as forward foreign exchange contracts and CPO pricing swap contracts to hedge certain financial risk exposures.

(a) Market risk

(i) Currency risk

Entities within the Group primarily transact in their respective functional currencies except for certain transactions and borrowings which were denominated in currencies other than their respective functional currencies.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are managed by entering into forward foreign exchange contracts, cross currency swap contracts and the borrowing amounts are kept to an acceptable level.

Currency risks arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency of the entity. The currency exposure profile of the Group's and the Company's financial assets and financial liabilities is disclosed in the respective notes to the financial statements.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

As at the balance sheet date, the Group's and Company's Ringgit Malaysia ("RM") functional currency entities had United States Dollar ("USD"), Argentine Peso ("AP"), Singapore Dollar ("SGD") and Chinese Yuan ("CNY") denominated net monetary (liabilities)/assets. The effects to the Group's and the Company's profit before tax if the USD and AP; SGD and CNY had strengthened/weakened by 5% and 1% respectively against RM are as follows:

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Net monetary liabilities denominated in USD	**(475,305)**	(387,634)	**(102,265)**	(53,210)
Effects to profit before tax if the USD had strengthened/weakened by 5% against RM:				
- strengthened	**(23,766)**	(19,382)	**(5,113)**	(2,661)
- weakened	**23,766**	19,382	**5,113**	2,661
Net monetary assets denominated in AP	**13,825**	13,146	**13,825**	13,146
Effects to profit before tax if the AP had strengthened/weakened by 5% against RM:				
- strengthened	**691**	657	**691**	657
- weakened	**(691)**	(657)	**(691)**	(657)

	The Group	
	2017 RM'000	2016 RM'000
Net monetary assets denominated in SGD	**26,633**	30,100
Effects to profit before tax if the SGD had strengthened/weakened by 1% against RM:		
- strengthened	**266**	301
- weakened	**(266)**	(301)
Net monetary liabilities denominated in CNY	**(35,547)**	(74,700)
Effects to profit before tax if the CNY had strengthened/weakened by 1% against RM:		
- strengthened	**(355)**	(747)
- weakened	**355**	747

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

As at the balance sheet date, the Group's Indian Rupees ("INR") functional currency entities had United States Dollar ("USD") denominated net monetary liabilities. The effects to the Group's profit before tax if the USD had strengthened/weakened by 5% against INR are as follows:

	The Group	
	2017 RM'000	2016 RM'000
Net monetary liabilities denominated in USD	**(234,808)**	(228,637)
Effects to profit before tax if the USD had strengthened/weakened by 5% against INR:		
- strengthened	**(11,740)**	(11,432)
- weakened	**11,740**	11,432

As at the balance sheet date, the Group's Indonesian Rupiah ("IDR") functional currency entities had United States Dollar ("USD") denominated net monetary liabilities. The effects to the Group's profit before tax if the USD had strengthened/weakened by 5% against IDR are as follows:

	The Group	
	2017 RM'000	2016 RM'000
Net monetary liabilities denominated in USD	**(705,761)**	(638,456)
Effects to profit before tax if the USD had strengthened/weakened by 5% against IDR:		
- strengthened	**(35,288)**	(31,923)
- weakened	**35,288**	31,923

This sensitivity analysis ignores any offsetting foreign exchange factors and has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date. The stated change represents management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual balance sheet date.

As at balance sheet date, there are no other significant monetary balances held by the Group and the Company that are denominated in non-functional currency. Differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration.

(ii) Cash flow interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest bearing assets are primarily short-term bank deposits with financial institutions. The interest rates on these deposits are monitored closely to ensure that they are maintained at favourable rates. The Group considers the risk of significant changes to interest rates on deposits to be unlikely.

Interest rate exposure arises mainly from the Group's borrowings. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Market risk (cont'd)

(ii) Cash flow interest rate risk (cont'd)

If the Group's borrowings at variable rates on which effective hedges have not been entered into changes by the following basis points, with all other variables being held constant, the effects on profit before tax would be as follows:

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Borrowings based on cost of funds ("COF"):				
- increase by 25 basis points	**(2,264)**	(2,766)	**–**	–
- decrease by 25 basis points	**2,264**	2,766	**–**	–
Borrowings based on London interbank offered rate ("LIBOR"):				
- increase by 25 basis points	**–**	(1,358)	**–**	(393)
- decrease by 25 basis points	**–**	1,358	**–**	393
- increase by 50 basis points	**(7,123)**	(3,943)	**(885)**	–
- decrease by 50 basis points	**7,123**	3,943	**885**	–
Borrowings based on benchmark prime lending rate ("BPLR"):				
- increase by 25 basis points	**–**	(254)	**–**	–
- decrease by 25 basis points	**–**	254	**–**	–
Borrowings based on Marginal cost of lending rate ("MCLR"):				
- increase by 25 basis points	**(606)**	–	**–**	–
- decrease by 25 basis points	**606**	–	**–**	–

(iii) Price risk

The Group is exposed to quoted securities price risk arising from investments held which are classified on the balance sheet as fair value through profit or loss and price volatility risk due to fluctuation in the palm products commodity market. Investments in quoted securities comprise mainly quoted unit trusts as an alternative to bank deposits. The Group considers the impact of changes in prices of equity securities on profit before tax to be insignificant. To manage and mitigate the risk on price volatility, the Group monitors the fluctuation of crude palm oil price daily and enters into physical forward selling commodity contracts or crude palm oil ("CPO") pricing swap arrangements in accordance with the guidelines set by the Board of Directors. The CPO swap contracts are offered by the reputable banks in Malaysia, which can be net settled during the period of the contracts.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Market risk (cont'd)

(iii) Price risk (cont'd)

If average prices of crude palm oil change by 10% with all other variables being held constant, the effects on profit before tax would have been:

	The Group	
	2017 RM'000	2016 RM'000
Physical Forward Selling Commodity Contracts		
Effects to profit before tax if crude palm oil price:		
- increase by 10%	**24,198**	20,155
- decrease by 10%	**(24,240)**	(20,155)
CPO Swap Contracts		
Effects to profit before tax if crude palm oil price:		
- increase by 10%	**(2,922)**	(8,594)
- decrease by 10%	**2,922**	8,594

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from credit exposures to customers, including outstanding receivables, as well as deposits, cash and bank balances and derivative financial instruments with financial institutions.

For trade and other receivables, the Group controls these risks by the application of credit approvals, limits and monitoring procedures. The Group also minimises its exposure through analysing the counterparties' financial condition prior to entering into any agreements/contracts and obtaining sufficient collaterals where appropriate to mitigate credit risk. Trade receivables are monitored on an ongoing basis via Group management reporting procedures. For other financial assets (deposits, cash and bank balances with financial institutions, quoted unit trusts and derivative financial instruments), the Group adopts the policy of dealing only with counterparties of high credibility (i.e. banks and financial institutions).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance and the financial guarantee contracts as disclosed in Note 3(c) to the financial statements.

See Notes 33 and 40 for further disclosure on credit risk.

(c) Liquidity risk

The Group treasury actively monitors and manages its debt maturity profile, operating cash flows and the availability of funding (comprising undrawn borrowing facilities and cash and cash equivalents) so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments (Note 49) to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Liquidity risk (cont'd)

The tables below analyses the financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining periods from the balance sheet date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RM'000	Between 1 and 5 years RM'000	Over 5 years RM'000
The Group			
At 31 March 2017			
Bonds	**124,559**	**1,034,182**	**1,381,689**
Term loans	**832,919**	**2,070,614**	**85,947**
Government support loans	**34,000**	**114,715**	**60,798**
Trade and other payables	**2,035,579**	**383,972**	**419,539**
Short term borrowings*	**1,055,309**	**–**	**–**
Hire purchase and lease payables	**760**	**837**	**–**
Financial guarantee contracts**	**1,055**	**8,980**	**17,026**
Provisions	**10,718**	**–**	**–**
	4,094,899	**3,613,300**	**1,964,999**
At 31 March 2016			
Bonds	234,853	865,324	1,538,281
Term loans	454,771	2,231,473	161,240
Government support loans	33,943	138,772	73,000
Trade and other payables	1,838,459	422,096	462,542
Short term borrowings*	1,033,236	–	–
Hire purchase and lease payables	170	180	–
Derivative financial instruments	10,380	–	–
Financial guarantee contracts**	362	7,490	16,646
Provisions	1,945	–	–
	3,608,119	3,665,335	2,251,709

* Short term borrowings of the Group include bankers' acceptances, revolving credits, letters of credit and bank overdrafts.

** A subsidiary of the Group provided corporate guarantees for a bank loan facility amounting to RM47.3 million (2016: RM40.3 million) to a cooperative in Indonesia in respect of plasma development. As at 31 March 2017, RM27.0 million (2016: RM24.5 million) has been drawn down.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Liquidity risk (cont'd)

	Less than 1 year RM'000	Between 1 and 5 years RM'000	Over 5 years RM'000
The Company			
At 31 March 2017			
Bonds	**61,729**	**709,821**	**869,025**
Term loans	**4,042**	**177,457**	**–**
Short term borrowings (revolving credits and bank overdrafts)	**212,200**	**–**	**–**
Trade and other payables	**341,714**	**948,028**	**–**
	619,685	**1,835,306**	**869,025**
At 31 March 2016			
Bonds	57,153	561,376	942,374
Term loans	3,442	161,134	–
Short term borrowings (revolving credits)	90,218	–	–
Trade and other payables	345,433	964,234	–
	496,246	1,686,744	942,374

The exposure of the borrowings of the Group and the Company to interest rate changes and the contractual repricing dates at the balance sheet dates are disclosed in Notes 16, 17, 43 and 44 to the financial statements.

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders value. In order to maintain or achieve an optimal capital structure, the Group may adjust the dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new financing facilities or dispose assets to reduce borrowings.

Management monitors capital based on the Group's and the Company's gearing ratio. The Group and the Company are also required by certain banks to maintain maximum gearing ratios, varying between 1.25 and 4 times. The Group's and the Company's strategies are to maintain a gearing ratio of not greater than 1 time.

The gearing ratio is calculated as net debt divided by equity capital. Net debt is calculated as total borrowings (excluding trade and other payables) less cash and cash equivalents. Equity capital is equivalent to capital and reserves attributable to owners of the Company. The Group is subject to certain externally imposed capital requirements in the form of loan covenants as disclosed in Note 16. The Group and the Company monitor gearing ratios and compliance with loan covenants based on the terms of the respective loan agreements. The Group has complied with the loan covenants during the year.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by levels of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2017				
The Group				
Assets:				
Financial assets at fair value through profit or loss	**299,164**	**–**	**–**	**299,164**
Available-for-sale financial assets	**–**	**–**	**2,155**	**2,155**
Derivative financial instruments	**–**	**2,909**	**–**	**2,909**
Total assets	**299,164**	**2,909**	**2,155**	**304,228**
The Company				
Assets:				
Financial assets at fair value through profit or loss	**20,807**	**–**	**–**	**20,807**
Available-for-sale financial assets	**–**	**–**	**2,050**	**2,050**
Total assets	**20,807**	**–**	**2,050**	**22,857**
2016				
The Group				
Assets:				
Financial assets at fair value through profit or loss	407,200	–	–	407,200
Available-for-sale financial assets	–	–	2,212	2,212
Total assets	407,200	–	2,212	409,412
Liabilities:				
Derivative financial instruments	–	10,380	–	10,380
Total liabilities	–	10,380	–	10,380
The Company				
Assets:				
Financial assets at fair value through profit or loss	39,156	–	–	39,156
Available-for-sale financial assets	–	–	2,050	2,050
Total assets	39,156	–	2,050	41,206

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(e) Fair value measurements (cont'd)

The fair values of financial instruments traded in active markets (such as trading securities) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets held by the Group and the Company are the closing prices. These instruments are included in Level 1.

The fair values of financial instruments that are not traded in an active market (for example, CPO swap contracts) are determined by using a valuation technique. The fair value of CPO swap contracts is calculated based on the differences between fixed CPO prices as per the swap contracts and the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange for the specific contracted periods. These instruments are classified as Level 2.

If a valuation technique for the instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

4 OPERATING REVENUE

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Construction contract revenue	**2,104,740**	1,374,716	**973**	(1,733)
Property development revenue	**1,396,938**	1,140,684	**–**	–
Sale of quarry and manufactured products	**1,133,423**	979,782	**–**	–
Sale of goods	**28,670**	38,853	**–**	–
Toll concession revenue	**379,598**	465,096	**–**	–
Port revenue	**208,797**	525,978	**–**	–
Sale of crude palm oil and plantations related products	**753,711**	557,613	**–**	–
Management services	**22,652**	7,579	**29,932**	29,931
Dividend income	**362**	341	**266,791**	241,850
Rental of properties	**243**	219	**363**	324
Rendering of other services	**36,201**	37,337	**–**	–
	6,065,335	5,128,198	**298,059**	270,372

Supplementary information on operating revenue of the Group inclusive of the Group's share of revenue of associates and joint ventures are as follows:

	The Group	
	2017 RM'000	2016 RM'000
Operating revenue of the Group	**6,065,335**	5,128,198
Share of operating revenue of:		
Associates	**641,572**	500,499
Joint ventures	**210,832**	154,155
	6,917,739	5,782,852

5 OPERATING PROFIT BEFORE FINANCE COST

(a) The following expenses (excluding finance cost and income tax expense) by nature have been debited in arriving at operating profit before finance cost:

	Note	The Group 2017 RM'000	 2016 RM'000	The Company 2017 RM'000	 2016 RM'000
Construction contract costs		**1,989,764**	1,262,813	**1,962**	14
Property development costs		**918,472**	771,680	**–**	–
Cost of quarry and manufactured products sold		**932,564**	802,125	**–**	–
Cost of plantation products sold		**458,572**	383,493	**–**	–
Toll operation costs		**221,606**	222,850	**–**	–
Port operation costs		**117,348**	251,546	**–**	–
Other costs		**–**	41	**–**	–
Property, plant and equipment:					
- depreciation	27	**136,345**	121,488	**504**	604
- written off	27	**1,170**	1,340	**–**	–
- loss on disposal		**2,142**	654	**–**	–
- impairment	27	**–**	1,190	**–**	–
Land use rights:					
- amortisation	28	**5,380**	3,862	**–**	–
Investment properties:					
- depreciation	29	**672**	612	**165**	164
Rental of land and buildings		**8,756**	7,733	**2,067**	1,475
Hire of plant and equipment		**8,502**	7,021	**–**	7
Auditors' remuneration:					
- statutory audit	8				
Current year		**3,864**	3,869	**426**	416
Under accrual in respect of prior years		**217**	229	**–**	20
Foreign exchange (gains)/losses (net)		**(30,117)**	8,332	**(13,870)**	7,578
Fair value loss:					
- financial assets held for trading		**556**	451	**–**	10
- derivative financial instruments		**–**	18,120	**–**	355
Concession assets:					
- amortisation	30	**163,042**	138,879	**–**	–
- written off	30	**284**	8,051	**–**	–
Amortisation of quarry development expenditure	36	**3,776**	4,279	**–**	–
Allowance for impairment of receivables	40	**8,329**	25,808	**–**	6,550
Bad debts written off		**1,751**	–	**–**	–
Allowance for impairment of amounts owing by joint ventures	33	**–**	205	**–**	–

Direct operating expenses from investment properties that generated rental income for the Group and the Company during the financial year amounted to RM220,000 (2016: RM399,000) and RM169,000 (2016: RM161,000) respectively.

Direct operating expenses from investment properties that did not generate rental income for the Group and the Company during the financial year amounted to RM98,000 (2016: RM17,000) and RM97,000 (2016: RM16,000) respectively.

5 OPERATING PROFIT BEFORE FINANCE COST (cont'd)

(b) The following amounts have been credited in arriving at operating profit before finance cost:

	Note	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
Gross dividends received from:					
- subsidiaries					
(quoted)		**–**	–	**24,301**	29,160
(unquoted)		**–**	–	**224,827**	206,005
- associates					
(quoted)		**–**	–	**8,114**	6,156
(unquoted)		**–**	–	**9,186**	188
- other investments					
(quoted)		**510**	390	**363**	341
Interest income:					
- bank deposits		**44,813**	54,681	**2,965**	5,533
- loans and receivables from related parties		**26,614**	14,937	**72,596**	65,444
- loans and receivables from non-related parties		**14,848**	22,513	**2,530**	43
- amortised costs on trade and other receivables and amounts due from joint ventures		**15,058**	6,852	**–**	–
- others		**15,046**	13,128	**1,998**	–
Gain on disposal of property, plant and equipment		**12,285**	1,981	**28**	95
Gain on disposal of assets held for sale		**–**	173	**–**	–
Gain on disposal of assets and liabilities of disposal group classified as held for sale	48(i)	**–**	114,141	**–**	–
Gain on disposal of a subsidiary	48(ii)	**–**	126,874	**–**	–
Gain on remeasurement of previously held equity interests upon disposal	48(i),(ii)	**–**	60,934	**–**	–
Reversal of impairment of:					
- Property development costs	37(b)	**34**	237	**–**	–
Rental income		**9,741**	9,207	**363**	324
Write back of allowance for impairment of receivables	40	**3,650**	11,440	**–**	–
Write back of allowance for impairment of amounts owing by joint ventures	33	**–**	5,881	**–**	5,881
Write back of allowance for impairment of associates		**–**	1,712	**–**	–
Write back of building stocks		**33**	104	**–**	–
Write back of impairment of property, plant and equipment	27	**5,312**	–	**–**	–
Amortisation of government grants	26	**6,172**	6,646	**–**	–
Income from quoted unit trusts		**12,227**	10,110	**191**	176

5 OPERATING PROFIT BEFORE FINANCE COST (cont'd)

(b) The following amounts have been credited in arriving at operating profit before finance cost: (cont'd)

	Note	The Group 2017 RM'000	 2016 RM'000	The Company 2017 RM'000	 2016 RM'000
Fair value gains:					
- financial assets held for trading		**1,955**	3,066	**1,780**	833
- derivative financial instruments		**5,237**	–	**–**	–
Gain on disposal of an associate		**4,553**	–	**–**	–
Gain on remeasurement of previously held equity interests upon acquisition		**–**	56	**–**	–

6 EMPLOYEE BENEFITS COST

	Note	The Group 2017 RM'000	 2016 RM'000	The Company 2017 RM'000	 2016 RM'000
Wages, salaries and bonus		**422,970**	400,555	**23,570**	24,332
Defined contribution retirement plan		**45,094**	41,805	**3,373**	3,521
Defined benefit retirement plan	24	**2,029**	643	**–**	–
Other employee benefits		**30,905**	30,916	**2,670**	2,622
Share-based payments		**39,426**	53,827	**4,754**	11,196
		540,424	527,746	**34,367**	41,671
Less expenses capitalised into:					
- Concession assets	30	**–**	(621)	**–**	–
- Property development costs	37(b)	**(131)**	–	**–**	–
- Plantation development expenditure	38(b)	**(17,773)**	(19,307)	**–**	–
- Construction contract work in progress	45	**(98,528)**	(88,951)	**–**	–
		423,992	418,867	**34,367**	41,671

7 DIRECTORS' REMUNERATION

	The Group 2017 RM'000	 2016 RM'000	The Company 2017 RM'000	 2016 RM'000
Directors of the Company:				
Fees	**1,524**	1,308	**1,109**	928
Defined contribution retirement plan	**723**	677	**723**	677
Other emoluments	**5,024**	4,733	**5,000**	4,706
Share-based payments	**3,324**	3,333	**3,324**	3,333
	10,595	10,051	**10,156**	9,644

The estimated monetary value of benefits-in-kind provided to the Directors of the Group and of the Company by way of usage of the Group's and the Company's assets and the provision of other benefits during the financial year amounted to RM181,000 (2016: RM192,000) and RM181,000 (2016: RM192,000) respectively.

8 AUDITORS' REMUNERATION – STATUTORY AUDIT

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
PricewaterhouseCoopers Malaysia *	**2,635**	2,576	**426**	436
Other member firms of PricewaterhouseCoopers International Limited *	**423**	472	**–**	–
Other auditors of subsidiaries	**1,023**	1,050	**–**	–
	4,081	4,098	**426**	436

* PricewaterhouseCoopers Malaysia and other member firms of PricewaterhouseCoopers International Limited are separate and independent legal entities.

9 FINANCE COST

	Note	The Group		The Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Interest expenses arising from:					
- Bank borrowings		**146,195**	160,012	**10,951**	7,682
- Advances from subsidiaries		**–**	–	**–**	541
- Hire purchase and leasing		**27**	18	**–**	–
- Bonds		**88,160**	93,399	**59,219**	55,834
- Commercial Papers and Medium Term Notes ("MTN")		**–**	9,406	**–**	9,406
- Amortisation of government support loan		**6,195**	7,136	**–**	–
- Amortised costs on financial liabilities		**16,998**	15,174	**–**	–
- Accretion of liabilities		**5,751**	–	**–**	–
- Discounting of long term receivables		**5,865**	–	**–**	–
- Others		**2,202**	1,163	**–**	–
		271,393	286,308	**70,170**	73,463
Less interest capitalised into:					
- Land held for property development	37(a)	**(4,113)**	(3,342)	**–**	–
- Property development costs	37(b)	**(120,711)**	(118,574)	**–**	–
- Plantation development expenditure	38(b)	**(3,263)**	(2,207)	**–**	–
- Construction contract work in progress	45	**–**	(26)	**–**	–
- Concession assets	30	**–**	(2,054)	**–**	–
		(128,087)	(126,203)	**–**	–
		143,306	160,105	**70,170**	73,463
Foreign exchange losses		**1,548**	11,106	**–**	–
Less foreign exchange losses capitalised into:					
- Plantation development expenditure	38(b)	**(184)**	(1,987)	**–**	–
		1,364	9,119	**–**	–
		144,670	169,224	**70,170**	73,463

10 INCOME TAX EXPENSE

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current tax:				
- Malaysian income tax	**292,892**	280,691	**14,242**	9,606
- Overseas taxation	**(11,920)**	7,369	**–**	–
	280,972	288,060	**14,242**	9,606
Deferred taxation (Note 22)	**(37,766)**	(13,798)	**388**	259
	243,206	274,262	**14,630**	9,865
Current tax:				
- Current year	**282,073**	274,955	**14,487**	13,022
- Benefits from previously unrecognised temporary differences	**(1,075)**	(3,288)	**–**	–
- (Over)/under accrual in prior years (net)	**(26)**	16,393	**(245)**	(3,416)
	280,972	288,060	**14,242**	9,606
Deferred taxation:				
- Origination and reversal of temporary differences	**(37,766)**	(13,798)	**388**	259
	243,206	274,262	**14,630**	9,865

The explanation of the relationship between income tax expense and profit before taxation is as follows:

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit before taxation	**1,010,010**	1,155,797	**274,101**	204,015
Tax calculated at the Malaysian tax rate of 24% (2016: 24%)	**242,402**	277,391	**65,784**	48,964
Tax effects of:				
- Different tax rates in other countries	**8,894**	(24,804)	**–**	–
- Expenses not deductible for tax purposes	**63,186**	86,646	**18,639**	24,705
- Income not subject to tax	**(43,492)**	(120,770)	**(69,548)**	(60,499)
- Utilisation of tax incentives	**(3,658)**	(16)	**–**	–
- Current year's deferred tax assets derecognised or not recognised on unused tax losses and unutilised deductible temporary differences	**5,752**	39,941	**–**	–
- Utilisation of previously unrecognised tax losses	**(809)**	(717)	**–**	–
- Utilisation of previously unrecognised deductible temporary differences	**(266)**	(2,571)	**–**	–
- Share of results of associates and joint ventures	**(18,485)**	2,360	**–**	–
- Changes in tax rate	**–**	(103)	**–**	111
- Reduction in tax rate due to increase in chargeable income	**(10,248)**	–	**–**	–
- Others	**(44)**	512	**–**	–
(Over)/under accrual in prior years (net)	**(26)**	16,393	**(245)**	(3,416)
Income tax expense	**243,206**	274,262	**14,630**	9,865

10 INCOME TAX EXPENSE (cont'd)

The tax (charge)/credit in relation to the components of other comprehensive income are as follows:

	The Group					
	2017			2016		
	Before tax RM'000	Tax (charge)/ credit RM'000	After tax RM'000	Before tax RM'000	Tax (charge)/ credit RM'000	After tax RM'000
Revaluation gains on property, plant and equipment	**27,056**	**(6,494)**	**20,562**	–	–	–
	27,056	**(6,494)**	**20,562**	–	–	–
Current tax		**–**			–	
Deferred taxation (Note 22)		**6,494**			–	
		6,494			–	

There is no tax charge/credit in relation to the components of other comprehensive income of the Company.

11 EARNINGS PER SHARE

(a) Basic

The basic earnings per share for the financial year has been calculated based on the Group's net profit attributable to owners of the Company for the financial year and the weighted average number of ordinary shares in issue during the financial year excluding ordinary shares purchased by the Company and held as treasury shares (Note14(C)). The weighted average number of ordinary shares in issue is derived after taking into account the issuance of shares pursuant to the exercise of ESOS and vesting of ESGP (2016: issuance of shares pursuant to the exercise of ESOS and vesting of ESGP).

	The Group	
	2017 RM'000	2016 RM'000
Net profit attributable to owners of the Company	**653,773**	793,587
	'000	'000
Weighted average number of ordinary shares in issue	**3,600,319**	3,571,689
Basic earnings per share (sen)	**18.16**	22.22

11 EARNINGS PER SHARE (cont'd)

(b) Fully diluted

The fully diluted earnings per share of the Group is calculated by dividing the Group's net profit attributable to owners of the Company for the financial year of RM653,773,000 (2016: RM793,587,000) by the weighted average number of ordinary shares in issue, adjusted to assume the conversion of all dilutive potential ordinary shares, i.e. the ESOS and ESGP (2016: the ESOS and ESGP). A calculation is done to determine the number of shares that could have been acquired at market price (determined as the weighted average annual share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding ESOS and ESGP (2016: outstanding ESOS and ESGP).

	The Group	
	2017 RM'000	2016 RM'000
Net profit attributable to owners of the Company	**653,773**	793,587
	'000	**'000**
Weighted average number of ordinary shares in issue	**3,600,319**	3,571,689
Adjustments for ESOS	**12,529**	37,675
Adjustments for ESGP	**31,464**	29,976
Weighted average number of ordinary shares for diluted earnings per share	**3,644,312**	3,639,340
Diluted earnings per share (sen)	**17.94**	21.81

12 DIVIDENDS

Dividends declared and paid in respect of the current financial year are as follows:

	The Company			
	2017		2016	
	Dividend per share Sen	Amount of dividend RM'000	Dividend per share Sen	Amount of dividend RM'000
Single tier first interim dividend	**3.00**	**108,087**	3.00	107,198
Single tier second interim dividend	**4.50**	*****	4.00	143,967
Special dividend	**–**	**–**	3.00	107,975
	7.50	**108,087**	10.00	359,140

* The amount of dividend will be determined based on the number of shareholders entitled to receive the dividend as at 5:00pm on 30 June 2017.

On 25 May 2017, the Directors have 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 as at 5:00pm on 30 June 2017. The second interim dividend has not been recognised in the Statement of Changes in Equity as it was declared subsequent to the financial year end.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2017 (2016: Nil).

13 SEGMENTAL REPORTING

Management has determined the operating segments based on the reports reviewed by the Executive Committee ("EXCO") that are used for allocating resources and assessing performance. The EXCO considers the business from the business segment perspective and assesses the performance of the operating segments based on a measure of profit before taxation.

The Group has the following principal business segments:

(a)	Construction	- Construction activities
(b)	Property development	- Development of land into vacant lots, residential, commercial and/or industrial buildings
(c)	Manufacturing and quarrying	- Production and sale of concrete products, and quarrying activities
(d)	Plantation	- Cultivation of oil palms, milling of fresh fruit bunches and trading of crude palm oil
(e)	Infrastructure	- Tollway and port operations

Other operations of the Group comprise mainly investment holding.

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2017 is as follows:

	Construction RM'000	Property development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & others RM'000	Group RM'000
REVENUE:							
Total revenue	3,034,697	1,516,225	1,164,398	753,711	975,515	300,007	7,744,553
Less: Inter-segment revenue	(502,551)	–	(27,784)	–	–	(296,479)	(826,814)
	2,532,146	1,516,225	1,136,614	753,711	975,515	3,528	6,917,739
Less: Share of operating revenue of associates and joint ventures	(380,690)	(78,481)	(3,191)	–	(387,120)	(2,922)	(852,404)
Revenue from external customers	2,151,456	1,437,744	1,133,423	753,711	588,395	606	6,065,335
RESULTS:							
Profit before taxation	216,715	303,277	142,417	168,514	62,313	116,774	1,010,010

13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2017 is as follows: (cont'd)

	Construction RM'000	Property development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & others RM'000	Group RM'000
Profit before taxation includes:							
- Depreciation and amortisation of property, plant and equipment, land use rights, investment properties, concession assets and intangible assets	(11,869)	(11,508)	(46,943)	(66,031)	(172,864)	–	(309,215)
- Amortisation of government grants	–	–	–	–	6,172	–	6,172
- Interest income	62,515	35,374	687	6,975	10,358	470	116,379
- Finance cost	(53,401)	(6,927)	(4,750)	(23,821)	(55,771)	–	(144,670)
- Share of profits/(losses) of associates	36,254	(2,043)	54	–	(7,388)	29,526	56,403
- Share of profits/(losses) of joint ventures	27,095	14,688	–	–	(25,115)	–	16,668

Inter-segment revenue comprises rendering of construction services to the property development and infrastructure segments and the sale of manufacturing and quarrying products to the construction segment. These transactions are transacted on agreed terms between the segments.

The revenue from external customers reported to the EXCO is measured in a manner consistent with that in the statement of comprehensive income.

Revenue by product and services is disclosed in Note 4 to the financial statements.

	Construction RM'000	Property development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & others RM'000	Group RM'000
ASSETS:							
Segment assets	2,212,505	9,315,317	1,450,689	2,950,654	4,449,784	86,660	20,465,609
Unallocated assets:							
- Deferred tax assets							297,762
- Tax recoverable							129,329
Consolidated total assets							20,892,700
Segment assets include:							
- Investment in associates	232,359	18,321	2,202	–	585,160	63,350	901,392
- Investment in joint ventures	170,934	422,862	–	–	160,734	253	754,783
- Additions to non-current assets* (other than financial instruments and deferred tax assets)	20,928	88,552	73,329	146,678	299,981	–	629,468

13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2017 is as follows: (cont'd)

	Construction RM'000	Property development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & others RM'000	Group RM'000
LIABILITIES:							
Segment liabilities	**2,941,973**	**3,359,054**	**290,585**	**1,025,789**	**1,700,993**	**2,128**	**9,320,522**
Unallocated liabilities:							
- Deferred tax liabilities							**669,456**
- Current tax liabilities							**12,979**
Consolidated total liabilities							**10,002,957**

* Non-current assets comprise property, plant and equipment, land use rights, investment properties, concession assets, intangible assets, land held for property development and plantation development expenditure.

The amounts provided to the EXCO with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the operations of the segment.

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2016 is as follows:

	Construction RM'000	Property development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & others RM'000	Group RM'000
REVENUE:							
Total revenue	2,235,674	1,289,966	1,009,688	557,613	1,295,014	286,053	6,674,008
Less: Inter-segment revenue	(592,677)	–	(26,919)	–	–	(271,560)	(891,156)
	1,642,997	1,289,966	982,769	557,613	1,295,014	14,493	5,782,852
Less: Share of operating revenue of associates and joint ventures	(228,815)	(105,005)	(2,987)	–	(303,940)	(13,907)	(654,654)
Revenue from external customers	1,414,182	1,184,961	979,782	557,613	991,074	586	5,128,198
RESULTS:							
Profit before taxation	170,569	159,288	124,090	50,408	555,773	95,669	1,155,797

13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2016 is as follows: (cont'd)

	Construction RM'000	Property development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & others RM'000	Group RM'000
Profit before taxation includes:							
- Depreciation and amortisation of property, plant and equipment, land use rights, investment properties, concession assets and intangible assets	(10,118)	(11,925)	(44,816)	(54,468)	(147,793)	–	(269,120)
- Amortisation of government grants	–	–	–	–	6,646	–	6,646
- Interest income	59,296	27,646	1,364	8,169	15,506	130	112,111
- Finance cost	(57,065)	(18,327)	(4,319)	(21,358)	(68,155)	–	(169,224)
- Share of profits/(losses) of associates	13,984	(415)	35	–	(8,917)	9,038	13,725
- Share of profits/(losses) of joint ventures	18,093	20,721	–	–	(28,971)	–	9,843
- Gain on disposal of assets and liabilities of disposal group classified as held for sale	–	–	–	–	114,141	–	114,141
- Gain on disposal of a subsidiary	–	–	–	–	126,874	–	126,874
- Gain on remeasurement of previously held equity interests upon disposal	–	–	–	–	60,934	–	60,934

Inter-segment revenue comprises rendering of construction services to the property development and infrastructure segments and the sale of manufacturing and quarrying products to the construction segment. These transactions are transacted on agreed terms between the segments.

13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2016 is as follows: (cont'd)

	Construction RM'000	Property development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & others RM'000	Group RM'000
ASSETS:							
Segment assets	1,907,204	9,157,279	1,306,096	2,550,813	4,446,445	85,639	19,453,476
Unallocated assets:							
- Deferred tax assets							230,046
- Tax recoverable							152,023
Consolidated total assets							19,835,545
Segment assets include:							
- Investment in associates	178,237	8,506	2,198	–	664,118	16,574	869,633
- Investment in joint ventures	163,045	338,504	–	–	178,749	223	680,521
- Additions to non-current assets* (other than financial instruments and deferred tax assets)	14,411	24,594	49,275	200,011	266,032	–	554,323
LIABILITIES:							
Segment liabilities	2,490,379	3,501,815	210,429	824,521	1,909,235	642	8,937,021
Unallocated liabilities:							
- Deferred tax liabilities							631,326
- Current tax liabilities							22,630
Consolidated total liabilities							9,590,977

* Non-current assets comprise property, plant and equipment, land use rights, investment properties, concession assets, intangible assets, land held for property development and plantation development expenditure.

The amounts provided to the EXCO with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the operations of the segment.

13 SEGMENTAL REPORTING (cont'd)

Geographical information:

	Revenue from external customers RM'000	Non-current* assets RM'000
2017		
Malaysia	**5,513,365**	**5,036,465**
India	**214,938**	**540,364**
Indonesia	**286,362**	**1,509,165**
Other countries	**50,670**	**54,392**
	6,065,335	**7,140,386**
2016		
Malaysia	4,592,265	4,855,982
India	319,674	523,490
Indonesia	188,264	1,271,049
Other countries	27,995	53,367
	5,128,198	6,703,888

* Non-current assets comprise property, plant and equipment, land use rights, investment properties, concession assets, intangible assets, land held for property development and plantation development expenditure.

Revenue is based on the country in which the customers are located. Non-current assets are determined according to the country where these assets are located.

14 SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST

(A) SHARE CAPITAL

	The Group and the Company			
	2017		2016	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Authorised:				
At 1 April 2016/2015	**5,000,000**	**5,000,000**	3,000,000	3,000,000
Created during the financial year	**–**	**–**	2,000,000	2,000,000
Abolishment of the concept of authorised share capital on 31 January 2017 *	**(5,000,000)**	**(5,000,000)**	–	–
At 31 March	**–**	**–**	5,000,000	5,000,000
Issued and fully paid:				
At 1 April 2016/2015 (ordinary shares of RM1.00 each)	**3,584,805**	**3,584,805**	1,500,001	1,500,001
Issuance of shares arising from:				
- Privatisation of IJM Land Berhad (Note 15(e))	**–**	**–**	279,386	279,386
- 1:1 Bonus issue	**–**	**–**	1,786,460	1,786,460
- Vesting of shares under ESGP	**8,289**	**8,289**	3,033	3,033
- Exercise of share options	**8,197**	**15,311**	7,299	7,299
- Shares held under trust (Note 14(E))	**12,095**	**18,735**	8,626	8,626
Transition to no-par value regime on 31 January 2017 (Note 14(B))	**–**	**2,395,511**	–	–
At 31 March – ordinary shares with no par value (2016: par value of RM1.00 each)	**3,613,386**	**6,022,651**	3,584,805	3,584,805

* The new Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account of RM2,395,511,000 becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

14 SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(A) SHARE CAPITAL (cont'd)

During the financial year, 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") at the following issue prices; and

Number of shares issued units	ESOS exercise price RM/share	Award of options under ESOS ("ESOS Award")
1,946,100	2.18	First ESOS Award
1,101,700	2.16*	First ESOS Award
1,643,900	2.57	Second ESOS Award
2,136,800	2.54**	Second ESOS Award
503,100	2.94	Third ESOS Award
609,500	2.91***	Third ESOS Award
255,600	3.03****	Fourth ESOS Award
8,196,700		

(iii) 12,095,300 new ordinary shares arising from the subscription of new shares under the shares held under trust at the following issue prices:

Number of shares issued units	ESOS exercise price RM/share	Award of options under ESOS ("ESOS Award")
1,000,000	2.18	First ESOS Award
1,500,000	2.16*	First ESOS Award
1,000,000	2.57	Second ESOS Award
5,553,000	2.54**	Second ESOS Award
1,537,300	2.91***	Third ESOS Award
1,505,000	3.03****	Fourth ESOS Award
12,095,300		

* ESOS exercise price of RM2.18 had been adjusted on 25 June 2016
** ESOS exercise price of RM2.57 had been adjusted on 25 June 2016
*** ESOS exercise price of RM2.94 had been adjusted on 25 June 2016
**** ESOS exercise price of RM3.06 had been adjusted on 25 June 2016

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

14 SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(B) SHARE PREMIUM

	The Group and the Company 2017 RM'000	 2016 RM'000
At 1 April 2016/2015	**2,349,079**	2,346,070
Arising from:		
- Privatisation of IJML (Note 15(e))	**–**	1,732,194
- 1:1 Bonus Issue	**–**	(1,786,460)
- Vesting of shares under ESGP	**16,198**	13,004
- Exercise of share options	**17,841**	29,054
- Shares held under trust (Note 14(E))	**12,393**	15,181
- Excess consideration from the disposal of treasury shares	**–**	36
Transition to no-par value regime on 31 January 2017 under the Companies Act 2016 * (Note 14(A))	**(2,395,511)**	–
At 31 March	**–**	2,349,079

* Prior to 31 January 2017, the application of the share premium account was governed by Sections 60 and 61 of the Companies Act 1965. In accordance with the transitional provisions set out in Section 618 (2) of the new Companies Act 2016 (the "Act"), on 31 January 2017 any amount standing to the credit of the Company's share premium account has become part of the Company's share capital (Note 14(A)). Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM2,395,511,000 for purposes as set out in Section 618(3) of the Act.

(C) TREASURY SHARES

	The Group and the Company 2017 Number of shares '000	 Amount RM'000	 2016 Number of shares '000	 Amount RM'000
At 1 April 2016/2015	**1**	**3**	49	270
Shares buy back	**2**	**7**	2	10
Disposal	**–**	**–**	(50)	(277)
At 31 March	**3**	**10**	1	3

The shareholders of the Company had approved an ordinary resolution at the Annual General Meeting held on 24 August 2016 for the Company to repurchase its own shares up to a maximum of 10% of the issued and paid-up capital of the Company. The Directors of the Company were committed to enhancing the value of the Company and believed that the repurchase plan was being applied in the best interest of the Company and its shareholders.

On 2 June 2016, the Company repurchased 1,000 of its ordinary shares from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") for RM3,500. The average price paid for the shares repurchased was approximately RM3.50 per share. On 5 December 2016, the Company repurchased another 1,000 of its ordinary shares from the open market on Bursa Malaysia for RM3,280. The average price paid for the shares repurchased was approximately RM3.28 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares as allowed for under Section 127 of the Companies Act 2016. The Company has the right to reissue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

14 SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(D) SHARE-BASED PAYMENTS

At an Extraordinary General Meeting held on 19 October 2012, the Directors were authorised to proceed with the establishment and administration of the Long Term Incentive Plan ("LTIP"), which comprises an Employee Share Option Scheme ("ESOS") and an Employee Share Grant Plan ("ESGP"). The Directors have appointed a committee ("Committee") to administer the LTIP. The Directors and/or the Committee have also established trusts which are administered by a trustee in accordance with the trust deeds dated 20 December 2012 for the LTIP.

(i) Share options

Share options were granted to executive directors and employees (collectively known as "Group Employee"), which is subject to eligibility criteria, under the Company's Employee Share Option Scheme ("ESOS"), which became operative on 24 December 2012.

The exercise price of the options is determined based on volume-weighted average market price of the Company's ordinary shares as shown in the Daily Official List of the Bursa Malaysia Securities Berhad for the five market days immediately preceding the Offer Date with an allowance for a discount of not more than ten per centum (10%) therefrom.

The vesting of the options is conditional upon acceptance of the offer and fulfilment of the relevant vesting conditions as at the relevant vesting dates as follows:

First ESOS Award	Second ESOS Award	Third ESOS Award	Fourth ESOS Award	Fifth ESOS Award	Percentage (%)
24 December 2013	24 December 2014	24 December 2015	24 December 2016	24 December 2017	40
24 December 2014	24 December 2015	24 December 2016	24 December 2017	24 December 2018	30
24 December 2015	24 December 2016	24 December 2017	24 December 2018	24 December 2019	30

The vesting conditions include the tenure and performance of the eligible Group Employee who have accepted the Offer from the date of the Offer. Once the options are vested, the options are exercisable up to the expiry date of the ESOS, which was initially on 23 December 2017. On 24 November 2015, the Board of Directors had extended the scheme period of the ESOS for another five years effective from 24 December 2017 to 23 December 2022 pursuant to the By-Laws of the LTIP.

(a) On 24 December 2012, the first award of options under the ESOS of 29,640,600 options ("First ESOS Award") was awarded to the Group Employee at an exercise price of RM4.44 per ordinary share. The exercise price of the First ESOS Award had been adjusted to RM4.37 (*) on 13 June 2014 and to RM2.18 (**) on 11 September 2015. On 25 June 2016, the exercise price of the First ESOS Award had been further adjusted to RM2.16 (***).

The first tranche of ESOS under the First ESOS Award amounting to 10,525,800 options had been vested and were exercisable as at 24 December 2013. The second tranche of ESOS under the First ESOS Award amounting to 7,215,700 options had been vested and were exercisable as at 24 December 2014. The third tranche of ESOS under the First ESOS Award amounting to 13,641,000 options had been vested and were exercisable as at 24 December 2015.

14 SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(D) SHARE-BASED PAYMENTS (cont'd)

(i) Share options (cont'd)

(a) Movements in the number of share options outstanding for the First ESOS Award are as follows:

			Number of share options over ordinary shares			
Grant Date	Expiry Date	Exercise Price RM/share	Balance at 1.4.2016 '000	Forfeited '000	Exercised '000	Balance at 31.3.2017 '000
24 December 2012	23 December 2022	4.44/4.37*/ 2.18**/2.16***	12,536	–	(5,218)	**7,318**

As at 31 March 2017, out of the 7,318,000 (2016: 12,535,800) outstanding options from the First ESOS Award, 7,318,000 (2016: 12,535,800) options are exercisable. The weighted average quoted price of shares of the Company at the time when the options were exercised was RM3.46 (2016: RM3.46).

(b) On 24 December 2013, the second award of options under the ESOS of 31,729,600 options ("Second ESOS Award") was awarded to the Group Employee at an exercise price of RM5.22 per ordinary share. The exercise price of the Second ESOS Award had been adjusted to RM5.14 (*) on 13 June 2014 and to RM2.57 (**) on 11 September 2015. On 25 June 2016, the exercise price of the Second ESOS Award had been further adjusted to RM2.54 (***).

The first tranche of ESOS under the Second ESOS Award amounting to 11,279,900 options had been vested and were exercisable as at 24 December 2014. The second tranche of ESOS under the Second ESOS Award amounting to 16,300,500 options had been vested and were exercisable as at 24 December 2015. The third tranche of ESOS under the Second ESOS Award amounting to 15,110,100 options have been vested and were exercisable as at 24 December 2016.

Movements in the number of share options outstanding for the Second ESOS Award are as follows:

			Number of share options over ordinary shares			
Grant Date	Expiry Date	Exercise Price RM/share	Balance at 1.4.2016 '000	Forfeited '000	Exercised '000	Balance at 31.3.2017 '000
24 December 2013	23 December 2022	5.22/5.14*/ 2.57**/2.54***	37,718	(2,147)	(10,322)	**25,249**

As at 31 March 2017, out of the 25,248,700 (2016: 37,717,510) outstanding options from the Second ESOS Award, 25,248,700 (2016: 20,460,400) options are exercisable. The weighted average quoted price of shares of the Company at the time when the options were exercised was RM3.42 (2016: RM3.48).

(c) On 24 December 2014, the third award of options under the ESOS of 10,651,000 options ("Third ESOS Award") was awarded to the Group Employee at an exercise price of RM5.88 per ordinary share. The exercise price of the Third ESOS Award had been adjusted to RM2.94 (*) on 11 September 2015. On 25 June 2016, the exercise price of the Third ESOS Award had been further adjusted to RM2.91 (**).

The first tranche of ESOS under the Third ESOS Award amounting to 7,869,700 options had been vested and were exercisable as at 24 December 2015. The second tranche of ESOS under the Third ESOS Award amounting to 5,418,700 options have been vested and were exercisable as at 24 December 2016.

14 SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(D) SHARE-BASED PAYMENTS (cont'd)

(i) Share options (cont'd)

(c) Movements in the number of share options outstanding for the Third ESOS Award are as follows:

			Number of share options over ordinary shares			
Grant Date	Expiry Date	Exercise Price RM/share	Balance at 1.4.2016 '000	Forfeited '000	Exercised '000	Balance at 31.3.2017 '000
24 December 2014	23 December 2022	5.88/2.94* 2.91**	18,188	(419)	(3,201)	**14,568**

As at 31 March 2017, out of the 14,568,365 (2016: 18,187,940) outstanding options from the Third ESOS Award, 8,377,700 (2016: 6,159,500) options are exercisable. The weighted average quoted price of shares of the Company at the time when the options were exercised was RM3.43 (2016: RM3.46).

(d) On 24 December 2015, the fourth award of options under the ESOS of 19,605,100 options ("Fourth ESOS Award") was awarded to the Group Employee at an exercise price of RM3.06 per ordinary share. The exercise price of the Fourth ESOS Award had been adjusted to RM3.03 (*) on 25 June 2016.

The first tranche of ESOS under the Fourth ESOS Award amounting to 7,012,100 options have been vested and were exercisable as at 24 December 2016.

Movements in the number of share options outstanding for the Fourth ESOS Award are as follows:

			Number of share options over ordinary shares			
Grant Date	Expiry Date	Exercise Price RM/share	Balance at 1.4.2016 '000	Forfeited '000	Exercised '000	Balance at 31.3.2017 '000
24 December 2015	23 December 2022	3.06/3.03*	19,605	(1,262)	(1,396)	**16,947**

As at 31 March 2017, out of the 16,947,440 outstanding options from the Fourth ESOS Award, 5,616,200 options are exercisable. The weighted average quoted price of shares of the Company at the time when the options were exercised was RM3.40.

(e) On 24 December 2016, the fifth award of options under the ESOS of 16,034,000 options ("Fifth ESOS Award") has been awarded to the Group Employee at an exercise price of RM2.93 per ordinary share.

Movements in the number of share options outstanding for the Fifth ESOS Award are as follows:

			Number of share options over ordinary shares				
Grant Date	Expiry Date	Exercise Price RM/share	Balance at 1.4.2016 '000	Granted '000	Forfeited '000	Exercised '000	Balance at 31.3.2017 '000
24 December 2016	23 December 2022	2.93	–	16,034	–	–	**16,034**

As at 31 March 2017, none of the options are vested under the Fifth ESOS Award.

Note 6 to the financial statements which discloses the total expenses recognised in profit or loss arising from transactions accounted for as equity-settled share-based payment transactions include the expense arising from the offer of ESOS.

14 SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(D) SHARE-BASED PAYMENTS (cont'd)

(i) Share options (cont'd)

The fair value of share options offered was estimated using the Trinomial Valuation Model, taking into account the terms and conditions upon which the options were offered. The assumptions used for the valuation were as follows:

	First ESOS Award	Second ESOS Award	Third ESOS Award	Fourth ESOS Award	Fifth ESOS Award
Fair value at the date of offer (RM)	1.08/0.54**	1.02/0.51**	1.08/0.54**	0.73	0.73
Share price at the date of offer (RM)	4.98	5.80	6.60	3.40	3.25
Exercise price (RM)	4.44/4.37*/ 2.18**/2.16***	5.22/5.14*/ 2.57**/2.54***	5.88/2.94**/ 2.91***	3.06/3.03***	2.93
Expected volatility (%)	25.9	18.4	16.5	19.0	21.2
Expected life (years)	5	4	3	7	6

* The ESOS exercise price had been adjusted to RM4.37 and RM5.14 on 13 June 2014, following the declaration of a single tier special dividend of 10 sen per share for the financial year ended 31 March 2014 on 27 May 2014.

** The ESOS fair value and exercise price had been adjusted on 11 September 2015 following the 1:1 Bonus Issue.

*** The ESOS exercise price had been adjusted on 25 June 2016, following the declaration of a single tier special dividend of 3 sen per share for the financial year ended 31 March 2016 on 26 May 2016.

The expected life of the options was based on historical data, therefore it is not necessarily indicative of exercise patterns that may occur. The expected volatility reflected the assumption that the historical volatility was indicative of future trends, which may also not necessarily be the actual outcome. No other features of the options offered were incorporated into the measurement of fair value.

The fair value of the ESOS had been further adjusted on 3 December 2015 (refer to the table below), following the approval of the extension of ESOS scheme period on 24 November 2015 for another five years to 23 December 2022, pursuant to the By-Laws of the LTIP.

	First ESOS Award	Second ESOS Award	Third ESOS Award
Incremental fair value as a result of modification (RM)	0.04	0.10	0.16
Share price at the date of modification (RM)	3.40	3.40	3.40
Exercise price (RM)	2.18	2.57	2.94
Expected volatility (%)	18.7	18.7	18.7
Expected life (years)	2.5-3.5	3-4	3.5-4.5

There was no change to Fourth ESOS Award because it was awarded to the Group Employee on 24 December 2015, which was after the modification date.

14 SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(D) SHARE-BASED PAYMENTS (cont'd)

(ii) Share grants

The ESGP has been implemented on 24 December 2012 and shall be in force for a period of ten years and expires on 23 December 2022.

On 15 April 2013, the first award of shares under the ESGP ("First ESGP Award") had been made to the eligible Group Employee and once accepted will be vested to the eligible Group Employee at no consideration over a period of up to three years, subject to the fulfilment of vesting conditions.

Movements in the number of share grants outstanding are as follows:

	Number of share grants			
Grant Date	**Balance at 1.4.2016 '000**	**Forfeited '000**	**Issued '000**	**Balance at 31.3.2017 '000**
15 April 2013	6,075	(1,568)	(4,507)	**–**

On 15 April 2014, the second award of shares under the ESGP ("Second ESGP Award") had been made to the eligible Group Employee and once accepted will be vested to the eligible Group Employee at no consideration over a period of up to three years, subject to the fulfilment of vesting conditions.

Movements in the number of share grants outstanding are as follows:

	Number of share grants			
Grant Date	**Balance at 1.4.2016 '000**	**Forfeited '000**	**Issued '000**	**Balance at 31.3.2017 '000**
15 April 2014	12,600	(5,288)	(3,656)	**3,656**

On 15 April 2015, the third award of shares under the ESGP ("Third ESGP Award") had been made to the eligible Group Employee and once accepted will be vested to the eligible Group Employee at no consideration over a period of up to three years, subject to the fulfilment of vesting conditions.

Movements in the number of share grants outstanding are as follows:

	Number of share grants			
Grant Date	**Balance at 1.4.2016 '000**	**Forfeited '000**	**Issued '000**	**Balance at 31.3.2017 '000**
15 April 2015	13,372	–	–	**13,372**

14 SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(D) SHARE-BASED PAYMENTS (cont'd)

(ii) Share grants (cont'd)

On 15 April 2016, the fourth award of shares under the ESGP ("Fourth ESGP Award") has been made to the eligible Group Employee and once accepted will be vested to the eligible Group Employee at no consideration over a period of up to three years, subject to the fulfilment of vesting conditions.

Movements in the number of share grants outstanding are as follows:

	Number of share grants			
Grant Date	**Balance at 1.4.2016 '000**	**Granted '000**	**Issued '000**	**Balance at 31.3.2017 '000**
15 April 2016	–	15,137	(126)	**15,011**

The fair value of ESGP offered was based on the closing market price of the shares that was quoted on Bursa Malaysia at the date of the offer.

Note 6 to the financial statements which discloses the total expenses recognised in profit or loss arising from transactions accounted for as equity-settled share-based payment transactions include the expense arising from the offer of ESGP.

(E) SHARES HELD UNDER TRUST

The Group Employee can elect to fund the exercise of the options themselves or through an ESOS Trust Funding Mechanism ("ETF mechanism"). To facilitate the ETF mechanism, the Company provides funding to the trustee to subscribe for new shares of the Company which are held under a trust and managed by a trustee. Shares issued by the Company under the ETF mechanism are recorded as shares held under trust in the financial statements. The shares issued under the ETF mechanism rank pari passu in all respects with the existing ordinary shares of the Company.

The movement of shares held under trust during the financial year is as follows:

	The Group and the Company	
	2017 RM'000	**2016 RM'000**
At 1 April 2016/2015	**3,812**	3,771
Subscription of new shares (Notes 14(A),(B))	**31,128**	23,807
Exercise of share options via ETF mechanism	**(30,924)**	(23,766)
At 31 March	**4,016**	3,812

15 OTHER RESERVES

		The Group	
		2017 RM'000	2016 RM'000
(a)	**Capital reserve**		
	At 1 April 2016/2015	**33,761**	33,769
	Share of capital reserve in an associate	**(821)**	(8)
	At 31 March	**32,940**	33,761
(b)	**Fair value reserve**		
	At 1 April 2016/2015	**786**	5,568
	Share of fair value reserve in an associate	**2,000**	(4,782)
	At 31 March	**2,786**	786
(c)	**Redemption reserve**		
	At 1 April 2016/2015/At 31 March	**10,200***	10,200
(d)	**Hedge reserve**		
	At 1 April 2016/2015	**747**	134
	Share of hedge reserve in an associate	**1,726**	613
	At 31 March	**2,473**	747
(e)	**Other reserve**		
	At 1 April 2016/2015	**–**	2,011,580
	Shares allotted upon privatisation of IJM Land Berhad (Notes 14(A),(B))	**–**	(2,011,580)
	At 31 March	**–**	–
	At 31 March	**48,399**	45,494

* This represents consolidation adjustment on the capitalisation of retained earnings equivalent to the nominal value of the redeemable cumulative preference shares redeemed by a subsidiary of the Company.

		The Company	
		2017 RM'000	2016 RM'000
(a)	**Other reserve**		
	At 1 April 2016/2015	**–**	2,011,580
	Shares allotted upon privatisation of IJM Land Berhad (Notes 14(A),(B))	**–**	(2,011,580)
	At 31 March	**–**	–

16 BONDS

	Unsecured	Secured			
	Sukuk Murabahah Notes (a) RM'000	Sukuk Mudharabah Notes (b) RM'000	Junior Bai Bithaman Ajil Notes (c) RM'000	Senior Bai Bithaman Ajil Notes (c) RM'000	Total RM'000
The Group					
2017					
At 1 April 2016	**1,200,000**	**700,000**	**137,774**	**–**	**2,037,774**
Drawdown during the year	**100,000**	**–**	**–**	**–**	**100,000**
Redeemed during the year	**–**	**(20,000)**	**(120,000)**	**–**	**(140,000)**
Reversal	**–**	**–**	**(17,774)**	**–**	**(17,774)**
At 31 March	**1,300,000**	**680,000**	**–**	**–**	**1,980,000**
Less:					
Amortisation of fair value	**–**	**–**	**(17,774)**	**–**	**(17,774)**
Reversal	**–**	**–**	**17,774**	**–**	**17,774**
	1,300,000	**680,000**	**–**	**–**	**1,980,000**
Less:					
Amount redeemable within 12 months (Note 44)	**–**	**(30,000)**	**–**	**–**	**(30,000)**
	1,300,000	**650,000**	**–**	**–**	**1,950,000**
2016					
At 1 April 2015	800,000	700,000	267,774	18,017	1,785,791
Drawdown during the year	400,000	–	–	–	400,000
Redeemed during the year	–	–	(130,000)	–	(130,000)
Reversal	–	–	–	(18,017)	(18,017)
At 31 March	1,200,000	700,000	137,774	–	2,037,774
Less:					
Amortisation of fair value	–	–	(9,005)	(18,017)	(27,022)
Reversal	–	–	–	18,017	18,017
	1,200,000	700,000	128,769	–	2,028,769
Less:					
Amount redeemable within 12 months (Note 44)	–	(20,000)	(128,769)	–	(148,769)
	1,200,000	680,000	–	–	1,880,000

16 BONDS (cont'd)

	Unsecured Sukuk Murabahah Notes (a) RM'000	Total RM'000
The Company		
2017		
At 1 April 2016	**1,200,000**	**1,200,000**
Drawdown during the year	**100,000**	**100,000**
At 31 March	**1,300,000**	**1,300,000**
Less: Amount redeemable within 12 months (Note 44)	**–**	**–**
	1,300,000	**1,300,000**
2016		
At 1 April 2015	800,000	800,000
Drawdown during the year	400,000	400,000
At 31 March	1,200,000	1,200,000
Less: Amount redeemable within 12 months (Note 44)	–	–
	1,200,000	1,200,000

A. Maturity profile of Bonds

		The Group						
	Note	Carrying amount RM'000	< 1 year RM'000	1 – 2 years RM'000	2 – 3 years RM'000	3 – 4 years RM'000	4 – 5 years RM'000	> 5 years RM'000
2017								
Unsecured Sukuk Murabahah Notes	(a)	**1,300,000**	**–**	**–**	**200,000**	**150,000**	**150,000**	**800,000**
Secured Sukuk Mudharabah Notes	(b)	**680,000**	**30,000**	**40,000**	**55,000**	**60,000**	**60,000**	**435,000**
		1,980,000	**30,000**	**40,000**	**255,000**	**210,000**	**210,000**	**1,235,000**

16 BONDS (cont'd)

A. Maturity profile of Bonds (cont'd)

		The Group						
	Note	Carrying amount RM'000	< 1 year RM'000	1 – 2 years RM'000	2 – 3 years RM'000	3 – 4 years RM'000	4 – 5 years RM'000	> 5 years RM'000
2016								
Unsecured								
Sukuk Murabahah Notes	(a)	1,200,000	–	–	–	200,000	150,000	850,000
Secured								
Sukuk Mudharabah Notes	(b)	700,000	20,000	30,000	40,000	55,000	60,000	495,000
Junior Bai Bithaman Ajil Notes	(c)	128,769	128,769	–	–	–	–	–
		2,028,769	148,769	30,000	40,000	255,000	210,000	1,345,000

		The Company						
	Note	Carrying amount RM'000	< 1 year RM'000	1 – 2 years RM'000	2 – 3 years RM'000	3 – 4 years RM'000	4 – 5 years RM'000	> 5 years RM'000
2017								
Unsecured								
Sukuk Murabahah Notes	(a)	**1,300,000**	**–**	**–**	**200,000**	**150,000**	**150,000**	**800,000**
2016								
Unsecured								
Sukuk Murabahah Notes	(a)	1,200,000	–	–	–	200,000	150,000	850,000

B. Principal features of Bonds

(a) Sukuk Murabahah Notes

On 10 March 2014, the Company established an unsecured Sukuk Murabahah Programme ("Programme") of up to RM3.0 billion in nominal value with a tenure of up to 20 years from the first issuance date.

The Programme contains covenants which require the Group to maintain its net debt to equity ratio of not more than 1.25 times.

On 10 April 2014, the Company made its first issuance pursuant to the Programme for the amount of RM500,000,000 at nominal value and carrying a profit rate ranging from 4.60% to 4.85% per annum. It is repayable in 3 annual instalments, commencing 5 years after the issue date.

On 12 June 2014, the Company issued a second tranche of RM300,000,000 pursuant to the Programme at its nominal value that carries a profit rate of 4.83% per annum. It is repayable in full 8 years after the issue date.

16 BONDS (cont'd)

B. Principal features of Bonds (cont'd)

(a) Sukuk Murabahah Notes (cont'd)

On 21 April 2015, the Company issued a third tranche of RM200,000,000 pursuant to the Programme at its nominal value that carries a profit rate of 4.90% per annum. It is repayable in full 10 years after the issue date.

On 4 June 2015, the Company issued a fourth tranche of RM200,000,000 pursuant to the Programme at its nominal value that carries a profit rate of 4.64% per annum. It is repayable in full 8 years after the issue date.

On 17 October 2016, the Company issued a fifth tranche of RM100,000,000 pursuant to the Programme at its nominal value that carries a profit rate of 4.60% per annum. It is repayable in full 8 years after the issue date.

(b) Sukuk Mudharabah Notes

(i) A subsidiary, Besraya (M) Sdn Bhd ("Besraya"), issued RM700,000,000 secured Sukuk Mudharabah ("Sukuk"), an Islamic Securities Programme on 28 July 2011.

The RM700,000,000 Sukuk was issued at its nominal value. It is repayable in 13 annual instalments, commencing 5 years after the issue date.

As at 31 March 2017, the profit rate of the Sukuk is 4.96% (2016: 4.95%) per annum.

(ii) The Sukuk is secured by the following:

- a debenture creating a first ranking fixed and floating charge over all present and future assets, rights and interests of the issuer;
- a first ranking assignment of all of the issuer's rights, interests, titles and benefits under the Project Agreements, including without limitation the right to demand, collect and retain toll, liquidated damages and all proceeds arising therefrom;
- an assignment of all rights, interests, titles and benefits in all performance and/or maintenance bonds issued to and/or in favour of the issuer, save for those assigned or to be assigned to the Government of Malaysia pursuant to the Concession Agreement;
- a first ranking assignment of all rights, interests, titles and benefits in all relevant insurance/ takaful policies of the issuer and/or in respect of the Besraya Extension Expressway Project, subject to the insurance provisions under the Concession Agreement and the Supplemental Concession Agreement; and
- a first ranking charge and assignment of all rights, interests, titles and benefits in all Designated Accounts and the credit balances.

(iii) The Sukuk contains covenants which require Besraya to maintain a financial service cover ratio of at least 1.25 times and debt equity ratio of not greater than 80:20.

(c) Junior Bai Bithaman Ajil ("BBA") Notes

The principal features of the Junior BBA Notes were as follows:

(i) A subsidiary, New Pantai Expressway Sdn Bhd ("NPE"), issued RM250,000,000 secured Junior BBA Notes on 27 October 2003.

The RM250,000,000 Junior BBA Notes were issued at its nominal value and carried a profit rate ranging from 7.45% to 7.75% per annum. It was repayable in 4 semi-annual instalments, commencing 11 1/2 years after the issue date.

The RM250,000,000 Junior BBA Notes were fully repaid during the financial year.

16 BONDS (cont'd)

B. Principal features of Bonds (cont'd)

(c) Junior Bai Bithaman Ajil ("BBA") Notes (cont'd)

The principal features of the Junior BBA Notes were as follows: (cont'd)

(ii) The Junior BBA Notes were secured by the following:

- a debenture creating a fixed and floating charge over all assets, rights and interests, both present and future of the issuer;
- assignment of all contractual rights of the issuer, being its rights arising under the Project Agreements (as defined in the Junior BBA Notes Trust Deeds);
- a charge and an assignment over the Designated Accounts (as defined in the Junior BBA Notes Trust Deeds); and
- an assignment of all the issuer's interests in all relevant insurances required to be undertaken in respect of the New Pantai Highway Project.

(iii) The Junior BBA Notes contained covenants which required NPE to maintain a financial service cover ratio of at least 1.25 times and debt equity ratio of not greater than 75:25.

17 TERM LOANS

	Note	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
Current:					
Secured	44	**232,985**	118,237	**–**	–
Unsecured	44	**455,717**	218,710	**–**	–
		688,702	336,947	**–**	–
Non-current:					
Secured		**613,651**	815,156	**–**	–
Unsecured		**1,508,158**	1,454,207	**176,940**	157,300
		2,121,809	2,269,363	**176,940**	157,300
		2,810,511	2,606,310	**176,940**	157,300

A. Currency profile of term loans

The currency exposure profile of term loans is as follows:

	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
United States Dollar	**1,424,554**	1,197,770	**176,940**	157,300
Chinese Renminbi	**35,547**	56,777	**–**	–
	1,460,101	1,254,547	**176,940**	157,300

17 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans

The net exposure of term loans to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows:

At 31 March 2017

					Floating interest rate						Fixed interest rate				
The Group	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Note	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	> 5 years RM'000	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000
2017															
Secured															
Term loan 1	5.2	7,799	RM	(a)	–	–	–	–	7,799	–	–	–	–	–	–
Term loan 2	4.7	200,000	RM	(b)	100,000	100,000	–	–	–	–	–	–	–	–	–
Term loan 3	4.9	221,132	RM	(c)	27,760	55,520	55,520	55,520	26,812	–	–	–	–	–	–
Term loan 4	3.0	17,896	GBP	(d)	–	–	–	17,896	–	–	–	–	–	–	–
Term loan 5	4.6	25,461	RM	(e)	9,280	9,280	6,901	–	–	–	–	–	–	–	–
Term loan 6	4.6	51,475	RM	(f)	18,800	18,800	13,875	–	–	–	–	–	–	–	–
Term loan 7	4.6	11,225	RM	(g)	4,490	4,490	2,245	–	–	–	–	–	–	–	–
Term loan 8	4.8	39,375	RM	(h)	22,500	16,875	–	–	–	–	–	–	–	–	–
Term loan 9	4.7	124,451	RM	(i)	–	–	–	24,451	50,000	50,000	–	–	–	–	–
Term loan 10	5.0	41,278	RM	(j)	12,383	28,895	–	–	–	–	–	–	–	–	–
Term loan 11	4.7	19,000	RM	(k)	–	–	19,000	–	–	–	–	–	–	–	–
Term loan 12	8.5	37,772	RMB	(l)	–	–	–	–	–	–	37,772	–	–	–	–
Term loan 13	4.9	49,772	RM	(m)	–	9,700	36,800	3,272	–	–	–	–	–	–	–
		846,636			195,213	243,560	134,341	101,139	84,611	50,000	37,772	–	–	–	–

17 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans (cont'd)

The net exposure of term loans to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows: (cont'd)

At 31 March 2017 (cont'd)

				Floating interest rate						Fixed interest rate				
The Group	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	> 5 years RM'000	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000
2017														
Unsecured														
Term loan 16	9.4	11,972	RMB	3,193	3,193	3,193	2,393	–	–	–	–	–	–	–
Term loan 17	9.4	23,575	RMB	23,575	–	–	–	–	–	–	–	–	–	–
Term loan 18	5.3	200,000	RM	–	–	–	–	–	–	40,000	80,000	80,000	–	–
Term loan 19	5.0	50,000	RM	–	10,000	20,000	20,000	–	–	–	–	–	–	–
Term loan 20	2.0	108,353	USD	30,958	77,395	–	–	–	–	–	–	–	–	–
Term loan 21	2.5	176,903	USD	–	66,339	66,339	44,225	–	–	–	–	–	–	–
Term loan 22	2.5	176,903	USD	–	66,339	66,339	44,225	–	–	–	–	–	–	–
Term loan 23	2.4	132,677	USD	49,754	66,339	16,584	–	–	–	–	–	–	–	–
Term loan 24	2.0	108,353	USD	30,958	77,395	–	–	–	–	–	–	–	–	–
Term loan 25	2.4	132,677	USD	–	19,903	26,535	26,535	26,535	33,169	–	–	–	–	–
Term loan 26	3.0	176,940	USD	–	176,940	–	–	–	–	–	–	–	–	–
Term loan 27	5.0	8,996	RM	–	–	3,460	3,750	1,786	–	–	–	–	–	–
Term loan 28	2.8	176,940	USD	–	176,940	–	–	–	–	–	–	–	–	–
Term loan 29	8.8	221,991	RS	221,991	–	–	–	–	–	–	–	–	–	–
Term loan 30	8.8	20,460	RS	20,460	–	–	–	–	–	–	–	–	–	–
Term loan 31	3.7	234,809	USD	32,502	42,783	54,722	67,657	37,145	–	–	–	–	–	–
Term loan 32	4.8	2,326	RM	2,326	–	–	–	–	–	–	–	–	–	–
		1,963,875		415,717	783,566	257,172	208,785	65,466	33,169	40,000	80,000	80,000	–	–
Total term loans		2,810,511		610,930	1,027,126	391,513	309,924	150,077	83,169	77,772	80,000	80,000	–	–

17 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans (cont'd)

The net exposure of term loans to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows: (cont'd)

At 31 March 2016

					Floating interest rate						Fixed interest rate				
The Group	**Effective interest rate as at year end % p.a**	**Total carrying amount RM'000**	**Currency**	**Note**	**< 1 year RM'000**	**1-2 years RM'000**	**2-3 years RM'000**	**3-4 years RM'000**	**4-5 years RM'000**	**> 5 years RM'000**	**< 1 year RM'000**	**1-2 years RM'000**	**2-3 years RM'000**	**3-4 years RM'000**	**4-5 years RM'000**
2016															
Secured															
Term loan 2	4.7	250,000	RM	(b)	50,000	100,000	100,000	–	–	–	–	–	–	–	–
Term loan 3	5.1	220,916	RM	(c)	–	27,760	55,520	55,520	55,520	26,596	–	–	–	–	–
Term loan 5	4.7	27,744	RM	(e)	2,320	9,280	9,280	6,864	–	–	–	–	–	–	–
Term loan 6	4.7	56,105	RM	(f)	4,700	18,800	18,800	13,805	–	–	–	–	–	–	–
Term loan 7	4.7	13,470	RM	(g)	2,245	4,490	4,490	2,245	–	–	–	–	–	–	–
Term loan 8	4.8	45,000	RM	(h)	5,625	22,500	16,875	–	–	–	–	–	–	–	–
Term loan 9	5.2	205,687	RM	(i)	–	–	–	10,247	50,000	145,440	–	–	–	–	–
Term loan 10	5.4	44,625	RM	(j)	3,347	13,387	27,891	–	–	–	–	–	–	–	–
Term loan 11	4.8	18,239	RM	(k)	–	–	4,639	13,600	–	–	–	–	–	–	–
Term loan 14	5.2	1,607	RM	(n)	–	–	1,047	560	–	–	–	–	–	–	–
Term loan 15	5.2	50,000	RM	(o)	50,000	–	–	–	–	–	–	–	–	–	–
		933,393			118,237	196,217	238,542	102,841	105,520	172,036	–	–	–	–	–

17 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans (cont'd)

The net exposure of term loans to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows: (cont'd)

At 31 March 2016 (cont'd)

				Floating interest rate						Fixed interest rate				
The Group	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	> 5 years RM'000	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000
2016														
Unsecured														
Term loan 16	6.8	12,100	RMB	756	3,025	3,025	3,025	2,269	–	–	–	–	–	–
Term loan 17	6.9	44,677	RMB	16,754	22,338	5,585	–	–	–	–	–	–	–	–
Term loan 18	5.3	200,000	RM	–	–	–	–	–	–	–	40,000	80,000	80,000	–
Term loan 19	5.1	50,000	RM	–	–	10,000	20,000	20,000	–	–	–	–	–	–
Term loan 20	1.6	110,403	USD	13,800	27,601	69,002	–	–	–	–	–	–	–	–
Term loan 21	2.2	157,719	USD	–	–	59,144	59,145	39,430	–	–	–	–	–	–
Term loan 22	2.2	157,719	USD	–	–	59,144	59,145	39,430	–	–	–	–	–	–
Term loan 23	2.0	118,289	USD	–	29,572	59,144	29,573	–	–	–	–	–	–	–
Term loan 24	1.6	110,403	USD	13,800	27,601	69,002	–	–	–	–	–	–	–	–
Term loan 26	2.2	157,300	USD	–	–	157,300	–	–	–	–	–	–	–	–
Term loan 27	5.2	12,062	RM	–	–	2,702	3,750	3,750	1,860	–	–	–	–	–
Term loan 28	2.0	157,300	USD	–	–	157,300	–	–	–	–	–	–	–	–
Term loan 29	9.2	89,543	RS	89,543	–	–	–	–	–	–	–	–	–	–
Term loan 30	9.3	11,860	RS	11,860	–	–	–	–	–	–	–	–	–	–
Term loan 31	2.8	228,637	USD	19,766	28,912	38,057	48,678	60,183	33,041	–	–	–	–	–
Term loan 32	4.9	17,717	RM	15,391	2,326	–	–	–	–	–	–	–	–	–
		1,635,729		181,670	141,375	689,405	223,316	165,062	34,901	–	40,000	80,000	80,000	–

17 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans (cont'd)

The net exposure of term loans to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows: (cont'd)

At 31 March 2016 (cont'd)

				Floating interest rate						Fixed interest rate				
The Group	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	> 5 years RM'000	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000
2016														
Unsecured														
Term loan 33	9.2	36,300	RMB	36,300	–	–	–	–	–	–	–	–	–	–
Term loan 34	11.3	148	RS	–	–	–	–	–	–	148	–	–	–	–
Term loan 35	11.9	185	RS	–	–	–	–	–	–	148	37	–	–	–
Term loan 36	11.9	185	RS	–	–	–	–	–	–	148	37	–	–	–
Term loan 37	11.9	185	RS	–	–	–	–	–	–	148	37	–	–	–
Term loan 38	11.6	185	RS	–	–	–	–	–	–	148	37	–	–	–
		37,188		36,300	–	–	–	–	–	740	148	–	–	–
Total unsecured loans		1,672,917		217,970	141,375	689,405	223,316	165,062	34,901	740	40,148	80,000	80,000	–
Total term loans		2,606,310		336,207	337,592	927,947	326,157	270,582	206,937	740	40,148	80,000	80,000	–

17 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans (cont'd)

The net exposure of term loans to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows: (cont'd)

At 31 March 2017

The Company	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Floating interest rate < 1 year RM'000	Floating interest rate 1-2 years RM'000	Floating interest rate 2-3 years RM'000	Floating interest rate 3-4 years RM'000	Floating interest rate 4-5 years RM'000	Floating interest rate > 5 years RM'000	Fixed interest rate < 1 year RM'000	Fixed interest rate 1-2 years RM'000	Fixed interest rate 2-3 years RM'000	Fixed interest rate 3-4 years RM'000	Fixed interest rate 4-5 years RM'000
2017														
Unsecured														
Term loan 26	3.0	**176,940**	USD	**–**	**176,940**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

At 31 March 2016

The Company	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Floating interest rate < 1 year RM'000	Floating interest rate 1-2 years RM'000	Floating interest rate 2-3 years RM'000	Floating interest rate 3-4 years RM'000	Floating interest rate 4-5 years RM'000	Floating interest rate > 5 years RM'000	Fixed interest rate < 1 year RM'000	Fixed interest rate 1-2 years RM'000	Fixed interest rate 2-3 years RM'000	Fixed interest rate 3-4 years RM'000	Fixed interest rate 4-5 years RM'000
2016														
Unsecured														
Term loan 26	2.2	157,300	USD	–	–	157,300	–	–	–	–	–	–	–	–

17 TERM LOANS (cont'd)

C. Principal features of secured term loans

(a) Term loan 1 of RM7,799,000 is secured by way of:

   (i) a facility agreement for the sum of RM300,000,000;

   (ii) a debenture incorporating a fixed and floating charge over all present and future assets of a subsidiary of IJM Land Berhad ("IJML"), a subsidiary of the Company;

   (iii) an assignment over the current and future proceeds of a subsidiary of IJML;

   (iv) a legal charge over the Designated Accounts of a subsidiary of IJML; and

   (v) a corporate guarantee by IJML.

(b) Term loan 2 of RM200,000,000 (2016: RM250,000,000) is secured by way of:

   (i) facility agreements for the sum of RM250,000,000;

   (ii) a first legal charge created under the National Land Code, 1965 over certain properties and parcels of land of the subsidiaries of IJML (Notes 27 and 37); and

   (iii) letter of awareness or comfort from the Company.

(c) Term loan 3 of RM221,132,000 (2016: RM220,916,000) is secured by way of:

   (i) a facility agreement for the sum of RM220,089,000;

   (ii) a registered first party first legal charge over 67 parcels of adjoining land of a subsidiary of IJML (Note 37); and

   (iii) a proportionate corporate guarantee by IJML and a corporate shareholder of a subsidiary of IJML.

(d) Term loan 4 of RM17,896,000 is secured by way of:

   (i) a first ranking debenture by way of a fixed and floating charge over all present and future assets of a subsidiary of IJML;

   (ii) a first party first legal charge over one (1) parcel of land of a subsidiary of IJML (Note 37);

   (iii) a legal charge over the entire equity interest in a subsidiary of IJML;

   (iv) a first party charge over the Designated Accounts of a subsidiary of IJML;

   (v) a third party Deed of Assignment by a subsidiary of IJML over all its rights, title and interest over the land;

   (vi) a first party Deed of Assignment by a subsidiary of IJML over all contracts awarded by the subsidiary and over all insurance proceeds relating to the project;

   (vii) an irrevocable letter of undertaking by the subsidiary of IJML to deposit proceeds of sales of the development into the Designated Accounts; and

   (viii) a corporate guarantee by IJML.

(e) Term loan 5 of RM25,461,000 (2016: RM27,744,000) is secured by way of:

   (i) a facility agreement for the sum of RM27,880,000;

   (ii) a first party first legal charge over two parcels of freehold land of a subsidiary of IJML (Note 37); and

   (iii) a corporate guarantee by IJML.

(f) Term loan 6 of RM51,475,000 (2016: RM56,105,000) is secured by way of:

   (i) a facility agreement for the sum of RM56,360,000;

   (ii) a first party first legal charge over one parcel of freehold land of a subsidiary of IJML (Note 37); and

   (iii) a corporate guarantee by IJML.

17 TERM LOANS (cont'd)

C. <u>Principal features of secured term loans</u> (cont'd)

(g) Term loan 7 of RM11,225,000 (2016: RM13,470,000) is secured by way of:

(i) a facility agreement for the sum of RM13,470,000;

(ii) a first party first legal charge over two parcels of freehold land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee by IJML.

(h) Term loan 8 of RM39,375,000 (2016: RM45,000,000) is secured by way of:

(i) a facility agreement for the sum of RM45,000,000;

(ii) a first party first legal charge over one parcel of freehold land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee by a subsidiary of IJML.

(i) Term loan 9 of RM124,451,000 (2016: RM205,687,000) and revolving credit of RM13,349,000 (2016: RM13,349,000) (Note 44(A)(c)) is secured by way of:

(i) a facility agreement for the sum of RM460,000,000;

(ii) a first party first legal charge over certain parcels of leasehold land of a subsidiary of IJML (Note 37); and

(iii) a letter of support from IJML and an associate of the Company.

(j) Term loan 10 of RM41,278,000 (2016: RM44,625,000) is secured by way of:

(i) a facility agreement for the sum of RM44,625,000;

(ii) a first party first legal charge over 10% ordinary shares of a subsidiary of IJML; and

(iii) a corporate guarantee by IJML.

(k) Term loan 11 of RM19,000,000 (2016: RM18,239,000) is secured by way of:

(i) a facility agreement for the sum of RM125,000,000;

(ii) a first party first legal charge over 2,013 parcels of adjoining freehold land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee by IJML.

(l) Term loan 12 of RM37,772,000 is secured by way of an irrevocable standby letter of credit issued on behalf of IJML of RM360,000,000.

(m) Term loan 13 of RM49,772,000 is secured by way of:

(i) a first legal charge over 42 parcels of land and completed units of inventories of a subsidiary of IJML (Note 37); and

(ii) a corporate guarantee by IJML.

(n) Term loan 14 of RM1,607,000 as at the end of the preceding financial year was secured by way of:

(i) a facility agreement for the sum of RM22,500,000;

(ii) a registered first party first fixed legal charge over a parcel of freehold land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee by IJML.

The loan was fully repaid during the financial year.

17 TERM LOANS (cont'd)

C. Principal features of secured term loans (cont'd)

(o) Term loan 15 of RM nil (2016: RM50,000,000) and revolving credit of RM50,000,000 (2016: RM50,000,000) (Note 44(A)(d)) in accordance with the Shariah principle of Bai' al-Inah is secured by way of:

(i) a first party legal charge over one parcel of leasehold land of a subsidiary of IJML (Note 37);

(ii) a deed of debenture registering a fixed and floating charge over the present and future assets ("debenture") of a subsidiary of IJML prior to the completion of reclamation of commercial land of "The Light" project ("commercial land") and issuance of relevant land title(s), of which upon completion of reclamation, the debenture shall be discharged and replaced with legal charge over the commercial land;

(iii) an irrevocable letter of undertaking from a subsidiary of IJML to execute the legal charge in favour of the bank over the commercial land upon issuance of the land title(s); and

(iv) a corporate guarantee by IJML.

The loan was fully repaid during the financial year.

18 GOVERNMENT SUPPORT LOANS

	Note	The Group 2017 RM'000	2016 RM'000
Government Support Loans:			
- Government Support Loan 1	(a)	**102,625**	126,270
- Government Support Loan 2	(b)	**84,953**	91,315
		187,578	217,585
Less: Payable within 12 months (Note 43)		**(33,104)**	(33,104)
		154,474	184,481

A. Maturity profile of Government Support Loans

	Total carrying amount RM'000	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	> 5 years RM'000
2017							
Government Support Loan 1	**102,625**	**26,153**	**25,286**	**24,186**	**27,000**	**–**	**–**
Government Support Loan 2	**84,953**	**6,951**	**6,720**	**6,497**	**8,974**	**8,676**	**47,135**
	187,578	**33,104**	**32,006**	**30,683**	**35,974**	**8,676**	**47,135**
2016							
Government Support Loan 1	126,270	26,153	25,286	24,447	23,384	27,000	–
Government Support Loan 2	91,315	6,951	6,720	6,497	6,282	8,676	56,189
	217,585	33,104	32,006	30,944	29,666	35,676	56,189

18 GOVERNMENT SUPPORT LOANS (cont'd)

B. Principal features of Government Support Loans

The principal features of Government Support Loans of subsidiaries of Road Builder (M) Holdings Bhd ("RBH"), a subsidiary of the Company, are as follows:

(a) Government Support Loan 1 - Unsecured

On 26 March 1996, New Pantai Expressway Sdn Bhd ("NPE"), a subsidiary of RBH, entered into a Land Cost Supplemental Agreement with the Government of Malaysia ("the Government") for an interest-free loan provided by the Government in making available the concession area to NPE as Reimbursable Land Cost for the construction of the New Pantai Expressway.

As amended by a second Supplemental Concession Agreement dated 7 October 2003, the Government Support Loan 1 is reimbursable to the Government in 5 annual instalments, with the first instalment commencing on 11 September 2016.

(b) Government Support Loan 2 – Secured

The Government Support Loan 2 is in respect of an agreement between Kuantan Port Consortium Sdn Bhd, a subsidiary of RBH and the Government of Malaysia ("the Government") in connection with the reimbursable infrastructure cost for the purpose of financing the dredging of the new harbour basin. In financial year 2007, the instalment payments were re-scheduled to commence on 15 June 2006 and are repayable over 22 yearly variable instalments, which are interest-free.

The Government Support Loan 2 is secured by a negative pledge and by a deed of assignment over:

(i) the balance of the revenue from the scheduled leases, tenancies and new sub leases and tenancies granted after the commencement date of the Privatisation Agreement after deducting the amounts payable to Kuantan Port Authority; and

(ii) all other revenue received from Kuantan port operations.

19 HIRE PURCHASE AND LEASE PAYABLES

	The Group	
	2017 RM'000	2016 RM'000
Minimum lease payments:		
- Payable within 1 year	**760**	170
- Payable between 1 and 5 years	**837**	180
	1,597	350
Less: Future finance charges	**(110)**	(36)
Present value of hire purchase and lease liabilities	**1,487**	314
Present value of hire purchase and lease liabilities:		
- Payable within 1 year (Note 43)	**685**	145
- Payable between 1 and 5 years (included in non-current liabilities)	**802**	169
	1,487	314

Hire purchase and lease liabilities are effectively secured as the rights to the leased assets revert to the financier in the event of default. As at the balance sheet date, the effective interest rate was 6.22% (2016: 10.30%) per annum.

20 FINANCIAL INSTRUMENTS BY CATEGORY

	Note	Loans and receivables RM'000	Assets at fair value through the profit and loss RM'000	Available-for-sale financial assets RM'000	Total RM'000
The Group					
At 31 March 2017					
Assets as per balance sheet:					
Non-current assets:					
Joint ventures *	33	**552,997**	**–**	**–**	**552,997**
Available-for-sale financial assets	34	**–**	**–**	**2,155**	**2,155**
Long term receivables **	35	**163,411**	**–**	**–**	**163,411**
Current assets:					
Derivative financial instruments	21	**–**	**2,909**	**–**	**2,909**
Trade and other receivables ***	40	**1,773,443**	**–**	**–**	**1,773,443**
Financial assets at fair value through profit or loss	41	**–**	**299,164**	**–**	**299,164**
Deposits, cash and bank balances	42	**2,147,777**	**–**	**–**	**2,147,777**
Total		**4,637,628**	**302,073**	**2,155**	**4,941,856**

	Note	Other financial liabilities at amortised costs RM'000	Total RM'000
Liabilities as per balance sheet:			
Non-current liabilities:			
Bonds	16	**1,950,000**	**1,950,000**
Term loans	17	**2,121,809**	**2,121,809**
Government support loans	18	**154,474**	**154,474**
Trade and other payables ****	23	**542,988**	**542,988**
Current liabilities:			
Trade and other payables *****	43	**2,069,368**	**2,069,368**
Borrowings	44	**1,742,896**	**1,742,896**
Total		**8,581,535**	**8,581,535**

* Joint ventures comprise Redeemable Convertible Secured Islamic Debt Securities ("RCSIDS") and amounts owing by joint ventures.

** Long term receivables exclude lease receivables.

*** Trade and other receivables exclude amounts due from customers on construction contracts, accrued billings in respect of property development, prepayments and GST receivables.

**** Trade and other payables exclude deposits.

***** Trade and other payables exclude amounts due to customers on construction contracts, progress billings in respect of property development, retirement benefits payable and GST payables.

20 FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

	Note	Loans and receivables RM'000	Assets at fair value through the profit and loss RM'000	Available-for-sale financial assets RM'000	Total RM'000
The Group (cont'd)					
At 31 March 2016					
Assets as per balance sheet:					
Non-current assets:					
Joint ventures *	33	474,374	–	–	474,374
Available-for-sale financial assets	34	–	–	2,212	2,212
Long term receivables **	35	113,306	–	–	113,306
Current assets:					
Trade and other receivables ***	40	1,919,749	–	–	1,919,749
Financial assets at fair value through profit or loss	41	–	407,200	–	407,200
Deposits, cash and bank balances	42	1,679,461	–	–	1,679,461
Total		4,186,890	407,200	2,212	4,596,302

	Note	Liabilities at fair value through the profit and loss RM'000	Other financial liabilities at amortised costs RM'000	Total RM'000
Liabilities as per balance sheet:				
Non-current liabilities:				
Bonds	16	–	1,880,000	1,880,000
Term loans	17	–	2,269,363	2,269,363
Government support loans	18	–	184,481	184,481
Trade and other payables ****	23	–	606,507	606,507
Current liabilities:				
Derivative financial instruments	21	10,380	–	10,380
Trade and other payables *****	43	–	1,871,708	1,871,708
Borrowings	44	–	1,477,400	1,477,400
Total		10,380	8,289,459	8,299,839

* Joint ventures comprise Redeemable Convertible Secured Islamic Debt Securities ("RCSIDS") and amounts owing by joint ventures.

** Long term receivables exclude lease receivables.

*** Trade and other receivables exclude amounts due from customers on construction contracts, accrued billings in respect of property development, prepayments and GST receivables.

**** Trade and other payables exclude deposits.

***** Trade and other payables exclude amounts due to customers on construction contracts, progress billings in respect of property development, retirement benefits payable and GST payables.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2017

20 FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

	Note	Loans and receivables RM'000	Assets at fair value through the profit and loss RM'000	Available-for-sale financial assets RM'000	Total RM'000
The Company					
At 31 March 2017					
Assets as per balance sheet:					
Non-current assets:					
Joint ventures *	33	74,395	–	–	74,395
Available-for-sale financial assets	34	–	–	2,050	2,050
Current assets:					
Trade and other receivables **	40	1,355,466	–	–	1,355,466
Financial assets at fair value through profit or loss	41	–	20,807	–	20,807
Deposits, cash and bank balances	42	230,397	–	–	230,397
Total		1,660,258	20,807	2,050	1,683,115

	Note	Other financial liabilities at amortised costs RM'000	Total RM'000
Liabilities as per balance sheet:			
Non-current liabilities:			
Bonds	16	1,300,000	1,300,000
Term loans	17	176,940	176,940
Trade and other payables	43	948,028	948,028
Current liabilities:			
Trade and other payables ***	43	341,670	341,670
Borrowings	44	211,098	211,098
Total		2,977,736	2,977,736

* Joint ventures include RCSIDS and amounts owing by joint ventures.

** Trade and other receivables exclude amounts due from customers on construction contracts and prepayments.

*** Trade and other payables exclude amounts due to customers on construction contracts and GST payable.

20 FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

	Note	Loans and receivables RM'000	Assets at fair value through the profit and loss RM'000	Available-for-sale financial assets RM'000	Total RM'000
The Company (cont'd)					
At 31 March 2016					
Assets as per balance sheet:					
Non-current assets:					
Joint ventures *	33	67,295	–	–	67,295
Available-for-sale financial assets	34	–	–	2,050	2,050
Current assets:					
Trade and other receivables **	40	1,093,528	–	–	1,093,528
Financial assets at fair value through profit or loss	41	–	39,156	–	39,156
Deposits, cash and bank balances	42	173,043	–	–	173,043
Total		1,333,866	39,156	2,050	1,375,072

	Note	Other financial liabilities at amortised costs RM'000	Total RM'000
Liabilities as per balance sheet:			
Non-current liabilities:			
Bonds	16	1,200,000	1,200,000
Term loans	17	157,300	157,300
Trade and other payables	43	964,234	964,234
Current liabilities:			
Trade and other payables ***	43	345,433	345,433
Borrowings	44	90,000	90,000
Total		2,756,967	2,756,967

* Joint ventures include RCSIDS and amounts owing by joint ventures.

** Trade and other receivables exclude prepayments.

*** Trade and other payables exclude amounts due to customers on construction contracts.

21 DERIVATIVE FINANCIAL INSTRUMENTS

	Note	The Group Assets RM'000	The Group Liabilities RM'000
At 31 March 2017			
Current:			
Crude palm oil ("CPO") swap contracts	(a)	**2,909**	**–**
At 31 March 2016			
Current:			
Crude palm oil ("CPO") swap contracts	(a)	–	10,158
Forward foreign exchange contract	(b)	–	222
		–	10,380

(a) Crude palm oil ("CPO") swap contracts

IJM Plantations Berhad, a subsidiary of the Company, has entered into CPO swap contracts to mitigate the exposure of fluctuations in the price of CPO.

The change in fair value is due to the differences between fixed CPO prices as per the swap contracts and the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange for the specific contracted periods.

As at 31 March 2017, the outstanding CPO swap contracts are made up of notional amounts of 11,250 metric tonnes (2016: 32,250 metric tonnes) with contracted prices ranging from RM2,775 to RM2,925 per metric tonne (2016: ranging from RM2,065 to RM2,510 per metric tonne) commencing within the period from 1 January 2017 to 31 March 2018 (2016: 1 September 2015 to 31 March 2017).

(b) Forward foreign exchange contract

In the preceding financial year, Industrial Concrete Products Sdn Bhd, a subsidiary of the Company, entered into forward foreign exchange contracts to hedge its foreign exchange exposures in the purchase of raw materials. As at 31 March 2016, the foreign currency amount to be paid and contractual exchange rate of the Group's outstanding contract, for the purpose of overseas purchase was as follows:

Settlement date	Currency to be paid	Amount in foreign currency to be paid	Contractual rate	Amount to be paid
31.05.16	US Dollar	914,027	4.1807	RM3,821,273

(c) Maturity profile of derivative financial instruments

Types of derivative	< 1 year RM'000	1 – 3 years RM'000	> 3 years RM'000	Total fair value of derivative financial assets/ (liabilities) RM'000
At Group				
As at 31 March 2017:				
(i) CPO swap contracts	**2,909**	**–**	**–**	**2,909**
As at 31 March 2016:				
(i) CPO swap contracts	(10,158)	–	–	(10,158)
(ii) Forward foreign exchange contract	(222)	–	–	(222)
				(10,380)

22 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

The following amounts, determined after appropriate offsetting, are shown in the balance sheet

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Deferred tax assets	**297,762**	230,046	**2,132**	2,520
Deferred tax liabilities	**(669,456)**	(631,326)	**–**	–
	(371,694)	(401,280)	**2,132**	2,520
At 1 April 2016/2015	**(401,280)**	(579,140)	**2,520**	2,779
Credited/(charged) to income statement (Note 10)				
- Property, plant and equipment	**(5,711)**	(2,101)	**(35)**	33
- Concession assets	**(25,101)**	(25,897)	**–**	–
- Post–employment benefit	**(313)**	(41)	**–**	–
- Intangible assets	**(175)**	(1,242)	**–**	–
- Plantation development expenditure	**(4,685)**	(9,844)	**–**	–
- Tax losses	**(16,935)**	2,457	**–**	–
- Payables	**30,095**	8,486	**(353)**	(292)
- Development properties	**56,839**	27,077	**–**	–
- Construction contracts	**1,546**	(1,568)	**–**	–
- Borrowings	**(618)**	(448)	**–**	–
- Investment properties	**230**	7,096	**–**	–
- Derivative financial instruments	**(3,135)**	2,529	**–**	–
- Share-based payment	**4,692**	6,287	**–**	–
- Others	**1,037**	1,007	**–**	–
	37,766	13,798	**(388)**	(259)
Disposal of a subsidiary (Note 48(ii))	**–**	181,097	**–**	–
Revaluation reserve (Note 10)	**(6,494)**	–	**–**	–
Acquisition of a subsidiary (Note 47(a)(i))	**(1,904)**	–	**–**	–
Exchange differences	**218**	(17,035)	**–**	–
At 31 March	**(371,694)**	(401,280)	**2,132**	2,520

22 DEFERRED TAXATION (cont'd)

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Subject to income tax				
Deferred tax assets (before offsetting)				
- Property, plant and equipment	**938**	890	**–**	–
- Development properties	**125,872**	77,477	**–**	–
- Post-employment benefit	**1,210**	1,523	**–**	–
- Payables	**145,889**	115,794	**2,199**	2,552
- Tax losses	**100,292**	108,318	**–**	–
- Construction contracts	**2,768**	1,222	**–**	–
- Borrowings	**108**	2,213	**–**	–
- Investment properties	**7,326**	7,096	**–**	–
- Concession assets	**7,263**	7,891	**–**	–
- Derivative financial instruments	**–**	2,529	**–**	–
- Share-based payment	**11,307**	6,615	**–**	–
- Others	**2,394**	1,357	**–**	–
	405,367	332,925	**2,199**	2,552
Offsetting	**(107,605)**	(102,879)	**(67)**	(32)
Deferred tax assets (after offsetting)	**297,762**	230,046	**2,132**	2,520
Deferred tax liabilities (before offsetting)				
- Property, plant and equipment	**(141,383)**	(126,898)	**(67)**	(32)
- Plantation development expenditure	**(166,311)**	(153,263)	**–**	–
- Development properties	**(208,009)**	(216,453)	**–**	–
- Intangible assets	**(5,562)**	(5,387)	**–**	–
- Borrowings	**(14,070)**	(15,557)	**–**	–
- Inventories	**(705)**	(705)	**–**	–
- Payables	**(4)**	(4)	**–**	–
- Concession assets	**(241,233)**	(216,760)	**–**	–
- Derivative financial instruments	**(606)**	–	**–**	–
- Others	**822**	822	**–**	–
	(777,061)	(734,205)	**(67)**	(32)
Offsetting	**107,605**	102,879	**67**	32
Deferred tax liabilities (after offsetting)	**(669,456)**	(631,326)	**–**	–

The amounts of unutilised deductible temporary differences and unused tax losses for which no deferred tax asset is recognised in the balance sheets are as follows:

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Unutilised deductible temporary differences	**110,190**	105,377	**–**	–
Unused tax losses	**803,300**	721,676	**–**	–
	913,490	827,053	**–**	–
Deferred tax assets not recognised at 24% (2016: 24%)	**219,238**	198,493	**–**	–

22 DEFERRED TAXATION (cont'd)

The unutilised deductible temporary differences and unused tax losses as stated above are available indefinitely for offset against future taxable profits of the subsidiaries in which those items arose, except for unused tax losses of RM649,587,000 (2016: RM580,292,000) which will expire in the following financial years:

	The Group	
	2017 RM'000	2016 RM'000
Financial year		
2017	–	26,240
2018	**43,648**	63,905
2019	**94,748**	62,094
2020	**171,272**	140,161
2021	**39,010**	35,384
2022	**170,169**	147,723
2023	**96,292**	80,054
2024	**12,192**	12,427
2025	**16,450**	12,304
2026	**5,806**	–
	649,587	580,292

Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other subsidiaries in the Group and they have arisen in subsidiaries that have a recent history of losses and some of the subsidiaries are not expected to generate sufficient taxable profits before the expiry of the unused tax losses.

23 TRADE AND OTHER PAYABLES

		The Group	
	Note	2017 RM'000	2016 RM'000
Advances from the State Government	(a)	**33,180**	33,180
Land and development costs payable	(b)	**426,063**	479,127
Less: Payable within 12 months (Note 43)		**(12,238)**	(6,000)
Payable after 12 months		**413,825**	473,127
Deposits	(c)	**158,414**	157,956
Refundable membership securities	(d)	**5,628**	5,649
Shareholder's advance	(e)	**–**	4,281
Lease payable to Kuantan Port Authority	(f)	**96,021**	95,842
Less: Payable within 12 months (Note 43)		**(5,666)**	(5,572)
Payable after 12 months		**90,355**	90,270
		701,402	764,463

23 TRADE AND OTHER PAYABLES (cont'd)

(a) On 17 January 2003, Jelutong Development Sdn Bhd ("JDSB"), an indirect subsidiary of the Company, entered into a Reimbursement Land Cost Agreement (hereinafter referred to as "the RLC Agreement") with the Penang State Government in connection with the completion of the Jelutong Expressway Project.

Under the RLC Agreement, the advances received from the State Government for the reimbursement of land cost totalling RM33,180,000 are repayable to the State Government as follows:

	Percentage of advances to be repaid to the Penang State Government **%**
36 months from the commencement of Stage 3 of the Construction Works of Jelutong Expressway or from the completion of alienation of Parcels A2 and B1, whichever is the later (1st Payment)	**30**
12 months from the date of the Certificate of Completion of the entire Jelutong Expressway or from the date of the 1st Payment, whichever is the later (2nd Payment)	**30**
12 months from the date of the 2nd Payment	**40**
	100

JDSB had completed Stage 3 of the Construction Works in March 2015 and the alienation of Parcels A2 and B1 has yet to commence as at balance sheet date.

The advances on reimbursable land cost are interest free. However, if JDSB fails to pay the Penang State Government any of the instalment payments above by their respective due dates, JDSB shall be liable to pay to the Penang State Government interest at a fixed rate of 8% per annum on any such outstanding instalment payments.

(b) This represents the present value of the deferred development cost of RM214,733,000 (2016: RM220,326,000) in connection with a mixed development at Royal Mint Street, United Kingdom ("UK"), which will become payable upon surplus cash flow being available from the development; and the present value of the land and deferred development costs of RM211,330,000 (2016: RM258,801,000) in connection with a mixed development in Kuala Lumpur, which will become payable as the development progresses.

(c) This represents deposits received from purchasers of development units for the mixed development at Royal Mint Street, United Kingdom.

(d) This represents membership securities received by ERMS Berhad ("ERMS"), an indirect subsidiary of the Company, prior to the implementation of a Deed of Trust dated 20 May 1993. The membership securities are refundable only upon the transfer of a membership by a member to an acceptable transferee and after the said transferee has paid the required refundable securities.

Based on the Deed of Trust, the refundable membership securities shall be paid to an Accumulated Fund over 92 equal annual payments of RM77,000. Subsequently, on 28 June 1997, the Trustee agreed to an annual payment of RM364 to be paid to the Accumulated Fund over 88 years beginning from 15 June 1998.

On 20 March 2003, ERMS had withdrawn the Accumulated Fund and purchased a group premium pension scheme, wherein the terminal value will be used to refund the membership securities to the members. Accordingly, ERMS had ceased to contribute the fixed annual payment to the Accumulated Fund.

(e) The shareholder's advance was in respect of an advance by a subsidiary's shareholder to the subsidiary which was unsecured, interest free and will be repayable after full repayment of other term loans of the subsidiary or upon approval by the lenders of the other term loans. During the financial year, the shareholder's advance has been waived by the shareholder.

23 TRADE AND OTHER PAYABLES (cont'd)

(f) In the preceding financial year, Kuantan Port Consortium Sdn Bhd ("KPC"), which is a 60%-owned subsidiary of Road Builder (M) Holdings Bhd, which in turn is a wholly-owned subsidiary of the Company, entered into a new Privatisation Agreement on 16 June 2015 with the Government of Malaysia ("Government") and Kuantan Port Authority ("KPA") ("Privatisation Agreement"), whereby KPC is granted a 30-year port concession in relation to the development, operation and management of Kuantan Port, which covers the existing Kuantan Port and a new deep water terminal adjacent to the existing Kuantan Port.

The balance represents the present value of future lease payments payable to the Government and KPA, which is in relation to the lease of land solely for the purpose of the port operations and the development of the port and other related purposes upon the terms and conditions of the Privatisation Agreement.

24 RETIREMENT BENEFITS

(a) Defined contribution plan

The Company and its subsidiaries in Malaysia contribute to the Employees Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group has no further payment obligations.

(b) Unfunded defined benefit plan

A local indirect subsidiary of the Company operates an unfunded defined benefit scheme ("the scheme") for its eligible employees. Under the scheme, eligible employees are entitled to retirement benefits by applying a certain factor (either 0.50, 0.75 or 1.00 depending on the number of years of service with the company) to the 100% of final salary on attainment of the retirement age of 55 years based on the number of years of service with the company. The net obligation in respect of the scheme, calculated using the projected unit credit method is determined by an actuarial valuation carried out every 3 years by a qualified actuary. The last actuarial valuation was performed for the financial year ended 31 March 2016.

The indirect subsidiaries of the Company in Indonesia operate an unfunded defined benefit scheme ("the scheme") for its eligible employees. Under the scheme, the eligible employees are entitled to retirement benefits computed by applying certain factors on the severance pay and service pay. The severance pay and service pay are derived by applying certain multipliers on the final salary upon attainment of the retirement age of 55 years, based on the number of years of service with the company. The net obligation in respect of the scheme, calculated using the projected unit credit method is determined by an actuarial valuation carried out by a qualified actuary. The last actuarial valuation was performed for the financial year ended 31 March 2017.

The movements during the financial year on the amounts recognised in the consolidated balance sheet are as follows:

	The Group	
	2017 RM'000	2016 RM'000
At 1 April 2016/2015	**6,348**	6,517
Reclassification	**4,526**	–
Charged to profit or loss (Note 6)	**2,029**	643
Capitalised in plantation development expenditure (Note 38)	**537**	–
Contributions paid during the financial year	**(2,143)**	(1,563)
Adjustment for actuarial loss	**–**	751
Exchange differences	**592**	–
At 31 March	**11,889**	6,348
Present value of liabilities:		
- Payable within 1 year (Note 43)	**1,378**	1,673
- Payable between 1 and 5 years	**2,556**	3,516
- Payable after 5 years	**7,955**	1,159
Payable after 1 year (included in non-current liabilities)	**10,511**	4,675
	11,889	6,348

24 RETIREMENT BENEFITS (cont'd)

(b) Unfunded defined benefit plan (cont'd)

The amounts of unfunded defined benefit recognised in the balance sheet may be analysed as follows:

	The Group	
	2017 RM'000	2016 RM'000
Present values of unfunded defined benefit obligations, recognised as liability in the balance sheets	**11,889**	6,348
Analysed as:		
Current (included in other payables - Note 43)	**1,378**	1,673
Non-current	**10,511**	4,675
	11,889	6,348

The expenses recognised in the profit or loss were analysed as follows:

	The Group	
	2017 RM'000	2016 RM'000
Current service cost	**1,501**	354
Interest cost	**528**	289
Total unfunded defined benefit retirement plan (Note 6)	**2,029**	643

The charges to the profit or loss were included in the following line items:

	The Group	
	2017 RM'000	2016 RM'000
Cost of sales	**1,884**	482
Administrative expenses	**145**	161
Total included in employee benefits cost (Note 6)	**2,029**	643

The principal actuarial assumptions used in respect of the Group's unfunded defined benefit plan were as follows:

	The Group	
	2017 %	2016 %
Discount rate	**4.7 ~ 8**	4.7
Expected rate of salary increases	**5.5 ~ 8**	5.5

25 PROVISIONS

	Note	The Group 2017 RM'000	2016 RM'000
Provision for maintenance			
At 1 April 2016/2015		**1,945**	5,115
Current year provision		**5,823**	19,006
Disposal of a subsidiary	48(ii)	**–**	(11,657)
Utilised during the year		**(3,441)**	(7,722)
Over provision in respect of prior years		**(1,406)**	(3,675)
Reclassification		**(168)**	(67)
Exchange translation differences		**–**	945
At 31 March	(a)	**2,753**	1,945
Provision for affordable housing			
At 1 April 2016/2015		**85,829**	99,675
Current year provision		**31,841**	5,169
Over provision in respect of prior years		**–**	(19,015)
At 31 March	(b)	**117,670**	85,829
		120,423	87,774
Analysis of total provisions:			
Current		**10,718**	1,945
Non-current		**109,705**	85,829
		120,423	87,774

(a) Provision for maintenance is in respect of the contractual obligations under the respective concession agreements to maintain and restore the Expressway Development Expenditure ("EDE") to a specified standard of serviceability.

(b) Provision for affordable housing represents the present value of unavoidable costs exceeding the economic benefits expected to be received by the Group in discharging the obligation to develop affordable housing involuntarily based on the requirements imposed by relevant authorities in relation to the Group's property development projects.

26 DEFERRED INCOME

	Note	The Group 2017 RM'000	2016 RM'000
Government grants	(a)	**2,708**	8,164
Deferred gain	(b)	**70,355**	–
At 31 March		**73,063**	8,164
(a) Government grants:			
Cost			
At 1 April 2016/2015		**48,982**	123,755
Disposal of a subsidiary	48(ii)	**–**	(83,560)
Exchange translation differences		**7,351**	8,787
At 31 March		**56,333**	48,982
Accumulated amortisation			
At 1 April 2016/2015		**(40,818)**	(40,468)
Current amortisation	5(b)	**(6,172)**	(6,646)
Disposal of a subsidiary	48(ii)	**–**	6,863
Exchange translation differences		**(6,635)**	(567)
At 31 March		**(53,625)**	(40,818)
		2,708	8,164

The government grants represent grants received from the Indian Government for certain toll road concessions awarded to the Group.

(b) The deferred gain represents the Group's share of the gain arising from the disposal of a parcel of land to a joint venture held via a wholly-owned subsidiary of the Company.

27 PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

	Freehold land RM'000	Leasehold land RM'000	Plantation infrastructure RM'000	Buildings RM'000	Hotel properties RM'000	Plant, machinery, equipment and vehicles RM'000	Office equipment, furniture, fittings and renovations RM'000	Capital work-in-progress RM'000	Total RM'000
The Group									
2017									
Net book value									
At 1 April 2016	62,749	152,772	336,765	245,606	186,410	586,936	44,172	197,147	1,812,557
Additions	74	–	30,011	2,840	1,019	71,262	6,908	90,930	203,044
Acquisition of a subsidiary (Note 47(a)(i))	9,800	–	–	28,300	39,412	–	1,443	7,140	86,095
Revaluation	–	–	–	–	27,056	–	–	–	27,056
Disposals	(1,051)	–	–	(515)	(43,482)	(6,507)	(58)	(15,316)	(66,929)
Written off	–	–	–	(468)	–	(617)	(85)	–	(1,170)
Depreciation charges for the year	–	(2,086)	(14,352)	(19,321)	(4,699)	(92,033)	(11,350)	–	(143,841)
Impairment	–	–	–	–	2,470	2,842	–	–	5,312
Transferred to land use rights (Note 28)	–	(4,474)	–	–	–	–	–	–	(4,474)
Transferred to investment properties (Note 29)	–	–	–	(626)	–	–	–	–	(626)
Exchange differences arising from translation of assets of foreign operations	836	107	23,639	12,283	–	15,657	701	19,399	72,622
Reclassifications	(1)	(816)	1,393	32,842	92	43,266	253	(77,029)	–
At 31 March 2017	72,407	145,503	377,456	300,941	208,278	620,806	41,984	222,271	1,989,646

27 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of property, plant and equipment are as follows: (cont'd)

	Freehold land RM'000	Leasehold land RM'000	Plantation infrastructure RM'000	Buildings RM'000	Hotel properties RM'000	Plant, machinery, equipment and vehicles RM'000	Office equipment, furniture, fittings and renovations RM'000	Capital work-in-progress RM'000	Total RM'000
The Group									
2016									
Net book value									
At 1 April 2015	62,782	154,164	303,423	252,924	190,929	582,995	43,194	136,420	1,726,831
Additions	–	722	28,980	2,314	931	59,568	9,209	101,774	203,498
Disposal of a subsidiary (Note 48(ii))	(57)	–	–	(1,905)	–	(590)	(347)	–	(2,899)
Disposals	–	–	–	(841)	–	(3,340)	(78)	–	(4,259)
Written off	–	–	–	(488)	–	(444)	(408)	–	(1,340)
Depreciation charges for the year	–	(2,422)	(12,032)	(18,595)	(5,431)	(81,421)	(11,426)	–	(131,327)
Impairment	–	–	–	–	–	–	–	(1,190)	(1,190)
Exchange differences arising from translation of assets of foreign operations	24	98	8,376	4,597	–	4,412	335	5,401	23,243
Reclassifications	–	210	8,018	7,600	(19)	25,756	3,693	(45,258)	–
At 31 March 2016	62,749	152,772	336,765	245,606	186,410	586,936	44,172	197,147	1,812,557

27 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of property, plant and equipment are as follows: (cont'd)

	Freehold land RM'000	Leasehold land RM'000	Plantation infrastructure RM'000	Buildings RM'000	Hotel properties RM'000	Plant, machinery, equipment and vehicles RM'000	Office equipment, furniture, fittings and renovations RM'000	Capital work-in-progress RM'000	Total RM'000
The Group									
Net book value									
At 31 March 2017									
Cost/Valuation	**72,407**	**172,982**	**452,660**	**487,136**	**244,968**	**1,480,717**	**144,482**	**225,188**	**3,280,540**
Accumulated depreciation	**–**	**(27,479)**	**(75,204)**	**(186,157)**	**(13,340)**	**(852,463)**	**(102,373)**	**–**	**(1,257,016)**
Accumulated impairment	**–**	**–**	**–**	**(38)**	**(23,350)**	**(7,448)**	**(125)**	**(2,917)**	**(33,878)**
Net book value	**72,407**	**145,503**	**377,456**	**300,941**	**208,278**	**620,806**	**41,984**	**222,271**	**1,989,646**
At 31 March 2016									
Cost/Valuation	62,749	179,506	393,901	413,476	237,825	1,372,619	138,775	200,337	2,999,188
Accumulated depreciation	–	(26,734)	(57,136)	(167,517)	(28,065)	(775,629)	(94,426)	–	(1,149,507)
Accumulated impairment	–	–	–	(353)	(23,350)	(10,054)	(177)	(3,190)	(37,124)
Net book value	62,749	152,772	336,765	245,606	186,410	586,936	44,172	197,147	1,812,557

27 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Buildings RM'000	Plant, machinery, equipment and vehicles RM'000	Office equipment, furniture, fittings and renovations RM'000	Total RM'000
The Company				
2017				
Net book value				
At 1 April 2016	**437**	**1,688**	**366**	**2,491**
Additions	**–**	**742**	**108**	**850**
Disposals	**–**	**(105)**	**–**	**(105)**
Depreciation charges for the year	**(11)**	**(781)**	**(85)**	**(877)**
Exchange differences	**–**	**71**	**–**	**71**
At 31 March 2017	**426**	**1,615**	**389**	**2,430**
2016				
Net book value				
At 1 April 2015	447	2,477	330	3,254
Additions	–	190	153	343
Disposals	–	(75)	–	(75)
Depreciation charges for the year	(10)	(926)	(117)	(1,053)
Exchange differences	–	22	–	22
At 31 March 2016	437	1,688	366	2,491
At 31 March 2017				
Cost	**577**	**4,423**	**4,187**	**9,187**
Accumulated depreciation	**(151)**	**(2,808)**	**(3,798)**	**(6,757)**
Net book value	**426**	**1,615**	**389**	**2,430**
At 31 March 2016				
Cost	577	3,359	4,079	8,015
Accumulated depreciation	(140)	(1,671)	(3,713)	(5,524)
Net book value	437	1,688	366	2,491

(a) Valuation

Property, plant and equipment include leasehold land, buildings and plant of certain subsidiaries which were last revalued in 1982, 1993 and 1997 based on an open market value basis by firms of independent professional valuers.

In accordance with the Group's accounting policy on property, plant and equipment, hotel building and leasehold land ("hotel properties") are revalued periodically by an independent professional valuer at an interval of not exceeding 5 years.

27 PROPERTY, PLANT AND EQUIPMENT (cont'd)

(a) Valuation (cont'd)

During the year, the hotel properties of ERMS Berhad, an indirect subsidiary of the Company were revalued by an independent qualified valuer, Henry Butcher Malaysia, a member of the Institute of Surveyors, Malaysia. The valuation was arrived at based on the Comparison Method of Valuation where reference was made to similar properties. The fair values of these assets are within level 3 of the fair value hierarchy using significant unobservable inputs. This valuation method entails comparing hotel properties with similar properties that were sold recently. The location of the hotel property, time element, merits and demerits of the hotel properties are taken into consideration to arrive at an acceptable degree of comparability and the value of the hotel properties. The valuation results were reviewed by management and deliberated during the management committee meetings.

	Valuation method	Average fair value per room RM'000	Parameters – Relationship of unobservable inputs to fair value per room
Hotel properties	Comparison method of valuation	504	The higher the average fair value per room, the higher the fair value

Had the revalued leasehold land, buildings and plant been carried at the historical cost model, the net book values would have been as follows:

	The Group	
	2017 RM'000	2016 RM'000
Leasehold land	**56,994**	57,693
Buildings	**34,000**	35,875
	90,994	93,568

(b) Assets acquired under finance lease agreements

Included in property, plant and equipment of the Group are the net book values of the following assets acquired under finance lease agreements:

	The Group	
	2017 RM'000	2016 RM'000
Plant, machinery, equipment and vehicles	**3,146**	1,450

(c) Net book values of assets pledged as security for term loans of certain subsidiaries (Note 17):

	The Group	
	2017 RM'000	2016 RM'000
Land	**110,000**	80,342
Building	**53,739**	59,903
	163,739	140,245

27 PROPERTY, PLANT AND EQUIPMENT (cont'd)

(d) During the financial year, the following depreciation charges of the Group have been included in the aggregate costs incurred to-date within amounts due from/(to) customers on construction contracts and capitalised as plantation development expenditure as set out below:

		The Group		The Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Included in the aggregate costs incurred to-date within amounts due from/(to) customers on construction contracts	45	**2,153**	3,332	**373**	449
Capitalised as plantation development expenditure	38(b)	**5,343**	6,507	**–**	–

(e) In the preceding financial year, land titles to freehold lands with carrying values of RM2,968,000 were in the process of being transferred to the Group.

28 LAND USE RIGHTS

		The Group	
	Note	2017 RM'000	2016 RM'000
Cost			
At 1 April 2016/2015		**166,073**	155,192
Additions		**24,056**	7,010
Transferred from property, plant and equipment	27	**5,593**	–
Disposal of a subsidiary	48(ii)	**–**	(13)
Exchange differences		**10,238**	3,884
At 31 March		**205,960**	166,073
Accumulated amortisation			
At 1 April 2016/2015		**31,234**	25,872
Transferred from property, plant and equipment	27	**1,119**	–
Amortisation for the financial year	5(a)	**6,037**	4,922
Disposal of a subsidiary	48(ii)	**–**	(1)
Exchange differences		**1,739**	441
At 31 March		**40,129**	31,234
Net book value			
At 31 March		**165,831**	134,839

During the financial year, amortisation expenses of RM657,000 (2016: RM969,000) and RM Nil (2016: RM91,000) have been included in plantation development expenditure (Note 38(b)) and aggregate costs incurred to-date within amounts due from/(to) customers on construction contracts (Note 45) of the Group respectively.

The Group's land use rights with carrying value of RM51.3 million (2016: RM39.3 million) are still in the process of being transferred to the Group.

29 INVESTMENT PROPERTIES

The Group	Note	Freehold land RM'000	Leasehold land RM'000	Freehold buildings RM'000	Long term leasehold buildings RM'000	Work in progress RM'000	Total RM'000
2017							
Net book value							
At 1 April 2016		**6,134**	**7,478**	**10,148**	**23,781**	**12,542**	**60,083**
Additions		**–**	**–**	**–**	**–**	**9,493**	**9,493**
Depreciation charges for the year	5(a)	**–**	**(97)**	**(265)**	**(310)**	**–**	**(672)**
Transferred from property, plant and equipment	27	**–**	**–**	**626**	**–**	**–**	**626**
Disposals		**–**	**–**	**(252)**	**–**	**–**	**(252)**
Reversal of over accrual of costs		**–**	**–**	**(411)**	**–**	**–**	**(411)**
At 31 March 2017		**6,134**	**7,381**	**9,846**	**23,471**	**22,035**	**68,867**
2016							
Net book value							
At 1 April 2015		6,134	7,575	1,710	24,152	2,257	41,828
Additions		–	–	–	–	2,998	2,998
Depreciation charges for the year	5(a)	–	(97)	(144)	(371)	–	(612)
Transferred from property development costs	37(b)	–	–	–	–	12,132	12,132
Transferred from assets held for sale		–	–	3,737	–	–	3,737
Reclassification		–	–	4,845	–	(4,845)	–
At 31 March 2016		6,134	7,478	10,148	23,781	12,542	60,083
At 31 March 2017							
Cost		**6,134**	**8,713**	**13,051**	**24,549**	**22,035**	**74,482**
Accumulated depreciation		**–**	**(1,332)**	**(2,834)**	**(1,078)**	**–**	**(5,244)**
Accumulated impairment		**–**	**–**	**(371)**	**–**	**–**	**(371)**
Net book value		**6,134**	**7,381**	**9,846**	**23,471**	**22,035**	**68,867**
At 31 March 2016							
Cost		6,134	8,713	12,205	24,549	12,542	64,143
Accumulated depreciation		–	(1,235)	(2,000)	(768)	–	(4,003)
Accumulated impairment		–	–	(57)	–	–	(57)
Net book value		6,134	7,478	10,148	23,781	12,542	60,083

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2017

29 INVESTMENT PROPERTIES (cont'd)

The Company	**Note**	**Leasehold buildings RM'000**	**Freehold buildings RM'000**	**Total RM'000**
2017				
Net book value				
At 1 April 2016		**2,988**	**4,489**	**7,477**
Depreciation charges for the year	5(a)	**(33)**	**(132)**	**(165)**
At 31 March 2017		**2,955**	**4,357**	**7,312**
2016				
Net book value				
At 1 April 2015		3,020	884	3,904
Transferred from assets held for sale		–	3,737	3,737
Depreciation charges for the year	5(a)	(32)	(132)	(164)
At 31 March 2016		2,988	4,489	7,477
At 31 March 2017				
Cost		**3,053**	**6,475**	**9,528**
Accumulated depreciation		**(98)**	**(2,118)**	**(2,216)**
Net book value		**2,955**	**4,357**	**7,312**
At 31 March 2016				
Cost		3,053	6,475	9,528
Accumulated depreciation		(65)	(1,986)	(2,051)
Net book value		2,988	4,489	7,477

The above properties are not occupied by the Group and are used to either earn rentals or for capital appreciation, or both. As at 31 March 2017, the fair value of the properties of the Group and the Company was estimated at RM106,660,000 (2016: RM91,222,000) and RM11,678,000 (2016: RM10,314,000) respectively by the Directors based on either valuations by independent professionally qualified valuers or the Directors' estimates by reference to open market value of properties in the vicinity. The fair values of investment properties are within level 2 of the fair value hierarchy.

30 CONCESSION ASSETS

	Note	The Group 2017 RM'000	 2016 RM'000
Expressway development expenditure		**2,325,629**	2,355,130
Port infrastructure		**771,437**	557,046
		3,097,066	2,912,176
Expressway development expenditure:			
Cost			
At 1 April 2016/2015		**3,253,023**	3,826,231
Additions		**47,161**	79,424
Reclassification		**–**	278,100
Written off	5(a)	**(409)**	(4,030)
Disposal of a subsidiary	48(ii)	**–**	(1,019,304)
Exchange translation differences		**90,829**	92,602
At 31 March		**3,390,604**	3,253,023
Accumulated amortisation			
At 1 April 2016/2015		**(592,370)**	(531,092)
Current amortisation	5(a)	**(156,513)**	(134,954)
Written off	5(a)	**125**	1,145
Disposal of a subsidiary	48(ii)	**–**	78,623
Exchange translation differences		**(23,419)**	(6,092)
At 31 March		**(772,177)**	(592,370)
		2,618,427	2,660,653
Less: Deferred income			
Cost			
At 1 April 2016/2015 and At 31 March		**(400,456)**	(400,456)
Accumulated amortisation			
At 1 April 2016/2015		**94,933**	82,983
Current amortisation	5(a)	**12,725**	11,950
At 31 March		**107,658**	94,933
		(292,798)	(305,523)
		2,325,629	2,355,130

30 CONCESSION ASSETS (cont'd)

	Note	The Group 2017 RM'000	 2016 RM'000
Port infrastructure:			
Cost			
At 1 April 2016/2015		**716,148**	452,970
Additions		**233,645**	173,605
Accrual		**–**	95,842
Written off	5(a)	**–**	(6,269)
At 31 March		**949,793**	716,148
Accumulated amortisation			
At 1 April 2016/2015		**(159,102)**	(144,330)
Current amortisation	5(a)	**(19,254)**	(15,875)
Written off	5(a)	**–**	1,103
At 31 March		**(178,356)**	(159,102)
		771,437	557,046

Deferred income comprises:

(a) compensation received by New Pantai Expressway Sdn Bhd ("NPE"), an indirect subsidiary of the Company, from the Malaysian Government as a result of the cessation of toll collections with effect from 14 February 2009 at the PJS2 Toll Plaza for Kuala Lumpur bound road users on the NPE; and

(b) compensation received by Besraya Sdn Bhd, an indirect subsidiary of the Company, from the Malaysian Government as a result of the cessation of toll collections with effect from 24 February 2009 at the Salak Jaya Toll Plaza and compensation for the deferment of toll increase.

Expressway development expenditure comprises toll road concessions in Malaysia and India, with concession periods ranging from 14 to 44 years and ending between 2017 and 2040. Port infrastructure comprises port concession in Malaysia, with concession period of 48 years ending in 2045.

The concession assets with net carrying values of RM1,831,819,000 (2016: RM1,878,182,000) are pledged as security for bonds (Note 16).

Concession assets incurred during the financial year include the capitalisation of the following expenses:

	Note	The Group 2017 RM'000	 2016 RM'000
Employee benefits cost	6	**–**	621
Finance cost	9	**–**	2,054

31 SUBSIDIARIES

	The Company 2017 RM'000	 2016 RM'000
At cost:		
Quoted shares:		
- in Malaysia	**534,100**	506,858
Unquoted shares:		
- in Malaysia	**5,605,817**	5,602,817
- outside Malaysia	**8,716**	8,055
	6,148,633	6,117,730
Less: Accumulated impairment		
Unquoted shares		
- outside Malaysia	**(1,035)**	(1,035)
	6,147,598	6,116,695
Amounts owing by subsidiaries	**817,196**	952,596
Costs of investment in relation to share options and share grants being granted to employees of subsidiaries	**73,464**	66,950
	7,038,258	7,136,241
Market value *		
Quoted shares:		
- in Malaysia	**1,590,731**	1,739,937

The Group's effective equity interest in the subsidiaries and their respective principal activities and countries of incorporation are set out in Note 54 to the financial statements.

* The market values of quoted shares are traded in an active market and are within Level 1 of the fair value hierarchy.

As at 31 March 2017, the total non-controlling interests are RM1,319,406,000 (2016: RM1,208,045,000), of which RM784,741,000 (2016: RM719,287,000) is attributable to IJM Plantations Berhad. The other non-controlling interests are not significant.

Set out below are the summarised financial information for a subsidiary that has non-controlling interests that are material to the Group. The financial information below is based on amounts before inter-company eliminations.

	IJM Plantations Berhad 2017 RM'000	 2016 RM'000
Proportion of ordinary shares held by non-controlling interests (%)	**44%**	45%
Summarised statements of comprehensive income:		
Revenue	**753,711**	557,613
Net profit for the financial year	**116,538**	22,043
Total comprehensive income for the financial year	**212,590**	57,496
Net profit attributable to non-controlling interests	**52,767**	8,688
Dividends paid to non-controlling interests	**19,729**	23,675
Summarised balance sheets:		
Current assets	**551,021**	433,718
Current liabilities	**(295,034)**	(193,432)
Non-current assets	**2,426,062**	2,156,705
Non-current liabilities	**(903,019)**	(791,701)
Net assets	**1,779,030**	1,605,290

31 SUBSIDIARIES (cont'd)

Set out below are the summarised financial information for a subsidiary that has non-controlling interests that are material to the Group. The financial information below is based on amounts before inter-company eliminations. (cont'd)

	IJM Plantations Berhad **2017** **RM'000**	 **2016** **RM'000**
Summarised cash flows:		
Cash flows from operating activities	**183,089**	57,020
Cash flows used in investing activities	**(136,470)**	(76,783)
Cash flows from/(used in) financing activities	**50,583**	(80,316)
Net increase/(decrease) in cash and cash equivalents during the financial year	**97,202**	(100,079)
Cash and cash equivalents at beginning of the financial year	**268,520**	371,420
Foreign exchange differences on opening balances	**20,272**	(2,821)
Cash and cash equivalents at end of the financial year	**385,994**	268,520

32 ASSOCIATES

	Note	**The Group** **2017** **RM'000**	 **2016** **RM'000**
Share of net assets of associates	(a)	**873,376**	869,633
Redeemable Unsecured Murabahah Stocks	(b)	**16,200**	–
Amount owing by an associate*		**11,816**	–
		901,392	869,633

* Amount owing by an associate represents unsecured advances which bears interest at a fixed rate of 7.85% per annum.

(a) Share of net assets of associates

	The Group **2017** **RM'000**	 **2016** **RM'000**
Quoted shares, at cost:		
- in Malaysia	**345,314**	341,993
- outside Malaysia	**38,080**	38,080
Unquoted shares, at cost:		
- in Malaysia	**83,591**	93,091
- outside Malaysia	**349,810**	427,924
	816,795	901,088
Share of post-acquisition retained profits	**141,629**	112,034
Share of post-acquisition reserves	**16,206**	(32,863)
	974,630	980,259
Less: Accumulated impairment	**(101,254)**	(110,626)
	873,376	869,633

32 ASSOCIATES (cont'd)

(a) Share of net assets of associates (cont'd)

	The Company	
	2017 **RM'000**	**2016** **RM'000**
Quoted shares, at cost:		
- in Malaysia	**345,314**	341,993
- outside Malaysia	**38,080**	38,080
Unquoted shares, at cost:		
- in Malaysia	**28,309**	36,263
- outside Malaysia	**51,214**	52,979
	462,917	469,315
Less: Accumulated impairment	**(91,117)**	(100,786)
	371,800	368,529
Market value*		
Quoted shares:		
- in Malaysia	**436,674**	332,679
- outside Malaysia	**237,540**	85,598
	674,214	418,277

* The market values of quoted shares are traded in an active market and are within Level 1 of the fair value hierarchy.

The Group's effective equity interest in the associates and their respective principal activities and countries of incorporation are set out in Note 54 to the financial statements.

b) During the financial year, a subsidiary of the Company has subscribed for RM16,200,000 nominal value of Redeemable Unsecured Murabahah Stocks ("RUMS"), maturing on 12 July 2056, as issued by an associate of the Company. The terms of the RUMS are as follows:

(i) The RUMS bears a cumulative and non-compounding profit rate that is determined prior to each issuance of RUMS. As at 31 March 2017, the effective profit rate of RUMS is 10% p.a.

(ii) Each issuance of RUMS shall be valid from and including the date of the issuance until the maturity date provided that if each issuance of RUMS has not been fully redeemed in full by such date, it shall be valid until being redeemed and cancelled in accordance with the provision stated in the Deed Poll.

(iii) Any issuance of RUMS redeemed shall be immediately cancelled and thereafter will not be available for resale or reissued.

(iv) West Coast Expressway Sdn Bhd may make Periodic Profit Payments (as defined in the Deed Poll) or redeem the RUMS subject to the conditions in relation to the Project Financing Facilities (as defined in the Deed Poll).

32 ASSOCIATES (cont'd)

(c) Certain losses of associates of the Group are not recognised when they exceed the Group's cost of investment and advances as the Group has no further obligations beyond these amounts. The Group's share of such losses is as follows:

	The Group	
	2017 RM'000	2016 RM'000
Current year share of losses	**(10,957)**	(248)
Current year recognition of previously unrecognised losses	**24**	–
Adjustment for previously unrecognised losses upon disposal of an associate	**2,974**	–
	(7,959)	(248)
Cumulative share of losses	**(13,733)**	(5,774)

(d) Set out below are the associates of the Group as at balance sheet dates, which, in the opinion of the management, are material to the Group. The associates as listed below have share capital consisting solely of ordinary shares, which are held either directly or indirectly by the Group.

Name of entity	Place of business/ country of incorporation	% of ownership 2017	% of ownership 2016	Nature of relationship	Measurement method
Scomi Group Berhad	Malaysia	**25**	25	Associate	Equity
Hexacon Construction Pte Limited	Singapore	**46**	46	Associate	Equity
WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad)	Malaysia	**26**	26	Associate	Equity

(e) Set out below are the summarised financial information for material associates which are accounted for using the equity method:

Summarised balance sheets:

	Scomi Group Berhad		Hexacon Construction Pte Limited		WCE Holdings Berhad	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current						
Cash and cash equivalents	**161,540**	157,337	**491,323**	356,544	**1,053,888**	1,301,431
Other current assets (excluding cash)	**1,340,264**	1,500,972	**155,769**	218,696	**192,042**	286,306
Total current assets	**1,501,804**	1,658,309	**647,092**	575,240	**1,245,930**	1,587,737
Financial liabilities (excluding trade and other payables)	**(556,935)**	(704,022)	**–**	–	**–**	(6,625)
Other current liabilities (including trade and other payables)	**(523,619)**	(566,974)	**(347,589)**	(261,343)	**(268,346)**	(478,457)
Total current liabilities	**(1,080,554)**	(1,270,996)	**(347,589)**	(261,343)	**(268,346)**	(485,082)

32 ASSOCIATES (cont'd)

(e) Set out below are the summarised financial information for material associates which are accounted for using the equity method: (cont'd)

Summarised balance sheets: (cont'd)

	Scomi Group Berhad		Hexacon Construction Pte Limited		WCE Holdings Berhad	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-current						
Assets	**822,957**	981,980	**241,930**	161,284	**1,653,212**	830,394
Financial liabilities	**(250,410)**	(161,743)	**–**	–	**(1,619,853)**	(1,117,560)
Other liabilities	**(30,839)**	(25,394)	**(31,488)**	(83,931)	**(289,911)**	(121,977)
Total non-current liabilities	**(281,249)**	(187,137)	**(31,488)**	(83,931)	**(1,909,764)**	(1,239,537)
Non-controlling interests	**(476,082)**	(576,417)	**–**	–	**(39,305)**	(42,967)
Net assets (excluding non-controlling interests)	**486,876**	605,739	**509,945**	391,250	**681,727**	650,545
Market value (Group's share)	**86,577**	88,917	**–***	–*	**350,097**	243,762

* Hexacon Construction Pte Limited is a private company and there is no quoted market price available for its shares.

Summarised statement of comprehensive income:

	Scomi Group Berhad		Hexacon Construction Pte Limited		WCE Holdings Berhad	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	**935,962**	1,744,706	**622,051**	460,508	**869,374**	584,826
Depreciation and amortisation	**(136,597)**	(105,330)	**–**	–	**(348)**	(360)
Interest income	**6,281**	3,538	**–**	–	**1,234**	432
Finance cost	**(30,151)**	(16,483)	**–**	–	**(2,114)**	(1,166)
(Loss)/profit before taxation	**(180,023)**	96,607	**95,428**	33,475	**35,738**	(6,281)
Income tax expense	**(9,503)**	(38,857)	**(16,928)**	(3,868)	**(3,309)**	(1,086)
(Loss)/profit after taxation	**(189,526)**	57,750	**78,500**	29,607	**32,429**	(7,367)
Other comprehensive income/(loss)	**10,184**	88,325	**4,395**	(10,510)	**–**	–
Less: Profit/(loss) after taxation attributable to non-controlling interests	**69,500**	(7,760)	**–**	–	**(1,248)**	(707)
Less: Other comprehensive loss attributable to non-controlling interests	**(16,065)**	(35,406)	**–**	–	**–**	–
Total comprehensive (loss)/income	**(125,907)**	102,909	**82,895**	19,097	**31,181**	(8,074)
Dividends received from associates	**–**	–	**2,912**	1,242	**–**	–

Note: The summarised financial information above reflects the amounts presented in the financial statements of the associates.

32 ASSOCIATES (cont'd)

(e) Set out below are the summarised financial information for material associates which are accounted for using the equity method: (cont'd)

Reconciliation of the summarised financial information presented to the carrying amount of its interests in associates:

	Scomi Group Berhad		Hexacon Construction Pte Limited		WCE Holdings Berhad	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Net assets at 1 April 2016/2015	**605,739**	622,237	**391,250**	325,570	**650,545**	664,800
Less: Gross dividend distributed during the year	**–**	–	**(4,585)**	(2,730)	**–**	–
Net profit for the financial year	**(120,026)**	49,990	**78,500**	29,607	**31,181**	(8,074)
Other comprehensive income	**(5,881)**	52,919	**4,395**	(10,510)	**–**	–
Other reserves	**2,438**	(6,837)	**–**	–	**1**	(6,181)
Foreign exchange differences	**–**	–	**40,385**	49,313	**–**	–
	482,270	718,309	**509,945**	391,250	**681,727**	650,545
Less: fair value adjustment upon increase in additional interests	**4,606**	(112,570)	**–**	–	**–**	–
Net assets at 31 March	**486,876**	605,739	**509,945**	391,250	**681,727**	650,545
Interests in associates	**119,727**	149,483	**232,024**	178,019	**154,989**	151,896
Goodwill	**20,188**	20,397	**–**	–	**–**	–
Carrying value	**139,915**	169,880	**232,024**	178,019	**154,989**	151,896

(f) Set out below are the financial information of all individually immaterial associates on an aggregate basis.

	2017 RM'000	2016 RM'000
Carrying amounts of interest in associates	**374,464**	369,838
Share of associates' profits/(losses)	**40,248**	(5,020)
Share of associates' other comprehensive income	**3,578**	1,276
Share of associates' total comprehensive income/(losses)	**43,826**	(3,744)

33 JOINT VENTURES

	Note	The Group 2017 RM'000	 2016 RM'000
Redeemable Convertible Unsecured Loan Stocks ("RCULS")	(A)	**240,000**	240,000
At cost:			
- In Malaysia		**111,875**	111,375
Share of post-acquisition reserves		**(150,089)**	(145,228)
		201,786	206,147
Redeemable Convertible Secured Islamic Debt Securities ("RCSIDS")	(B)	**57,540**	50,436
Amounts owing by joint ventures		**622,910**	551,391
Less: Allowance for impairment of amounts owing by joint ventures		**(127,453)**	(127,453)
		495,457	423,938
		754,783	680,521

(A) RCULS

In 2007 and 2009, the Company had subscribed for RM240,000,000 nominal value of Redeemable Convertible Unsecured Loan Stocks ("RCULS"), maturing on 8 February 2026, as issued by Lebuhraya Kajang-Seremban Sdn Bhd ("Lekas"), a joint venture of the Company. The terms of RCULS are as follows:

(i) The RCULS bear fixed cumulative interest of 7% per annum from the date of subscription until the date of redemption or maturity, whichever is earlier.

(ii) The RCULS are convertible on the basis of one RCULS for one new ordinary share of RM1 each in Lekas.

(iii) The conversion period is the period commencing from the date immediately after the first anniversary of the date of issuance of the final completion certificate of the final phase of the works under the Concession Agreement and ending on such a date falling 3 years thereafter. As at 31 March 2017, the period for exercising the conversion had expired.

(B) RCSIDS

In the previous financial year, the Company acquired RM90,109,292 nominal value of Redeemable Convertible Secured Islamic Debt Securities ("RCSIDS"), maturing on 10 April 2023, as issued by Lekas, a joint venture of the Company. The terms of RCSIDS are as follows:

(i) The RCSIDS bear a fixed, cumulative and non-compounding profit rate of 7.9% per annum.

(ii) Every RM1 nominal value of the RCSIDS or every RM1 profit payable on such RCSIDS can be converted into 1 ordinary share of Lekas at the conversion price of RM1. The profit in respect of the RCSIDS can only be converted into ordinary shares if it is done in conjunction with the conversion of the corresponding RCSIDS.

(iii) The conversion period commences from the date immediately after the issue date and ends on the maturity date.

(iv) The RCSIDS may, prior to the maturity date, be redeemed in part or in full at their aggregate nominal value plus accrued and unpaid profit. No cash payment will be made for the principal amount in respect of the RCSIDS and the profit earned on the relevant profit payment dates during the subsistence of the syndicated term loan facility and until the maturity date. Any early redemption shall take place on a profit payment date or such other dates as may be mutually agreed between the parties. All outstanding RCSIDS and cumulative profit shall be redeemed by the issuer on the maturity date.

The RCSIDS which have been redeemed will be cancelled and cannot be reissued and the outstanding profit which has not been converted into new ordinary shares shall be paid by the issuer in the form of cash payment on the maturity date.

33 JOINT VENTURES (cont'd)

	The Company	
	2017 RM'000	2016 RM'000
RCULS	**240,000**	240,000
Unquoted shares, at cost	**50,000**	50,000
	290,000	290,000
Less: Allowance for impairment of investments	**(138,695)**	(138,695)
	151,305	151,305
RCSIDS	**57,540**	50,436
Amounts owing by joint ventures	**50,422**	50,426
Less: Allowance for impairment of amounts owing by joint ventures	**(33,567)**	(33,567)
	16,855	16,859
	225,700	218,600

The amounts owing by joint ventures are mainly unsecured advances for the joint ventures' working capital requirements which bear interest rates ranging from 7% to 7.9% (2016: 6% to 7.9%) per annum.

As at 31 March 2017, amounts owing by joint ventures of the Group and the Company of RM127,453,000 (2016: RM127,453,000) and RM33,567,000 (2016: RM33,567,000) respectively were impaired and provided for. The net amounts recoverable from joint ventures are arrived at based on the present value of the projected cash flows generated by the construction and property development activities undertaken by the joint ventures.

Movements on the Group's and the Company's allowance for impairment of amounts owing by joint ventures are as follows:

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
At 1 April 2016/2015	**127,453**	256,168	**33,567**	39,448
Allowance for impairment of amounts owing by joint ventures during the year (Note 5(a))	**–**	205	**–**	–
Write back of allowance for impairment of amounts owing by joint ventures (Note 5(b))	**–**	(5,881)	**–**	(5,881)
Disposal of RBM India project	**–**	(123,039)	**–**	–
At 31 March	**127,453**	127,453	**33,567**	33,567

The Group has carried out an assessment on the recoverability of the amounts owing by joint ventures and management believes that the current impairment recognised is adequate.

The management has assessed whether there is any impairment of its investment in one of the joint venture of the Company as the joint venture has incurred a loss during the financial year.

This assessment was performed by calculating the value-in-use ("VIU") of the investment based on net cash inflow generated from its toll operation over the remaining concession period of 22 years up to the year of 2039.

Key assumptions used were:

Annual growth rate of traffic volume	Negative 1.7% for the year of 2018 and ranges from 1.7% to 7.5% per annum from the year of 2018 to 2039
Discount rate	5.5%

Based on management's assessment, there is no provision for impairment required during the financial year.

33 JOINT VENTURES (cont'd)

As at the reporting date, if the change in the annual growth rate of traffic volume and the discount rate used in the VIU had been 50 basis points lower and 50 basis points higher respectively, with all variables held constant, no provision for impairment is required.

(a) Details of the joint ventures are as follows:

	Group's effective interest in joint ventures		Principal activities
	2017 %	2016 %	
Astaka Tegas Sdn Bhd *	**50**	50	Dormant
Elegan Pesona Sdn Bhd	**50**	50	Property development
IJM Properties-JA Manan Development Joint Venture	**50**	50	Property development
Sierra Ukay Sdn Bhd *	**50**	50	Property development
IJM Properties-Danau Lumayan Joint Venture	**60**	60	Dormant
IJM Management Services-Giat Bernas Joint Venture	**70**	70	Project and construction management services
Nasa Land Sdn Bhd	**50**	50	Property development
368 Segambut Sdn Bhd	**50**	50	Property development
IJM Perennial Development Sdn Bhd	**50**	50	Property development
IJM-SCL Joint Venture	**50**	50	Dormant
IJM-Gayatri Joint Venture	**60**	60	Dormant
IJM-NBCC-VRM Joint Venture	**50**	50	Dormant
Lebuhraya Kajang-Seremban Sdn Bhd	**50**	50	Toll road operations
IJM-Norwest JV **	**–**	70	Construction
IJMC-Zublin Joint Venture	**50**	50	Construction
ISZL Consortium	**25**	25	Construction
BSC-RBM-PATI JV	**25**	25	Construction
IJMC-Ambang Usaha Joint Venture	**50**	50	Construction
IJMC-Gayatri Joint Venture	**60**	60	Construction
IJM-LFE Joint Venture	**70**	70	Construction
Shimizu-Nishimatsu-UEMB-IJM Joint Venture	**20**	20	Construction
IJMC-JAKS Joint Venture	**60**	60	Construction
Kiara Teratai-IJM Joint Venture	**40**	40	Construction
IJM LFE Sdn Bhd	**70**	70	Construction
IJM Sunway Sdn Bhd	**50**	50	Construction
IJM-CHEC Joint Venture	**60**	–	Construction

* Joint ventures related to WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad), an associate of the Company.

** During the year, IJM Construction Sdn Bhd, a wholly-owned subsidiary of the Company, acquired the remaining 30% interest in IJM-Norwest JV ("IJMNJV"). Subsequent to the acquisition, IJMNJV became a wholly-owned subsidiary. The net loss arising from this transaction amounted to RM2,987,295 at the consideration sum of RM1,095,121 (Note 54).

33 JOINT VENTURES (cont'd)

(b) As at 31 March 2017 and 31 March 2016, there is no contingent liability and capital commitment relating to the Group's interest in the joint ventures.

(c) Set out below are the joint ventures of the Group as at 31 March 2017 and 31 March 2016, which, in the opinion of the management, are material to the Group. The joint ventures as listed below have share capital consisting solely of ordinary shares, which are held directly or indirectly by the Group.

Name of entity	Place of business/ country of incorporation	% of ownership 2017	2016	Nature of relationship	Measurement method
Lebuhraya Kajang-Seremban Sdn Bhd	Malaysia	**50**	50	Joint venture	Equity
Elegan Pesona Sdn Bhd	Malaysia	**50**	50	Joint venture	Equity
Nasa Land Sdn Bhd	Malaysia	**50**	50	Joint venture	Equity

Lebuhraya Kajang-Seremban Sdn Bhd, Elegan Pesona Sdn Bhd and Nasa Land Sdn Bhd are private companies and there is no quoted market price available for their shares.

(d) Set out below are the summarised financial information for material joint ventures which are accounted for using the equity method:

(i) Summarised balance sheets:

	Lebuhraya Kajang-Seremban Sdn Bhd 2017 RM'000	2016 RM'000	Elegan Pesona Sdn Bhd 2017 RM'000	2016 RM'000	Nasa Land Sdn Bhd 2017 RM'000	2016 RM'000
Current						
Cash and cash equivalents	**64,881**	50,003	**103,698**	34,110	**11,095**	1,862
Other current assets (excluding cash)	**7,507**	6,296	**65,112**	131,685	**319,686**	284,624
Total current assets	**72,388**	56,299	**168,810**	165,795	**330,781**	286,486
Financial liabilities (excluding trade and other payables)	**(35,000)**	–	**–**	–	**–**	–
Other current liabilities (including trade and other payables)	**(139,221)**	(121,697)	**(35,987)**	(68,032)	**(104,673)**	(64,811)
Total current liabilities	**(174,221)**	(121,697)	**(35,987)**	(68,032)	**(104,673)**	(64,811)
Non-current						
Assets	**1,280,108**	1,308,785	**4,070**	486	**367**	476
Financial liabilities (excluding trade and other payables)	**(1,504,877)**	(1,540,537)	**–**	–	**(160,455)**	(152,898)
Other non-current liabilities (including trade and other payables)	**(72,235)**	(51,459)	**–**	–	**–**	–
Total non-current liabilities	**(1,577,112)**	(1,591,996)	**–**	–	**(160,455)**	(152,898)
Net (liabilities)/assets	**(398,837)**	(348,609)	**136,893**	98,249	**66,020**	69,253

33 JOINT VENTURES (cont'd)

(d) Set out below are the summarised financial information for material joint ventures which are accounted for using the equity method: (cont'd)

(ii) Summarised statements of comprehensive income:

	Lebuhraya Kajang-Seremban Sdn Bhd		Elegan Pesona Sdn Bhd		Nasa Land Sdn Bhd	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	**71,552**	72,383	**119,404**	188,360	**33,038**	14,916
Depreciation and amortisation	**(32,450)**	(33,662)	**–**	–	**–**	–
Interest income	**1,471**	1,218	**1,859**	487	**21**	34
Finance cost	**(87,992)**	(88,314)	**–**	–	**–**	–
(Loss)/profit before taxation	**(50,228)**	(57,943)	**50,473**	66,957	**(3,233)**	(3,001)
Income tax expense	**–**	–	**(11,829)**	(16,079)	**–**	–
Net (loss)/profit for the year/total comprehensive (loss)/income	**(50,228)**	(57,943)	**38,644**	50,878	**(3,233)**	(3,001)

(iii) Reconciliation of the summarised information presented to the carrying amounts of interest in joint ventures is set out below:

	Lebuhraya Kajang-Seremban Sdn Bhd		Elegan Pesona Sdn Bhd		Nasa Land Sdn Bhd	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Net (liabilities)/assets at 1 April 2016/2015	**(348,609)**	(290,666)	**98,249**	47,371	**69,253**	72,254
Net (loss)/profit for the financial year	**(50,228)**	(57,943)	**38,644**	50,878	**(3,233)**	(3,001)
Net (liabilities)/assets at 31 March	**(398,837)**	(348,609)	**136,893**	98,249	**66,020**	69,253
Interests in joint ventures	**(199,418)**	(174,305)	**68,447**	49,125	**33,010**	34,627
Goodwill	**–**	–	**–**	–	**11,597**	11,597
RCULS	**240,000**	240,000	**–**	–	**–**	–
Carrying amount of interests in joint ventures	**40,582**	65,695	**68,447**	49,125	**44,607**	46,224

(e) Set out below are the financial information of all individually immaterial joint ventures on an aggregate basis.

	2017 RM'000	2016 RM'000
Carrying amounts of interest in joint ventures	**48,150**	45,103
Share of joint ventures' profits/share of joint ventures' total comprehensive income	**24,077**	14,876

34 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Unquoted shares:				
- in Malaysia	**2,050**	2,050	**2,050**	2,050
- outside Malaysia	**–**	57	**–**	–
Transferable club membership	**105**	105	**–**	–
	2,155	2,212	**2,050**	2,050

The currency exposure profile of available-for-sale financial assets is as follows:

	The Group	
	2017 RM'000	2016 RM'000
Indian Rupees	**–**	57

35 LONG TERM RECEIVABLES

	Note	The Group	
		2017 RM'000	2016 RM'000
Lease receivables	(a)	**15,481**	17,320
Less: Amount receivable within 12 months (included in trade and other receivables - Note 40)		**(2,193)**	(1,839)
		13,288	15,481
Deposits	(b)	**82,309**	85,084
Amounts due from non-controlling interests	(c)	**38,684**	28,222
Advances for plasma schemes	(d)	**42,418**	–
		176,699	128,787

(a) Lease receivables

	The Group	
	2017 RM'000	2016 RM'000
Lease receivables:		
- Receivable within 1 year	**3,217**	3,069
- Receivable between 1 and 5 years	**14,317**	13,983
- Receivable after 5 years	**–**	3,551
	17,534	20,603
Less: Unearned interest income	**(2,053)**	(3,283)
	15,481	17,320
Lease receivables (net of unearned interest income):		
- Receivable within 1 year	**2,193**	1,839
- Receivable between 1 and 5 years	**13,288**	11,128
- Receivable after 5 years	**–**	4,353
	15,481	17,320

IJM Properties Sdn Bhd, an indirect subsidiary of the Company, entered into a lease arrangement with a third party to lease a building for a period of 15 years commencing 1 March 2007.

The Group does not have any significant exposure to credit risk from the lease receivables as the ownership and rights to the building revert to the Group in the event of default.

35 LONG TERM RECEIVABLES (cont'd)

(b) The deposits represent monies received from buyers of development units of a mixed development project at Royal Mint Street, United Kingdom that are held by a stakeholder.

(c) The amounts due from non-controlling interests are denominated in USD. The amounts due from non-controlling interests are in respect of advances made by subsidiaries of IJM Plantations Berhad, a subsidiary of the Company to non-controlling interests. The advances are operational in nature for furtherance of the overseas subsidiaries business operations. The amounts due from non-controlling interests are currently interest free, secured against the equity shares in the respective companies and repayable on demand. Management reserves the right to charge interest in the future. Management does not intend to demand for repayment of the amounts owing by the non-controlling interests within the period of twelve months. As a result, the amounts are classified as non-current assets as at the balance sheet date.

(d) The Government of the Republic of Indonesia requires companies involved in plantation development to provide support to develop and cultivate oil palm lands for local communities in oil palm plantations as part of their social obligation which are known as "Plasma" schemes.

In line with this requirement, the subsidiaries of IJM Plantations Berhad ("indirect subsidiaries"), a subsidiary of the Company, has involved in several cooperative programs for the development and cultivation of oil palm lands for local communities. The indirect subsidiaries supervise and manage the plasma schemes. Advances made by the indirect subsidiaries to the plasma schemes in the form of plantation development costs are recoverable either through bank loans obtained by the cooperatives or direct repayments from the plasma schemes when these plasma areas come into production.

IJM Plantations Berhad has carried out an assessment on the recoverability of its advances and management believes that no impairment is required. However, management expects the advances will not be repaid within the next financial year. As a result, the amounts are reclassified as non-current assets and accounted for at their present value at initial recognition during the current financial year.

36 INTANGIBLE ASSETS

	Goodwill on consolidation RM'000	Quarry development expenditure RM'000	Total RM'000
The Group			
2017			
Cost			
At 1 April 2016	1,073,597	63,285	1,136,882
Additions	–	4,488	4,488
Acquisition of a subsidiary (Note 47(a)(i))	10,303	–	10,303
At 31 March 2017	1,083,900	67,773	1,151,673
Accumulated amortisation			
At 1 April 2016	–	(40,840)	(40,840)
Amortisation for the financial year (Note 5(a))	–	(3,776)	(3,776)
At 31 March 2017	–	(44,616)	(44,616)
Accumulated impairment			
At 1 April 2016/At 31 March 2017	(1,004,439)	–	(1,004,439)
At 31 March 2017	79,461	23,157	102,618

36 INTANGIBLE ASSETS (cont'd)

	Goodwill on consolidation RM'000	Quarry development expenditure RM'000	Total RM'000
The Group			
2016			
Cost			
At 1 April 2015	1,073,597	53,141	1,126,738
Additions	–	9,144	9,144
Reclassification	–	1,000	1,000
At 31 March 2016	1,073,597	63,285	1,136,882
Accumulated amortisation			
At 1 April 2015	–	(36,561)	(36,561)
Amortisation for the financial year (Note 5(a))	–	(4,279)	(4,279)
At 31 March 2016	–	(40,840)	(40,840)
Accumulated impairment			
At 1 April 2015/At 31 March 2016	(1,004,439)	–	(1,004,439)
At 31 March 2016	69,158	22,445	91,603

During the financial year, amortisation of quarry development expenditure of RM3,776,000 (2016: RM4,279,000) was included in cost of sales.

37 PROPERTY DEVELOPMENT

(a) Land held for property development

	The Group 2017 RM'000	 2016 RM'000
Freehold land, at cost	**371,960**	463,107
Leasehold land, at cost	**62,355**	65,016
Leasehold land, at valuation	**63,368**	63,368
Development costs	**39,411**	34,958
Accumulated impairment	**(22,306)**	(22,306)
	514,788	604,143
At 1 April 2016/2015	**604,143**	587,480
Additions during the year	**75,683**	16,983
Transferred to property development costs (Note 37(b)):		
- Land cost	**(8,465)**	(226)
- Development costs	**–**	(94)
	(8,465)	(320)
Disposals during the year	**(156,573)**	–
At 31 March	**514,788**	604,143

During the financial year, finance cost of RM4,113,000 (2016: RM3,342,000) (Note 9) has been capitalised in land held for property development.

The carrying values of freehold and leasehold land amounting to RM3,371,000 and RM543,000 respectively (2016: RM3,371,000 and RM543,000 respectively) are pledged as security for Term Loans of the subsidiaries (Note 17).

37 PROPERTY DEVELOPMENT (cont'd)

(b) Property development costs

	Note	The Group 2017 RM'000	2016 RM'000
At 1 April 2016/2015			
Freehold land – at cost		**803,700**	878,340
Leasehold land – at cost		**2,784,028**	2,100,578
Development costs		**5,533,261**	5,940,528
Accumulated costs charged to profit or loss		**(2,783,589)**	(3,004,004)
Completed units transferred to inventories		**(623,399)**	(354,947)
Accumulated impairment		**(81,079)**	(81,316)
		5,632,922	5,479,179
Less: Completed development properties:			
Freehold land – at cost		**(92,187)**	(47,294)
Leasehold land – at cost		**(16,717)**	(6,034)
Development costs		**(1,057,709)**	(912,366)
Accumulated costs charged to profit or loss		**916,531**	866,016
Completed units transferred to inventories		**250,082**	99,678
		–	–
		5,632,922	5,479,179
Costs incurred during the financial year:			
- Purchase of land		**39,205**	34,927
- Reversal of over accrual of costs		**(47,471)**	–
- Development costs		**998,330**	1,156,836
		990,064	1,191,763
Disposal of land		**(20,338)**	–
Transferred from land held for property development:	37(a)		
- Land cost		**8,465**	226
- Development costs		**–**	94
		8,465	320
Costs charged to profit or loss		**(649,788)**	(651,593)
Reversal of impairment during the year	5(b)	**34**	237
Completed units transferred to inventories		**(398,501)**	(376,591)
Transferred to investment properties	29	**–**	(12,132)
Exchange differences		**24,522**	1,739
At 31 March		**5,587,380**	5,632,922
At 31 March:			
Freehold land – at cost		**736,076**	803,700
Leasehold land – at cost		**2,727,193**	2,784,028
Development costs		**5,384,892**	5,533,261
Accumulated costs charged to profit or loss		**(2,468,951)**	(2,783,589)
Completed units transferred to inventories		**(710,083)**	(623,399)
Accumulated impairment		**(81,747)**	(81,079)
		5,587,380	5,632,922

37 PROPERTY DEVELOPMENT (cont'd)

(b) Property development costs (cont'd)

During the financial year, employee benefits cost of RM131,000 (2016: Nil) (Note 6) has been included in property development costs.

During the financial year, RM47,471,000 of the leasehold land cost/development rights has been reversed due to changes in the estimated land costs payable for a mixed development in Kuala Lumpur.

During the financial year, finance cost of RM120,711,000 (2016: RM118,574,000) (Note 9) has been capitalised in property development costs.

The carrying values of freehold land and leasehold land amounting to RM617,862,000 (2016: RM542,669,000) and RM1,458,196,000 (2016: RM1,469,945,000) respectively are pledged as security for Revolving Credit (Note 44) and Term Loans of subsidiaries (Note 17).

As at 31 March 2017, land titles to leasehold land with the carrying values of RM2,284,000 (2016: RM6,011,000) are in the process of being transferred.

38 PLANTATION DEVELOPMENT EXPENDITURE

	The Group	
	2017 RM'000	2016 RM'000
Cost or valuation		
At 1 April 2016/2015		
At cost	**919,754**	828,695
At valuation	**168,733**	168,733
	1,088,487	997,428
Additions	**31,898**	61,661
Exchange differences	**81,185**	29,398
At 31 March	**1,201,570**	1,088,487
Representing:		
At cost	**1,032,837**	919,754
At valuation	**168,733**	168,733
	1,201,570	1,088,487

(a) Certain plantation development expenditure of IJM Plantations Berhad, a subsidiary of the Company and certain of its subsidiaries were last revalued in 1997 based on an open market value basis by firms of independent professional valuers.

Had the revalued plantation development expenditure of the Group been carried under the cost model, the carrying amount would have been RM64,117,000 (2016: RM64,117,000).

(b) Plantation development expenditure capitalised during the financial year include the following:

	Note	The Group	
		2017 RM'000	2016 RM'000
Depreciation of property, plant and equipment	27(d)	**5,343**	6,507
Amortisation of land use rights	28	**657**	969
Retirement benefits	24	**537**	–
Finance cost	9	**3,263**	2,207
Foreign exchange losses	9	**184**	1,987
Employee benefits cost	6	**17,773**	19,307

39 INVENTORIES

	The Group 2017 RM'000	 2016 RM'000
Cost		
Raw materials:		
- Construction materials	**17,149**	6,919
- Other raw materials	**132,652**	94,339
Finished goods:		
- Completed buildings	**994,485**	728,381
- Quarry and manufactured products	**140,856**	143,436
- Palm kernels	**4,064**	2,727
Oil palm nurseries	**10,574**	8,592
Fertilisers and chemicals	**22,109**	19,357
Stores, spares & consumables	**21,985**	20,153
Goods in transit	**7,347**	13,940
	1,351,221	1,037,844
Net realisable value		
Finished goods:		
- Completed buildings	**19,995**	21,570
- Crude palm oil	**39,770**	23,429
- Consumables	**1,040**	950
- Palm kernel expellers	**232**	287
- Crude palm kernel oil	**9,703**	8,402
	70,740	54,638
	1,421,961	1,092,482

40 TRADE AND OTHER RECEIVABLES

	The Group 2017 RM'000	 2016 RM'000	The Company 2017 RM'000	 2016 RM'000
Trade receivables	**1,339,758**	1,193,972	**67,795**	62,139
Trade advances	**45,874**	55,290	**1,626**	1,636
Other receivables	**347,775**	482,828	**25,513**	32,108
Amounts owing by subsidiaries	**–**	–	**1,311,514**	1,059,536
Amounts owing by associates	**191,947**	353,969	**1,340**	1,690
Amount owing by a joint operations partner *	**52,391**	60,750	**–**	–
Deposits	**34,891**	27,867	**463**	586
	2,012,636	2,174,676	**1,408,251**	1,157,695
Less: Allowance for impairment of trade and other receivables	**(213,037)**	(232,800)	**(52,785)**	(64,167)
	1,799,599	1,941,876	**1,355,466**	1,093,528
Amounts due from customers on construction contracts (Note 45)	**54,874**	94,760	**7**	–
Accrued billings in respect of property development	**124,155**	184,910	**–**	–
Prepayments	**52,375**	34,824	**1,586**	5,956
	2,031,003	2,256,370	**1,357,059**	1,099,484

40 TRADE AND OTHER RECEIVABLES (cont'd)

Trade receivables include the current portion of the following items:

	The Group	
	2017 RM'000	2016 RM'000
Lease receivables (Note 35)	**2,193**	1,839

The currency exposure profile of trade and other receivables is as follows:

	The Group	
	2017 RM'000	2016 RM'000
United States Dollar	**1,520**	1,336
Singapore Dollar	**5,615**	8,830
Brunei Dollar	**4,882**	2,343
	12,017	12,509

* The balance represents an amount owing by a joint operations partner, WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad), which is an associate of the Company.

Trade and other receivables that are neither past due nor impaired:

Credit terms of trade receivables range from payment in advance to 120 days (2016: range from payment in advance to 120 days).

Trade and other receivables that are neither past due nor impaired comprise:

- Receivables in relation to construction business arising from rendering of construction services to companies with a good collection track record with the Group and the Company. These receivables include retention sums which are to be settled in accordance with the terms of the respective contracts;
- Receivables in relation to property development business arising from sale of development units to large number of property purchasers with end financing facilities from reputable end-financiers, and the ownership and rights to the properties revert to the Group in the event of default; and
- Receivables from other external parties with no history of default.

Trade and other receivables that are past due but not impaired:

As at 31 March 2017, trade and other receivables of the Group and the Company of RM358,170,000 (2016: RM541,125,000) and RM1,023,000 (2016: RM890,000) respectively were past due but not impaired. These relate to customers for whom there is no objective evidence that the receivables are not fully recoverable.

The ageing analysis of these receivables is as follows:

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Up to 6 months	**272,279**	285,352	**–**	–
More than 6 months	**85,891**	255,773	**1,023**	890
	358,170	541,125	**1,023**	890

40 TRADE AND OTHER RECEIVABLES (cont'd)

Trade and other receivables that are impaired:

As at 31 March 2017, trade and other receivables of the Group and the Company of RM213,037,000 (2016: RM232,800,000) and RM52,785,000 (2016: RM64,167,000) respectively were impaired and provided for. The receivables were individually impaired either because of significant delays in collection period or because the debtors are in unexpectedly difficult economic situations. Movements on the Group's and the Company's allowance for impairment of trade and other receivables are as follows:

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
At 1 April 2016/2015	**232,800**	226,357	**64,167**	57,617
Allowance for impairment of receivables during the year (Note 5(a))	**8,329**	25,808	**–**	6,550
Write back of allowance for impairment of receivables (Note 5(b))	**(3,650)**	(11,440)	**–**	–
Bad debts written off	**(15,153)**	(11,597)	**(11,382)**	–
Foreign currency exchange differences	**9,336**	451	**–**	–
Reclassification of balances *	**(18,625)**	3,221	**–**	–
At 31 March	**213,037**	232,800	**52,785**	64,167

* These amounts were transferred to amount due from a subsidiary and are hence eliminated in the Group financial statements.

Concentrations of credit risk with respect to trade and other receivables are limited due to the Group's large number of customers, who are dispersed over a broad spectrum of industries and businesses, other than the concentration of credit risk in respect of amounts due from WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad), an associate and companies related to the associate. The Group has carried out an assessment on the recoverability of these balances and management believes that the current impairment recognised is adequate.

The amounts owing by subsidiaries and associates are unsecured and repayable on demand. Certain amounts owing by subsidiaries and associates bear interest at rates ranging from 5.0% to 7.65% (2016: 5.0% to 7.85%) per annum. The Company has carried out an assessment on the recoverability of these balances and management believes that the carrying amount is recoverable.

There is no material difference between the carrying value of trade and other receivables and their fair value, due to the short-term duration of the receivables.

Certain construction receivables, net of recoveries from projected cash flows to be derived from the projects, are secured against land titles deposited with the Group.

41 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Quoted securities in Malaysia - held for trading:				
Quoted shares	**3,198**	3,541	**–**	–
Quoted real estate investment trusts	**7,035**	6,369	**7,035**	6,369
Quoted unit trusts	**275,159**	384,669	**–**	20,166
Quoted securities outside Malaysia - held for trading:				
Quoted government securities	**13,717**	12,621	**13,717**	12,621
Quoted unit trusts	**55**	–	**55**	–
	299,164	407,200	**20,807**	39,156

The fair values of all quoted securities are based on their quoted market prices in an active market and are within level 1 of the fair value hierarchy.

The currency exposure profile of financial assets at fair value through profit or loss is as follows:

	The Group and the Company	
	2017 RM'000	2016 RM'000
Argentine Peso	**13,772**	12,621

42 DEPOSITS, CASH AND BANK BALANCES

	Note	The Group		The Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Deposits with licensed banks	49	**1,053,596**	708,631	**69,550**	19,578
Cash and bank balances		**624,232**	473,381	**160,847**	153,465
Housing Development Accounts (a)		**469,949**	497,449	**–**	–
	49	**1,094,181**	970,830	**160,847**	153,465
		2,147,777	1,679,461	**230,397**	173,043

(a) Cash and bank balances include balances amounting to RM469,949,000 (2016: RM497,449,000) which are maintained in designated Housing Development Accounts pursuant to the Housing Developers (Control and Licensing) Act, 1966 and Housing Regulations, 1991 in connection with the Group's property development projects. The utilisation of these balances are restricted before completion of the housing development projects and fulfilment of all relevant obligations to the purchasers, such that the cash can only be withdrawn from such accounts for the purpose of completing the particular projects.

42 DEPOSITS, CASH AND BANK BALANCES (cont'd)

The currency exposure profile of deposits with licensed banks is as follows:

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
United States Dollar	**190,371**	130,142	**–**	–

The currency exposure profile of cash and bank balances and Housing Development Accounts is as follows:

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
United States Dollar	**106,623**	140,377	**74,675**	104,089
Singapore Dollar	**21,018**	22,925	**–**	–
Argentine Peso	**53**	525	**53**	525
	127,694	163,827	**74,728**	104,614

The effective interest rates per annum as at the end of the financial year for the Group and the Company are as follows:

	The Group		The Company	
	2017 %	2016 %	2017 %	2016 %
Deposits with licensed banks:				
Ringgit Malaysia	**2.97**	3.31	**3.05**	3.10
US Dollar	**1.13**	1.93	**–**	–
Indian Rupee	**5.69**	7.24	**6.50**	7.00
Indonesian Rupiah	**6.00**	7.38	**–**	–
Cash at bank held under Housing Development Accounts	**1.91**	2.01	**–**	–

Deposits, cash and bank balances are mainly deposits with banks with high credit ratings assigned by international credit rating agencies.

The cash and bank balances are deposits held at call with banks and earn no interest.

Deposits with licensed banks of the Group and of the Company have a maturity period ranging between 1 and 365 days (2016: 1 and 365 days) and 1 and 180 days (2016: 1 and 180 days) respectively.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2017

43 TRADE AND OTHER PAYABLES

	Note	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
Current:					
Trade payables		**1,126,226**	980,511	**1,544**	2,824
Amounts owing to subsidiaries		**–**	–	**297,947**	297,039
Amounts owing to associates		**21**	73	**1**	–
Amounts owing to joint ventures		**29,636**	19,188	**–**	–
Government support loans	18	**33,104**	33,104	**–**	–
Trade accruals		**426,365**	322,524	**32,389**	29,002
Hire purchase and lease payables	19	**685**	145	**–**	–
Land and development costs payable	23(b)	**12,238**	6,000	**–**	–
Other payables and accruals		**459,622**	519,751	**9,833**	16,568
Lease payable to Kuantan Port Authority	23(f)	**5,666**	5,572	**–**	–
		2,093,563	1,886,868	**341,714**	345,433
Retirement benefits payable	24	**1,378**	1,673	**–**	–
Progress billings in respect of property development		**69,437**	113,965	**–**	–
Amounts due to customers on construction contracts	45	**353,827**	255,810	**850**	1,678
		2,518,205	2,258,316	**342,564**	347,111
Non-current:					
Amounts owing to subsidiaries		**–**	–	**948,028**	964,234

The currency exposure profile of trade and other payables is as follows:

	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
United States Dollar	**7,526**	3,866	**–**	–

The current amounts owing to subsidiaries, associates and joint ventures are unsecured and repayable on demand. Certain outstanding sums bear interest at rates ranging from 3.0% to 5.0% (2016: 3.0% to 5.0%) per annum.

Credit terms of trade and other payables range from payments in advance to 120 days (2016: range from payments in advance to 120 days).

44 BORROWINGS

	Note	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
Secured					
Bonds	16	**30,000**	148,769	**–**	–
Term loans	17	**232,985**	118,237	**–**	–
Revolving credits	(A)	**92,824**	95,349	**–**	–
		355,809	362,355	**–**	–
Unsecured					
Term loans	17	**455,717**	218,710	**–**	–
Bankers' acceptances		**62,159**	29,308	**–**	–
Revolving credits		**816,588**	669,273	**210,000**	90,000
Bank overdrafts	49	**44,514**	187,352	**1,098**	–
Letters of credit		**8,109**	10,402	**–**	–
		1,387,087	1,115,045	**211,098**	90,000
		1,742,896	1,477,400	**211,098**	90,000

The currency exposure profile of the above bank borrowings is as follows:

	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
United States Dollar	**425,046**	320,884	**–**	–

As at the balance sheet date, the weighted average annual effective interest rates for the bank borrowings, other than Bonds and Term Loans which are disclosed in Notes 16 and 17 respectively, of the Group and of the Company are as follows:

	The Group and The Company					
	2017			2016		
	Bankers' acceptances %	Revolving credits %	Bank overdrafts %	Bankers' acceptances %	Revolving credits %	Bank overdrafts %
Ringgit Malaysia	**3.79**	**4.48**	**7.15**	3.67	4.70	–
Indian Rupee	**8.80**	**8.75**	**9.95**	–	9.24	10.48
United States Dollar	**–**	**1.80**	**–**	–	1.29	–
Chinese Renminbi	**–**	**5.13**	**4.79**	–	5.13	4.79

44 BORROWINGS (cont'd)

The security of bonds and term loans are disclosed in Notes 16 and 17 respectively.

(A) As at the balance sheet date, the following revolving credits of the Group are secured as follows:

		The Group	
	Note	2017 RM'000	2016 RM'000
Revolving credit (i)	(a)	**2,000**	2,000
Revolving credit (ii)	(b)	**27,475**	30,000
Revolving credit (iii)	(c)	**13,349**	13,349
Revolving credit (iv)	(d)	**50,000**	50,000
		92,824	95,349

(a) The revolving credit (i) of RM2,000,000 (2016: RM2,000,000) is secured by way of:

(i) a facility agreement for the sum of RM9,000,000, which had been partially repaid in the previous financial year;

(ii) a registered open all monies third party charge over certain parcels of freehold vacant commercial land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee by IJML.

(b) The revolving credit (ii) of RM27,475,000 (2016: RM30,000,000) is secured by way of Lien-Holder's Caveat over landed properties (Note 37) of a subsidiary of IJML with a minimum security cover of 1.0 time the loan outstanding.

(c) The security for revolving credit (iii) of RM13,349,000 (2016: RM13,349,000) is disclosed in Note 17(C)(i).

(d) The security for revolving credit (iv) of RM50,000,000 (2016: RM50,000,000) is disclosed in Note 17(C)(o). The revolving credit (iv) is in accordance with the Shariah Principle of Commodity Murabahah.

45 AMOUNTS DUE FROM/(TO) CUSTOMERS ON CONSTRUCTION CONTRACTS

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Aggregate costs incurred to-date	**10,736,225**	9,451,064	**729,141**	730,581
Attributable profits less recognised losses	**787,612**	593,686	**(31,814)**	(34,089)
	11,523,837	10,044,750	**697,327**	696,492
Less: Progress billings on contracts	**(11,822,790)**	(10,205,800)	**(698,170)**	(698,170)
	(298,953)	(161,050)	**(843)**	(1,678)
Amounts due from customers on construction contracts (included in trade and other receivables - Note 40)	**54,874**	94,760	**7**	–
Amounts due to customers on construction contracts (included in trade and other payables - Note 43)	**(353,827)**	(255,810)	**(850)**	(1,678)
	(298,953)	(161,050)	**(843)**	(1,678)
Advances received on contracts (included in trade payables)	**107,018**	74,380	**–**	–
Retention sums on contracts (included in trade receivables)	**178,440**	134,490	**11,816**	10,274

45 AMOUNTS DUE FROM/(TO) CUSTOMERS ON CONSTRUCTION CONTRACTS (cont'd)

During the financial year, the following expenses have been included in the aggregate costs incurred to-date of the Group and of the Company:

	Note	The Group 2017 RM'000	 2016 RM'000	The Company 2017 RM'000	 2016 RM'000
Employee benefits cost	6	**98,528**	88,951	**–**	–
Finance cost	9	**–**	26	**–**	–
Depreciation of property, plant and equipment	27(d)	**2,153**	3,332	**373**	449
Amortisation of land use rights	28	**–**	91	**–**	–

46 IMPAIRMENT OF ASSETS

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segments.

The carrying amounts of goodwill allocated to the CGUs are as follows:

	Manufacturing and quarrying RM'000	Construction RM'000	Property RM'000	Total RM'000
2017				
At 1 April 2016	**56,026**	**13,132**	**–**	**69,158**
Acquisition of a subsidiary (Note 47(a)(i))	**–**	**–**	**10,303**	**10,303**
At 31 March 2017	**56,026**	**13,132**	**10,303**	**79,461**
2016				
At 1 April 2015 / At 31 March 2016	56,026	13,132	–	69,158

The recoverable amounts of the respective CGUs are determined based on value-in-use ("VIU") calculations, using pre-tax cash flow projections on the following basis:

CGU	Basis of cash flow projections	Growth rate 2017 %	 2016 %	Discount rate 2017 %	 2016 %
Manufacturing and Quarrying	Financial budgets approved by management based on past performance and expectations of market development	**3.0**	3.0	**4.5**	5.3
Construction	Discounted cash flows of the construction order book	**N/A**	N/A	**10.0**	10.0

N/A denotes not applicable

The discount rates used are pre-tax and reflect the specific risks relating to the respective CGUs.

During the financial year, the Group recognised a goodwill arising from the acquisition of a subsidiary (Note 47(a)(i)) as the goodwill allocated to the property CGU is supportable by the net recoverable amounts.

There are no reasonably possible changes in any of the key assumptions used that would cause the carrying amount of the CGUs to materially exceed the recoverable amounts.

47 ACQUISITION OF SUBSIDIARIES

(a) During the current financial year, the Group acquired the following subsidiaries:

(i) On 6 January 2017, Cypress Potential Sdn Bhd ("CPSB"), a 70%-owned subsidiary of IJM Properties Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company via IJM Land Berhad, 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 in Sebana Golf & Marina Resort Berhad ("SGMR"), representing a 100% of the issued and paid up ordinary share capital of SGMR for a total purchase consideration of RM1. The acquisition was completed on 6 January 2017.

Details of net assets acquired are as follows:

	Note	Fair value RM'000
Identifiable assets and liabilities:		
Non-current assets		
Property, plant and equipment	27	**86,095**
Current assets		
Trade and other receivables		**3,009**
Inventory		**421**
Cash and bank balances		**734**
		4,164
Non-current liabilities		
Deferred tax liabilities	22	**(1,904)**
Current liabilities		
Trade and other payables		**(98,658)**
Fair value of identifiable net liabilities acquired		**(10,303)**
Less: Purchase consideration		*****
Goodwill on acquisition	36,46	**(10,303)**

Details of cash flows arising from the acquisition are as follows:

	Group RM'000
Total purchase consideration	*****
Less: Cash and cash equivalents of a subsidiary acquired	**734**
Cash inflow to the Group on acquisition	**734**

* The purchase consideration is RM1.

The acquired business contributed revenue of RM1,532,000 and incurred net loss of RM2,127,000 to the Group for the period from 6 January 2017, date of completion of acquisition, to 31 March 2017.

47 ACQUISITION OF SUBSIDIARIES (cont'd)

(a) During the current financial year, the Group acquired the following subsidiaries: (cont'd)

(ii) On 13 May 2016, IJM Vijayawada (Mauritius) Limited, 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 increased from 89.8% to 99.9%.

The additional interest in VTPL has been accounted for as transactions with non-controlling interests. The difference between the consideration paid and the relevant share of the carrying value of net assets of VTPL amounting to RM7,734,000, which is charged to equity.

(iii) 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 interest in ICPJM has increased from 75% to 96%.

The additional interest in ICPJM has been accounted for as transactions with non-controlling interests. The difference between the consideration paid and the relevant share of the carrying value of net assets of ICPJM amounting to RM13,072,000, which is charged to equity.

(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, has incorporated a 55%-owned subsidiary, namely Era Moden Hartanah Sdn Bhd.

(v) On 30 December 2016, the Company has acquired 2 ordinary shares, representing a 100% equity interest in IJM RE Sdn Bhd ("IJM RE") for a total cash consideration of RM2. On the same day, IJM RE has acquired 2 ordinary shares, representing a 100% equity interest in IJM RE Commercial Sdn Bhd for a total cash consideration of RM2.

(vi) On 22 February 2017, the Company incorporated a wholly-owned subsidiary in India, namely Dewas Bypass Tollway Private Limited ("DBTPL") with an initial share capital of 1,000,000 equity shares of INR10 each. On 31 March 2017, IJM Dewas (Mauritius) Limited, a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company, subscribed for 25,000,000 shares of INR10 each, representing a 96.15% equity interest in DBTPL.

(vii) On 17 March 2017, IJM Dewas (Mauritius) Limited ("IJMDM") was 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.

(viii) On 17 May 2017, IJM Realty (Mauritius) Limited was 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.

The acquisitions (iv), (v), (vi), (vii) & (viii) have no significant effect on the financial results of the Group in the current financial year and the financial position of the Group as at the end of the current financial year.

47 ACQUISITION OF SUBSIDIARIES (cont'd)

(b) In the preceding financial year, the Group acquired the following subsidiaries:

(i) On 14 May 2015, Maxharta Sdn Bhd, a wholly-owned subsidiary of IJM Properties Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company via IJM Land Berhad, acquired 2 ordinary shares of RM1 each in Eksplorasi Cemerlang Sdn Bhd ("ECSB"), representing a 100% equity interest in ECSB for a total cash consideration of RM2.

(ii) On 17 August 2015, IJM Properties Sdn Bhd ("IJM PROP"), a wholly-owned subsidiary of IJM Land Berhad, which in turn is a wholly-owned subsidiary of the Company, entered into a share sale agreement with WNG Sdn Bhd ("WNG"), to acquire 125,000 ordinary shares of RM1 each in Ever Mark (M) Sdn Bhd ("EMM"), representing a 50% of the issued and paid up ordinary share capital of EMM for a total purchase consideration of RM125,000. Following the completion of the acquisition, EMM became a wholly-owned subsidiary of IJM PROP. The acquisition had resulted in cash inflow of RM237,000, net of purchase consideration.

(iii) On 29 December 2015, Strong Mixed Concrete Sdn Bhd, a wholly-owned subsidiary of Malaysian Rock Products Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company via Industrial Concrete Products Sdn Bhd, subscribed for 60,000 shares of Rs10 each, representing a 60% equity interest in SMC Islamabad (Private) Limited.

(iv) On 8 March 2016, Industrial Concrete Products Sdn Bhd, a wholly-owned subsidiary of the Company, acquired 2 ordinary shares of RM1 each in ICP Precast Products Sdn Bhd ("ICPPP"), representing a 100% equity interest in ICPPP for a total cash consideration of RM2.

The above acquisitions had no significant effect on the financial results of the Group in the preceding financial year and the financial position of the Group as at the end of the preceding financial year.

48 DISPOSAL OF INTEREST IN SUBSIDIARIES

In the preceding financial year, the Group disposed the following subsidiaries:

(i) On 6 December 2014, IJM Rajasthan (Mauritius) Limited ("IJMRM"), a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company, entered into a conditional Share Purchase and Debenture Subscription Agreement with ISQ Asia Infrastructure I-A Private Limited ("IIA") to dispose of 195,141,936 equity shares of Indian Rupees ("INR") 10 each, representing a 100% of the issued and paid-up share capital of Jaipur-Mahua Tollway Private Limited ("JMTPL") for a total consideration of INR 5,250 million.

The disposal was initially for 74% of the equity shareholdings and the balance 26% of the equity shareholdings shall be disposed upon obtaining the approval from the National Highways Authority of India within a period of two years from the completion of the disposal of 74% of the equity shareholdings. The disposal was completed on 12 May 2015 and a net gain of RM168,674,000 was recognised in profit or loss.

Following the completion of the disposal, JMTPL ceased to be a subsidiary and it became an associate of the Group.

48 DISPOSAL OF INTEREST IN SUBSIDIARIES (cont'd)

In the preceding financial year, the Group disposed the following subsidiaries: (cont'd)

(i) Details of the disposal were as follows:

		At date of disposal RM'000
Assets of disposal group classified as held for sale		
Property, plant and equipment		952
Concession assets		328,351
Other receivables		928
Tax recoverable		840
Deposits, cash and bank balances		14,471
		345,542
Liabilities of disposal group classified as held for sale		
Term loans		(182,565)
Government grants		(46,132)
Trade and other payables		(20,208)
Provisions		(20,332)
		(269,237)
Net assets		76,305
Less: Proportionate net assets representing the remaining 26% equity shareholdings in JMTPL		(19,839)
Net assets disposed of		56,466
Transfer from foreign exchange reserve		41,025
Net disposal proceeds		(211,632)
Gain on disposal of a subsidiary	5(b)	(114,141)
Gain on remeasurement of previously held equity interests	5(b)	(54,533)
Total gain on disposal to the Group		(168,674)

The net cash flows on disposal was determined as follows:

Total proceeds from disposal – cash consideration	211,632
Cash and cash equivalents of subsidiary disposed of	(14,471)
Cash inflow to the Group on disposal	197,161

(ii) On 20 July 2015, IJMII (Mauritius) Limited ("IJMIIM"), a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company, entered into a conditional Share Purchase Agreement with MAIF Investments India 3 Pte Ltd ("MAIF") and Swarna Tollway Private Limited ("STPL") to dispose 175,000,000 equity shares of INR10 each and 14,000,000 cumulative compulsorily convertible preference shares of INR10 each, representing a 70% of the issued and paid-up share capital of STPL to MAIF, for a total cash consideration of INR6,853.1 million.

Following the completion of the disposal in October 2015, STPL ceased to be a subsidiary and it became an associate of the Group via CIDB Inventures Sdn Bhd ("CIDB"), which holds 30% equity interest in STPL. CIDB is a wholly-owned subsidiary of the Company.

48 DISPOSAL OF INTEREST IN SUBSIDIARIES (cont'd)

In the preceding financial year, the Group disposed the following subsidiaries: (cont'd)

(ii) Details of the disposal were as follows:

	Note	At date of disposal RM'000
Non-current assets		
Property, plant and equipment	27	2,899
Land use rights	28	12
Concession assets	30	940,681
		943,592
Current assets		
Other receivables		28,312
Cash and bank balances		67,728
		96,040
Non-current liabilities		
Term loans		(126,007)
Deferred tax liabilities	22	(181,097)
Government grants	26	(76,697)
		(383,801)
Current liabilities		
Other payables		(7,556)
Current tax liabilities		(26,798)
Provisions	25	(11,657)
		(46,011)
Net assets		609,820
Less: Proportionate net assets representing the remaining 30% equity interest in STPL		(182,946)
Net assets disposed		426,874
Transfer from foreign exchange reserve		(111,938)
Net disposal proceeds		(441,810)
Gain on disposal of a subsidiary	5(b)	(126,874)
Gain on remeasurement of previously held equity interests	5(b)	(6,401)
Total gain on disposal to the Group		(133,275)

The net cash flows on disposal was determined as follows:

Total proceeds from disposal – cash consideration		441,810
Cash and cash equivalents of subsidiary disposed of		(67,728)
Cash inflow to the Group on disposal		374,082

49 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the Group's and the Company's cash flow statements comprise the following:

	Note	The Group 2017 RM'000	 2016 RM'000	The Company 2017 RM'000	 2016 RM'000
Deposits with licensed banks	42	**1,053,596**	708,631	**69,550**	19,578
Cash and bank balances	42	**1,094,181**	970,830	**160,847**	153,465
Bank overdrafts	44				
- Unsecured		**(44,514)**	(187,352)	**(1,098)**	–
		2,103,263	1,492,109	**229,299**	173,043
Less:					
Restricted deposits with licensed banks	(a)	**(25,932)**	(68,360)	**–**	–
		2,077,331	1,423,749	**229,299**	173,043

(a) As at 31 March 2017, the restricted deposits with licensed banks are mainly deposits of certain subsidiaries, which were assigned to the banks to be held as security in connection with the term loans of certain subsidiaries referred to in Note 17 to the financial statements; escrow amounts in respect of toll collected on behalf of the tollway authority and in respect of a corporate guarantee facility to a cooperative in Indonesia.

As at the end of the preceding financial year, the restricted deposits with licensed banks were mainly deposits of certain subsidiaries, which were assigned to the banks to be held as security in connection with the bonds and term loans of certain subsidiaries referred to in Notes 16 and 17 respectively to the financial statements; escrow amounts in respect of toll collected on behalf of the tollway authority and in respect of a corporate guarantee facility to a cooperative in Indonesia.

50 FAIR VALUES OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is assumed to be the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

Quoted market prices, when available, are used as a measure of fair values. However, for a significant portion of the Group's and of the Company's financial instruments, quoted market prices do not exist. For such financial instruments, fair values presented are estimates derived using the discounted value of future cash flows or other valuation techniques. These techniques involve uncertainties and are significantly affected by the assumptions used and judgements made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in assumptions could significantly affect these estimates and the resulting fair values.

50 FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

The carrying values of financial assets and financial liabilities of the Group and of the Company at the balance sheet date approximated their fair values except for the following:

	Note	The Group Carrying value RM'000	Fair value* RM'000	The Company Carrying value RM'000	Fair value* RM'000
Financial Liabilities					
At 31 March 2017					
(i) Bonds	16	**1,950,000**	**1,974,955**	**1,300,000**	**1,312,966**
(ii) Term loans	17	**2,121,809**	**2,110,359**	**176,940**	**176,940**
(iii) Government support loans	18	**154,474**	**145,158**	**–**	**–**
(iv) Advances from the State Government	23(a)	**33,180**	**(aa)**	**–**	**–**
At 31 March 2016					
(i) Bonds	16	1,880,000	1,896,231	1,200,000	1,204,609
(ii) Term loans	17	2,269,363	2,243,397	157,300	157,300
(iii) Government support loans	18	184,481	174,367	–	–
(iv) Advances from the State Government	23(a)	33,180	(aa)	–	–

(aa) The fair value of the Advances from the State Government has not been disclosed as the repayment is scheduled upon completion of certain conditions as set out in Note 23(a) to the financial statements, of which the completion date could not be reasonably determined as at the year end.

* The fair values of the financial liabilities above have been derived based on discounted cash flows using market interest rates applicable for similar financial instruments as at the balance sheet date and are within Level 2 of the fair value hierarchy.

51 SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances.

(a) The following transactions with related parties were carried out under terms and conditions negotiated amongst the related parties:

The Group

	2017 RM'000	2016 RM'000
(aa) Associates		
(i) Sales/progress billings in respect of construction contract:		
- West Coast Expressway Sdn Bhd	**519,935**	398,177
- Jaipur-Mahua Tollway Private Limited *	**–**	2,844
- Swarna Tollway Private Limited **	**438**	5,720
(ii) Interest charged to:		
- WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad)	**–**	2,634
- Kuantan Pahang Holding Sdn Bhd	**844**	812
(iii) Repayment from/(advances to):		
- WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad)	**157**	14,023
- West Coast Expressway Sdn Bhd	**630,359**	152,967
(ab) Joint ventures		
(i) Progress billings in respect of construction contracts to:		
- Sierra Ukay Sdn Bhd	**1,133**	22,241
(ii) Project management and sales and marketing fees charged to:		
- Elegan Pesona Sdn Bhd	**660**	1,534
- Sierra Ukay Sdn Bhd	**234**	505
(iii) Toll operation and maintenance revenue charged to:		
- Lebuhraya Kajang Seremban Sdn Bhd	**7,155**	7,238
(iv) Management fees charged to/(by):		
- Elegan Pesona Sdn Bhd	**–**	853
- Lebuhraya Kajang Seremban Sdn Bhd	**(602)**	(342)
(v) Interest charged to:		
- Sierra Ukay Sdn Bhd	**14,337**	5,033
- Lebuhraya Kajang Seremban Sdn Bhd	**7,104**	7,138
- IJMC-Ambang Usaha Joint Venture	**–**	16
- Nasa Land Sdn Bhd	**1,904**	684
- 368 Segambut Sdn Bhd	**2,424**	1,254
(vi) Net (advances to)/repayment from:		
- 368 Segambut Sdn Bhd	**(8,851)**	(18,357)
- Sierra Ukay Sdn Bhd	**(3,451)**	(7,472)
- Elegan Pesona Sdn Bhd	**18,081**	2,093
- Nasa Land Sdn Bhd	**(27,348)**	(11,741)
- IJMC-JAKS Joint Venture	**(437)**	6,898
- IJM Perennial Development Sdn Bhd	**(32,534)**	(21,729)
- ISZL Consortium	**(641)**	–

51 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(a) The following transactions with related parties were carried out under terms and conditions negotiated amongst the related parties: (cont'd)

The Group (cont'd)

	2017 RM'000	2016 RM'000
(ac) Joint operation partner		
(i) Progress billings in respect of construction contracts to:		
- IJMC-KEB Joint Venture	**186,458**	343,205
(ii) Project management fee charged to:		
- IJMC-KEB Joint Venture	**16,711**	–

* During the financial year, IJM Rajasthan (Mauritius) Limited, a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company, disposed the remaining 26% equity interest in Jaipur-Mahua Tollway Private Limited.

** In the preceding financial year, IJMII (Mauritius) Limited, a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company, disposed 70% equity interest in Swarna Tollway Private Limited and following the completion of the disposal, it became an associate of the Company (Note 48(ii)).

The Company

	2017 RM'000	2016 RM'000
(aa) Subsidiaries		
(i) Interest charged to/(by):		
- IJM Properties Sdn Bhd	**42,579**	40,635
- Liberty Heritage (M) Sdn Bhd	**735**	858
- Suria Bistari Development Sdn Bhd	**4,090**	3,911
- IJM Land Berhad	**15,619**	10,788
- Road Builder (M) Sdn Bhd	**–**	(541)
- IJM Land Management Services Sdn Bhd	**1,078**	807
(ii) Capital contribution via share-based payment in:		
- IJM Construction Sdn Bhd	**12,957**	8,250
- IJM Land Berhad	**9,171**	8,550
- IJM Plantations Berhad	**3,709**	2,674
- Industrial Concrete Products Sdn Bhd	**5,140**	3,102
- Road Builder (M) Holdings Bhd	**3,379**	1,472
(iii) Share-based payments charged to:		
- Kuantan Port Consortium Sdn Bhd	**1,778**	1,334
- Industrial Concrete Products Sdn Bhd	**2,994**	2,287
- Malaysian Rock Products Sdn Bhd	**633**	455
- IJM Plantations Berhad	**4,430**	3,078
- IJM Construction Sdn Bhd	**10,709**	5,541
- Road Builder (M) Sdn Bhd	**–**	483
- IJM Land Management Services Sdn Bhd	**6,003**	4,268
- Besraya Sdn Bhd	**825**	611

51 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(a) The following transactions with related parties were carried out under terms and conditions negotiated amongst the related parties: (cont'd)

The Company (cont'd)

	2017 RM'000	2016 RM'000
(aa) Subsidiaries (cont'd)		
(iv) Management fees charged to:		
- IJM Construction Sdn Bhd	**10,181**	10,181
- IJM Plantations Berhad	**2,801**	2,801
- Industrial Concrete Products Sdn Bhd	**4,531**	4,531
- New Pantai Expressway Sdn Bhd	**1,015**	1,015
- Kuantan Port Consortium Sdn Bhd	**2,092**	2,092
- Besraya (M) Sdn Bhd	**937**	937
- IJM Land Management Services Sdn Bhd	**8,374**	8,374
(v) Office rental charged by:		
- IJM Construction Sdn Bhd	**2,008**	1,403
(vi) Repayment from/(advances to):		
- IJM Investments (M) Limited	**(60,009)**	273,136
- IJM Construction Sdn Bhd	**28,710**	50,215
- IJM Properties Sdn Bhd	**182,780**	(58)
- IJM Land Berhad	**(176,557)**	–
- Jelutong Development Sdn Bhd	**5,718**	249
- IJM (India) Infrastructure Limited	**(3,800)**	(89)
- Commerce House Sdn Bhd	**–**	7,672
- Liberty Heritage (M) Sdn Bhd	**–**	549
- IJM Investments (L) Ltd	**59,288**	118,273
- IJMII (Mauritius) Limited	**(117)**	(732)
- IJM Construction (Middle East) Limited Liability Company	**–**	(798)
- Kuantan Port Consortium Sdn Bhd	**4,411**	5,552
- IJM Land Management Services Sdn Bhd	**3,820**	1,610
- Industrial Concrete Products Sdn Bhd	**8,219**	11,437
- IJM Plantations Berhad	**8,139**	8,724
- Malaysian Rock Products Sdn Bhd	**677**	697
- Besraya (M) Sdn Bhd	**–**	2,498
- New Pantai Expressway Sdn Bhd	**1,977**	2,186
- RB Land Sdn Bhd	**109**	1,266
- IJM RE Sdn Bhd	**(54,280)**	–
(vii) Advances from/(repayments to):		
- Road Builder (M) Holdings Bhd	**(16,206)**	15,049
- Road Builder (M) Sdn Bhd	**–**	(76,100)
- IJM (India) Geotechniques Private Limited	**580**	6
(ab) Associates		
(i) Repayment from:		
- WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad)	**157**	5,765
(ac) Joint ventures		
(i) Interest charged to:		
- Lebuhraya Kajang-Seremban Sdn Bhd	**7,104**	7,138

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2017

51 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(b) Key management compensation during the financial year:

Key management personnel comprises the Executive Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Wages, salaries and bonus	**11,423**	10,478	**5,724**	5,317
Defined contribution retirement plan	**1,817**	1,673	**927**	866
Other employee benefits	**585**	632	**277**	150
Share-based payments	**6,633**	7,917	**3,857**	3,892
	20,458	20,700	**10,785**	10,225

(c) Transactions with Directors and key management relating to the purchase of properties during the financial year:

In the ordinary course of business, certain Directors and key management personnel of the Group purchased properties from the property development subsidiaries during the financial year.

The following transactions with Directors and key management personnel were carried out under terms not more favourable than those generally available to the public or employees of the Group, or under negotiated terms which the Board of Directors, after deliberation, has believed to be in the best interests of the Group:

	The Group	
	2017 RM'000	2016 RM'000
Progress billings during the financial year:		
- Directors and key management personnel of the Company	**4,938**	2,004
- Close family members of Directors and key management personnel of the Company	**1,324**	874
Amount outstanding arising from progress billings as at end of financial year from:		
- Directors and key management personnel of the Company	**1,591**	37
- Close family members of Directors and key management personnel of the Company	**1,280**	–

(d) The amounts that remained outstanding at the reporting date in respect of the transactions with related parties are disclosed in Notes 31, 32, 33, 40 and 43.

52 COMMITMENTS

(a) Capital commitments

	The Group 2017 RM'000	2016 RM'000
Approved and contracted for	**1,098,039**	1,247,805
Approved but not contracted for	**71,913**	170,350
	1,169,952	1,418,155
Analysed as follows:		
Purchases of property, plant and equipment, land use rights and plantation development expenditure	**265,607**	340,862
Purchases of development land	**5,948**	11,150
Concession assets	**808,942**	1,066,143
Investment properties	**89,455**	–
	1,169,952	1,418,155

(b) Non-cancellable operating lease commitments

(i) The Group as lessor:

The non-cancellable operating lease commitments are in relation to operating lease receivables from various tenants.

	The Group 2017 RM'000	2016 RM'000
Future minimum sublease receipts:		
- expiring not later than 1 year	**14,399**	14,877
- expiring later than 1 year but not later than 5 years	**50,269**	52,947
- expiring later than 5 years	**66,568**	78,262
	131,236	146,086

(ii) The Group as lessee:

The non-cancellable operating lease commitments is in relation to the operating lease payables by IJM Plantations Berhad, a 56%-owned subsidiary of the Company and its subsidiaries, which is pursuant to the Sub-lease Agreement dated 30 September 2015 for land use rights until the end of the respective land use rights periods.

	The Group 2017 RM'000	2016 RM'000
Future minimum lease payments:		
- expiring not later than 1 year	**1,134**	849
- expiring later than 1 year but not later than 5 years	**4,536**	3,395
- expiring later than 5 years	**68,789**	52,298
	74,459	56,542

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2017

53 CONTINGENT LIABILITIES (UNSECURED)

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Performance guarantees in respect of the contract performance of concession agreements	**–**	–	**750**	973
Stamp duty matters under appeal	**2,237**	1,945	**–**	–
Sales and service tax matters under appeal	**4,304**	3,742	**897**	780
	6,541	5,687	**1,647**	1,753

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017

SUBSIDIARIES

Name	Country of incorporation	Effective equity interest 2017 %	2016 %	Principal activities
Held by the Company				
CIDB Inventures Sdn Bhd	Malaysia	**100**	100	Infrastructure investment
Emcee Corporation Sdn Bhd	Malaysia	**100**	100	Dormant
IJM Construction Sdn Bhd	Malaysia	**100**	100	Civil and building construction and investment holding
IJM Construction (Middle East) Limited Liability Company *	United Arab Emirates	**100**	100	Construction
IJM Highway Services Sdn Bhd	Malaysia	**100**	100	Provision of toll operation and maintenance services
IJM International (BVI) Pty Ltd ^	British Virgin Islands	**–**	100	Struck off
IJM International Limited *	Hong Kong	**100**	100	Investment holding
IJM Investments (L) Ltd ^	Federal Territory of Labuan	**100**	100	Investment holding
IJM Investments (M) Limited #	Republic of Mauritius	**100**	100	Investment holding
IJM Land Berhad	Malaysia	**100**	100	Investment holding
IJM Overseas Ventures Sdn Bhd	Malaysia	**100**	100	Dormant
IJM Plantations Berhad	Malaysia	**56**	55	Cultivation of oil palms and investment holding
IJM RE Sdn Bhd	Malaysia	**100**	–	Investment holding
Industrial Concrete Products Sdn Bhd	Malaysia	**100**	100	Production and sale of concrete products and investment holding
Kamad Quarry Sdn Bhd	Malaysia	**100**	100	Dormant
Kemena Industries Sdn Bhd *	Malaysia	**55**	55	Manufacture and sale of ready-mixed concrete and reinforced concrete products

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2017 %	2016 %	Principal activities
Held by the Company (cont'd)				
Makmur Venture Sdn Bhd	Malaysia	**100**	100	Investment holding
Nilai Cipta Sdn Bhd	Malaysia	**70**	70	Dormant
RB Manufacturing Sdn Bhd	Malaysia	**100**	100	Dormant
Road Builder (M) Holdings Bhd	Malaysia	**100**	100	Investment holding
Held by IJM Construction Sdn Bhd				
Commerce House Sdn Bhd	Malaysia	**100**	100	Trading in construction materials and providing insurance agency services
IJM Building Systems Sdn Bhd	Malaysia	**100**	100	Construction contracts, trading and rental of aluminium formworks
IJM Construction Vietnam Company Limited #	Vietnam	**100**	100	Provision of construction services, consulting service and installation of electrical systems and mechanical systems
IJM Investments J.A. Limited *	United Arab Emirates	**100**	100	Investment holding
IJM-Norwest JV (1)	**	**100**	–	Construction
Jurutama Sdn Bhd	Malaysia	**100**	100	Civil and building construction
Prebore Piling & Engineering Sdn Bhd	Malaysia	**100**	100	Piling, engineering and other construction works
Road Builder (M) Sdn Bhd	Malaysia	**100**	100	Civil and building construction
Held by IJM Investments J.A. Limited				
IJM Construction (Pakistan) (Private) Limited #	Pakistan	**100**	100	Civil and building construction
IJM Gulf Limited *	United Arab Emirates	**60**	60	Dormant
IM Technologies Pakistan (Private) Limited *	Pakistan	**60**	60	Civil, building construction and property development
Karachi Expressway J.A. Limited *	United Arab Emirates	**100**	100	Investment holding and construction
Held by Road Builder (M) Sdn Bhd				
RBM-PATI JV *	**	**100**	100	Construction

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2017 %	Effective equity interest 2016 %	Principal activities
Held by IJM Investments (M) Limited				
IEMCEE Infra (Mauritius) Limited #	Republic of Mauritius	**100**	100	Investment holding
IJM Dewas (Mauritius) Limited #	Republic of Mauritius	**100**	–	Investment holding
IJMII (Mauritius) Limited #	Republic of Mauritius	**100**	100	Investment holding
IJM Rajasthan (Mauritius) Limited #	Republic of Mauritius	**100**	100	Investment holding
IJM Rewa (Mauritius) Limited #	Republic of Mauritius	**100**	100	Investment holding
IJM Trichy (Mauritius) Ltd #	Republic of Mauritius	**100**	100	Investment holding
IJM Vijayawada (Mauritius) Ltd #	Republic of Mauritius	**100**	100	Investment holding
Held by IJM Dewas (Mauritius) Limited				
Dewas Bypass Tollway Private Limited * (of which 3.85% is held directly by the Company)	India	**100**	–	Highway development
Held by IJMII (Mauritius) Limited				
IJM (India) Infrastructure Limited *	India	**99.9**	99.9	Construction
Held by IJM (India) Infrastructure Limited				
IJM (India) Geotechniques Private Limited *	India	**99.9**	99.9	Soil investigation & testing, foundation laying & treatment & piling
IJM Lingamaneni Township Private Limited *	India	**98**	98	Property development
Roadstar (India) Infrastructure Private Limited *	India	**70**	70	Development of infrastructure projects and construction & operation of toll gates
Swarnandhra-IJMII Integrated Township Development Company Private Limited *	India	**51**	51	Property development
Swarnandhra Road Care Private Limited *	India	**99.9**	99.9	Road maintenance

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2017 %	2016 %	Principal activities
Held by IJM Rewa (Mauritius) Limited				
Rewa Tollway Private Limited *	India	**100**	100	Infrastructure development
Held by IJM Vijayawada (Mauritius) Ltd				
Vijayawada Tollway Private Limited * (of which 25.51% (2016: 25.51%) is held directly by the Company)	India	**99.9**	89.8	Highway development
Held by IJM Land Berhad				
Asas Panorama Sdn Bhd	Malaysia	**60**	60	Property development
Emko Properties Sdn Bhd	Malaysia	**100**	100	Property development
ERMS Berhad	Malaysia	**100**	100	Hotel operations
IJM Land Management Services Sdn Bhd	Malaysia	**100**	100	Provision of management services
IJM Properties Sdn Bhd	Malaysia	**100**	100	Property development and investment holding
Mintle Limited #	Jersey	**51**	51	Property investment
OneAce Global Limited	Federal Territory of Labuan	**100**	100	Investment holding
RB Development Sdn Bhd	Malaysia	**100**	100	Property development
RB Land Sdn Bhd	Malaysia	**100**	100	Property development and construction activities
Sova Holdings Sdn Bhd	Malaysia	**70**	70	Property development
Held by Emko Properties Sdn Bhd				
Emko Management Services Sdn Bhd	Malaysia	**100**	100	Property management
Held by ERMS Berhad				
Holiday Villa Management Sdn Bhd	Malaysia	**100**	100	Dormant
Held by IJM Properties Sdn Bhd				
Aqua Aspect Sdn Bhd	Malaysia	**80**	80	Property development
Chen Yu Land Sdn Bhd	Malaysia	**100**	100	Property development
Cypress Potential Sdn Bhd	Malaysia	**70**	70	Property development activities and property investment

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2017 %	2016 %	Principal activities
Held by IJM Properties Sdn Bhd (cont'd)				
Era Moden Hartanah Sdn Bhd	Malaysia	**55**	–	Dormant
Ever Mark (M) Sdn Bhd	Malaysia	**100**	100	Dormant
IJM Management Services Sdn Bhd	Malaysia	**100**	100	Providing project and construction management services and sales and marketing services
IJMP-MK Joint Venture	**	**70**	70	Property development
Jalinan Masyhur Sdn Bhd	Malaysia	**51**	51	Dormant
Jelutong Development Sdn Bhd	Malaysia	**80**	80	Property development
Larut Leisure Enterprise (Hong Kong) Limited *	Hong Kong	**99**	99	Property development and investment holding
Liberty Heritage (M) Sdn Bhd	Malaysia	**100**	100	Dormant
Manda'rina Sdn Bhd	Malaysia	**100**	100	Property development
Maxharta Sdn Bhd	Malaysia	**100**	100	Investment holding
NS Central Market Sdn Bhd	Malaysia	**70**	70	Property development
Preferred Accomplishment Sdn Bhd	Malaysia	**100**	100	Sale of electricity
Radiant Pillar Sdn Bhd * (of which 10.6% (2016:10.4%) is held indirectly by the Company via WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad))	Malaysia	**71**	70	Property development and investment holding
Sinaran Intisari (M) Sdn Bhd	Malaysia	**100**	100	Dormant
Suria Bistari Development Sdn Bhd	Malaysia	**51**	51	Property development
The Light Waterfront Sdn Bhd	Malaysia	**100**	100	Dormant
Valencia Terrace Sdn Bhd	Malaysia	**100**	100	Property development
Worldwide Ventures Sdn Bhd	Malaysia	**86**	86	Property development and investment holding
Held by Cypress Potential Sdn Bhd				
Sebana Golf & Marina Resort Berhad	Malaysia	**70**	–	Resort, marina and golf course operator
Held by Larut Leisure Enterprise (Hong Kong) Limited				
Jilin Dingtai Enterprise Company Limited *	China	**99**	99	Property development

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2017 %	2016 %	Principal activities
Held by Maxharta Sdn Bhd				
Jelita Kasturi Sdn Bhd	Malaysia	**100**	100	Property development
Panorama Jelita Sdn Bhd	Malaysia	**100**	100	Property development
Eksplorasi Cemerlang Sdn Bhd	Malaysia	**100**	100	Dormant
Held by Radiant Pillar Sdn Bhd				
Bandar Rimbayu Sdn Bhd * (of which 10.6% (2016: 10.4%) is held indirectly by the Company via WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad))	Malaysia	**71**	70	Property development
IJMP-RPSB Joint Venture * (of which 5.3% (2016: 5.2%) is held indirectly by the Company via WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad))	**	**85**	85	Dormant
Held by Worldwide Ventures Sdn Bhd				
Island Golf View Sdn Bhd	Malaysia	**86**	86	Property development
Sheffield Enterprise Sdn Bhd	Malaysia	**60**	60	Dormant
Held by Mintle Limited				
RMS (England) Limited #	England and Wales	**51**	51	Property development
Held by RMS (England) Limited				
RMS (England) 1 Limited #	England and Wales	**51**	51	Dormant
RMS (England) 2 Limited #	England and Wales	**51**	51	Dormant
Held by RB Land Sdn Bhd				
Aras Varia Sdn Bhd	Malaysia	**100**	100	Property development and clubhouse operations
Casa Warna Sdn Bhd	Malaysia	**100**	100	Property management
Dian Warna Sdn Bhd	Malaysia	**100**	100	Property development
Ikatan Flora Sdn Bhd	Malaysia	**100**	100	Property development
Murni Lapisan Sdn Bhd	Malaysia	**100**	100	Property development and construction activities

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2017

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2017 %	2016 %	Principal activities
Held by RB Land Sdn Bhd (cont'd)				
RB Property Management Sdn Bhd	Malaysia	**100**	100	Property development
Seremban Two Holdings Sdn Bhd	Malaysia	**100**	100	Property development
Seremban Two Property Management Sdn Bhd	Malaysia	**100**	100	Property management
Seremban Two Properties Sdn Bhd	Malaysia	**100**	100	Property development
Shah Alam 2 Sdn Bhd	Malaysia	**100**	100	Property development
Tarikan Abadi Sdn Bhd	Malaysia	**100**	100	Property development
Titian Tegas Sdn Bhd	Malaysia	**100**	100	Property development
Unggul Senja Sdn Bhd	Malaysia	**100**	100	Property development
Held by IJM Plantations Berhad				
Akrab Perkasa Sdn. Bhd.	Malaysia	**56**	55	Dormant
Berakan Maju Sdn. Bhd.	Malaysia	**56**	55	Cultivation of oil palms
Desa Talisai Palm Oil Mill Sdn. Bhd.	Malaysia	**56**	55	Dormant
Desa Talisai Sdn. Bhd.	Malaysia	**56**	55	Investment holding
Dynasive Enterprise Sdn. Bhd.	Malaysia	**56**	55	Investment holding
Excellent Challenger (M) Sdn. Bhd.	Malaysia	**56**	55	Cultivation of oil palms
Gunaria Sdn. Bhd.	Malaysia	**56**	55	Investment holding
IJM Biofuel Sdn Bhd	Malaysia	**56**	55	Dormant
IJM Edible Oils Sdn. Bhd.	Malaysia	**56**	55	Palm oil and kernel milling
IJMP Investments (M) Limited *	Republic of Mauritius	**56**	55	Under member's voluntary liquidation
Minat Teguh Sdn. Bhd.	Malaysia	**56**	55	Investment holding
Rakanan Jaya Sdn. Bhd.	Malaysia	**56**	55	Cultivation of oil palms
Ratus Sempurna Sdn. Bhd.	Malaysia	**56**	55	Property holding
Sabang Mills Sdn. Bhd.	Malaysia	**56**	55	Dormant
Sijas Plantations Sdn. Bhd.	Malaysia	**56**	55	Dormant
Held by Gunaria Sdn Bhd				
PT Sinergi Agro Industri *	Indonesia	**53**	52	Cultivation of oil palms
PT Karya Bakti Sejahtera Agrotama *	Indonesia	**53**	52	Cultivation of oil palms

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2017 %	2016 %	Principal activities
Held by Minat Teguh Sdn. Bhd.				
PT Primabahagia Permai *	Indonesia	**53**	52	Cultivation of oil palms
Held by PT Primabahagia Permai				
PT Prima Alumga *	Indonesia	**53**	52	Cultivation of oil palms
PT Indonesia Plantation Synergy *	Indonesia	**51**	50	Cultivation of oil palms and milling
Held by IJM RE Sdn Bhd				
IJM RE Commercial Sdn Bhd	Malaysia	**100**	–	Dormant
Held by Industrial Concrete Products Sdn Bhd				
Durabon Sdn Bhd	Malaysia	**100**	100	Processing and sales of steel bars
Expedient Resources Sdn Bhd	Malaysia	**100**	100	Under member's voluntary liquidation
ICP Investments (L) Limited ^	Federal Territory of Labuan	**100**	100	Investment holding
ICP Jiangmen Co. Ltd. *	People's Republic of China	**96**	75	Production and sale of concrete products
ICP Marketing Sdn Bhd	Malaysia	**100**	100	Dormant
ICP Precast Products Sdn Bhd	Malaysia	**100**	100	Dormant
Malaysian Rock Products Sdn Bhd	Malaysia	**100**	100	Quarrying, sale of rock products and investment holding
Held by Expedient Resources Sdn Bhd				
Tadmansori Rubber Industries Sdn Bhd	Malaysia	**100**	100	Under member's voluntary liquidation
Held by ICP Investments (L) Limited				
ICPB (Mauritius) Limited #	Mauritius	**100**	100	Investment holding
Held by ICPB (Mauritius) Limited				
IJM Steel Products Private Limited *	India	**100**	100	Dormant
IJM Concrete Products Private Limited *	India	**100**	100	Production and supply of ready-mixed concrete

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2017 %	2016 %	Principal activities
Held by IJM Concrete Products Private Limited				
IJM-AIKYA Joint Venture *	India	**60**	60	Crushing and marketing of building stone material
Held by Malaysian Rock Products Sdn Bhd				
Aggregate Marketing Sdn Bhd	Malaysia	**100**	100	Dormant
Azam Ekuiti Sdn Bhd	Malaysia	**100**	100	Leaseholder of quarry land
Bohayan Industries Sdn Bhd	Malaysia	**70**	70	Dormant
IJM Concrete (Private) Limited ^	United Arab Emirates	**60**	60	Investment holding
IJM Concrete Products Pakistan (Private) Limited *	Pakistan	**100**	100	Dormant
Kuang Rock Products Sdn Bhd	Malaysia	**100**	100	Quarrying and sale of rock products
Oriental Empire Sdn Bhd	Malaysia	**100**	100	Leaseholder of quarry land
Scaffold Master Sdn Bhd	Malaysia	**100**	100	Sale and rental of steel scaffolding
Strong Mixed Concrete Sdn Bhd	Malaysia	**100**	100	Production and supply of ready-mixed concrete
Warga Sepakat Sdn Bhd	Malaysia	**100**	100	Leaseholder of quarry land
Held by IJM Concrete (Private) Limited				
IJM Concrete Pakistan *	Pakistan	**60**	60	Production and supply of ready-mixed concrete
IJM Concrete Pakistan (Private) Limited *	Pakistan	**60**	60	Dormant
Held by Strong Mixed Concrete Sdn Bhd				
SMC Islamabad (Private) Limited *	Pakistan	**60**	60	Production and supply of ready-mixed concrete
Held by RB Manufacturing Sdn Bhd				
Kuching Riverine Resort Management Sdn Bhd	Malaysia	**100**	100	Property management
Held by Road Builder (M) Holdings Bhd				
Arena Wiramas Sdn Bhd	Malaysia	**–**	100	Liquidated
Besraya (M) Sdn Bhd	Malaysia	**100**	100	Toll road operation

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2017 %	2016 %	Principal activities
Held by Road Builder (M) Holdings Bhd (cont'd)				
Essmarine Terminal Sdn Bhd	Malaysia	**100**	100	Investment holding
Gagah Garuda Sdn Bhd	Malaysia	**100**	100	Investment holding
HMS Resource Sdn Bhd	Malaysia	**100**	100	Investment holding
Kuantan Port Consortium Sdn Bhd (of which 30% (2016 : 30%) is held directly by Essmarine Terminal Sdn Bhd)	Malaysia	**60**	60	Port management
New Pantai Expressway Sdn Bhd	Malaysia	**100**	100	Design, construction, management, operation and maintenance of New Pantai Highway
NPE Property Development Sdn Bhd	Malaysia	**100**	100	Property development
RB Port Sdn Bhd	Malaysia	**–**	100	Liquidated
Held by Kuantan Port Consortium Sdn Bhd				
KP Port Services Sdn Bhd	Malaysia	**60**	60	Port supporting services, stevedorage, storage handling and providing nitrogen purging and pigging services
Held by KP Port Services Sdn Bhd				
KPN Services Sdn Bhd	Malaysia	**60**	60	Under members' voluntary liquidation
ASSOCIATES				
Held by the Company				
Bionic Land Berhad *	Malaysia	**20**	20	Investment holding and provision of management services
Cofreth (M) Sdn Bhd *	Malaysia	**25**	25	Total facilities management, operations & maintenance, co-generation and district cooling system/ service provider
Community Resort Development System Sdn Bhd *	Malaysia	**20**	20	Under members' voluntary liquidation
Emas Utilities Corporation Sdn Bhd *	Malaysia	**40**	40	Investment holding

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017 (cont'd)

ASSOCIATES (cont'd)

Name	Country of incorporation	Effective equity interest 2017 %	 2016 %	Principal activities
Held by the Company (cont'd)				
Grupo Concesionario del Oeste S.A. *	Argentina	**20**	20	Construction, renovation, repair, conservation and operation of Acesso Oeste highway
Inversiones E Inmobiliaria Sur-Sur S.A. *	Chile	**25**	25	Property development
WCE Holdings Berhad * (formerly known as Kumpulan Europlus Berhad)	Malaysia	**26**	26	Investment holding
MASSCORP-Chile Sdn Bhd * (2)	Malaysia	**–**	32	Investment holding
Scomi Group Berhad *	Malaysia	**25**	25	Investment holding and provision of management services
Held by CIDB Inventures Sdn Bhd				
Swarna Tollway Private Limited *	India	**30**	30	Infrastructure development
Held by IEMCEE Infra (Mauritius) Limited				
GVK Gautami Power Limited *	India	**20**	20	Power generation
Held by IJM Construction Sdn Bhd				
Hexacon Construction Pte Limited *	Singapore	**46**	46	Civil and building construction
Highway Master Sdn Bhd	Malaysia	**50**	50	Road pavement construction
Integrated Water Services (M) Sdn Bhd *	Malaysia	**35**	35	Operation and maintenance of a water treatment plant
Held by IJM Investments (L) Ltd				
Earning Edge Sdn Bhd	Malaysia	**22**	22	Property development
Held by IJM Land Berhad				
Kuantan Pahang Holding Sdn Bhd	Malaysia	**40**	40	Investment holding
Held by IJM Properties Sdn Bhd				
Cekap Tropikal Sdn Bhd *	Malaysia	**50**	50	Property development
Good Debut Sdn Bhd *	Malaysia	**50**	50	Property development
MASSCORP-Vietnam Sdn Bhd *	Malaysia	**20**	20	Investment holding
Sierra Selayang Sdn Bhd *	Malaysia	**50**	50	Property development

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017 (cont'd)

ASSOCIATES (cont'd)

Name	Country of incorporation	Effective equity interest 2017 %	2016 %	Principal activities
Held by IJM Rajasthan (Mauritius) Limited				
Jaipur-Mahua Tollway Private Limited * (3)	India	**–**	26	Highway development
Held by KP Port Services Sdn Bhd				
KP Depot Services Sdn Bhd *	Malaysia	**18**	18	Container depot services
Held by Malaysian Rock Products Sdn Bhd				
DML-MRP Resources (M) Sdn Bhd	Malaysia	**50**	50	Dormant
Held by Road Builder (M) Holdings Bhd				
West Coast Expressway Sdn Bhd * (of which 21.2% (2016: 20.9%) is held indirectly by the Company via WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad))	Malaysia	**41**	41	Design, construction and development of the West Coast Expressway Project and managing its toll operations
Held by Road Builder (M) Sdn Bhd				
Budi Benar Sdn Bhd *	Malaysia	**25**	25	Dormant

\# Audited by a member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers, Malaysia.

* Audited by a firm other than member firm of PricewaterhouseCoopers International Limited and PricewaterhouseCoopers, Malaysia.

** Unincorporated entities.

^ Company not required to be audited under the laws of the country of incorporation.

(1) During the financial year, IJM Construction Sdn Bhd ("IJM Const"), a wholly-owned subsidiary of the Company, has acquired an additional 30% equity interest in IJM-Norwest JV. Following the completion of the acquisition, IJM-Norwest JV becomes a wholly-owned subsidiary of the Company as IJM Const assumed full control over the entity (Note 33(a)).

(2) During the financial year, the Company disposed 31.87% equity interest in MASSCORP-Chile Sdn Bhd ("MCSB") for a total consideration of RM1.

(3) During the financial year, IJM Rajasthan (Mauritius) Limited, a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company, disposed the remaining 26% equity interest in Jaipur-Mahua Tollway Private Limited.

55 DISCLOSURE OF REALISED AND UNREALISED RETAINED PROFITS

The following analysis is prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the context of disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad.

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:				
- Realised	**6,698,505**	6,204,458	**174,572**	280,379
- Unrealised	**(234,447)**	(472,970)	**10,385**	5,136
	6,464,058	5,731,488	**184,957**	285,515
Total share of retained profits/ (accumulated losses) of the associates:				
- Realised	**103,417**	138,152	**–**	–
- Unrealised	**38,212**	(26,118)	**–**	–
Total share of retained profits/ (accumulated losses) of the joint ventures:				
- Realised	**(163,260)**	(67,554)	**–**	–
- Unrealised	**2,362**	2,362	**–**	–
	6,444,789	5,778,330	**184,957**	285,515
Add: Consolidation adjustments	**(3,141,886)**	(2,736,248)	**–**	–
Total retained profits	**3,302,903**	3,042,082	**184,957**	285,515

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Cyrus Eruch Daruwalla, being the officer primarily responsible for the financial management of IJM Corporation Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the financial statements set out on pages 180 to 342 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at Petaling Jaya on 25 May 2017.

CYRUS ERUCH DARUWALLA

Before me:

No. B450
Name: GUNALAN

Commissioner for Oaths
Petaling Jaya

NO: 13, (TINGKAT 1) JALAN 52/10
PJ NEW TOWN
46200 PETALING JAYA, SELANGOR.

INDEPENDENT AUDITOR'S REPORT

To the Members of IJM Corporation Berhad

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF IJM CORPORATION BERHAD

(Incorporated in Malaysia)
(Company No: 104131-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of IJM Corporation Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017, and of their financial performance and their cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the balance sheets as at 31 March 2017 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 180 to 341.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and the Company. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Our audit approach (cont'd)

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTERS
Revenue and costs recognition of the Group **i) Construction contracts** **Revenue: RM2,104,740,000** **Cost: RM1,989,764,000** **ii) Property development activities** **Revenue: RM1,396,938,000** **Cost: RM918,472,000**	
Refer to Note 9(a) and Note 9(b) for the accounting policies and Notes 2(c), 2(d), 4 and 5(a) to the financial statements. We focused on this area because the accounting for construction contracts and property development activities is inherently complex as it involved the use of significant judgements made by management in the following areas: i) Stage of completion ii) Extent of costs incurred for construction contracts and property development projects, and construction costs or property development costs yet to be incurred iii) Status of variation orders and claims with customers	We evaluated and tested the key controls in respect of the review and approval of contract and property development project budgets to assess the reliability of these budgets. We checked the extent of costs incurred to date to internal quantity surveyors' latest valuations or sub-contractor claim certificates to corroborate the stage of completion. Where costs have not been billed or certified, we assessed the adequacy of management's accruals of such costs by checking subsequent contractors' claims certificates or approvals from internal quantity surveyors. We checked the reasonableness of the estimated total construction costs and property development costs, including subsequent changes to the costs, by agreeing to supporting documentation; i.e. approved budgets, quotations, correspondences, contracts and variation orders with sub-contractors. We had discussions with management to understand the nature of the variation orders and claims included in revenue and inspected correspondences from the customers and minutes of meetings to corroborate the key judgement applied by management. Based on the procedures performed above, we noted no material exceptions in the revenue and costs recognition for construction contracts and property development activities.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

KEY AUDIT MATTERS	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTERS
Impairment assessment of the Group's and Company's investment in joint venture Investment in joint venture – Lebuhraya Kajang-Seremban Sdn Bhd ("LEKAS") (Group: RM159.5 million; Company: RM225.7 million) Refer to Note 4 and Note 25 for the accounting policies and Note 33 to the financial statements. LEKAS is the toll road operator of Lebuh Raya Kajang-Seremban and has been granted a service concession up to the year of 2039. For the financial year ended 31 March 2017, management has performed an impairment assessment over the carrying amount of the investment in LEKAS by calculating the value-in-use ("VIU") of the investment based on net cash inflow generated from its toll operation over the remaining concession period of 22 years up to the year of 2039 net of tax and financing cash flows. We focused on this area because management's impairment assessment includes inputs that are based on significant assumptions and judgements, comprising annual traffic growth rate and the discount rate.	We obtained management's VIU impairment model and checked the key assumptions used in the cash flow projections by performing the following procedures: • Compared the annual traffic growth rate to historical trends and traffic consultant's forecast; • Checked the reasonableness of the discount rate by comparing the rates used to comparable organisations and market information; • Checked the sensitivity analysis performed by management on the annual traffic growth rate and discount rate to determine whether reasonable changes on these key assumptions would give rise to a material impairment. Based on the procedures performed above, we did not identify any material exceptions.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and Statement, which we obtained prior to the date of this auditors' report, and the Chairman's Statement and other sections of the 2017 Annual Report, which are expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with the Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (cont'd)

To the Members of IJM Corporation Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 54 to the financial statements.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 55 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS	**LOH LAY CHOON**
(No. AF: 1146)	(No. 2497/03/18 (J))
Chartered Accountants	Chartered Accountant

Kuala Lumpur
25 May 2017

LIST OF MATERIAL PROPERTIES

as at 31 March 2017

No	Location	Description	Area Hectares	Tenure	Existing Use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building	Net Book Value (RM'000)
1	District of Kuala Langat Selangor PT 36309, 36330 - 36334, 36341, 36342 36344, 36348, 36349 41090, 41184 - 41186 41188 - 41190, 41192 41210, 41211, 41213 - 41217, 41220, 71955 Mukim Tanjung Dua Belas.	Mixed development	472.19	Leasehold (expiring 2111)	Under development	A: 2014	N/A	1,322,400
2	HSD 119538 - 119541 PT 9209 - 9212 HSD 119543 - 119550 PT 9216 - 9220, 9222 9223 & 9230 HSD 119552 PT 9238 Mukim Kuala Lumpur	Mixed development	23.42	Leasehold (expiring 2106)	Under development	A: 2013	N/A	876,588
3	Kutai Timur East Kalimantan Indonesia	Agriculture land	21,827	Leasehold (expiring 2044 & 2045)	Oil Palm Estate & Palm Oil Mill	A: 2008, 2012 & 2014	5	750,292
4	AGL264342 Royal Mint Street London, United Kingdom	Mixed development	1.10	Leasehold (expiring 3011)	Under development	A: 2012	N/A	473,697
5	PT 36593 - 36981 PT 35993 - PT 35994 PT 36039 - PT 36054 PT 37800 Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus PT 26961 - PT 27156 Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus PT 32965 Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus PT 23227 - 23243 Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus				Under development			

LIST OF MATERIAL PROPERTIES (cont'd)
as at 31 March 2017

No	Location	Description	Area Hectares	Tenure	Existing Use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building	Net Book Value (RM'000)
5	PT 36987 - PT 36989 PT 36991 - 37027 PT 37029 - PT 37048 PT 36990, PT 37028 PT 37049 - PT 37055 PT 37057 - PT 37150 PT 37801, PT 37811-37915, PT 37158 - 37323, PT 37334 - 37527, PT 37528 PT 32115 - 32118 PT 36982 - 36983 PT 37154, PT 37327 - 37328, PT 37535 Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus	Residential, Commercial land	95.40	Freehold	For future development	A: 2004	N/A	399,364
	PT 23244 - 23247 PT 23996, PT 22597 PT 25326 - 25328 PT 27157 - 27159 Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus							
	PT 27160 - 27161 Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus	Agriculture land	232.75					
	PT 37152 - 37153 PT 37324 - 37326 PT 37533 - 37534 PT 32134, PT 34414 Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus							
6	Seksyen 8, Georgetown Daerah Timur Laut Penang							
	Parcel A1, Lot 691 Geran 117786	Residential	12.98	Freehold	Under development	N/A	N/A	389,355
	Parcel A1-3	Residential	1.73					
	Balance Parcel A1	Residential, Mixed Development & Commercial	13.96		Under reclamation			
	Parcel A2	Mixed Development & Commercial	8.75		Yet to be reclaimed			
	Parcel B1	Residential & Commercial	15.06	Leasehold				

No	Location	Description	Area Hectares	Tenure	Existing Use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building	Net Book Value (RM'000)
6	PT168 HS (D) 14095	Recreation & Amenities	0.56	Leasehold (expiring 2105)	For future development			
	PT 87 HS(D) 13805	Commercial	1.83	Leasehold (expiring 2104)				
7	Mukim Sungai Karang, Kuantan, Pahang							
	HSD No. 19141-2 PT7795-6 HSD No. 19144, PT7798 HSD No. 20044, PT8020 HSD No. 20046, PT8022 HSD No. 20058-61 PT8034-7	Industrial	94.72	Leasehold (expiring 2065 & 2066)	Under development	A: 2014	N/A	345,134
	HSD No. 19138-40 PT7792-4 HSD No. 20056-7 PT8032-3	Commercial	74.37	Leasehold (expiring 2098 & 2099)				
	HSD No. 19137, PT7791	Commercial	23.00	Leasehold (expiring 2098				
	HSD No. 19196, PT7850	Residential	31.41	Leasehold (expiring 2098)				
	HSD No. 19143, PT7797 HSD No. 19145-78 PT7799-832 HSD No. 19180-95 PT7834-49	Industrial	49.72	Leasehold (expiring 2065)				
8	Huihai Plaza, Xi'an Road Chaoyang District Changchun, Jilin Province The People's Republic of China	Commercial	4.18	Leasehold (expiring 2043)	Under development	A: 2014	N/A	311,316
9	Bulungan East Kalimantan Indonesia	Agriculture land	15,188	Leasehold (expiring 2043 & 2045)	Oil Palm Estate	A: 2008	N/A	273,419
10	Lampung Sumatera Indonesia	Agriculture land	10,513	Leasehold (expiring 2021, 2029 & 2049)	Oil Palm Estate	A: 2010	N/A	211,710

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 33rd Annual General Meeting ("AGM") of IJM CORPORATION BERHAD (104131-A) will be held at the Victorian Ballroom, Level 1, Holiday Villa Hotel & Suites Subang, 9 Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 23 August 2017, at 3.00 p.m. to transact the following matters:-

1. To receive the audited financial statements for the year ended 31 March 2017 together with the reports of the Directors and Auditors thereon.
2. To re-elect the following Directors who retire by rotation in accordance with Article 90 of the Company's Articles of Association and who being eligible, offer themselves for re-election:-

   a) Datuk Lee Teck Yuen **Resolution 1**

   b) Lee Chun Fai **Resolution 2**

   c) Pushpanathan a/l S A Kanagarayar **Resolution 3**

   Please refer to Note 1
3. To re-appoint the following Directors:-

   a) Tan Sri Abdul Halim bin Ali **Resolution 4**

   b) Dato' David Frederick Wilson **Resolution 5**

   Please refer to Note 1
4. To re-appoint PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration. **Resolution 6**
5. As special business to consider and pass the following resolutions:-

   a) RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR **Resolution 7**

   "THAT subject to the passing of Resolution 4, Tan Sri Abdul Halim bin Ali shall continue to serve as an Independent Non-Executive Director of the Company notwithstanding that his tenure as an independent director has exceeded a cumulative term of nine (9) years."

   Please refer to Note 2

   b) DIRECTORS' FEES **Resolution 8**

   "THAT the Directors' fees of RM1,108,583 for the year ended 31 March 2017 be approved to be divided amongst the Directors in such manner as they may determine."

   Please refer to Note 3

   c) DIRECTORS' BENEFITS **Resolution 9**

   "THAT the payment of Directors' benefits to the Non-Executive Directors up to an amount of RM520,000 for the period from 31 January 2017 until the next Annual General Meeting be approved."

   Please refer to Note 3

   d) DIRECTORS' FEES AND MEETING ALLOWANCE OF THE SUBSIDIARIES **Resolution 10**

   "THAT the payment of Directors' fees and/or meeting allowance by the subsidiaries to several Directors be approved:-

   i) Directors' fees of RM414,000 for the year ended 31 March 2017; and

   ii) Directors' meeting allowance of up to an amount of RM52,000 from 31 January 2017 until the next Annual General Meeting."

   Please refer to Note 3

e) AUTHORITY TO ISSUE SHARES UNDER SECTIONS 75 AND 76 **Resolution 11**

“THAT the Directors be and are hereby authorised, pursuant to Sections 75 and 76 of the Companies Act 2016, to allot and issue not more than ten percent (10%) of the total number of issued shares of the Company at any time, upon such terms and conditions and for such purposes as the Directors in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force, and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof.”

Please refer to Note 4

f) PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY **Resolution 12**

“THAT the Directors be and are hereby authorised to purchase the ordinary shares of the Company through the stock exchange of Bursa Malaysia Securities Berhad at any time upon such terms and conditions as the Directors in their absolute discretion deem fit provided that:-

i) the aggregate number of shares purchased (which are to be treated as treasury shares) does not exceed ten per cent (10%) of the total number of issued shares of the Company; and

ii) the funds allocated for the purchase of shares shall not exceed its retained profits

AND THAT the Directors be and are hereby further authorised to deal with the treasury shares in their absolute discretion (which may be distributed as dividends, resold, transferred, cancelled and/or in any other manner as prescribed by the Companies Act 2016, and the relevant rules, regulations and/or requirements)

AND THAT such authority shall continue to be in force until:-

a) the conclusion of the next Annual General Meeting (“AGM”);

b) the expiration of the period within which the next AGM is required by law to be held; or

c) revoked or varied in a general meeting,

whichever occurs first.”

Please refer to Note 5

By Order of the Board

Ng Yoke Kian
Company Secretary
MAICSA 7018150

Petaling Jaya
25 July 2017

Notes:-

1. **RE-ELECTION AND RE-APPOINTMENT OF DIRECTORS**

The performance of each Director who subject for re-election or re-appointment had been assessed through the Board annual evaluation (including the independence of Independent Non-Executive Directors). The Nomination & Remuneration Committee (“NRC”) and the Board are satisfied with the performance and effectiveness of the Directors.

Datuk Lee Teck Yuen, Lee Chun Fai and Pushpanathan a/l S A Kanagarayar are standing for re-election as Directors, and being eligible, have offered themselves for re-election at this AGM.

Tan Sri Abdul Halim bin Ali and Dato’ David Frederick Wilson, both of whom are above the age of 70, were re-appointed pursuant to Section 129 of the Companies Act 1965 at the 32nd AGM held on 24 August 2016 to hold office until the conclusion of the next AGM. Their term of office, therefore will end at the conclusion of this AGM.

With the Companies Act 2016 coming into force on 31 January 2017, and having repealed Section 129 of the Companies Act 1965, there is no longer an age limit for Directors. The Resolution 4 and Resolution 5, if passed, will approve and authorise the continuation of Tan Sri Abdul Halim bin Ali and Dato’ David Frederick Wilson in office from the date of this AGM and they shall be thereafter subject to retirement by rotation pursuant to the Articles of Association of the Company.

The profiles of the Directors who subject for re-election or re-appointment are set out on pages 27 to 31 of the Annual Report 2017.

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

2. **RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

   The Resolution 7, if approved, will authorise the retention of Tan Sri Abdul Halim bin Ali as an Independent Non-Executive Director of the Company.

   Tan Sri Abdul Halim, had completed the 9-year tenure on 25 April 2016, and was retained as an Independent Non-Executive Chairman following the approval of shareholders at the last AGM held on 24 August 2016. Tan Sri Abdul Halim continues bringing strong independent viewpoints and objective judgement to Board deliberations and decision making, besides seeking clarification and challenging Management on the conduct of the Group's business and other issues raised at various Board and Board Committee meetings. He provides leadership for the Board and facilitates the Board to perform its responsibilities effectively through his independent and objective chairmanship. In addition, the insight and good understanding of the Group's various core business operations acquired by Tan Sri Abdul Halim during his tenure of office would continue to facilitates him to discharge the duties and role as an Independent Director effectively. The experience and stability brought by Tan Sri Abdul Halim due to his long-service on the Board and as an active participant in the corporate community will serve the interest of the Company and its shareholders. As such, the NRC and the Board recommend the retention of Tan Sri Abdul Halim as an Independent Director and Chairman of the Company.

3. **DIRECTORS' FEES AND BENEFITS**

   Pursuant to Section 230(1) of the Companies Act 2016 which came into effect on 31 January 2017, the fees of the directors, and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at the general meeting.

   The Resolution 8, if approved, will authorise the payment of Directors' fees to the Non-Executive Directors ("NED") by the Company.

   The Resolution 9, if approved, will authorise the payment of Directors' benefits to the NED by the Company. The Directors' benefits of RM520,000 for the period from 31 January 2017 until the next AGM in year 2018 are derived from the estimated meeting allowance based on the number of scheduled meetings and unscheduled meetings (when necessary) for the Board and Board Committees, number of NEDs involved in the meetings, travel claims of the NEDs and car benefits of the Non-Executive Chairman and Deputy Non-Executive Chairman. The meeting allowance for a NED is RM1,000 per meeting.

   The Resolution 10 is in relation to the payment of Directors' fees and/or meeting allowance by two (2) subsidiaries to several Directors of the Company. The details are as follows:-

   (a) Directors' fees payable by the subsidiaries for the financial year ended 31 March 2017

Subsidiaries	Directors	Amount (RM)
IJM Plantations Berhad ("IJMP") (a 56% owned subsidiary)	Tan Sri Dato' Tan Boon Seng @ Krishnan ("TSKT") Dato' Soam Heng Choon ("DSHC") Pushpanathan a/l S A Kanagarayar ("Ken")	374,000
Kuantan Port Consortium Sdn Bhd ("KPC") (a 60% owned subsidiary)	TSKT Datuk Lee Teck Yuen ("DLTY")	40,000
	Total	**414,000**

   (b) TSKT, DSHC and Ken are also entitled to the meeting allowance of IJMP for RM1,000 per person for each meeting attended. The estimated Directors' meeting allowance of RM52,000 is based on the number of scheduled meetings and unscheduled meetings (when necessary) for the Board and Board Committees of IJMP during the period from 31 January 2017 until the next AGM in year 2018. As for KPC, TSKT and DLTY do not receive any meeting allowance.

   The Directors' fees and/or meeting allowance payable by IJMP and KPC are subject to the shareholders' approval at the general meetings of IJMP and KPC.

4. **AUTHORITY TO ISSUE SHARES UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

   The Resolution 11, if approved, will empower the Directors to issue up to 10% of the total number of issued shares (excluding treasury shares) of the Company, for purposes of funding future investment projects, working capital, acquisitions and/or so forth. The approval is a renewal of general mandate and is sought to provide flexibility and avoid any delay and cost in convening a general meeting for such issuance of shares for fund raising activities, including placement of shares. The authorisation, unless revoked or varied by the Company at a general meeting, will expire at the next AGM. At this juncture, there is no decision to issue new shares. Should there be a decision to issue new shares after the authorisation is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

5. **SHARE BUY-BACK AUTHORITY**

   The details of the proposal are set out in the Share Buy-Back Statement dated 25 July 2017, which is despatched together with the Annual Report 2017.

6. **APPOINTMENT OF PROXY AND ENTITLEMENT OF ATTENDANCE**

   (i) a proxy may but need not be a member;

   (ii) a member, other than an exempt authorised nominee, is entitled to appoint up to two (2) proxies;

   (iii) a member, who is an authorised nominee, may appoint up to two (2) proxies in respect of each Securities Account held; whereas, an exempt authorised nominee may appoint multiple proxies in respect of each Securities Account held;

   (iv) a member who appoints a proxy must duly execute the Form of Proxy, and if more than one (1) proxy is appointed, the number of shares to be represented by each proxy must be clearly indicated;

   (v) a corporate member who appoints a proxy must execute the Form of Proxy under seal or the hand of its officer or attorney duly authorised;

   (vi) the duly executed Form of Proxy must be deposited at the Registered Office before 3.00 p.m. on 21 August 2017;

   (vii) only members whose names appear in the Record of Depositors and/or Register of Members as at **16 August 2017** will be entitled to attend and vote at the meeting; and

   (viii) the Annual Report, Share Buy-Back Statement and Form of Proxy are available for download at www.ijm.com

FORM OF PROXY

I/We ____

NRIC/Passport/Company No.: ___________________________ Mobile Phone No.: ______________

CDS Account No.: ___________________________________ Number of Shares Held: __________

Address: ____

____

being a member of **IJM CORPORATION BERHAD (104131-A)**, hereby appoint:-

1) Name of Proxy: _________________________________ NRIC No.: ____________________

Address: ____

____ Number of Shares Represented: _______

2) Name of Proxy: _________________________________ NRIC No.: ____________________

Address: ____

____ Number of Shares Represented: _______

or failing him/her, the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the 33rd Annual General Meeting ("AGM") of IJM CORPORATION BERHAD to be held at the Victorian Ballroom, Level 1, Holiday Villa Hotel & Suites Subang, 9 Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 23 August 2017, at 3.00 p.m., and at any adjournment thereof, in the manner indicated below:-

No.	Resolutions	For	Against
1.	To re-elect Datuk Lee Teck Yuen as Director		
2.	To re-elect Lee Chun Fai as Director		
3.	To re-elect Pushpanathan a/l S A Kanagarayar as Director		
4.	To re-appoint Tan Sri Abdul Halim bin Ali as Director		
5.	To re-appoint Dato' David Frederick Wilson as Director		
6.	To re-appoint PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration		
7.	To retain Tan Sri Abdul Halim bin Ali as an Independent Non-Executive Director		
8.	To approve the payment of Directors' fees of RM1,108,583		
9.	To approve the payment of Directors' benefits of RM520,000		
10.	To approve the payment of Directors' fees of RM414,000 and/or meeting allowance of up to an amount of RM52,000 by the subsidiaries		
11.	To authorise the issuance of up to 10% of the total number of issued shares of the Company		
12.	To approve the Proposed Renewal of Share Buy-Back Authority		

Please indicate with "X" how you wish your vote to be cast. In the absence of specific instruction, your Proxy will vote or abstain as he/she thinks fit.

Signed (and sealed) this ___________ day of _____________ 2017

Signature(s): ____

Notes:-

(i) a proxy may but need not be a member;

(ii) a member, other than an exempt authorised nominee, is entitled to appoint up to two (2) proxies;

(iii) a member, who is an authorised nominee, may appoint up to two (2) proxies in respect of each Securities Account held; whereas, an exempt authorised nominee may appoint multiple proxies in respect of each Securities Account held;

(iv) a member who appoints a proxy must duly execute the Form of Proxy, and if more than one (1) proxy is appointed, the number of shares to be represented by each proxy must be clearly indicated;

(v) a corporate member who appoints a proxy must execute the Form of Proxy under seal or the hand of its officer or attorney duly authorised;

(vi) the duly executed Form of Proxy must be deposited at the Registered Office before 3.00 p.m. on 21 August 2017;

(vii) only members whose names appear in the Record of Depositors and/or Register of Members as at **16 August 2017** will be entitled to attend and vote at the meeting;

(viii) the Annual Report, Share Buy-Back Statement and Form of Proxy are available for download at www.ijm.com.

Please Fold Here

Stamp

The Company Secretary
IJM CORPORATION BERHAD (104131-A)
2nd Floor, Wisma IJM
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46050 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Please Fold Here

CORPORATE INFORMATION

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(104131-A)

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Cert. No. : AR 0911

Certified to OHSAS 18001:2007
Cert. No. : SR 0105

Certified to MS 1722:2011
Cert. No. : SR 0308

Certified to ISO 14001:2004
Cert. No. : ER 0489

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PRINCIPAL BANKERS
- AmInvestment Bank Berhad
- CIMB Bank Berhad
- HSBC Bank Malaysia Berhad
- Malayan Banking Berhad
- Public Bank Berhad
- RHB Banking Group
- Standard Chartered Bank Malaysia Berhad
- United Overseas Bank (Malaysia) Berhad

AUDITORS
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Chartered Accountants
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STOCK EXCHANGE LISTING
Main Market of
Bursa Malaysia Securities Berhad
since 29 September 1986
BMSB Code : 3336
Reuters Code : IJMS.KL
Bloomberg Code : IJM MK

DIVISIONAL OFFICES

CONSTRUCTION

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