IJM CORPORATION BERHAD

CATALYSING GROWTH

annual report **2016**

GROUP MARKET CAPITALISATION
RM12.56 billion
as at 30 June 2016

GROUP TOTAL ASSETS
RM19.84 billion
as at 31 March 2016

GROUP PROFIT BEFORE TAX
RM1,155.80 million
as at 31 March 2016

IJM Corporation is committed to raise its game by reinvigorating its strategic plans with the purpose of achieving a sustainable growth momentum through to 2020.

This year, the Group continues to bolster its existing strengths and build on new platforms to foster innovation and excellence in all that we do.

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**

1st Company in Malaysia to be connected via Facebook at Work

CONSTRUCTION

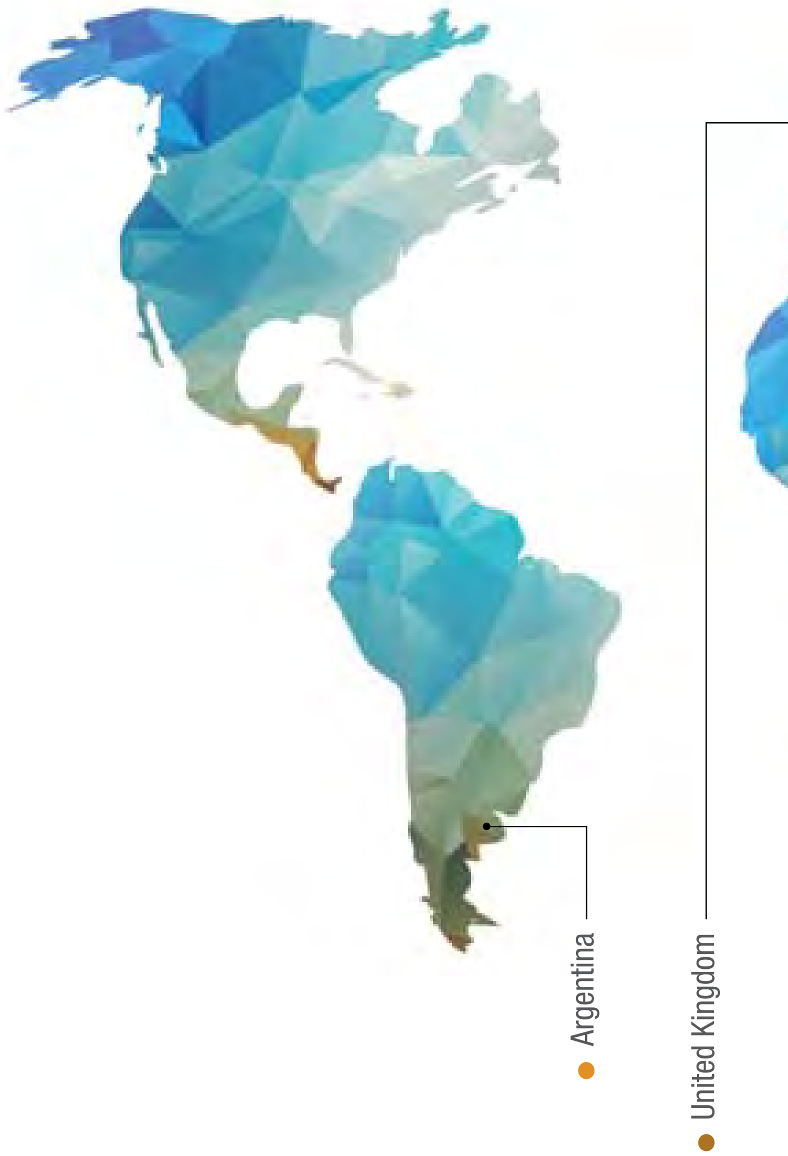
PROPERTY

INDUSTRY

PLANTATION

INFRASTRUCTURE

OUR GLO



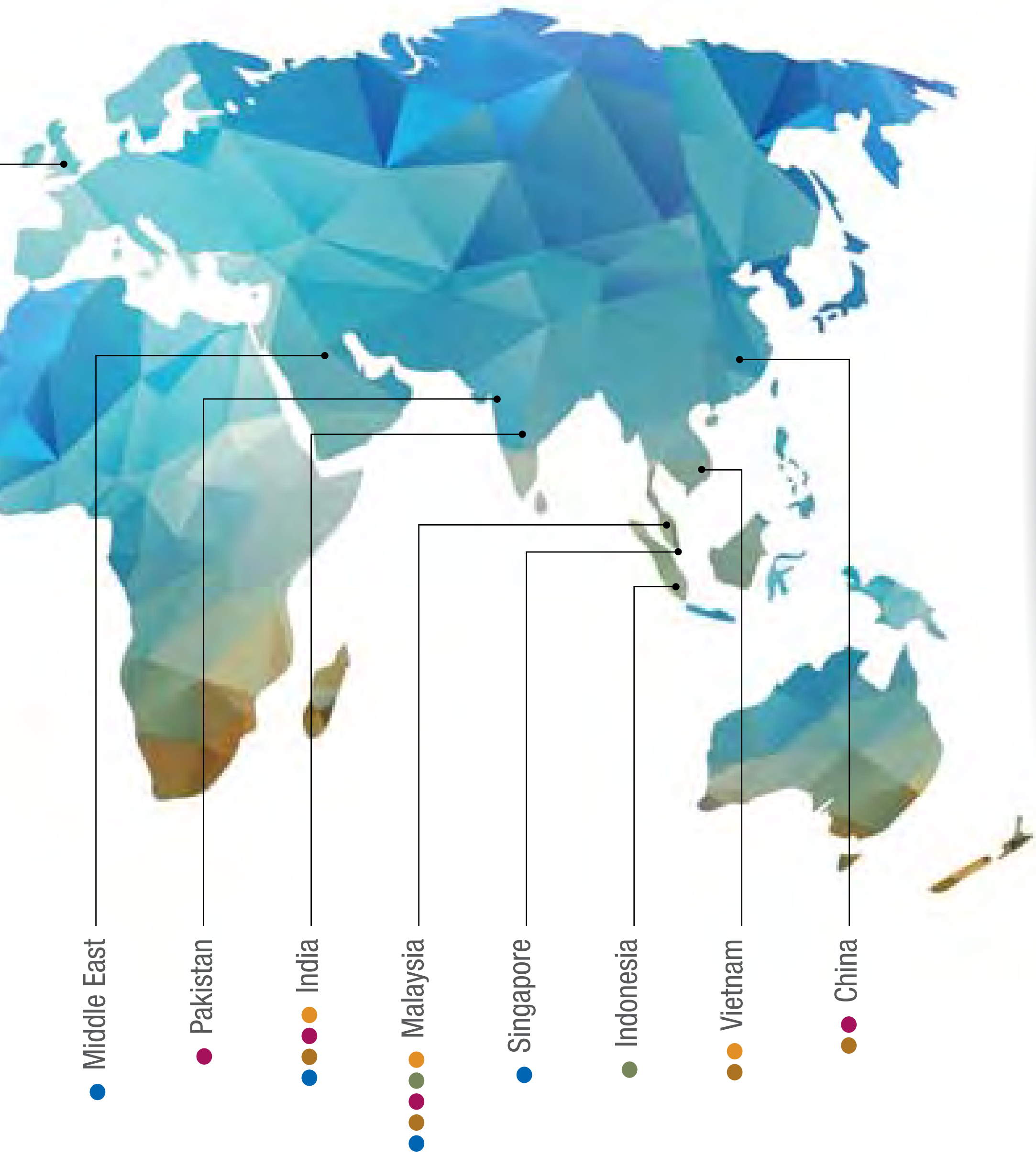
32nd Annual General Meeting of IJM Corporation Berhad

Refer to pages 402 to 404 for more detail information on our AGM

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

Wednesday
24 August 2016
3.00pm

BAL PRESENCE



1986-2016

Market Capitalisation

190x

to RM12.56 billion as at 30 June 2016

Total Assets

115x

to RM19.84 billion as at 31 March 2016

CORPORATE PROFILE

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.

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, has since grown considerably and is 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.

The Address, Penang

Kuantan Port, Pahang

Lekas Highway, Kuala Lumpur

Besides establishing itself as a reputable township developer in India, IJM has also successfully undertaken ventures overseas in the past such as in Orlando USA, Singapore and Australia. Current overseas developments include projects in London, China and Vietnam.

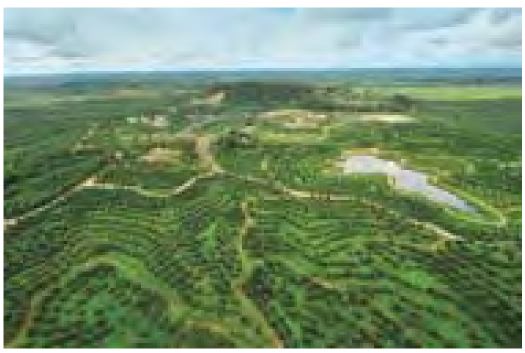
Initially supporting in-house needs, the Group's Industry Division quickly grew its operations into scalable core activities focused on catering to demand from outside the Group. IJM continued to expand this division with strategic acquisitions such as the takeover of Industrial Concrete Products Berhad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

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 macro-economic and input costs volatilities. It is currently expanding its plantation operations into Indonesia.

Marina Clubhouse at Sebana Cove Resort, Johor

ICP piles used at West Port, Klang



Aerial View of Desa Talisai South Estate, Sabah

PROPERTY	22%
INDUSTRY	17%
PLANTATION	10%
INFRASTRUCTURE	22%

FY2016 GROUP REVENUE BY DIVISION*

Follow our full report on **page 084**

CON

Construction of Equatorial Plaza, Kuala Lumpur

OUR OUTSTANDING CONSTRUCTION ORDER BOOK AS AT 31 MARCH 2016

RM7.55 billion

Projects above RM200 million:

- West Coast Expressway
- New Deep Water Terminal, Kuantan Port
- Almas – Mixed Use Development, Puteri Harbour, Johor
- Puteri Cove Residences, Johor
- Equatorial Plaza, Kuala Lumpur
- Damansara Uptown Retail Centre, Petaling Jaya, Selangor
- Mass Rapid Transit (Package 5), Maluri Portal to Plaza Phoenix Station

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

CONSTRUCTION	29%
INDUSTRY	17%
PLANTATION	10%
INFRASTRUCTURE	22%

FY2016 GROUP REVENUE BY DIVISION*

Follow our full report on **page 090**

PRO

THE LIGHT Collection III, Penang

UPCOMING PROJECT LAUNCHES:

- Riana Dutamas @ North Kiara Serviced Residences, Kuala Lumpur
- Riana South Condominium, Bukit Manda'rina, Cheras, Kuala Lumpur
- Senjayu Terrace Homes, Jawi, Penang
- Rimbun Irama 2-Storey Linked Homes, S2 Heights
- Danau Perintis Apartments, Shah Alam 2
- Blossom Serviced Apartments, Bandar Rimbayu

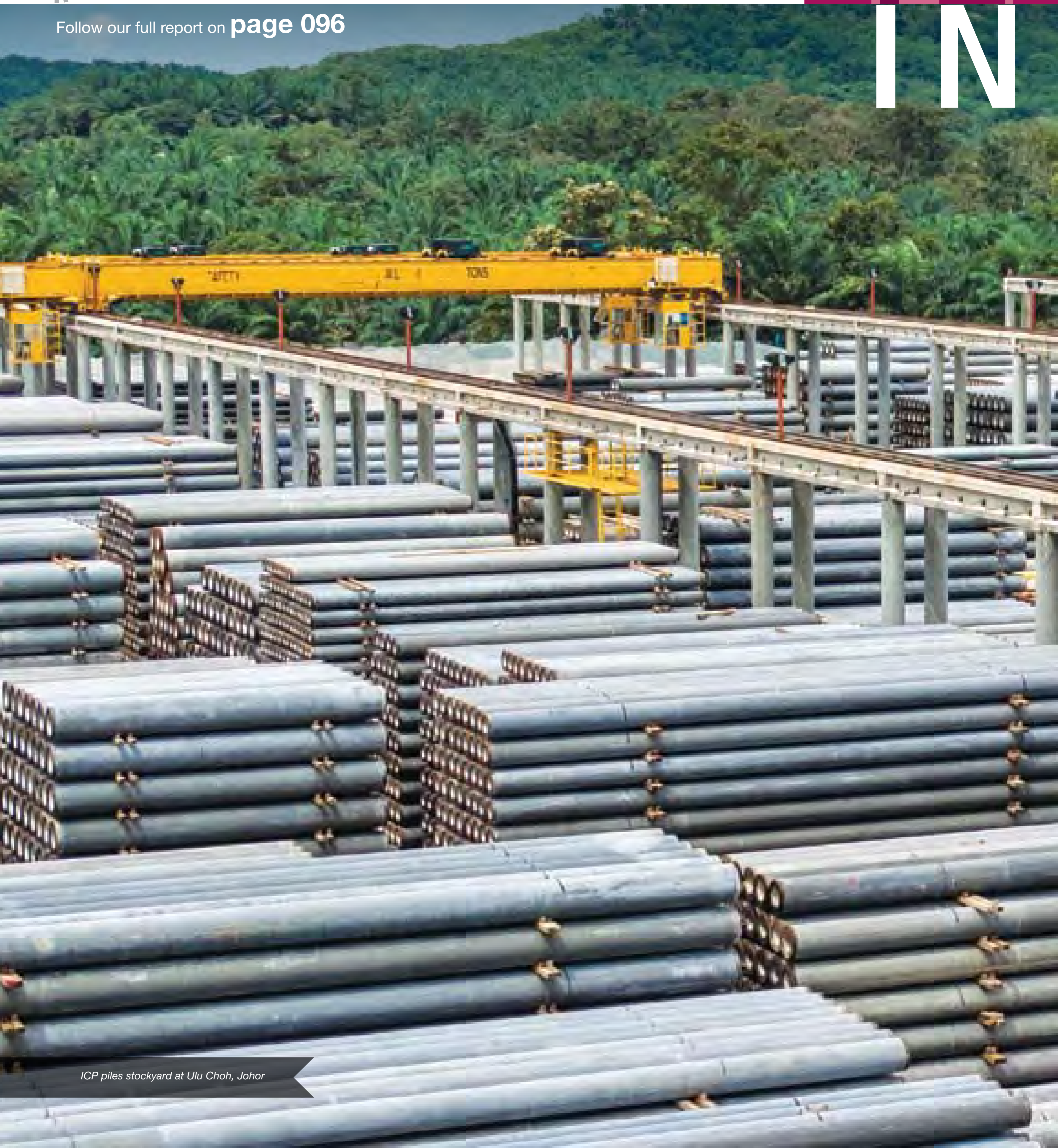
** includes share of associate and joint venture's revenue*

CONSTRUCTION	29%
PROPERTY	22%
PLANTATION	10%
INFRASTRUCTURE	22%

FY2016 GROUP REVENUE BY DIVISION*

Follow our full report on **page 096**

IN



ICP piles stockyard at Ulu Choh, Johor

OUR BUSINESS:

Manufacturing and Sale of Pretensioned Spun Concrete Piles
Quarrying
Processing of Steel Bars
Strong Mixed Concrete
Scaffolding Rental

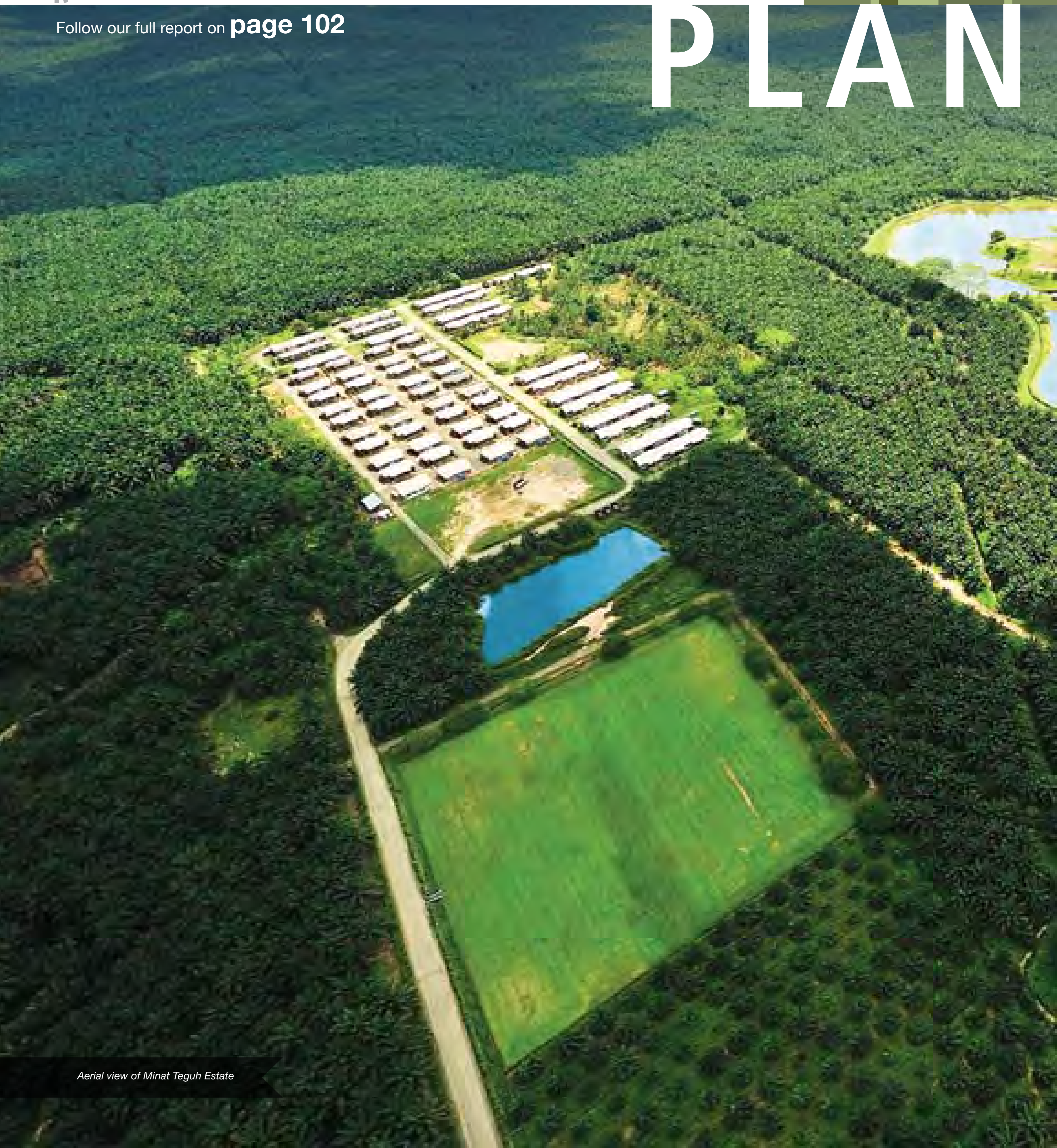
** includes share of associate and joint venture's revenue*

CONSTRUCTION	29%
PROPERTY	22%
INDUSTRY	17%
INFRASTRUCTURE	22%

FY2016 GROUP REVENUE BY DIVISION*

Follow our full report on **page 102**

PLAN



Aerial view of Minat Teguh Estate

OUR ESTATES:

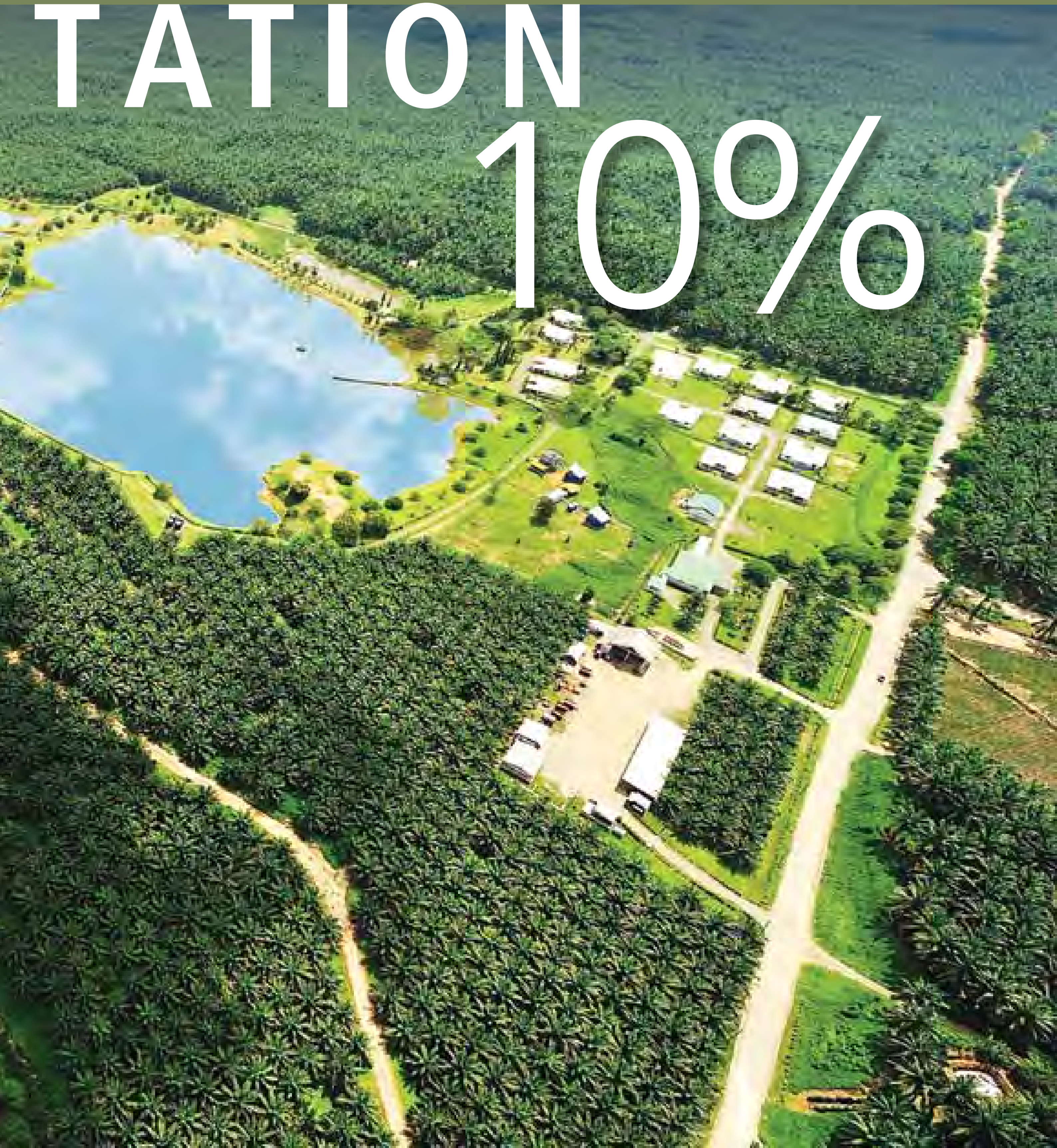
Malaysia

Berakan Maju Estate
Desa Talisai North Estate
Desa Talisai South Estate
Excellent Challenger I Estate
Excellent Challenger II Estate
Meliau Estate
Minat Teguh Estate
Sijas Estate
Sungai Sabang Estate
Rakanan Jaya North Estate
Rakanan Jaya South Estate

Indonesia

Alumga Estate
Belidan Estate
Binai Estate
Kaliorang Estate
KBSA Estate
Manubar Estate
Mengenai Estate
Multi Estate
Pertama Estate
Sajau Estate

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



CONSTRUCTION	29%
PROPERTY	22%
INDUSTRY	17%
PLANTATION	10%

FY2016 GROUP REVENUE BY DIVISION*

Follow our full report on **page 108**

INFRA

Loke Yew Toll Plaza, Besraya

OUR CONCESSIONS:

Malaysia

Besraya Highway **(28.9 Km)**
New Pantai Highway **(19.6 Km)**
Kajang Seremban Highway **(44.3 Km)**
West Coast Expressway
(under construction) **(233 Km)**
Kuantan Port, Pahang

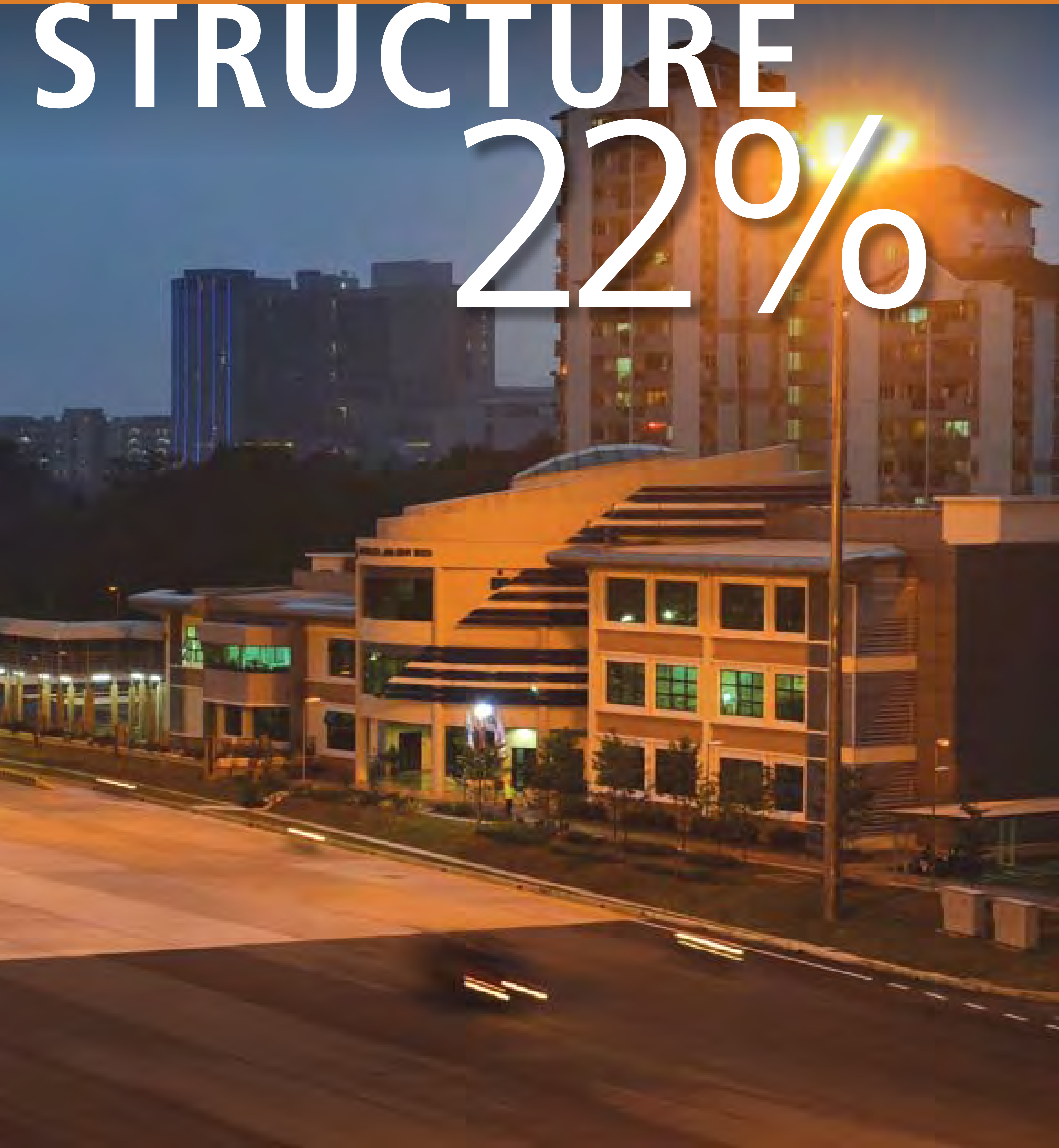
International

Rewa Tollway, India **(387 Km)**
Swarna Tollway, India **(145 Km)**
Chilkaluripet-Vijayawada Tollway, India **(79 Km)**
Western Access Tollway, Argentina **(56 Km)**
Gautami Power Plant, India **(469 MW)**
Binh An Water Treatment Plant, Vietnam

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

STRUCTURE

22%



IJM IN THE NEWS


RM100m net gain for IJM from India highway stake sale

IJM Corp secures RM484.2mil contracts

Job win to raise order book by 7% from RM6.7bil

IJM Corp net profit up 86% to RM256mil

The performance of the construction and industry divisions is expected to be underpinned by relatively strong private sector demand.

IJM Land anjur pameran pelaburan hartanah

MIDF bullish on IJM's highway construction progress

IJMP refinery plan picking up pace

SEEKING APPROVAL: Construction work on complex in Sangatta, Kalimantan, estimated to start next year

IJM Land unveils Secoya Residence

RM190m GDV: Condominium units selling from RM821,800

Builder of the Year Award

IJM Plantations to benefit from El Nino

The Best Project Awards

MAJOR PROJECT & BANGUNAN (BUILDING)

National Cancer Institute, Putrajaya

Project by: Klara Tenisi-IJM JV

IJM's RM7b order book will drive earnings growth

IJM Construction dinobat pemenang MCIEA 2015

KUALA LUMPUR 11 Sept. – IJM Construction Sdn. Bhd. (IJM) dinobatkan sebagai pemenang utama ... (MCIEA 2015) anjuran Lembaga ...

IJM Land sees stable market this year

MORE INCENTIVES: Overall, it is likely to be slightly in favour of buyers

IJM adopts Facebook at Work

IJM sells its 70% stake in Indian company

AWARDS & ACCOLADES

The Group's excellent track record and performance is well recognised and has been accredited with numerous awards. These accolades include:

CONSTRUCTION

- **The Malaysian Construction Industry Excellence** - Builder of the Year Award in 2015
- **The Malaysian Construction Industry Excellence** - Best Project Award for Major Project (Building) (National Cancer Institute) in 2015
- **The PAM Awards for Excellence in Architecture** - Silver Award in Public and Institutional Category (SOCSO Rehabilitation Centre) in 2015
- **The Utusan Business Awards** - Industry Excellence in Construction Sector in 2015
- **The Best SHE Performance Award** for 1st & 4th Quarter 2014, 4th Quarter 2013 (MRT Project V5)
- **The National Health and Safety Award** - Construction (Light Collection IV Project) in 2014
- **The Malaysian Construction Industry Excellence** - Best Project Award for Major Project Above RM50 million (Building) (Grand Hyatt Hotel Project) in 2013
- **Malaysia's Top Construction Giant Award** 2013
- **The Malaysian Construction Industry Excellence - Contractor of the Year Award** 2012 and 2009
- **The Malaysian Construction Industry Excellence (International Achievement) Award** in 2007, 2006 and 2001
- **The Gold Medal Award** for Occupational Safety & Health National Excellence in 2007
- **The MITI Excellence Award** for Export of Services in 2007 and 2003
- **The Malaysian International Contractor of the Year Award** in 2005 and 2000
- **The Road Engineering Excellence Award** in 2004
- **The Project Award** in Major Skill Project in 2004 and Major Building Category in 2003
- **The Malaysian Builder of the Year Award** in 2002 and 2001

PROPERTY

- **The FIABCI World Prix D'Excellence Award** - World Silver in Master Plan (THE LIGHT Waterfront) in 2015
- **The FIABCI Malaysia Property Award** - Master Plan (THE LIGHT Waterfront Penang Project) in 2014
- **The Edge Malaysia Awards** - Top Property Developers in 2015
- **The BCI Asia Awards** - Top 10 Developers Awards (Malaysia) in 2015 and 2014
- **The StarProperty.my** - All-Star Award: Top Ranked Developer of the Year; Family-Friendly Award (Bandar Rimbayu) and WOW Award (THE LIGHT Waterfront) in 2016
- **The Property Insight Malaysia's Prestigious Developer Awards** - Top 10 Developers Award in 2016
- **The Malaysia Landscape Architecture Awards** - Honours in Landscape Design (DeBunga Residensi and The Address) in 2016
- **The PAM Awards** - Silver Award (Commercial Mixed Development and Hospitality) and Special Category (The Arc@Rimbayu Project) in 2014
- **The International Asia Pacific Property Awards** - Best Developer Website Asia Pacific; Five-Star Awards for Best Development Marketing Malaysia and Best Developer Website Asia Pacific; and Highly Commended Award for Residential Landscape Architecture Malaysia (Pantai Sentral Park Project) in 2014
- **The International Asia Pacific Property Awards** - Highly Commended Award for Public Services Development Malaysia (Seremban 2 Project) in 2014
- **The Malaysia Excellence Awards** - Frost & Sullivan Excellence in Growth (Builder Award) in 2014

PLANTATION

- **The Asia Money Best Managed Company** (Small Cap) in Malaysia in 2015
- **The Malaysian Palm Oil Board Industry Excellence Award** - Best Estate (Rakanan Jaya North Estate) in 2014
- **The Malaysian Investor Relations Awards (Mid Cap)** - Best CEO and Best CFO in 2014
- **The Certificate of Compliance** for MPOB Codes of Practice in 2009

The Company's culture of professionalism, performance and good governance as well as care for society and the environment has also seen it being conferred:

GOVERNANCE, REPORTING, INVESTOR RELATIONS AND CSR

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

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Developing People Power
Ingraining Core Values
Ensuring Safety & Reliability

ACHIEVING EXCELLENCE

We are catalysing growth to deliver excellence in all we do and take the lead wherever we can.

Framework & Commitments

022 IJM Charter
023 Our Vision, Mission and Values
024 Group Structure
026 Corporate Diary

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

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.

INTEGRITY

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

OUR VISION

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

OUR MISSION

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

OUR 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.

GROUP STRUCTURE


CONSTRUCTION


PROPERTY


INDUSTRY


PLANTATION


INFRASTRUCTURE & OTHERS

- 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
  - 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-Norwest 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 Construction (Middle East) Limited Liability Company

IJM (India) Infrastructure Limited

- IJM (India) Geotechniques Private Limited

- 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 CIDB Inventures Sdn Bhd
- Associate of IEMCEE Infra (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

- 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
    - IJM Management Services Sdn Bhd
    - Jelutong Development Sdn Bhd
    - Liberty Heritage (M) 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
      - Holiday Villa Management Sdn Bhd
    - RB Development Sdn Bhd
    - Mintle Limited
      - RMS (England) Limited
    - OneAce Global Limited
    - Asas Panorama Sdn Bhd
    - Kuantan Pahang Holdings 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 (formerly known as Aura Hebat 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 ▲

- 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 Private Limited
    - IJM Concrete Products Pakistan Private Limited
    - Kuang Rock Products Sdn Bhd
    - Oriental Empire Sdn Bhd
    - Scaffold Master Sdn Bhd
    - Strong Mixed Concrete Sdn Bhd
    - Warga Sepakat Sdn Bhd
- Kemena Industries Sdn Bhd
- Cofreth (M) Sdn Bhd

- 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
  - IJMII (Mauritius) Limited
    - Roadstar (India) Infrastructure Private Limited ★
    - Swarnandhra Road Care Private Limited ★
  - IJM Rajasthan (Mauritius) Limited
    - Jaipur-Mahua Tollway Private Limited
  - IJM Rewa (Mauritius) Limited
    - Rewa Tollway Private Limited
  - IJM Trichy (Mauritius) Ltd
  - IJM Vijayawada (Mauritius) Ltd
    - Vijayawada Tollway Private Limited
  - GVK Gautami Power 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.
- Kumpulan Europlus Berhad
- Scomi Group Berhad
- Lebuhraya Kajang-Seremban Sdn Bhd

- 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

CORPORATE DIARY

2015

01 April

Earth Month 2015 @ IJM Plantations

An environmental campaign was held across the plantations group focusing on our precious water resources.

06-07 April

RHB-Okasan Non-Deal Roadshow @ Tokyo

IJM met with its Japanese institutional investors in one-on-one meetings.

16 April

Healthy Eating Talk and 'Master Chef' @ Toll Division

A health talk was organised to create awareness amongst staff on healthy eating. A '*Master Chef*' competition was also held where contestants prepared food comprised of noodles and desserts as well as carving of watermelons and papayas.

29 April

Majlis Doa Selamat @ New Pantai Expressway ("NPE")

80 staff members and residents of Kampung Pasir joined in the Yasin recitals and prayers at NPE. Staff also prepared meals to celebrate the event.

04-05 May

Industrial Concrete Products ("ICP") – Visit to Lumut Factory

All the Industry Division's Factory Engineers and Quality Control ("QC") Heads from 10 factories visited ICP's Lumut Factory as well as participated in the annual QC meeting.

18-19 May

Malaysian Highway Authority (MHA) – Association of Highway Concessionaires Malaysia (PSKLM) Dialogue

A dialogue session was held to discuss various issues regarding the toll road operations and concessions participated by our Toll Division.

23 May

The PAM Awards 2015 for Excellence in Architecture @ Kuala Lumpur

IJM Construction won the Silver Award in the Public and Institutional Category for its SOCSO Rehabilitation Centre project

29 May

Joint Venture Inked between IJM Land and Perennial Real Estate

IJM Land and Perennial Real Estate will jointly develop phase two of THE LIGHT Waterfront Penang, a large-scale integrated mixed-use development.

01 June

New Kuantan Port Privatisation Agreement

A new privatisation agreement including the New Deep Water Terminal was signed among the Ministry of Transport, Kuantan Port Authority and our KPC.

25 April

Kuantan Port Consortium ("KPC") Customers Appreciation Night 2014

The event was held to express KPC's appreciation to its customers for their continuous support and contributions in the last year.

08 May

Asia Pacific Property Award 2015

IJM Land's DeBunga Residensi and Seri Riana Residence won the Highly Commended Awards in the Architecture Multiple Residence Malaysia and Condominium categories respectively.

25-27 May

PIECE 2015 – 21st Century Expressways: The Future Is Now

Our Toll Division participated in the conference discussing the future of highways.

04-05 June

Citi ASEAN Conference @ Singapore

IJM participated in one-on-one and small group sessions with institutional investors.

09-11 June

Stakeholder Engagement @ IJM Plantations

Our Plantation Division held engagement sessions with European students on the operations and sustainability of palm oil.

CORPORATE DIARY (Cont'd)

2015

12 June

BCI Asia Top 10 Developer Awards (Malaysia)

IJM Land was named as one of the Top 10 Developers in Malaysia.

16 June

'We Care' Run @ LEKAS Highway

In conjunction with the Toll Division's Quarterly Staff Awards, LEKAS highway organised a 3KM run near the Administration building participated by our CEO & MD and staff.

07-15 July

Free Touch n' Go and Goodies @ Besraya, NPE & LEKAS

In conjunction with Hari Raya, our highways and Wrigley's Chewing Gum distributed chewing gum to highway users on 7-8 July 2015 while EST Colas were distributed from 14-15 July 2015 in collaboration with Touch n' Go and F&N.

11 July

Contribution of Hampers and Breaking Fast with Kg Malaysia Residents

Our Toll Division and the residents of Kampung Malaysia organised the Ramadhan breaking of fast as well as contributed Hari Raya Aidilfitri hampers to the less fortunate residents.

07 August

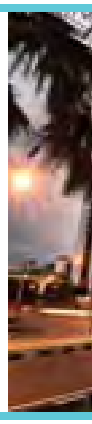
Hari Raya Celebration @ Wisma IJM

More than 450 staff were treated to a sumptuous spread of Malay cuisine and lively Malay performances.

08 August

Opening of Udini Square in Penang

IJM Land's Udini Square opened its doors to cater to the convenience, lifestyle and dining needs of the surrounding residents, shoppers and working population as well as the residents in Gelugor, Island Glades, Island Park and Bukit Dumbar in Penang.



21 August

IJM Land Recognised as One of the Top Brands in Malaysia

IJM Land was adjudged a Bronze winner as one of the top brands in the Property Development category of the 2015 Putra Brand Awards in recognition of local and international brands based on consumer preference.

22 August

Annual Dinner 'Night of Stars' 2015 @ Sunway Hotel

Around 1,500 staff, directors and guests attended the annual event dressed up as stars living up to the theme of the night.

06 July

Distribution of 'Bubur Lambuk' to Highway Users

IJM's CEO & MD, Dato' Soam Heng Choon and Deputy CEO & Deputy MD, Mr Lee Chun Fai distributed bubur lambuk at our Besraya and NPE highways.

04 August

Senior Management Forum 2015 @ Holiday Villa Subang

The board, senior management and managers attended the annual forum themed '*Focused Execution, Enhancing Capabilities*' where group and divisional performances, operational strategies and other issues were discussed.

17-23 August

Palm Oil Bootcamp 2015

A collaborative initiative with Malaysia Palm Oil Council and Universiti Malaysia Sabah to nurture the younger generation with more insights and knowledge about the palm oil industry.

25 August

AGM @ Holiday Villa Subang

IJM held its 31st Annual General Meeting and the shareholders approved the resolutions to receive the audited financial statements, reappointments of directors and auditors, among others.

CORPORATE DIARY (Cont'd)

2015

03 September

IJM Land's THE LIGHT cements position in the Malaysia Book of Records

The waterfront development made it into the Malaysia Book of Records 2015 as the '*First Marine Ecosystem in a Residential Precinct*' for its Waterways.

11 September

The Malaysian Construction Industry Excellence Awards 2015

IJM Construction won the '*Builder of the Year*' for Contractor Grade G7 and '*The Best Project Award*' for Major Building Project for its National Cancer Institute project.

23 September

AsiaMoney Best Managed Company Awards 2015

IJM Plantations won the Best Managed Company in Malaysia under the small cap category.

29 September

IJM Scholarship and Academic Excellence Awards 2015

Outstanding students were chosen on merit to receive the scholarship and academic excellence awards in this annual ceremony.

16 October

KSIJM Dart Championship 2015

Kelab Sukan IJM ("KSIJM") organised the darts championship to promote healthy competition and networking amongst its members.

25 October

NASAM Colour Walk 2015 @ MBPJ

KSIJM in collaboration with the National Stroke Association Malaysia ("NASAM") organised a 3km walk starting at MBPJ Building to increase public awareness in stroke and its prevention.

20 November

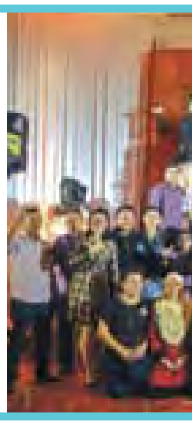
Deepavali Celebration @ Wisma IJM

More than 450 staff celebrated the Festival of Lights with delicious Indian delicacies, Indian dances and stage games. There was also a best-dressed competition and divisional rangoli competition.

30 November

Media Appreciation Night 2015

With '*Glitter*' as the theme for the night, more than 100 journalists mostly based in Kuantan joined the first-ever media appreciation event organised by Kuantan Port.



12 September

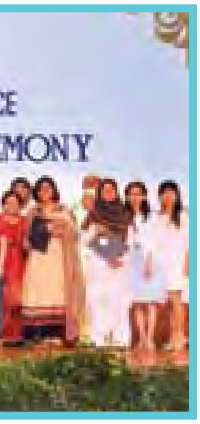
KPC's Family Day @ Bukit Gambang Resort

The event was filled with fun activities aimed at creating close bonds between employees, their families and fellow colleagues.

15 September

Technical Exchange @ IJM Plantations

An exchange was held with the Malaysian Estate Owners' Association's members on oil palm pest and diseases control at IJM Plantations' research centres.



07 October

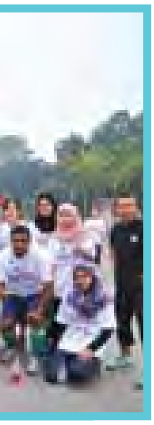
Blood Donation Campaign With Pusat Darah Negara

The blood donation campaign was met with positive responses from IJMers.

12 October

Affin-Hwang Corporate Day @ Kuala Lumpur

IJM presented to local institutional investors in a large group setting.



06 November

FIABCI Malaysia Awards 2015

IJM's CEO and MD, Dato' Soam Heng Choon was honoured with the Property CEO of the Year Award while at the FIABCI World Prix D'Excellence Awards in March 2015, IJM Land received the prestigious World Silver in Master Plan for THE LIGHT Waterfront project.

14 November

ASEAN Corporate Governance Awards 2015 @ Philippines

IJM was one of 5 Malaysian companies listed among the Top 50 public listed companies in ASEAN for corporate governance.

30 November

The Edge Property Excellence Awards 2015

THE LIGHT Waterfront Penang won The Edge Malaysia's Notable Property Achievement Award while IJM Land took the second place in The Edge Malaysia's Top Property Developers Awards 2015.

CORPORATE DIARY (Cont'd)

2015

05 December

Give Day Out 2015: Play Around Playground

Over 2,000 employees united to revive about 24 playgrounds and recreational parks in several regions across Malaysia, India and China with the aim to attract children to socialise healthily with their friends outdoors instead of playing with IT gadgets and smart phones.

10 December

MSWG-ASEAN Corporate Governance Transparency Index, Findings & Recognition 2015 @ Kuala Lumpur

IJM and IJM Plantations won the Top 10 Disclosure Merit Recognition Awards.

2016

08 January

Christmas & New Year Celebration 2016 @ Hilton PJ

About 250 staff celebrated Christmas and the arrival of the Year 2016. The celebration started with opening speeches, dance performances, interactive games, live band and great food.

13 January

Full Electronic Toll Collection @ NPE & LEKAS

NPE and LEKAS adopted full electronic toll collection since January and March 2016 respectively

01 February

Launch of LED Street Lighting @ LEKAS Highway

LEKAS road users can now experience a smoother and safer journey as the whole stretch of LEKAS Highway is fully lighted with energy saving LED light bulbs.

13 February

IJM Plantations' Rugby- Sport Partnership @ Sandakan

The Division reinvested in a rugby-sport partnership in collaboration with Sabah Rugby Union, Eagles Rugby Club and Sabah Education Department to continue the sustainable youth rugby sports development programme.

07 March

Facebook at Work @ IJM

IJM in collaboration with Facebook initiated a Pilot Programme becoming the first Malaysian company to introduce Facebook at Work in Malaysia. It was officially launched throughout the Group on 1 April 2016.

15 March

StarProperty.my Awards @ Kuala Lumpur

IJM Land won the All-Star Award: Top Ranked Developer of the Year; Family-Friendly Award for Bandar Rimbayu and the WOW Award for THE LIGHT Waterfront projects.

13 December

Indonesian Sustainability Palm Oil Certification Scheme @ Indonesian Plantations

IJM Plantations successfully completed the Indonesian Sustainable Palm Oil (ISPO), a mandatory sustainability certification scheme in Indonesia for its Binai, Sajau and Pertama Estates.

22 January

KSIJM Bowling Championship 2016

KSIJM organised the bowling championship to promote healthy competition and networking amongst its members.

26 January

Chiropractic, Rehab & Nutrition By Spinefit Sdn Bhd

KSIJM organised a chiropractic, rehab & nutrition information session to educate its members.

19 February

Chinese New Year Celebration @ Wisma IJM

About 500 staff celebrated the Lunar New Year with drums, mask-changing and lion dance performances, Chinese orchestra, stage games and lucky draws.

21-26 March

International Sustainability & Carbon Certification ("ISCC")

Successfully completed the ISCC certifications for IJM Plantantions' Malaysian operations.

24 March

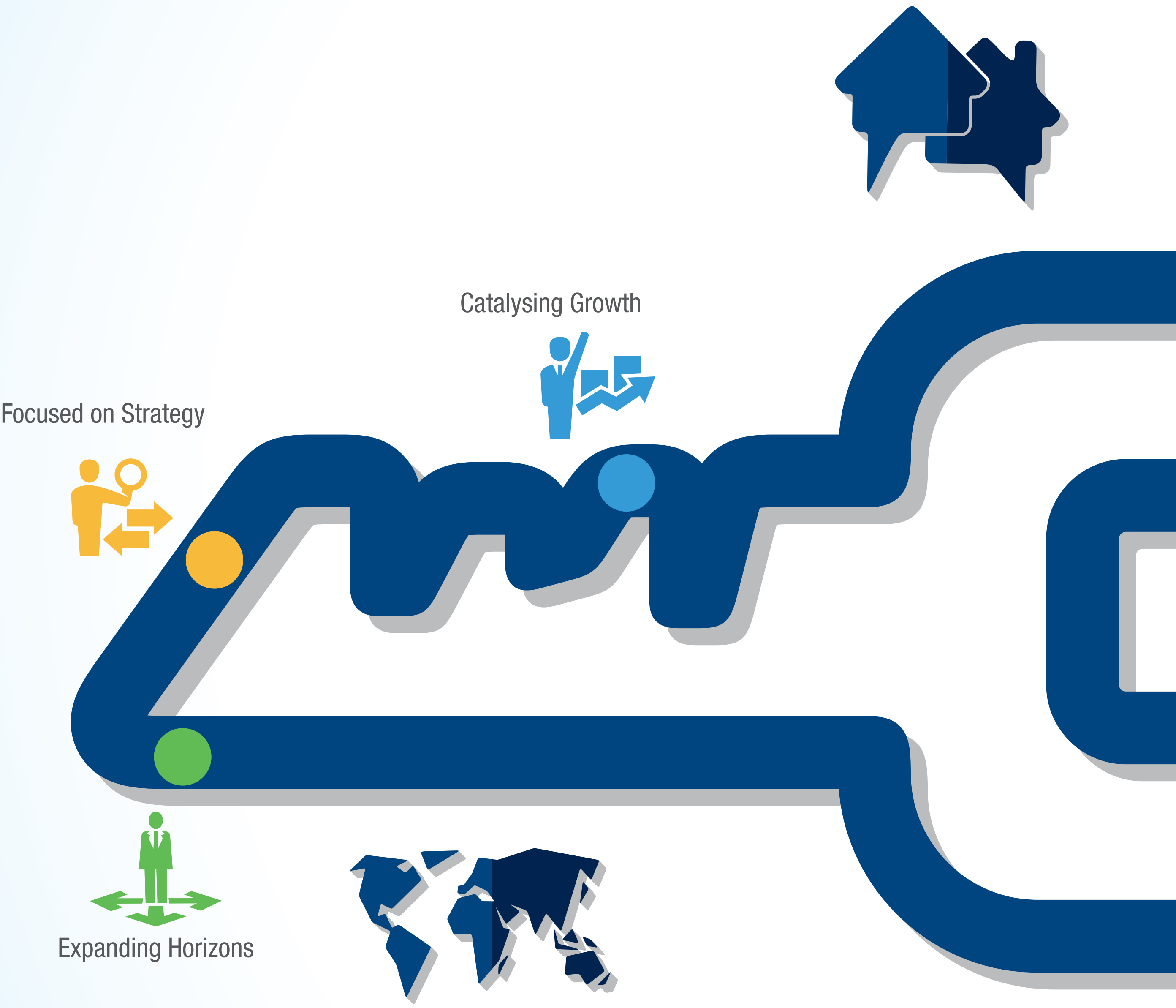
KSIJM Movie Day – Batman vs Superman

A movie day was organised for its members and their families to promote family activities.

30 March

Property Insight Malaysia's Prestigious Developer Awards 2015

IJM Land was named as one of the Top 10 Developers in Malaysia.


Catalysing Growth
Focused on Strategy
Expanding Horizons

UNLOCKING MORE OPPORTUNITIES

We are catalysing growth to surpass current limits and venture beyond our comfort zone.

Organisation & Stewardship

036 Board of Directors and Secretary

038 Profile of Directors and Secretary

048 Group Organisation Chart

050 Profile of Key Senior Management

BOARD OF DIRECTORS

01
Y. Bhg. Tan Sri Dato' Tan Boon Seng @ Krishnan

02
Y. Bhg. Tan Sri Abdul Halim bin Ali

03
Y. Bhg. Dato' Soam Heng Choon

04
Mr. Lee Chun Fai

05
Y. Bhg. Datuk Lee Teck Yuen

AND SECRETARY

06 Y. Bhg. Datuk Ir. Hamzah bin Hasan

07 Mr. Pushpanathan a/l S A Kanagarayar

08 Mr. Goh Tian Sui

09 Y. Bhg. Dato' David Frederick Wilson

10 Ms. Ng Yoke Kian, *Secretary*

PROFILE OF DIRECTORS AND SECRETARY

Y. Bhg. 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	**Nationality**
73/Male	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).

Y. Bhg. Tan Sri Dato' Tan Boon Seng @ Krishnan

PSM, DSPN, SMS

B.Econs(Hons), CPA(M), MBA

Deputy Non-Executive Chairman

Age/Gender	Nationality
63/Male	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. He was then 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

- Malaysia Property Incorporated
- Malaysian Community & Education Foundation
- Malaysia Airlines Berhad
- HSBC Bank Malaysia Berhad
- Malaysia Aviation Group Berhad

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.

PROFILE OF DIRECTORS AND SECRETARY (Cont'd)

Y. Bhg. 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	Nationality
56/Male	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 & Managing Director of IJM Corporation Berhad on 6 April 2015. He was the Deputy Chief Executive Officer & Deputy Managing Director 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 Group in 1989. He has extensive experience in construction and property development. On 25 May 2004, he was appointed Executive Director of IJM Land Berhad ("IJML") and subsequently the Managing Director ("MD") on 2 October 2006. He was redesignated Chief Executive Officer ("CEO") & MD of IJML on 1 February 2010, and stepped down as the CEO&MD of IJML on 5 April 2015.

Directorship

Listed Companies

- IJM Plantations Berhad

Other Public Companies

- IJM Land Berhad
- ERMS Berhad
- Road Builder (M) Holdings Bhd
- Malaysian South-South Corporation Berhad
- Construction Research Institute of Malaysia (CREAM)
- Perdana Leadership Foundation

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	**Nationality**
45/Male	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
- Kumpulan Europlus Berhad

Other Public Companies
- IJM Land Berhad
- Road Builder (M) Holdings Bhd

Other Information

Mr. Lee is the board representative of IJM in Kumpulan Europlus Berhad, Scomi Group Bhd and Scomi Energy Services Bhd.

PROFILE OF DIRECTORS AND SECRETARY (Cont'd)

Y. Bhg. Datuk Lee Teck Yuen

PJN

BSc.(Hons) Civil Eng. & Bus. Adm.

Senior Independent Non-Executive Director

- Nomination & Remuneration Committee (Chairman)

Age/Gender
59/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 (Executive Director)
- Asean Business Forum

Other Information

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

Y. Bhg. 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	Nationality
65/Male	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

- Kumpulan Europlus Berhad

Other Public Companies

- Construction Research Institute of Malaysia (CREAM) (Chairman)
- School of Professional and Continuing Education, University of Technology Malaysia (UTMSpace)

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	Nationality
64/Male	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, floatations, investigations and tax planning

Directorship

Listed Companies
- IJM Plantations Berhad
- Bursa Malaysia Berhad

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

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 Project Chairman of the Insurance Standards Working Group of MASB on FRS 4. 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, SIOR

Independent Non-Executive Director

Age/Gender	**Nationality**
61/Male	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)
- Member of the Society of Industrial and Office Realtors (SIOR)
- 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).

PROFILE OF DIRECTORS AND SECRETARY (Cont'd)

Y. Bhg. Dato' David Frederick Wilson

DIMP

MA (Mech.Sc)

Non-Executive Director

- Securities & Options Committee (Member)

Age/Gender	Nationality
71/Male	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.

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
48/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 20 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 53(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
Juliet Choong Wai Gaik

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

Y. Bhg. Dato' Khor Kiem Teoh

DIMP

B.Civil Engineering

Chief Executive Officer & Managing Director
Industrial Concrete Products Sdn Bhd

Age/Gender	Nationality
57/Male	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	Nationality
44/Male	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
50/Male

Nationality
Malaysian

Academic/Professional Qualification
- Bachelor of Science (1st Class Honours), Universiti Kebangsaan Malaysia
- Master of 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	Other Public Companies
• IJM Plantations Berhad	• Nil

Other Information

Mr. Joseph Tek is the President of the Malaysian Estate Owners' Association (MEOA) since 2015 and the Board member of the Malaysia 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	Nationality
50/Male	Malaysian

Academic/Professional Qualification

- Bachelor of Engineering (1st Class Honours) in Civil Engineering, Universiti Teknologi Malaysia
- Master of 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	Nationality
49/Female	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

Y. Bhg. Dato' Ir. Haji Khasbullah bin A. Kadir

DIMP

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

Chief Executive Officer
Kuantan Port Consortium Sdn Bhd

Age/Gender	Nationality
54/Male	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	Nationality
54/Male	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	Other Public Companies
• Scomi Group Bhd • Scomi Engineering Bhd	• 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 an Executive 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
61/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
58/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

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
54/Male

Nationality
Malaysian

Academic/Professional Qualification

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

Date Appointed/Working Experience

Mr. Purushothaman 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.

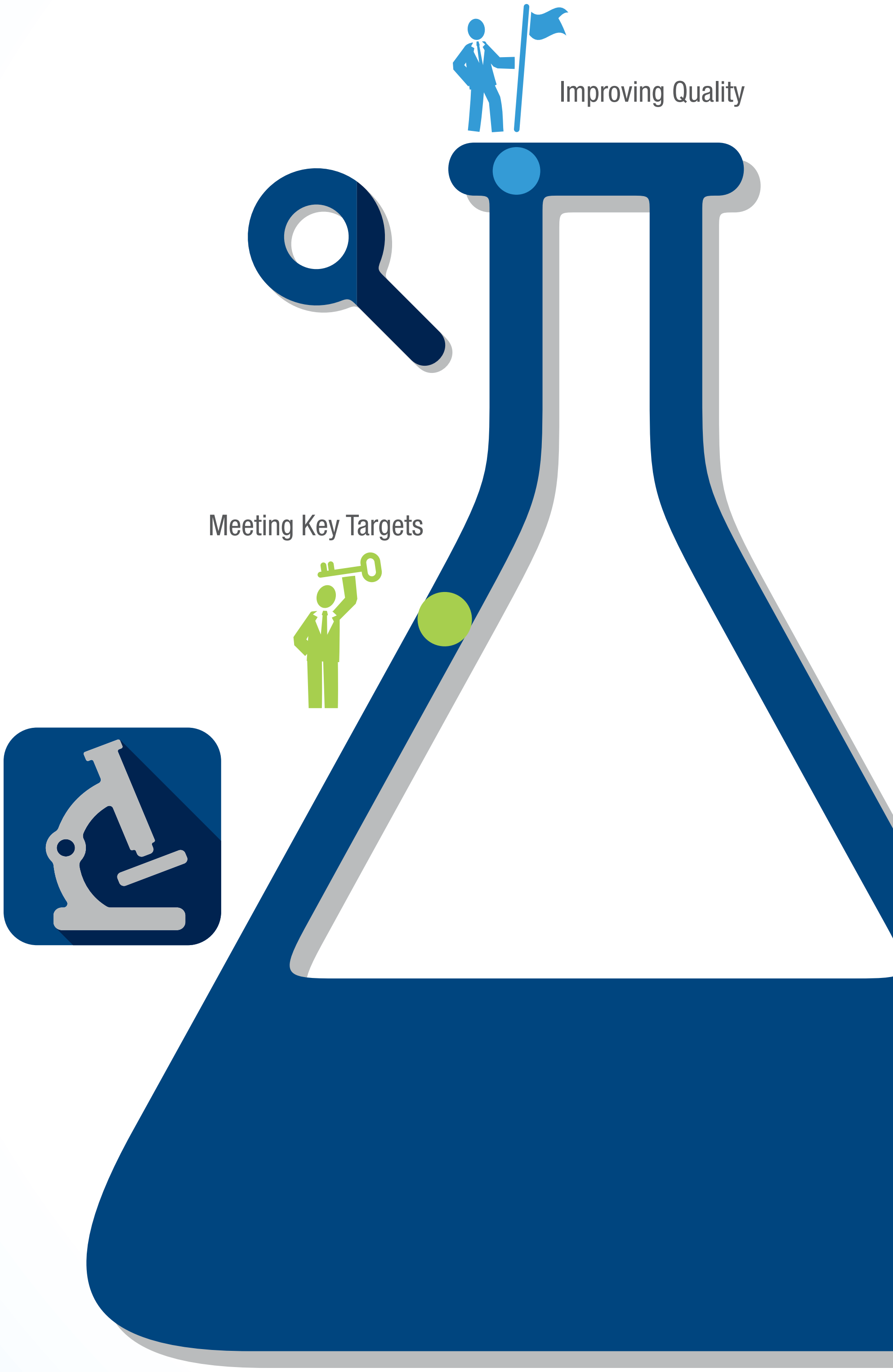
Directorship

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 and Cyrus Eruch Daruwalla who have interest in certain related party transactions as disclosed in Note 53(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.


Improving Quality
Meeting Key Targets

DISCOVERING NEW POSSIBILITIES

We are catalysing growth by leveraging on research and innovation to scale new heights.

Seeking Performance Breakthroughs

Shareholder Summary of Information

058 Group Financial Highlights
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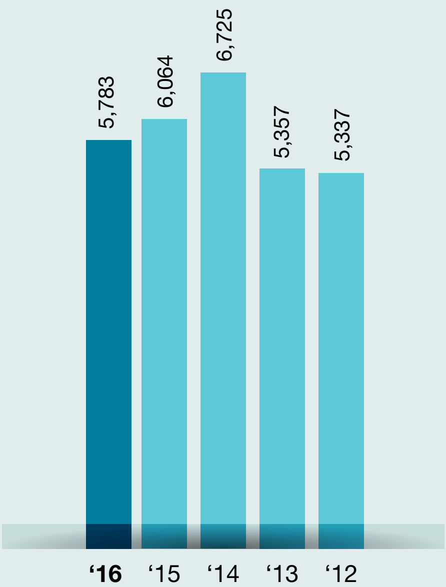
GROUP FINANCIAL HIGHLIGHTS

		2016	2015	2014	2013	2012
OPERATING REVENUE (N1)	RM'000					
Construction		**1,642,997**	1,224,314	2,080,082	1,976,066	1,951,959
Property development		**1,289,966**	2,203,422	2,224,957	1,348,848	1,232,930
Manufacturing & quarrying		**982,769**	926,767	890,330	862,379	892,660
Plantation		**557,613**	667,666	646,981	486,276	590,434
Infrastructure		**1,295,014**	1,031,410	881,565	682,417	668,318
Investment & others		**14,493**	10,113	692	761	353
		5,782,852	6,063,692	6,724,607	5,356,747	5,336,654
PROFIT BEFORE TAXATION	RM'000					
Construction		**170,569**	184,844	168,173	115,437	62,001
Property development		**159,288**	494,660	748,655	322,952	283,891
Manufacturing & quarrying		**124,090**	125,601	146,229	139,308	138,151
Plantation		**50,408**	89,409	109,082	156,611	215,247
Infrastructure		**555,773**	42,276	189,118	83,678	86,138
Investment & others		**95,669**	82,567	55,057	17,862	16,163
		1,155,797	1,019,357	1,416,314	835,848	801,591
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	RM'000	**793,587**	480,944	829,599	420,892	409,076
ISSUED SHARE CAPITAL	RM'000	**3,584,805**	1,500,001	1,427,531	1,382,663	1,381,609
SHAREHOLDERS' FUNDS	RM'000	**9,028,359**	8,429,640	6,738,808	5,607,239	5,348,051
TOTAL ASSETS	RM'000	**19,835,545**	19,730,689	18,398,468	15,121,299	13,890,648
EARNINGS PER SHARE (Basic)	Sen	**22.22**	14.75*	26.00*	13.28*	12.96*
GROSS DIVIDEND PER SHARE	Sen	**10.00**	15.00	25.00	13.00	12.00
NET ASSETS PER SHARE	RM	**2.52**	5.62	4.72	4.06	3.87
RETURN ON TOTAL ASSETS	%	**4.00**	2.44	4.51	2.78	2.94
RETURN ON EQUITY	%	**8.79**	5.71	12.31	7.51	7.65
GEARING (Net Debt/Equity)	%	**46.13**	50.34	53.49	58.44	52.94
SHARE PRICE						
High	RM	**3.75***	3.65*	3.08*	2.86*	3.29*
Low	RM	**2.87**	3.05*	2.65*	2.26*	1.95*
Close	RM	**3.53**	3.60*	3.07*	2.73*	2.82*
WARRANT PRICE 2009/2014						
High	RM	**–**	2.81	1.96	1.98	2.55
Low	RM	**–**	1.94	1.25	1.09	1.18
Close	RM	**–**	2.39**	1.94	1.36	1.98

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*

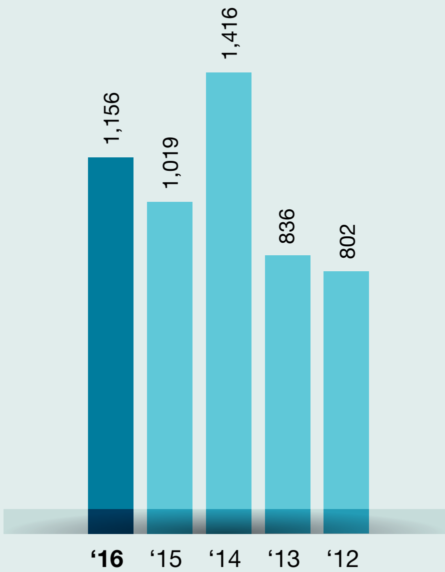
Operating Revenue
RM million

RM5,783 million



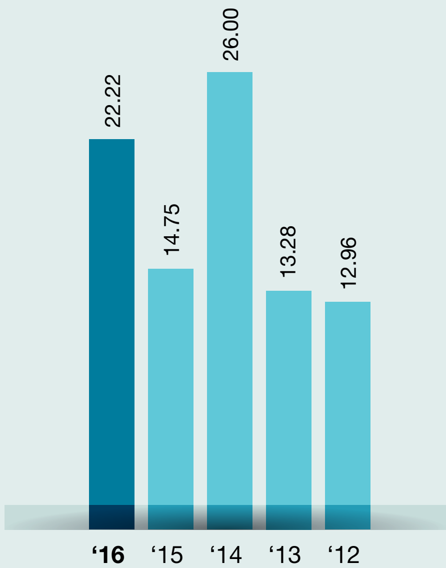
Profit Before Taxation
RM million

RM1,156 million



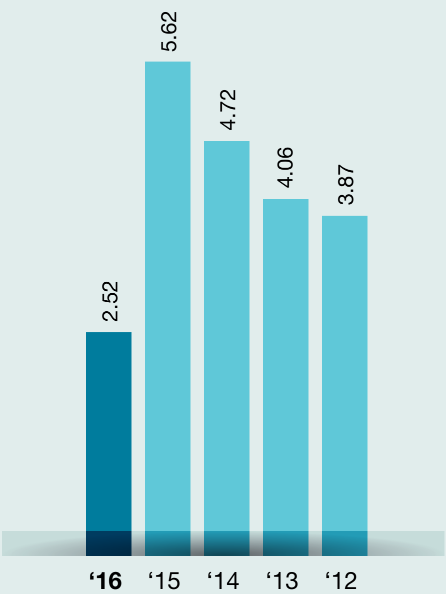
Earnings Per Share (Basic)
Sen

22.22 sen



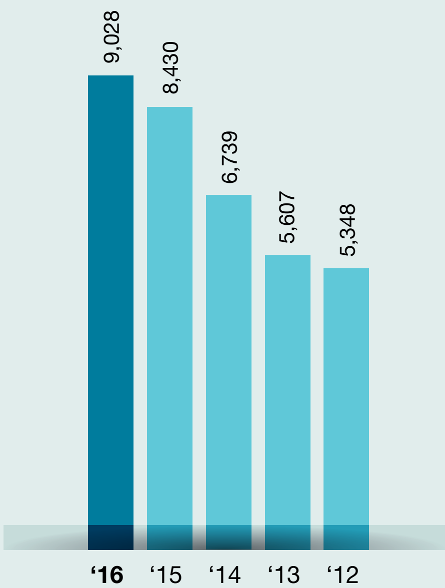
Net Assets Per Share
RM

RM2.52



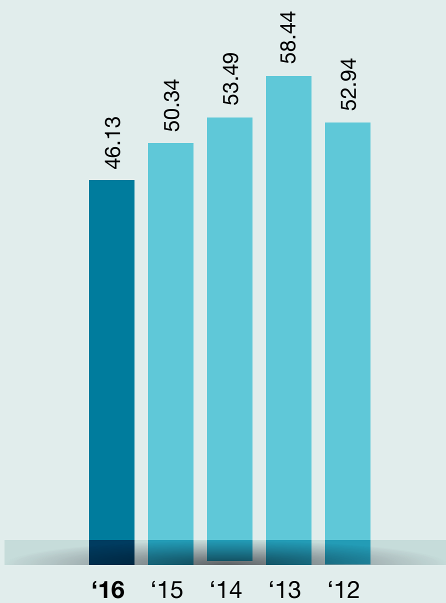
Shareholders' Funds
RM million

RM9,028 million



Gearing (Net Debt/Equity)
%

46.13 %



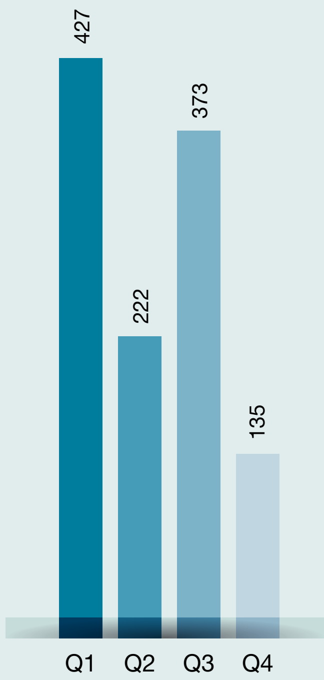
GROUP QUARTERLY PERFORMANCE

		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
OPERATING REVENUE (N1)	RM'000				
Construction		249,425	436,962	549,696	406,914
Property development		310,117	342,585	303,889	333,375
Manufacturing & quarrying		286,372	248,349	232,396	215,652
Plantation		141,742	145,137	155,687	115,047
Infrastructure		321,223	360,124	325,940	287,727
Investment & others		28,787	(21,534)	54	7,186
		1,337,666	1,511,623	1,567,662	1,365,901
PROFIT/(LOSS) BEFORE TAXATION	RM'000				
Construction		40,542	41,761	34,802	53,464
Property development		50,061	84,244	20,537	4,446
Manufacturing & quarrying		40,014	38,086	22,779	23,211
Plantation		25,869	(32,282)	53,579	3,242
Infrastructure		243,705	(37,895)	261,069	88,894
Investment & others		26,446	127,896	(20,259)	(38,414)
		426,637	221,810	372,507	134,843
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	RM'000	336,867	156,381	256,104	44,235
ISSUED SHARE CAPITAL	RM'000	1,786,252	3,572,977	3,575,067	3,584,805
SHAREHOLDERS' FUNDS	RM'000	8,649,829	8,929,794	8,958,146	9,028,359
TOTAL ASSETS	RM'000	20,083,352	20,589,661	20,010,132	19,835,545
EARNINGS PER SHARE (Basic)	Sen	9.46*	4.38	7.17	1.24
GROSS DIVIDEND PER SHARE	Sen	–	3.00	–	7.00
NET ASSETS PER SHARE	RM	4.84	2.50	2.51	2.52
RETURN ON TOTAL ASSETS (Annualised)	%	6.39	4.68	4.93	4.00
RETURN ON EQUITY (Annualised)	%	13.95	10.47	10.85	8.79
SHARE PRICE					
High	RM	3.75*	3.60*	3.46	3.62
Low	RM	3.25*	2.87	3.13	3.26
Close	RM	3.26*	3.22	3.38	3.53

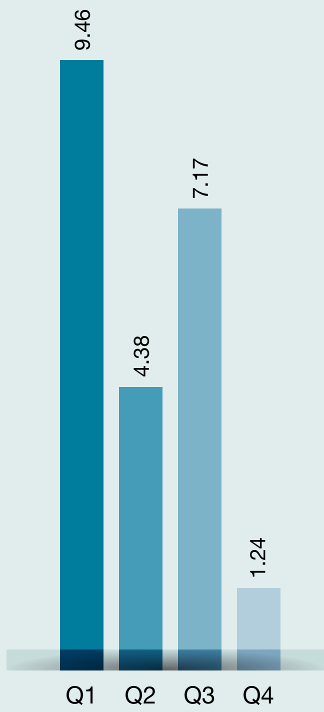
N1 *Including share of associate and joint venture's revenue*
* *After adjustment for 1:1 Bonus Issue*

Operating Revenue
RM million

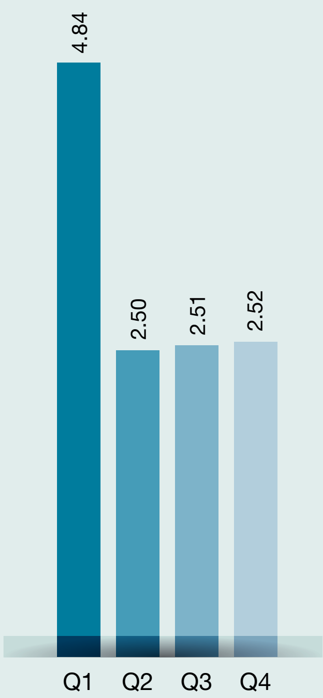
Profit Before Taxation
RM million



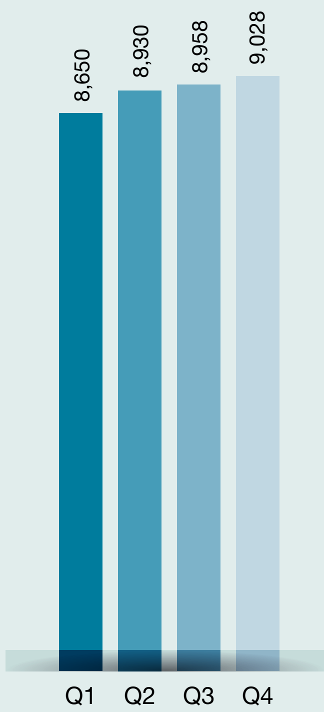
Earnings Per Share (Basic)
Sen



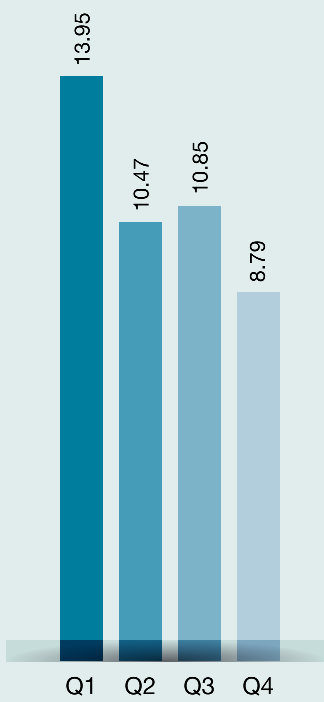
Net Assets Per Share
RM



Shareholders' Funds
RM million



Return on Equity (Annualised)
%



STATEMENT OF VALUE ADDED & DISTRIBUTION

	2016 RM'000	2015 RM'000
VALUE ADDED:		
Operating revenue	**5,128,198**	5,448,282
Purchases of goods & services	**(3,138,758)**	(3,501,073)
Value added by the Group	**1,989,440**	1,947,209
Share of profits/(losses) of associates	**13,725**	(19,405)
Share of profits/(losses) of joint ventures	**9,843**	(10,916)
Total value added	**2,013,008**	1,916,888
DISTRIBUTION:		
To employees		
- Salaries & other staff costs	**418,867**	391,665
To governments		
- Taxation	**274,262**	306,316
To providers of capital		
- Dividends	**303,679**	366,821
- Finance cost	**169,224**	242,682
- Non-controlling interests	**87,948**	232,097
Retained for future reinvestment & growth		
- Depreciation and amortisation	**269,120**	263,184
- Retained profits	**489,908**	114,123
Total Distributed	**2,013,008**	1,916,888

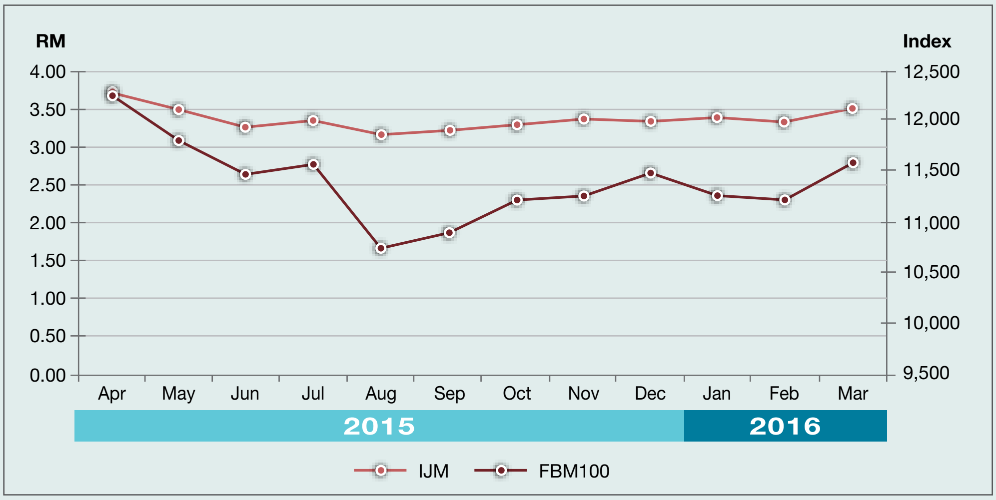
Value added is a measure of wealth created. The above statement shows the Group's value added for 2016 and 2015 and its distribution by way of payments to employees, governments and capital providers, with the balance retained in the Group for future reinvestment and growth.

<u>Reconciliation</u>

	2016 RM'000	2015 RM'000
Profit for the year	**793,587**	480,944
Add: Depreciation and amortisation	**269,120**	263,184
Finance cost	**169,224**	242,682
Staff costs	**418,867**	391,665
Taxation	**274,262**	306,316
Non-controlling interests	**87,948**	232,097
Total value added	**2,013,008**	1,916,888

INFORMATION FOR INVESTORS

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



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

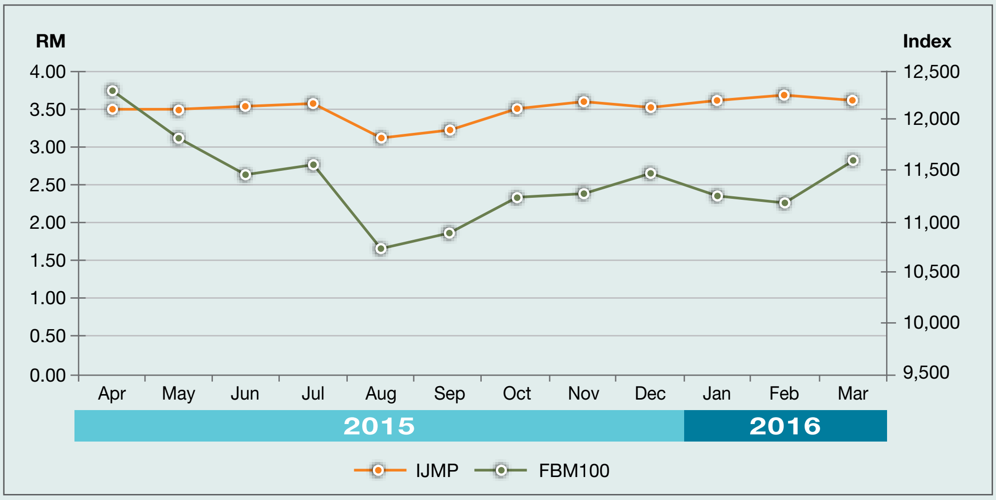
IJM's share price (stock code: 3336) dipped at the beginning of the year from RM3.67 in April 2015 to RM3.15 in August 2015 before gaining back its momentum and closed for the year at RM3.52.

For the first 5 months of the year, investor sentiment was weighed down mostly by the weaker Ringgit, Goods and Services Tax implementation coupled with slower property market and lower commodity prices that in turn had adversely impacted IJM's share price.

IJM's share price gradually retracted its losses from August 2015 onwards, as more infrastructure projects were announced by the Government thus helping to improve the prospects for the Group's Construction and Industry Divisions.

IJM saw its share price decline marginally by 4% during the financial year compared to the FBM100 Index which saw a 5% decline in the same period of IJM's financial year ended 31 March 2016.

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) was trading at a steady level for the first four months of the financial year, before its share price dropped in August 2015 to RM3.10 due to concerns arising from high CPO inventory levels and the steep fall in crude petroleum prices.

From September 2015 to February 2016, the share price showed an improvement in anticipation of a potential shortage of supply in the coming months due to the haze and El Nino weather phenomenon. Nonetheless, it settled to end at RM3.60 for the financial year due to inflationary pressures stemming from the appreciation of the USD and hikes in minimum wage which resulted in expectations of higher production costs for plantation companies.

IJMP saw its share price appreciated by 3% during the financial year compared to the FBM100 Index which saw a 5% decline in the financial year ended 31 March 2016.

INFORMATION FOR INVESTORS (Cont'd)

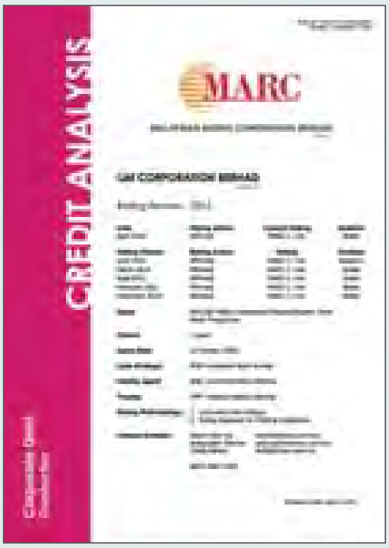
IJM's Commercial Papers/Medium Term Notes and Sukuk Murabahah

Commercial Papers/Medium Term Notes 2009/2016 (RM1 Billion)

MARC has assessed and affirmed IJM's RM1.0 Billion corporate debt as "AA-" with a short term rating of "MARC-1" and revised the outlook to stable in its latest annual review in April 2016. The corporate debt was fully repaid as of 31 March 2016.

Sukuk Murabahah 2014/2034 (RM3.0 Billion)

In relation to IJM's RM3.0 Billion Sukuk Murabahah Programme, RAM has affirmed a rating of "AA3" with a stable outlook in May 2016. Details of the Sukuk Murabahah Programme is disclosed in Note 16 to the Financial Statements.



FINANCIAL CALENDAR

Financial Year End		31 March 2016
Announcement of Results	1st Quarter	25 August 2015
	2nd Quarter	24 November 2015
	3rd Quarter	25 February 2016
	4th Quarter	26 May 2016
Notice of Annual General Meeting		29 July 2016
Annual General Meeting		24 August 2016

INVESTOR SERVICE

The Group maintains a dynamic website (www.ijm.com) which provides detailed information on the Group's operations and latest developments. For further details, you may contact:

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 30 June 2016

Authorised Share Capital	:	**RM5,000,000,000**
Issued & paid-up Capital	:	**RM3,599,187,820***
Class of Shares	:	**Ordinary Shares of RM1.00 each**
Voting Rights		
On show of hands	:	**1 vote**
On a poll	:	**1 vote for each share held**

* inclusive of 2,000 shares bought-back by the Company and retained as treasury shares as at 30 June 2016

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	Number of Shareholders	Number of Shares	Percentage of Issued Capital
Less than 100	255	8,686	0.00%
100 – 1,000	2,280	1,864,588	0.05%
1,001 - 10,000(1)	6,618	27,609,150	0.77%
10,001 – 100,000	2,057	60,219,282	1.67%
100,001 to less than 5% of issued shares	900	2,630,577,136	73.09%
5% and above of issued shares	3	878,906,978	24.42%
	12,113	3,599,185,820	100.00%

(1) excluding 2,000 treasury shares

REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Number of Shares		
	Direct	**Deemed**	**Percentage of Issued Capital**
1. Employees Provident Fund Board	482,409,778	–	13.403%
2. AmanahRaya Trustees Berhad – Amanah Saham Bumiputera	302,285,100	–	8.399%
3. Lembaga Tabung Haji	187,860,540	–	5.220%

ANALYSIS OF SHAREHOLDINGS (Cont'd)

THIRTY LARGEST SHAREHOLDERS

		Number of Shares	Percentage of Issued Capital
1.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	395,109,578	10.98%
2.	AmanahRaya Trustees Berhad Amanah Saham Bumiputera	301,904,700	8.39%
3.	Lembaga Tabung Haji	181,892,700	5.05%
4.	AmanahRaya Trustees Berhad Amanah Saham Wawasan 2020	108,180,080	3.01%
5.	AmanahRaya Trustees Berhad Amanah Saham Malaysia	94,986,200	2.64%
6.	Kumpulan Wang Persaraan (Diperbadankan)	92,488,400	2.57%
7.	Permodalan Nasional Berhad	76,336,800	2.12%
8.	Cartaban Nominees (Tempatan) Sdn Bhd Exempt AN for Eastspring Investments Berhad	72,437,480	2.01%
9.	Cartaban Nominees (Asing) Sdn Bhd Exempt AN for State Street Bank & Trust Company (WEST CLT OD67)	69,791,896	1.94%
10.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd	67,510,140	1.88%
11.	Cartaban Nominees (Asing) Sdn Bhd GIC Private Limited for Government of Singapore (C)	65,870,928	1.83%
12.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	58,770,218	1.63%
13.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for JPMorgan Chase Bank, National Association (U.S.A.)	58,500,594	1.63%
14.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	54,475,880	1.51%
15.	HSBC Nominees (Asing) Sdn Bhd BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	51,345,600	1.43%
16.	AMSEC Nominees (Tempatan) Sdn Bhd AmTrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)	50,075,600	1.39%
17.	AmanahRaya Trustees Berhad Amanah Saham Didik	47,585,100	1.32%
18.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (NOMURA)	46,599,600	1.29%
19.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)	45,000,000	1.25%

THIRTY LARGEST SHAREHOLDERS (cont'd)

		Number of Shares	Percentage of Issued Capital
20.	AmanahRaya Trustees Berhad AS 1Malaysia	44,994,000	1.25%
21.	AmanahRaya Trustees Berhad Public Islamic Dividend Fund	39,400,608	1.09%
22.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for The Bank of New York Mellon (MELLON ACCT)	29,778,888	0.83%
23.	HSBC Nominees (Asing) Sdn Bhd HSBC BK Plc for Saudi Arabian Monetary Agency	29,228,600	0.81%
24.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for JPMorgan Chase Bank, National Association (JPMELAB AIF APG)	28,562,400	0.79%
25.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	28,316,100	0.79%
26.	AmanahRaya Trustees Berhad Public Islamic Select Enterprises Fund	26,707,300	0.74%
27.	AmanahRaya Trustees Berhad Amanah Saham Bumiputera 2	25,789,700	0.72%
28.	CIMB Group Nominees (Tempatan) Sdn Bhd Yayasan Hasanah (AUR-VCAM)	25,370,300	0.70%
29.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for J.P. Morgan Bank Luxembourg S.A. (2)	22,497,074	0.63%
30.	AmanahRaya Trustees Berhad Public Islamic Sector Select Fund	20,900,900	0.58%
		2,260,407,364	62.80%

ANALYSIS OF SHAREHOLDINGS (Cont'd)

DIRECTORS' SHAREHOLDINGS IN IJM CORPORATION BERHAD

as at 30 June 2016

Name of Directors	Number of Shares Direct	Number of Shares Deemed	Percentage of Issued Capital
Tan Sri Abdul Halim bin Ali	30,000	–	0.001%
Tan Sri Dato' Tan Boon Seng @ Krishnan	6,043,066	321,972[1]	0.177%
Dato' Soam Heng Choon	1,261,200	–	0.035%
Lee Chun Fai	459,800	250,000[1]	0.020%
Datuk Lee Teck Yuen	11,764,692	–	0.327%
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 30 June 2016

Options over ordinary shares of RM1 each ("Options") under Employee Share Option Scheme							
Award	Name of Director	Total			Balance as at 30 June 2016		
		+ Provisional Number of Options Awarded	Number of Options Vested	Number of Options Exercised	+ Provisional Number of Options Awarded	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	Dato' Soam Heng Choon	–	–	–	–	–
	Lee Chun Fai	308,000*	263,000*	–	115,500	263,000
Third Award on 24.12.2014	Dato' Soam Heng Choon	935,000*	374,000	–	561,000	374,000
	Lee Chun Fai	165,000*	63,800	–	99,000	63,800
Fourth Award on 24.12.2015	Dato' Soam Heng Choon	1,320,000	–	–	1,320,000	–
	Lee Chun Fai	385,000	–	–	385,000	–

DIRECTORS' INTERESTS UNDER THE EMPLOYEE SHARE GRANT PLAN OF IJM CORPORATION BERHAD

as at 30 June 2016

Award		Shares under Employee Share Grant Plan: Total: + Provisional Number of Shares Awarded: PSP++	RSP+++	Number of Shares Vested: PSP	RSP	+ Balance Provisional Number of Shares as at 30 June 2016: 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	Dato' Soam Heng Choon	–	–	–	–	–	–
	Lee Chun Fai	97,000*	38,800*	48,500	29,100	48,500	19,400
Third Award on 15.04.2015	Dato' Soam Heng Choon	393,000*	101,200*	–	–	393,000	101,200
	Lee Chun Fai	–	–	–	–	–	–
Fourth Award on 15.04.2016	Dato' Soam Heng Choon	629,600	184,600	79,000	47,400	550,600	153,000
	Lee Chun Fai	347,600	139,000	–	–	347,600	139,000

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*

ANALYSIS OF SHAREHOLDINGS (Cont'd)

DIRECTORS' SHAREHOLDINGS IN IJM PLANTATIONS BERHAD

as at 30 June 2016

Name of Directors	Number of Shares Direct	Number of Shares Deemed	Percentage of Issued Capital
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 2016

	No. of Shares Purchased & Retained as Treasury Shares/ (Resold)	Total Consideration RM	Purchase Price Per Share (RM) Highest	Lowest	Average
2015					
Balance at the beginning of financial year	49,000	270,431			
Purchases during the financial year					
April 2015	–	–	–	–	–
May 2015	–	–	–	–	–
June 2015	1,000	7,054	7.00	7.00	7.05
July 2015	–	–	–	–	–
August 2015	–	–	–	–	–
September 2015	(50,000)	(313,200)	6.29	6.29	6.26
October 2015	–	–	–	–	–
November 2015	1,000	3,467	3.42	3.42	3.47
December 2015	–	–	–	–	–
January 2016	–	–	–	–	–
February 2016	–	–	–	–	–
March 2016	–	–	–	–	–
Balance at end of financial year	**1,000**	**3,467**			

No treasury shares were cancelled during the financial year.

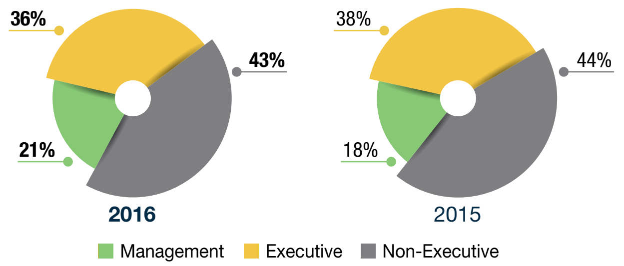
EMPLOYEES & PRODUCTIVITY

		2016	2015
(a) Employees as at 31 March:-			
Employees by Classification			
- Management		**938**	823
- Executive		**1,585**	1,717
- Non-executive		**1,894**	2,033
		4,417	4,573
Employees by Ethnic Composition			
- Bumiputra		**2,540**	2,460
- Chinese		**1,159**	1,147
- Indian		**352**	348
- Others (including overseas)		**366**	618
		4,417	4,573
(b) Productivity:- (N1)			
Revenue	- per employee (in RM'000)	**1,161**	1,191
	- per RM employment cost (in RM)	**12.24**	13.91
Profit before taxation	- per employee (in RM'000)	**262**	223
	- per RM employment cost (in RM)	**2.76**	2.60
Value added	- per employee (in RM'000)	**456**	419
	- per RM employment cost (in RM)	**4.81**	4.89

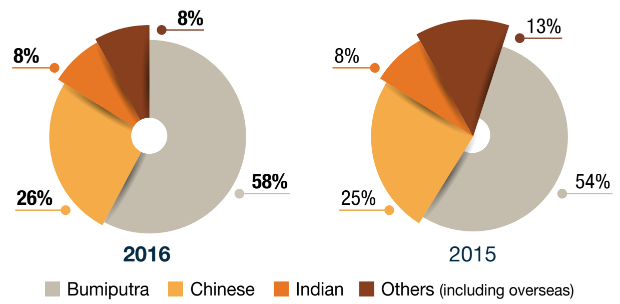
(N1) *Based on number of employees during the year.*

EMPLOYEES

By Classification

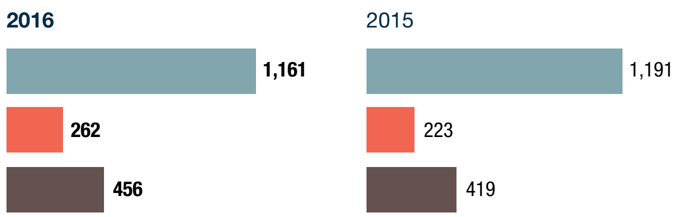


By Ethnic Composition

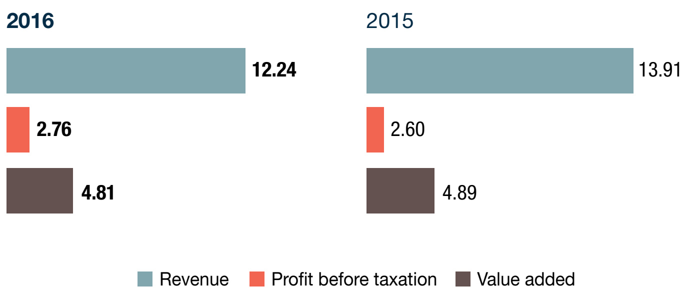


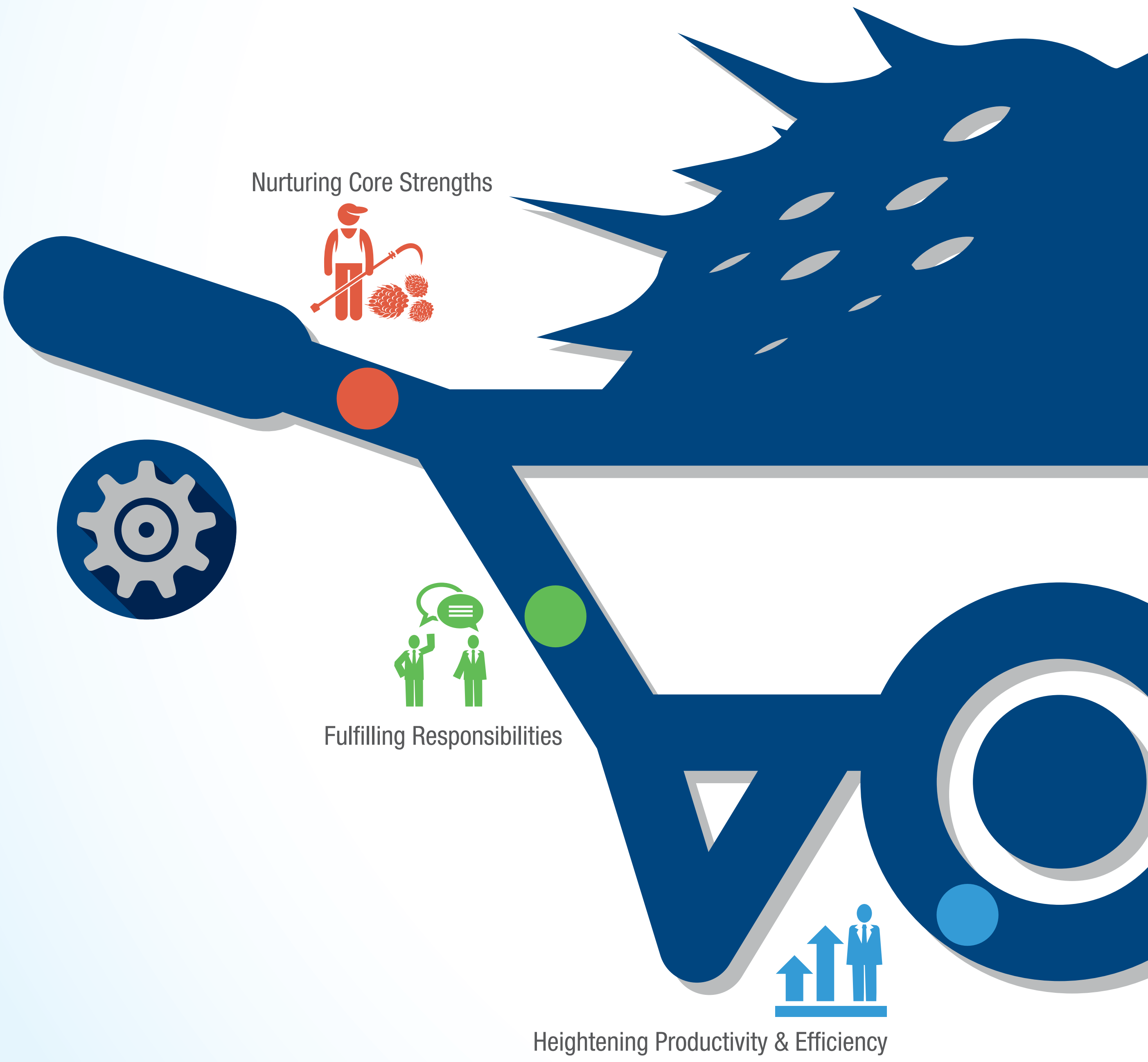
PRODUCTIVITY

Per Employee (RM'000)



Per RM Employment Cost (RM)




Nurturing Core Strengths
Fulfilling Responsibilities
Heightening Productivity & Efficiency

HARVESTING BETTER RESULTS

We are catalysing growth by gearing up performance levels and optimising current resources.

Business Review & Reports

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CHAIRMAN'S

Amidst a year beset by much macro headwinds, the Group reported pre-tax profits of more than RM1 billion for the third year running. On behalf of the Board of Directors of IJM Corporation Berhad, I am pleased to report on the performance of the Group for the financial year ended 31 March 2016.

BUSINESS ENVIRONMENT

In 2015, the economic landscape remained weighed down by lingering legacies of the global financial crisis of 2008/09, which included strained fiscal positions, high private sector indebtedness and weak labour markets in many countries. In response to the slowing economic growth momentum, there was continued heavy dependence on monetary policy to spur growth which even resulted in negative interest rates by several countries in the Eurozone and Japan. Global inflationary pressures also moderated during the year, reflecting the lower commodity prices and subdued global demand conditions. The confluence of these factors caused heightened uncertainty and volatility in the financial markets, which in turn dampened consumer, business and investor sentiment. Global growth fell to 3.1% as compared to 3.4% the year before.

STATEMENT

Y. Bhg. Tan Sri Abdul Halim bin Ali
Chairman

CHAIRMAN'S STATEMENT (Cont'd)

Despite the challenging external economic environment in 2015, the Malaysian economy registered a growth of 5.0%, supported by improved domestic demand. Although there were concerns about the rising cost of living and cautious consumer sentiments following introduction of the Goods and Services Tax in April 2015 and a weaker Ringgit, household spending was supported by continued income growth and stable labour market. The construction sector grew at a moderate pace of 8.2% in 2015 (2014: 11.8%), due mainly to the slower growth in the residential sub-sector. Nonetheless, growth in the civil engineering sub-sector picked up, reflecting the progress of ongoing infrastructure projects in Malaysia under the 11th Malaysia Plan.

OPERATING RESULTS

Group consolidated revenue stood at RM5,128.20 million, representing a decrease of 6% from RM5,448.28 million reported last year, mainly due to decreases in revenue from the Property and Plantation Divisions. The Group's reported profit before tax increased 13% to RM1,155.80 million from RM1,019.36 million last year, largely due to one-off gains from the disposal of equity interests and fair value gains on remeasurement of the remaining equity interests in Jaipur-Mahua Tollway Private Limited and Swarna Tollway Private Limited and a balance stake disposal in Trichy Tollway Private Limited totalling RM307.48 million.

The Construction Division recorded revenue of RM1,643.00 million, an increase of 34% from RM1,224.31 million achieved last year following increased contributions from projects that were secured in the previous financial year. Profit before tax of the Construction Division, however, declined by 8% to RM170.57 million as compared to RM184.84 million in the previous year which had included final claims of completed projects as well as favourable unrealised foreign exchange gains.

The Property Division recorded lower revenue at RM1,289.97 million as compared to RM2,203.42 million in the previous year in line with lower sales recorded. Pre-tax profits for the Property Division decreased by 68% to RM159.29 million from RM494.66 million last year mainly due to the decrease in sales, lower gross profit margin as well as one-off gains amounting to RM22.7 million in the preceding year from the recognition of a one-off gain on the remeasurement of existing equity interests in Larut Leisure Enterprise (Hong Kong) Limited and Valencia Terrace Sdn Bhd.

Berakan Maju Estate

Kuantan Port View

Despite facing a challenging operating environment at its quarry operations in the year, revenue of the Industry Division increased by 6% to RM982.77 million from RM926.77 million recorded in the previous year due to higher sales volume of its spun piles. The Industry Division, however, saw its pre-tax profits decline marginally by 1% to RM124.09 million mainly attributable to lower margins in the quarrying and ready mixed concrete segments.

As a result of lower CPO sales volume and lower commodity prices during the year, the Plantation Division posted revenue of RM557.61 million, a 16% decrease as compared to RM667.67 million in the previous year. Profit before tax of the Plantation Division decreased to RM50.41 million from RM89.41 million primarily due to the lower commodity price and lower FFB production from the prolonged dry weather.

The Infrastructure Division recorded its second consecutive year of record revenue at RM1,295.01 million, an improvement of 26% over RM1,031.41 million achieved in the previous year, mainly due to continued traffic growth in the Malaysian toll road concessions as well as higher cargo revenue recorded by the port concession. In addition to higher traffic growth at the toll operations and cargo throughput at Kuantan Port, the significant increase in profits of the Infrastructure Division were largely attributable to the disposals and fair value gains on the remeasurement of its equity interests in Swarna Tollway Private Limited and Jaipur-Mahua Tollway Private Limited and a balance stake disposal in Trichy Tollway Private Limited totalling RM307.48 million, hence resulting in profit before tax of RM555.77 million as compared to RM42.28 million last year.

Our CEO's Review of Operations, covered on pages 80 to 115, provides a more comprehensive assessment of the Group's divisional performances for FY2016.

BUSINESS OUTLOOK AND OPERATIONAL STRATEGIES FOR FY2017

Global economic growth in 2016 faces a tepid outlook and is vulnerable to considerable downside risks due to limited policy options by major economies, highly uncertain global commodity prices, delicate rebalancing of the Chinese economy and abrupt shifts in financial markets. More recently, the unprecedented Brexit referendum has significantly elevated global economic and financial uncertainty, with likely potential to pose far-reaching consequences beyond the Eurozone. The unfolding of these external events will have important implications to the Malaysian economy although sound macroeconomic fundamentals, a diversified economic structure, robust financial system and sufficient policy options are mitigating factors.

Despite the prevalent macro headwinds, the Group continues to build on its future growth pipelines. The Construction Division's performance is expected to be underpinned by an all-time high outstanding order book whilst the Property Division should be supported by its unbilled sales and extensive range of products in good locations. The Industry Division should continue to benefit from the construction activity in Malaysia. FFB production growth of the Plantation Division will be driven by its maturing Indonesian operations while its financial performance will be largely dependent on CPO prices. The portfolio of concession assets under the Infrastructure Division is being expanded and is expected to remain profitable as its existing concessions mature. The Group, while positive on its long term outlook, shall remain vigilant in FY2017 in light of the constantly changing external environment.

CHAIRMAN'S STATEMENT (Cont'd)

Sherwood 2, Kinrara South

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 2016, the Company declared a single tier special dividend of 3 sen per share in addition to a single tier second interim dividend of 4 sen per share, both paid on 15 July 2016. Combined with a single tier first interim dividend of 3 sen per share paid earlier on 23 December 2015, the total dividends declared for this financial year amounted to 10 sen per share.

In respect of the financial year ended 31 March 2015, a single tier first interim dividend of 4 sen per share was paid on 23 December 2014. Also, a single tier second interim dividend of 11 sen per share was paid on 9 July 2015.

CORPORATE GOVERNANCE

IJM's commitment to the principles of good corporate governance reflects our belief that responsible business conduct is vital to sustainably enhancing stakeholder value. This belief is manifested in all our business undertakings throughout all staff levels and continues to be acknowledged by our shareholders, evident by the high institutional and large foreign shareholding composition and numerous corporate governance accolades received.

Our *Corporate Governance Statement* can be found on pages 116 to 131.

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by relevant regulatory bodies in 2015/16.

RELATED PARTY TRANSACTIONS

Significant related party transactions of the Group for the financial year are disclosed in Note 53 to the Financial Statements.

Except for those disclosed in Note 53 to the Financial Statements, there were no material contracts of the Group involving Directors' and major shareholders' interest during the period.

CORPORATE RESPONSIBILITY

IJM's strong commitment to Corporate Responsibility (CR) reflects our conviction that economic success must be accompanied by a sustainable positive impact on society. This philosophy guides the Group's CR Framework and policy statements and is embraced throughout the Group's operations via a wide range of environmental-friendly and operational best practices to achieve long-term sustainable benefits for all stakeholders.

The Group places considerable emphasis on ensuring the highest standards of governance, ethical business conduct and values are practised within its organisation. As part of our CR efforts, the Group carried out numerous community programmes pertaining to social welfare, education and sports development and will continue to identify areas where our support can make a real difference. The Group is also committed to providing for the well-being of its employees and contractors at the workplace and sites through increased awareness, accountability and continued training to ensure that all activities are conducted in an ethical, environmentally responsible, safe and healthy manner.

More information on the Group's extensive Corporate Responsibility activities is provided on pages 168 to 217.

ICP piles used at Rapid Package 2, Pengerang, Johor

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. In addition, I also wish to welcome Mr. Goh Tian Sui to the Board. He was appointed as a Non-Executive Director on 20 June 2016 and brings with him a wealth of experience that will benefit the Group. 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

DeBunga Residensi, Ukay Perdana

CEO'S REVIEW OF OPERATIONS

Overview

It has been a challenging year for us at IJM, in a year of tumultuous global turbulence and low crude oil prices which had adversely affected our country's currency strength, the property market sentiments as well as the commodity prices.

In view of the present scenario, it was an opportune time for the Group to make key strategic changes by refining our emphasis this past financial year and prioritising our strategies, investments and talents in areas where we have differentiation and potential for growth. I am pleased to say that all of this is currently in the works towards **Catalysing Growth**, building the foundation and platforms for our businesses to drive growth in the next few years.

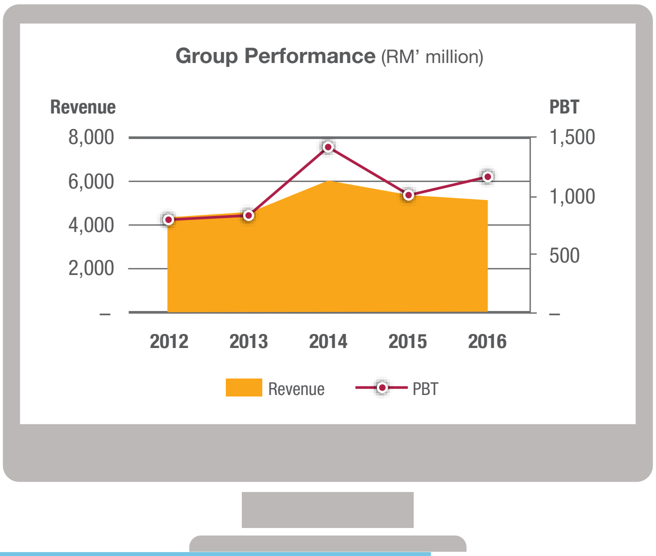
Our Group and our people understand the needs of our customers and have worked hard during the past year to deliver our Mark of Excellence. IJM has, over the years, demonstrated strong financial performance and resilience with sound operational track record and will continue to do so to enhance shareholder value.

I am truly appreciative of our customers, our partners, our talents and our stakeholders and I take this moment to thank each and everyone for their continued support to the IJM Group.

FINANCIAL PERFORMANCE

For the financial year ended 31 March 2016 ("FY2016"), the Group recorded a consolidated revenue of RM5,128.20 million in FY2016 with the Construction, Infrastructure and Property Divisions being the major revenue contributors for the year. However, the consolidated revenue for this year has declined 6% from RM5,448.28 million in FY2015 mainly due to the slowdown in the property market and challenges in our plantation business owing to the subdued CPO prices and the El Nino phenomenon.

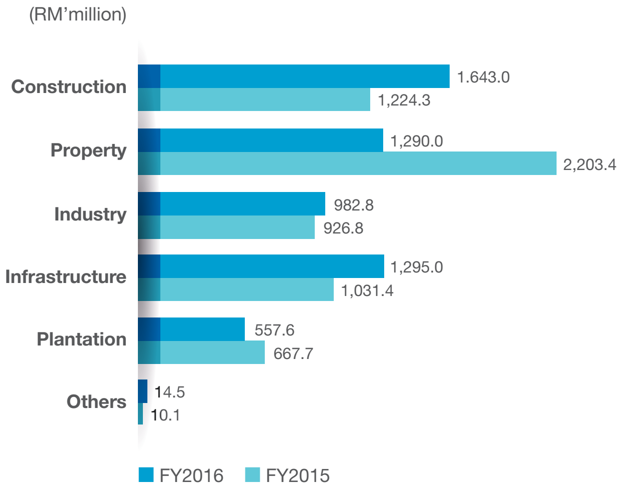
Correspondingly, the Group's reported profit before tax ("PBT") in FY2016 was RM1,155.80 million, an increase of 13% from RM1,019.36 million a year ago mainly due to monetisation gains from our disposal of matured Indian infrastructure assets and fair value gains on remeasurement of the remaining equity interests held in Jaipur-Mahua Tollway and Swarna Tollway totalling RM307.48 million. If the one-off items are excluded, the Group's core PBT would have been RM848.32 million, representing a decrease of 17% from prior year in line with the lower revenue and subdued economic environment.

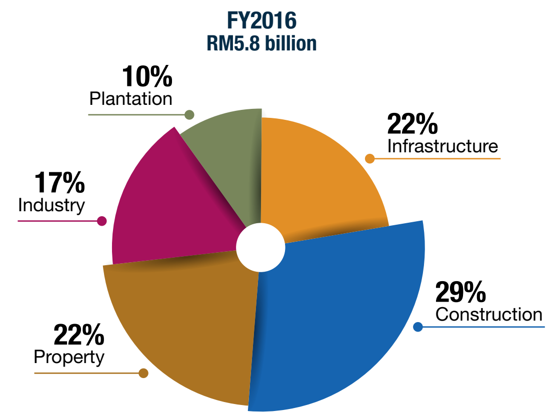


Dato' Soam Heng Choon
CEO & Managing Director

CEO'S REVIEW OF OPERATIONS (Cont'd)

Group Revenue by Division*





* includes share of associate and joint venture's revenue

Overall, the Group has performed satisfactorily under the current challenging circumstances with the weakened Malaysian Ringgit, low crude oil prices, higher operating costs post Goods and Services Tax ("GST") implementation on 1 April 2015, increasing labour costs and levies as well as adverse fluctuations in the commodity prices. Despite the above challenges, we will continue in our efforts to grow the Group in a sustainable and profitable manner.

BLUE OCEAN STRATEGY

For years, the Group has been operating in a highly competitive and crowded market place – the red ocean. To distinguish ourselves from the confines of the existing industries, we have developed a strategic roadmap, the 'Blue Ocean Strategy' ("BOS") with the aim of creating new market spaces with new growth opportunities to elevate the business growth and sustainability.

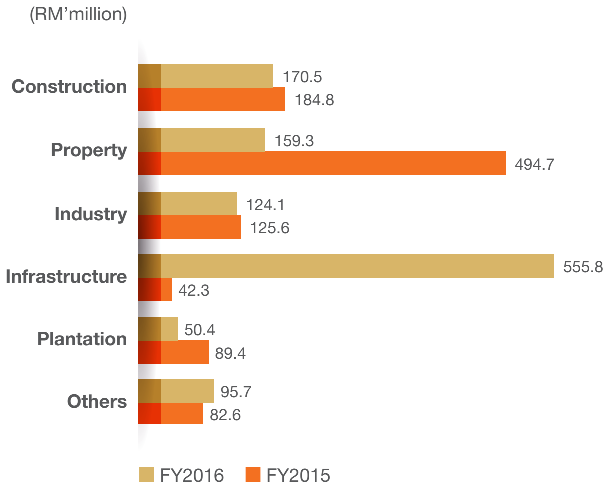
Amongst the BOS priorities are looking at new areas of growth, sustainability, areas of improvement as well as shareholders and staff expectations of the Group. Following that, various initiatives have been identified, some projects are being put in place while other initiatives are at the planning stage. When the catalysts are firmly in position, the Group will move on to the implementation and execution stages.

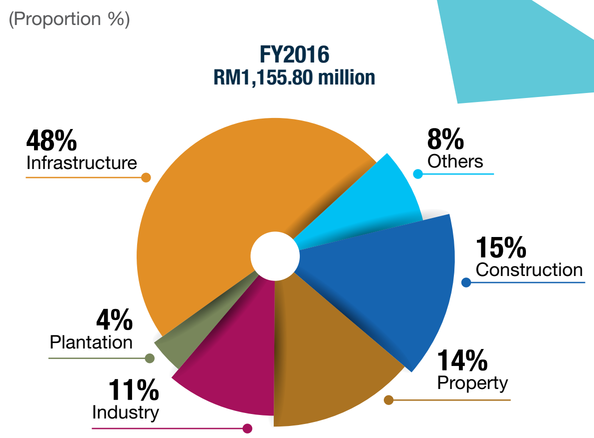
AWARDS

The Group has done well in terms of recognition and awards during the financial year. IJM Corporation Berhad was listed in the Top 50 Public Listed Companies in ASEAN of the ASEAN Corporate Governance Awards 2015 and in the Top 10 Disclosure Merit Recognition Award of the MSWG-ASEAN Corporate Governance Transparency Index, Findings & Recognition 2015. True to our mission of delivering sustainable profits to our stakeholders, IJM was awarded The Edge Billion Ringgit Club Corporate Awards for the Highest Profit Growth Company in the Construction category.

Our Property arm headed by IJM Land Berhad won a series of prestigious awards this past year. They include the FIABCI World Prix D'Excellence Award - World Silver in Master Plan (THE LIGHT Waterfront), The Edge Malaysia Awards - Top Property Developers, the BCI Asia Awards - Top 10 Developers Awards (Malaysia) and three awards at the StarProperty.my - All-Star Award: Top Ranked Developer of the Year; the Family-Friendly Award (Bandar Rimbayu) and the WOW Award (THE LIGHT Waterfront).

Group PBT by Division






Dato' Soam Heng Choon received the Property CEO of the Year from D.Y.M.M. Sultan Ibrahim Ibni Al-marhum Sultan Iskandar, His Royal Highness the Sultan of Johor Darul Takzim at the prestigious FIABCI Malaysia Property Awards Gala Dinner on 6 November 2015 for his contribution to Malaysia's real estate sector and property development.

Our Plantation arm, IJM Plantations Berhad garnered the Asia Money Best Managed Company (Small Cap) in Malaysia 2015. I am honoured and thankful to be awarded the FIABCI Property CEO of the Year at the FIABCI Malaysia Property Awards ceremony. Altogether, these awards are a testament of the dedication and commitment of our people towards the IJM Mark of Excellence and good governance.

FACEBOOK AT WORK

At IJM, we have a big vision to enhance the Company's operating culture to be more effective and collaborative. With this in mind, IJM became the first public listed company in Malaysia to embrace Facebook at Work as a communication tool to improve team collaboration, productivity and efficiency which is in line with our goal of enhancing the *3Cs – Connect, Communicate and Collaborate.*

The enterprise version of the social media service is used by about 4,400 employees across 10 offices spanning Asia, Middle East and Europe to bring the IJM family around the world closer. Employees were able to work more efficiently, get faster feedback and response, and update colleagues on work in a much more engaging way.

CORPORATE RESPONSIBILITY

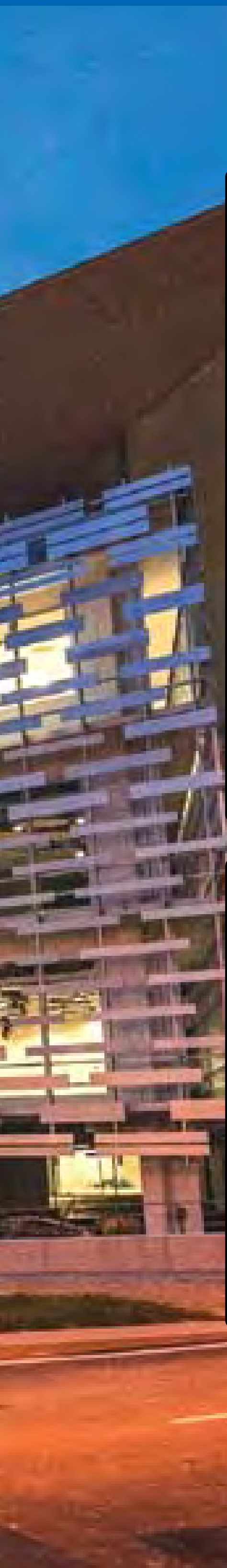
For the fifth consecutive year, the Group carried out its most ambitious and largest Corporate Responsibility ("CR") project, 'Give Day Out' in December 2015 ("GDO 2015"). The purpose of the GDO 2015: Play Around Playground is to attract children to play with their friends outdoors instead of just playing with their smartphones and gadgets all day long. More than 2,000 employees united to revive about 24 playgrounds and recreational parks which was simultaneously held in several regions across Malaysia, India and China.

Such a project encourages the spirit of giving and promotes humility amongst staff, in tandem with our key CR pillars on marketplace, environment, community and workplace. More details of this wonderful story and other CR initiatives of the Group are elaborated in the CR section of the Annual Report.

CEO'S REVIEW OF OPERATIONS (Cont'd)

University of Reading Malaysia, Johor

CONSTRUCTION



Construction Management Team

Liew Hau Seng
Soo Sik Sang
Tong Wai Yong
Pook Fong Fee
Ong Teng Cheng
Yong Juen Wah
Thomas Foo Jong Jian
Tan Kiam Choon
Chan Kai Leong
Lee Foh Ching
Wong Heng Wai
Beh Lai Seng
Ng Eng Aan

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

FY2016
Revenue
RM1,643.00 million

FY2016
PBT
RM170.57 million

CEO'S REVIEW OF OPERATIONS (Cont'd)

Another Successful Year of Record High Order Book...

The Construction Division has successfully maintained another year of record high order book of RM7.55 billion for the second consecutive year. Despite the high order book on hand, the Division has relentlessly continued its efforts of securing more new projects in the markets especially on the domestic front. In the international arena, the Division will continue to tender for jobs in the emerging markets especially in places where IJM has a presence such as India and Vietnam.

During the financial year, the Division successfully replenished more than RM1.0 billion order book by securing a number of jobs. They included the Equatorial Plaza – Commercial Development including Hotel at Jalan Sultan Ismail in Kuala Lumpur (RM455.49 million), Almas – Mixed Use Development at Puteri Harbour in Johor (RM484.20 million), Design & Construction and Completion of Additional Work at Kuchai Link (RM52.83 million) and some Sub-Structure Works at Jalan Tun Razak. Apart from these, the Division has also secured the Construction and Completion of the Breakwater Project at the New Deep Water Terminal Project of Kuantan Port through a joint venture with a China company with our 60% share being RM176.40 million.

The Division has developed a roadmap to penetrate into emerging markets to bring in different sources of income to the Division and to sustain future growth. During the financial year, the Division embarked on the BOS initiative to create market differentiation for its construction business and to build on new business income streams for the Division in the medium to long-term.

Seri Binjai, S2 Seremban

The Malaysian economy grew by 5% supported by continued expansion of the domestic demand whereas the construction sector grew by 8.2% during the year, supported by large scale infrastructure projects rolled out by the Government under the 11th Malaysia Plan.

The Malaysian Government has also embarked on a five-year transformation programme known as the Construction Industry Transformation Programme 2016 - 2020 ("CITP") last year aimed at propelling the industry forward and meeting the market demand. In line with this, the Division has reorganised its resources and efforts to align with some of these initiatives under the CITP programme.

Some of the efforts implemented by the Division included increasing the use of Building Information Modelling ("BIM") in construction projects, adoption of Industrialised Building System ("IBS"), providing training to build up human capability to acquire new construction methods and recruiting the right talents. These initiatives were aimed to improve the competitiveness and productivity of the Division. The Division also promotes self-regulated sustainable practices for Health, Safety, Quality and Environmental aspects in all of its projects.

For the financial year ended 31 March 2016, the Construction Division posted a higher revenue by 34% to RM1,643.00 million from the prior year of RM1,224.31 million. The significant increase was mainly attributed to the commencement of the West Coast Expressway ("WCE") and the New Deep Water Terminal Phase 1, Kuantan Port projects. Besides that, many of the on-going projects were at the peak of the construction stage, thereby contributing higher revenues to the Division. Additionally, the Division has completed more external jobs as compared to in-house jobs during the financial year which substantially improved the Division's top line.

Construction of JKG Tower, Kuala Lumpur

CEO'S REVIEW OF OPERATIONS (Cont'd)

Aerial view of Taman Midah MRT Station

Despite the higher revenue, profit before tax ("PBT") dropped by 8% to RM170.57 million. The PBT margin in FY2016 had reverted to a normalised margin of 10% as compared to previous year's PBT margin of 15%. The higher profit margin recorded previously was mainly due to better margins derived from the completed projects, unrealised foreign exchange gains and the recovery of certain old progress claims from completed projects.

With the commencement of the WCE and New Deep Water Terminal projects, the Division has expedited the execution of these projects in order to realise more revenues and profits in the medium term. In addition, the progress of other on-going projects are also accelerated so that the Division would achieve better financial performance in the coming years.

During the financial year, the Division successfully completed several projects locally. These included the University of Reading in Johor, Light Collection 3: 1 block of 5-storey townhouse, 1 block of 9-storey condominium, 2 blocks of 8 - 11 storey condominiums, a club house and a car park in Gelugor, Penang. The Division has also completed some new phases in IJM's townships in Seremban 2, Puncak Alam and Bandar Rimbayu. In India, the Division has completed the Overlay and Associated Works for the Jaipur-Mahua highway.

IJM Construction has been widely acknowledged as the builder of choice with excellence in Health, Quality, Safety and Environmental standards. In recognition of its achievements, the Division attained several notable awards during the financial year such as the 'Builder of the Year' for Contractor Grade G7 and 'The Best Project Award' for Major Building Project under The Malaysian Construction Industry Excellence Awards 2015.

Construction of the WCE

Its motto '*Excellence Through Quality*' is the Division's key focus and priority that has been embedded into all its work processes. All construction activities and processes are identified, planned, executed, monitored and controlled to ensure the highest standards of health, quality, safety and environment. The Division has implemented a self–regulated system called IJM Quality Standard Assessment System for various aspects of construction works in order to achieve the highest standards of quality and for continuous improvement.

The Division continuously reviews its Quality Management System to address any new requirements. The Division has also implemented numerous initiatives such as the electronic data management system for enhancing documentation control, on-the-job trainings throughout the project life-cycle, promoting the use of IBS in new projects and trainings to upgrade from the existing ISO 9001:2008 version to ISO 9001:2015.

The Division is now in its fourth year of Health, Safety and Environmental ("HSE") Campaign. Since 2012, the level of HSE awareness and commitment by all staff has increased substantially. The Division will continue to strive for greater achievement in HSE excellence in all of its projects.

With the Government's continuous efforts in rolling out the remaining projects under the 11th Malaysia Plan as well as our Division's strong order book position, the Group believes that the outlook for the Construction Division remains positive. Nevertheless, the Division is mindful of the challenges moving forward due to volatility in material prices, shortage of skilled workers, softer demand for domestic properties and intensive competition in the construction industry. The Division will continue to be resilient in the execution of its projects to deliver products of high quality to meet its customers' satisfaction.

Bird's eye view of ongoing reclaimed areas at Kuantan Port

CEO'S REVIEW OF OPERATIONS (Cont'd)

THE LIGHT Collection III - Waterways

PROPERTY

Property Management Team

Edward Chong Sin Kiat	Dato' Toh Chin Leong	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
Kelvin Mathews Jacob	Tan Khee Leng	Lim Hock Seng	Leong Fook Yew	Pee Poh Hun

FY2016

Revenue

RM1,289.97 million

FY2016

PBT

RM159.29 million

CEO'S REVIEW OF OPERATIONS (Cont'd)

According to the National Property Information Centre 2015 Property Market Report, the overall property market recorded a drop in value of transactions by 8% to RM149.9 billion in 2015 from RM162.97 billion in the previous year. The residential sub-sector continued to lead the overall property market, with 65.2% contribution in volume and 49.0% in value. However, the sub-sector still recorded a downturn in value by 10.5% as compared to the previous year. One of the main factors of the decline was that the ratio of loan approvals to applications was 50.2% with 206,031 applications and 103,412 approvals.

The number of new residential launches fell to 70,273 units, down by 19.2% against 2014 (86,997 units) in line with the soft market and dampened consumers' sentiment. Major states such as Johor and Penang saw substantial declines in their new launches, each down by 42.8% (9,428 units) and 47.5% (2,348 units) respectively, while Kuala Lumpur and Selangor recorded moderate declines of 8.3% and 5.1% respectively. Overall sales performance of new launches for the country hovered at 41.4% (29,089 units sold), lower than 45.4% (39,491 units sold) in 2014.

Market conditions have been challenging in the past year, with slower economic growth, weakened Malaysian Ringgit, increased cost of living post GST implementation and low crude oil prices had all played a part in affecting the local market confidence and spending. The residential segment continued to be weighed down by the property cooling measures and banks' stringent lending rules.

One and Only Urban Forest City at Pantai Sentral Park, Kuala Lumpur

Against this backdrop, the Division has achieved a total sales value of RM1.46 billion in FY2016, a decrease of 19% from FY2015. As a result, the Property Division recorded a revenue of RM1,289.97 million in FY2016 representing a 41% decrease from previous year of RM2,203.42 million. PBT for the year was RM159.29 million, a 68% decrease from previous year of RM494.66 million mainly due to lower revenue and the recognition of a one-off gain in previous year on the remeasurement of existing equity interests in Larut Leisure Enterprise (Hong Kong) Limited and Valencia Terrace Sdn Bhd amounting to RM22.7 million.

Saujana Duta, Seremban

The Address, Penang

CEO'S REVIEW OF OPERATIONS (Cont'd)

Periwinkle Residence, Bandar Rimbayu

Malaysian consumers continued to be prudent in their spending habits and have become more selective. Affordable residential properties in strategic locations continued to be in demand. During the financial year, the Division's affordable and mid-range properties such as Kalista 2 Executive Apartments in Seremban 2, Rimbun Vista 2-storey superlink homes in S2 Heights, the first phase of Austin Duta comprising 2-storey terraced houses in Johor Bahru, Sanctuary Residence 2-storey linked semi-detached in Permatang Tinggi, Penang and Penduline 2-storey terraced homes in Bandar Rimbayu continued to see healthy take up rates despite the soft market. To remain relevant to the needs of consumers and mindful of the market forces, the Division has proactively rolled out multiple initiatives and continuously adjusted its products and launches to be in line with market demand and affordability.

Nusa Duta, Johor

In a year which saw much uncertainty and market headwinds, the Division had risen above the challenges and stood out in terms of industry awards. IJM Land was one of the few Malaysian developers to have received industry acclamation and recognition, both locally and internationally for its developments. These include the reputable BCI Asia Top 10 Developer Awards (Malaysia), The Edge Malaysia's Top Property Developers Awards, the Bronze Award in the Property Development Category at the Putra Brand Awards, Social Media Excellence Awards (Property Development), the All-Star Award – Top Ranked Developer of the Year at the StarProperty.my Awards and the Property Insight Malaysia's Prestigious Developer Awards – Top 10 Developers Award.

The Division had also received much recognition by garnering several prestigious awards including the FIABCI World Prix D'Excellence Awards, in which THE LIGHT Waterfront was conferred the World Silver Award in the Master Plan Category, the Malaysia Landscape Architecture Awards in which DeBunga Residensi and The Address were awarded the Honour Awards in the Landscape Design category and the StarProperty.my Awards which accorded Bandar Rimbayu the Winner of the Family-Friendly Award and THE LIGHT Waterfront the Winner of the WOW Award.

1,200-acre Sebana Cove Resort, Johor

The key focus in the new financial year will largely be on affordable and mid-range products to cater for the current market demand. New launches in the pipeline include Riana Dutamas @ North Kiara Serviced Residences in Kuala Lumpur, Riana South Condominium at Bukit Manda'rina in Cheras, Senjayu's maiden phase of terrace homes in Jawi, Penang, Rimbun Irama 2-storey linked homes at S2 Heights, Danau Perintis Apartments in Shah Alam 2 and Blossom Serviced Apartments in Bandar Rimbayu – all are priced to target first time home buyers and young working adults.

On the international front, the Division will continue to focus on the construction and completion of its on-going project, Phase 1 of Royal Mint Gardens in London, United Kingdom while planning for the launch of its second phase. The Division is also planning for the launch of 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 Division's property project, Raintree Park Dwaraka Krishna Township in Vijayawada which is part of the new capital development, Amaravati in the state of Andhra Pradesh is seeing increasing demand for its properties by the officials and employees of the new state government due to its strategic location. Following this, the Division anticipates increased demand for its upcoming phases due to the improvement in sentiments.

Despite the subdued outlook for the property market in Malaysia for FY2017, the Division will continue to improve its industry competitiveness by being versatile in its strategies and by directing resources to elevate customer experience from good to great through strong execution and resource management.

CEO'S REVIEW OF OPERATIONS (Cont'd)

ICP Piles used at Forest City, Tg Kupang, Johor

INDUSTRY

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

FY2016
Revenue
RM982.77 million

FY2016
PBT
RM124.09 million

CEO'S REVIEW OF OPERATIONS (Cont'd)

FY2016 was a mixed year for the Industry Division. Its core activity, the manufacturing and sale of Pretensioned Spun Concrete piles experienced a record year in terms of revenue and tonnage delivered amounting to RM648.0 million and 1.7 million tonnes respectively. However, the Division's quarrying performance declined due to poor demand and erosion in selling price. Overall pre-tax profit of the Division decreased marginally by 1% to RM124.09 million despite achieving a higher turnover by 6% to RM982.77 million from prior year.

In the first half of FY2016, sales volume of piles remained strong with major projects comprised of Seagate Factory at Batu Kawan, Penang; Highpark Residences Project at Kelana Jaya, Selangor; Glass Factory at Jasin, Melaka; Transmission Lines in Sarawak; and Langat Centralised Sewage Treatment Plant, Selangor. Major sales in the second half of FY2016 were contributed by projects in RAPID, Pengerang, Johor; Forest City Development (Infrastructure Works), Johor; WCE project and Northport Wharf 8A Project, Port Klang, Selangor.

Export market for FY2016 recorded a 40% growth compared to FY2015 with major projects comprising Mega Shipyard (Phase 2) Project, Tuas, Singapore; Reclamation at Tuas Finger One, Singapore; MEC Phase 3 & Dry Dock, Yangon, Myanmar; and Temburong Bridge Project, Brunei.

Looking forward, domestically, the Division is eyeing the following projects: Maple Tree Warehouse Project, Shah Alam; Forest City Development (Residential & Commercial), Johor; Affordable Housing Programme under PRIMA and PPA1M; Container Terminal 8 (2nd 300m), Westport, Port Klang, Selangor; and projects in RAPID, Pengerang, Johor. The Division will continue to capitalise on its in-house projects such as New Deep Water Terminal Project, Kuantan Port, Pahang; WCE project and projects under IJM Land.

New Ready Mixed Concrete Plant, Bukit Raja, Klang

In the overseas market, the Division is focusing on the HDB Housing Projects in Singapore and looking to expand its presence in Myanmar. The continuation of the Temburong Bridge Project, Brunei will also provide significant contribution to the Division.

Several cost-cutting initiatives were carried out during the financial year to contain the rise in production costs. These included sourcing cheaper alternative raw materials and negotiating for lower prices of imported steel materials from China to counter the impact of the rising USD. As in previous years, the Division will continue to explore ways to reduce its costs to stay ahead of competition.

The Division recognises the fact that good management in Health, Safety and Environment ("HSE") has positive benefits to the organisation. Management remains committed in developing and maintaining a strong HSE system. In FY2016, its Ipoh factory organised '*Towards Zero Accident of Workplace*' campaign to instill HSE awareness amongst the employees and workers with the aim of achieving zero accident. To motivate the staff, rewards were given for every achievement of 500 accident free days.

ICP Piles used at Swiss Garden Hotel, Melaka

To fulfill its environmental, social and governance obligations, the Division had implemented various initiatives such as the concrete reclaiming system in Ulu Choh factory and installation of solar panels at Kapar and Jawi factories. The concrete reclaimer is a method to reclaim concrete waste generated from production activities. The reclaimer separates unused concrete into sand, aggregates and slurry effluent resulting in cost savings and effective management of waste disposal. Meanwhile, the solar panels on roof tops of factories will help to reduce its carbon footprint and save energy cost.

The Division's R&D Laboratory is accredited by Standards Malaysia in scope of testing and calibration and has been assisting the factories and subsidiaries to meet the standard compliance for product certifications. Moving forward, the lab will embark on new aggregate tests, namely aggregate 10% fine and soundness, to support the Division's Breakwater Project in Kuantan Port and extend its services for the ready mixed concrete plant certification.

CEO'S REVIEW OF OPERATIONS (Cont'd)

ICP Piles used at Upgrading works of North Port CT4, Wharf 8, Port Klang

It was a tough year for ICP Jiangmen which recorded a loss before taxation of RM9.10 million. Revenue contracted by 45% to RM18.0 million due to lower deliveries and selling prices. The marine piles market in Guangdong Province contracted in FY2016 due to delays in several projects. Moving forward, more projects are expected to come on stream and the implementation of secured projects will resume.

Durabon Sdn. Bhd. achieved a revenue of RM99.10 million, an increase of 12% from FY2015 with higher sales volume by 17% as compared to FY2015. Despite the higher turnover, PBT was lower by 35% to RM4.50 million. Profit margin was affected by lower selling prices due to competition from imported Chinese PC Bars.

Turnover in the quarry business decreased by 9% to RM114.01 million on lower sales volume which fell 8% from last year. The drop was mainly attributed to the quarries in Junjung and Kuantan which saw sales dipped 22% and 13% respectively on lower demand. In Labu, sales fell 16% on lower production due to the depletion of rock reserves at current quarry face. Meanwhile, its quarries in Ulu Choh, Kulai and Kuang did relatively well registering better volumes in a slowing market. In tandem with the lower turnover and a squeeze in margin from lower selling prices, pre-tax profit contracted 31% to RM21.14 million. Going forward, the division anticipates to achieve better results due to secured contracts to deliver amour rocks to the Breakwater Project at Kuantan Port and column stones and other quarry materials to the WCE project. In addition, the division will commence its sand mining operation in the first quarter of FY2017.

ICP Piles with special shoes for the New Deep Water Terminal, Kuantan Port, Pahang

The strong mixed concrete business remained competitive. Revenue grew slightly to RM87.40 million from prior year on higher volumes supplied but was negated by downward pressure in selling prices in the Ulu Choh plant. PBT fell by 35% to RM2.70 million. Going forward, the division expects to do better with additional 3 new plants: Kuantan for the New Deep Water Terminal, Kuantan Port and Breakwater Projects; Gelang Patah, Johor for the Puteri Cove and Almas Projects and Bukit Rajah for WCE project.

In India, the ready-mix performance of IJMCPPL continued to be challenging with a registered loss of RM3.35 million on turnover of RM68.86 million. The quarry business also did not fare well with a pre-tax loss of RM0.81 million from its two new quarries in Jhansi and Magadi. Going forward, the division expects growth in the construction industry in India, as the government's policy of encouraging investments and forging public-private partnership to overhaul India's Infrastructure industry would be the catalyst.

In Islamabad, Pakistan, the ready-mix plant recorded a 66% increase in turnover on improved business and political environment. Consequently, pre-tax profit jumped 60% to RM1.45 million.

Acropode used for the construction of the breakwater at Kuantan Port

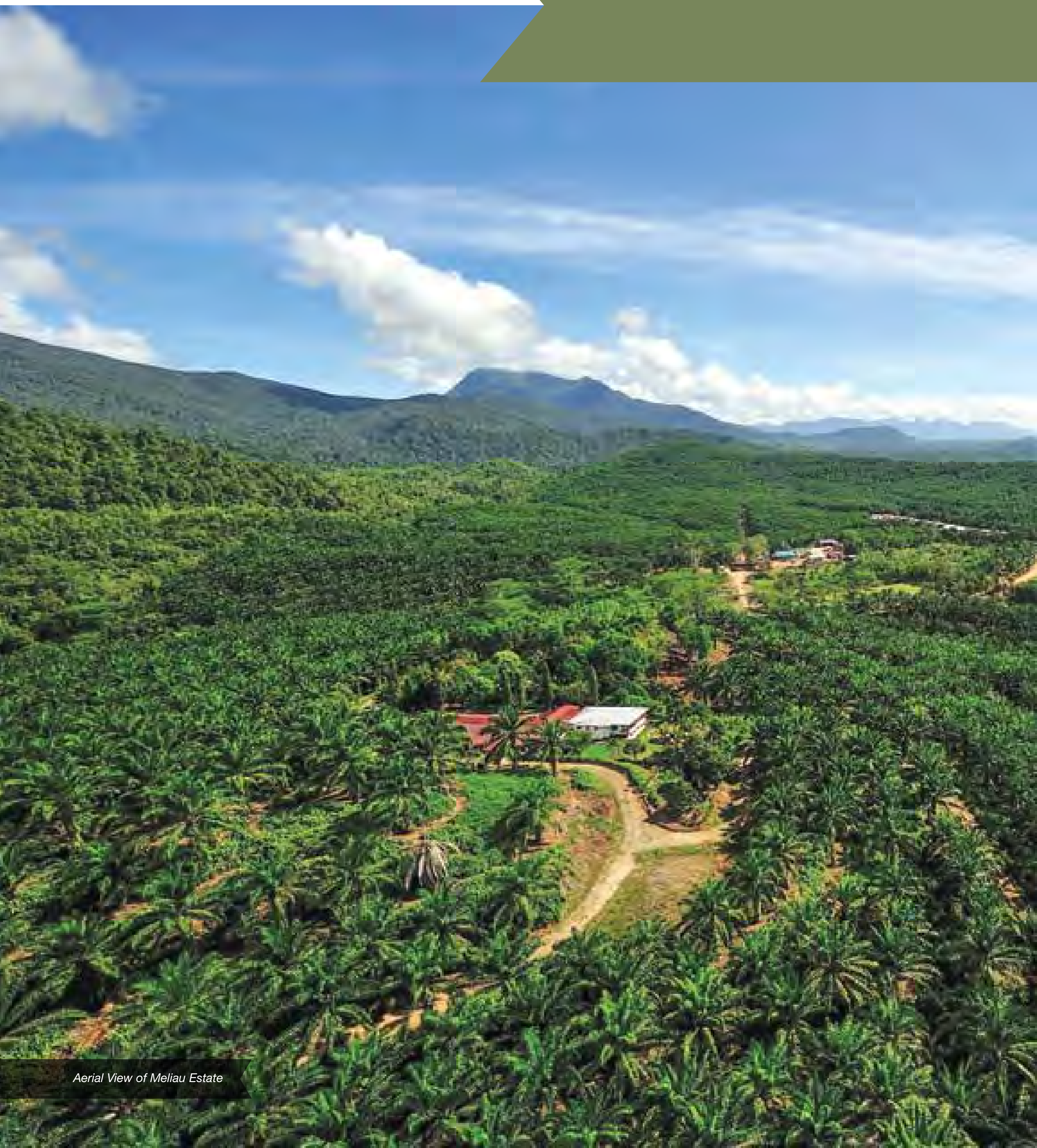
Gebeng Quarry, Kuantan, Pahang

The significant increase in in-house rentals has enabled the scaffolding rental business under Scaffold Master Sdn Bhd to deliver a 51% increase in turnover to RM14.38 million. In tandem, pre-tax profit rose 53% to RM5.72 million. During the year, it has diversified to the rental of heavy duty scaffoldings, the CRAB System to spur the company's growth further.

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 34% to RM19.93 million on lower sales from ready-mixed concrete, R.C. piles and other R.C products. In tandem with lower turnover and the intense competition from existing and new players, pre-tax profit decreased by 63% to RM1.23 million. Business is expected to be challenging with the softening of the property market but could be negated by the commencement of the Pan Borneo Highway.

The operating environment in the domestic and external markets will remain highly challenging. The Malaysian economy is forecasted to expand at the slowest pace in 7 years due to the collapse in oil prices, faltering exports and private investments while consumers and businesses are faced with the weak ringgit and rising costs. On a brighter note, the order book of the piles division remains healthy. This is due to the commencement of the New Deep Water Terminal project at Kuantan Port and with the sand operations at Bestari Jaya, the Industry Division is cautiously optimistic of a better year ahead.

CEO'S REVIEW OF OPERATIONS (Cont'd)



Aerial View of Meliau Estate

PLANTATION

Plantation Management Team


Joseph Tek Choon Yee


Puru Kumaran


P K Venugopal


Madusoodanan


Sandra Segran A/L Kenganathan

FY2016

Revenue

RM557.61 million

FY2016

PBT

RM50.41 million

CEO'S REVIEW OF OPERATIONS (Cont'd)

During the reporting year, the Division navigated through a very challenging business landscape confronted with demanding operating environments. The Division's results reflected a year of uncertainty in the global economic situation, a slowdown of economic growth in China and its contagion effects, bearish commodity prices and volatile foreign exchange rates.

In addition, the effects of a full blown El Nino phenomenon, the continued decline in crude oil prices resulted in the virtual wipe out of discretionary biodiesel demand and a softer palm oil demand from major consumers like China constituted as other bearish factors. On the domestic front, the implementation of GST had also dampened domestic growth. As a result, crude palm oil ("CPO") experienced dramatic price declines and escalated costs of production added pressure on the already reduced profit margins.

Our Plantation Division is a mid-size plantation player with total planted area as at FY2016 of 59,595 hectares (FY2015: 58,900 hectares) of which its Indonesian operations comprised of 34,544 hectares (FY2015: 33,693 hectares). 92% of the Malaysian planted areas are mature whereas in Indonesia, the mature area increased to 73% as compared to 52% in the previous year.

Desa Talisai palm oil mill

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

	Malaysian Operations		Indonesian Operations		Total	
	Hectares	%	Hectares	%	Hectares	%
Mature (> 20 years)	1,771	7%	–	–	1,771	3%
Mature - Prime (8 - 20 years)	19,265	77%	1,049	3%	20,314	34%
Mature - Young (4 - 7 years)	2,028	8%	24,059	70%	26,087	44%
Immature (1 - 3 years)	1,987	8%	9,436	27%	11,423	19%
Total	**25,051**	**100%**	**34,544**	**100%**	**59,595**	**100%**

The average CPO price achieved by the Malaysian operations in FY2016 was RM2,142 per metric tonne ("pmt"), a decline of 6% from the previous year's RM2,289 pmt. In the Indonesian operations, the implementation of a new levy by the Indonesian Government in July 2015 had resulted in a fall in the average CPO price of RM1,899 pmt (FY2015: RM2,140 pmt), a decline of 11%.

Lower crop production had affected sales coupled with lower average selling prices resulting in the drop of the Division's revenue by 16% to RM557.61 million (FY2015: RM667.67 million). Correspondingly, the pre-tax profit declined as a result of all the above factors to RM50.41 million (FY2015: RM89.41 million). Pre-tax profit was also impacted by a fair value loss of RM15.3 million arising from its CPO swap transactions.

By geographical segment, the Division's production of fresh fruit bunches ("FFB") from the Malaysian operations dipped to 480,591 metric tonne ("mt") (FY2015: 589,384 mt) for the year due to the severe dry El Nino weather. The effect was more profound as the dryness started early in February 2015 especially in the Sugut region where two thirds of the planted areas are located. As for Indonesian operations, it achieved a commendable FFB increase of 35% to 367,468 mt (FY2015: 273,071 mt) as more areas attained maturity and young palms moved into prime age. With significant contribution from the Indonesian operations, the Division ended the financial year with 848,059 mt (FY2015: 862,455 mt) of FFB production, representing a slight decrease of 2%.

In terms of crop productivity, the prolonged dry weather had adversely affected its yield. The Malaysian operations recorded 18.8% drop in FFB yield to 20.8 mt per hectare in FY2016 (FY2015: 25.6 mt), whilst Indonesian operations recorded FFB yield of 14.6 mt per hectare (FY2015: 15.6 mt). Total FFB milled by the Division, inclusive of outside fruit purchases, declined by 10% to 994,802 mt (FY2015: 1,105,072 mt). Of this, 310,453 mt (FY2015: 278,818 mt) were from the Indonesian operations.

The Division's four (4) palm oil mills located in Sabah with a total processing capacity of 180 mt of FFB per hour produced 144,875 mt of CPO (FY2015: 172,826 mt) during the year, which was 16% lower compared to previous year. Palm kernel ("PK") production decreased to 34,742 mt (FY2015: 40,504 mt). In terms of palm product extractions, CPO extraction rates improved to achieve an average rate of 21.2% (FY2015: 20.9%) while PK extraction rate also showed an improvement to 5.1% (FY2015: 4.9%). Overall, the total palm products improved to 26.3% (FY2015: 25.8%).

CEO'S REVIEW OF OPERATIONS (Cont'd)

Natural water body in Berakan Maju Estate

The Division's first palm oil mill in East Kalimantan, in its fourth year of operation, continues to produce 74,629 mt of CPO (FY2015: 64,822 mt) and 12,740 mt of PK (FY2015: 11,054 mt). Average CPO and PK extraction rates achieved were 24.0% (FY2015: 23.2%) and 4.1% (FY2015: 4.0%) respectively. Overall, total palm products improved to 28.1% (FY2015: 27.2%).

The Division's kernel crushing plant in Sabah crushed 35,311 mt (FY2015: 36,366 mt) of PK, producing 16,272 mt (FY2015: 16,413 mt) of CPKO and 17,455 mt (FY2015: 18,333 mt) of palm kernel expellers ("PKE"). The average extraction rate for CPKO was 46.1% (FY2015: 45.1%) and for PKE was 49.4% (FY2015: 50.4%). Whereas, its first kernel crushing plant in East Kalimantan which entered into its third year of operation crushed 12,740 mt of PK (FY2015: 10,960 mt) to produce 5,311 mt of CPKO and 6,724 mt of PKE.

Total contribution to the Sabah state sales tax, windfall profit levy to the Federal Government and statutory payment of cess to the Malaysian Palm Oil Board ("MPOB") amounted to RM25.35 million (FY2015: RM32.41 million). The decrease was mainly due to the decline in commodity prices and sales volume compared to the previous year.

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

Pre-nursery using pot trays

The Division's research centres in Sandakan and Sugut are testimony that a mid-size organisation places importance on research and development. The Division's on-going oil palm breeding, selection and progeny testing programme will enable it to improve the planting materials and yields. The seed production unit, accredited with SIRIM's MS157:2005 certification, is able to produce over 1.5 million DxP seeds per annum derived from Deli Dura and AVROS pedigree. The Division partakes in research collaborations with the International Plant Nutrition Institute (IPNI) on best management practices, and with ACGT Sdn Bhd and Genting Green Tech Sdn Bhd on oil palm biotechnology involving high yielding biomarkers.

The Division has a pragmatic replanting policy to achieve the desired age profile. All replanting programmes are carried out in accordance with environmental friendly 'zero burning policy' where old palm stands are felled, chipped and left to decompose on site.

The Division values the importance of human capital development to ensure sustainable growth and higher productivity. As such, the Division carried out various incentive schemes to attract and retain skilled workers. Occupational safety and health, training and retraining covering formal and on-the-job continued to be pursued while initiatives to upgrade living quarters complete with amenities including utilities, medical care, crèche, education centres, recreational and sports facilities are carried out in phases.

Nurturing sustainability with social environmental stewardship remains an integral part of the Division. These include implementing various social initiatives with its surrounding communities such as education for the children of guest workers and improving infrastructure. The Division is involved in collaborations with numerous NGOs and governmental bodies such Borneo Child Aid (education), Sabah Rugby Union and Education Department (sports-rugby), Kinabalu Pink Ribbon (breast health awareness) and many others.

The Division has also set-aside parts of its land bank for conservation, biodiversity enhancement, research and education while actively engaging relevant stakeholders through various platforms and activities. At the same time, the Division continued its best management practices such as soil and water conservation, utilisation of by-products and integrated pest management.

In the Malaysian operations, the Division's total supply chain involving nurseries, estates, mills and kernel crushing plants were re-certified under the MPOB Code of Practices for quality, food safety and sustainability. Desa Talisai palm oil mill and its supplying internal estates were also re-certified under the International Sustainability & Carbon Certification ("ISCC") and the Malaysian Sustainable Palm Oil ("MSPO") certification. Premiums were received in selling ISCC palm oil. All ISCC certification covers both ISCC-EU and ISCC-Plus certificates, for biodiesel and food respectively. In Indonesia, working requirements continued towards the implementation of the mandatory Indonesian ISPO certification and ongoing sustainability initiatives.


"superb disclosure" & "great management, with vision and consistency"
– ASIAMONEY September 2015

As testimony to its commitment to corporate governance, IJM Plantations Berhad was ranked among the top 10 companies by the Minority Shareholder Watchdog Group in December 2015 under the MSWG-ASEAN Corporate Governance Transparency Index-The Malaysian Chapter. In addition, the company was also named Malaysia's Best Managed Company 2015-Small Cap by Asiamoney in September 2015.

The Division is anticipating higher crop production growth in the coming year from the Indonesian operations as more planted areas attain maturity and additional young palms move into prime age. Barring any unexpected adverse volatility in CPO prices and foreign exchange rates, the Division expects to achieve a satisfactory performance for the coming financial year.


Aerial View of Rakanan Jaya North Estate

CEO'S REVIEW OF OPERATIONS (Cont'd)

Plaza Toll Mines Utara, Besraya

INFRASTRUCTURE

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

FY2016

Revenue

RM1,295.01 million

FY2016

PBT

RM555.77 million

Port Management Team

Dato' Haji Khasbullah Bin A Kadir | Dato' Azahari Bin Muhammad Yusof

Selvarajah Nallapan | Ahmad Kamil Bin Shaharudin | Mazlim Husin

CEO'S REVIEW OF OPERATIONS (Cont'd)

The Infrastructure Division recorded an improved turnover by 26% to RM1,295.01 million (FY2015: RM1,031.41 million) mainly due to continued traffic growth in the Malaysian toll road concessions as well as higher cargo revenue recorded by the port concession.

Pre-tax profits increased thirteen-fold to RM555.77 million (FY2015: RM42.28 million) boosted by 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 as well as increased profits from the toll road and port concessions.

The Division's total infrastructure assets comprised of eight toll road concessions (with four in Malaysia, three 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 concessionaires in Malaysia continued to contribute growing recurring revenue streams and improved profit performance in FY2016. These concessionaires namely the wholly-owned 28.9 Km Besraya Highway ("Besraya"), 19.6 Km New Pantai Highway ("NPE") and 50%-owned 44.3 Km Kajang Seremban Highway ("LEKAS") holding concession periods of 44, 34 and 33 years respectively and have been operating for 17, 12 and 7 years respectively.

Aerial view of LEKAS

During the financial year, Besraya recorded a higher turnover of RM116.72 million which has increased by 12% from prior year boosted by double digit traffic growth at Loke Yew Toll Plaza which commenced operations on 15 April 2014. Correspondingly pre-tax profit doubled to RM21.13 million, mainly driven by sturdy traffic growth. With the new extended alignment, Besraya provides an effective and shorter connection between the eastern and western regions of Kuala Lumpur and the South. The highway also connects Kuala Lumpur City Centre to the densely populated southern regions of Klang Valley and economic development areas in Putrajaya, Cyberjaya, Seri Kembangan, Balakong and Sungai Long, which is expected to spur long-term traffic growth.

In FY2016, NPE posted a higher performance with pre-tax profit increased by 49% to RM100.36 million due to higher turnover, lower finance cost and leaner operating costs. The turnover increased by 17% to RM171.22 million from last year due to the scheduled toll rate hike on 1 January 2015. Rapid developments along NPE's vicinity such as Pantai Sentral Park, Bangsar South, KL Eco City and 9 Seputeh are expected to stimulate steady traffic growth to NPE in the long-term.

LEKAS charted a slight decline of 3% on turnover to RM36.19 million in FY2016, mainly affected by a toll rate hike of 20% in October 2015. As a result, the gap between LEKAS's toll rates and other competing highways have widened due to the disparity between long-haul travelling charges on North South Expressway and LEKAS, hindering price-sensitive commuters from using LEKAS. Hence, LEKAS recorded a lower pre-tax loss of RM28.97 million in FY2016 (FY2015: RM33.46 million) mainly due to weaker traffic performance and escalating operating costs. The newly opened LEKAS-Ecohill Link, the upcoming new interchange (Eco Majestic interchange expected to open in the third quarter of 2016) and the gradual maturing of developments along LEKAS's alignment will improve connectivity to the expressway and traffic growth.

In FY2016, the operating costs for the local highways were inflated marginally after GST implementation on 1 April 2015 as toll fares are classified as 'exempt supply'. The Division is committed to cost effective measures to contain rising operating costs by implementing the Light Emitting Diode ("LED") street-lights to reduce energy consumption and maintenance costs. 1 February 2016 marked the official date of the successful installation of LED street-lighting for the entire stretch of LEKAS, offering comfortable and safe passage to motorists as well as attracting more night travellers.

The replacement from the existing conventional High Pressure Sodium Vapor (HPSV) fittings to LED-based fittings in NPE is completed, whereas the installations are in progress for Besraya and LEKAS which are targeted to be completed by end of 2016. The Division also constantly monitors and initiates traffic management scheme to improve traffic flow along the highways especially during traffic peak hours.

On 15 October 2015, the toll rates for our three Malaysian highways were revised in accordance with the concession agreements. Post the hike, traffic growth along these highways declined but are expected to normalise eventually. The implementation of a fully automated Electronic Toll Collection (ETC) system in the highways are in line with the Government's initiative, where NPE was fully automised on 13 January 2016, LEKAS on 2 March 2016 and Besraya on 1 June 2016. This positive move is expected to improve efficiency in toll plaza management thereby reducing traffic congestions at the toll plazas.

CEO'S REVIEW OF OPERATIONS (Cont'd)

Traffic control tower at NPE

Moving forward, the local toll division will continue to face external challenges in the form of toll-free alternative routes, toll rate disparities between competing highways, improvement in road networks and the public transportation system, which may affect its traffic performance. Despite the above, the Division's outlook remains positive in view of steady traffic growth and profit contributions from its toll roads.

IJM via its investments in Kumpulan Europlus Berhad and West Coast Expressway Sdn Bhd ("WCESB") has a 40% effective interest in the 233 Km West Coast Expressway project connecting Banting to Taiping. The project was awarded to WCESB with a 50-year concession and is currently under construction.

In India, the Division's operating toll roads during FY2016 comprised of wholly-owned Rewa Tollway (387 Km) and wholly-owned Swarna Tollway (145 Km) that have been operating for twelve years with improved traffic counts. The newer tollways are the 89.8%-owned Chilkaluripet-Vijayawada Tollway (79 Km), fully-owned Jaipur-Mahua Tollway (108 Km) and 13.26%-owned Trichy Tollway (93 Km). The Indian tollways hold concession periods ranging from 16 to 31 years.

Toll plaza at Swarna Tollway

By end of FY2016, the Division monetised a couple of its Indian tollways for a total gain of RM307.48 million. It disposed a 74% stake in Jaipur-Mahua Tollway for a gain of RM168.67 million in May 2015 and disposed a 70% stake in Swarna Tollway for a gain of RM133.28 million in October 2015. In November 2015, the Division disposed the remaining 13.26% stake held in Trichy Tollway for a small gain of RM5.53 million as it had earlier recognised the fair value gain on remeasurement of the balance stake during the initial disposal of 35.6% stake in Trichy Tollway two years ago. Subsequent to the financial year end, the Division had increased its stake in Chilkaluripet-Vijayawada Tollway from 89.8% to 99.9% equity interest in May 2016 and disposed its balance stake of 26% in Jaipur-Mahua Tollway in June 2016.

During FY2016, the Indian tollways contributed lower revenues by 11% to RM199.88 million (FY2015: RM225.25 million) mainly due to part divestment of Jaipur-Mahua and Swarna Tollways. The Indian tollways pre-tax profit more than doubled to RM37.94 million (FY2015: RM15.17 million) mainly due to improved earnings contributed by Swarna Tollways despite its divestment in October 2015.

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 22% to RM65.24 million while the Group's share of profit increased by 136% to RM6.35 million in FY2016 mainly due to increased toll rates since January 2015 and financial income earned from deposits in financial institutions. The concession agreement renegotiations are ongoing with the newly elected centre-right government.

PORT

The Division's port concession contributed positively to the Group's bottom-line. During the financial year, Kuantan Port achieved a notable performance with improved pre-tax profit by 78% to RM250.57 million (FY2015: RM140.89 million). The turnover increased by 71% to RM525.98 million (FY2015: RM306.87 million). Cargo throughput recorded was 38.8 million (FY2015: 23.0 million) freight weight tonnes, an increase of 68% from previous year, contributed mainly by the increase in bauxite exports.

The bauxite mining activities are expected to be more regulated since the moratorium period began in January 2016. Therefore, the bauxite export performance is expected to decrease in the forthcoming FY2017. The moratorium period was effective from 15 January 2016 to 14 September 2016 as directed by the Ministry of Natural Resources and Environment.

With the development of the New Deep Water Terminal Project ("NDWT"), Kuantan Port plans to provide a more efficient and cleaner handling method for bulk cargoes such as a conveyor belt system connecting NDWT to the Alliance Steel mill currently under construction in the Malaysia-China Kuantan Industrial Park ("MCKIP"). There will also be a dedicated equipment at the wharf (ship loaders) to handle the bulk cargoes.

Pipes loading onto a barge at Kuantan Port

CEO'S REVIEW OF OPERATIONS (Cont'd)


Western Access Tollway, Argentina

The new steel mill plant in MCKIP is expected to spur more ship traffic and cargo throughput at Kuantan Port. Our partner, Guangxi Beibu will play a pivotal role in linking the shipping network and cargo movements between China and South East Asia which forms the 'One Belt, One Road' part of the New Maritime Silk Route advocated by the Chinese Government.

MCKIP's strategic location within the ECER Special Economic Zone in Kuantan Port City is close to Qinzhou port and other ports in Eastern China and the location of our Kuantan Port is only 5 sailing days from Qinzhou Port. The Division believes this will further enhance business opportunities and foreign direct investments for Chinese investors in MCKIP.

In June 2016, Kuantan Port was designated as a Free Port Zone which is expected to auger well for Kuantan Port and compliment the port's current position as a trade and logistics hub for the region as well as benefiting the NDWT and industrial park projects.

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. The power plant contributed a higher turnover of RM8.80 million (FY2015: RM1.84 million) mainly from the sale of electricity upon request from the local power authorities to meet the peak summer demand. It recorded a loss of RM27.50 million (FY2015: RM23.40 million) partly due to increased finance costs and exchange translation differences during the financial year. The plant continues to be short of gas supply. Once the gas supply is stabilised, the investment is expected to contribute regular income streams to the Group until the year 2023.

WATER TREATMENT PLANT

The Group's 36%-owned associate, Binh An Water Corporation Ltd in Vietnam contributed a consistent net profit of RM4.63 million (FY2015: RM3.60 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 stake in Scomi Group Berhad ("Scomi") has contributed improved revenue of RM149.48 million (FY2015: RM136.66 million) and pre-tax profit of RM4.86 million (FY2015: RM1.72 million) during the financial year. 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. In February 2016, the Group's stake in Scomi was increased from 7.66% to 24.59% equity interest due to the conversion of matured bonds held by IJM in Scomi.

CONCLUSION

The outlook of the Construction Division in the coming financial year is expected to be satisfactory supported by its strong order book position underpinned by strong private sector demand and substantial ongoing development activities within the Group as well as the Malaysian Government's continued emphasis on infrastructure spending. Consequently, our Industry Division is poised to benefit from the sizeable construction order book and continued infrastructure spending with the expected increase in demand for building materials next year.

The property market will remain challenging as weak consumer sentiments persist due to weaker economic prospects, volatility of the Malaysian Ringgit, continued stringent loan approval policy and incoming supply of competing completed properties. Nonetheless, with its unbilled sales of about RM1.7 billion, the performance of the Group's Property Division is expected to be satisfactory next year.

Notwithstanding the higher crop production from increasing young mature areas in Indonesia, the effect of the El Nino weather phenomenon has adversely impacted the overall crop production of the Group's Plantation Division. Although commodity prices have moved upward in anticipation of a tight supply, the Indonesian palm oil export levy and tax of USD53 per metric tonne as well as the volatility of the foreign exchange rates, the Plantation Division expects a challenging forthcoming financial year.

The Group's toll, port and water operations concessions are expected to provide recurrent revenue streams thereby further enhancing the bottom line of the Group's Infrastructure Division.

Increasing volatility in the global capital markets and the resultant uncertainties due to foreign exchange fluctuations may continue to impact the Group's results. However, barring any unforeseen circumstances, the Group expects to achieve a satisfactory performance for the coming financial year.

Given the above circumstances and prospects, the Group will continue to remain vigilant and agile in the execution of its projects and business activities. With the BOS firmly in place as the catalyst to drive growth, the Group will move on to the next stage of implementation, with the aim of achieving sustainable performance and value for all of its 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.

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, five (5) are Independent Non-Executive Directors. 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 38 to 46.

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 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 reviews the capital budgets and regularly monitors their progress 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 Environmental, Social and Governance (ESG) aspects.

b) Overseeing the conduct of the Group's business

- the Board devotes sufficient time 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 Balance 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 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) Overseeing the development and implementation of a shareholder communications policy for the Company, including an investor relations programme.

f) Reviewing the adequacy and integrity of the Management information and internal controls system of the Company.

During the financial year, the Board reviewed the development of the 5-year strategic plan of the Group. The main objectives of developing the strategic plan are to produce sustainable and commercially driven action plans and promote strategic vision.

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.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

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 Independent Non-Executive Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board. The Independent Non-Executive Chairman did not previously hold the position of CEO&MD in the Group.

The CEO&MD has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The CEO&MD is responsible to ensure due execution of strategic goals, effective operations within the Group, and to explain, clarify and inform the Board on key matters pertaining to the Group.

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 Marketing 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 Board was satisfied with the level of independence demonstrated by 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 and retain 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 pair 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. The Board has vide the NRC reviewed and assessed the performance and independence of Tan Sri Abdul Halim and was of the opinion that his length of service on the Board does not in any way interfere with his exercise of impartial and independent judgement. Tan Sri Abdul Halim continues exercising strong independent judgement, in expressing his views and deliberating issues objectively, 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. Moreover, the insight and knowledge of the Group's various core business operations acquired by Tan Sri Abdul Halim during his tenure of office would continue to enable him to discharge the duties and role as an Independent Director effectively. The NRC and the Board appreciate the benefits of 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, he will be able to serve the interest of the Company and its shareholders. As such, the NRC and the Board would like to recommend and retain Tan Sri Abdul Halim as an Independent Director and Chairman of the Company. The Board will seek the approval of the shareholders at the forthcoming Annual General Meeting ("AGM") for Tan Sri Abdul Halim to continue as an Independent Director and Chairman of the Company.

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. A woman Director will be appointed to the Board as soon as a suitable candidate is identified.

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 *(appointed on 20 June 2016)*					✓				✓			✓		

** a British national*

CORPORATE GOVERNANCE STATEMENT (Cont'd)

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 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 *(Appointed on 6 April 2015)*	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%
Non-Executive Directors		
Tan Sri Dato' Tan Boon Seng @ Krishnan	4/4	100%
Dato' David Frederick Wilson	4/4	100%

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. The Chairman shall also notify the Board if he has any new directorship or significant commitments outside the Company. All Directors hold not more than five (5) directorships each in public listed companies.

9. Access to Information

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 seven (7) 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.

All Directors have access to the advice and services of an experienced and competent Company Secretary especially relating to procedural and regulatory requirements. The profile of the Company Secretary is provided on page 47. The Company Secretary always supports the Board in ensuring adherence to Board policies and procedures. The Directors may seek independent advice, where necessary, at the expense of the Company, so as to ensure that they are able to make independent and informed decisions.

10. 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** *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:

Executive Committee	Number of Meetings Attended	Percentage
Dato' Soam Heng Choon	11/11	100%
Lee Chun Fai *(appointed on 6 April 2015)*	11/11	100%

CORPORATE GOVERNANCE STATEMENT (Cont'd)

(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 and Secretary on pages 38 to 47. The details of meetings and activities of the Audit Committee are set out on pages 132 to 136 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 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) revision of the terms of reference of the NRC;

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

(iii) review of a key appointment in the Group;

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

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

(vi) review of the service contracts of an advisor and senior management staff;

(vii) review of the proposal for the extension of the Employee Share Option Scheme ("ESOS") for another five (5) years period;

(viii) revision of the terms of reference of the NRC;

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

(x) revision of the allocation under the ESOS and ESGP to the eligible Group employees following the implementation of the 1:1 Bonus Issue in September 2015;

(xi) assessment and evaluation of the effectiveness of the Board and 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 evaluation.

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) approval of the allotment of shares pursuant to the exercise of options under the ESOS of the Long Term Incentive Plan ("LTIP");

(ii) approval of the allotment of shares for the 1:1 Bonus Issue;

(iii) review and approval of the adjustment to options prices and number of options under the ESOS and number of shares under the ESGP of the LTIP arising from the 1:1 Bonus Issue;

(iv) review and approval of the award and vesting of shares under the ESGP for the eligible Group Employees; and

(v) review and approval of the award and vesting of options to the eligible Group Employees under the ESOS.

11. Board and Board Committee Evaluation

The Board undertook a formal and rigorous annual evaluation for the financial year ended 31 March 2016 via an e-Evaluation System of its own performance, the Board as a whole and that of the Individual Directors. 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"). There were no major concerns from the results of the Assessments. The NRC was satisfied with the performance and effectiveness of the Board.

The assessment of the Board by an individual director is 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. For Self & Peer Assessments, the assessment criteria included contributions to interaction, roles and duties, knowledge and integrity, governance and independence and risk management. The criteria for assessing the independence of an Independent Director include 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 include 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:

Company Secretary advises Director to perform the assessment and evaluation

Director completes and submits the Board assessment and evaluation forms

Company Secretary extracts evaluation reports from the e-Evaluation System

Company Secretary presents the post evaluation reports to the NRC

NRC reviews the post evaluation reports and identifies areas of weaknesses

NRC presents the post evaluation reports to the Board and reports areas of weaknesses, if any

Board reviews the post evaluation reports and recommendations by NRC for improvement, if any

Board receives the post evaluation reports and agrees on action plans for improving areas of weaknesses, if any

12. 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.

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

NRC reviews annual Board assessments & evaluations

NRC determines skills matrix

Source for the candidate

NRC evaluates and matches the criteria of the candidate, and will consider diversity, including gender, where appropriate

NRC recommends to the Board for appointment

Board approves the appointment of the candidate

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.

13. 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. Pursuant to Section 129 of the Companies Act, 1965, a Director who is over 70 years of age may be re-appointed as a Director to hold office until the next AGM.

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 11 of this Statement.

14. 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 new 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.

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, achievement of the goals and/or quantified organisational targets as well as KPI set at the beginning of each year. The strategic initiatives or KPI set for the CEO&MD for the financial year ending 31 March 2016 encompass the four (4) main areas of consideration, namely, Commercial, Stakeholders, Efficiency and Infrastructure.

In the case of Non-Executive Directors, the level of remuneration reflects the contribution and level of responsibilities undertaken by the particular Non-Executive Director.

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 (including "portable" critical illness insurance) 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.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

The Group also 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 the ESOS and ESGP. 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 2016.

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	1,788	–	3,113	677	97	5,675
Non-Executive Directors	600	928	963	–	95	2,586*
Total	2,388	928	4,076	677	192	**8,261**

** Included all 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	–	125	11	–	–	136
Non-Executive Directors	–	255	16	–	–	271
Total	–	380	27	–	–	**407**

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	3,735	136 #
Lee Chun Fai *(Appointed on 6 April 2015)*	1,940	–
Non-Executive Directors		
Tan Sri Dato' Tan Boon Seng @ Krishnan	1,621	105 #@
Tan Sri Abdul Halim bin Ali	298	–
Datuk Lee Teck Yuen	132	20 @
Datuk Ir. Hamzah bin Hasan	198	–
Pushpanathan a/l S A Kanagarayar	224	146 #
Dato' David Frederick Wilson	113	–
Total	**8,261**	**407**

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

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

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

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 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.

The Group also conducts regular dialogues with financial analysts. 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.

A press conference is normally held after each AGM and/or Extraordinary General Meeting ("EGM") 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.

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.

2. General Meetings

The AGM is the principal forum for dialogue with shareholders. The notices of meeting and the annual reports are sent out to shareholders at least 21 days before the date of the meeting in accordance with the Company's Articles of Association.

All Directors had attended the AGM and EGM held during the financial year. At the AGM, a presentation was given by the CEO&MD to explain the Group's strategy, performance and major developments to shareholders, including the responses to questions raised by the Minority Shareholder Watchdog Group ("MSWG") in relation to the strategy and financial performance of the Group and corporate governance issues, 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.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

Senior management sharing information during the Senior Management Forum

Dato' Soam presenting during the Analyst Briefing held at Wisma IJM

The Board had put all the resolutions to vote by poll at the general meetings held during the financial year. All shareholders were briefed on the voting procedures by the independent scrutineer prior to the poll voting at the general meetings.

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.

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 Chairman's Statement on page 78. 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 investing 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 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, integrity of the processes and controls in place.

2. Directors' Responsibility Statement

The Directors are required by the Companies Act, 1965 ("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 137 to 143.

4. Relationship with the Auditors

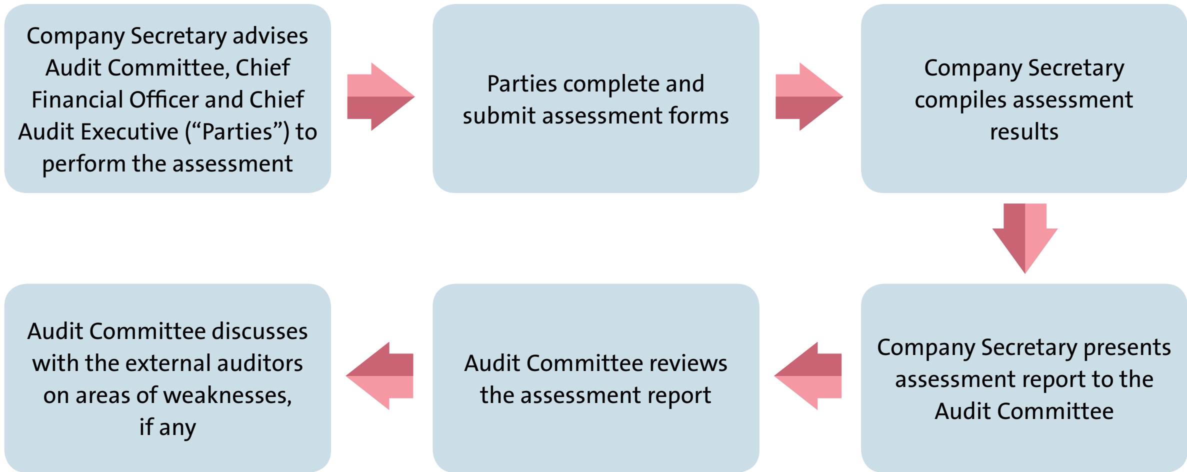
Through the Audit Committee, the Board has a direct relationship with the external auditors. The role of the Audit Committee in relation to the external auditors is set out on pages 132 to 136. The external auditors were invited and had attended all the Audit Committee meetings and general meetings of 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.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

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 of the Company and its subsidiaries.

The details of audit and non-audit fees for the financial year ended 31 March 2016 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 [53] to the Financial Statements.

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 interest of the Company.

E. CORPORATE RESPONSIBILITY AND SUSTAINABILITY

The Board places great importance on Corporate Responsibility ("CR") and business sustainability and embraces CR as an integral part of the Group's business philosophy and corporate culture.

The Quality Report, Health, Safety and Environment Report and CR Statement, which provide an overview of the CR framework and sustainability practices and activities, are set out on pages 144 to 217. The CR activities of the Group are available for reference at www.ijm.com under the CR section.

F. CODES AND POLICIES

1. 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.

Shareholders participating during Q&A session at the EGM

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 matter that may influence their judgement 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.

2. 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 and associates of the Group.

3. 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 ("the CDP") of the Group has set out the policies and procedures for disclosure of material information of the Group. The CDP is applicable to all employees (including full time, probationary, contract and temporary staff) and Directors of the Group.

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

4. 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. As enshrined in IJM's core values, *Respect for Diversity*, the Diversity and Inclusion Policy ("the DIP") has been formulated in February 2015 and is applicable to all the employees and Directors of the Group.

The details of the DIP 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 13 July 2016.

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

Four (4) 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 relevant members of the 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 to the Board.

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

	No. of meetings attended
Pushpanathan a/l S A Kanagarayar, *Independent Non-Executive Director (Chairman)*	4/4
Tan Sri Abdul Halim bin Ali, *Independent Non-Executive Director*	4/4
Datuk Ir. Hamzah bin Hasan, *Independent Non-Executive Director*	4/4

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 2016. 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;
- 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, before proposing that those control weaknesses be rectified and recommendations for improvements be implemented;
- Reviewed significant whistle-blowing cases; 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 had been disclosed by the Company to the employees of the Group.

AUDIT COMMITTEE REPORT (Cont'd)

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 the 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;
- Reviewed and approved the provision of non-audit services by external auditors that were agreed to prior to their commencement of such 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 2016 were as follows:

Fee incurred	Audit Fee (RM'000)	Non-Audit Fee (RM'000)
The Company	436	62
The Group	4,098	743

  The non-audit services rendered included tax compliance and advisory services, review of transfer pricing documentation, and accounting software (RAMCO System).

- 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 interest 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, sufficiency 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 is satisfied with the performance and the audit independence of the external auditors. Accordingly, it was recommended to the Board to re-appoint PricewaterhouseCoopers as auditors of the Company as well as the proposed audit fee for approval. A resolution for their re-appointment will be tabled for approval at the forthcoming Annual General Meeting.

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, 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") that 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 had 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 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 during the year to undertake its duties.

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 IAD is governed by the Internal Audit Charter and it 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 defense 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 controls framework which enable risks to be assessed and managed;
- Assess and report on the effectiveness of management actions to address deficiencies in the controls framework;
- Investigate and report on cases of suspected employee fraud and malpractice, if any; and
- Undertake designated advisory services for management provided that they do not threaten the function's actual or perceived independence from management.

The Internal Audit Plan for 2015-2016 was reviewed and approved by the Audit Committee in February 2015. Planned reviews reflected the priorities in the Group's 2015-2016 Operational Plan and were prioritised following a risk-based assessment of the business and a review of the Group's risk policies. The reviews carried out covered an extensive sample of controls over all risk types, business units and entities.

The IAD adopts a risk based auditing approach, prioritizing 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.

AUDIT COMMITTEE REPORT (Cont'd)

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 response 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 by 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.

A range of initiatives are being developed, in particular the proposal for the procurement of audit management and data analytics software, to increase the efficiency and effectiveness of the function's audit management process and data analytics capabilities. This proposal was presented to and approved by the Audit Committee, for implementation in the financial year ending 31 March 2017.

The total cost incurred in managing the IAD for the financial year under review was approximately RM4.8 million (FY2015: RM3.2 million).

A summary of internal audit cost distribution is as follows:

Cost category	% of total cost
Manpower	82%
Training	3%
Travelling (inclusive of accommodation)	10%
Overheads	5%

INTERNAL AUDIT ACTIVITIES FOR THE FINANCIAL YEAR

During the financial year, the IAD had completed and reported eighty-five (85) audit assignments covering the construction, property, industry, infrastructure and plantation divisions, as well as the overseas operations of the Group and functional audits of Group Support Services. The assignments included special audits requested by the Board, Audit Committee or Senior Management, and those which arose from reports pursuant to the Group's Whistle-Blowing Policy.

The IAD, during the financial year, provided internal audit services to IJM Plantations Berhad. 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.

Currently, the IAD comprises twenty-three (23) auditors with approximately 44,000 available man-hours per annum.

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 13 July 2016.

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 Listing Requirements of 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.

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 risk 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.

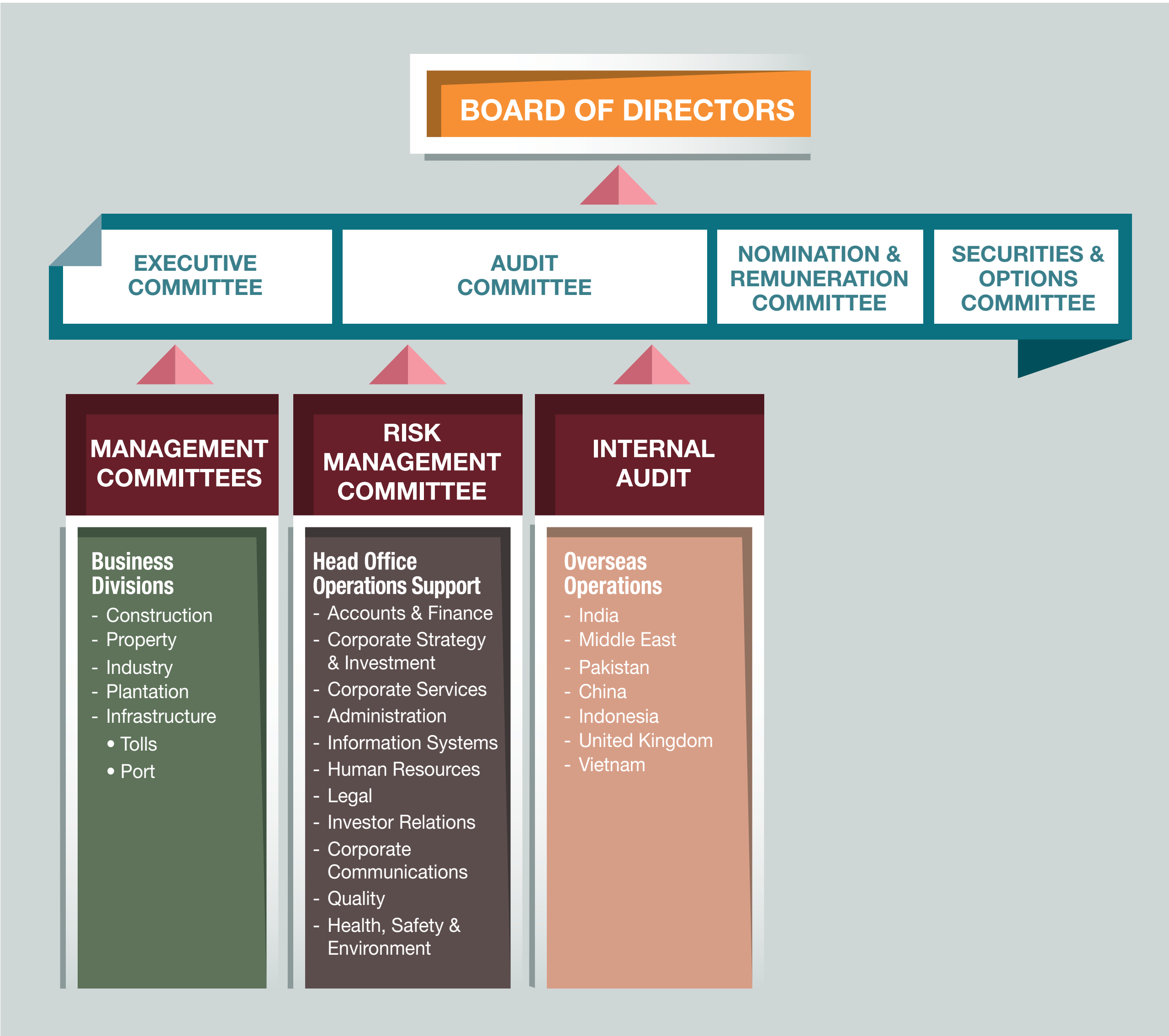
KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

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 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 and perform regular reviews on the Group's risk management processes. 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.

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

- 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.

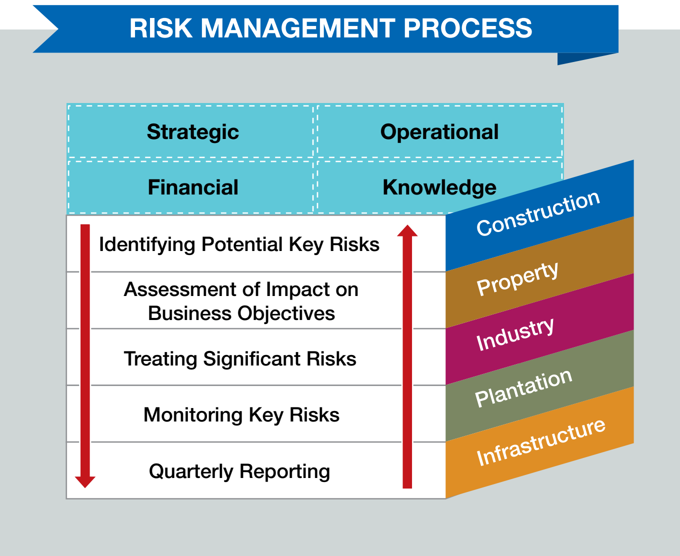


Key Elements of the Risk Management and Internal Controls

- 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 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.



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, 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 necessary changes are made to the existing risks.

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

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

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 2016 is outlined below:

Significant Risks for the financial year 2016	
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. The Industry Division's quarrying performance declined this year due to poor demand and erosion in selling prices while the Property Division's property sales slowed down due to the subdued market sentiments, saturated market and 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 BOT projects;
- Exploring various business and geographical diversifications;
- Regularly reviewing the business plans against performances to address any gaps or 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 down 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 the identified 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 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;
- Cross currency swap contracts; 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 included the following:

- Goods and Services Tax;
- Bursa Malaysia's new listing rules on corporate governance and sustainability; and
- Companies Bill 2015.

The Group manages these regulatory risks with the following measures:

- Be updated with the new requirements by attending seminars, conferences and training programmes organised by specialists such as Bursa Malaysia, PricewaterhouseCoopers, Wong & Partners, etc.;
- Implementing appropriate policies, procedures, guidelines, self-audit process 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 this year. 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 relationship 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 to be 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 generation; 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.

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

Plantation Division faces volatile crude palm oil prices

Scaffolding On-Job-Training

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;
- Employs 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; and
- Reviewing the remuneration benefits of workers from time to time to stay competitive.

To mitigate the risk of inadequate skilled workforce elsewhere, the Group implemented various remuneration schemes to attract and retain them 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 schedule of benefits for Group hospitalisation and surgical plans.

Adverse weather risk

During the financial year, the Plantation Division's crop productivity was affected by the El Nino weather phenomenon which caused palm biological stress and affected yields and profitability. The Division's fresh fruit bunches ("FFB") production from the Malaysian operations dipped by 18% to 480,591 metric tonne due to the severe dry weather. As a result, the Malaysian operations recorded an 18.8% drop in FFB yield to 20.8 tonnes per hectare in FY2016.

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;
- 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.

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 and of public concern.

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.

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 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 Bursa Malaysia Securities Berhad Main Market Listing Requirements, 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) issued by the Malaysian Institute of Accountants. RPG 5 (Revised) 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. There have been no material losses, contingencies or uncertainties arising 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 13 July 2016.

QUALITY REPORT

Our motto of "Excellence Through Quality" aptly describes our uncompromising adherence to quality standards and pursuit for continuous improvements. IJM's quality system is defined by its organisational objectives, policies, processes and the infrastructure setting towards a total quality management approach in tandem with its vision, mission and core values.

We relate quality with customer satisfaction and continuous improvements. We believe that focusing on customer satisfaction and adherence to continuous improvements and quality standards are important aspects in order to remain competitive in today's market place.

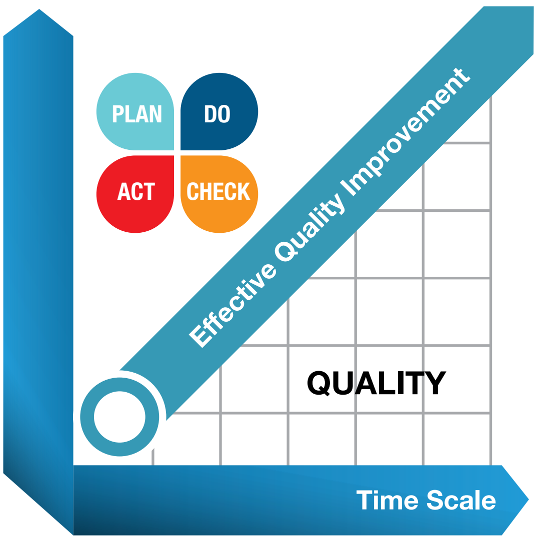
One of the key elements of the Group's internal control system is that all departments and/or operating units must have clearly documented standard policies and procedures which are subject to regular reviews and improvements.

Quality is a continuous process of building and sustaining relationships by assessing, anticipating and fulfilling stated and implied needs. It forms the platform for efficient management and operation across different departments, units, divisions and invigorates improvements needed in parallel to advancement in technology and processes.

QUALITY POLICY STATEMENT

In line with IJM's quality philosophy, the Group believes that process excellence is the foundation to our operational pillars. Quality is our hallmark thus we work together to:

- Ensure projects implemented and services provided meet customers' satisfaction;
- Continuously enhance our skills, processes and quality management system;
- Be trusted by our stakeholders for our dedication, professional conduct and integrity;
- Ensure adherence to applicable legal requirements; and
- Strive to be the industry reference.



COMMITMENT & CULTURE

A quality mindset is one of the criteria for achieving success in this fast growing business environment. All IJMers has a shared destiny to deliver on our promise, '*We Deliver*' - product and service excellence continually, relentlessly rising to exceed expectations, forming the basis of our business accomplishments.

IJM's commitment towards quality is mirrored by the involvement of senior management in quality management committees and management review meetings.

The Group places emphasis on developing a quality conscious culture in regards to the processes and systems at every level of operations to increase the employees' awareness of their responsibilities and commitment towards quality excellence.

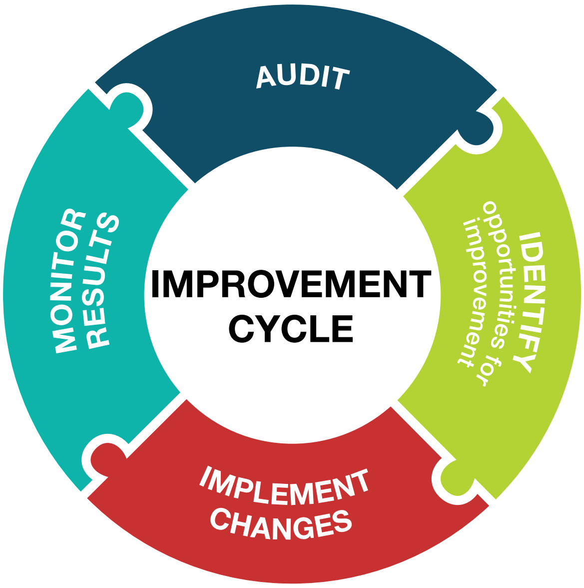
We seek to ensure zero defects and conformance to quality requirements. This is the focal point of continuous improvement.

CONTROL & MONITORING

Quality control is a process or practise that is used to gauge quality attainment in a product or service. It is our culture that thorough examination and testing are performed on product quality to ensure it meets specific requirements.

The Group is committed towards meeting customers' needs and delivering quality products and services, and has implemented a system comprising:

– Well-structured quality management system at all relevant levels of operations;
– Routine assurance and control visits to verify effectiveness of its implementation;
– Corrective and preventive action measures;
– Scheduled internal and external audits;
– Effective data analysis including customer satisfaction surveys;
– Knowledge based feedback system;
– Key performance indices as part of quality objectives; and
– Effective use of electronic based system for centralised monitoring and control.




Building materials which meet the specified standards are used in construction projects and to prevent any safety risks to construction personnel


Crop Quality Day with smallholders

CUSTOMER SATISFACTION & CONTINUOUS IMPROVEMENT

Customer satisfaction is the yardstick for measuring our success. We define quality as an extent to which we satisfy our customers. Our integrated management system comprises all our efforts to optimise our customer-focused activities.

All activities and processes are identified, planned, implemented, monitored and controlled. Activities and processes which have quality implications are verified at each stage of production and the results documented as objective evidence. Similarly, all incoming materials which have quality implication need to be accepted on a predetermined basis (i.e. inspection, test, manufacturer's certificates, size, grade, etc.). Subcontracted work off-sites are accepted on established procedures.

QUALITY REPORT (Cont'd)

As an important part of the Group's quality management system, our processes are designed to add value for our customers. Continuous improvement is one of the core quality management principles and is carried out through the following approaches:

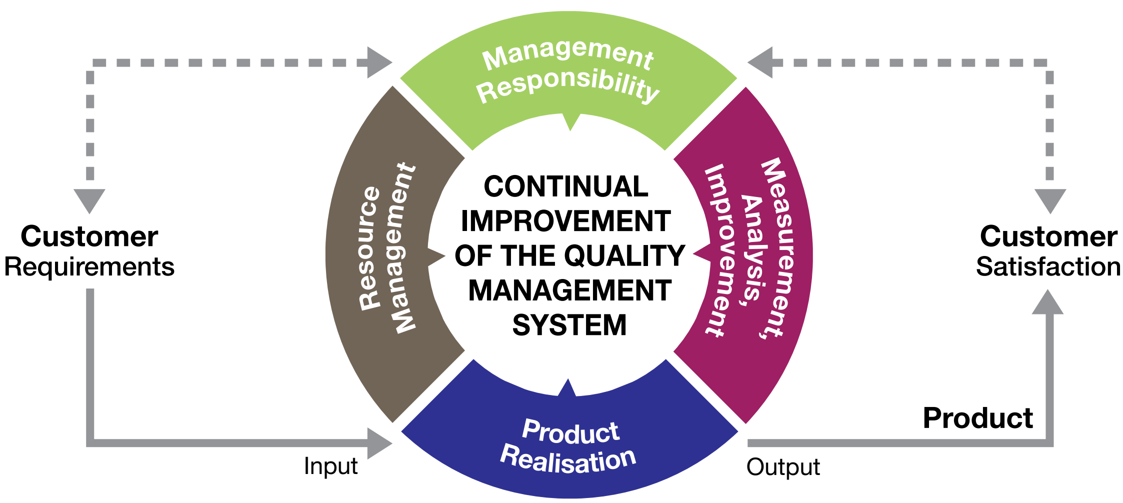
- Progressive review and update of the Quality Management System manual and procedures to address the requirements of customers and businesses, and technological advancement;
- Knowledge and skills development of its people to keep them abreast with advancement in products and service needs;
- On-the-job training throughout its operations;
- Emphasis on process excellence;
- Investments on latest hardware and software;
- Inculcate innovation as part of operation strategy;
- Introduction of high performance materials in its manufactured products and moving towards more automation; and
- Implementation of guidelines and process control systems for effective execution and monitoring.

The Construction Division has in place an internally developed self-regulated system called IJM Quality Standard Assessment System ("IQSAS") for various aspects of its building construction and civil works. This serves as a benchmark amongst its projects and subsequently as a catalyst for continuous quality improvement.

Our property projects are assessed by trained quality staff as well as independently based on the Construction Quality Assessment System ("CONQUAS") by BCA Singapore and the Quality Assessment System in Construction ("QLASSIC") by CIDB Malaysia, to ensure continuous improvement in building construction quality. Prior to handing over the properties, IJM Land adopts quality checks, ensures cleanliness, obtains the Certificate of Compliance and Completion, retains competent workers to perform rectification works promptly and keeps sufficient stocks e.g. floor tiles of the same quality and make.

The Group's manufactured products are quality certified to comply with the applicable regulatory standards and some of the plants are certified to the Singapore Accreditation Council. Numerous product quality improvements were implemented such as improvement in pile spinning process for better efficiency, application of recycled aggregates in concrete for greener environment and improvements on concrete quality and cost effectiveness through advanced PCE products.

Marble tiles are dry laid in accordance with its design and tonality



As part of its continuous quality improvements, the Plantation Division's research centres carried out oil palm breeding, selection and progeny testing programme to improve its planting materials and yields. They also performed research collaborations with the International Plant Nutrition Institute (IPNI) on best management practices and with ACGT Sdn Bhd and Genting Green Tech Sdn Bhd on oil palm biotechnology involving high yield biomarkers.

The Tolls and Port Divisions continue to adhere to the ISO 9001 standard for continuous improvements in their business operations. The Group shall continue to monitor our processes to enable us to continuously improve on our performance. Ultimately, our goal is to be recognised as a Quality leader by our customers, competitors and the industry at large.

Provision of aluminium clamp for fixing of copper tape for earthing purpose

IJM Plantations successfully completed the Indonesian Sustainable Palm Oil (ISPO), a mandatory sustainability certification scheme in Indonesia for Binai Estate, Sajau Estate and Pertama Estate

RECOGNITION & CERTIFICATION

In order to promote healthy competition amongst our people to deliver quality work, the Group accords annually the Quality Awards to projects that excel amongst its peers. The awards are presented for two categories comprising building and civil works.

The Group's quality management system was certified by the internationally recognised ISO 9001 standard since 1996. Since then, the Group aspires to continuously achieve compliance with ISO 9001:2008 in its core business operations. The following are companies that have achieved the renowned certification:

1. IJM Corporation Berhad
2. IJM Land Berhad
3. IJM Construction Sdn Bhd
4. Road Builder (M) Sdn Bhd
5. Industrial Concrete Products Sdn Bhd
6. Prebore Piling & Engineering Sdn Bhd
7. IJM Building Systems Sdn Bhd
8. Jurutama Sdn Bhd
9. IJM (India) Infrastructure Ltd
10. Kuang Rock Products Sdn Bhd
11. Expedient Resources Sdn Bhd
12. Strong Mixed Concrete Sdn Bhd
13. Durabon Sdn Bhd
14. Besraya (M) Sdn Bhd
15. New Pantai Expressway Sdn Bhd
16. Lebuhraya Kajang-Seremban Sdn Bhd
17. IJM Highway Services Sdn Bhd
18. Kuantan Port Consortium Sdn Bhd (Handling of liquid bulk cargo)

QUALITY REPORT (Cont'd)

Additionally, the Construction Division is promoting the use of Industrial Building System ("IBS") in its new projects and carried out awareness training and gap analysis on upgrading from the existing ISO 9001:2008 version to ISO 9001:2015.

The Industry Division has achieved quality recognition in the following:

- Product Certificate of Conformity from IKRAM QA Certification;
- Certification of Accreditation for ICP Material Test Laboratory from Laboratory Accreditation Scheme of Malaysia (Skim Akreditasi Makmal Malaysia); and
- Singapore Accreditation Council under BCA Singapore Ready-Mixed Concrete Product Certification Scheme in compliance with SS EN 206-1:2009; SS 544:Part 1&2:2009; and SAC CT 06:2011 for ICP factories at Klang, Nilai, Lumut & Senai.

The Plantation Division's total supply chain in Malaysia involving nurseries, estates, mills and the kernel crushing plant were re-certified under the Malaysian Palm Oil Board ("MPOB") Code of Practices for quality, food safety and sustainability. Its Desa Talisai palm oil mill and supplying internal estates were also re-certified this year under the International Sustainability & Carbon Certification ("ISCC") and the Malaysian Sustainable Palm Oil ("MSPO") certification. All ISCC certification covers both ISCC-EU and ISCC-Plus certificates, for biodiesel and food respectively. Its DxP seed production unit was accredited with SIRIM's MS157:2005 certification.

Across in the Plantation Division's Indonesian operations, working requirements continued towards the implementation of the mandatory Indonesian ISPO certification. The Division continues to embrace the principles and criteria relating to sustainable palm oil production.

OTHER INITIATIVES

The Group aspires to achieve greater heights in quality management and continuous improvements. It embarked on a few initiatives in this regard:

a) SIRIM 5-S systems

This system guides our construction projects and sub-contractors to improve safety, hygiene, quality, productivity and image. The Group improvised by adding the relevant SIRIM 5-S system elements into its quality management system.

b) Cloud Computing

The Group has implemented an Electronic Document Management System ("eDMS") using cloud based solution which allows standardisation, centralisation and consolidation of documents into a single depository, whilst providing easy retrieval and maintenance of documents electronically. eDMS enables mobile organisation control and effective operation mechanism.

Notwithstanding the above, IJM's Quality System will always inculcate continuous improvements and innovative approaches in its processes and overall quality system.

Identification of certified building materials through standardised marking

Pull Out Test on tiles is carried out to check and verify the strength of the adhesive achieved is in accordance with the requirements

HEALTH, SAFETY AND ENVIRONMENT REPORT

An integral part of the Company's sustainable business strategies and core values is its commitment to the safety and health of its personnel and the public as well as the protection of the environment.

In line with our practice of good governance, our Health, Safety and Environment ("HSE") policy governs how the Group operates and our commitment to the continuous improvement on HSE practices with the following objectives:

- Prevent Accidents;
- Prevent Occupational Illnesses; and
- Prevent Environmental Pollution.

Our beliefs, principles and policies on HSE are well ingrained in our organisation. HSE Management System ("HSEMS") was established in compliance to the internationally recognised OHSAS 18001:2007, MS 1722:2011 and ISO 14001:2004 in order to have a systematic approach to manage HSE matters.

Integrating the management of Occupational Safety and Health ("OSH") together with the Environment, the HSEMS serves as a guide to the framework and arrangements made to ensure that such HSE standards are achieved. It embodies the concept of continual improvement to enable the Group to continuously manage, control and improve on its occupational health, safety risks and environmental aspects.

HSE POLICY STATEMENT

The Group has set up HSE policies, procedures and a comprehensive framework to ensure:

- Compliance with all applicable HSE legislations and other requirements;
- Familiarisation with the HSE training, information and available facilities by all employees and stakeholders;
- Increased HSE awareness and accountability at all levels of the organisation; and
- Monitoring and regular reviews of its set HSE objectives.

HSE ORGANISATION

Our commitment to the development and continuous improvement of the HSEMS are implemented at all levels of the organisation as follows:

- Management Committee Meetings

  Monthly management meetings are chaired by the CEO & Managing Director where the HSE operations and performances are reviewed.

- Health, Safety and Environment Committees

  At corporate and project levels, the HSE Committee Members which consist of senior management personnel play important roles to implement safe HSE systems at the workplace and progressively review its effectiveness.

- Corporate HSE Department

  The HSE Department assists the Company in establishing, implementing and maintaining the HSEMS.

HEALTH, SAFETY AND ENVIRONMENT REPORT (Cont'd)

HSE MANAGEMENT PROGRAMMES

A variety of HSE management programmes were carried out during the financial year in an effort to drive the Company's HSE management to a higher level which included the following:

- HSE Climate Survey

  An assessment tool used to engage with fellow employees and procure feedback on HSE awareness.

- Celebration of World Day for Health, Earth & OSH at Corporate Level

  A programme in conjunction with the World Day for Health, Earth and OSH Celebration was organised. Through fun activities, it aimed to increase the level of awareness amongst employees on safety and health at work as well as green issues.

- HSE Self-Assessment System

  A scoring system involving 16 elements was designed to assist Project Teams to identify their compliance levels with HSEMS.

- Behavioural Based Safety

  Effectiveness of the HSEMS was improved by carrying out surveys to gauge the level of '*safety*' culture within IJM.

- HSE Campaign

  Launched by the CEO & Managing Director of the IJM Group together with the MD of the Construction Division, the programme was an initiative to continuously strive for greater HSE performance and to assist the Division to sustain its momentum to attain HSE excellence.

- HSE Automation System

  Established to simplify the HSE processes and effectively identify potential hazards promptly at the workplace.

- Emergency Drill

  Emergency drills were conducted to test the effectiveness of the responses in evacuating the building during emergencies.

MONITORING AND MEASUREMENT OF HSE PERFORMANCES

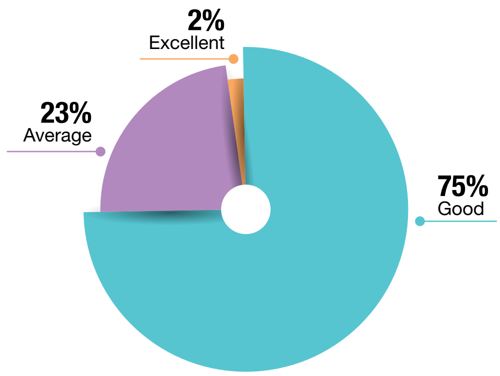
i) Internal HSE Audits

Conformance with the OHSAS:18001, MS 1722 and MS ISO 14001 standards requirements were assessed through the internal HSE audits. A total of 17 internal audits were carried out during FY2016. The internal audit programme was systematically designed to verify the effectiveness of the HSE management system at all project sites.

ii) HSE Surprise Inspections

The compliance by workplaces with the applicable HSE regulations and requirements were checked and verified through the HSE surprise inspections. With the inspection findings, measures were implemented to improve the site conditions. During the financial year, 43 inspections were carried out.

HSE Surprise Inspections



HSE AWARENESS & COMPETENCY TRAININGS

IJM believes in investing in its people by enhancing their knowledge and skills through training. These trainings included in-house and external courses covering various topics on HSE. Some of these trainings were as follows:

- HSE Committee Awareness Training

  Awareness training for HSE Committee Members was conducted to educate them on HSE regulations and requirements as well as their roles and responsibilities as a committee member.

- HSE On-Job-Training ("OJT")

  A series of health, safety and environmental topics were conducted by internal and external trainers for IJM site personnel and sub-contractors at their respective project sites.

- Emergency Response Team ("ERT") Training

  ERT trainings were conducted to provide training and practice on emergency drills, evacuation and first aid deployment.

HAZARD PREVENTION

IJM continuously strives for improvement in occupational safety and prevention of health hazards as well as prevention of any environmental damage which are critical to our Construction Division. Therefore, best management practices are adopted to prevent the construction hazards and any adverse impact to the environment in all of our projects.

Fall Protection

To safeguard our employees from falling hazards, the Construction Division employed the fencing system as edge protection, protection system for floor opening and the screen system as some of the preventive measures implemented at the project sites. Another fall protection system are safety nets which are installed in the construction of high rise buildings to prevent falling of materials.

Safe Lifting Operations

In order to ensure the lifting operations are carried out in a safe manner, the safety instructions for lifting operations are established and displayed. A thorough inspection of the crane and its documentation must be done prior to commencement of the lifting work.

Implementation of exclusion zone, use of lifting bucket with professional engineer's endorsement and close supervision by signal man and lifting supervisor are among the safety precautions taken during the lifting works at site.

Machinery & Equipment Safety

Standardisation of heavy duty industrial plugs and sockets is our approach to prevent short circuits. Machinery safety notices are displayed at all sites which contain pertinent information on the equipment such as safe working instructions, persons-in-charge and inspection dates.

Installation of screen system at construction site

Safety nets are used to prevent falling hazard

Material lifting cage for safe lifting operations at site

HEALTH, SAFETY AND ENVIRONMENT REPORT (Cont'd)

Access and Egress

The '*overhead protection*' and '*separate access*' for construction workers and vehicles are amongst the safety practices to protect the safety of our people working at project sites.

Designated safe access and egress for construction vehicles

Installation of overhead protection while working above live traffic

Working at Height

When our employees are working at height, working platforms are erected to provide a stable standing platform and also to protect them from falling.

Working platform erected for workers at site

Safe access for workers by using modular scaffold system

Thumb Print System

Our construction sites are installed with a biometric identification system as a mechanism to monitor and control the entry of site personnel into the project sites.

Chemical Management

All hazardous chemicals used on site are clearly labelled with appropriate safety information and stored in accordance with the specifications in the Safety Data Sheet. Adequate warning signs are placed at the chemical store to alert the workers on its potential danger.

On-site chemical storage

Grand Tool Box Meetings

Mass HSE briefings are conducted on a regular basis at project sites to promote and emphasise on safety practices.

OTHER SAFETY AND HEALTH PRACTICES

The Construction Division has implemented many other HSE programmes such as the '*HSE Walk the Talk*' and '*You See You Act*' Programme in an effort to improve the safety standards at the workplaces. In addition, a HSE gallery was established at the IJM Central Workshop at Bukit Beruntung to provide mock-up HSE physical provisions, necessary HSE information as well as to provide guidance to all workplaces in complying with the legal requirements and IJM's HSE procedures.

Likewise, our Industry Division has also implemented the HSEMS – an integrated system of OHSAS 18001:2007 and ISO 14001:2004 standards. Its ICP Head Office, Nilai, Senai and Lumut factories have been accredited by the SIRIM QAS International and the United Kingdom Accreditation Service. Efforts are made to gradually implement HSEMS in other factories as well.

The Plantation Division has established Safety & Health Committees in each operating unit with regular meetings held in compliance with the Occupational Safety and Health Act (OSHA). Its employees are trained in health and safety including crisis management, machinery accident, preventive maintenance and confined space management.

The Toll Division carries out routine maintenance and annual inspection of the highways such as pavement condition assessments, routine checks on bridges, slopes, culverts and drains to ensure the safety of its road users. During the year, Besraya in collaboration with the Polis Di Raja Malaysia held a safety campaign called '*Ops Selamat*' to remind road users on road safety practices. Road safety flyers and goodies were handed out to road users at the Mines toll plaza.

The Port Division's safety policy conforms to the DOSH requirements which are applicable to all port users and employees. Its Emergency Response Team (ERT) conducts regular drills to ensure immediate response and evacuation in the event of emergencies. Daily safety briefings and tool box meetings are conducted in addition to weekly audits and monthly joint-audits performed with the local regulator, Kuantan Port Authority.

Road users were handed with goodies from the Malaysian police force during the 'Ops Selamat'

ENVIRONMENT

The Company, in compliance with ISO 14001, established an Environmental Management System ("EMS") to implement and monitor environmental plans in an organised approach. The performance indicators established are based on environmental impact assessments, environmental objectives and statutory requirements.

Key targets have been set to emphasise on pollution prevention, natural resources management, reinstatement of landscape at project sites, minimisation of social and environmental nuisances and respect for the communities.

ENVIRONMENTAL MONITORING

The Environment Quality Monitoring Programme ("EQMP") was established as an environmental monitoring framework to assess the quality of the surrounding environment. It is also a monitoring programme for projects that are not subjected to the Environmental Impact Assessment ("EIA") Approval Conditions. Focus are made on the quality of air, noise and river water to minimise damage and harm towards the eco-system.

ENVIRONMENTAL PRESERVATION AND CONSERVATION

The Group is committed to preserve and conserve the environment through best practices in its day-to-day operations. The following are measures adopted by various divisions which reflect a complete picture of the Group's environmental initiatives.

HEALTH, SAFETY AND ENVIRONMENT REPORT (Cont'd)

CONSTRUCTION

The Construction Division adopted various best practices to control and prevent environmental pollution which included:

Water Pollution Control

Best practices implemented to prevent water pollution consist of:

- Stabilisation of slopes to avoid erosion by using temporary groundcover, turfing, vegetation and hydro seeding;
- Adequate temporary drainage system to control surface water run-off to prevent flooding;
- Installation of temporary protection for excavated materials stockpiled at site. Stockpile area is placed away from any watercourses or drainage system;
- Construction of silt pond, sedimentation pond or installation of silt fences at appropriate spots/areas;
- Installation of oil and grease traps to control water discharge from canteen; and
- Conduct regular water quality monitoring.

Silt curtain installed during reclamation works to control sedimentation dispersion

Spot turfing as slope protection

Wheel washing facility provided at site entrance

Installation of hoardings to contain dust and noise pollution

Air and Noise Pollution Control

In line with the HSEMS plans to reduce air and noise pollution, many controls are put in place such as:

- Prevention of noise pollution by using suitable piling methods during foundation works and noise curtains;
- Prohibition of open burnings to prevent emission of smokes, particles and toxic gasses;
- Containing dust by dampening sites and access routes with water;
- Dampening trucks loaded with construction materials and ensuring they are always covered;
- Regular maintenance of Erection of hoardings at sites to contain dust and noise pollution.

In addition, air and noise qualities are regularly monitored to comply with the Environmental Quality Act 1974.

Waste Management

Waste management practices for solid waste and scheduled wastes comprised of handling, monitoring and identifying opportunities to minimise wastes generated at project sites. Proper storage area for wastes are provided at all project sites.

Dedicated 3R (Reduce, Reuse & Recycle) bins are also stationed at project sites to manage wastes sustainably and cultivate green practices among employees.

Marine Pollution Control

In line with the HSEMS to prevent marine pollution during reclamation works by the sea, many controls are put in place such as:

- Use of approved dredging methods by the authority for dredging works;
- Control loading/unloading operations of barges and hoppers to avoid spilling the dredged/filling materials;
- Installation of silt curtains as sedimentation control mechanism and periodically maintaining it to ensure effectiveness at all times; and
- Minimise turbidity from vessel movements and propeller washing by sizing vessels for adequate clearance between vessels and seabed in all tide conditions.

Green Technology & Industrial Building System ("IBS")

The Construction Division has ventured into green technology and IBS system to enhance its construction productivity and efficiency, savings on labour and resources by producing metal form works of consistent quality for the housing and commercial projects.

Scheduled waste storage provided on site

INDUSTRY

The Industry Division is committed to the HSEMS and it is implemented across its factories and quarries. The Division recognises the fact that good health, safety and environmental management benefits positively to the organisation. Numerous measures were implemented to ensure pollution is kept to a minimal level and safety of workers is prioritised.

Green energy

Solar panels are installed on the rooftops of the factories to combat greenhouse gas emissions and reduce our collective dependence on fossil fuels which is a leading cause of climate change. By utilising solar energy, the electricity usage is reduced which effectively reduces carbon emissions and providing cleaner air, water and soil for the community and future generations.

Solar panels are being installed on the rooftop of Kapar factory

HEALTH, SAFETY AND ENVIRONMENT REPORT (Cont'd)

Dust Monitoring

The Division's factories and quarries perform dust monitoring activities. The Division in compliance with environmental regulations, covers the entire factory with protective fences with adequate height to control nuisance dust and emissions of fine particles (PM10).

Apart from that, the pneumatic vacuum cleaner is used to clean up spillage of dusty materials using wet or dry handling methods in a more effective manner.

As for the quarries, dust pollution is minimised by having scheduled road spraying exercises with collected rain water using the sprinkler system, forklift and water trucks so that the dust on the roads will not be airborne and contribute to air pollution.

Covered conveyor at the Malaysian Rock Products' Labu plant

Pneumatic vacuum cleaner is effective in cleaning up dust in ICP factories

Forklift carrying water tanks are used to water the roads to contain dust

Washing bay is important to wet the dry particles to avoid it being blown away

Landscaping and Housekeeping

The Industry Division encourages greens at all factories. Trees and plants are planted at its factories as well as gardens and fish ponds are built to create a greener working environment.

Plants are maintained at ICP Nilai factory

Landscaping at ICP Kapar factory

Landscaping at ICP Klang factory

A pond is maintained at the Malaysian Rock Products' Labu plant to create a pleasant working environment

Waste Management

The Division promotes the '*Reduce, Reuse & Recycle*' (3R) activities at its workplace to reduce wastages such as recycling concrete wastes and recycling factory wastes with recycling bins. Its waste management practices comply with the Standard A effluent discharge such as scheduled waste storage and waste water treatment system.

Usage of Eco-Synthetic Fuel

The Division's factories have also replaced the use of medium or light fuel oil with environmental friendly eco-synthetic fuel oil for its boiler operations. The eco-synthetic fuel has higher calorific value as compared to the conventional liquid fuel. Furthermore, unlike other synthetic fuel, the sulphur content of the eco-fuel oil is lower than the conventional light fuel oil.

A reclaimer to separate concrete waste and residues into sand and aggregates which can be reused

HEALTH, SAFETY AND ENVIRONMENT REPORT (Cont'd)

PROPERTY

Green Building

IJM Land's efforts in creating sustainable designs to minimise a building's negative impact to the environment was rewarded by being the first developer in Penang to obtain the Green Building Index ("GBI") certification for high-rise property development for its Light Linear and Light Point condominium projects.

The Property Division's buildings are designed with high emphasis to incorporate principles of harmonising and embracing the environment so that optimal living conditions can be created. Some of the principles adopted are encouraging buildings to be constructed to face 'north' and 'south' to reduce heat, ample natural lighting to minimise electricity usage, installation of inverter air-conditioning ready piping and incorporating lush green landscapes within its developments.

The Division also strives to nurture sustainable lifestyles and communities within its developments with parks, recreational areas, jogging tracks and bicycle lanes to inspire healthy living, community engagement and communing with nature in its townships like Seremban 2, Shah Alam 2, Bandar Rimbayu and Bandar Utama, Sandakan.

IJM Land received many accolades in the property industry for its green initiatives such as GBI certification for THE LIGHT Collection IV in Penang, MIID Nippon Paint REKA Awards 2014 for Bandar Rimbayu project and The Edge-PAM Green Excellence Award 2014. Its DeBunga Residensi in Ukay Perdana, Ampang and The Address at Bukit Jambul, Penang received the Honour Award for Landscape Design at the Malaysia Landscape Architecture Awards (MLAA) 2015.

In 2015, THE LIGHT Waterfront project in Penang made it into the Malaysia Book of Records 2015 for being the '*First Marine Ecosystem in a Residential Precinct*' for its saltwater waterways acting as a conservation and educational tool. More efforts are in the pipeline to further utilise the waterways for future marine life breeding and rehabilitation programme.

Sustainable lifestyles and healthy living at Chimes, Bandar Rimbayu

PLANTATION

Our Plantation Division's environmental stewardship entails employing relevant and site-specific best management practices which include sustainable resource management relating to soil, water, air and waste. Best practices such as Zero-Burning, byproduct utilisation and IPM (Integrated Pest Management) are norms adopted in the estate operations. Also included is the ongoing tree planting projects involved in reforestation and rehabilitation programmes aiming to increase biodiversity value in the plantation landscapes.

Conservation and Land Use in Plantation Landscape

The Plantation Division is committed to no deforestation on high conservation value areas and peat land. About 2,236 hectares or 7.7% of the total land bank continue to be set aside for conservation and rehabilitation purposes in the Malaysian operations. These conservation sites include flood-prone and swampy areas, sites with marginal soils and also specially set-aside conservation lots. The exemplary sites include the '*Hundred-Acre Wood*' and '*Lost Paradise*' in the Sugut region, Sabah.

In the Indonesian operations, about 2,980 hectares or 6% of the total land bank are demarcated as conservation sites which include high conservation value areas, water catchments and riparian buffer zones.

'Hundred Acre Wood' in Sabah operations

Tree Planting Projects

The Division continues to rehabilitate and enhance the vegetation within the conservation sites. Types of tree species are carefully selected to meet with the types of ecosystems of the areas, for example in one of the conservation sites in Indonesia, namely Eco-Wood Shorea Forest in Sajau Estate, various types of *Shorea* species are planted, while bongkul (*Neonauclea subdita*) is planted at the low lying areas, such as the Bongkul planting sites in the Rakanan Jaya South Estate in Sabah.

In the Indonesian operations, more than 1,566 forest trees are planted during the reporting year. In the Kutai Timur region, *'Sejuta Pohon' (One-Million Trees)* planting project was initiated by the Division. The target is to plant and maintain one million local tree saplings at various sites, including the riparian zones, water catchment areas and within the housing sites.

'Sejuta Pohon' Tree planting project in Indonesian operations

Carbon Sequestration

The Divison has been monitoring the quantity of carbon sequestered by the oil palm trees since the year 2006 by using the methodology developed by Malaysia Palm Oil Board (MPOB). In the reporting year, the total carbon sequestered has reached more than 840,000 tonnes (3% higher than previous reporting year) with an average of 34 tonnes/planted hectare in the Malaysia operations. Its oil palm trees in Indonesia operations has sequestered about 480,000 tonnes of carbon (7% higher than previous year) with an average of 14 tonnes/planted hectare as more palm trees have matured.

Carbon sequestered by the Plantation Division's oil palm trees in FY2016

Malaysia

	Age Group (years)	Standing Biomass (tonnes/ha)	Carbon (tonnes/ha)	Planted Area (hectare)	Total Carbon (metric tonnes)
Immature	(1-3 years)	14.5	5.8	1,987	11,525
Mature	(4-8 years)	40.3	16.12	1,750	28,205
	(9-13 years)	70.8	28.32	2,956	83,705
	(14-18 years)	93.4	37.36	13,382	499,943
	(19-24 years)	113.2	45.28	4,977	225,343
Total				25,052	848,721

Indonesia

	Age Group (years)	Standing Biomass (tonnes/ha)	Carbon (tonnes/ha)	Planted Area (hectare)	Total Carbon (metric tonnes)
Immature	(1-3 years)	14.5	5.8	9,436	54,729
Mature	(4-8 years)	40.3	16.12	24,059	387,831
	(9-13 years)	70.8	28.32	338	9,564
	(14-18 years)	93.4	37.36	711	26,566
	(19-24 years)	113.2	45.28	0	0
Total				34,544	478,690

HEALTH, SAFETY AND ENVIRONMENT REPORT (Cont'd)

Zero Burning

The Division adheres strictly to the environmentally friendly '*zero burning policy*' in all its replanting and new planting activities in the Sabah and Indonesia operations. The same commitment is also cascaded to all the schemed and independent smallholders supplying crops to its mills. The estate management organised scheduled patrolling at high fire risk areas and workers are regularly briefed to be fire-alert. In Indonesia, its commitment in zero burning policy is channelled to the local communities through frequent '*sosialisasi*' meetings.

Water and Soil Conservation

Water management is crucial in the oil palm operations. The Division has water management plan in place for each operating unit and constantly reviews and monitors the implementation of the plan via environmental monitoring checklist and environmental audit done on annual basis.

Water quality of the treated water for domestic use are monitored on annual basis by sending the water samples to an accredited laboratory to ensure the treated water quality is safe for human consumption and in compliance with the World Health Organisation (WHO) Drinking Water Standard Guidelines.

No spraying and manuring activities are allowed within the catchment pond areas and the riparian reserve to ensure that the connecting rivers which receive water from the Division's waterways are free from agrochemicals. On top of that, river water quality monitoring programme is implemented to monitor the river water quality that flows through its plantation.

Soil conservation has remained an integral part of the Division's commitment towards Good Agricultural Practice (GAP). The Division continues to practice terracing in undulating and hilly areas in order to conserve soil, water and nutrient. Legume Cover Crops (LCC) are established at field to minimise soil erosion by improving soil structure while fronds and Empty Fruit Bunches (EFB) are placed inter-rows to conserve soil moisture and improve soil structure.

Responsible Agrochemical Utilisation

IJM Plantations is committed to minimise the usage of agrochemicals and only approved chemicals are used in the pest and disease control practices. As part of Integrated Pest Management practices (IPM), beneficial plants (*Antigonon leptopus, Cassia cobanensis, Turnera subulata*) are planted at field to attract natural predators for the biological control of bagworms and leaf-eating caterpillars.

River water quality monitoring programme

Apart from releasing predatory bugs to enhance biological control, pheromone traps are used to control *Oryctes rhinoceros* beetles in the replanting sites in Sandakan region.

Climate Change and Energy Management

The Division continues to manage and monitor the Greenhouse Gas (GHG) emissions for both the operations in Sabah and Indonesia using the available baseline data and benchmark information. In the reporting year, the Division has generated about 186,672 tonnes of carbon dioxide equivalent from both the estates and mills. The Division will continue to study and improve the GHG emission reporting methods and strive to minimise the emission with available new innovative technology and techniques.

The oil palm biomass such as mesocarp fibre and kernel shells are used to generate electricity in the mill operations. The Division is able to substitute 88% of non-renewable fossil fuels with renewable sources to generate the similar amount of energy needed. In addition, the mill in Indonesia is equipped with biogas capture facilities which the biogas is used to generate electricity in supplement to the existing energy demand. Evaluation and feasibility study is on-going in the Sabah operations on the biogas capture project with the aim to further reduce the GHG emissions to the environment.

TOLL

Electronic Toll Collection System

The Toll Division implemented a fully systemised and automated Electronic Toll Collection (ETC) system in its Malaysian highways in line with the Government's initiative, whereby the implementation in NPE commenced from 13 January 2016, LEKAS on 2 March 2016 and Besraya from 1 June 2016. This has improved the efficiency of toll plaza management, relieve traffic congestion and reduce air pollution at the toll plazas, reduce paper usage as well as mitigate discrepancies in toll collection and facilitate easy retrieval of data.

Cashless payment lanes at the PJS2 Plaza Toll

Full Electronic Toll Collection Implementation Media Conference

EIA Conformance

The latest technology in design and Environment Impact Assessment ("EIA") Approval Conditions were used in the construction of LEKAS, NPE and Besraya Highways resulting in minimal impact to the environment. This also helps to monitor environmental parameters such as ambient air quality, noise level measurement and ground vibration monitoring in the vicinity of the highway.

Slope Condition Inspection

The condition of the slope along its highways including the drainage system such as interceptor drain and berm drain are constantly inspected. Data is collected and maintained in a database which is used for slope monitoring and maintenance purposes.

LED Street Lightings and High Masts

The Division has installed LED street lightings and high masts to conserve energy at all its toll roads in Malaysia. This has helped the Division to reduce electricity usage, maintenance costs and the highway's overall carbon footprint. The replacement of the existing conventional High Pressure Sodium Vapor (HPSV) fittings to LED-based fittings are fully completed in NPE and LEKAS, whereas the installation are in progress for Besraya and targeted to be completed by the end of year 2016.

LED streetlights installed on NPE

HEALTH, SAFETY AND ENVIRONMENT REPORT (Cont'd)

Rainwater Harvesting System

Besraya is currently implementing a rainwater harvesting system at the Loke Yew Toll Plaza lay-by as part of its effort to reduce water usage and save the precious water resource.

Innovative Creative Circle Project – NJB Smart Solution

During the financial year, the Toll Division invented a new product called NJB Smart Solution for cleaning the concrete NJB (New Jersey Barrier) in an environmentally friendly manner which also improves employee productivity, time and cost savings.

Testing of the NJB Smart Solution

PORT

Sea Pollution Control

Our Port Division complies with the local and international regulations such as Marine Oil Pollution Convention (MARPOL 73/78 Convention) and the International Safety Guide for Oil Tankers and Terminals (ISGOTT).

All oil tankers calling at Kuantan Port have to adhere to the ship-shore safety checklist. Apart from that, the Division's Oil Spill Emergency Response Team is always on standby to handle the emergencies. The Division regularly participates in a state level joint oil spill drill exercise at the port basin.

To control water pollution, a filtering pond is used to filter dirty water before being discharged into the river and sea directly.

The enhanced wharf cleaning system reduces sea pollution. Installation of concrete low walls prevent the dry bulk cargo from failing into the sea to prevent sea pollution.

Wheel washing facility to minimise dust pollution

Dust Pollution Control

All lorries are covered when carrying bulk cargoes like iron ore, palm kernel expellers, fertilisers, wood chips and other bulk goods before leaving the port. During the financial year, lorry washing facilities were upgraded to further mitigate the dust pollution caused by lorries.

In addition, the regular use of power sweepers and water jets keep the roads and port operational areas clean and dust-free.

Power sweeper trucks are used to clean the roads at the port

The airborne dust mitigation panels (9 metres high) prevent the dust in the port area from polluting the surrounding areas.

To further control dust pollution, all cargos stockpile height is capped between 3 to 7 metres.

All workers are encouraged to use dust masks. Conveyor system for loading and discharging cargoes is encouraged to be used to minimise dust pollution arising from bulk cargoes and to protect the health of port employees and users in the long run.

Airborne dust mitigation panels at Kuantan Port

HSE TRAINING AND AWARENESS PROGRAMMES

The Company's iPortal serves as an important medium to disseminate HSE information on the latest manuals, incident alerts and recommended corrective actions to all staff levels. Regular trainings and campaigns are conducted to promote awareness on Occupational Safety and Health within the Group.

Chemical spill drill conducted at ICP factory

Emergency Drill on Search & Rescue for Working in Confined Space

Regular fire hose reel training conducted at ICP factories

First Aid Refresher Training

HEALTH, SAFETY AND ENVIRONMENT REPORT (Cont'd)

The Group's respective divisions regularly promote safety, health and good environmental practices among all staffs such as the HSE Day by the Construction Division and HSE Awareness Campaign by the Industry Division.

The inaugural HSE DAY was launched by the Director General of DOSH Malaysia, Dato' Ir. Mohtar Bin Musri together with our CEO & Managing Director of IJM Group, Dato' Soam Heng Choon. The event was also attended by Selangor State Directors of DOSH, CIDB, DOE, JKJR and Health Department. The theme for the year was '*Drive for HSE Excellence through a Culture of Prevention*'. The event was also held to appreciate the achievement of several projects with continuous good track record in the prevention of accident at the workplace.

HSE Day 2015 launched by Construction Division

Launch of New HSE Awareness Competition Theme for year 2016/2017

Our Industry Division's theme was 'HSE, Trouble Free' - as its annual HSE Awareness Competition. The objective of the competition was to implement good work practices and instill Occupational Safety and Health ("OSH") awareness in all its staffs

The OSH awareness is continuously promoted in our ICP factories through various programmes, trainings and campaigns such as fire-fighting, first aid, gotong-royong, 5S activities and regular assemblies and briefings on safety and health matters. In addition, rewards are presented for every achievement of 500 Accident Free Days.

In an effort to focus on the safe handling of agrochemicals, the Plantation Division conducted the Improving Productivity with Smart Alternatives (IPSA) programme. All agrochemical users are registered and approved under the Pesticides Act 1974 (Act 149) and Regulations, and Food Safety Act 1983 (Act 281). Regular safety and rescue trainings are conducted in collaboration with the Civil Defence Emergency Response Team (CDERT) and local departments.

Our Toll Division regularly conducts OHSA trainings such as first aid training to familiarise its staff with emergency situations or accidents on its highways.

In Kuantan Port, regular fire drill exercises are held annually to familiarise the port's safety personnel with the port surroundings and prepare them in case of emergencies.

HSE AWARDS

To promote best practices in HSE among staffs, HSE awards are presented annually to projects, sites and factories which have performed well amongst its peers based on a set criteria encompassing compliance with legal requirements and HSEMS.

Fire drill exercise at Kuantan Port

HSE Awareness Competition Award 2015/16


Steadfast Focus
Anchoring Core Commitments
Navigating a Shared Future
N
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TOWARDS GREATER SUSTAINABILITY

We are catalysing growth to serve our stakeholders better in all we do.

Corporate Responsibility

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180 Environment
184 Community
203 Workplace

CORPORATE RESPONSIBILITY

IJM's Corporate Responsibility ("CR") ambitions are consistent with the Group's core values where the Group passionately strives to care for the communities we live in, protect and nurture the environment, as well as enhance value for its staff and business partners. IJM's commitment to this belief is firmly entrenched in its corporate and business conduct. The 4 key areas of the Group's CR framework are:

MARKETPLACE

As a company that has been operating for more than 30 years and has expanded its business portfolio, the ability to command the confidence of our customers, suppliers, business partners, investors, bankers, governments and regulatory bodies is of paramount importance to the Group's continued success. In this light, we remain steadfast in our commitment to cultivate a culture steeped in strong business ethics and values, good corporate governance and excellent product delivery.

Business Ethics & Corporate Governance

IJM firmly believes that by setting the right "Tone at the Top" through the promotion of ethical leadership, a strong foundation to ensure the preservation of high standards of integrity within the Group is established. This is reflected in the Code of Ethics and Conduct which sets out the principles and standards of business ethics and conduct of the Group. IJM's Code of Ethics and Conduct is available on the Company's website at www.ijm.com. Training and workshops designed by the Human Resources Department also frequently embed elements that foster an ethical culture amongst the staff.

Good corporate governance is synonymous with the way the Group carries out its business operations as promulgated by its core value of Integrity which states that "*We act with professionalism in everything we do and with everyone we deal with, always delivering on our promise*". IJM's Corporate Governance System includes an effective Board and its Board Committees, empowered and accountable Management and Management Committees and operational internal governance mechanisms that support long-term value creation such as:-

1) Adequate Board balance among executive, non-executive and independent directors.
2) Transparent disclosures on the Board's remuneration.
3) A robust risk management framework.
4) Release of audited 4th Quarter results within 2 months of the financial year end.
5) A Whistle-Blowing policy that is made available to the general public via the website: www.ijm.com.

IJM is in compliance with the Malaysian Code on Corporate Governance 2012 and its corporate governance practices have been consistently recognised through various awards and publications locally and in the region. For FY2016, the Group had again, scored well for corporate governance. At the inaugural ASEAN Corporate Governance Awards in November 2015, **IJM Corporation Berhad was recognised as one of five Malaysian companies listed among ASEAN Top 50 publicly listed companies for good corporate governance**. Locally, IJM Corporation Berhad and IJM Plantations Berhad were accorded with the Top 10 Disclosure Merit Recognition Awards at the MSWG-Asean Corporate Governance Transparency Index, Findings & Recognition 2015 Awards in December 2015.

Organised by the Minority Shareholders Watchdog Group ("MSWG"), the awards are in recognition of companies that had taken the effort to raise their corporate governance levels. MSWG is the domestic ranking body using the ASEAN Corporate Governance Scorecard methodology which is a standardised scorecard adopted by most ASEAN countries with the objective of improving visibility and investability while showcasing well-governed companies within the ASEAN region.

Over at the international front, **IJM Plantations Berhad was awarded the Best Managed Company in Malaysia – Small Cap by ASIAMONEY Magazine**, a notable publication by Euromoney Institutional Investor (Jersey) Ltd, Hong Kong in September 2015 for '*superb disclosure*' and '*great management, with vision and consistency*'. This recognition exemplifies the Group's journey of continuous improvement for exemplary business practices and sound management with a genuine commitment to safeguard shareholders' interest.

CORPORATE RESPONSIBILITY (Cont'd)

Please refer to the *Corporate Governance Statement* for more details of the Group's best corporate governance practices and *Statement on Risk Management and Internal Control* for the risk management and internal control framework, practices and other internal control measures.

Dato' Soam Heng Choon (far left) and Mr Joseph Tek (second from right) accepting the Top 10 Disclosure Merit Recognition Award for IJM Corporation Berhad and IJM Plantations Berhad at the MSWG-ASEAN Corporate Governance Transparency Index, Findings & Recognition 2015 Awards

Always striving to increase our earnings on equity and committed to creating value for our shareholders, most of the Group's major businesses have performed well in 2015, earning IJM Corporation Berhad the accolade of the 'Highest Profit Growth Company' in the Construction category at The Edge Billion Ringgit Club Corporate Awards 2015.

Dato' Soam Heng Choon receiving the award for 'Highest Profit Growth Company – Construction' from Mr. Ho Kay Tat, Publisher & Group CEO of The Edge Media Group.

Dato' Soam Heng Choon receiving the ASIAMONEY Best Managed Companies 2015 award for Best Managed Company in Malaysia – Small Cap from Mr. Mark Baker, Managing Editor of ASIAMONEY in September 2015 in Hong Kong

Dato' Soam Heng Choon addressing analysts at IJM's 4Q 2015 Company Briefing on 26 May 2015

Dato' Soam Heng Choon engaging with some of the analysts after one of the briefing sessions

Dato' Soam Heng Choon and Dato' Khasbullah A. Kadir, Chief Operating Officer of Kuantan Port Consortium, briefing the analysts on the new developments at Kuantan Port

Stakeholder Engagement

IJM believes in engaging its stakeholders in a timely, effective and transparent manner. The Group through its established Investor Relations and Stakeholder Engagement programme effectively communicates and disseminates quality and accurate information about the Group's developments, operations and financial performance to a wide range of stakeholders. Part of the programme includes the timely quarterly financial announcements, analyst meetings as well as company briefings to the press.

Analyst Briefings & Meetings

Analyst briefings and meetings were carried out frequently to disseminate accurate and quality insights to stakeholders with effective communication and engagement.

During the year, besides the annual analyst briefings on the announcement of the second and fourth quarters' financial results, the Group had also held a briefing for analysts on the developments of the Kuantan Port. The IJM Group continued to be acknowledged by the investment community with IJM Plantations Berhad being accorded a top 10 position for Best Investor Relations (mid cap), Best CEO for Investor Relations and Best CFO for Investor Relations respectively.

The Group also has a comprehensive website at www.ijm.com to further enhance stakeholder communication and visitors are welcome to offer feedback and comments for improvements pertaining to the Group's product offerings, services or any other matters.

CORPORATE RESPONSIBILITY (Cont'd)

Media Engagements

IJM is committed to actively build strong and long-term relationships with its industry stakeholders, media, regulators and customers through open communication and regular updates on the Group's developments and operational performance.

To this end, the Group engages the media regularly through press releases, media briefings, interviews with top management and senior management of the various business divisions and networking events. IJM hosted an inaugural Media Appreciation Night at the new ICE (IJM Land Centre of Excellence) Gallery in Kuala Lumpur in March 2016 which was attended by more than 400 guests from the various media companies. The Group's Property Division had also hosted separate Media Appreciation events in Penang and Seremban.

In October 2015, some 100 media journalists attended the Bandar Rimbayu media sharing session on the key developments in the Bandar Rimbayu township, as well as to promote continued interest in the Company. At the media sharing session, the media were able to engage in an open dialogue with the Management and key personnel.

IJM Land Managing Director Mr. Edward Chong briefed the media on key developments in Bandar Rimbayu at the Media Sharing Session

Dato' Soam Heng Choon, accompanied by IJM Group's division heads, delivered the opening address at IJM's Media Appreciation Night 2016

Dato' Soam and Mr. Edward Chong (left) introducing IJM Land's projects to the guests at IJM's Media Appreciation Night 2016

Yee Sang Tossing with Mr. Hoo Kim See, Senior General Manager of Central region (second from left), Seremban 2 Management team and Media members

Factory and Site Visits

As a leader in spun pile manufacturing, the Industry Division played host to a group of engineering students from Universiti Sains Malaysia (USM) and members of IEM (Institute of Engineers Malaysia) at our new Jawi factory in a sharing and learning session on our products and manufacturing process.

Toll Division Stakeholder Engagements

Malaysian Highway Authority (MHA) – Association of Highway Concessionaires Malaysia (PSKLM) Dialogue – 18 & 19 May 2015

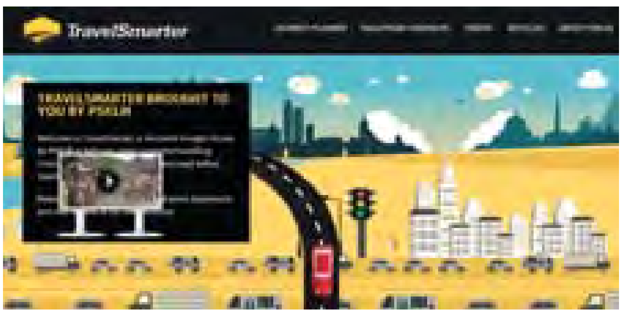
IJM's Toll Division participated in the dialogue session between PSKLM with MHA and Malaysian Government Agencies to discuss current and related issues to improve the driving experience for highway users.

PIECE 2015 Conference – 21st Century Expressways: The Future Is Now – 25 to 27 May 2015

IJM was one of the corporate sponsors for the PIECE 2015 Conference which was held in Matrade, Kuala Lumpur with the theme - 21st Century Expressways: THE FUTURE IS NOW. The conference had attracted 403 delegates.

Developing Travelsmarter 2.0

The Toll Division had introduced an upgraded Travelsmarter 2.0 information on the official websites of our three highways – BESRAYA, NPE and LEKAS with the campaign focusing on the new toll rates and the introduction of a Journey Planner. A new video titled 'Nak Kahwin' which is part of the campaign was also published for public viewing in line with our stakeholders' engagement initiatives.



CORPORATE RESPONSIBILITY (Cont'd)

Media Engagement Session with PSKLM Committee – 23 September to 28 October 2015

Together with PSKLM, several meetings and briefing sessions were conducted with most of the prime local media to address the issue on the increase in toll rates.

<u>*Plantations Stakeholder Engagements*</u>

As a responsible planter who is committed to nurturing sustainability, IJM Plantations hold regular stakeholder engagements with various stakeholders such as holding the annual 'Walk With CEO' activity and holding seminars relating to the palm oil industry.

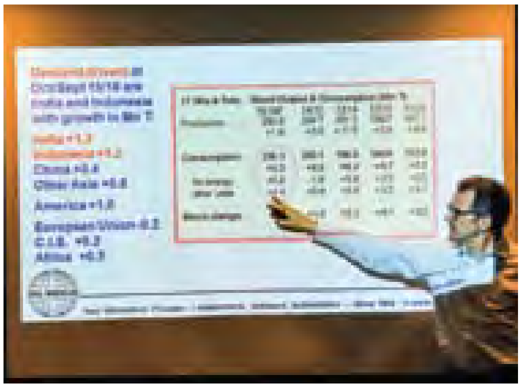
In June 2015, the Division hosted a group of students from various European countries on the topic of sustainability in the palm oil industry. The Division's Quality, Training & Research Centre had also organised a field trip visit for members of MEOA on Oil Palm Agronomy and Pest & Diseases in October 2015.

Annual 'Walk with CEO' activity with group of investors, industry fraternity and analysts

FFB Quality Day and engagement meeting with stakeholders

Students from the European countries taking a close look at some oil palm fruit bunches

Media Engagement Session with PSKLM Committee



IJMP Palm Oil Seminar 2016 with invited speakers, Mr. Thomas Mielke from Oil World, Germany and Ms. Ivy Ng from CIMB Malaysia

IJMP Seeds Seminar 2015 is an annual activity and an excellent platform for knowledge sharing among the industry's fraternity

Some of the participants from MEOA at IJMP's QTR Centre during the field trip visit

Product and Service Excellence

With the adoption of ISO 9001 quality system certification, the Group has in place policies, procedures and best practices for the delivery of products and services of superior quality and standard. Regular reviews, process improvements and quality control assessments that enhance the production process are carried out.

As a testament to the Group's commitment to quality, IJM has received strong recognition by consistently winning several industry excellence awards over the years, including the Malaysian Construction Industry Excellence Awards ("MCIEA") – Contractor of the Year Award and the FIABCI World Prix d'Excellence Award. IJM Construction Sdn Bhd was the proud recipient of the "Builder of the Year" (Contractor Grade G7) award for the Legoland Hotel project and again clinched the Best Project Award for major projects above RM50 million (Building) for the National Cancer Institute project at the MCIEA 2015 organised by the Construction Industry Development Board (CIDB) in September 2015.

IJM Construction was also accorded the Silver Award in the Public and Institutional category at the Persatuan Akitek Malaysia (PAM) Awards 2015.

Mr. Soo Sik Sang, Project Director of IJM Construction Sdn Bhd receiving the Best Project Award (Major- Building) 2015 award from the Secretary General of Works, Yang Berbahagia Dato' Sri Zohari Hj Akob

Mr. Liew Hau Seng, Managing Director of IJM Construction Sdn Bhd receiving the Builder of the Year 2015 award from Yang Berhormat, Datuk Seri Haji Fadillah Yusof, Minister of Works, Malaysia

During the year, IJM Corporation Berhad was also the recipient of the Industry Excellence Award in the Construction sector at the Utusan Business Awards 2015.

Dato' Soam Heng Choon receiving the Industry Excellence Award – Construction Sector from D.Y.M.M. Sultan Nazrin Shah Ibni Al-marhum Sultan Azlan Shah, HRH Sultan of Perak and Deputy Prime Minister of Malaysia, Dato' Seri Dr Ahmad Zahid Hamidi at the Utusan Business Awards 2015

CORPORATE RESPONSIBILITY (Cont'd)

THE LIGHT Waterfront Penang was the World Silver Winner at the FIABCI World Prix d'Excellence Awards 2015

IJM Land was awarded the Bronze Award in the Property Development category at the sixth Putra Brand Awards 2015

At The Edge Property Excellence Awards 2015 on 30 November 2015, the Property Division won two awards

The Group's property arm, IJM Land had also garnered a few prestigious awards both locally and internationally in 2015. During the year, the Division had clinched multiple international and national awards for quality, design and sustainability of its developments and projects.

Notably, our signature development **THE LIGHT Waterfront Penang** was the World Silver Winner at the FIABCI World Prix d'Excellence Awards on 15 March 2015. In August 2015, IJM Land was adjudged a bronze winner in the Property Development category of the 2015 Putra Brand Awards, an award in recognition of local and international brands based on consumer preference. This is the second consecutive Putra Brand award received by IJM Land, a testimony of our customers' confidence in our commitment towards quality excellence and continuous improvement.

At The Edge Property Excellence Awards 2015 on 30 November 2015, THE LIGHT Waterfront Penang was given The Edge Malaysia's Notable Property Achievement Award, while IJM Land took the 2nd spot in The Edge Malaysia's Top Property Developers Awards 2015.

IJM Corporation's CEO and Managing Director Dato' Soam Heng Choon was also honoured with the **Property CEO of the Year** at the FIABCI Malaysia Property Award Gala Dinner 2015 on 6 November 2015 for his contribution to Malaysia's real estate sector and property development.

Dato' Soam Heng Choon (middle) received the Property CEO of the Year award from D.Y.M.M Sultan Ibrahim Ibni Al-marhum Sultan Iskandar – His Royal Highness, the Sultan of Johor Darul Takzim (left) flanked by FIABCI Malaysia Secretary General Dr. Yu Kee Su (right)

Over at the BCI Asia Awards 2015 on 12 June 2015 and Property Insight Malaysia's Prestigious Developer Awards (PIPDA) 2015 on 30 March 2016, IJM Land was named as one of the Top 10 Developers in Malaysia.

In keeping with the current trend where social media is the rage, the Property Division had also embarked on several social media platforms in engaging our customers and stakeholders. On 9 March 2016, IJM Land was accorded the Social Media Excellence Award for Property Development at the Malaysia Social Media Week (MSMW) Awards for its social media initiatives and efforts. This is the third consecutive accolade since our inaugural award in 2014.

THE LIGHT Waterfront Penang and Bandar Rimbayu bagged the winning title for the WOW and Family-Friendly Award categories respectively at the StarProperty.my Awards 2016 on 15 March 2016, while IJM Land was also named as one of the Top Ranked Developers. Other award-winning projects by IJM Land in the year included DeBunga Residensi and Seri Riana Residence.

IJM Land Managing Director Mr. Edward Chong (second from right) receives the Top 10 Developers Award at BCI Asia Awards 2015

IJM Land won the 'Social Media Excellence' award for Property Development at the Malaysia Social Media Week (MSMW) Awards, 3 years in a row! The award was presented by Deputy Minister of Education, YB Dato' P. Kamalanathan (second from right) to Mr. Edward Chong (third from right)

DeBunga Residensi walked away with the Highly Commended Award for Multiple Residence Architecture in Malaysia at the Asia Pacific Property Awards

IJM Land's team was all smiles after winning three awards at the StarProperty.my Awards 2016

CORPORATE RESPONSIBILITY (Cont'd)

Embedded in its core values, the Group constantly innovates and improves on the quality of its products and services in order to meet the ever demanding expectations of the various markets it operates in.

During the financial year, the Group had continued its emphasis on developing a quality conscious culture with regards to the processes and systems at every level of operations to increase the employees' awareness of their responsibilities and commitment towards quality excellence.

The Industry Division has applied the Construction Industry Development Board Certification of Standards Compliance (CIDB Certification) for its restressed spun pile products in all its plants. The objective of the application is to ensure our products conform to standards and quality in line with CIDB's Material Quality Compliance. All the spun pile factories had undergone the CIDB Inspection and are expected to be certified by the first quarter of the 2017 financial year.

Customer Satisfaction

Needless to say, customers are at the heart of our businesses. This is why we are constantly tracking our performance and conducting customer satisfaction surveys on an ongoing basis. We have been carrying out the Customer satisfaction survey, brand audit and market survey. Feedback and comments were reviewed, allowing the Company to gather insights, review expectations and deliver future improvements. During the year, our Quality System, Health and Environment Division analysed responses from 1,843 customers.

To improve our highway users travel experience, the Toll Division had implemented the fully electronic toll collection at the New Pantai Expressway (NPE) and Lebuhraya Kajang-Seremban (LEKAS) highways in January and March 2016 respectively with the BESRAYA highway adopting the 100% Electronic Toll Collection in June 2016.

More information on the Group's best quality practices are covered in the Quality Report.

Sustainability

As we set high financial goals for ourselves, we also believe in the need to integrate sustainability and shared value creation into our corporate strategies. We are committed to building our brand as a responsible corporate enterprise by enriching the social impact of our businesses and innovating our processes to generate both financial and environmental benefits.

In East Malaysia, the Plantation Division's R&D activities are conducted through its Quality, Training and Research Centre where they remain focussed on the implementation of biological controls to reduce the use of chemical pesticides and improving oil palm yields through methodical breeding. Additionally, the SIRIM MS157:2005 and Malaysian Palm Oil Board ("MPOB") certified hybrid oil palm seeds bearing the IJM DxP trademark are produced and used in oil palm replanting in Sabah and Indonesia. During the financial year, the Division had successfully completed the Indonesian Sustainable Palm Oil (ISPO) certification, a mandatory sustainability certification scheme in Indonesia for its Binai, Sajau and Pertama estates. In Malaysia, surveillance audits for the Malaysian Sustainability Palm Oil (MSPO) certification are constantly being carried out. Our estates in the whole of the Sugut region had been successfully audited under the International Sustainability & Carbon Certification (ISCC) scheme.

Surveillance audits being carried out for MSPO certification

Successful ISCC certifications for IJMP's Malaysian operations

Quarterly 'Greening Saturday' recycling activity held at IJM Plantation's Head Office

Ongoing recycling programmes implemented at all operating units of IJM Plantations

CORPORATE RESPONSIBILITY (Cont'd)

ENVIRONMENT

The Group places high importance in the preservation of our environment. As such, when we conduct our business, we are mindful of any adverse environmental impact and always strive for efficient environmental programmes and full compliance with environmental regulations.

Environmental Campaigns

In line with the Group's commitment as a nurturer of the environment, IJM embarked on several environmental preservation efforts during the financial year in the hope that through combined and continuous efforts, they can help preserve the flora and fauna around us for our future generations.

Organic fertilisers are donated to local schools for their greening projects

'Sejuta Pohon' greening programme was initiated at Kutai Timur region, Indonesia

Newsletters on water conservation information and methods were distributed to all operating units.

River water quality monitoring programme is implemented in all operating units

IJMP partnered WWF Sabah in delivering talks on the 'Importance of River Conservation' to local communities of Sugut region

Water Conservation Efforts

As part of its 'Care for the Environment' initiatives, IJM Plantations is committed to protect our natural water sources and had embarked on several water conservation initiatives such as the implementation of Earth Month 2015 and continuous effort in the protection and rehabilitation of the riparian reserves.

Mangrove Forest Preservation

Wetlands and mangrove forests are crucial for coastal areas as they are not only home and breeding grounds for a large number of marine organisms but they also act as buffers between the land and the sea. Coastlines throughout the world are facing serious threats of coastal erosion and rising sea levels due to global warming. Mangroves not only help in preventing soil erosion but also act as a catalyst in reclaiming land from the sea. In conjunction with the World Wetlands Day 2016, the Group had supported the Sabah Wetlands Conservation Society's environmental event with the aim of raising awareness on the importance of wetlands for sustainability.

Similarly, the Plantation Division had also initiated a mangrove forest rehabilitation project in its Indonesian operations.

CORPORATE RESPONSIBILITY (Cont'd)

Borneo Bird Festival

The Plantation Division continued its support and provided volunteers for the 7th Borneo Bird Festival held in October 2015. As Borneo is a perfect pit stop for migratory birds on their long journeys, this festival fosters a gathering of birding enthusiasts as well as being a platform for bird preservation awareness initiatives. In promoting awareness and enthusiasm among children on the protection of threatened birds, the Division in collaboration with Borneo Bird Club Sandakan, initiated a Bird Conservation awareness outreach project at local schools.

Green Developments

Beyond houses, the Property Division strives to nurture sustainable lifestyles and communities within the precinct of its developments. With focal points such as parks, recreational areas, jogging tracks and bicycle lanes to inspire healthy living, community engagement and communing with nature, IJM Land has devoted its attention to creating user-friendly facilities and promoting green and outdoor living for residents. Our commitment in creating a harmonious and liveable community can be seen in some of our townships like Seremban 2, Shah Alam 2, Bandar Rimbayu and Bandar Utama, Sandakan. The townships come with ample green spaces and recreational facilities to inspire healthy living, community engagement and communing with nature.

On 3 September 2015, our green development THE LIGHT Waterfront project in Penang made it into the Malaysia Book of Records 2015 for being the 'First Marine Ecosystem in a Residential Precinct' for its waterways. Our creation of saltwater waterways acts as both a conservation and education tool for the younger generation in inculcating the importance of sustainable development. This effort is supported by the Turtle and Marine Ecosystem Centre (TUMEC), an agency under the Malaysian Fisheries Department. More collaborative efforts are also in the pipeline with TUMEC to further utilise the waterways for future marine life breeding and rehabilitation programmes.

Our green efforts are further recognised by industry peers with the Division's DeBunga Residensi in Ukay Perdana, Ampang and The Address at Bukit Jambul, Penang walking away with the Honour Award for Landscape Design at the Malaysia Landscape Architecture Awards (MLAA) 2015 on 9 April 2016.

More information on the Group's environmental preservation and conservation initiatives are covered in the Health, Safety and Environment Report.

THE LIGHT Collection III Waterways in Penang

Linear Garden at DeBunga Residensi

An impressive 440-metre linear garden at DeBunga Residensi

CORPORATE RESPONSIBILITY (Cont'd)

COMMUNITY

We have a firm commitment to the community, and we strongly believe in making a positive difference in every life we touch, always mindful of the role we play in nation building. Our community efforts focus on social welfare, education and sports development at grassroots level.

IJM GIVE Day Out

Beyond monetary contributions, IJM encourages participation in staff volunteering activities that support meaningful causes. An annual event, the **IJM GIVE Day Out** (GDO) concept was designed to rally all staff in flying the Group's CR flag at every location where IJM enjoys a presence, mainly in Malaysia, India and China.

IJM's fifth *GDO* was held on 5 December 2015. In previous editions of the GDO, IJMers had gathered in small groups to undertake activities such as rehabilitating schools and lakes and community parks, beach cleaning, volunteering efforts with orphanages and homes for the elderly and special needs organisations. GIVE Day Out 2015 was planned with a totally different approach. The theme '*Play Around Playground*' was chosen for the fifth edition of IJM's GDO initiative where the aim was to address the issue on the lack of proper and safe playgrounds for children to socialise with each other and be more connected with their friends, as well as to encourage families to spend quality time with their kids outdoor. The objective of '*Play Around Playground*' was also to promote a healthy lifestyle amongst children who are spending a lot of their time playing games on electronic gadgets these days. Old, tired playgrounds and recreational parks around the residential areas of low and middle income communities were identified and works such as replacement of damaged and ageing equipment, provision for additional seating and improvements to amenities and landscaping were carried out. With a budget allocation of RM400,000 and partnering with local government agencies, around 24 playgrounds and recreational parks have been revived back to life by more than 2,000 IJMers from several regions across Malaysia, India and China.

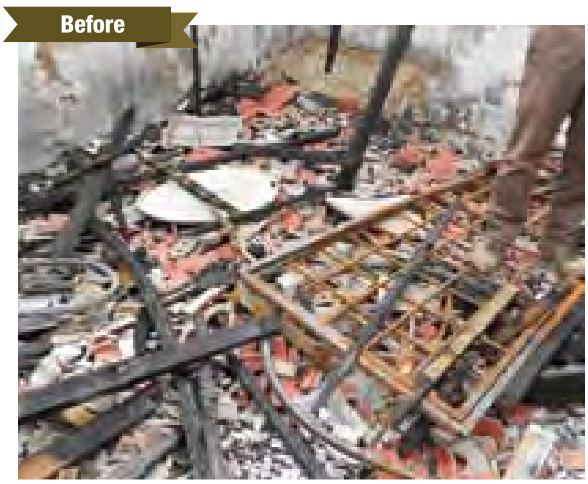
(From left) Tuan HJ. Ahmad Mohayen B. Said – Deputy Secretary MBPJ, Mr. Yaw Seng Heng, Group Managing Director of Nippon Paint Malaysia, YB Wong Chen – Member of Parliament for Kelana Jaya, representative from Kampung Lindungan's residents association, Dato' Soam Heng Choon and Tuan Halimey Bin Abu Bakar - MBPJ Zone 24 Councillor joined hands in tree planting at a playground in Kampung Lindungan, PJS 6

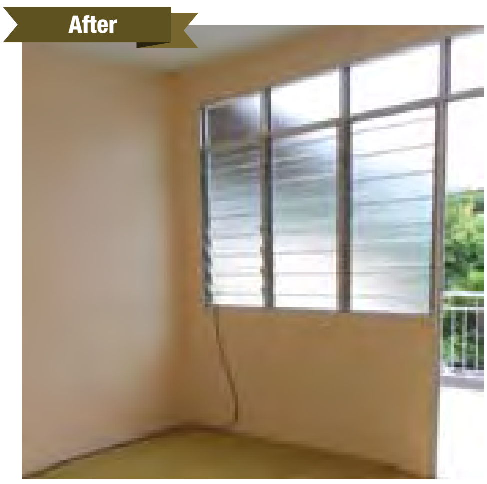
Some of the 650 IJMers who had worked together to upgrade the PJS 6 Desa Mentari playground

IJM staff and senior management worked alongside each other to remove severely damaged playground mats, as well as fixing and repainting broken pieces of playground equipment at Kampung Lindungan

Home Rehabilitation Programme

The Group continued to extend its reach to underprivileged families as part of its corporate responsibility objectives of elevating the living standards of the surrounding communities where it operates. In November 2015, an unfortunate family whose home was razed by fire became the beneficiary of IJM's signature Home Rehabilitation programme launched in 2010. The Property Division in Seremban had reconstructed the badly damaged house at Taman Tuanku Ampuan Najihah, Sungai Gadut in Seremban to a brand new house.





CORPORATE RESPONSIBILITY (Cont'd)

Community Growth and Wellness Initiatives

Continuing our commitment to create lasting social and economic growth in the areas where we operate, the Group had donated funds to various non-profit organisations and NGOs in support of initiatives consistent with community growth. The Group had contributed toward the programmes by the Negeri Sembilan Women's Organisation and PERKIM Kebangsaan's fund-raising for the refurbishment of its Kompleks Transit as shelter for single mothers, widows, the elderly and the homeless.

The Industry Division in Kapar, Klang works with the Jawatankuasa Kemajuan dan Keselamatan Kampung Persekutuan (JKKKP) Kampung Tok Muda in the development and growth of the village community, especially the youth through various sports and community events such as the Tok Muda Football League held from March to June 2015 and the 'Bulan Ramadhan Programme'.

The Plantation Division continued its community growth efforts by improving road accessibility and drainage at the local villages of its operating units and had collaborated with The Forest Trust (TFT), a local NGO in a Rurality Project targeted on improving the operational conditions of smallholders. The Division had also extended its ongoing breast health awareness outreach programmes to local secondary schools in Sandakan.

Improving road accessibility and drainage of villages in Indonesia

Breast Health Awareness workshop held at SMK Gum Gum, Sandakan

The Desa Talisai Palm Oil Mill team and members from The Forest Trust engaging with plantation smallholders in Sandakan, Sabah

Provision of LED Street Lighting at IJM's Highways

Customer focus is one of the core values of the Group and the catalyst in driving innovation in our operations. As part of our effort to enhance the travelling experience of our highway users, the Toll Division had allocated a budget of around RM20 million to replace the existing street lighting system at its three highway concessions. The New Pantai Expressway (NPE) street lighting was replaced with low-impact Light Emitting Diode (LED) street lights which are known to have a higher illumination index for a more comfortable driving as well as achieving improved energy efficiency of over 60% during the first quarter of FY 2016. The low-impact LED lighting had also been installed along the 44.3 kilometres stretch of the Lebuhraya Kajang Seremban (LEKAS) and was operational by 31st March 2016.

Organ and Blood Donation Campaigns

The National Blood Bank requires at least 2,000 bags of blood daily to supply to patients nationwide who need transfusions due to illnesses with the numbers increasing during festive months. IJM, in answering the call by the National Blood Bank had included Blood Donation campaigns as one of its annual community and social wellness initiatives. During the financial year, the **Kelab Sukan IJM** with the assistance of University of Malaya Medical Centre had collected more than 30 bags of blood during a blood donation drive at IJM's corporate head office. The Plantation Division had organised 8 blood donation campaigns and collected 216 pints of blood for the local blood bank in Sabah. The Toll Division had also held similar campaigns at its operation centres in September 2015. The Division had also collaborated with the National Kidney Foundation (NKF) to organise an Organ Donation campaign to bring awareness to the public on the importance of organ donations.

Staff of the Toll Division supporting the Blood Donation campaign

The launch of the LEKAS Streetlighting and Safety Campaign was officiated by Yang Amat Berhormat Dato' Seri Utama Haji Mohamad bin Hasan, Menteri Besar Negeri Sembilan and Yang Berhormat Datuk Rosnah bte Abdul Rashid Shirlin, Deputy Minister of Works on 1st February 2016

CORPORATE RESPONSIBILITY (Cont'd)

Blood Donation campaign organised at operating units in Sabah by the Plantation Division

Leaflets on the importance of Organ Donation were distributed to travellers of the Besraya Expressway

Free eye examination and health screening were available for staff and highway users during the Organ Donation Campaign

Blood donation campaign organised by KSIJM at Wisma IJM, Petaling Jaya

During the financial year, the Property Division had supported a few charitable causes. Donations were made to the Penang Animal Sanctuary Society's Building Fund, Women's Centre for Change, Community AIDS Service Penang under the charity segment of Starwalk 2015 – 'Walk with Us' and to the 2015 Cycle for Charity, the beneficiary of which includes SJK (C) Sino English. The Division also contributes and participates annually in the 'Relay for Life' charity event whose beneficiary includes The National Cancer Society of Malaysia, as well as towards educational and community development and societal aid programmes.

Dato' Toh Chin Leong (sixth from left), Senior General Manager of IJM Land Northern region presented the mock cheque to Dato' Leslie Lee (fourth from left), President of Penang Animal Sanctuary Society, witnessed by YB. Chow Kon Yeow (fifth from left) State EXCO for Local Government, Traffic Management and Flood Mitigation in Penang

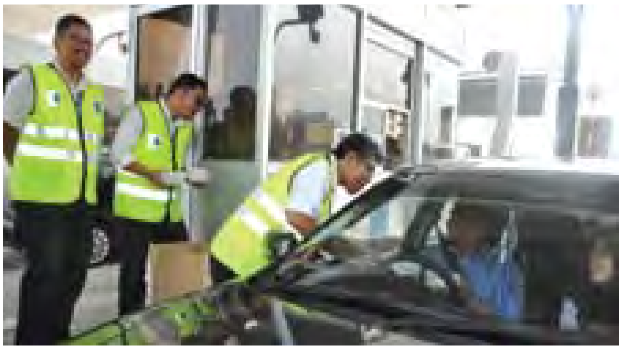
Festive Celebrations

Malaysia is blessed with a multi-racial society that lives in harmony and celebrates each other's cultural and religious festivities. In the spirit of 'giving' during festive celebrations, the various divisions of IJM had brought some festive cheers to homes of the less privileged and held festive celebrations with various communities.

Dato' Soam Heng Choon, CEO & MD of IJM and Puan Wan Salwani bt Wan Yusoff, Chief Operating Officer of the Toll Division distributing 'Bubur Lambuk' to users at the Loke Yew Toll plaza

<u>Bubur Lambuk Gotong Royong and Dates Distribution during Ramadhan</u>

A 'gotong royong' to prepare Bubur Lambuk during the Ramadhan fasting month to be distributed to highway users became an annual initiative of the Toll Division after it was first held in 2014 at the NPE's operations office. This time around, it was held at the new Lebuhraya Sungai Besi (Besraya) office at the Loke Yew toll plaza on 6 July 2015. The preparation of 'Bubur Lambuk' took more than 8 hours and was done entirely by the Toll division staff. The 'Bubur Lambuk' was later distributed to users of Besraya, NPE and LEKAS.



A total of 1,000 packs of dates and mineral water were distributed to road users at the Besraya Expressway in June 2015 for 'Buka Puasa'

Management and staff of the Toll Division combined effort in cooking the 'Bubur Lambuk'

CORPORATE RESPONSIBILITY (Cont'd)

Hari Raya Aidilfitri Celebrations

The Toll Division held its third Raya Open House at the NPE administration office and had also distributed hampers to a few less fortunate residents of Kampung Malaysia.

The Property Division held a Rock Raya concert featuring popular Malaysian rock legends, Awie and Amy Search as well as performances from other local artistes for Seremban folks at its Seremban 2 township. Not forgetting the less privileged families, the Division had contributed cash, clothes and essential items to 10 needy families in the district of Seremban in a joint effort with the Negeri Sembilan State Government.

IJM's Chairman, Yang Berbahagia Tan Sri Abdul Halim bin Ali and Senior Management of IJM played host to a group of children at NPE's Raya Open House

Raya Open House held at IJM Land's Shah Alam 2 township in Selangor

Puan Wan Salwani bt Wan Yusoff presenting hampers to deserving residents of Kampung Malaysia during Hari Raya

Hari Raya open house held in Sandakan by the Property Division

10 families in Seremban had received cash, daily essentials and clothes for Hari Raya Aidilfitri

Chinese New Year and Mid-Autumn Festival Celebrations


In conjunction with Chinese New Year celebration, a total of 4,000 Touch N Go cards was distributed for free to users at NPE and Besraya highways


Chinese New Year celebrations with the communities at Seremban 2 and Bandar Rimbayu


IJM Land spreads Chap Goh Mei cheer at Seremban 2 with fireworks display and lantern riddle competition

IJM Land spreads Chap Goh Mei cheer at Seremban 2 with fireworks display and lantern riddle competition

Mid-Autumn festival celebration held at THE LIGHT, Penang

CORPORATE RESPONSIBILITY (Cont'd)

National Level Celebrations

Mindful of our role in nation building, IJM supports initiatives that promote patriotism and harmony. We continue our annual participation in the National Day 2015 celebration with sponsorship of 1,000 Merdeka Day t-shirts which were distributed to participants of the National Day celebration at Putrajaya. Some 30 IJM staff had also taken part in the National Day celebrations parade.

IJM Land is one of the supporting partners for the Penang Hot Air Balloon Fiesta 2016

Caring for Various Homes

The Port Division responded to a call of plight by a mother who is the sole bread-winner of the family and needed assistance to care for her four disabled children. Kuantan Port Consortium (KPC) brought some cheer to the family by providing some basic essentials such as mattresses and food items and also some cash to ease some of their burden.

Visits to homes of the elderly and special children are an annual pledge in the Port Division's community responsibility programme. Food, basic necessities and mobility equipment were distributed during the visit to 13 homes for the elderly. Among the centres and homes visited in 2015 were Kuantan Nursing Care Home, Melodies Nursing Home and Pusat Jagaan Orang Tua Indah.

Staff from Kuantan Port Consortium (KPC) brought food items and mobility equipment during the visit to homes for the elderly

During the financial year, staff from the Port Division had visited 11 spastic centres and 2 homes with spastic children. The presence of a hired clown brought lots of joy to the children and adults at the centres. KPC had also assisted a family whose aging father had to care for his 3 spastic children aged between 30 to 48 years old.

Distribution of School Shoes to Needy Students

In an effort to provide assistance to needy students in Kuantan, the Port Division had distributed school shoes to more than 1,000 under privileged students from various schools. Among the ten schools that had received assistance were SK Pahang Tua, SK Peramu Jaya, SK Tanjung Medang, SK Pasir Panjang, SK Sri Maulana, SMK Chini 2, SMK Paloh Hinai, SMK Peramu Jaya, SM Sains Sultan Haji Ahmad Shah and SMK (LKTP) Chini.

Deserving students from a school in Kuantan receiving the school shoes sponsored by Kuantan Port Consortium

CORPORATE RESPONSIBILITY (Cont'd)

Supporting the Arts

The arts are fundamental to our humanity. They ennoble and inspire us—fostering creativity, goodness, and beauty while helping us to express our values, build bridges between cultures, and bring us together regardless of ethnicity, religion, or age. The arts also provide the ability to not only create communities but they create a positive social environment.

With this in mind, the Property Division had partnered with The Edge Media Group in support of The Edge Galerie - an art gallery that focuses on Malaysian and Southeast Asian art. The 2-year partnership which had begun in January 2015 enabled IJM Land to sponsor auctions and art exhibitions with the objective to promote and advance art investments and appreciation. With the rich artistry in Malaysia, it is fitting for IJM to proudly promote Malaysian contemporary art and celebrates the nation's remarkable talents.

In September 2015, IJM Land had supported the '*Penang Art*: Then & Now' exhibition to promote a greater appreciation of Malaysian art principally produced by prominent artists associated with Penang. We have also co-sponsored arts performances and events by local arts organisations including *Musica Sinfonietta's Music Camp Concert 2015 in Penang*.

In March 2016, IJM Land played host to The Edge Auction Preview at THE LIGHT Collection III Club House in Penang, showcasing some of the most desirable names in Southeast Asian art.

The Edge Auction Preview exhibition hosted at THE LIGHT Collection III Club House in Penang

Pasar Seni Seremban @ Seremban 2

IJM Land also launched the Community Art Programme with the objective of creating a platform for local artists to display their creative talents and also for the local communities of all ages to integrate with one another through a common passion for art. **Pasar Seni Seremban @ Seremban 2** was transformed into a weekend art centre to display paintings, drawings and handicrafts from the local community, providing spaces for creative expression and social integration. The newly converted Pasar Seni Seremban @ Seremban 2 comes alive every second Sunday of the month from 8:00am to 4:00pm with an eclectic programme of events.

Pasar Seni Seremban was revamped as a weekend hub for art

Pasar Seni Seremban supports local contemporary arts by hosting cultural and artistic programmes and activities

Education

IJM Scholarship

For more than two decades, IJM has been assisting deserving students who require financial assistance in their tertiary education by providing scholarships. IJM's scholarship programme, launched in 1994, was created to help develop and nurture bright, young Malaysian talents into capable leaders of the future. To date, the programme has benefitted more than 200 students.

In 2015, IJM had awarded a total scholarship value of RM663,000 to 15 deserving recipients who are undergraduates in different fields of study in our local universities and institutes of higher learning such as Civil, Mechanical and Chemical Engineering, Architecture and Quantity Surveying.

The scholarship recipients posing for a group photo with IJM Corporation's Chairman - YBhg Tan Sri Abdul Halim bin Ali (centre), CEO & Managing Director – YBhg Dato' Soam Heng Choon (sixth from left) and Deputy CEO & Deputy Managing Director, Mr. Lee Chun Fai (seventh from right) at the IJM Scholarship & Academic Excellence Award Presentation Ceremony held at Holiday Villa, Subang Jaya on 28 September 2015

IJM Academic Excellence Awards

The Group also gives recognition to the children of employees for achieving outstanding results in the SPM, STPM and A-Level examinations. This is not only to reward the children for their keen efforts in their studies, but also recognising the role of parental involvement in their children's education. In FY2016, a total of 46 students were awarded with the Academic Excellence Awards.

Recipients of the IJM Academic Excellence Awards 2015 and their parents at the IJM Scholarship & Academic Excellence Award Presentation Ceremony held at Holiday Villa Subang Jaya on 28 September 2015.

CORPORATE RESPONSIBILITY (Cont'd)

<u>Promoting Creativity in Architecture and Interior Design</u>

In IJM, we believe in playing a part in nurturing the young creative talent in Malaysia. The Property Division continued its support of the Nippon Paint Young Designer Award (NPYDA) to spark sustainable, innovative and creative thinking among our young designers today. The award at the NPYDA 2015 themed 'Design with Heart': For a Sustainable Future: With People in Mind", recognised quality user-centric design ideas targeting people of all ages and abilities, including the young, the elderly and persons with disabilities.

Nippon Paint and IJM Land launch the Nippon Paint Young Designer Award (NPYDA) 2015 themed, "Design with Heart: For a Sustainable Future: With People in Mind" in May 2015


Judges and finalists of IJM Land Designer Award (iLDA) 2016

In active support of innovation in the Property industry, IJM Land also launched its first ever **IJM Land Designer Award (iLDA) 2016** in November 2015 at its Bandar Rimbayu township, with the objective of providing design graduates the opportunity to turn their designs into reality. The initiative was aimed to encourage new ideas and techniques in the design and furnishing of interior spaces for multi-family living, taking into consideration the efficient layouts, privacy and spaces for leisurely pursuits.

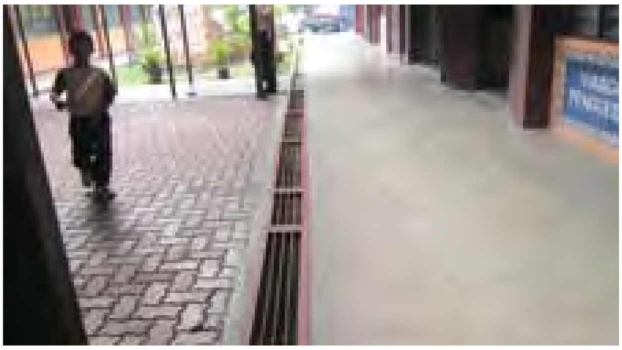
Winners of the IJM Land Designer Award (iLDA) 2016

Donation to Various Schools and Education Funds

Recognising education as the core to building a sustainable social infrastructure, the Group also donates to various schools and education funds apart from our own portfolio of initiatives. IJM had contributed to youth development under Yayasan Cemerlang's Tun Rahah Scholarship Fund and Yayasan Bina Upaya Darul Ridzuan.

At IJM, we are passionate about our responsibility in developing the younger generation. We believe that through a better study environment integrating extra-curricular school activities, the well-being of students are enhanced for better study-life balance.

The Industry Division had constructed steel drain covers for the SK Tok Muda primary school which due to lack of funds had left most of the drains around the school compound to be uncovered and thus causing a danger to the students while the Property Division had contributed to the new building fund of the SJK (C) Sino-English in Negeri Sembilan.



A representative from ICP inspecting the covered school drain at SK Tok Muda

ICP handing over the covered school drain at SK Tok Muda

IJM Land donated to SJK (C) Sino English new building fund

CORPORATE RESPONSIBILITY (Cont'd)

Knowledge Sharing with University Undergraduates

The Plantation Division, in collaboration with the Malaysian Palm Oil Council (MPOC) and Universiti Malaysia Sabah (UMS) launched a joint-education project namely "Oil Palm Bootcamp-Appreciating From Seed to Oil Supply Chain and Sustainability Footprints" for undergraduates in August 2015.

Participants of the Oil Palm Bootcamp were taken for a visit to IJM Plantations' Quality, Training and Research Centre in Sijas Estate, Sandakan

In an effort to encourage and spark interest in undergraduates to pursue the field of engineering in the Construction sector, IJM's Contruction Division had hosted a few student field trips from some well-recognised local universities such as the Universiti Tunku Abdul Rahman and University of Malaya. The Division also had the honour to host a group of Master degree students from Columbia University, USA led by Dr. Ibrahim S. Odeh, Director of Global Leaders in Construction Management and Head of Research Group Department of Civil Engineering and Engineering Mechanics in January 2016.

These field trips to project work sites enable students to gain insights in a natural construction environment as well as having the opportunity to experience engineering works first-hand from primary resources. The students are also able to gain a great deal of factual information from the construction site visits which will aid them in their pursuit of their educational goals and ambitions.

Undergraduates from Curtin University were taken to technical site visit at Potpourri Ara Damansara

Undergraduates from Columbia University USA were given an overview of the project and site safety briefing before the site alignment tour

Promoting a Love for Reading

To inculcate the habit for reading at a tender age, the Port Division had distributed books to schools in Kuantan. SMK Sungai Lembing, SMK Semambu, SMK Bukit Goh, SK Paya Bungor, SK Sungai Soi and SK Permatang Badak were among the selected schools who had received the sponsored books which are to be placed in the school library to assist students in the NILAM programme.

Sports Development

Rugby Development Programmes

IJM is a strong supporter of the development of Rugby in Malaysia. IJM's involvement in rugby dates back to the 1990's and its sponsorship of rugby development in Peninsular Malaysia is managed through a partnership with the Combined Old Boys Rugby Association ("COBRA").

To elevate the development of rugby, efforts need to start at schools. In Sabah, the Plantation Division's rugby development programmes are carried out through the **Academy of Rugby Excellence**. Their key activity includes various age-group tournaments held annually to develop sports excellence, discover young talents and nurture athletes for the benefit of the state and nation. In FY2016, the Academy had signed a Notes of Understanding with the Sabah Education Department, Sabah Rugby Union and Eagles Rugby Club Sandakan to continue the sustainable youth rugby sports development partnership.

Dato' Soam Heng Choon (left) with Tan Sri Dato' Krishnan Tan (centre), Organising Chairman of the 45th COBRA 10s 2015 and Lt. Col (Rtd) Tommy Pereira, President of COBRA at the Press Conference for the 45th COBRA 10s 2015 Rugby Tournament

IJM Plantations' Academy of Rugby Excellence signed a Notes of Understanding with Sabah Education Department, Sabah Rugby Union and Eagles Rugby Club Sandakan for youth rugby sports development

Rugby coaching and volunteerism at SRJK © Pui Gin

IJM's commitment to promoting rugby in Malaysia extends to sponsoring rugby tournaments such as the International Power Royal Sevens Rugby Tournament and other locally organised tournaments. As a continuous initiative, we have given our support to the Malaysian Rugby team in their game against international competitors. The Malaysian team emerged champion in the recent Asian Rugby Football Union Division 11 Championship tournament and was promoted to Division 1, making it a historical achievement for the Malaysian Rugby team.

IJM had also sponsored the 45th COBRA 10s 2015 Rugby Tournament to enhance the popularity and development of the sport. The tournament had attracted participation and representation from over 40 nations including teams from international rugby stalwarts such as New Zealand, England, and Australia.

CORPORATE RESPONSIBILITY (Cont'd)

Gymnastics

The achievements of the Serdang Rhythmic Angels Club in establishing a training centre within a short period greatly impressed IJM who consequently took on the role of the main sponsor in the biennial international inter-club rhythmic gymnastics competition since 2004. The competition provided an avenue for young gymnasts to compete at international level as well as a platform for coaches and judges to sharpen their coaching and judging skills, besides fostering ties with local and international clubs.

Established in 1998, the gymnastics club which is based in Seri Kembangan and managed entirely by volunteers, won the inaugural "Best Performing Rhythmic Gymnastics Club" award from the Selangor Amateur Gymnastics Association. From an initial number of 12 gymnasts at the outset, the enrolment has since increased manifold covering different stages of development and age groups.

Volleyball

IJM's involvement in the development of volleyball had arisen from the sponsorship of the Perak Men's Team, where a few of the players are staff of IJM, at the Malaysian National Volleyball Championship which was held in Shah Alam in 2014.

In August 2015, IJM took up the main sponsorship for the Malaysian Volleyball Association (MAVA)'s Malaysian Youth under-20 Volleyball Championship. As it has always been the Group's objective to support sports development at grassroots level, the **IJM Malaysian Youth Under-20 Volleyball Championship** will be a good platform to establish the fame of volleyball as a popular sport in Malaysia. This inaugural championship also served to identify and develop young talent and nurture a sustainable programme for volleyball in the country.

IJM Land Run 2015 in Seremban 2

Bandar Rimbayu's Run With Me 2015

<u>Run for Charity</u>

The Group believes that charity runs are good platforms in building healthy communities and fostering 'neighbourly' ties.

As a developer for the people, the Property Division has made it a priority to promote a healthy lifestyle to the community of all ages and all walks of life.

During the year, IJM Land had organised two runs for the local community. Our two (2) signature running events – the IJM Land Run in Seremban 2 and Run with Me in Bandar Rimbayu had become the anticipated events for the local communities of the two townships with the turnout numbers growing year on year. The annual IJM Land Run 2015 proved to be a hot favourite with a record number of 4,000 participants taking part in the various categories to raise funds for designated charities.

Managing Director of IJM Land, Mr. Edward Chong (second from right) addressing the media at the Malaysia Women Marathon 2016 press conference held at Bandar Rimbayu

CORPORATE RESPONSIBILITY (Cont'd)

The Group had also supported and sponsored other charity run events, among them, The Bursa Bull Charge Charity Run 2015 - the Day the Marketplace Runs for Others; the Malaysian UNITED Run 2015 – a charity run organised by Institute Onn Jaafar to benefit five deserving charity homes and an Orang Asli Development organisation; the MPA Charity Run - Run for a Change organised by students of Taylor's University under their "Mission Able 2015" charity event to raise funds for the "Handicapped and Disabled Children's Association of Klang, Selangor.

IJM Land's Bandar Rimbayu was also the venue sponsor for the Malaysian Women's Marathon (MWM) on 6 March 2016.

IJM's Deputy CEO & Deputy Managing Director, Mr. Lee Chun Fai with other sponsors at the Bursa Bull Charge Charity Run 2015 Press Conference held at Bursa Malaysia's office

Cycling

Cycling has become increasingly popular as it is one of the easiest ways to fit exercise into one's daily routine. Being a low-impact type of exercise, cycling is easier on the joints than activities like running or other high impact activities. Cycling is also a form of transport which is environmentally-friendly, saves money and helps one to stay fit.

IJM actively encourages and promotes cycling in all its township developments via the provision of wide roads and linear parks. Cycling events were also organised in the townships and also on our highways to provide an avenue for cyclists to connect and compete in a safe urban environment.

Cyclists participating in the LEKAS Highway Challenge


Cycling events organised in IJM's township developments

WORKPLACE

A healthy, safe and progressive working environment ensures our main assets – the people of IJM – are able to perform to their fullest potential. Continuous investments in our people in the form of training and development programmes that create opportunities for professional growth are prioritised within the Group.

Integrated Talent Management

We believe our people are our greatest asset. Over the years, we have relentlessly worked towards making IJM a great place to work. To this end, we employ an integrated approach towards human capital development to advance the Group's business needs.

We are proud to say that many of our employees stay with us for a long time. At IJM, we believe in a shared destiny, hence we put a careful thought into our HR initiatives as we craft our employees' journey with us from the time of attraction, and selection till retirement.

CORPORATE RESPONSIBILITY (Cont'd)

2015 Highlights

- Maintained IJM's listing in Malaysia's 100 Leading Graduate Employers
- Organised 986 Learning and Development programme sessions and invested RM1.60 million into the training programmes
- Strengthened our Talent and Leadership Development programmes through the introduction of appropriate Senior Leadership Development Programmes
- Continued to embed our core values through systems and processes
- Launched Employee Wellness to incorporate a total wellness framework to support work-life integration
- Refreshed our intranet and became the first Malaysian company to include the mobile collaborative platform of Facebook at Work
- Improved work life practices through introduction of staggered hours, family care leave, car parks for expectant mothers, extended maternity leave
- Continued with the Long Term Incentive Plan with the fourth share grant as part of the incentive package

ATTRACT AND SELECT

As we aspire to attract the best talents into our organisation, IJM continues to build upon our employer branding through expanding and deploying our recruitment channels and strategically collaborating with universities. In addition to the above, we further bolster our in-house programmes to accelerate the growth of our entry level talents.

Campus Collaborations

We have successfully collaborated with both local and foreign universities as part of our employer branding initiatives to attract young graduates into the job market. Among the activities organised were:

1. Site visits by University of Malaya, Universiti Tunku Abdul Rahman as well as Columbia University to our high rise building and infrastructure projects;
2. Event sponsorships at Universiti Tunku Abdul Rahman and Universiti Sains Malaysia;
3. Career talks at Universiti Teknologi Petronas and Universiti Sains Malaysia; and
4. Campus roadshows and career fairs at University of Nottingham Malaysia Campus, Universiti Tunku Abdul Rahman and others.

Site visit by University Tunku Abdul Rahman to JKG Tower

Career talk conducted at Universiti Teknologi Petronas

The campuses outreach programmes seeks to impart practical knowledge and exposure to the undergraduates before they join the workforce. This is done via sharing sessions, career talks, project site visits and articles in magazines which gives good foundation to the undergraduates for them to learn more about our industry generally, and IJM specifically.

Apart from that, we have also featured our own employees in the publication of graduate magazines e.g. GradMalaysia and Malaysia's 100 Leading Graduate Employers to provide a better understanding of the roles and functions of our industries.

All these efforts bore fruit when IJM was listed in Malaysia's 100 Leading Graduate Employers, as voted by students and graduates.

Recruitment Channels

IJM continues to leverage on various recruitment channels to widen our reach and create awareness on career opportunities, and tap on the same channels to enhance our employer brand through sharing of company activities/ events. Our key channels are depicted below:-

Employee Referral Program

IJM Career Page

Online job portal

Career Fairs

Social media & professional networking sites

CORPORATE RESPONSIBILITY (Cont'd)

Integrated Graduate Programme

Our Integrated Graduate Programme consists of three distinctive programmes through different phases of development of a young talent. The objective is to grow our talent pool and to nurture junior talents for future key positions in our Group.

IJM Scholarship

Apart from receiving financial assistance to pursue their tertiary education, our scholars also will be supported by mentors who will guide them in their personal and professional development throughout their studies.

Many of our scholars now hold important management positions in various functions. The provision of the IJM Scholarship Award echoes our pursuit of a high performance culture and the development of a sustainable talent pipeline for the Group.

Internship

The internship programme in IJM Group aims to provide an opportunity for the undergraduates to experience working life and put theories learnt into practice, hence enhancing their employability.

At the same time, the programme also funnels a potential pipeline of promising undergraduates for the Group.

Graduate Associate Programme (GAP)

The Group also hires fresh graduates and put them through a structured development programme. Through the GAP, one gains holistic view of the business through exposure to different functions within the business division.

This provides a good pipeline of all rounded talent to the businesses.

2015 Scholarship Assessment Center

CEO having his casual meet-up with scholars and Graduate Associates

INTEGRATE AND ALIGN

We continue to shape our culture and further embed our core values, and work on embracing diversity through introduction of work-life practices.

Orientation Programme

IJM has a structured Orientation Programme that welcomes new employees and assimilates them seamlessly into the workplace. The Orientation programme serves as a platform for new employees to understand the IJM Group and its businesses, policies and procedures, access to basic information, programmes and services, terms and conditions of employment as well as the organisational culture and work expectation. Following on the Orientation programme, the IJM Core Values workshop is held to introduce new employees to our IJM Core Values.

Orientation & Core Values Workshop

CORPORATE RESPONSIBILITY (Cont'd)

Culture and Values

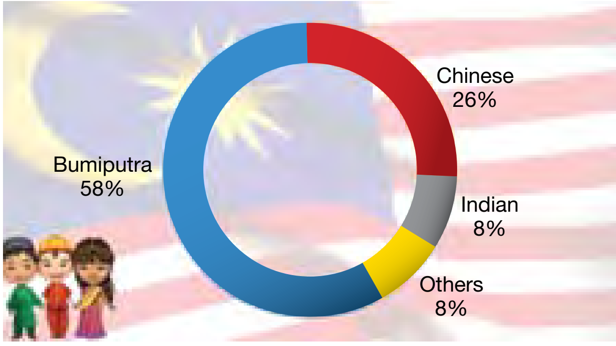
IJM's Core Values are what define us. Teamwork, Integrity, Innovation and Customer Focus are the guiding principles that help to define how we behave in driving the business. In ensuring that our core values are lived by at a conscious level, these values are embedded into systems, work processes, day-to-day actions and decisions. Thus, nurturing the distinctive IJM way.

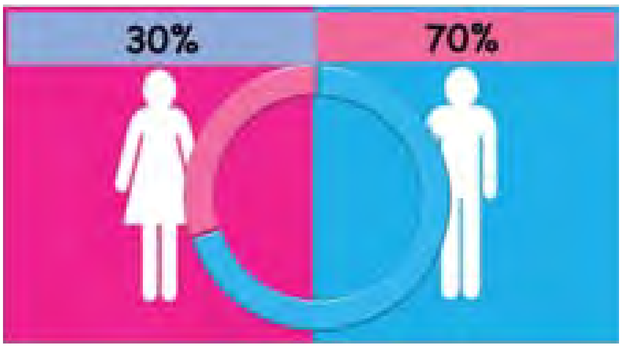
As part of awareness and campaigns to reiterate the Core Values, we also make it fun and interesting for our employees especially the younger workforce by engaging them to participate in contests and competitions.

Contest and competition on IJM Core Values

Diversity Efforts

As an organisation with 4,417 employees and having presence in around 10 countries, we value diversity and differences and continue to tap on them for creativity and experience to bring about competitive edge to our businesses. This is manifested through the incorporation of Respect for Diversity as one of our core values. We also have a Diversity and Inclusion Policy that governs all aspects of employment practices ensuring that there is no discrimination and meritocracy is promoted.





Work-life Practices

As we continue to build on a diverse workforce to scale new heights, we work towards catering for more flexible work arrangements. In the last financial year, we have made the following enhancements towards more conducive work-life practices especially attractive for the female population.

Staggered Hours

3 different options

Family Care Leave

Additional Days of leave is granted for parents/spouse/ children who are hospitalised

Car Park for Expectant Mother

Besides the designated mother's room, car park spaces are also allocated upon request

Extended Maternity Leave

Optional third month of maternity

CORPORATE RESPONSIBILITY (Cont'd)

DEVELOP AND COACH

Learning and Development

At IJM, we nurture and grow our people via a multitude of learning and development programmes. Our learning and development initiatives ensure that our employees have the appropriate skills and knowledge to fulfil our strategic and operational objectives in addition to their own professional and personal growth.

In 2015, a total of 928 training sessions were organised. These are inclusive of internal training, external training and On the Job (OJT) training. Total investment for Learning & Development was more than RM1.60 million. The training sessions covers Health, Safety and Environment programmes, Quality Programmes, Finance, Leadership and Soft Skills and Technical skills. The varied programmes ensure nurturing of talents, equipping them with the right knowledge, confidence, and skills to excel.

In IJM we have exclusively designed leadership development programmes for each of the different pipeline levels. They are the Senior Leadership Development Programme (SLDP), Leadership Accelerated Development Programme (LEAD), Leadership Development Programme (LDP), and Young Talent Programme (YTP). All these programmes embody the group's talent framework and learning philosophy to groom them in essential business skills, provide them with the opportunity to hone their leadership competencies as well as increase the readiness of our talent and leadership pool as we further expand our businesses.

For the first time, the Senior Leadership Development Programme was introduced to our senior leaders to enhance their leadership skills. We featured programmes like Crucial Conversations and Crucial Accountability, Financial Acumen, Building Teams across Multi Generations and tapped on the Harvard Manage Mentor e-learning series to enable leaders to learn anytime and anywhere.

This year our IJM Leadership Development Programme focused on developing the coaching competencies and managing across generations. As we have 5 generations under one roof, we wanted to equip our managers to have the skills to be able to handle the diverse workforce. Coaching remains as one of the crucial skills that are able to bridge the gap. Coaching is about expanding our talent's capabilities, and therefore our organisation's capabilities.

Critical Analysis training programme for participants in Northern region

Career Empowerment talk for LEAD participants

Birthday celebrations

Simulation on First Aid, CPR & AED training

IJM Continuing Education Programme

To ensure that existing employees are fully equipped with academic and technical skills, IJM also offers study loans and subsidies to support employees for continuous education at professional level. In 2015, approximately RM33, 900 was disbursed under Continuing Education.

ENGAGE AND RETAIN

An engaged workforce brings about passion, positive energy and productivity to the organisation. IJM seeks to continuously focus on engaging our workforce by bringing about well thought out initiatives and employ technology to nurture and retain the right talent.

Employee Engagement

Following our strong Employee Engagement Survey results in 2014, we have developed our action plans in our efforts to connect, inspire, and make IJM a better workplace for the employees. As a result of the action plans, IJM Group has organised various engagement activities as a way to foster that sense of belonging to the organisation. Some of the engagement activities include frequent communication, engagement via Balance Score Card cascading sessions with HODs and staff, weekly & monthly meetings, Regional Alignment Forums, bonding and teamwork via celebrations, formal & informal gatherings and division wide teambuilding. At IJM, we are never short of activities to engage with the employees.

CORPORATE RESPONSIBILITY (Cont'd)

Executive Mentoring Session

Division wide Teambuilding

Regional Alignment Forums are held to engage employees

Engaging Through Technology

As we continue building an engaged workforce, there is a need to further empower our employees with greater knowledge, up to date information, and bring about more collaboration. At IJM, we refreshed our intranet towards a friendlier, easy to use and information rich portal. We also introduced Facebook at Work. Facebook at Work is a great communication, connecting and collaboration mobile platform. IJM is a large and diverse Group, so employees are now able to connect and obtain up to date happenings in the entire Group. With this tool, our employees are able to get and upload instant updates, share their ideas, share their successes, thoughts, reactions, and respond to various items of interests, and ultimately, get more engaged with the larger IJM community. It connects people, improves team communication and increases productivity.

More importantly, Facebook at Work allows every employee the chance to have their voice heard. We are proud to say that IJM is the first Malaysian company to launch Facebook at Work.

Run to Give (Pink October)

Total Employee Wellness

It is very humbling to note that IJM has many long serving employees. In view of these employees, IJM introduced the Total Employee Wellness Programme so that our employees could stay and grow with us healthily and holistically. Hence, IJM Total Employee Wellness was introduced in June 2015. The purpose is to promote wellness and inclusiveness among our workforce besides instilling awareness and adoption of healthy living. There are 4 dimensions in Total Employee Wellness which covers Financial, Physical, Emotional and Environmental perspectives. Programmes or activities relating to any of the 4 dimensions will be integrated into the workplace for employees to attain equilibrium of the 4 dimensions. The IJM Total Employee Wellness programmes are well received by employees who actively participate in the various programme offerings throughout the various divisions.


Mindfulness session


Yoga session


Gotong Royong


Family Day


'How to detox your liver' session


'Free' Green Market under the reuse, recycle and exchange programme

CORPORATE RESPONSIBILITY (Cont'd)

Financial Independence Talk

Biggest Loser activity challenge

Employee Awards

We value and give recognition to employees who are loyal and committed through their years of service with IJM. Employees who have served 20 years of service are accorded with the Long Service Awards where they are given choices of their preferred gifts, ranging from jewellery to IT gadgets. Award recipients are honoured at the IJM Annual Dinner and Dance. In FY2016, we have had the privilege of 61 loyal and dedicated employees receiving their Long Service Awards.

Property Purchase Discount

IJM Land, the property arm of the Group develops a wide variety of commercial and residential properties, ranging from shop offices, terrace houses, high-rise residences, to semi-detached homes and bungalows in major townships of Greater Kuala Lumpur, Penang, Seremban, Johor, Sabah and Sarawak. To assist employees in home ownership, our employees enjoy a 5% discount every 5 years for the purchase of residential properties developed by IJM Land.

Employee Protection

The Group has implemented various employee protection schemes in order to ensure that the staff are well looked after, such as the Group Multiple Insurance Benefits Scheme covering term life, total permanent disability, critical illnesses whilst providing investment returns as well. It offers employees a comprehensive protection up to the age of 70, and can be extended to cover spouses at affordable rates.

In addition, employees are also covered by the Group's Personal Accident Insurance Policy for total permanent disability and/or as a result of accidents arising from work. The Group also offers annual health screening examinations, outpatient medical, dental and optical attention as well as hospitalisation and surgical benefits.

The Group has in place a comprehensive Health, Safety and Environment framework and management system.

Further details are available in the *Health, Safety and Environment Report*.

Sports and Social Activities

In IJM, we encourage our staff to have a work-life balance. Various sports, social and welfare activities are organised throughout the year through the Group's **Kelab Sukan IJM ("KSIJM")**.

During the financial year, KSIJM had organised festive gatherings and sports events to promote better synergy and foster closer relations among the five divisions of the Group in line with the IJM Family culture.

In addition, the 5 divisions of the Group rotate to host the biennial IJM Games with the aim to inspire minds, nurture teamwork and promote diversity at all levels.

Open Sports Championship of Industry Division

'We Care' Run at LEKAS Highway for the Toll Division

American Pool Competition

CORPORATE RESPONSIBILITY (Cont'd)

Laser Tag Tournament 2015

Movie Day for Staff and families

Hari Raya Celebration 2015

Deepavali Celebration 2015

MEASURES AND REWARDS

We continually enhance the performance management process to ensure it aligns employees of all levels to the corporate goals. In line with our reward philosophy of "pay for performance", we drive differentiation of performance group-wide and employees who perform are accordingly rewarded.

Our remuneration package is devised to reward commensurately with the role and contribution of each individual within the context of the business environment. Whilst it is kept abreast with the economic situation and changes in the market through periodic benchmarking, it is carefully balanced to remain sustainable in the long run.

With the view to reward employees who are committed and who contribute to the business results tenaciously, a Long Term Incentive Plan in the form of share options has been included as part of the remuneration package. The plan serves to reward based on merit as well as to retain good performers group-wide.

DEPLOY AND ADVANCE

Succession Planning

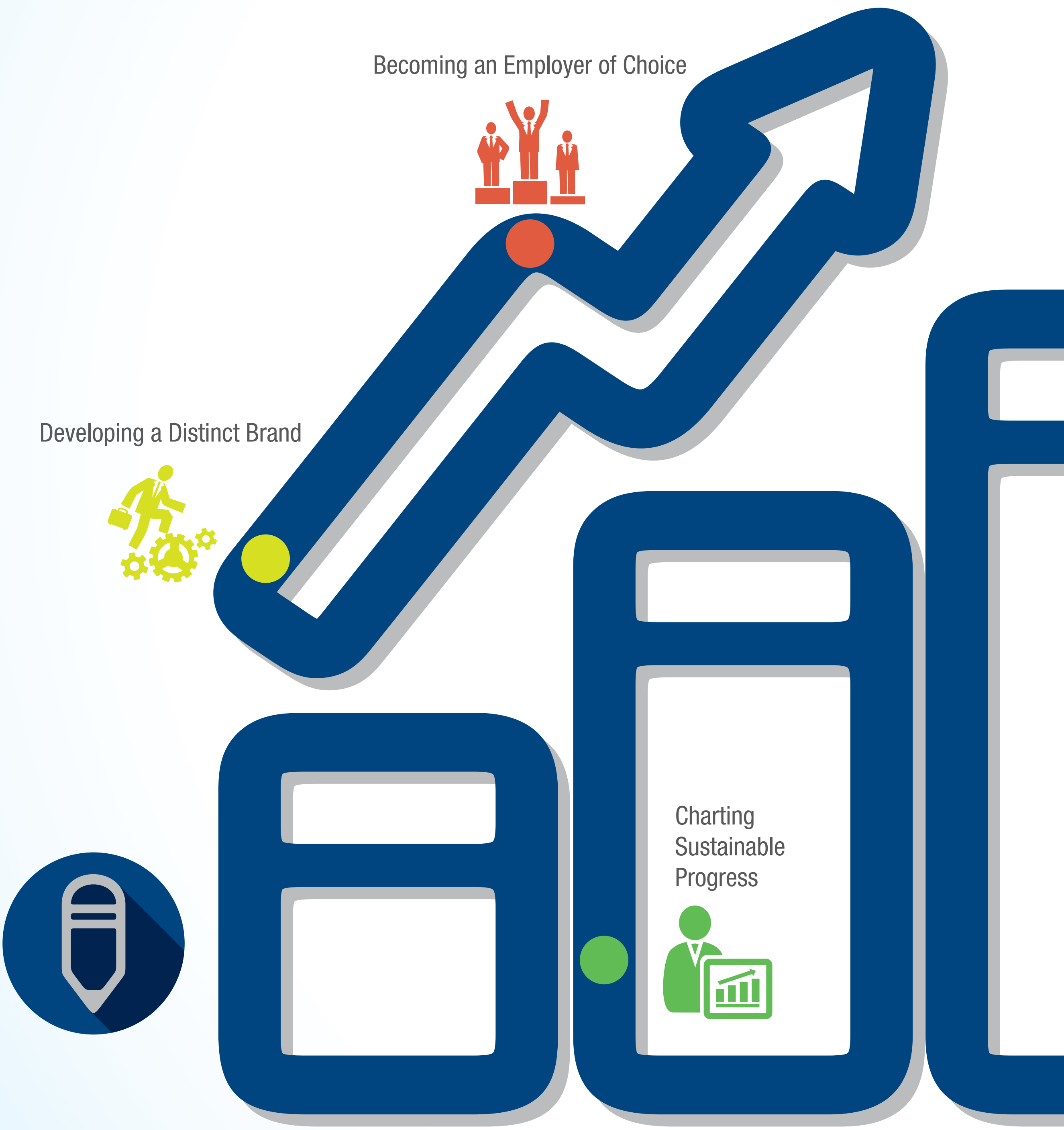
Whilst we attract the right talent from the outside, we are known for our philosophy of grooming our talent from within. All our CEOs are home grown, as are most of our Management team. We are resolved in nurturing our leadership pipeline internally and we have in place the relevant framework. We customised the Senior Leadership Development Programme for this group of talent to further groom their leadership skills. This year, we further enhanced our succession planning through the introduction of Talent Reviews to attain a broad view of the readiness of leaders to meet the current and future needs of the business. During the sessions, we also review action plans to further strengthen our leadership pipeline.

Employees are our greatest assets. People are our priority.

This Corporate Responsibility Statement is made in accordance with a resolution of the Board of Directors dated 13 July 2016.

Christmas 2015 and New Year 2016 celebration at Uncle Chilli's in Hilton Petaling Jaya

Chinese New Year 2016 celebration


Becoming an Employer of Choice
Developing a Distinct Brand
Charting Sustainable Progress

DRIVING HOLISTIC GROWTH

We are catalysing growth to raise our game as a regional market leader.

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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 2016.

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	881,535	194,150
Attributable to:		
Owners of the Company	793,587	194,150
Non-controlling interests	87,948	–
	881,535	194,150

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 2015:	
A single tier second interim dividend of 11 sen per share, paid on 9 July 2015	196,481
In respect of the financial year ended 31 March 2016:	
A single tier first interim dividend of 3 sen per share, paid on 23 December 2015	107,198
	303,679

On 26 May 2016, the Directors have declared a single tier second interim dividend and special dividend in respect of the financial year ended 31 March 2016 of 4 sen and 3 sen respectively per share to be paid on 15 July 2016 to every member who is entitled to receive the dividend as at 5:00 pm on 24 June 2016.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2016.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

SHARE CAPITAL

During the financial year, the issued and paid-up ordinary share capital of the Company was increased from RM1,500,001,200 to RM3,584,805,820 by way of the issuance of:-

(i) 279,386,110 new ordinary shares of RM1.00 each as part of the consideration for the privatisation of IJM Land Berhad;

(ii) 1,786,460,110 new ordinary shares of RM1.00 each on 10 September 2015 arising from the bonus issue on the basis of 1 bonus share for every 1 existing share held ("1:1 Bonus Issue");

(iii) 3,032,900 new ordinary shares of RM1.00 each arising from the vesting of shares under the Employee Share Grant Plan ("ESGP");

SHARE CAPITAL (cont'd)

(iv) 7,299,300 new ordinary shares of RM1.00 each 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	
3,354,200	4.37/2.18*	First ESOS Award
3,200,900	5.14/2.57*	Second ESOS Award
744,200	5.88/2.94*	Third ESOS Award
7,299,300		

(v) 8,626,200 new ordinary shares of RM1.00 each 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	
3,543,900	4.37/2.18*	First ESOS Award
3,353,200	5.14/2.57*	Second ESOS Award
1,729,100	5.88/2.94*	Third ESOS Award
8,626,200		

** ESOS exercise prices had been adjusted to RM2.18, RM2.57 and RM2.94 on 11 September 2015, following the 1:1 Bonus Issue.*

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

TREASURY SHARES

On 2 June 2015, the Company repurchased 1,000 of its ordinary shares from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") for RM7,000. The average price paid for the shares repurchased was approximately RM7.00 per share. Subsequently, the Company disposed its entire holding of treasury shares totalling 50,000 ordinary shares in the open market on Bursa Malaysia at an average price of RM6.29 per share on 2 September 2015. On 26 November 2015, the Company repurchased another 1,000 of its ordinary shares from the open market on Bursa Malaysia for RM3,420. The average price paid for the shares repurchased was approximately RM3.42 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.

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 has 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.

LONG TERM INCENTIVE PLAN (cont'd)

The main features of the ESOS are as follows: (cont'd)

(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 but shall not be less than the par value of the Company's shares.

(e) Vesting dates for the First, Second,Third and Fourth 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	Percentage (%)
24 December 2013	24 December 2014	24 December 2015	24 December 2016	40
24 December 2014	24 December 2015	24 December 2016	24 December 2017	30
24 December 2015	24 December 2016	24 December 2017	24 December 2018	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 will be 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 have 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 further adjusted to RM2.18 on 11 September 2015, following the 1:1 Bonus Issue.

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 will be 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 have 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 further adjusted to RM2.57 on 11 September 2015, following the 1:1 Bonus Issue.

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.

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.

LONG TERM INCENTIVE PLAN (cont'd)

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of the option holders who had been awarded options in aggregate of less than 165,000 options for the Fourth ESOS Award. The list of employees of the Company and its subsidiaries who are awarded 165,000 options and above during the financial year under the Fourth ESOS Award are as follows:

Name of employee	Provisional number of options over ordinary shares of RM1 each awarded on 24.12.2015
Dato' Soam Heng Choon	1,320,000
Lee Chun Fai	385,000
Wong Heng Wai	225,000
Shuy Eng Leong	225,000
Gabriel Chia Kee Loy	202,500
Choon Chee Peng	202,500
Lee Wai Hin	202,500
Chai King Sing	180,000
Edward Chong Sin Kiat	165,000

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 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.

(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.

DIRECTORS' REPORT AND STATEMENT (Cont'd)

LONG TERM INCENTIVE PLAN (cont'd)

The provisional number of shares awarded under the First, Second, Third and Fourth ESGP Awards are as follows:-

	Provisional Number of Shares Awarded			
ESGP	First ESGP Award	Second ESGP Award	Third ESGP Award	Fourth ESGP Award
PSP	1,516,100[*1]	1,357,100[*1]	1,429,000[*1]	3,701,400[*1]
RSP	4,559,300[*2]	5,034,400[*2]	5,321,900[*2]	11,552,800[*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 2016, the total number of options (ESOS) and shares (ESGP) allocated to the Directors and senior management of the Group is 9.56% 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 2.18% of the shares available under the LTIP.

DIRECTORS

The Directors in office since the date of the last report and statement 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*

Dato' David Frederick Wilson@, *Non-Executive Director*

members of the Audit Committee

* *members of the Nomination and Remuneration Committee*

@ *members of the Securities and Options Committee*

DIRECTORS (cont'd)

According to the Register of Directors' Shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares and options over ordinary shares of RM1 each of the Company and its related corporations during the financial year are as follows:

IJM Corporation Berhad

	Number of ordinary shares of RM1 each			
Name of Directors	**Balance at 1.4.2015/ At date of Appointment**	**Acquired**	**Disposed**	**Balance at 31.3.2016**
Tan Sri Dato' Tan Boon Seng @ Krishnan				
Direct interest	3,173,528	3,644,238^@	1,024,100	5,793,666
Indirect interest	139,036(1)	282,936^@	50,000	371,972(1)
Tan Sri Abdul Halim bin Ali				
Direct interest	–	30,000^@	–	30,000
Dato' Soam Heng Choon				
Direct interest	23,100	600,800^@	–	623,900
Lee Chun Fai (2)				
Direct interest	65,000	191,200@	–	256,200
Indirect interest	125,000(1)	125,000@	–	250,000(1)
Datuk Lee Teck Yuen				
Direct interest	350,000	11,414,692^@	–	11,764,692
Indirect interest	1,470,000(1)	–	1,470,000	–

	Options over ordinary shares of RM1 each ("Options") under Employee Share Option Scheme ("ESOS")						
	Provisional Number of Options+		Number of Options				
Name of Directors	**At 1.4.2015/ Date of Appointment**	**At 31.3.2016**	**At 1.4.2015/ Date of Appointment**	**BI Adjustment on unexercised Options**	**Vested**	**Exercised**	**At 31.3.2016**
First ESOS Award on 24.12.2012							
Dato' Soam Heng Choon	57,750	–##	134,700	134,700	115,500	–	384,900
Lee Chun Fai	57,750	–##	132,400	132,400	111,600	–	376,400
Second ESOS Award on 24.12.2013							
Lee Chun Fai	115,500	115,500##	75,700	75,700	111,600	–	263,000
Third ESOS Award on 24.12.2014							
Dato' Soam Heng Choon	467,500	561,000##	–	–	374,000	–	374,000
Lee Chun Fai	82,500	99,000##	–	–	63,800	–	63,800
Fourth ESOS Award on 24.12.2015							
Dato' Soam Heng Choon	–	1,320,000	–	–	–	–	–
Lee Chun Fai	–	385,000	–	–	–	–	–

DIRECTORS' REPORT AND STATEMENT (Cont'd)

DIRECTORS (cont'd)

IJM Corporation Berhad (cont'd)

	Number of ordinary shares of RM1 each ("Shares") under Employee Share Grant Plan ("ESGP")					
	Performance Share Plan++			Retention Share Plan+++		
Name of Directors	+Provisional Number at 1.4.2015/ Date of Appointment	+Provisional Number at 31.3.2016	Vested	+Provisional Number at 1.4.2015/ Date of Appointment	+Provisional Number at 31.3.2016	Vested
First ESGP Award on 15.4.2013						
Tan Sri Dato' Tan Boon Seng @ Krishnan	196,500	**196,500##**	99,300	50,600	**50,600##**	25,600
Dato' Soam Heng Choon	48,500	**48,500##**	48,500	19,400	**19,400##**	14,600
Lee Chun Fai	48,500	**48,500##**	48,500	19,400	**19,400##**	14,600
Second ESGP Award on 15.4.2014						
Lee Chun Fai	48,500	**97,000#**	–	19,400	**38,800#**	–
Third ESGP Award on 15.4.2015						
Dato' Soam Heng Choon	196,500	**393,000#**	–	50,600	**101,200#**	–

IJM Plantations Berhad (a subsidiary)

	Number of ordinary shares of RM0.50 each			
Name of Directors	Balance at 1.4.2015	Acquired	Disposed	Balance at 31.3.2016
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 6 April 2015*

^ *Including shares acquired pursuant to the privatisation of IJM Land Berhad ("IJML") by IJM Corporation Berhad ("IJM") undertaken by way of a scheme of arrangement under Section 176 of the Companies Act, 1965 between IJM and all shareholders of IJML other than IJM*

@ *Including shares acquired by way of 1:1 Bonus Issue*

\+ *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*

\# *After Bonus Issue adjustment on 1:1 basis on 11 September 2015*

\## *After Bonus Issue adjustment on 1:1 basis on 11 September 2015 and vesting of shares*

DIRECTORS (cont'd)

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.

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 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.

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.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, 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 realise their book values in the ordinary course of business had been written down to their estimated realisable values.

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 material extent or 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.

In the interval between the end of the financial year and the date of this report and statement:

(a) 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; or

(b) no charge has arisen on the assets of any company in the Group which secures the liability of any other person nor has any contingent liability arisen in any company in the Group.

OTHER STATUTORY INFORMATION (cont'd)

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;

(b) the financial statements of the Group and of the Company set out on pages 229 to 394 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 2016 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, 1965; and

(c) the information set out in Note 57 on page 395 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.

AUDITORS

The Auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors.

TAN SRI ABDUL HALIM BIN ALI
DIRECTOR

DATO' SOAM HENG CHOON
DIRECTOR

Petaling Jaya
26 May 2016

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31 March 2016

	Note	The Group 2016 RM'000	The Group 2015 RM'000	The Company 2016 RM'000	The Company 2015 RM'000
Operating revenue	4,13	**5,128,198**	5,448,282	**270,372**	273,150
Cost of sales		**(3,694,548)**	(3,767,422)	**(14)**	(9,164)
Gross profit		**1,433,650**	1,680,860	**270,358**	263,986
Other operating income		**508,065**	265,104	**78,382**	102,105
Tendering, selling and distribution expenses		**(182,777)**	(192,104)	**–**	–
Administrative expenses		**(352,660)**	(359,445)	**(45,277)**	(47,927)
Other operating expenses		**(104,825)**	(102,055)	**(25,985)**	(18,561)
Operating profit before finance cost	5	**1,301,453**	1,292,360	**277,478**	299,603
Finance cost	9	**(169,224)**	(242,682)	**(73,463)**	(67,688)
Operating profit after finance cost		**1,132,229**	1,049,678	**204,015**	231,915
Share of profits/(losses) of associates		**13,725**	(19,405)	**–**	–
Share of profits/(losses) of joint ventures		**9,843**	(10,916)	**–**	–
Profit before taxation	13	**1,155,797**	1,019,357	**204,015**	231,915
Income tax expense	10	**(274,262)**	(306,316)	**(9,865)**	(19,759)
Net profit for the financial year		**881,535**	713,041	**194,150**	212,156
Other comprehensive income (net of tax):					
Items that will not be reclassified to profit or loss:					
Actuarial loss on defined benefit plan		**(751)**	–	**–**	–
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences of foreign operations		**59,302**	25,929	**(52)**	(2,244)
Share of other comprehensive income/(losses) of associates		**3,790**	(1,039)	**–**	–
Realisation of other comprehensive income arising from disposal of foreign subsidiaries and joint ventures		**(53,889)**	–	**–**	–
		8,452	24,890	**(52)**	(2,244)
Total comprehensive income for the financial year		**889,987**	737,931	**194,098**	209,912
Net profit attributable to:					
Owners of the Company		**793,587**	480,944	**194,150**	212,156
Non-controlling interests		**87,948**	232,097	**–**	–
Net profit for the financial year		**881,535**	713,041	**194,150**	212,156
Total comprehensive income attributable to:					
Owners of the Company		**787,652**	509,817	**194,098**	209,912
Non-controlling interests		**102,335**	228,114	**–**	–
Total comprehensive income for the financial year		**889,987**	737,931	**194,098**	209,912
Earnings per share for net profit attributable to owners of the Company:					
- Basic	11(a)	**22.22 Sen**	14.75 Sen*		
- Fully diluted	11(b)	**21.81 Sen**	14.65 Sen*		

** Adjusted for the effect of 1:1 Bonus Issue on 10 September 2015*

CONSOLIDATED BALANCE SHEET

as at 31 March 2016

	Note	2016 RM'000	2015 RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	14(A)	**3,584,805**	1,500,001
Share premium	14(B)	**2,349,079**	2,346,070
Treasury shares	14(C)	**(3)**	(270)
Shares held under trust	14(E)	**(3,812)**	(3,771)
Revaluation reserve		**71,197**	71,197
Exchange translation reserve		**(138,432)**	(137,193)
Share-based payment reserve		**77,949**	50,515
Other reserves	15	**45,494**	2,061,251
Retained profits		**3,042,082**	2,541,840
		9,028,359	8,429,640
NON-CONTROLLING INTERESTS		**1,208,045**	1,145,897
TOTAL EQUITY		**10,236,404**	9,575,537
NON-CURRENT LIABILITIES			
Bonds	16	**1,880,000**	1,628,769
Term loans	17	**2,269,363**	2,318,853
Government support loans	18	**184,481**	210,498
Hire purchase and lease payables	19	**169**	188
Deferred tax liabilities	22	**631,326**	780,336
Trade and other payables	23	**764,463**	728,173
Retirement benefits	24	**4,675**	5,271
Provisions	25	**85,829**	99,675
		5,820,306	5,771,763
Government grants	26	**8,164**	83,287
		16,064,874	15,430,587
NON-CURRENT ASSETS			
Property, plant and equipment	27	**1,812,557**	1,726,831
Land use rights	28	**134,839**	129,320
Investment properties	29	**60,083**	41,828
Concession assets	30	**2,912,176**	3,286,306
Associates	32	**869,633**	604,965
Joint ventures	33	**680,521**	663,520
Available-for-sale financial assets	34	**2,212**	25,022
Long term receivables	35	**128,787**	105,556
Intangible assets	36	**91,603**	85,738
Deferred tax assets	22	**230,046**	201,196
Land held for property development	37(a)	**604,143**	587,480
Plantation development expenditure	38	**1,088,487**	997,428
Deposit with a licensed bank	42	**–**	92,569
		8,615,087	8,547,759

	Note	2016 RM'000	2015 RM'000
CURRENT ASSETS			
Property development costs	37(b)	5,632,922	5,479,179
Inventories	39	1,092,482	783,912
Trade and other receivables	40	2,256,370	2,424,292
Financial assets at fair value through profit or loss	41	407,200	214,908
Derivative financial instruments	21	–	3,727
Tax recoverable		152,023	89,511
Deposits, cash and bank balances	42	1,679,461	1,818,657
Assets held for sale	43(a)	–	7,464
Assets of disposal group classified as held for sale	43(b)	–	361,280
		11,220,458	11,182,930
Less:			
CURRENT LIABILITIES			
Trade and other payables	44	2,258,316	2,014,477
Current tax liabilities		22,630	26,963
Derivative financial instruments	21	10,380	–
Provisions	25	1,945	5,115
Borrowings			
- Bank overdrafts	45	187,352	28,024
- Others	45	1,290,048	1,961,395
Liabilities of disposal group classified as held for sale	43(b)	–	264,128
		3,770,671	4,300,102
NET CURRENT ASSETS		7,449,787	6,882,828
		16,064,874	15,430,587

COMPANY BALANCE SHEET

as at 31 March 2016

	Note	2016 RM'000	2015 RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	14(A)	3,584,805	1,500,001
Share premium	14(B)	2,349,079	2,346,070
Treasury shares	14(C)	(3)	(270)
Shares held under trust	14(E)	(3,812)	(3,771)
Exchange translation reserve		1,992	2,044
Share-based payment reserve		77,949	50,515
Other reserves	15	–	2,011,580
Retained profits		285,515	395,044
TOTAL EQUITY		6,295,525	6,301,213
NON-CURRENT LIABILITIES			
Bonds	16	1,200,000	800,000
Term loans	17	157,300	–
Trade and other payables	44	964,234	999,360
		2,321,534	1,799,360
		8,617,059	8,100,573
NON-CURRENT ASSETS			
Property, plant and equipment	27	2,491	3,254
Investment properties	29	7,477	3,904
Subsidiaries	31	7,136,241	7,058,013
Associates	32	368,529	366,142
Joint ventures	33	218,600	211,512
Available-for-sale financial assets	34	2,050	2,050
Deferred tax assets	22	2,520	2,779
		7,737,908	7,647,654
CURRENT ASSETS			
Inventories	39	–	1,822
Trade and other receivables	40	1,099,484	1,519,135
Financial assets at fair value through profit or loss	41	39,156	5,536
Derivative financial instruments	21	–	1,125
Deposits, cash and bank balances	42	173,043	55,804
Tax recoverable		4,579	–
Assets held for sale	43(a)	–	3,737
		1,316,262	1,587,159
Less:			
CURRENT LIABILITIES			
Trade and other payables	44	347,111	544,729
Current tax liabilities		–	3,504
Borrowings	45	90,000	586,007
		437,111	1,134,240
NET CURRENT ASSETS		879,151	452,919
		8,617,059	8,100,573

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 March 2016

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
		Attributable to owners of the Company											
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

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

The Group (cont'd)	Note	Share capital RM'000	Attributable to owners of the Company: 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	50(a)	–	–	–	–	–	–	–	–	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	12	–	–	–	–	–	–	–	–	(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)

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
		Attributable to owners of the Company											
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**

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

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
		Attributable to owners of the Company											
At 1 April 2014		1,427,531	2,089,511	(257)	(2,038)	59,224	(168,631)	27,786	65,282	3,240,400	6,738,808	2,211,464	8,950,272
Comprehensive income:													
Net profit for the financial year		–	–	–	–	–	–	–	–	480,944	480,944	232,097	713,041
Other comprehensive income:													
Currency translation differences arising from translation of net investment in foreign operations		–	–	–	–	–	29,912	–	–	–	29,912	(3,983)	25,929
Share of other comprehensive income/(losses) of associates		–	–	–	–	–	39	–	(1,078)	–	(1,039)	–	(1,039)
		–	–	–	–	–	29,951	–	(1,078)	–	28,873	(3,983)	24,890
Total comprehensive income for the financial year		–	–	–	–	–	29,951	–	(1,078)	480,944	509,817	228,114	737,931
Share of reserves in an associate		–	–	–	–	–	–	–	(12)	(2,325)	(2,337)	–	(2,337)
Share of reserves in a joint venture		–	–	–	–	–	–	–	–	21,377	21,377	–	21,377
Issuance of ESOS and ESGP		–	–	–	–	–	–	37,836	–	–	37,836	–	37,836
Transferred to retained profits upon expiry of Warrants 2009/2014	15	–	–	–	–	–	–	–	(73)	73	–	–	–

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
		Attributable to owners of the Company											
Transactions with owners:													
Non-controlling interests arising on business combination	48(b)(i)	–	–	–	–	–	–	–	–	–	–	548	548
Acquisition of additional interests in a subsidiary	50(b)	–	–	–	–	11,973	1,487	–	–	(826,974)	(813,514)	(1,320,997)	(2,134,511)
Shares to be allotted upon privatisation of IJM Land Berhad	15	–	–	–	–	–	–	–	2,011,580	–	2,011,580	–	2,011,580
Accretion/dilution of interests in subsidiaries		–	–	–	–	–	–	–	–	(4,834)	(4,834)	4,834	–
Single tier second interim dividend: - Year ended 31 March 2014		–	–	–	–	–	–	–	–	(160,939)	(160,939)	–	(160,939)
Single tier special dividend: - Year ended 31 March 2014		–	–	–	–	–	–	–	–	(146,309)	(146,309)	–	(146,309)
Single tier first interim dividend: - Year ended 31 March 2015	12	–	–	–	–	–	–	–	–	(59,573)	(59,573)	–	(59,573)
Dividends paid by subsidiaries to non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	(62,718)	(62,718)

STATEMENTS OF CHANGES IN EQUITY (Cont'd)
for the financial year ended 31 March 2016

		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:													
- Exercise of Warrants 2009/2014	14(A), (B), 15	57,793	187,829	–	–	–	–	–	(14,448)	–	231,174	–	231,174
- Exercise of ESOS	14(A), (B), (E)	6,640	38,910	–	36,124	–	–	(15,107)	–	–	66,567	–	66,567
- Shares held under trust	14(A), (B), (E)	8,037	29,820	–	(37,857)	–	–	–	–	–	–	–	–
Shares buy back	14(C)	–	–	(13)	–	–	–	–	–	–	(13)	–	(13)
Issuance of shares by subsidiaries to non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	84,652	84,652
Total transactions with owners		72,470	256,559	(13)	(1,733)	11,973	1,487	(15,107)	1,997,132	(1,198,629)	1,124,139	(1,293,681)	(169,542)
At 31 March 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

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 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	12	–	–	–	–	–	–	–	(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**

STATEMENTS OF CHANGES IN EQUITY (Cont'd)
for the financial year ended 31 March 2016

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 2014		1,427,531	2,089,511	(257)	(2,038)	4,288	27,786	14,521	549,636	4,110,978
Comprehensive income:										
Net profit for the financial year		–	–	–	–	–	–	–	212,156	212,156
Other comprehensive income:										
Currency translation differences arising from translation of foreign projects		–	–	–	–	(2,244)	–	–	–	(2,244)
Total comprehensive income for the financial year		–	–	–	–	(2,244)	–	–	212,156	209,912
Transferred to retained profits upon expiry of Warrants 2009/2014	15	–	–	–	–	–	–	(73)	73	–
Issuance of ESOS and ESGP		–	–	–	–	–	37,836	–	–	37,836
Shares to be allotted upon privatisation of IJM Land Berhad	15	–	–	–	–	–	–	2,011,580	–	2,011,580
Transactions with owners:										
Single tier second interim dividend:										
- Year ended 31 March 2014		–	–	–	–	–	–	–	(160,939)	(160,939)
Single tier special dividend:										
- Year ended 31 March 2014		–	–	–	–	–	–	–	(146,309)	(146,309)
Single tier first interim dividend:										
- Year ended 31 March 2015	12	–	–	–	–	–	–	–	(59,573)	(59,573)
Issuance of shares:										
- Exercise of Warrants 2009/2014	14(A), (B), 15	57,793	187,829	–	–	–	–	(14,448)	–	231,174
- Exercise of ESOS	14(A), (B), (E)	6,640	38,910	–	36,124	–	(15,107)	–	–	66,567
- Shares held under trust	14(A), (B), (E)	8,037	29,820	–	(37,857)	–	–	–	–	–
Shares buy back	14(C)	–	–	(13)	–	–	–	–	–	(13)
At 31 March 2015		1,500,001	2,346,070	(270)	(3,771)	2,044	50,515	2,011,580	395,044	6,301,213

CONSOLIDATED CASH FLOW STATEMENTS

for the financial year ended 31 March 2016

	Note	2016 RM'000	2015 RM'000
OPERATING ACTIVITIES			
Receipts from customers		5,630,936	5,379,316
Payments to contractors, suppliers and employees		(4,523,148)	(4,408,076)
Income tax paid		(349,295)	(421,156)
Net cash flow from operating activities		758,493	550,084
INVESTING ACTIVITIES			
Acquisition of subsidiaries	48(a)(ii), 48(b)(i) & (ii)	237	7,961
Investments in associates		(2,387)	(123,936)
Cash consideration paid for privatisation of IJM Land Berhad ("IJML")	50(b)	(122,931)	–
Acquisition of financial assets at fair value through profit or loss		(562,696)	(235,823)
Redemption of preference shares of an associate		–	1,599
Purchase of land held for property development		(9,937)	(387,158)
Purchase of property, plant and equipment, leasehold land and investment properties		(213,345)	(301,018)
Cost incurred on concession assets		(77,370)	(28,762)
Additions to plantation development expenditure		(49,991)	(114,917)
Additions to port infrastructure		(173,605)	–
Quarry development expenditure incurred	36	(9,144)	(10,052)
Disposal of property, plant and equipment, leasehold land and investment properties		5,586	16,131
Disposal of assets held for sale		4,114	5,152
Disposal of disposal group classified as assets held for sale	49(i)	197,161	–
Disposal of a subsidiary	49(ii)	374,082	–
Disposal of available-for-sale financial assets		28,346	–
Disposal of financial assets at fair value through profit or loss		382,589	278,643
Dividends received from associates		8,369	10,617
Dividends received from other investments		390	599
Income from unit trusts		540	41
Interest received		85,767	97,791
Advances to associates		(36)	(4,898)
Repayments from associates		14,407	357
Advances to joint ventures		(69,270)	(72,793)
Repayment from joint ventures		9,041	44,806
Net cash flow used in investing activities		(180,083)	(815,660)

CONSOLIDATED CASH FLOW STATEMENTS (Cont'd)

for the financial year ended 31 March 2016

	Note	2016 RM'000	2015 RM'000
FINANCING ACTIVITIES			
Issuance of shares by the Company:			
- Exercise of Warrants 2009/2014		–	231,174
- Exercise of share options		49,417	66,567
Issuance of shares by subsidiaries to non-controlling shareholders		–	84,652
Drawdown of Commercial Papers and Medium Term Notes		150,000	300,000
Repayments of Commercial Papers and Medium Term Notes		(700,000)	(500,000)
Drawdown of bonds		400,000	800,000
Repayment of bonds		(130,000)	(74,000)
Proceeds from bank borrowings		536,924	1,315,250
Repayments of bank borrowings		(715,038)	(1,209,324)
Repayments to the State Government		(3,100)	–
Repayment of government support loans		(7,000)	(7,000)
Repayments to hire purchase and lease creditors		(119)	(7)
Interest paid		(270,895)	(290,428)
Dividends paid by subsidiaries to non-controlling shareholders		(24,195)	(62,718)
Dividends paid by the Company		(303,679)	(366,821)
Re-purchase of treasury shares	14(C)	(10)	(13)
Proceeds from disposal of treasury shares		313	–
Uplifting/(placement) of restricted deposits		205,380	(151,938)
Acquisition of additional interests in a subsidiary		(8,952)	–
Partial disposal of equity interests in a subsidiary		16,721	–
Net cash flow (used in)/from financing activities		(804,233)	135,394
NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		(225,823)	(130,182)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		1,637,354	1,736,177
FOREIGN EXCHANGE DIFFERENCES ON OPENING BALANCES		12,218	31,359
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	51	1,423,749	1,637,354

COMPANY CASH FLOW STATEMENTS

for the financial year ended 31 March 2016

	Note	2016 RM'000	2015 RM'000
OPERATING ACTIVITIES			
Receipts from customers		19,905	51,954
Payments to contractors, suppliers and employees		(39,162)	(43,551)
Income tax paid		(17,690)	(14,711)
Net cash flow used in operating activities		(36,947)	(6,308)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(343)	(816)
Disposal of property, plant and equipment		170	234
Disposal of land held for property development		–	559
Acquisition of financial assets at fair value through profit or loss		(32,621)	–
Acquisition of shares in subsidiaries		(8,951)	(115,760)
Acquisition of shares in an associate		(2,387)	(123,860)
Cash consideration paid for privatisation of IJML		(122,931)	–
Disposal of financial assets at fair value through profit or loss		–	72,195
Dividends received from subsidiaries		235,166	220,474
Dividends received from associates		6,344	8,565
Dividends received from other investments		341	324
Interest received		5,576	5,635
Repayments from subsidiaries		698,192	105,931
Repayments from associates		6,149	357
Repayments from joint ventures		50	–
Advances to subsidiaries		(279,540)	(210,963)
Advances to associates		(2)	(189)
Advances to joint ventures		–	(28)
Net cash flow from/(used in) investing activities		505,213	(37,342)
FINANCING ACTIVITIES			
Issuance of shares by the Company:			
- Exercise of Warrants 2009/2014		–	231,174
- Exercise of share options		49,417	66,567
Drawdown of bonds		400,000	800,000
Drawdown of Commercial Papers and Medium Term Notes		150,000	300,000
Repayments of Commercial Papers and Medium Term Notes		(700,000)	(500,000)
Proceeds from bank borrowings		414,567	154,305
Repayments of bank borrowings		(214,582)	(644,795)
Repayment to a subsidiary		(76,101)	–
Interest paid		(71,798)	(63,882)
Dividends paid by the Company		(303,679)	(366,821)
Re-purchase of treasury shares	14(C)	(10)	(13)
Proceeds from disposal of treasury shares		313	–
Net cash flow used in financing activities		(351,873)	(23,465)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		116,393	(67,115)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		55,804	122,919
FOREIGN EXCHANGE DIFFERENCES ON OPENING BALANCES		846	–
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	51	173,043	55,804

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 March 2016

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 requirements of the Companies Act, 1965 and Financial Reporting Standards ("FRS").

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.

(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 2015 and applicable to the Group and the Company are as follows:

- Annual Improvements to FRSs 2010 – 2012 Cycle
- Annual Improvements to FRSs 2011 – 2013 Cycle
- Amendments to FRS 119 "Defined Benefit Plans: Employees Contributions"

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.

(b) Standards and amendments to published standards that are applicable to the Group and the Company, but are not yet effective and have not been early adopted

(i) The new standard and amendments to published standards that are mandatory for the Group's and the Company's financial year beginning on 1 April 2016 and the Group and the Company have not early adopted, are as follows* :

- FRS 14 "Regulatory Deferral Accounts"
- 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"
- Amendment 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"

1 BASIS OF PREPARATION (cont'd)

(b) Standards and amendments to published standards 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 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"
- Amendments to FRS 112 "Income Taxes" – "Recognition of Deferred Tax Assets for Unrealised Losses"

(iii) The new standards 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* :

- 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 applies the expected credit losses model that is forward looking on impairment for all financial assets and eliminates the need for a trigger event before credit losses are recognised.

- 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

for the financial year ended 31 March 2016

1 BASIS OF PREPARATION (cont'd)

(b) Standards and amendments to published standards 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 standards 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)

- Amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 141 "Agriculture: Bearer Plants"

  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.

(iv) 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 and amendments to published standards 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 those corporations, partnerships or other 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 over 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.

2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(a) Subsidiaries (cont'd)

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 is measured as the fair value of the assets given, equity instruments issued and liabilities incurred to the former owners of the acquiree at the date of exchange. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. 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.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the successive acquisition dates, and 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 recorded as a reserve. 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 corresponding amounts for the previous year 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 noncontrolling 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 but considered as an impairment indicator of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

for the financial year ended 31 March 2016

2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(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 equity transactions – that is, as transactions with the owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired is deducted from equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recognised in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control over a subsidiary, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is 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.

(d) Associates

Associates are those corporations, partnerships or other entities in which the Group has significant influence, but which it does not 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 the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. 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 interest in the associate, including any other unsecured receivables, 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. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value 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.

2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(d) Associates (cont'd)

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.

(e) Joint arrangements

A joint arrangement is an arrangement for 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 and movements in other comprehensive income. 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.

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.

(ii) Joint operations

In relation to the Group's interest in the joint operations, the Group recognises its assets (including its share of any assets held jointly), liabilities (including its share of any liabilities incurred jointly), revenue from the sale of its share of the output arising from the joint operations (including share of the revenue from the sale of the output by the joint operations) and expenses (including its share of any expenses incurred jointly).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

for the financial year ended 31 March 2016

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 annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired, and carried at cost less accumulated impairment. Impairment of goodwill is not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are 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 date 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 rate 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 rate 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 the net investment in foreign operations are taken to 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

for the financial year ended 31 March 2016

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.

Cost includes expenditure that is directly attributable to the acquisition of the 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 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 30 to 884 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 buildings	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 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.

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.

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 85 and 95 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 cost 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 construction works and commencement of road tolling operations, the EDE are amortised over the concession periods based on the following formula:

$$\frac{\text{Cumulative traffic volume to-date}}{\text{Projected total traffic volume for the entire concession period}} \times \text{EDE}$$

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 reassessment of the projected total traffic volume.

All interests 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. Interests 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

for the financial year ended 31 March 2016

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.

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 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 goods and services tax 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

for the financial year ended 31 March 2016

10 BORROWINGS AND BORROWING COSTS

Borrowings are initially recognised 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 value 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 2012004 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 is recognised as an asset and is 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 transaction 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 31 on financial guarantee contracts).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

for the financial year ended 31 March 2016

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. 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 corresponding rental obligations, net of finance charges, are included in borrowings. 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.

Property, plant and equipment acquired under finance lease contracts is depreciated over the useful life of the asset. If there is no reasonable certainty that the ownership will be transferred to the Group, the asset is depreciated over the shorter of the lease term and its useful life.

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

Leases of assets where the lessee assumes substantially all the risks and rewards of ownership are classified as 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

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their useful lives on bases consistent with similar owned property, plant and equipment. 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 written off 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 60 years.

18 INCOME TAXES

The income tax expense for the period comprises current and deferred tax. 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, including withholding taxes payable by a foreign subsidiary, associate or joint venture on distributions of retained earnings to companies in the Group.

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. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

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 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.

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 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 the enterprise has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

for the financial year ended 31 March 2016

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 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 arise mainly from the changes in actuarial assumptions and experience adjustments. Such gains and losses are credited or charged to equity 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.

Past service costs are recognised immediately in profit or loss, 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.

19 EMPLOYEE BENEFITS (cont'd)

(c) Share-based compensation

The Group operates equity-settled share-based compensation plans under which the entity receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of the share options and share grants are recognised as an expense in profit or loss over the vesting period of the grant, with a corresponding increase in share-based payment reserve in 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 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 of 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 (nominal value) and share premium 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. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase in investment in subsidiaries, with a corresponding credit to equity. 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, and bank overdrafts. Bank overdrafts, if any, are included within borrowings in current liabilities on the balance sheet.

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 shown as a deduction from the share premium 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

for the financial year ended 31 March 2016

21 SHARE CAPITAL (cont'd)

(iv) Warrants reserve

Proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve which is non-distributable as cash dividends. Warrants reserve is transferred to the share premium account upon the exercise of warrants and the warrants reserve in relation to unexercised warrants at the expiry of the warrants period will be transferred to retained earnings.

(v) 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 difference between the sales consideration and the carrying amount of the treasury shares are shown as a movement in equity. Where the consideration received is more than the carrying amount, the credit difference arising is taken to the share premium account. Where the consideration received is less than the carrying amount, the debit difference is offset against reserves.

Where such shares are cancelled, the issued share capital is reduced by the nominal value of the cancelled shares. The amount by which the Company's issued share capital is diminished on cancellation of shares is transferred to a capital redemption reserve account.

(vi) 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.

(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 expected to be settled 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 and prepayments) 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)
for the financial year ended 31 March 2016

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) Financial liabilities

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.

<u>Financial liabilities at fair value through profit or loss</u>

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.

22 FINANCIAL INSTRUMENTS (cont'd)

(f) Financial liabilities (cont'd)

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 and retirement benefits payable) and 'borrowings' in the balance sheet.

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.

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expired.

(g) 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.

(h) 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.

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.

(i) 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.

23 TRADE AND OTHER PAYABLES

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade and other payables are classified as current liabilities if payment is due within one year, or in the normal operating cycle of the business if longer. If not, they are presented as non-current liabilities.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

for the financial year ended 31 March 2016

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.

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.

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 its 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 NON-CURRENT ASSETS CLASSIFIED AS ASSETS HELD FOR SALE

Non-current assets are classified as assets held for sale. They are stated at the lower of carrying amount and fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

An impairment is recognised for any initial or subsequent write down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increase in fair value less costs to sell of an asset, but not in excess of any cumulative impairment previously recognised. Non-current assets are not depreciated or amortised while they are classified as held for sale.

31 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 2016

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 56 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 26 May 2016.

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 the estimation of total property development costs. 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.

(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 the management's 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 management's 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.

(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 is 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the financial year ended 31 March 2016

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 interest rate swap contracts, cross currency swap contracts, 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.

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.

Currency risks arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency of the entity.

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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Net monetary (liabilities)/assets denominated in USD	**(387,634)**	(587,846)	**(53,210)**	1,280
Effects to profit before tax if the USD had strengthened/weakened by 5% against RM:				
- strengthened	**(19,382)**	(29,832)	**(2,661)**	64
- weakened	**19,382**	29,832	**2,661**	(64)
Net monetary assets denominated in AP	**13,146**	9,931	**13,146**	9,931
Effects to profit before tax if the AP had strengthened/weakened by 5% against RM:				
- strengthened	**657**	497	**657**	497
- weakened	**(657)**	(497)	**(657)**	(497)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

	The Group	
	2016 RM'000	2015 RM'000
Net monetary assets denominated in SGD	30,100	21,200
Effects to profit before tax if the SGD had strengthened/weakened by 1% against RM:		
- strengthened	301	283
- weakened	(301)	(283)
Net monetary liabilities denominated in CNY	(74,700)	(65,600)
Effects to profit before tax if the CNY had strengthened/weakened by 1% against RM:		
- strengthened	(747)	(875)
- weakened	747	875

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	
	2016 RM'000	2015 RM'000
Net monetary liabilities denominated in USD	(638,456)	(557,057)
Effects to profit before tax if the USD had strengthened/weakened by 5% against IDR:		
- strengthened	(31,923)	(27,853)
- weakened	31,923	27,853

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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the financial year ended 31 March 2016

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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Borrowings based on cost of funds ("COF"):				
- increase by 25 basis points	(2,766)	(3,445)	–	–
- decrease by 25 basis points	2,766	3,445	–	–
Borrowings based on London interbank offered rate ("LIBOR"):				
- increase by 25 basis points	(787)	(1,035)	(393)	–
- decrease by 25 basis points	787	1,035	393	–
- increase by 50 basis points	(3,943)	(3,703)	–	–
- decrease by 50 basis points	3,943	3,703	–	–
Borrowings based on benchmark prime lending rate ("BPLR"):				
- increase by 25 basis points	(825)	–	–	–
- decrease by 25 basis points	825	–	–	–
- increase by 50 basis points	–	(2,246)	–	–
- decrease by 50 basis points	–	2,246	–	–

(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 2016 RM'000	The Group 2015 RM'000
Physical Forward Selling Commodity Contracts		
Effects to profit before tax if crude palm oil price:		
- increase by 10%	20,155	26,101
- decrease by 10%	(20,155)	(26,101)
CPO Swap Contracts		
Effects to profit before tax if crude palm oil price:		
- increase by 10%	(8,594)	(2,902)
- decrease by 10%	8,594	2,902

(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 collateral 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 51) 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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the financial year ended 31 March 2016

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 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	**1,857,247**	**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**
	3,624,962	**3,665,335**	**2,251,709**
At 31 March 2015			
Bonds	214,734	738,912	1,321,461
Commercial Papers and Medium Term Notes	556,118	–	–
Term loans	815,891	2,255,819	284,770
Government support loans	7,000	136,000	110,000
Trade and other payables	1,857,720	140,396	700,400
Short term borrowings*	608,782	7,625	–
Hire purchase and lease payables	109	208	–
Financial guarantee contracts**	–	5,865	16,109
	4,060,354	3,284,825	2,432,740

* 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 RM40.3 million (2015:RM40.3 million) to a cooperative in Indonesia in respect of plasma development. As at 31 March 2016, RM24.5 million (2015: RM22.0 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 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
At 31 March 2015			
Bonds	38,164	343,371	639,447
Commercial Papers and Medium Term Notes	556,118	–	–
Short term borrowings (bankers' acceptances and revolving credits)	36,224	–	–
Trade and other payables	544,585	999,360	–
	1,175,091	1,342,731	639,447

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, 18, 19 and 45 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 ratio, 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for the financial year ended 31 March 2016

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
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
2015				
The Group				
Assets				
Financial assets at fair value through profit or loss	214,908	–	–	214,908
Derivative financial instruments	–	3,727	–	3,727
Available-for-sale financial assets	–	–	25,022	25,022
Total assets	214,908	3,727	25,022	243,657
The Company				
Assets				
Financial assets at fair value through profit or loss	5,536	–	–	5,536
Derivative financial instruments	–	1,125	–	1,125
Available-for-sale financial assets	–	–	2,050	2,050
Total assets	5,536	1,125	2,050	8,711

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 price used for financial assets held by the Group and the Company is the closing price. These instruments are included in Level 1.

The fair values of financial instruments that are not traded in an active market (for example, interest rate swap, cross currency swap and CPO swap contracts) are determined by using a valuation technique. The fair values of interest rate swap and cross currency swap contracts are calculated based on the present value of the estimated future cash flows based on observable yield curves. 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 period. 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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Construction contract revenue	1,374,716	895,748	(1,733)	9,411
Property development revenue	1,140,684	2,073,791	–	–
Sale of quarry and manufactured products	979,782	922,338	–	–
Sale of goods	38,853	53,326	–	–
Toll concession revenue	465,096	484,321	–	–
Port revenue	525,978	306,866	–	–
Sale of crude palm oil and plantations related products	557,613	667,666	–	–
Management services	7,579	7,821	29,931	29,939
Dividend income	341	324	241,850	233,512
Rental of properties	219	169	324	288
Rendering of other services	37,337	35,912	–	–
	5,128,198	5,448,282	270,372	273,150

Supplementary information on operating revenue of the Group inclusive of the Group's share of revenue of associates and joint ventures are as follows:

	2016 RM'000	2015 RM'000
Operating revenue of the Group	5,128,198	5,448,282
Share of operating revenue of:		
Associates	500,499	458,426
Joint ventures	154,155	156,984
	5,782,852	6,063,692

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the financial year ended 31 March 2016

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 2016 RM'000	The Group 2015 RM'000	The Company 2016 RM'000	The Company 2015 RM'000
Construction contract costs		1,262,813	800,221	14	9,164
Property development costs		771,680	1,367,040	–	–
Cost of quarry and manufactured products sold		802,125	751,807	–	–
Cost of plantation products sold		383,493	428,440	–	–
Toll operation costs		222,850	278,751	–	–
Port operation costs		251,546	141,079	–	–
Other costs		41	84	–	–
Property, plant and equipment:					
- depreciation	27	121,488	107,026	604	610
- written off	27	1,340	1,889	–	288
- loss on disposal		654	1,641	–	–
- impairment	27	1,190	258	–	–
Land use rights:					
- amortisation	28	3,862	2,677	–	–
Investment properties:					
- depreciation	29	612	361	164	60
Rental of land and buildings		7,733	5,477	1,475	1,473
Hire of plant and equipment		7,021	7,051	7	6
Auditors' remuneration:					
- statutory audit	8				
Current year		3,869	3,516	416	396
Under accrual in respect of prior years		229	389	20	125
Foreign exchange losses/(gains) (net)		8,332	7,645	7,578	(9,822)
Fair value loss:					
- financial assets held for trading		451	629	10	–
- derivative financial instruments		18,120	11,637	355	1,286
Concession assets:					
- amortisation	30	138,879	148,554	–	–
- written off	30	8,051	609	–	–
Amortisation of quarry development expenditure	36	4,279	4,566	–	–
Allowance for impairment of receivables	40	25,808	12,861	6,550	138
Allowance for impairment of amounts owing by joint ventures	33	205	15,341	–	–
Building stocks written down		–	2,451	–	–

Direct operating expenses from investment properties that generated rental income for the Group and the Company during the financial year amounted to RM399,000 (2015: RM34,000) and RM161,000 (2015: RM26,000) 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 RM17,000 (2015: RM34,000) and RM16,000 (2015: RM33,000) respectively.

5 OPERATING PROFIT BEFORE FINANCE COST

(b) The following amounts have been credited in arriving at operating profit before finance cost:

	Note	The Group 2016 RM'000	The Group 2015 RM'000	The Company 2016 RM'000	The Company 2015 RM'000
Gross dividends received from:					
- subsidiaries					
(quoted)		–	–	**29,161**	90,933
(unquoted)		–	–	**206,005**	129,541
- associates					
(quoted)		–	–	**6,156**	4,854
(unquoted)		–	–	**188**	7,860
- other investments					
(quoted)		**390**	599	**341**	324
Interest income:					
- bank deposits		**54,681**	57,776	**5,533**	4,844
- loans and receivables from related parties		**14,937**	52,891	**65,444**	79,911
- loans and receivables from non-related parties		**22,513**	9,606	**43**	181
- amortised costs on trade and other receivables and amounts due from joint ventures		**6,852**	30,357	–	–
- others		**13,128**	14,640	–	611
Gain on disposal of property, plant and equipment		**1,981**	5,125	**95**	69
Gain on disposal of assets held for sale	43(a)	**173**	2,694	–	–
Gain on disposal of assets and liabilities of disposal group classified as held for sale	49(i)	**114,141**	–	–	–
Gain on disposal of a subsidiary	49(ii)	**126,874**	–	–	–
Gain on remeasurement of previously held equity interests upon disposal	49(i),(ii)	**60,934**	–	–	–
Reversal of impairment of:					
- Land held for property development	37(a)	–	228	–	–
- Property development costs	37(b)	**237**	2,495	–	–
Rental income		**9,207**	5,870	**324**	288
Write back of allowance for impairment of receivables	40	**11,440**	2,208	–	708
Write back of allowance for impairment of amounts owing by joint ventures	33	**5,881**	2,577	**5,881**	–
Write back of allowance for impairment of associates		**1,712**	–	–	–
Write back of building stocks		**104**	–	–	–
Amortisation of government grants	26	**6,646**	8,613	–	–
Income from quoted unit trusts		**10,110**	6,905	**176**	–

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for the financial year ended 31 March 2016

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)

		The Group		The Company	
	Note	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Fair value gains:					
- financial assets held for trading		3,066	2,246	833	1,412
- derivative financial instruments		–	6,285	–	186
Gain on remeasurement of previously held equity interests upon acquisition	48(b)(i),(ii)	56	22,682	–	–

6 EMPLOYEE BENEFITS COST

		The Group		The Company	
	Note	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Wages, salaries and bonus		400,555	394,703	24,332	25,158
Defined contribution retirement plan		41,805	40,497	3,521	3,597
Defined benefit retirement plan	24	643	1,226	–	–
Other employee benefits		30,916	35,707	2,622	9,705
Share-based payments		53,827	37,834	11,196	5,813
		527,746	509,967	41,671	44,273
Less expenses capitalised into:					
- Plantation development expenditure	38(b)	(19,307)	(24,653)	–	–
- Construction contract work in progress	46	(88,951)	(92,525)	–	–
- Concession assets	30	(621)	(1,124)	–	–
		418,867	391,665	41,671	44,273

7 DIRECTORS' REMUNERATION

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Directors of the Company:				
Fees	1,308	1,623	928	928
Defined contribution retirement plan	677	954	677	608
Other emoluments	4,733	13,800	4,706	11,758
Share-based payments	3,333	2,362	3,333	2,093
	10,051	18,739	9,644	15,387

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 RM192,000 (2015: RM210,000) and RM192,000 (2015: RM134,000) respectively.

8 AUDITORS' REMUNERATION – STATUTORY AUDIT

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
PricewaterhouseCoopers Malaysia *	2,576	2,663	436	521
Other member firms of PricewaterhouseCoopers International Limited *	472	522	–	–
Other auditors of subsidiaries	1,050	720	–	–
	4,098	3,905	436	521

* PricewaterhouseCoopers Malaysia and other member firms of PricewaterhouseCoopers International Limited are separate and independent legal entities.

9 FINANCE COST

	Note	The Group		The Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Interest expenses arising from:					
- Bank borrowings		160,012	173,654	7,682	5,102
- Advances from subsidiaries		–	–	541	2,764
- Hire purchase and leasing		18	1	–	–
- Bonds		93,399	86,462	55,834	33,762
- Commercial Papers and Medium Term Notes ("MTN")		9,406	26,060	9,406	26,060
- Amortisation of government support loan		7,136	7,161	–	–
- Amortised costs on financial liabilities		15,174	8,746	–	–
- Others		1,163	5,361	–	–
		286,308	307,445	73,463	67,688
Less interest capitalised into:					
- Land held for property development	37(a)	(3,342)	(11,845)	–	–
- Property development costs	37(b)	(118,574)	(88,513)	–	–
- Plantation development expenditure	38(b)	(2,207)	(2,387)	–	–
- Construction contract work in progress	46	(26)	(42)	–	–
- Concession assets	30	(2,054)	(4,445)	–	–
		(126,203)	(107,232)	–	–
		160,105	200,213	73,463	67,688
Foreign exchange losses		11,106	52,944	–	–
Less foreign exchange losses capitalised into:					
- Plantation development expenditure	38(b)	(1,987)	(10,475)	–	–
		9,119	42,469	–	–
		169,224	242,682	73,463	67,688

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the financial year ended 31 March 2016

10 INCOME TAX EXPENSE

	The Group		The Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Current tax:				
- Malaysian income tax	280,691	332,248	9,606	20,570
- Overseas taxation	7,369	10,819	–	–
	288,060	343,067	9,606	20,570
Deferred taxation (Note 22)	(13,798)	(36,751)	259	(811)
	274,262	306,316	9,865	19,759
Current tax:				
- Current year	274,955	329,305	13,022	20,853
- Benefits from previously unrecognised temporary differences	(3,288)	(1,731)	–	–
- Under/(over) accrual in prior years (net)	16,393	15,493	(3,416)	(283)
	288,060	343,067	9,606	20,570
Deferred taxation:				
- Origination and reversal of temporary differences	(13,798)	(36,751)	259	(811)
	274,262	306,316	9,865	19,759

The explanation of the relationship between income tax expense and profit before taxation is as follows:

	The Group		The Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	1,155,797	1,019,357	204,015	231,915
Tax calculated at the Malaysian tax rate of 24% (2015: 25%)	277,391	254,839	48,964	57,979
Tax effects of:				
- Different tax rates in other countries	(24,804)	9,053	–	–
- Expenses not deductible for tax purposes	86,646	96,247	24,705	26,988
- Income not subject to tax	(120,770)	(91,110)	(60,499)	(64,925)
- Utilisation of tax incentives	(16)	(3)	–	–
- Current year's deferred tax assets derecognised or not recognised on unused tax losses and unutilised deductible temporary differences	39,941	11,245	–	–
- Utilisation of previously unrecognised tax losses	(717)	(1,319)	–	–
- Utilisation of previously unrecognised deductible temporary differences	(2,571)	(412)	–	–
- Share of results of associates and joint ventures	2,360	15,342	–	–
- Changes in tax rate	(103)	(2,890)	111	–
- Others	512	(169)	–	–
Under/(over) accrual in prior years (net)	16,393	15,493	(3,416)	(283)
Income tax expense	274,262	306,316	9,865	19,759

There is no tax charge/credit in relation to the components of other comprehensive income of the Group and 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 (2015: exercise of Warrants 2009/2014 and the issuance of shares pursuant to the exercise of ESOS).

	The Group	
	2016 RM'000	2015 RM'000
Net profit attributable to owners of the Company	793,587	480,944
	'000	'000 (Restated)
Weighted average number of ordinary shares in issue	3,571,689	3,260,331*
Basic earnings per share (sen)	22.22	14.75

* After adjustment for 1:1 Bonus Issue

(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 RM793,587,000 (2015: RM480,944,000) 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 (2015: 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 (2015: outstanding ESOS and ESGP).

	The Group	
	2016 RM'000	2015 RM'000
Net profit attributable to owners of the Company	793,587	480,944
	'000	'000 (Restated)
Weighted average number of ordinary shares in issue	3,571,689	3,260,331*
Adjustments for ESOS	37,675	9,926
Adjustments for ESGP	29,976	12,133
Weighted average number of ordinary shares for diluted earnings per share	3,639,340	3,282,390
Diluted earnings per share (sen)	21.81	14.65

* After adjustment for 1:1 Bonus Issue

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for the financial year ended 31 March 2016

12 DIVIDENDS

Dividends declared and paid in respect of the current financial year are as follows:

	The Company			
	2016		2015	
	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	107,198	4.00	59,573
Single tier second interim dividend	4.00	*	11.00	196,481
Special dividend	3.00	*	–	–
	10.00	107,198	15.00	256,054

* The amount of dividend will be determined based on the number of shareholders entitled to receive the dividend as at 5:00pm on 24 June 2016.

On 26 May 2016, the Directors have declared a single tier second interim dividend and special dividend in respect of the financial year ended 31 March 2016 of 4 sen and 3 sen respectively per share to be paid on 15 July 2016 to every member who is entitled to receive the dividend as at 5:00pm on 24 June 2016. 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 2016 (2015: 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.

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:

	Construc-tion RM'000	Property develop-ment RM'000	Manu-facturing & quarrying RM'000	Planta-tion RM'000	Infra-structure RM'000	Invest-ment & 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
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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the financial year ended 31 March 2016

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)

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	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)

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2015 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	2,436,222	2,203,422	962,627	667,666	1,031,410	273,359	7,574,706
Less: Inter-segment revenue	(1,211,908)	–	(35,860)	–	–	(263,246)	(1,511,014)
	1,224,314	2,203,422	926,767	667,666	1,031,410	10,113	6,063,692
Less: Share of operating revenue of associates and joint ventures	(274,451)	(87,229)	(4,429)	–	(240,223)	(9,078)	(615,410)
Revenue from external customers	949,863	2,116,193	922,338	667,666	791,187	1,035	5,448,282
RESULTS:							
Profit before taxation	184,844	494,660	125,601	89,409	42,276	82,567	1,019,357
Profit before taxation includes:							
- Depreciation and amortisation of property, plant and equipment, land use rights, investment properties, concession assets and intangible assets	(8,905)	(9,753)	(40,466)	(47,704)	(156,356)	–	(263,184)
- Allowance for impairment of amounts owing by joint ventures	(1,172)	(14,169)	–	–	–	–	(15,341)
- Amortisation of government grants	–	–	–	–	8,613	–	8,613
- Interest income	100,430	35,521	730	8,592	18,986	1,011	165,270
- Finance cost	(48,811)	(20,250)	(4,838)	(51,219)	(117,564)	–	(242,682)
- Share of profits/(losses) of associates	4,572	(2,072)	399	–	(17,228)	(5,076)	(19,405)
- Share of profits/(losses) of joint ventures	11,840	10,701	–	–	(33,457)	–	(10,916)
- Gain on remeasurement of previously held equity interests	–	22,682	–	–	–	–	22,682

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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the financial year ended 31 March 2016

13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2015 is as follows: (cont'd)

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	1,685,816	8,905,964	1,265,918	2,527,221	4,845,379	209,684	19,439,982
Unallocated assets:							
- Deferred tax assets							201,196
- Tax recoverable							89,511
Consolidated total assets							19,730,689
Segment assets include:							
- Investment in associates	148,263	13,824	2,351	–	271,914	168,613	604,965
- Investment in joint ventures	238,102	224,573	–	–	200,634	211	663,520
- Additions to non-current assets* (other than financial instruments and deferred tax assets)	22,754	430,160	83,874	303,291	46,196	7	886,282
LIABILITIES:							
Segment liabilities	2,221,993	3,150,455	229,786	989,128	2,669,973	3,231	9,264,566
Unallocated liabilities:							
- Deferred tax liabilities							780,336
- Current tax liabilities							26,963
Consolidated total liabilities							10,071,865

* 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
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
2015		
Malaysia	4,722,564	4,615,160
India	494,968	1,113,606
Indonesia	192,317	1,070,838
Other countries	38,433	55,327
	5,448,282	6,854,931

* 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			
	2016		2015	
	Number of shares '000	Nominal value RM'000	Number of shares '000	Nominal value RM'000
Ordinary shares of RM1 each:				
Authorised:				
At 1 April 2015/2014	3,000,000	3,000,000	3,000,000	3,000,000
Created during the financial year	2,000,000	2,000,000	–	–
At 31 March	5,000,000	5,000,000	3,000,000	3,000,000
Issued and fully paid:				
At 1 April 2015/2014	1,500,001	1,500,001	1,427,531	1,427,531
Issuance of shares arising from:				
- Exercise of Warrants 2009/2014	–	–	57,793	57,793
- Privatisation of IJM Land Berhad (Note 15(f))	279,386	279,386	–	–
- 1:1 Bonus issue	1,786,460	1,786,460	–	–
- Vesting of shares under ESGP	3,033	3,033	–	–
- Exercise of share options	7,299	7,299	6,640	6,640
- Shares held under trust (Note 14(E))	8,626	8,626	8,037	8,037
At 31 March	3,584,805	3,584,805	1,500,001	1,500,001

14 SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(A) SHARE CAPITAL (cont'd)

(a) During the financial year, the issued and paid-up ordinary share capital of the Company was increased from RM1,500,001,200 to RM3,584,805,820 by way of the issuance of:-

(i) 279,386,110 new ordinary shares of RM1.00 each as part of the consideration for the privatisation of IJM Land Berhad ("IJML");

(ii) 1,786,460,110 new ordinary shares of RM1.00 each on 10 September 2015 arising from the bonus issue on the basis of 1 bonus share for every 1 existing share held ("1:1 Bonus Issue");

(iii) 3,032,900 new ordinary shares of RM1.00 each arising from the vesting of shares under the Employee Share Grant Plan ("ESGP");

(iv) 7,299,300 new ordinary shares of RM1.00 each 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	ESOS Award
3,354,200	4.37/2.18*	First ESOS Award
3,200,900	5.14/2.57*	Second ESOS Award
744,200	5.88/2.94*	Third ESOS Award
7,299,300		

(v) 8,626,200 new ordinary shares of RM1.00 each 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	ESOS Award
3,543,900	4.37/2.18*	First ESOS Award
3,353,200	5.14/2.57*	Second ESOS Award
1,729,100	5.88/2.94*	Third ESOS Award
8,626,200		

* ESOS exercise prices had been adjusted to RM2.18, RM2.57 and RM2.94 on 11 September 2015 following the 1:1 Bonus Issue.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

(b) Warrants 2009/2014

The Warrants 2009/2014 were constituted by a Deed Poll dated 18 September 2009. On 26 October 2009, the Company allotted 132,097,381 new Warrants 2009/2014 at an issue price of RM0.25 per Warrant on the basis of 1 Warrant for every 10 existing ordinary shares of RM1.00 each in the Company held after the 2:5 Bonus Issue.

Each warrant entitled the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 26 October 2009 up to the date of expiry on 24 October 2014, at an exercise price of RM4.00 per share in accordance with the Deed Poll dated 18 September 2009. The Warrants 2009/2014 were listed on the Main Market of Bursa Malaysia on 28 October 2009.

Warrants exercised in the preceding financial year resulted in 57,793,654 new ordinary shares being issued at RM4.00 each. The weighted average quoted price of shares of the Company at the time when the warrants were exercised was RM6.65 per share.

As at 24 October 2014, 292,292 Warrants 2009/2014 were unexercised and had lapsed.

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	
	2016 RM'000	2015 RM'000
At 1 April 2015/2014	2,346,070	2,089,511
Arising from:		
- Privatisation of IJML (Note 15(f))	1,732,194	–
- 1:1 Bonus Issue	(1,786,460)	–
- Vesting of shares under ESGP	13,004	–
- Exercise of Warrants 2009/2014	–	187,829
- Exercise of share options	29,054	38,910
- Shares held under trust (Note 14(E))	15,181	29,820
- Excess consideration from the disposal of treasury shares	36	–
At 31 March	2,349,079	2,346,070

(C) TREASURY SHARES

	The Group and the Company			
	2016		2015	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
At 1 April 2015/2014	49	270	47	257
Shares buy back	2	10	2	13
Disposal	(50)	(277)	–	–
At 31 March	1	3	49	270

The shareholders of the Company had approved an ordinary resolution at the Annual General Meeting held on 25 August 2015 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 2015, the Company repurchased 1,000 of its ordinary shares from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") for RM7,000. The average price paid for the shares repurchased was approximately RM7.00 per share. Subsequently, the Company disposed its entire holding of treasury shares totalling 50,000 ordinary shares in the open market on Bursa Malaysia at an average price of RM6.29 per share on 2 September 2015. On 26 November 2015, the Company repurchased another 1,000 of its ordinary shares from the open market on Bursa Malaysia for RM3,420. The average price paid for the shares repurchased was approximately RM3.42 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 67A of the Companies Act, 1965. 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the financial year ended 31 March 2016

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 knowns 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 but shall not be less than the par value of the Company's shares.

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	Percentage (%)
24 December 2013	24 December 2014	24 December 2015	24 December 2016	40
24 December 2014	24 December 2015	24 December 2016	24 December 2017	30
24 December 2015	24 December 2016	24 December 2017	24 December 2018	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 has 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. On 11 September 2015, the exercise price of the First ESOS Award had been further adjusted to RM2.18 (**).

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 have been vested and were exercisable as at 24 December 2015.

Movements in the number of share options outstanding for the First ESOS Award are as follows:

			Number of share options over ordinary shares of RM1 each				
Grant Date	Expiry Date	Exercise Price RM/share	Balance at 1.4.2015 '000	1:1 Bonus Issue '000	Forfeited '000	Exercised '000	Balance at 31.3.2016 '000
24 December 2012	23 December 2022	4.44/4.37*/ 2.18**	11,698	10,182	(1,789)	(7,555)	12,536

As at 31 March 2016, out of the 12,535,800 (2015: 11,698,300) outstanding options from the First ESOS Award, 12,535,800 (2015: 3,962,500) options are exercisable. The weighted average quoted price of shares of the Company at the time when the options were exercised was RM3.46.

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)

(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. On 11 September 2015, the exercise price of the Second ESOS Award had been further adjusted to RM2.57 (**).

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 have been vested and were exercisable as at 24 December 2015.

Movements in the number of share options outstanding for the Second ESOS Award are as follows:

			Number of share options over ordinary shares of RM1 each				
Grant Date	**Expiry Date**	**Exercise Price RM/share**	**Balance at 1.4.2015 '000**	**1:1 Bonus Issue '000**	**Forfeited '000**	**Exercised '000**	**Balance at 31.3.2016 '000**
24 December 2013	23 December 2022	5.22/5.14*/ 2.57**	24,690	22,197	(2,098)	(7,071)	37,718

As at 31 March 2016, out of the 37,717,510 (2015: 24,689,850) outstanding options from the Second ESOS Award, 20,460,400 (2015: 6,545,700) options are exercisable. The weighted average quoted price of shares of the Company at the time when the options were exercised was 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. The first tranche of ESOS under the Third ESOS Award amounting to 7,869,700 options have been vested and were exercisable as at 24 December 2015.

Movements in the number of share options outstanding for the Third ESOS Award are as follows:

			Number of share options over ordinary shares of RM1 each				
Grant Date	**Expiry Date**	**Exercise Price RM/share**	**Balance at 1.4.2015 '000**	**1:1 Bonus Issue '000**	**Forfeited '000**	**Exercised '000**	**Balance at 31.3.2016 '000**
24 December 2014	23 December 2022	5.88/2.94*	10,651	10,106	(859)	(1,710)	18,188

As at 31 March 2016, out of the 18,187,940 (2015: 10,651,000) outstanding options from the Third ESOS Award, 6,159,500 (2015: Nil) options are exercisable. The weighted average quoted price of shares of the Company at the time when the options were exercised was RM3.46.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the financial year ended 31 March 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)

(d) On 24 December 2015, the fourth award of options under the ESOS of 19,605,100 options ("Fourth ESOS Award") has been awarded to the Group Employee at an exercise price of RM3.06 per ordinary share.

Movements in the number of share options outstanding for the Fourth ESOS Award are as follows:

			Number of share options over ordinary shares of RM1 each				
Grant Date	**Expiry Date**	**Exercise Price RM/share**	**Balance at 1.4.2015 '000**	**Granted '000**	**Forfeited '000**	**Exercised '000**	**Balance at 31.3.2016 '000**
24 December 2015	23 December 2022	3.06	–	19,605	–	–	19,605

As at 31 March 2016, none of the options are vested under the Fourth 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.

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**
Fair value at the date of offer (RM)	1.08/0.54**	1.02/0.51**	1.08/0.54**	0.73
Share price at the date of offer (RM)	4.98	5.80	6.60	3.40
Exercise price (RM)	4.44/4.37*/ 2.18**	5.22/5.14*/ 2.57**	5.88/2.94**	3.06
Expected volatility (%)	25.9	18.4	16.5	19.0
Expected life (years)	5	4	3	7

* 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 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.

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 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 is no change to Fourth ESOS Award because it was awarded to the Group Employee on 24 December 2015, which was after the modification date.

(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 of RM1 each				
Grant Date	**Balance at 1.4.2015 '000**	**1:1 Bonus Issue '000**	**Forfeited '000**	**Issued '000**	**Balance at 31.3.2016 '000**
15 April 2013	6,075	3,038	(209)	(2,829)	6,075

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 of RM1 each				
Grant Date	**Balance at 1.4.2015 '000**	**1:1 Bonus Issue '000**	**Forfeited '000**	**Issued '000**	**Balance at 31.3.2016 '000**
15 April 2014	6,300	6,300	–	–	12,600

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for the financial year ended 31 March 2016

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 2015, the third award of shares under the ESGP ("Third 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 of RM1 each				
Grant Date	Balance at 1.4.2015 '000	Granted '000	1:1 Bonus Issue '000	Issued '000	Balance at 31.3.2016 '000
15 April 2015	–	6,686	6,686	–	13,372

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	
	2016 RM'000	2015 RM'000
At 1 April 2015/2014	3,771	2,038
Subscription of new shares (Note 14(A),(B))	23,807	37,857
Exercise of share options via ETF mechanism	(23,766)	(36,124)
At 31 March	3,812	3,771

15 OTHER RESERVES

	The Group	
	2016 RM'000	2015 RM'000
(a) Capital reserve		
At 1 April 2015/2014	33,769	33,781
Share of capital reserve in an associate	(8)	(12)
At 31 March	33,761	33,769

15 OTHER RESERVES (cont'd)

		The Group 2016 RM'000	The Group 2015 RM'000
(b)	**Warrants reserve**		
	At 1 April 2015/2014	–	14,521
	Transferred to share premium upon exercise of Warrants 2009/2014	–	(14,448)
	Transferred to retained profits upon expiry of Warrants 2009/2014	–	(73)
	At 31 March	–	–
(c)	**Fair value reserve**		
	At 1 April 2015/2014	5,568	7,152
	Share of fair value reserve in an associate	(4,782)	(1,584)
	At 31 March	786	5,568
(d)	**Capital redemption reserve**		
	At 1 April 2015/2014 and at 31 March	10,200	10,200
(e)	**Hedge reserve**		
	At 1 April 2015/2014	134	(372)
	Share of hedge reserve in an associate	613	506
	At 31 March	747	134
(f)	**Other reserve**		
	At 1 April 2015/2014	2,011,580	–
	(Shares allotted)/shares to be allotted upon privatisation of IJM Land Berhad (Notes 14(A),(B) & Note 50(b))	(2,011,580)	2,011,580
	At 31 March	–	2,011,580
	31 March	45,494	2,061,251

		The Company 2016 RM'000	The Company 2015 RM'000
(a)	**Warrants reserve**		
	At 1 April 2015/2014	–	14,521
	Transferred to share premium upon exercise of Warrants 2009/2014	–	(14,448)
	Transferred to retained profits upon expiry of Warrants 2009/2014	–	(73)
	At 31 March	–	–
(b)	**Other reserve**		
	At 1 April 2015/2014	2,011,580	–
	(Shares allotted)/shares to be allotted upon privatisation of IJM Land Berhad (Notes 14(A),(B) & Note 50(b))	(2,011,580)	2,011,580
	At 31 March	–	2,011,580
	At 31 March	–	2,011,580

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the financial year ended 31 March 2016

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					
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 45)	–	(20,000)	(128,769)	–	(148,769)
	1,200,000	680,000	–	–	1,880,000
2015					
At 1 April 2014	–	700,000	267,774	92,017	1,059,791
Drawdown during the year	800,000	–	–	–	800,000
Redeemed during the year	–	–	–	(74,000)	(74,000)
At 31 March	800,000	700,000	267,774	18,017	1,785,791
Less:					
Amortisation of fair value	–	–	–	(18,017)	(18,017)
	800,000	700,000	267,774	–	1,767,774
Less:					
Amount redeemable within 12 months (Note 45)	–	–	(139,005)	–	(139,005)
	800,000	700,000	128,769	–	1,628,769

16 BONDS (cont'd)

	Unsecured Sukuk Murabahah Notes (a) RM'000	Total RM'000
The Company		
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 45)	–	–
	1,200,000	1,200,000
2015		
At 1 April 2014	–	–
Drawdown during the year	800,000	800,000
At 31 March	800,000	800,000
Less:		
Amount redeemable within 12 months (Note 45)	–	–
	800,000	800,000

A. Maturity profile of Bonds

	Note	The Group 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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the financial year ended 31 March 2016

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
2015								
Unsecured								
Sukuk Murabahah Notes	(a)	800,000	–	–	–	–	200,000	600,000
Secured								
Sukuk Mudharabah Notes	(b)	700,000	–	20,000	30,000	40,000	55,000	555,000
Junior Bai Bithaman Ajil Notes	(c)	267,774	139,005	128,769	–	–	–	–
		1,767,774	139,005	148,769	30,000	40,000	255,000	1,155,000

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
2016								
Unsecured								
Sukuk Murabahah Notes	(a)	**1,200,000**	**–**	**–**	**–**	**200,000**	**150,000**	**850,000**
2015								
Unsecured								
Sukuk Murabahah Notes	(a)	800,000	–	–	–	–	200,000	600,000

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.

(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 2016, the profit rate of the Sukuk is 4.66% (2015: 4.66%) 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 and Senior Bai Bithaman Ajil ("BBA") Notes

The principal features of the Junior and Senior BBA Notes are as follows:

(i) A subsidiary, New Pantai Expressway Sdn Bhd ("NPE"), issued RM250,000,000 secured Junior BBA Notes and RM490,000,000 secured Senior BBA Notes on 27 October 2003 and 31 October 2003 respectively.

The RM250,000,000 Junior BBA Notes were issued at its nominal value and carry a profit rate ranging from 7.45% to 7.75% per annum. It is repayable in 4 semi-annual instalments, commencing 11 1/2 years after the issue date.

The RM490,000,000 Senior BBA Notes were fully repaid in the preceding financial year.

16 BONDS (cont'd)

B. Principal features of Bonds (cont'd)

(c) Junior and Senior Bai Bithaman Ajil ("BBA") Notes (cont'd)

(ii) The Junior BBA Notes is 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.

In addition, the Junior BBA Notes are secured by the guarantee provided by the Company which shall provide an irrevocable, unconditional and continuing corporate guarantee to meet any cash shortfall in the issuer's payment obligations at each payment date under the Junior BBA Notes so long as the Senior BBA Notes remain outstanding.

(iii) The Junior BBA Notes contains covenants which require 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 2016 RM'000	The Group 2015 RM'000	The Company 2016 RM'000	The Company 2015 RM'000
Current					
Secured	45	118,237	148,325	–	–
Unsecured	45	218,710	559,246	–	–
		336,947	707,571	–	–
Non-current					
Secured		815,156	1,023,703	–	–
Unsecured		1,454,207	1,295,150	157,300	–
		2,269,363	2,318,853	157,300	–
		2,606,310	3,026,424	157,300	–

A. Currency profile of term loans

The currency exposure profile of term loans is as follows:

	The Group 2016 RM'000	The Group 2015 RM'000	The Company 2016 RM'000	The Company 2015 RM'000
United States Dollar	1,197,770	1,276,591	157,300	–
Chinese Renminbi	56,777	65,575	–	–
	1,254,547	1,342,166	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 2016

The Group	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Note	Floating interest rate < 1 year RM'000	Floating 1-2 years RM'000	Floating 2-3 years RM'000	Floating 3-4 years RM'000	Floating 4-5 years RM'000	Floating > 5 years RM'000	Fixed interest rate < 1 year RM'000	Fixed 1-2 years RM'000	Fixed 2-3 years RM'000	Fixed 3-4 years RM'000	Fixed 4-5 years RM'000
2016															
Secured															
Term loan 1	5.2	1,607	RM	(a)	–	–	1,047	560	–	–	–	–	–	–	–
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 4	4.7	27,744	RM	(d)	2,320	9,280	9,280	6,864	–	–	–	–	–	–	–
Term loan 5	4.7	56,105	RM	(e)	4,700	18,800	18,800	13,805	–	–	–	–	–	–	–
Term loan 6	5.2	50,000	RM	(f)	50,000	–	–	–	–	–	–	–	–	–	–
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	–	–	–	–	–	–	–
		933,393			118,237	196,217	238,542	102,841	105,520	172,036	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for the financial year ended 31 March 2016

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)

The Group	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 14	9.2	36,300	RMB	36,300	–	–	–	–	–	–	–	–	–	–
Term loan 15	5.1	50,000	RM	–	–	10,000	20,000	20,000	–	–	–	–	–	–
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	1.6	110,403	USD	13,800	27,601	69,002	–	–	–	–	–	–	–	–
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	5.2	12,062	RM	–	–	2,702	3,750	3,750	1,860	–	–	–	–	–
Term loan 25	2.2	157,300	USD	–	–	157,300	–	–	–	–	–	–	–	–
Term loan 26	11.3	148	RS	–	–	–	–	–	–	148	–	–	–	–
Term loan 27	11.9	185	RS	–	–	–	–	–	–	148	37	–	–	–
Term loan 28	11.9	185	RS	–	–	–	–	–	–	148	37	–	–	–
Term loan 29	11.9	185	RS	–	–	–	–	–	–	148	37	–	–	–
Term loan 30	11.6	185	RS	–	–	–	–	–	–	148	37	–	–	–
		1,167,860		81,410	110,137	494,048	174,638	104,879	1,860	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 2016 (cont'd)

The Group	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Floating interest rate < 1 year RM'000	Floating 1-2 years RM'000	Floating 2-3 years RM'000	Floating 3-4 years RM'000	Floating 4-5 years RM'000	Floating > 5 years RM'000	Fixed interest rate < 1 year RM'000	Fixed 1-2 years RM'000	Fixed 2-3 years RM'000	Fixed 3-4 years RM'000	Fixed 4-5 years RM'000
2016														
Unsecured														
Term loan 31	2.0	157,300	USD	–	–	157,300	–	–	–	–	–	–	–	–
Term loan 32	9.2	89,543	RS	89,543	–	–	–	–	–	–	–	–	–	–
Term loan 33	9.3	11,860	RS	11,860	–	–	–	–	–	–	–	–	–	–
Term loan 34	2.8	228,637	USD	19,766	28,912	38,057	48,678	60,183	33,041	–	–	–	–	–
Term loan 35	4.9	17,717	RM	15,391	2,326	–	–	–	–	–	–	–	–	–
		505,057		6,560	31,238	195,357	48,678	60,183	33,041	–	–	–	–	–
Total unsecured loans		1,672,917		7,970	141,375	689,405	223,316	165,062	34,901	740	40,148	80,000	80,000	–
Total term loans		2,606,310		6,207	337,592	927,947	326,157	270,582	206,937	740	40,148	80,000	80,000	–

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for the financial year ended 31 March 2016

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 2015

The Group	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Note	Floating interest rate < 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	Fixed interest rate < 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000
2015															
Secured															
Term loan 1	5.1	6,641	RM	(a)	–	–	1,016	4,500	1,125	–	–	–	–	–	–
Term loan 2	5.0	250,000	RM	(b)	–	50,000	100,000	100,000	–	–	–	–	–	–	–
Term loan 3	4.9	222,090	RM	(c)	–	–	27,760	55,520	55,520	83,290	–	–	–	–	–
Term loan 4	4.7	27,880	RM	(d)	–	4,640	9,280	9,280	4,680	–	–	–	–	–	–
Term loan 5	4.7	56,360	RM	(e)	–	9,400	18,800	18,800	9,360	–	–	–	–	–	–
Term loan 6	4.5	100,000	RM	(f)	50,000	50,000	–	–	–	–	–	–	–	–	–
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	4.6	205,629	RM	(i)	–	–	–	12,369	50,000	143,260	–	–	–	–	–
Term loan 10	5.3	44,625	RM	(j)	–	6,693	13,388	24,544	–	–	–	–	–	–	–
Term loan 12	5.4	71,936	RM	(l)	71,936	–	–	–	–	–	–	–	–	–	–
Term loan 13	11.0	128,397	RS	(m)	–	–	–	–	–	–	26,389	26,389	26,390	26,389	22,840
		1,172,028			121,936	128,603	197,234	246,378	122,930	226,550	26,389	26,389	26,390	26,389	22,840

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 2015 (cont'd)

The Group	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Floating interest rate < 1 year RM'000	Floating 1-2 years RM'000	Floating 2-3 years RM'000	Floating 3-4 years RM'000	Floating 4-5 years RM'000	Floating > 5 years RM'000	Fixed interest rate < 1 year RM'000	Fixed 1-2 years RM'000	Fixed 2-3 years RM'000	Fixed 3-4 years RM'000	Fixed 4-5 years RM'000
2015														
Unsecured														
Term loan 14	9.2	35,520	RMB	35,520	–	–	–	–	–	–	–	–	–	–
Term loan 17	5.6	65,575	RMB	21,858	21,858	21,859	–	–	–	–	–	–	–	–
Term loan 18	5.3	200,000	RM	–	–	–	–	–	–	–	–	40,000	80,000	80,000
Term loan 19	1.5	116,638	USD	12,960	12,960	25,919	64,799	–	–	–	–	–	–	–
Term loan 20	1.5	116,638	USD	12,960	12,960	25,919	64,799	–	–	–	–	–	–	–
Term loan 21	2.1	148,110	USD	55,542	55,542	37,026	–	–	–	–	–	–	–	–
Term loan 22	2.1	148,110	USD	55,542	55,542	37,026	–	–	–	–	–	–	–	–
Term loan 23	1.9	111,084	USD	–	–	27,771	55,542	27,771	–	–	–	–	–	–
Term loan 26	11.3	296	RS	–	–	–	–	–	–	148	148	–	–	–
Term loan 27	11.9	332	RS	–	–	–	–	–	–	148	148	36	–	–
Term loan 28	11.9	332	RS	–	–	–	–	–	–	148	148	36	–	–
Term loan 29	11.9	332	RS	–	–	–	–	–	–	148	148	36	–	–
Term loan 30	11.6	332	RS	–	–	–	–	–	–	148	148	36	–	–
Term loan 31	2.4	221,820	USD	–	–	–	221,820	–	–	–	–	–	–	–
Term loan 32	9.8	214,611	RS	208,623	–	–	–	–	–	5,988	–	–	–	–
		1,379,730		403,005	158,862	175,520	406,960	27,771	–	6,728	740	40,144	80,000	80,000

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the financial year ended 31 March 2016

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 2015 (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**
2015														
Unsecured														
Term loan 33	9.9	2,660	**RS**	2,660	–	–	–	–	–	–	–	–	–	–
Term loan 34	2.8	221,947	**USD**	6,936	18,588	27,188	35,789	45,777	87,669	–	–	–	–	–
Term loan 35	4.9	33,108	**RM**	15,391	15,391	2,326	–	–	–	–	–	–	–	–
Term loan 36	4.8	8,750	**RM**	–	–	–	–	–	–	8,750	–	–	–	–
Term loan 37	2.4	92,425	**USD**	–	–	–	–	92,425	–	–	–	–	–	–
Term loan 38	1.8	55,455	**USD**	55,455	–	–	–	–	–	–	–	–	–	–
Term loan 39	1.5	44,364	**USD**	44,364	–	–	–	–	–	–	–	–	–	–
Term loan 40	10.1	15,957	**RS**	15,957	–	–	–	–	–	–	–	–	–	–
		474,666		140,763	33,979	29,514	35,789	138,202	87,669	8,750	–	–	–	–
Total unsecured loans		1,854,396		543,768	192,841	205,034	442,749	165,973	87,669	15,478	740	40,144	80,000	80,000
Total term loans		3,026,424		665,704	321,444	402,268	689,127	288,903	314,219	41,867	27,129	66,534	106,389	102,840

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

The Company	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Floating interest rate < 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	Fixed interest rate < 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 25	2.2	157,300	USD	–	–	157,300	–	–	–	–	–	–	–	–

17 TERM LOANS (cont'd)

C. Principal features of secured term loans

(a) Term loan 1 of RM1,607,000 (2015: RM6,641,000) is 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 IJM Land Berhad ("IJML"), a subsidiary of the Company (Note 37); and

(iii) a corporate guarantee by IJML.

(b) Term loan 2 of RM250,000,000 (2015: 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 RM220,916,000 (2015: RM222,090,000) is secured by way of:

(i) a facility agreement for the sum of RM222,090,000;

(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 RM27,744,000 (2015: RM27,880,000) 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.

(e) Term loan 5 of RM56,105,000 (2015: RM56,360,000) 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.

(f) Term loan 6 of RM50,000,000 (2015: RM100,000,000) and revolving credit of RM50,000,000 (Note 45(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 irrecoverable 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.

17 TERM LOANS (cont'd)

C. Principal features of secured term loans (cont'd)

(g) Term loan 7 of RM13,470,000 (2015: 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 RM45,000,000 (2015: 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 RM205,687,000 (2015: RM205,629,000) and revolving credit of RM13,349,000 (2015: RM7,849,000) (Note 45(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 RM44,625,000 (2015: 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 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 RM71,936,000 in the preceding financial year was secured by way of:

(i) facility agreements for the sum of RM320,000,000;

(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.

The loan was fully repaid during the financial year.

(m) Term loan 13 of RM128,397,000 was secured by first charge on all the assets (except for the concession assets) and 30% equity shares of Swarna Tollway Private Limited ("STPL"), an indirect subsidiary of the Company. During the year, 70% equity interests in STPL has been disposed and following the completion of the disposal, STPL ceased to be a subsidiary and it became an associate of the Group via CIDB Inventures Sdn Bhd.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the financial year ended 31 March 2016

18 GOVERNMENT SUPPORT LOANS

	Note	The Group 2016 RM'000	2015 RM'000
Government Support Loans:			
- Government Support Loan 1	(a)	126,270	122,120
- Government Support Loan 2	(b)	91,315	95,329
		217,585	217,449
Less: Payable within 12 months (Note 44)		(33,104)	(6,951)
		184,481	210,498

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
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
2015							
Government Support Loan 1	122,120	–	26,150	25,283	24,445	23,634	22,608
Government Support Loan 2	95,329	6,951	6,720	6,497	6,282	6,073	62,806
	217,449	6,951	32,870	31,780	30,727	29,707	85,414

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 to commence 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 its port operations.

19 HIRE PURCHASE AND LEASE PAYABLES

	The Group 2016 RM'000	2015 RM'000
Minimum lease payments:		
- Payable within 1 year	170	109
- Payable between 1 and 5 years	180	208
	350	317
Less: Future finance charges	(36)	(44)
Present value of hire purchase and lease liabilities	314	273
Present value of hire purchase and lease liabilities:		
- Payable within 1 year (Note 44)	145	85
- Payable between 1 and 5 years (included in non-current liabilities)	169	188
	314	273

Hire purchase and lease liabilities are effectively secured as the rights to the leased assets reverts to the financier in the event of default. As at the balance sheet date, the effective interest rate was 10.30% (2015: 10.25%) 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 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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for the financial year ended 31 March 2016

20 FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

	Note	Liabilities at fair value through the profit and loss RM'000	Other financial liabilities at amortised costs RM'000	Total RM'000
The Group: (cont'd)				
At 31 March 2016				
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 *****	44	–	1,871,708	1,871,708
Borrowings	45	–	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 and deferred income.

***** 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 2015					
Assets as per balance sheet:					
Non-current assets:					
Joint ventures *	33	463,298	–	–	463,298
Available-for-sale financial assets	34	–	–	25,022	25,022
Long term receivables **	35	87,839	–	–	87,839
Deposit with a licensed bank	42	92,569	–	–	92,569
Current assets:					
Trade and other receivables ***	40	1,636,164	–	–	1,636,164
Financial assets at fair value through profit or loss	41	–	214,908	–	214,908
Derivative financial instruments	21	–	3,727	–	3,727
Deposits, cash and bank balances	42	1,818,657	–	–	1,818,657
Total		4,098,527	218,635	25,022	4,342,184

	Note	Other financial liabilities at amortised costs RM'000	Total RM'000
Liabilities as per balance sheet:			
Non-current liabilities:			
Bonds	16	1,628,769	1,628,769
Term loans	17	2,318,853	2,318,853
Government support loans	18	210,498	210,498
Trade and other payables ****	23	527,164	527,164
Current liabilities:			
Trade and other payables *****	44	1,882,374	1,882,374
Borrowings	45	1,989,419	1,989,419
Total		8,557,077	8,557,077

* 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 and prepayments.

**** Trade and other payables exclude deposits and deferred income.

***** Trade and other payables exclude amounts due to customers on construction contracts, progress billings in respect of property development and retirement benefits payable.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for the financial year ended 31 March 2016

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 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	44	964,234	964,234
Current liabilities:			
Trade and other payables ***	44	345,433	345,433
Borrowings	45	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.

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 2015					
Assets as per balance sheet:					
Non-current assets:					
Joint ventures *	33	60,207	–	–	60,207
Available-for-sale financial assets	34	–	–	2,050	2,050
Current assets:					
Derivative financial instruments	21	–	1,125	–	1,125
Trade and other receivables **	40	1,518,428	–	–	1,518,428
Financial assets at fair value through profit or loss	41	–	5,536	–	5,536
Deposits, cash and bank balances	42	55,804	–	–	55,804
Total		1,634,439	6,661	2,050	1,643,150

	Note	Other financial liabilities at amortised costs RM'000	Total RM'000
Liabilities as per balance sheet:			
Non-current liabilities:			
Bonds	16	800,000	800,000
Trade and other payables	44	999,360	999,360
Current liabilities:			
Trade and other payables ***	44	544,585	544,585
Borrowings	45	586,007	586,007
Total		2,929,952	2,929,952

* 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.

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

21 DERIVATIVE FINANCIAL INSTRUMENTS

	Note	The Group Assets RM'000	The Group Liabilities RM'000	The Company Assets RM'000	The Company Liabilities RM'000
At 31 March 2016					
Current:					
Crude palm oil pricing swaps	(a)	–	10,158	–	–
Forward foreign exchange contract	(b)	–	222	–	–
		–	10,380	–	–
At 31 March 2015					
Current:					
Crude palm oil pricing swaps	(a)	382	–	–	–
Interest rate swap	(c)	1,125	–	1,125	–
Cross currency swap	(d)	2,220	–	–	–
		3,727	–	1,125	–

(a) Crude palm oil pricing swaps

IJM Edible Oil Sdn Bhd, a subsidiary of IJM Plantations Berhad, which in turn is a subsidiary of the Company, has entered into crude palm oil pricing 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 period.

As at 31 March 2016, the outstanding crude palm oil pricing swap contracts are made up of notional amounts of 32,250 metric tonnes (2015: 13,500 metric tonnes) with contracted prices ranging from RM2,065 to RM2,510 per metric tonne (2015: ranging from RM2,100 to RM2,260 per metric tonne) within the period from 1 September 2015 to 31 March 2017 (2015: 1 March 2015 to 31 March 2016).

(b) Forward foreign exchange contract

Industrial Concrete Products Sdn Bhd, a subsidiary of the Company, has 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 is 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

21 DERIVATIVE FINANCIAL INSTRUMENTS (cont'd)

(c) Interest rate swap

From fixed rate to floating rate

The Company had entered into an interest rate swap contract which entitled the Company to pay interest at floating rate on notional principal amount and oblige it to receive interest at fixed rate on the same amounts. Under the interest rate swap, the Company agreed with the other parties to exchange the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amount.

The floating rate of the Company's interest rate swap contract was linked to the Kuala Lumpur Inter Bank Offer Rate ("KLIBOR"). The weighted average effective interest rate of the Company's fixed rate borrowings during the preceding financial year was 5.5% per annum. After the interest rate swap, the Company's weighted average effective interest rate during the preceding financial year was 5.09% per annum.

As at 31 March 2016, there is no outstanding interest rate swap contract.

(d) Cross currency swap

IJM Investments (L) Ltd, a subsidiary of the Company, entered into a cross currency swap contract to swap future Indian Rupee proceeds to US Dollars. The cross currency swap enabled the Group to hedge its foreign exchange exposures and it formed part of the overall structure for financing the Group's Indian-based subsidiary. As at 31 March 2016, there is no outstanding cross currency swap contract.

(e) 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 2016:				
(i) Crude palm oil pricing swaps	(10,158)	–	–	(10,158)
(ii) Forward foreign exchange contract	(222)	–	–	(222)
				(10,380)
As at 31 March 2015:				
(i) Interest rate swap:				
- from fixed rate to floating rate	1,125	–	–	1,125
(ii) Cross currency swap	2,220	–	–	2,220
(iii) Crude palm oil pricing swaps	382	–	–	382
				3,727
At Company				
As at 31 March 2016:				
(i) Interest rate swap:				
- from fixed rate to floating rate	–	–	–	–
As at 31 March 2015:				
(i) Interest rate swap:				
- from fixed rate to floating rate	1,125	–	–	1,125

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Deferred tax assets	230,046	201,196	2,520	2,779
Deferred tax liabilities	(631,326)	(780,336)	–	–
	(401,280)	(579,140)	2,520	2,779
At 1 April 2015/2014	(579,140)	(561,531)	2,779	1,968
Credited/(charged) to income statement (Note 10)				
- Property, plant and equipment	(2,101)	(81,007)	33	165
- Concession assets	(25,897)	53,721	–	–
- Post–employment benefit	(41)	(29)	–	–
- Intangible assets	(1,242)	(1,733)	–	–
- Plantation development expenditure	(9,844)	(14,534)	–	–
- Tax losses	2,457	43,833	–	–
- Payables	8,486	321	(292)	646
- Development properties	27,077	34,955	–	–
- Foreseeable loss	(1,568)	992	–	–
- Borrowings	(448)	896	–	–
- Investment properties	7,096	–	–	–
- Inventories	–	137	–	–
- Derivative financial instruments	2,529	–	–	–
- Share-based payment	6,287	207	–	–
- Others	1,007	(1,008)	–	–
	13,798	36,751	(259)	811
Acquisition of subsidiaries (Note 48(b)(i),(ii))	–	(41,638)	–	–
Disposal of a subsidiary (Note 49(ii))	181,097	–	–	–
Exchange differences	(17,035)	(12,722)	–	–
At 31 March	(401,280)	(579,140)	2,520	2,779

22 DEFERRED TAXATION (cont'd)

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Subject to income tax				
Deferred tax assets (before offsetting)				
- Property, plant and equipment	890	1,009	–	–
- Development properties	77,477	53,436	–	–
- Post-employment benefit	1,523	1,564	–	–
- Payables	115,794	107,308	2,552	2,844
- Tax losses	108,318	101,340	–	–
- Foreseeable loss	1,222	2,790	–	–
- Borrowings	2,213	4,374	–	–
- Investment properties	7,096	–	–	–
- Concession assets	7,891	67,483	–	–
- Derivative financial instruments	2,529	–	–	–
- Share-based payment	6,615	328	–	–
- Others	1,357	346	–	–
	332,925	339,978	2,552	2,844
Offsetting	(102,879)	(138,782)	(32)	(65)
Deferred tax assets (after offsetting)	230,046	201,196	2,520	2,779
Deferred tax liabilities (before offsetting)				
- Property, plant and equipment	(126,898)	(124,917)	(32)	(65)
- Plantation development expenditure	(153,263)	(140,703)	–	–
- Development properties	(216,453)	(219,489)	–	–
- Intangible assets	(5,387)	(4,145)	–	–
- Borrowings	(15,557)	(17,270)	–	–
- Inventories	(705)	(705)	–	–
- Payables	(4)	(4)	–	–
- Concession assets	(216,760)	(412,704)	–	–
- Others	822	819	–	–
	(734,205)	(919,118)	(32)	(65)
Offsetting	102,879	138,782	32	65
Deferred tax liabilities (after offsetting)	(631,326)	(780,336)	–	–

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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Unutilised deductible temporary differences	103,626	102,282	–	–
Unused tax losses	732,466	581,087	–	–
	836,092	683,369	–	–
Deferred tax assets not recognised at 24% (2015: 24%)	200,662	164,009	–	–

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

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 RM580,292,000 (2015: RM452,965,000) which will expire in the following financial years:

	The Group	
	2016 RM'000	2015 RM'000
Financial year		
2016	–	10,381
2017	26,240	3,747
2018	63,905	37,542
2019	62,094	44,648
2020	140,161	93,150
2021	35,384	35,909
2022	147,723	139,167
2023	80,054	79,750
2024	12,427	8,644
2025	12,304	27
	580,292	452,965

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	2016 RM'000	2015 RM'000
Other payables:			
Land premium payable to State Government	(a)	–	3,100
Less: Payable within 12 months (Note 44)		–	(3,100)
Payable after 12 months		–	–
Advances from the State Government	(b)	33,180	33,180
Land and development costs payable	(c)	479,127	452,176
Less: Payable within 12 months (Note 44)		(6,000)	(2,000)
Payable after 12 months		473,127	450,176
Deposits	(d)	157,956	138,153
Interests in projects	(e)	–	33,806
Refundable membership securities	(f)	5,649	5,735
Shareholder's advance	(g)	4,281	4,267
Deferred income	(h)	–	62,856
Lease payable to Kuantan Port Authority (Note 30)	(i)	95,842	–
Less: Payable within 12 months (Note 44)		(5,572)	–
Payable after 12 months		90,270	–
		764,463	728,173

23 TRADE AND OTHER PAYABLES (cont'd)

(a) On 4 October 2002, Jelutong Development Sdn Bhd ("JDSB"), an indirect subsidiary of the Company, entered into a Supplementary Agreement to the Privatisation Agreement with the Penang State Government in connection with the land alienation to the subsidiary in exchange for undertaking the Jelutong Expressway Project. JDSB shall pay the State Government a land premium of RM24.1 million from the date of issuance of advertising permit for sale of the first phase of the low-medium cost housing units on Parcel C2.

The status of the Jelutong Expressway construction works as at 31 March 2016 is disclosed in Note 23(b).

(b) 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 the previous financial year 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.

(c) This represents the present value of the deferred development cost of RM220,326,000 (2015: RM203,444,000) 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 RM258,801,000 (2015: RM248,732,000) in connection with a mixed development in Kuala Lumpur, which will become payable as the development progresses.

(d) This represents deposits received from purchasers of development units for the mixed development at Royal Mint Street, United Kingdom.

(e) This represented the share of net results of Road Builder (M) Sdn Bhd ("RBM"), an indirect subsidiary of the Company, in certain projects in India in accordance with the arrangements set out in the Ancillary Agreement dated 8 January 2003.

During the year, RBM had relinquished and disclaimed all residual participation interests in the projects by terminating and dissolving the Ancillary Agreement via a Settlement Agreement dated 15 September 2015. In return, RBM received the remaining participation interest of 25% in RBM-PATI JV, as disclosed under Note 33(a) to the financial statements.

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

23 TRADE AND OTHER PAYABLES (cont'd)

(f) 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.

(g) The shareholder's advance is in respect of an advance by a subsidiary's shareholder to the subsidiary which is 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.

(h) This represented toll revenues of an Indian Tollway entity being withheld in an escrow account pending resolution of certain scope of work in relation to the road project in India.

(i) During the 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

An indirect subsidiary of the Company, Kuantan Port Consortium Sdn Bhd, 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 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.

24 RETIREMENT BENEFITS (cont'd)

(b) Unfunded defined benefit plan (cont'd)

The movements during the financial year on the amounts recognised in the consolidated balance sheet are as follows:

	The Group 2016 RM'000	The Group 2015 RM'000
At 1 April 2015/2014	6,517	6,371
Charged to profit or loss (Note 6)	643	1,226
Contributions paid during the financial year	(1,563)	(1,080)
Adjustment for actuarial loss	751	–
At 31 March	6,348	6,517
Present value of liabilities:		
- Payable within 1 year (Note 44)	1,673	1,246
- Payable between 1 and 5 years	3,516	4,183
- Payable after 5 years	1,159	1,088
Payable after 1 year (included in non-current liabilities)	4,675	5,271
	6,348	6,517

The amounts of unfunded defined benefit recognised in the balance sheet may be analysed as follows:

	The Group 2016 RM'000	The Group 2015 RM'000
Present values of unfunded defined benefit obligations, recognised as liability in the balance sheets	6,348	6,517
Analysed as:		
Current (included in other payables - Note 44)	1,673	1,246
Non-current	4,675	5,271
	6,348	6,517

The expenses recognised in the profit or loss were analysed as follows:

	The Group 2016 RM'000	The Group 2015 RM'000
Current service cost	354	407
Interest cost	289	313
Past service cost	–	506
Total unfunded defined benefit retirement plan (Note 6)	643	1,226

The charges to the profit or loss were included in the following line items:

	The Group 2016 RM'000	The Group 2015 RM'000
Cost of sales	482	920
Administrative expenses	161	306
Total included in employee benefits cost (Note 6)	643	1,226

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

24 RETIREMENT BENEFITS (cont'd)

(b) Unfunded defined benefit plan (cont'd)

The principal actuarial assumptions used in respect of the Group's unfunded defined benefit plan were as follows:

	The Group	
	2016	**2015**
	%	**%**
Discount rate	**4.7**	5.0
Expected rate of salary increases	**5.5**	5.0

25 PROVISIONS

	Note	The Group 2016 RM'000	The Group 2015 RM'000
Provision for maintenance			
At 1 April 2015/2014		**5,115**	82,241
Current year provision		**19,006**	81,421
Disposal of a subsidiary	49(ii)	**(11,657)**	–
Utilised during the year		**(7,722)**	(140,232)
Over provision in respect of prior years		**(3,675)**	(1,015)
Transferred to liabilities of disposal group classified as held for sale	43(b)	**–**	(19,687)
Reclassification		**(67)**	–
Exchange translation differences		**945**	2,387
At 31 March	(a)	**1,945**	5,115
Provision for affordable housing			
At 1 April 2015/2014		**99,675**	–
Current year provision		**5,169**	99,675
Over provision in respect of prior years		**(19,015)**	–
At 31 March	(b)	**85,829**	99,675
		87,774	104,790
Analysis of total provisions:			
Current		**1,945**	5,115
Non-current		**85,829**	99,675
		87,774	104,790

(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.

26 GOVERNMENT GRANTS

	The Group 2016 RM'000	The Group 2015 RM'000
Cost		
At 1 April 2015/2014	123,755	168,077
Disposal of subsidiaries (Note 49(ii))	(83,560)	–
Reversal during the year	–	(490)
Liabilities of disposal group classified as held for sale (Note 43(b))	–	(57,982)
Exchange translation differences	8,787	14,150
At 31 March	48,982	123,755
Accumulated amortisation		
At 1 April 2015/2014	(40,468)	(37,424)
Current amortisation (Note 5(b))	(6,646)	(8,613)
Disposal of subsidiaries (Note 49(ii))	6,863	–
Liabilities of disposal group classified as held for sale (Note 43(b))	–	9,370
Exchange translation differences	(567)	(3,801)
At 31 March	(40,818)	(40,468)
	8,164	83,287

The government grants represent grants received from the Indian Government for certain toll road concessions awarded to the Group.

STATEMENTS OF CHANGES IN EQUITY (Cont'd)
for the financial year ended 31 March 2016

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									
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 49(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									
2015									
Net book value									
At 1 April 2014	62,484	128,998	273,711	213,856	195,820	538,096	33,984	143,157	1,590,106
Additions	–	26,793	40,797	9,675	458	59,187	15,702	117,118	269,730
Acquisition of subsidiaries (Note 48(b)(i), (ii))	–	–	–	–	–	11	212	45	268
Disposals	–	–	–	–	–	(12,538)	(109)	–	(12,647)
Written off	–	–	–	(195)	(1)	(683)	(1,008)	(2)	(1,889)
Depreciation charges for the year	–	(2,116)	(10,737)	(17,466)	(5,348)	(77,858)	(7,680)	–	(121,205)
Impairment	–	–	–	–	–	(166)	(92)	–	(258)
Exchange differences arising from translation of assets of foreign operations	456	489	(2,428)	937	–	5,507	154	(1,373)	3,742
Reclassifications	–	–	2,080	46,117	–	71,966	2,362	(122,525)	–
Transferred to assets of disposal group classified as held for sale (Note 43(b))	(158)	–	–	–	–	(527)	(331)	–	(1,016)
At 31 March 2015	62,782	154,164	303,423	252,924	190,929	582,995	43,194	136,420	1,726,831

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

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 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
At 31 March 2015									
Cost/Valuation	62,782	178,454	347,656	403,831	236,913	1,337,609	126,923	138,420	2,832,588
Accumulated depreciation	–	(24,290)	(44,233)	(150,104)	(22,634)	(734,455)	(83,552)	–	(1,059,268)
Accumulated impairment	–	–	–	(803)	(23,350)	(20,159)	(177)	(2,000)	(46,489)
Net book value	62,782	154,164	303,423	252,924	190,929	582,995	43,194	136,420	1,726,831

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				
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
2015				
Net book value				
At 1 April 2014	458	2,746	691	3,895
Additions	–	785	31	816
Disposals	–	(165)	–	(165)
Written off	–	(15)	(273)	(288)
Depreciation charges for the year	(11)	(964)	(119)	(1,094)
Exchange differences	–	90	–	90
At 31 March 2015	447	2,477	330	3,254
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
At 31 March 2015				
Cost	577	3,907	3,926	8,410
Accumulated depreciation	(130)	(1,430)	(3,596)	(5,156)
Net book value	447	2,477	330	3,254

(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.

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

27 PROPERTY, PLANT AND EQUIPMENT (cont'd)

(a) Valuation (cont'd)

The hotel building and the leasehold land of ERMS Berhad, an indirect subsidiary of the Company were previously revalued by an independent qualified valuer, a member of the Institute of Surveyors, Malaysia and a partner with Raine & Horne International Zaki + Partners. 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	476	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 2016 RM'000	The Group 2015 RM'000
Leasehold land	**57,693**	58,393
Buildings	**35,875**	37,749
Plant	**–**	17
	93,568	96,159

(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 2016 RM'000	The Group 2015 RM'000
Plant, machinery, equipment and vehicles	**1,450**	1,617

(c) Net book values of assets pledged as security for term loans of certain subsidiaries (Note 17):

	The Group 2016 RM'000	The Group 2015 RM'000
Land	**80,342**	81,558
Building	**59,903**	64,024
Plant, machinery, equipment and vehicles	**–**	669
Office equipment, furniture and fittings and renovations	**–**	333
	140,245	146,584

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:

	Note	The Group 2016 RM'000	The Group 2015 RM'000	The Company 2016 RM'000	The Company 205 RM'000
Included in the aggregate costs incurred to-date within amounts due from/(to) customers on construction contracts	46	3,332	4,908	449	484
Capitalised as plantation development expenditure	38(b)	6,507	9,271	–	–

(e) Land titles to freehold lands with carrying values of RM2,968,000 (2015: RM2,985,000) are in the process of being transferred to the Group.

28 LAND USE RIGHTS

	Note	The Group 2016 RM'000	The Group 2015 RM'000
Cost			
At 1 April 2015/2014		155,192	129,888
Additions		7,010	26,935
Disposal of a subsidiary	49(ii)	(13)	–
Exchange differences		3,884	(1,631)
At 31 March		166,073	155,192
Accumulated amortisation			
At 1 April 2015/2014		25,872	21,880
Amortisation for the financial year	5(a)	4,922	4,180
Disposal of a subsidiary	49(ii)	(1)	–
Exchange differences		441	(188)
At 31 March		31,234	25,872
Net book value			
At 31 March		134,839	129,320

During the financial year, amortisation expenses of RM969,000 (2015: RM1,414,000) and RM91,000 (2015: RM89,000) 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 46) of the Group respectively.

The Group's land use rights with carrying value of RM39.3 million (2015: RM39.3 million) are still in the process of being transferred to the Group.

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

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
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	43(a)	–	–	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
2015							
Net book value							
At 1 April 2014		9,607	7,672	2,010	19,756	–	39,045
Additions		–	–	–	4,614	–	4,614
Depreciation charges for the year	5(a)	–	(97)	(46)	(218)	–	(361)
Transferred from property development costs	37(b)	–	–	–	–	2,257	2,257
Transferred to assets held for sale	43(a)	(3,473)	–	(254)	–	–	(3,727)
At 31 March 2015		6,134	7,575	1,710	24,152	2,257	41,828
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
At 31 March 2015							
Cost		6,134	8,713	2,298	24,549	2,257	43,951
Accumulated depreciation		–	(1,138)	(531)	(397)	–	(2,066)
Accumulated impairment		–	–	(57)	–	–	(57)
Net book value		6,134	7,575	1,710	24,152	2,257	41,828

29 INVESTMENT PROPERTIES (cont'd)

The Company	Note	Leasehold buildings RM'000	Freehold buildings RM'000	Total RM'000
2016				
Net book value				
At 1 April 2015		3,020	884	3,904
Transferred from assets held for sale	43(a)	–	3,737	3,737
Depreciation charges for the year	5(a)	(32)	(132)	(164)
At 31 March 2016		2,988	4,489	7,477
2015				
Net book value				
At 1 April 2014		3,053	911	3,964
Depreciation charges for the year	5(a)	(33)	(27)	(60)
At 31 March 2015		3,020	884	3,904
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
At 31 March 2015				
Cost		3,053	1,413	4,466
Accumulated depreciation		(33)	(529)	(562)
Net book value		3,020	884	3,904

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 2016, the fair value of the properties of the Group and the Company was estimated at RM91,222,000 (2015: RM78,990,000) and RM10,314,000 (2015: RM5,160,000) 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.

As at 31 March 2016, land titles to leasehold land with the carrying value of RM6,675,000 (2015: RM6,763,000) respectively are in the process of being transferred to the Group.

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

30 CONCESSION ASSETS

	Note	The Group 2016 RM'000	The Group 2015 RM'000
Expressway development expenditure		2,355,130	2,977,666
Port infrastructure		557,046	308,640
		2,912,176	3,286,306
Expressway development expenditure:			
Cost			
At 1 April 2015/2014		3,826,231	4,096,109
Additions		79,424	22,411
Reclassification		278,100	–
Written off	5(a)	(4,030)	(807)
Disposal of a subsidiary	49(ii)	(1,019,304)	–
Transferred to assets of disposal group classified as held for sale	43(b)	–	(416,547)
Exchange translation differences		92,602	125,065
At 31 March		3,253,023	3,826,231
Accumulated amortisation			
At 1 April 2015/2014		(531,092)	(453,643)
Current amortisation	5(a)	(134,954)	(132,570)
Written off	5(a)	1,145	206
Disposal of a subsidiary	49(ii)	78,623	–
Transferred to assets of disposal group classified as held for sale	43(b)	–	70,549
Exchange translation differences		(6,092)	(15,634)
At 31 March		(592,370)	(531,092)
		2,660,653	3,295,139
Less: Deferred income			
Cost			
At 1 April 2015/2014 and At 31 March		(400,456)	(400,456)
Accumulated amortisation			
At 1 April 2015/2014		82,983	71,498
Current amortisation	5(a)	11,950	11,485
At 31 March		94,933	82,983
		(305,523)	(317,473)
		2,355,130	2,977,666

30 CONCESSION ASSETS (cont'd)

	Note	The Group 2016 RM'000	The Group 2015 RM'000
Port infrastructure:			
Cost			
At 1 April 2015/2014		**452,970**	442,340
Additions during the financial year		**173,605**	10,796
Accrual during the financial year	23(i)	**95,842**	–
Written off during the financial year	5(a)	**(6,269)**	(166)
At 31 March		**716,148**	452,970
Accumulated amortisation			
At 1 April 2015/2014		**(144,330)**	(117,019)
Current amortisation	5(a)	**(15,875)**	(27,469)
Written off during the financial year	5(a)	**1,103**	158
At 31 March		**(159,102)**	(144,330)
		557,046	308,640

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 RM1,878,182,000 (2015: RM1,921,773,000) 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 2016 RM'000	The Group 2015 RM'000
Employee benefits cost	6	**621**	1,124
Finance cost	9	**2,054**	4,445

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

31 SUBSIDIARIES

	The Company 2016 RM'000	2015 RM'000
At cost:		
Quoted shares:		
- in Malaysia	506,858	506,858
Unquoted shares:		
- in Malaysia	5,602,817	5,593,866
- outside Malaysia	8,055	8,055
	6,117,730	6,108,779
Less: Accumulated impairment		
Unquoted shares		
- outside Malaysia	(1,035)	(1,035)
	6,116,695	6,107,744
Amounts owing by subsidiaries	952,596	907,683
Costs of investment in relation to share options and share grants being granted to employees of subsidiaries	66,950	42,586
	7,136,241	7,058,013
Market value *		
Quoted shares:		
- in Malaysia	1,739,937	1,633,014

The Group's effective equity interest in the subsidiaries and their respective principal activities and countries of incorporation are set out in Note 56 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 2016, the total non-controlling interests are RM1,208,045,000 (2015: RM1,145,897,000), of which RM719,287,000 (2015: RM718,658,000) is attributable to IJM Plantations Berhad. The other non-controlling interests are not significant.

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.

	IJM Plantations Berhad 2016 RM'000	2015 RM'000
Proportion of ordinary shares held by non-controlling interests (%)	**45%**	45%
Summarised statements of comprehensive income:		
Revenue	**557,613**	667,666
Net profit for the financial year	**22,043**	82,297
Total comprehensive income for the financial year	**57,496**	69,861
Net profit attributable to non-controlling interests	**8,688**	32,450
Dividends paid to non-controlling interests	**23,675**	26,066
Summarised balance sheets:		
Current assets	**433,718**	506,612
Current liabilities	**(193,432)**	(301,456)
Non-current assets	**2,156,705**	2,063,488
Non-current liabilities	**(791,701)**	(670,689)
Net assets	**1,605,290**	1,597,955
Summarised cash flows:		
Cash flows from operating activities	**57,020**	233,490
Cash flows used in investing activities	**(76,783)**	(368,616)
Cash flows (used in)/from financing activities	**(80,316)**	168,466
Net (decrease)/increase in cash and cash equivalents during the financial year	**(100,079)**	33,340
Cash and cash equivalents at beginning of the financial year	**371,420**	342,536
Foreign exchange differences on opening balances	**(2,821)**	(4,456)
Cash and cash equivalents at end of the financial year	**268,520**	371,420

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

32 ASSOCIATES

	Note	The Group 2016 RM'000	The Group 2015 RM'000
Share of net assets of associates	(a)	869,633	494,965
Convertible redeemable secured bonds	(b)	–	110,000
		869,633	604,965

(a) Share of net assets of associates

	The Group 2016 RM'000	The Group 2015 RM'000
Quoted shares, at cost:		
- in Malaysia	341,993	229,606
- outside Malaysia	38,080	38,080
Unquoted shares, at cost:		
- in Malaysia	93,091	93,216
- outside Malaysia	427,924	162,228
	901,088	523,130
Share of post-acquisition retained profits	112,034	106,924
Share of post-acquisition reserves	(32,863)	(22,751)
	980,259	607,303
Less: Accumulated impairment	(110,626)	(112,338)
	869,633	494,965

	Note	The Company 2016 RM'000	The Company 2015 RM'000
Quoted shares, at cost:			
- in Malaysia		341,993	229,606
- outside Malaysia		38,080	38,080
Unquoted shares, at cost:			
- in Malaysia		36,263	36,263
- outside Malaysia		52,979	52,979
Convertible redeemable secured bonds	(b)	–	110,000
		469,315	466,928
Less: Accumulated impairment		(100,786)	(100,786)
		368,529	366,142
Market value *			
Quoted shares:			
- in Malaysia		332,679	311,964
- outside Malaysia		85,598	49,870
		418,277	361,834

* 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 56 to the financial statements.

32 ASSOCIATES (cont'd)

(b) On 8 February 2013, Scomi Group Berhad ("SGB"), an associate of the Company, issued RM110 million nominal value of 3-year zero coupon convertible redeemable secured bonds ("Bonds") to the Company. The terms of the Bonds were as follows:

(i) The nominal value of the Bonds was RM110 million, with zero coupon and a tenure of 3 years. The Bonds matured on 5 February 2016.

(ii) The Bonds were convertible at any time into new SGB shares from the date of issuance of the Bonds up to the date of maturity at a conversion price of RM0.365 per SGB shares. The Bonds were automatically to be converted into new SGB shares upon maturity.

(iii) The Bonds were redeemable at each anniversary from the date of issuance at 10% yield for each full year on the outstanding Bonds as detailed below:

- redemption on first anniversary from the date of issuance was at RM1.10
- redemption on second anniversary from the date of issuance was at RM1.21
- redemption on third anniversary from the date of issuance was at RM1.33

Subsequent to the maturity date, the Bonds were converted into ordinary shares.

(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	
	2016 RM'000	2015 RM'000
Current year share of profits	(248)	524
Cumulative share of losses	(5,774)	(5,526)

(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 2016	% of ownership 2015	Nature of relationship	Measurement method
Scomi Group Berhad	Malaysia	25	8	Associate	Equity
Hexacon Construction Pte Limited	Singapore	46	46	Associate	Equity
Kumpulan Europlus Berhad	Malaysia	26	26	Associate	Equity

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

32 ASSOCIATES (cont'd)

(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		Kumpulan Europlus Berhad	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current						
Cash and cash equivalents	157,337	215,253	356,544	321,961	1,301,431	11,357
Other current assets (excluding cash)	1,500,972	1,490,727	218,696	225,471	286,306	549,584
Total current assets	1,658,309	1,705,980	575,240	547,432	1,587,737	560,941
Financial liabilities (excluding trade and other payables)	(704,022)	(725,270)	–	–	(6,625)	(6,416)
Other current liabilities (including trade and other payables)	(566,974)	(571,699)	(261,343)	(342,519)	(478,457)	(82,207)
Total current liabilities	(1,270,996)	(1,296,969)	(261,343)	(342,519)	(485,082)	(88,623)
Non-current						
Assets	981,980	1,031,193	161,284	202,297	830,394	234,762
Financial liabilities	(161,743)	(267,644)	–	–	(1,117,560)	–
Other liabilities	(25,394)	(17,029)	(83,931)	(81,640)	(121,977)	(244)
Total non-current liabilities	(187,137)	(284,673)	(83,931)	(81,640)	(1,239,537)	(244)
Non-controlling interests	(576,417)	(533,294)	–	–	(42,967)	(42,036)
Net assets (excluding non-controlling interests)	605,739	622,237	391,250	325,570	650,545	664,800
Market value (Group's share)	88,917	29,182	–*	–*	243,762	282,782

* Hexacon Construction Pte Limited is a private company and there is no quoted market price available for its shares.

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 statement of comprehensive income:

	Scomi Group Berhad		Hexacon Construction Pte Limited		Kumpulan Europlus Berhad	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue	**1,744,706**	1,783,231	**460,508**	528,984	**584,826**	10,205
Depreciation and amortisation	**(105,330)**	(97,267)	**–**	–	**(360)**	(541)
Interest income	**3,538**	3,003	**–**	–	**432**	1,665
Finance cost	**(16,483)**	(35,350)	**–**	–	**(1,166)**	(6,856)
Profit before taxation	**96,607**	99,385	**33,475**	9,901	**(6,281)**	(4,364)
Income tax expense	**(38,857)**	(49,033)	**(3,868)**	(811)	**(1,086)**	(1,974)
Profit/(loss) after taxation from continuing operations	**57,750**	50,352	**29,607**	9,090	**(7,367)**	(6,338)
Loss after tax from discontinued operations	**–**	(7,121)	**–**	–	**–**	–
Other comprehensive income/ (loss)	**88,325**	(59,793)	**(10,510)**	(3,481)	**–**	–
Less: Profit after taxation attributable to non-controlling interests	**(7,760)**	(20,843)	**–**	–	**(707)**	526
Less: Other comprehensive income attributable to non-controlling interests	**(35,406)**	(263)	**–**	–	**–**	–
Total comprehensive income/ (loss)	**102,909**	(37,668)	**19,097**	5,609	**(8,074)**	(5,812)
Dividends received from associates	**–**	–	**1,242**	608	**–**	–

Note: The summarised financial information above reflects the amounts presented in the financial statements of the associates.

STATEMENTS OF CHANGES IN EQUITY (Cont'd)
for the financial year ended 31 March 2016

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		Kumpulan Europlus Berhad	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Net assets at 1 April 2015/2014	622,237	659,833	325,570	305,840	664,800	206,488
Less: Gross dividend distributed during the year	–	–	(2,730)	(1,336)	–	–
Net profit for the financial year	49,990	22,388	29,607	9,090	(8,074)	(5,812)
Other comprehensive income	52,919	(60,056)	(10,510)	(3,481)	–	–
Other reserves	(6,837)	72	–	–	(6,181)	–
Foreign exchange differences	–	–	49,313	15,457	–	–
Increase in net assets arising from rights issues	–	–	–	–	–	464,124
	718,309	622,237	391,250	325,570	650,545	664,800
Less: fair value adjustment upon increase in additional interests	(112,570)	–	–	–	–	–
Net assets at 31 March	605,739	622,237	391,250	325,570	650,545	664,800
Interests in associates	149,483	149,526*	178,019	148,134	151,896	168,613
Goodwill	20,397	1,588	–	–	–	–
Carrying value	169,880	151,114	178,019	148,134	151,896	168,613

* Includes convertible redeemable secured bonds of RM110 million

(f) Set out below are the financial information of all individually immaterial associates on an aggregate basis.

	2016 RM'000	2015 RM'000
Carrying amounts of interest in associates	369,838	137,104
Share of associates' profits	(5,020)	(16,959)
Share of associates' other comprehensive income	1,276	2,823
Share of associates' total comprehensive income	(3,744)	(14,136)

33 JOINT VENTURES

	Note	The Group 2016 RM'000	2015 RM'000
Redeemable Convertible Unsecured Loan Stocks ("RCULS")	(A)	**240,000**	240,000
At cost:			
- In Malaysia		**111,375**	111,375
Share of post-acquisition reserves		**(145,228)**	(151,153)
		206,147	200,222
Redeemable Convertible Secured Islamic Debt Securities ("RCSIDS")	(B)	**50,436**	43,298
Amounts owing by joint ventures		**551,391**	676,168
Less: Allowance for impairment of amounts owing by joint ventures		**(127,453)**	(256,168)
		423,938	420,000
		680,521	663,520

	The Group 2016 RM'000	2015 RM'000
(A) RCULS		
At cost	**240,000**	240,000

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 2016, the period for exercising the conversion had expired.

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

33 JOINT VENTURES (cont'd)

(B) RCSIDS

	The Group	
	2016 RM'000	2015 RM'000
At cost	33,340	33,340
Accretion of interest	17,096	9,958
	50,436	43,298

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.

		The Company	
	Note	2016 RM'000	2015 RM'000
RCULS	(A)	151,305	151,305
Unquoted shares, at cost	(B)	–	–
RCSIDS	(C)	50,436	43,298
Amounts owing by joint ventures		50,426	56,357
Less: Allowance for impairment of amounts owing by joint ventures		(33,567)	(39,448)
		16,859	16,909
		218,600	211,512

	The Company	
	2016 RM'000	2015 RM'000
(A) RCULS		
At cost	240,000	240,000
Less: Allowance for impairment of RCULS	(88,695)	(88,695)
	151,305	151,305

33 JOINT VENTURES (cont'd)

	The Company	
	2016 RM'000	2015 RM'000
(B) Unquoted shares		
At cost:		
- In Malaysia	50,000	50,000
Less: Allowance for impairment of investment in joint ventures	(50,000)	(50,000)
	–	–
(C) RCSIDS		
At cost	33,340	33,340
Accretion of interest	17,096	9,958
	50,436	43,298

The amounts owing by joint ventures are mainly unsecured advances for the joint ventures' working capital requirements which bear interest rates ranging from 6% to 7.9% (2015: 4.8% to 7.9%) per annum.

As at 31 March 2016, amounts owing by joint ventures of the Group and the Company of RM127,453,000 (2015: RM256,168,000) and RM33,567,000 (2015: RM39,448,000) 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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
At 1 April 2015/2014	256,168	330,325	39,448	39,448
Allowance for impairment of amounts owing by joint ventures during the year (Note 5(a))	205	15,341	–	–
Write back of allowance for impairment of amounts owing by joint ventures (Note 5(b))	(5,881)	(2,577)	(5,881)	–
Bad debts written off for amounts owing by joint ventures	–	(198)	–	–
Disposal of RBM India project (Note 33(a))	(123,039)	–	–	–
Reclassification to other receivables *	–	(63,704)	–	–
Reclassification to amount owing by a subsidiary **	–	(23,019)	–	–
At 31 March	127,453	256,168	33,567	39,448

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.

* These amounts were transferred to other receivables (Note 40), pursuant to the settlement agreements entered into by IJM Properties Sdn Bhd, an indirect subsidiary of the Company with the other joint venturers of Sierra Selayang Sdn Bhd, Good Debut Sdn Bhd and Cekap Tropikal Sdn Bhd.

** These amounts were transferred to amount due from a subsidiary, Larut Leisure Enterprise (Hong Kong) Limited ("LLE"), and are hence eliminated in the Group financial statements upon the acquisition of additional equity interests in LLE by IJM Properties Sdn Bhd, an indirect subsidiary of the Company (Note 48(b)(i)).

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

33 JOINT VENTURES (cont'd)

(a) Details of the joint ventures are as follows:

	Group's effective interest in joint ventures 2016 %	2015 %	Principal activities
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 ** (formerly known as Aura Hebat Sdn Bhd)	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
IJMC-Norwest Joint Venture	70	70	Construction
IJMC-Zublin Joint Venture	50	50	Construction
ISZL Consortium	25	25	Construction
BSC-RBM-PATI JV ***	25	38	Construction
RBM-PATI JV ***	–	75	Construction
IJMC-Ambang Usaha Joint Venture	50	50	Construction
IJMC-Perkasa Sutera Joint Venture	–	70	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	–	Construction
IJM Sunway Sdn Bhd	50	–	Construction

* Joint ventures related to Kumpulan Europlus Berhad, an associate of the Company.

** On 21 April 2015, The Light Waterfront Sdn Bhd ("TLW"), an indirect subsidiary of the Company, acquired 50% equity interests in IJM Perennial Development Sdn Bhd (formerly known as Aura Hebat Sdn Bhd).

*** During the year, Road Builder (M) Sdn Bhd ("RBM"), a wholly-owned subsidiary of IJM Construction Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company had relinquished and disclaimed RBM's residual participation in certain projects in India, on the basis that the other joint venturer has solely undertaken and completed the projects. In return, RBM received the remaining participation interest of 25% in RBM-PATI JV, on the basis that RBM has solely undertaken and completed the projects. As a result, RBM-PATI JV became a subsidiary of the Group. The net gain arising from this transaction amounted to RM15,756,000, which includes the effect of derecognition of liabilities (Note 23(e)) and realisation of currency exchange differences in other comprehensive income arising from the disposal of foreign joint ventures.

33 JOINT VENTURES (cont'd)

(b) As at 31 March 2016 and 31 March 2015, 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 2016 and 31 March 2015, 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**	**Nature of relationship**	**Measurement method**
Lebuhraya Kajang-Seremban Sdn Bhd	Malaysia	50	Joint venture	Equity
Elegan Pesona Sdn Bhd	Malaysia	50	Joint venture	Equity
Nasa Land Sdn Bhd	Malaysia	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		**Elegan Pesona Sdn Bhd**		**Nasa Land Sdn Bhd**	
	2016 RM'000	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
Current						
Cash and cash equivalents	**50,003**	37,953	**34,110**	19,882	**1,862**	4,322
Other current assets (excluding cash)	**6,296**	11,353	**131,685**	98,930	**284,624**	168,528
Total current assets	**56,299**	49,306	**165,795**	118,812	**286,486**	172,850
Other current liabilities (including trade and other payables)/Total current liabilities	**(121,697)**	(103,080)	**(68,032)**	(65,695)	**(64,811)**	(31,958)
Non-current						
Assets	**1,308,785**	1,321,828	**486**	1,323	**476**	82,357
Financial liabilities (excluding trade and other payables)	**(1,540,537)**	(1,528,096)	**–**	(7,069)	**(152,898)**	(150,995)
Other non-current liabilities (including trade and other payables)	**(51,459)**	(30,624)	**–**	–	**–**	–
Total non-current liabilities	**(1,591,996)**	(1,558,720)	**–**	(7,069)	**(152,898)**	(150,995)
Net (liabilities)/assets	**(348,609)**	(290,666)	**98,249**	47,371	**69,253**	72,254

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue	72,383	74,417	188,360	147,256	14,916	–
Depreciation and amortisation	(33,662)	(35,105)	–	–	–	–
Interest income	1,218	788	487	381	34	14
Finance cost	(88,314)	(87,760)	–	–	–	–
(Loss)/profit before taxation	(57,943)	(66,914)	66,957	40,263	(3,001)	(5,395)
Income tax expense	–	–	(16,079)	(10,485)	–	–
Net (loss)/profit for the year/ total comprehensive (loss)/income	(57,943)	(66,914)	50,878	29,778	(3,001)	(5,395)

(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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Net (liabilities)/assets at 1 April 2015/2014	(290,666)	(266,506)	47,371	17,593	72,254	77,649
Net (loss)/profit for the financial year	(57,943)	(66,914)	50,878	29,778	(3,001)	(5,395)
Transfer from other reserves	–	42,754	–	–	–	–
Net (liabilities)/assets at 31 March	(348,609)	(290,666)	98,249	47,371	69,253	72,254
Interests in joint ventures	(174,305)	(145,333)	49,125	23,686	34,627	36,127
Goodwill	–	–	–	–	11,597	11,597
RCULS	240,000	240,000	–	–	–	–
Carrying amount of interests in joint ventures	65,695	94,667	49,125	23,686	46,224	47,724

33 JOINT VENTURES (cont'd)

(e) Set out below are the financial information of all individually immaterial joint ventures on an aggregate basis.

	2016 RM'000	2015 RM'000
Carrying amounts of interest in joint ventures	45,103	34,145
Share of joint ventures' profits/share of joint ventures' total comprehensive income	14,876	10,350

34 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Unquoted shares:				
- in Malaysia	2,050	2,050	2,050	2,050
- outside Malaysia	57	22,867	–	–
Transferable club membership	105	105	–	–
	2,212	25,022	2,050	2,050

The currency exposure profile of available-for-sale financial assets is as follows:

	The Group	
	2016 RM'000	2015 RM'000
Indian Rupees	57	22,867

35 LONG TERM RECEIVABLES

	Note	The Group 2016 RM'000	The Group 2015 RM'000
Lease receivables	(a)	17,320	19,333
Less: Amount receivable within 12 months (included in trade and other receivables - Note 40)		(1,839)	(1,616)
		15,481	17,717
Deposits	(b)	85,084	66,791
Amounts due from non-controlling interests	(c)	28,222	21,048
		128,787	105,556

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

35 LONG TERM RECEIVABLES (cont'd)

(a) Lease receivables

	The Group	
	2016 RM'000	2015 RM'000
Lease receivables:		
- Receivable within 1 year	3,069	3,069
- Receivable between 1 and 5 years	13,983	13,797
- Receivable after 5 years	3,551	7,251
	20,603	24,117
Less: Unearned interest income	(3,283)	(4,784)
	17,320	19,333
Lease receivables (net of unearned interest income):		
- Receivable within 1 year	1,839	1,616
- Receivable between 1 and 5 years	11,128	10,074
- Receivable after 5 years	4,353	7,643
	17,320	19,333

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.

(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.

36 INTANGIBLE ASSETS

	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
2015			
Cost			
At 1 April 2014	1,073,597	43,089	1,116,686
Additions	–	10,052	10,052
At 31 March 2015	1,073,597	53,141	1,126,738
Accumulated amortisation			
At 1 April 2014	–	(31,995)	(31,995)
Amortisation for the financial year (Note 5(a))	–	(4,566)	(4,566)
At 31 March 2015	–	(36,561)	(36,561)
Accumulated impairment			
At 1 April 2014 / At 31 March 2015	(1,004,439)	–	(1,004,439)
At 31 March 2015	69,158	16,580	85,738

During the financial year, amortisation of quarry development expenditure of RM4,279,000 (2015: RM4,566,000) was included in cost of sales.

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

37 PROPERTY DEVELOPMENT

(a) Land held for property development

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Freehold land, at cost	463,107	451,421	–	–
Leasehold land, at cost	65,016	64,914	–	–
Leasehold land, at valuation	63,368	63,368	–	–
Development costs	34,958	30,083	–	–
Accumulated impairment	(22,306)	(22,306)	–	–
	604,143	587,480	–	–
At 1 April 2015/2014	587,480	938,363	–	281
Additions during the year	16,983	403,282	–	–
Transferred to property development costs (Note 37(b)):				
- Land cost	(226)	(618,956)	–	–
- Development costs	(94)	(130,333)	–	–
	(320)	(749,289)	–	–
Disposals during the year	–	(5,104)	–	(281)
Reversal of impairment during the year (Note 5(b))	–	228	–	–
At 31 March	604,143	587,480	–	–

During the financial year, finance cost of RM3,342,000 (2015: RM11,845,000) (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 (2015: RM12,778,000 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 2016 RM'000	The Group 2015 RM'000
At 1 April 2015/2014			
Freehold land – at cost		878,340	678,031
Leasehold land – at cost		2,100,578	1,550,431
Development costs		5,940,528	4,682,528
Accumulated costs charged to profit or loss		(3,004,004)	(2,537,050)
Completed units transferred to inventories		(354,947)	(164,721)
Accumulated impairment		(81,316)	(78,714)
		5,479,179	4,130,505
Less: Completed development properties:			
Freehold land – at cost		(47,294)	(156,603)
Leasehold land – at cost		(6,034)	(14,883)
Development costs		(912,366)	(872,296)
Accumulated costs charged to profit or loss		866,016	986,815
Completed units transferred to inventories		99,678	56,967
		–	–
		5,479,179	4,130,505
Costs incurred during the financial year:			
- Purchase of land		34,927	2,300
- Development costs		1,156,836	1,620,060
		1,191,763	1,622,360
Acquisition of subsidiaries	48(b)(i),(ii)	–	473,763
Transferred from land held for property development:	37(a)		
- Land cost		226	618,956
- Development costs		94	130,333
		320	749,289
Costs charged to profit or loss		(651,593)	(1,261,066)
Reversal of impairment during the year	5(b)	237	2,495
Completed units transferred to inventories		(376,591)	(272,910)
Transferred to investment properties	29	(12,132)	(2,257)
Exchange differences		1,739	37,000
At 31 March		5,632,922	5,479,179
At 31 March:			
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

STATEMENTS OF CHANGES IN EQUITY (Cont'd)
for the financial year ended 31 March 2016

37 PROPERTY DEVELOPMENT (cont'd)

(b) Property development costs (cont'd)

During the financial year, finance cost of RM118,574,000 (2015: RM88,513,000) (Note 9) have been capitalised in property development costs.

The carrying values of freehold land and leasehold land amounting to RM542,669,000 (2015: RM528,871,000) and RM1,469,945,000 (2015: RM1,457,449,000) respectively are pledged as security for Revolving Credit (Note 45) and Term Loans of subsidiaries (Note 17).

As at 31 March 2016, land titles to freehold land and leasehold land with the carrying values of RM4,641,000 (2015: RM49,857,000) and RM1,370,000 (2015: RM20,809,000) respectively are in the process of being transferred.

38 PLANTATION DEVELOPMENT EXPENDITURE

	The Group	
	2016 RM'000	2015 RM'000
Cost		
At 1 April 2015/2014	828,695	701,238
Additions	61,661	138,462
Exchange differences	29,398	(11,005)
At 31 March	919,754	828,695
Valuation		
At 1 April 2015/2014 and At 31 March	168,733	168,733
At 31 March	1,088,487	997,428

(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 (2015: RM64,117,000).

(b) Plantation development expenditure capitalised during the financial year include the following:

		The Group	
	Note	2016 RM'000	2015 RM'000
Depreciation of property, plant and equipment	27(d)	6,507	9,271
Amortisation of land use rights	28	969	1,414
Finance cost	9	2,207	2,387
Foreign exchange losses	9	1,987	10,475
Employee benefits cost	6	19,307	24,653

39 INVENTORIES

	The Group 2016 RM'000	The Group 2015 RM'000	The Company 2016 RM'000	The Company 2015 RM'000
Cost				
Raw materials:				
- Construction materials	6,919	6,214	–	–
- Other raw materials	94,339	99,042	–	–
Finished goods:				
- Completed buildings	676,756	402,688	–	1,822
- Quarry and manufactured products	143,436	133,998	–	–
- Palm kernels	2,727	2,404	–	–
Oil palm nurseries	8,592	8,804	–	–
Fertilisers and chemicals	19,357	13,129	–	–
Stores, spares & consumables	20,153	20,634	–	–
Fresh fruit bunches	–	436	–	–
Goods in transit	13,940	–	–	–
	986,219	687,349	–	1,822
Net realisable value				
Finished goods:				
- Completed buildings	73,195	72,467	–	–
- Crude palm oil	23,429	18,728	–	–
- Consumables	950	1,227	–	–
- Palm kernel expellers	287	877	–	–
- Crude palm kernel oil	8,402	3,264	–	–
	106,263	96,563	–	–
	1,092,482	783,912	–	1,822

40 TRADE AND OTHER RECEIVABLES

	The Group 2016 RM'000	The Group 2015 RM'000	The Company 2016 RM'000	The Company 2015 RM'000
Trade receivables	1,193,972	1,268,803	62,139	61,381
Trade and tender deposits	–	143	–	–
Trade advances	55,290	53,048	1,636	2,160
Other receivables	482,828	429,801	32,108	24,452
Amounts owing by subsidiaries	–	–	1,059,536	1,479,774
Amounts owing by associates	353,969	78,782	1,690	7,838
Amount owing by a joint operation partner *	60,750	–	–	–
Deposits	27,867	31,944	586	440
	2,174,676	1,862,521	1,157,695	1,576,045
Less: Allowance for impairment of trade and other receivables	(232,800)	(226,357)	(64,167)	(57,617)
	1,941,876	1,636,164	1,093,528	1,518,428
Amounts due from customers on construction contracts (Note 46)	94,760	439,625	–	–
Accrued billings in respect of property development	184,910	326,900	–	–
Prepayments	34,824	21,603	5,956	707
	2,256,370	2,424,292	1,099,484	1,519,135

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

40 TRADE AND OTHER RECEIVABLES (cont'd)

Trade and other receivables include the current portion of the following items:

	The Group	
	2016 RM'000	2015 RM'000
Lease receivables (Note 35)	1,839	1,616

The currency exposure profile of trade and other receivables is as follows:

	The Group	
	2016 RM'000	2015 RM'000
United States Dollar	1,336	1,059
Singapore Dollar	8,830	10,806
Brunei Dollar	2,343	–
	12,509	11,865

* The balance represents an amount owing by a joint operation partner, 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 (2015: 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 2016, trade and other receivables of the Group and the Company of RM541,125,000 (2015: RM339,575,000) and RM890,000 (2015: RM887,000) 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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Up to 6 months	285,352	223,767	–	–
More than 6 months	255,773	115,808	890	887
	541,125	339,575	890	887

40 TRADE AND OTHER RECEIVABLES (cont'd)

Trade and other receivables that are impaired:

As at 31 March 2016, trade and other receivables of the Group and the Company of RM232,800,000 (2015: RM226,357,000) and RM64,167,000 (2015: RM57,617,000) 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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
At 1 April 2015/2014	**226,357**	194,232	**57,617**	62,441
Allowance for impairment of receivables during the year (Note 5(a))	**25,808**	12,861	**6,550**	138
Write back of allowance for impairment of receivables (Note 5(b))	**(11,440)**	(2,208)	**–**	(708)
Bad debts written off	**(11,597)**	(47,694)	**–**	(4,254)
Foreign currency exchange differences	**451**	4,981	**–**	–
Reclassification of balances *	**3,221**	64,185	**–**	–
At 31 March	**232,800**	226,357	**64,167**	57,617

* Included in reclassification of balances in preceding financial year were balances of RM63,704,000 being transferred from amount owing by joint ventures to receivables as disclosed in Note 33 to the 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 Kumpulan Europlus Berhad ("KEB"), 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 7.85% (2015: 4.7% 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.

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

41 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Quoted securities in Malaysia				
- held for trading:				
Quoted shares	3,541	3,237	–	–
Quoted real estate investment trusts	6,369	5,536	6,369	5,536
Quoted unit trusts	384,669	206,135	20,166	–
Quoted securities outside Malaysia				
- held for trading:				
Quoted government securities	12,621	–	12,621	–
	407,200	214,908	39,156	5,536

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	
	2016 RM'000	2015 RM'000
Argentine Peso	12,621	–

42 DEPOSITS, CASH AND BANK BALANCES

	Note	The Group		The Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Non-current					
Deposit with a licensed bank (a)	51	–	92,569	–	–
Current					
Deposits with licensed banks	51	708,631	860,269	19,578	30,801
Cash and bank balances		473,381	413,551	153,465	25,003
Housing Development Accounts (b)		497,449	544,837	–	–
	51	970,830	958,388	153,465	25,003
Total current		1,679,461	1,818,657	173,043	55,804
		1,679,461	1,911,226	173,043	55,804

(a) PT Primabahagia Permai ("PTPP"), an indirect subsidiary of the Company had pledged a fixed deposit amounting to RM92.6 million (equivalent to USD25 million) to an Indonesian bank to finance the construction of its mill in the preceding financial year.

(b) Cash and bank balances include balances amounting to RM497,449,000 (2015: RM544,837,000) 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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
United States Dollar	130,142	236,428	–	–
Argentine Peso	–	9,931	–	9,931
	130,142	246,359	–	9,931

The currency exposure profile of cash and bank balances and Housing Development Accounts is as follows:

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Hong Kong Dollar	–	43	–	–
United States Dollar	140,377	34,128	104,089	1,280
Singapore Dollar	22,925	22,328	–	–
Argentine Peso	525	–	525	–
	163,827	56,499	104,614	1,280

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	
	2016 %	2015 %	2016 %	2015 %
Deposits with licensed banks:				
Ringgit Malaysia	3.31	3.11	3.10	3.05
US Dollar	1.93	2.69	–	–
Argentine Peso	–	21.70	–	21.70
Indian Rupee	7.24	7.63	7.00	7.50
Indonesian Rupiah	7.38	7.50	–	–
Cash at bank held under Housing Development Accounts	2.01	2.00	–	–

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 (2015: 1 and 732 days) and 1 and 180 days (2015: 1 and 30 days) respectively.

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

43 (a) ASSETS HELD FOR SALE

	Note	The Group 2016 RM'000	The Group 2015 RM'000
Investment properties (Note 29)	(i)	–	3,737
Investment properties (Note 29)	(ii)	–	3,473
Investment properties (Note 29)	(iii)	–	254
		–	7,464

	Note	The Company 2016 RM'000	The Company 2015 RM'000
Investment properties (Note 29)	(i)	–	3,737

(i) On 7 March 2014, the Directors of the Company entered into Sale and Purchase Agreements with Elpis Property Sdn Bhd to dispose 11 units of offices in City Plaza, Johor Bahru, measuring at a total of 14,703.624 square feet for a total cash consideration of RM4,411,087. During the financial year, the investment properties held by the Company were reclassified to investment properties following the termination of the transaction to dispose of these assets.

(ii) On 16 January 2015, the directors of Industrial Concrete Products Sdn Bhd, a subsidiary of the Company entered into a sale and purchase agreement with Pengerang Memorial Sdn Bhd to dispose 2 pieces of agriculture lands which were held under individual titles H.S.(M) 268 LO 656 and H.S.(M) 881 LO 657 in the Mukim of Kluang, Johor for a net cash consideration of RM3,554,000. The disposal was completed in April 2015 and a net gain of RM81,000 was recognised in profit or loss (Note 5(b)).

(iii) On 30 March 2015, the directors of Aggregate Marketing Sdn Bhd, an indirect subsidiary of the Company entered into a sale and purchase agreement to dispose a unit of condominium for a net cash consideration of RM346,000. The disposal was completed in September 2015 and a net gain of RM92,000 was recognised in profit or loss (Note 5(b)).

(b) ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 6 December 2014, IJM Rajasthan (Mauritius) Limited ("IJMRM"), a wholly-owned subsidiary of IJM Investment (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 10 each, representing 100% of the issued and paid up share capital of Jaipur-Mahua Tollway Private Limited ("JMTPL") for a total consideration of Indian Rupees 5,250 million. As at 31 March 2015, the transaction satisfied the criteria in FRS 5 "Non-current Assets Held for Sale and Presentation of Discontinued Operations" and therefore the assets and liabilities were reclassified as assets and liabilities of disposal group classified as held for sale.

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 (Notes 5(b), 49(i)).

43 (b) ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (cont'd)

Assets of disposal group classified as held for sale:

	Note	The Group 2016 RM'000	The Group 2015 RM'000
Property, plant and equipment	27	–	1,016
Concession assets	30	–	345,998
Other receivables		–	929
Tax recoverable		–	882
Deposits, cash and bank balances	51	–	12,455
		–	361,280

Liabilities of disposal group classified as held for sale:

	Note	The Group 2016 RM'000	The Group 2015 RM'000
Government grants	26	–	48,612
Term loans		–	191,817
Trade and other payables		–	4,012
Provisions	25	–	19,687
		–	264,128

44 TRADE AND OTHER PAYABLES

	Note	The Group 2016 RM'000	The Group 2015 RM'000	The Company 2016 RM'000	The Company 2015 RM'000
Current:					
Trade payables		980,511	1,004,938	2,824	3,425
Amounts owing to subsidiaries		–	–	297,039	373,260
Amounts owing to associates		73	53	–	–
Amounts owing to joint ventures		19,188	27,129	–	–
Government support loans	18	33,104	6,951	–	–
Trade accruals		322,524	321,693	29,002	29,907
Hire purchase and lease payables	19	145	85	–	–
Land premium payable to State Government	23(a)	–	3,100	–	–
Land and development costs payable	23(c)	6,000	2,000	–	–
Other payables and accruals *		519,751	516,425	16,568	137,993
Lease payable to Kuantan Port Authority	23(i)	5,572	–	–	–
		1,886,868	1,882,374	345,433	544,585
Retirement benefits payable	24	1,673	1,246	–	–
Progress billings in respect of property development		113,965	79,328	–	–
Amounts due to customers on construction contracts	46	255,810	51,529	1,678	144
		2,258,316	2,014,477	347,111	544,729
Non-current:					
Amounts owing to subsidiaries		–	–	964,234	999,360

STATEMENTS OF CHANGES IN EQUITY (Cont'd)
for the financial year ended 31 March 2016

44 TRADE AND OTHER PAYABLES (cont'd)

The currency exposure profile of trade and other payables is as follows:

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
United States Dollar	3,866	5,538	–	–

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% (2015: 3.0% to 5.0%) per annum.

Credit terms of trade and other payables range from payments in advance to 120 days (2015: range from payments in advance to 120 days).

* As at the end of the preceding financial year, other payables and accruals included cash consideration payable of RM122,930,685 upon privatisation of IJM Land Berhad and the payable was settled on 2 April 2015.

45 BORROWINGS

	Note	The Group 2016 RM'000	The Group 2015 RM'000	The Company 2016 RM'000	The Company 2015 RM'000
Secured					
Bonds	16	148,769	139,005	–	–
Term loans	17	118,237	148,325	–	–
Revolving credits	(A)	95,349	9,849	–	–
		362,355	297,179	–	–
Unsecured					
Commercial Papers and Medium Term Notes	(B)	–	550,000	–	550,000
Term loans	17	218,710	559,246	–	–
Bankers' acceptances		29,308	39,169	–	6,007
Revolving credits		669,273	499,826	90,000	30,000
Bank overdrafts	51	187,352	28,024	–	–
Letters of credit		10,402	15,975	–	–
		1,115,045	1,692,240	90,000	586,007
		1,477,400	1,989,419	90,000	586,007

The currency exposure profile of the above bank borrowings is as follows:

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
United States Dollar	320,884	500,815	–	–

45 BORROWINGS (cont'd)

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					
	2016			2015		
	Bankers' acceptances %	Revolving credits %	Bank overdrafts %	Bankers' acceptances %	Revolving credits %	Bank overdrafts %
Ringgit Malaysia	3.67	4.70	–	4.02	4.62	–
Indian Rupee	–	9.24	10.48	10.75	6.49	10.81
United States Dollar	–	1.29	–	–	1.07	–
Chinese Renminbi	–	5.13	4.79	–	6.31	6.27

As at the end of the preceding balance sheet date, the weighted average annual effective interest rate for Commercial Papers and Medium Term Notes was 4.58%.

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:

	Note	The Group 2016 RM'000	The Group 2015 RM'000
Revolving credit (i)	(a)	2,000	2,000
Revolving credit (ii)	(b)	30,000	–
Revolving credit (iii)	(c)	13,349	7,849
Revolving credit (iv)	(d)	50,000	–
		95,349	9,849

(a) The revolving credit (i) of RM2,000,000 (2015: 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 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 (2015: RM7,849,000) is disclosed in Note 17(C)(i).

(d) The security for revolving credit (iv) of RM50,000,000 is disclosed in Note 17(C)(f).

(B) RM1 billion CP/MTN 2009/2016

The MTN was issued by the Company under a RM1 billion nominal value Commercial Papers ("CP") and MTN Programme ("CP/MTN Programme") which was implemented on 4 September 2009. The CP/MTN Programme could be utilised by the Company during the 7-year tenure commencing from the date of the first issue under the CP/MTN Programme on 23 October 2009 for a total amount of up to RM1 billion nominal value subject to:

(i) the aggregate nominal value of outstanding CPs not exceeding RM1 billion at any time; or/and

(ii) the aggregate nominal value of outstanding MTNs not exceeding RM1 billion at any time;

provided always that the outstanding nominal value of the CPs or/and MTNs issued under the CP/MTN Programme should not exceed RM1 billion.

The RM1 billion CP/MTN 2009/2016 contained covenants which required the Group to maintain its debt to equity ratio of not more than 1.25 times.

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

46 AMOUNTS DUE FROM/(TO) CUSTOMERS ON CONSTRUCTION CONTRACTS

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Aggregate costs incurred to-date	9,451,064	9,071,461	730,581	730,368
Attributable profits less recognised losses	593,686	672,776	(34,089)	(32,342)
	10,044,750	9,744,237	696,492	698,026
Less: Progress billings on contracts	(10,205,800)	(9,356,141)	(698,170)	(698,170)
	(161,050)	388,096	(1,678)	(144)
Amounts due from customers on construction contracts (included in trade and other receivables - Note 40)	94,760	439,625	–	–
Amounts due to customers on construction contracts (included in trade and other payables - Note 44)	(255,810)	(51,529)	(1,678)	(144)
	(161,050)	388,096	(1,678)	(144)
Advances received on contracts (included in trade payables)	74,380	388,443	–	–
Retention sums on contracts (included in trade receivables)	134,490	151,238	10,274	10,240

During the financial year, the following expenses have been included in the aggregate costs incurred to-date of the Group and of the Company:

		The Group		The Company	
	Note	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Employee benefits cost	6	88,951	92,525	–	–
Finance cost	9	26	42	–	–
Depreciation of property, plant and equipment	27(d)	3,332	4,908	449	484
Amortisation of land use rights	28	91	89	–	–

47 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	Total RM'000
2016			
At 1 April 2015 / At 31 March 2016	56,026	13,132	69,158
2015			
At 1 April 2014 / At 31 March 2015	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 2016 %	Growth rate 2015 %	Discount rate 2016 %	Discount rate 2015 %
Manufacturing and Quarrying	Financial budgets approved by management based on past performance and expectations of market development	3.0	3.0	5.3	5.8
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.

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.

48 ACQUISITION OF SUBSIDIARIES

(a) During the current 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, has 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 has resulted in cash inflow of RM237,000, net of purchase consideration.

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

48 ACQUISITION OF SUBSIDIARIES (cont'd)

(a) During the current financial year, the Group acquired the following subsidiaries: (cont'd)

(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 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.

(b) In the preceding financial year, the Group acquired the following subsidiaries:

(i) On 10 December 2014, 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, subscribed an additional 148,470,000 ordinary shares of HK$1 each in Larut Leisure Enterprise (Hong Kong) Limited ("LLE") at a subscription price of HK$1 per share, representing a 98% of the enlarged issued and paid-up share capital of LLE. The acquisition was completed on 10 December 2014.

Following the completion of the subscription, LLE became a 99%-owned subsidiary of IJM Prop.

Details of net assets acquired were as follows:

	Note	Fair value RM'000
Identifiable assets and liabilities:		
Non-current assets		
Property, plant and equipment	27	210
Current assets		
Property development costs	37(b)	279,844
Trade and other receivables		1,481
Cash and bank balances		1,721
		283,046
Non-current liabilities		
Term loans		(32,886)
Deferred tax liabilities	22	(40,818)
		(73,704)
Current liabilities		
Trade and other payables		(142,308)
Identifiable net assets acquired		67,244
Fair value of total net assets held by non-controlling interests		(548)
Fair value of identifiable net assets acquired		66,696
Less: Purchase consideration		(66,696)
		–

48 ACQUISITION OF SUBSIDIARIES (cont'd)

(b) In the preceding financial year, the Group acquired the following subsidiaries: (cont'd)

(i) Details of cash flows arising from the acquisition were as follows:

	Group RM'000
Total purchase consideration	(66,696)
Less: Purchase consideration was settled through contra against amount due from LLE	66,696
	–
Less: Cash and cash equivalents of a subsidiary acquired	1,721
Cash inflow to the Group on acquisition	1,721

A gain on remeasurement of the fair value of previously held equity interests in LLE of RM17,196,000 had been recognised in profit or loss in the preceding financial year.

The acquired business contributed revenue of RM Nil and net loss after tax of RM5,768,000 to the Group for the period from the date of completion of acquisition,10 December 2014 to 31 March 2015.

(ii) On 9 March 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 ("SSA") with SCH Properties Sdn Bhd (formerly known as Sze Choon Properties Sdn Bhd) ("SCH"), to acquire 250,000 ordinary shares of RM1 each, representing a 50% of the issued and paid-up share capital of Valencia Terrace Sdn Bhd ("VTSB"), for a consideration of RM6,889,000.

Following the completion of the acquisition, VTSB became a wholly-owned subsidiary of IJM Prop.

Details of net assets acquired were as follows:

	Note	Fair value RM'000
Identifiable assets and liabilities:		
Non-current assets		
Property, plant and equipment	27	58
Current assets		
Property development costs	37(b)	193,919
Trade and other receivables		19,770
Tax recoverable		903
Cash and bank balances		7,240
		221,832
Non-current liabilities		
Redeemable preference shares		(500)
Deferred tax liabilities	22	(820)
		(1,320)
Current liabilities		
Trade and other payables		(210,712)
Identifiable net assets acquired		9,858
Fair value of total net assets previously held by the Group		(2,969)
Fair value of identifiable net assets acquired		6,889
Less: Purchase consideration		(6,889)
		–

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

48 ACQUISITION OF SUBSIDIARIES (cont'd)

(b) In the preceding financial year, the Group acquired the following subsidiaries: (cont'd)

(ii) Details of cash flows arising from the acquisition were as follows:

	Group RM'000
Total purchase consideration	(6,889)
Less: Purchase consideration was settled through contra against amount due from SCH	5,889
	(1,000)
Less: Cash and cash equivalents of a subsidiary acquired	7,240
Cash inflow to the Group on acquisition	6,240

A gain on remeasurement of the fair value of previously held equity interests in VTSB of RM5,486,000 had been recognised in profit or loss in the preceding financial year.

The acquired business contributed revenue of RM2,953,000 and net loss after tax of RM223,000 to the Group for the period from the date of completion of acquisition, 9 March 2015 to 31 March 2015.

(iii) On 8 May 2014, 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, acquired two ordinary shares of RM1 each, representing a 100% of the issued and paid-up share capital of Simple Boundry Sdn Bhd ("SBSB"). SBSB changed its name to Perda Development Sdn Bhd on 2 June 2014 and subsequently assumed the name of The Light Waterfront Sdn Bhd ("LWSB") on 21 January 2015.

Following the completion of the acquisition, LWSB became a wholly-owned subsidiary of IJM Prop. The acquisition has 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.

49 DISPOSAL OF INTEREST IN 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 (Notes 5(b), 43(b)).

Following the completion of the disposal, JMTPL ceased to be a subsidiary and it becomes an associate of the Group.

49 DISPOSAL OF INTEREST IN SUBSIDIARIES (cont'd)

(i) Details of the disposal are as follows:

	Note	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	43(b)	(168,674)

The net cash flows on disposal is 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 becomes 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.

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

49 DISPOSAL OF INTEREST IN SUBSIDIARIES (cont'd)

(ii) Details of the disposal are 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 is 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

50 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

(a) On 21 April 2015, Essmarine Terminal Sdn Bhd ("Essmarine Terminal"), a wholly-owned subsidiary of Road Builder (M) Holdings Bhd, which in turn is a wholly-owned subsidiary of the Company, had disposed 2,400,000 ordinary shares of RM1.00 each in Kuantan Port Consortium Sdn Bhd ("KPC"), representing a 2% equity interest in KPC, for a cash consideration of RM16,721,250 to Beibu Gulf Holding (Hong Kong) Co., Ltd. This resulted in a dilution of the Group's equity interest in KPC from 62% to 60%. The dilution of the Group's interest in KPC was accounted for as a transaction with non-controlling interest.

This transaction had resulted in an increase in the non-controlling interest of RM5,308,973 and an increase in equity attributable to owners of the Company by RM11,412,277. The effect of changes in the equity interest of KPC on the equity attributable to owners of the Company during the year is summarised as follows:

	RM'000
Carrying amount of non-controlling interest disposed of	**(5,309)**
Consideration received from non-controlling interest	**16,721**
Increase in the equity attributable to owners of the Company	**11,412**

(b) In the preceding financial year, the proposed privatisation of IJM Land Berhad ("IJM Land"), a 64%-owned subsidiary of the Company had resulted in an increase of the Company's equity interest in IJM Land from 64% to 100%. The accretion of the Company's interest in IJM Land was accounted for as a transaction with non-controlling interest.

This transaction resulted in a decrease in non-controlling interest of RM1,320,997,000 and a decrease in equity attributable to owners of the Company of RM813,514,000. The effect of changes in the equity interest of IJM Land on the equity attributable to owners of the Company in the preceding financial year was summarised as follows:

	RM'000
Carrying amount of non-controlling interests acquired of	1,320,997
Consideration paid to non-controlling interests:	
Ordinary shares of RM1 in the Company	(2,011,580)
Cash consideration	(122,931)
	(2,134,511)
Decrease in the equity attributable to owners of the Company	(813,514)

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

51 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 2016 RM'000	The Group 2015 RM'000	The Company 2016 RM'000	The Company 2015 RM'000
Deposits with licensed banks	42	**708,631**	952,838	**19,578**	30,801
Cash and bank balances	42	**970,830**	958,388	**153,465**	25,003
Bank overdrafts	45				
- Unsecured		**(187,352)**	(28,024)	**–**	–
		1,492,109	1,883,202	**173,043**	55,804
Deposits, cash and bank balances of disposal group classified as held for sale	43(b)	**–**	12,455	**–**	–
Less:					
Restricted deposits with licensed banks	(a)	**(68,360)**	(258,303)	**–**	–
		1,423,749	1,637,354	**173,043**	55,804

(a) 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 bonds and term loans of certain subsidiaries referred to in Notes 16 and 17 respectively to the financial statements and escrow amounts in respect of toll collected on behalf of the tollway authority.

As at end of the preceding financial year, the restricted deposits with licensed banks also included deposits of an indirect subsidiary being assigned to a bank to be held as security to guarantee the payment to a turnkey contractor upon completion and acceptance of satisfactory delivery of the construction of a mill. The pledge of a fixed deposit was uplifted during the financial year as the contractor opted for the conventional payment method.

52 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.

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		The Company	
		Carrying value RM'000	Fair value* RM'000	Carrying value RM'000	Fair value* RM'000
Financial Liabilities					
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(b)	33,180	(aa)	–	–
At 31 March 2015					
(i) Bonds	16	1,628,769	1,649,061	800,000	810,588
(ii) Term loans	17	2,318,853	2,255,987	–	–
(iii) Government support loans	18	210,498	203,286	–	–
(iv) Advances from the State Government	23(b)	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(b) 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.

STATEMENTS OF CHANGES IN EQUITY (Cont'd)
for the financial year ended 31 March 2016

53 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

	2016 RM'000	2015 RM'000
(aa) Associates		
(i) Sales/progress billings in respect of construction contract:		
- West Coast Expressway Sdn Bhd	398,177	6,988
- Jaipur-Mahua Tollway Private Limited *	2,844	–
- Swarna Tollway Private Limited **	5,720	–
(ii) Interest charged to:		
- Kumpulan Europlus Berhad	2,634	394
- Kuantan Pahang Holding Sdn Bhd	812	441
(iii) Repayment from/(advances to):		
- Kumpulan Europlus Berhad	14,023	(423)
- West Coast Expressway Sdn Bhd	152,967	(4,454)
(ab) Joint ventures		
(i) Progress billings in respect of construction contracts to:		
- Sierra Ukay Sdn Bhd	22,241	22,256
- Valencia Terrace Sdn Bhd ***	–	10,259
- IJMC-KEB Joint Venture	343,205	–
(ii) Project management and sales and marketing fees charged to:		
- Elegan Pesona Sdn Bhd	1,534	2,862
- Valencia Terrace Sdn Bhd ***	–	242
- Sierra Ukay Sdn Bhd	505	563
(iii) Toll operation and maintenance revenue charged to:		
- Lebuhraya Kajang Seremban Sdn Bhd	7,238	9,411
(iv) Management fees charged to:		
- Elegan Pesona Sdn Bhd	853	–
(v) Interests charged to:		
- Valencia Terrace Sdn Bhd ***	–	12,569
- Sierra Ukay Sdn Bhd	5,033	4,132
- Lebuhraya Kajang Seremban Sdn Bhd	7,138	23,919
- IJMC-Ambang Usaha Joint Venture	16	5,607
- Nasa Land Sdn Bhd	684	–
- 368 Segambut Sdn Bhd	1,254	–

53 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)

	2016 RM'000	2015 RM'000
(ab) Joint ventures (cont'd)		
(vi) Net (advances to)/repayment from:		
- 368 Segambut Sdn Bhd	**(18,357)**	(19,715)
- Sierra Ukay Sdn Bhd	**(7,472)**	(13,973)
- Elegan Pesona Sdn Bhd	**2,093**	4,252
- Valencia Terrace Sdn Bhd ***	**–**	24,024
- Cekap Tropikal Sdn Bhd ****	**–**	(1,337)
- Nasa Land Sdn Bhd	**(11,741)**	(9,231)
- Larut Leisure Enterprise (Hong Kong) Limited *****	**–**	(27,407)
- RBM-PATI JV	**–**	(1,102)
- IJMC-JAKS Joint Venture	**6,898**	16,384
- IJMC Perennial Development Sdn Bhd (formerly known as Aura Hebat Sdn Bhd)	**(21,729)**	–

* 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 74% equity interests in Jaipur-Mahua Tollway Private Limited and following the completion of the disposal, it became an associate of the Company (Note 49(i)).

** During the 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 interests in Swarna Tollway Private Limited and following the completion of the disposal, it became an associate of the Company (Note 49(ii)).

*** On 9 March 2015, IJM Properties Sdn Bhd, a wholly-owned subsidiary of IJM Land Berhad, which in turn is a wholly-owned subsidiary of the Company, acquired additional equity interests in Valencia Terrace Sdn Bhd and following the completion of the acquisition, it became a subsidiary of the Company (Note 48(b)(ii)).

**** On 22 May 2014, the entity became an associate of the Company.

***** On 10 December 2014, IJM Properties Sdn Bhd, a wholly-owned subsidiary of IJM Land Berhad, which in turn is a wholly-owned subsidiary of the Company, acquired additional equity interests in Larut Leisure Enterprise (Hong Kong) Limited and following the completion of the acquisition, it became a subsidiary of the Company (Note 48(b)(i)).

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

53 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

	2016 RM'000	2015 RM'000
(aa) Subsidiaries		
(i) Interest charged to/(by):		
- IJM Properties Sdn Bhd	**40,635**	38,335
- Liberty Heritage (M) Sdn Bhd	**858**	765
- Suria Bistari Development Sdn Bhd	**3,911**	3,700
- IJM Land Berhad	**10,788**	11,786
- Road Builder (M) Sdn Bhd	**(541)**	(2,600)
- IJM Land Management Services Sdn Bhd	**807**	–
(ii) Capital contribution via share-based payment in:		
- IJM Construction Sdn Bhd	**8,250**	6,791
- IJM Land Berhad	**8,550**	4,176
- IJM Plantations Berhad	**2,674**	2,697
- Industrial Concrete Products Sdn Bhd	**3,102**	2,727
- Road Builder (M) Holdings Bhd	**1,472**	1,207
(iii) Share-based payments charged to:		
- Kuantan Port Consortium Sdn Bhd	**1,334**	1,040
- Industrial Concrete Products Sdn Bhd	**2,287**	1,731
- IJM Plantations Berhad	**3,078**	1,827
- IJM Properties Sdn Bhd	**–**	832
- RB Land Sdn Bhd	**–**	918
- IJM Construction Sdn Bhd	**5,541**	5,004
- Road Builder (M) Sdn Bhd	**483**	687
- IJM Land Management Services Sdn Bhd	**4,268**	–
- Besraya Sdn Bhd	**611**	397
(iv) Management fees charged to:		
- IJM Construction Sdn Bhd	**10,181**	10,184
- IJM Land Berhad	**–**	7,678
- IJM Plantations Berhad	**2,801**	2,802
- Industrial Concrete Products Sdn Bhd	**4,531**	4,532
- New Pantai Expressway Sdn Bhd	**1,015**	1,016
- Kuantan Port Consortium Sdn Bhd	**2,092**	2,092
- Besraya (M) Sdn Bhd	**937**	937
- IJM Land Management Services Sdn Bhd	**8,374**	698
(v) Office rental charged by:		
- IJM Construction Sdn Bhd	**1,403**	1,403

53 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)

	2016 RM'000	2015 RM'000
(aa) Subsidiaries (cont'd)		
(vi) Repayment from/(advances to):		
- IJM Investments (M) Limited	**273,136**	(38)
- IJM Construction Sdn Bhd	**50,215**	(23,103)
- IJM Properties Sdn Bhd	**(58)**	(38,163)
- IJM Land Berhad	**–**	(73,087)
- Jelutong Development Sdn Bhd	**249**	(5,161)
- IJM (India) Infrastructure Limited	**(89)**	(2,223)
- Commerce House Sdn Bhd	**7,672**	12,018
- Liberty Heritage (M) Sdn Bhd	**549**	(2,494)
- RB Development Sdn Bhd	**431**	(1,940)
- IJM Investments (L) Ltd	**118,273**	90,142
- IJMII (Mauritius) Limited	**(732)**	(270)
- IJM Construction (Middle East) Limited Liability Company	**(798)**	(1,292)
- CIDB Inventures Sdn Bhd	**395**	1,496
- Kuantan Port Consortium Sdn Bhd	**5,552**	628
- IJM Land Management Services Sdn Bhd	**1,610**	(3,726)
- Suria Bistari Development Sdn Bhd	**–**	(775)
- Industrial Concrete Products Sdn Bhd	**11,437**	2,337
- IJM Plantations Berhad	**8,724**	820
- Malaysian Rock Products Sdn Bhd	**697**	–
- Besraya (M) Sdn Bhd	**2,498**	259
- RB Land Sdn Bhd	**1,266**	(396)
(vii) Advances from/(repayments to):		
- Road Builder (M) Holdings Bhd	**15,049**	(14,561)
- Road Builder (M) Sdn Bhd	**(76,100)**	(5,486)
- Malaysian Rock Products Sdn Bhd	**–**	(3,997)
- Strong Mixed Concrete Sdn Bhd	**–**	(1,582)
- Scaffold Master Sdn Bhd	**–**	(4,301)
(ab) Associates		
(i) Repayment from/(advances to):		
- Kumpulan Europlus Berhad	**5,765**	(170)
(ac) Joint ventures		
(i) Interest charged to:		
- Lebuhraya Kajang-Seremban Sdn Bhd	**7,138**	23,919

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

53 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(b) Key management compensation during the financial year:

Key management personnel comprises the 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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Wages, salaries and bonus	10,478	11,933	5,317	5,731
Defined contribution retirement plan	1,673	1,930	866	934
Other employee benefits	632	8,592	150	7,669
Share-based payments	7,917	5,016	3,892	2,475
	20,700	27,471	10,225	16,809

(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	
	2016 RM'000	2015 RM'000
Progress billings during the financial year:		
- Directors and key management personnel of the Company	2,004	1,380
- Close family members of Directors and key management personnel of the Company	874	4,231
Amount outstanding arising from progress billings as at end of financial year from:		
- Directors and key management personnel of the Company	37	33
- Close family members of Directors and key management personnel of the Company	–	266

(d) The amounts that remained outstanding at the reporting date in respect of the transactions with related parties are disclosed in Notes 31, 33, 40 and 44.

54 COMMITMENTS

(a) Capital commitments

	The Group	
	2016 RM'000	2015 RM'000
Approved and contracted for	1,247,805	168,200
Approved but not contracted for	170,350	289,159
	1,418,155	457,359
Analysed as follows:		
Purchases of property, plant and equipment, land use rights and plantation development expenditure	340,862	371,536
Purchases of development land	11,150	15,386
Concession assets	1,066,143	70,437
	1,418,155	457,359

(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	
	2016 RM'000	2015 RM'000
Future minimum sublease receipts:		
- expiring not later than 1 year	14,877	13,907
- expiring later than 1 year but not later than 5 years	52,947	51,592
- expiring later than 5 years	78,262	81,580
	146,086	147,079

(ii) The Group as lessee:

The non-cancellable operating lease commitments is in relation to the operating lease payable by IJM Plantations Berhad, a 55%-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	
	2016 RM'000	2015 RM'000
Future minimum lease payments:		
- expiring not later than 1 year	849	662
- expiring later than 1 year but not later than 5 years	3,395	2,645
- expiring later than 5 years	55,424	47,292
	59,668	50,599

STATEMENTS OF CHANGES IN EQUITY (Cont'd)
for the financial year ended 31 March 2016

55 CONTINGENT LIABILITIES (UNSECURED)

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Performance guarantees in respect of the contract performance of concession agreements	–	4,728	973	5,697
Stamp duty matters under appeal	1,945	1,938	–	–
Sales and service tax matters under appeal	3,742	3,730	780	778
	5,687	10,396	1,753	6,475

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2016

SUBSIDIARIES

Name	Country of incorporation	Effective equity interest 2016 %	2015 %	Principal activities
Held by the Company				
Industrial Concrete Products Sdn Bhd	Malaysia	100	100	Production and sale of concrete products and investment holding
IJM Construction Sdn Bhd	Malaysia	100	100	Civil and building construction and investment holding
IJM Argentina Sociedad Anomina *	Argentina	100	100	Investment holding
IJM Investments (M) Limited #	Republic of Mauritius	100	100	Investment holding
IJM International (BVI) Pty Ltd ^	British Virgin Islands	100	100	Dormant
IJM International Limited *	Hong Kong	100	100	Investment holding
IJM Investments (L) Ltd ^	Federal Territory of Labuan	100	100	Investment holding
IJM Overseas Ventures Sdn Bhd	Malaysia	100	100	Dormant
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
Nilai Cipta Sdn Bhd	Malaysia	70	70	Dormant
CIDB Inventures Sdn Bhd	Malaysia	100	95	Infrastructure investment
IJM Construction (Middle East) Limited Liability Company *	United Arab Emirates	100	100	Construction
Road Builder (M) Holdings Bhd	Malaysia	100	100	Investment holding
IJM Land Berhad	Malaysia	100	100	Investment holding
IJM Plantations Berhad	Malaysia	55	55	Cultivation of oil palms and investment holding

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2016 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2016 %	Effective equity interest 2015 %	Principal activities
Held by the Company (cont'd)				
Emcee Corporation Sdn Bhd	Malaysia	100	100	Dormant
RB Manufacturing Sdn Bhd	Malaysia	100	100	Dormant
IJM Highway Services Sdn Bhd	Malaysia	100	100	Provision of toll operation and maintenance services
Makmur Venture Sdn Bhd	Malaysia	100	100	Investment holding
Held by RB Manufacturing Sdn Bhd				
Kuching Riverine Resort Management Sdn Bhd	Malaysia	100	100	Property management
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	Dormant
ICP Investments (L) Limited ^	Federal Territory of Labuan	100	100	Investment holding
ICP Jiangmen Co. Ltd. *	People's Republic of China	75	75	Production and sale of concrete products
ICP Marketing Sdn Bhd	Malaysia	100	100	Dormant
Malaysian Rock Products Sdn Bhd	Malaysia	100	100	Quarrying, sale of rock products and investment holding
ICP Precast Products Sdn Bhd (1)	Malaysia	100	–	Dormant
Held by Expedient Resources Sdn Bhd				
Tadmansori Rubber Industries Sdn Bhd	Malaysia	100	100	Dormant
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

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2016 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2016 %	2015 %	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
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
IJM Concrete (Private) Limited *	United Arab Emirates	60	60	Investment holding
IJM Concrete Products Pakistan (Private) Limited *	Pakistan	100	100	Production and supply of ready-mixed concrete
Held by Strong Mixed Concrete Sdn Bhd				
SMC Islamabad (Private) Limited * (2)	Pakistan	60	–	Dormant
Held by IJM Concrete (Private) Limited				
IJM Concrete Pakistan *	Pakistan	60	60	Dormant
IJM Concrete Pakistan (Private) Limited *	Pakistan	60	60	Production and supply of ready-mixed concrete
Held by IJM Construction Sdn Bhd				
IJM Building Systems Sdn Bhd	Malaysia	100	100	Construction contracts, trading and rental of aluminium formworks
Jurutama Sdn Bhd	Malaysia	100	100	Civil and building construction
Prebore Piling & Engineering Sdn Bhd	Malaysia	100	100	Piling, engineering and other construction works

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2016 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2016 %	Effective equity interest 2015 %	Principal activities
Held by IJM Construction Sdn Bhd (cont'd)				
IJM Investments J.A. Limited *	United Arab Emirates	100	100	Investment holding
IJM Construction Vietnam Company Limited #	Vietnam	100	100	Provision of construction services, consulting service and installation of electrical systems and mechanical systems
Road Builder (M) Sdn Bhd	Malaysia	100	100	Civil and building construction
Commerce House Sdn Bhd (3)	Malaysia	100	–	Trading in construction materials and providing insurance agency services
Held by IJM Investments J.A. Limited				
IJM Gulf Limited *	United Arab Emirates	60	60	Dormant
Karachi Expressway J.A. Limited *	United Arab Emirates	100	100	Investment holding and construction
IM Technologies Pakistan (Private) Limited *	Pakistan	60	60	Civil, building construction and property development
IJM Construction (Pakistan) (Private) Limited #	Pakistan	100	100	Civil and building construction
Held by Road Builder (M) Sdn Bhd				
Commerce House Sdn Bhd (3)	Malaysia	–	100	Trading in construction materials and providing insurance agency services
RBM - PATI JV * (4)	**	100	–	Construction
Held by IJM Investments (M) Limited				
IEMCEE Infra (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
IJMII (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
IJM Rewa (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
IJM Rajasthan (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2016 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2016 %	2015 %	Principal activities
Held by IJM Investments (M) Limited (cont'd)				
IJM Trichy (Mauritius) Ltd #	Republic of Mauritius	100	100	Investment holding
IJM Vijayawada (Mauritius) Ltd #	Republic of Mauritius	100	100	Investment holding
Held by IJMII (Mauritius) Limited				
IJM (India) Infrastructure Limited *	India	99.9	99.9	Construction
Swarna Tollway Private Limited # (5) (of which 30% is held directly by CIDB Inventures Sdn Bhd)	India	–	98.5	Infrastructure development
Held by IJM Rewa (Mauritius) Limited				
Rewa Tollway Private Limited *	India	100	100	Infrastructure development
Held by IJM Rajasthan (Mauritius) Limited				
Jaipur-Mahua Tollway Private Limited * (6)	India	–	100	Highway development
Held by IJM Vijayawada (Mauritius) Ltd				
Vijayawada Tollway Private Limited *	India	90	90	Highway development
Held by IJM (India) Infrastructure Limited				
Swarnandhra-IJMII Integrated Township Development Company Private Limited *	India	51	51	Property development
Swarnandhra Road Care Private Limited *	India	100	100	Road maintenance
Roadstar (India) Infrastructure Private Limited *	India	70	70	Development of infrastructure projects and construction & operation of toll gates
IJM (India) Geotechniques Private Limited *	India	100	100	Soil investigation & testing, foundation laying & treatment & piling
IJM Lingamaneni Township Private Limited *	India	98	98	Property development

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2016 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2016 %	2015 %	Principal activities
Held by IJM Plantations Berhad				
Berakan Maju Sdn. Bhd.	Malaysia	55	55	Cultivation of oil palms
Desa Talisai Sdn. Bhd.	Malaysia	55	55	Investment holding
Dynasive Enterprise Sdn. Bhd.	Malaysia	55	55	Investment holding
Excellent Challenger (M) Sdn. Bhd.	Malaysia	55	55	Cultivation of oil palms
Gunaria Sdn. Bhd.	Malaysia	55	55	Investment holding
IJM Edible Oils Sdn. Bhd.	Malaysia	55	55	Palm oil and kernel milling
Minat Teguh Sdn. Bhd.	Malaysia	55	55	Investment holding
Rakanan Jaya Sdn. Bhd.	Malaysia	55	55	Cultivation of oil palms
Ratus Sempurna Sdn. Bhd.	Malaysia	55	55	Property holding
Sabang Mills Sdn. Bhd.	Malaysia	55	55	Dormant
Sijas Plantations Sdn. Bhd.	Malaysia	55	55	Dormant
Akrab Perkasa Sdn. Bhd.	Malaysia	55	55	Dormant
Desa Talisai Palm Oil Mill Sdn. Bhd.	Malaysia	55	55	Dormant
IJMP Investments (M) Limited *	Republic of Mauritius	55	55	Under member's voluntary liquidation
IJM Biofuel Sdn Bhd	Malaysia	55	55	Dormant
Held by Gunaria Sdn Bhd				
PT Sinergi Agro Industri *	Indonesia	52	52	Cultivation of oil palms
PT Karya Bakti Sejahtera Agrotama *	Indonesia	52	52	Cultivation of oil palms
Held by Minat Teguh Sdn. Bhd.				
PT Primabahagia Permai *	Indonesia	52	52	Cultivation of oil palms
Held by PT Primabahagia Permai				
PT Prima Alumga *	Indonesia	52	52	Cultivation of oil palms
PT Indonesia Plantation Synergy *	Indonesia	50	50	Cultivation of oil palms and milling
Held by Road Builder (M) Holdings Bhd				
Besraya (M) Sdn Bhd	Malaysia	100	100	Toll road operation
Essmarine Terminal Sdn Bhd	Malaysia	100	100	Investment holding
Arena Wiramas Sdn Bhd	Malaysia	100	100	Under member's voluntary liquidation

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2016 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2016 %	2015 %	Principal activities
Held by Road Builder (M) Holdings Bhd (cont'd)				
RB Port Sdn Bhd	Malaysia	100	100	Under member's voluntary liquidation
HMS Resource Sdn Bhd	Malaysia	100	100	Investment holding
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
Kuantan Port Consortium Sdn Bhd (7) (of which 30% is held directly by Essmarine Terminal Sdn Bhd)	Malaysia	60	62	Port management
Gagah Garuda Sdn Bhd	Malaysia	100	100	Investment holding
Held by Kuantan Port Consortium Sdn Bhd				
KP Port Services Sdn Bhd	Malaysia	60	62	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	62	Under members' voluntary liquidation
Held by IJM Land Berhad				
ERMS Berhad	Malaysia	100	100	Hotel operations
RB Land Sdn Bhd	Malaysia	100	100	Property development and construction activities
IJM Land Management Services Sdn Bhd	Malaysia	100	100	Provision of management services
Emko Properties Sdn Bhd	Malaysia	100	100	Property development
IJM Properties Sdn Bhd	Malaysia	100	100	Property development and investment holding
RB Development Sdn Bhd	Malaysia	100	100	Property development
Sova Holdings Sdn Bhd	Malaysia	70	70	Property development

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2016 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2016 %	2015 %	Principal activities
Held by IJM Land Berhad (cont'd)				
Mintle Limited	Jersey	51	51	Property investment
OneAce Global Limited	Federal Territory of Labuan	100	100	Investment holding
Asas Panorama Sdn Bhd	Malaysia	60	60	Property development
Held by ERMS Berhad				
Holiday Villa Management Sdn Bhd	Malaysia	100	100	Dormant
Held by Emko Properties Sdn Bhd				
Emko Management Services Sdn Bhd	Malaysia	100	100	Property management
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				
Shah Alam 2 Sdn Bhd	Malaysia	100	100	Property development
Seremban Two Property Management Sdn Bhd	Malaysia	100	100	Property management
Seremban Two Holdings Sdn Bhd	Malaysia	100	100	Property development
Seremban Two Properties Sdn Bhd	Malaysia	100	100	Property development
RB Property Management Sdn Bhd	Malaysia	100	100	Property development
Ikatan Flora Sdn Bhd	Malaysia	100	100	Property development
Casa Warna Sdn Bhd	Malaysia	100	100	Property management
Aras Varia Sdn Bhd	Malaysia	100	100	Property development and clubhouse operations
Dian Warna Sdn Bhd	Malaysia	100	100	Property development

STATEMENTS OF CHANGES IN EQUITY (Cont'd)
for the financial year ended 31 March 2016

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2016 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2016 %	2015 %	Principal activities
Held by RB Land Sdn Bhd (cont'd)				
Titian Tegas Sdn Bhd	Malaysia	100	100	Property development
Murni Lapisan Sdn Bhd	Malaysia	100	100	Property development and construction activities
Tarikan Abadi Sdn Bhd	Malaysia	100	100	Property development
Unggul Senja Sdn Bhd	Malaysia	100	100	Property development
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
IJM Management Services Sdn Bhd	Malaysia	100	100	Providing project and construction management services and sales and marketing services
Jalinan Masyhur Sdn Bhd	Malaysia	51	51	Dormant
Jelutong Development Sdn Bhd	Malaysia	80	80	Property development
Liberty Heritage (M) Sdn Bhd	Malaysia	100	100	Property management and car parking services
Maxharta Sdn Bhd	Malaysia	100	100	Investment holding
NS Central Market Sdn Bhd	Malaysia	70	70	Property development
Sinaran Intisari (M) Sdn Bhd	Malaysia	100	100	Dormant
Suria Bistari Development Sdn Bhd	Malaysia	51	51	Property development
Manda'rina Sdn Bhd	Malaysia	100	100	Property development
IJMP-MK Joint Venture	**	70	70	Property development
Worldwide Ventures Sdn Bhd	Malaysia	86	86	Property development and investment holding
Cypress Potential Sdn Bhd	Malaysia	70	70	Property development activities and property investment
Preferred Accomplishment Sdn Bhd	Malaysia	100	100	Sale of electricity
Radiant Pillar Sdn Bhd * (of which 10% (2015:10%) is held indirectly by the Company via Kumpulan Europlus Berhad)	Malaysia	70	70	Property development and investment holding
Larut Leisure Enterprise (Hong Kong) Limited *	Hong Kong	99	99	Property development and investment holding

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2016 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2016 %	Effective equity interest 2015 %	Principal activities
Held by IJM Properties Sdn Bhd (cont'd)				
Valencia Terrace Sdn Bhd	Malaysia	100	100	Property development
The Light Waterfront Sdn Bhd	Malaysia	100	100	Dormant
Ever Mark (M) Sdn Bhd (8)	Malaysia	100	–	Dormant
Held by Larut Leisure Enterprise (Hong Kong) Limited				
Jilin Dingtai Enterprise Company Limited *	China	99	99	Property development
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 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 (9)	Malaysia	100	–	Dormant
Held by Radiant s Sdn Bhd				
Bandar Rimbayu Sdn Bhd * (of which 10% (2015: 10%) is held indirectly by the Company via Kumpulan Europlus Berhad)	Malaysia	70	70	Property development
IJMP-RPSB Joint Venture * (of which 5% (2015: 5%) is held indirectly by the Company via Kumpulan Europlus Berhad)	**	85	85	Dormant

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2016 (cont'd)

ASSOCIATES

Name	Country of incorporation	Effective equity interest 2016 %	2015 %	Principal activities
Held by the Company				
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
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
MASSCORP-Chile Sdn Bhd *	Malaysia	32	32	Investment holding
Kumpulan Europlus Berhad *	Malaysia	26	26	Investment holding
Bionic Land Berhad *	Malaysia	20	20	Investment holding and provision of management services
Scomi Group Berhad *	Malaysia	25	8	Investment holding and provision of management services
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 International (BVI) Pty Ltd				
Avillion Hotels International (Sydney) Pty Limited *	Australia	–	49	Deregistered
Reliance-OSW (Nominees) Pty Limited *	Australia	–	49	Deregistered
Held by IJM Land Berhad				
Kuantan Pahang Holdings Sdn Bhd	Malaysia	40	40	Investment holding

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2016 (cont'd)

ASSOCIATES (cont'd)

Name	Country of incorporation	Effective equity interest 2016 %	2015 %	Principal activities
Held by IEMCEE Infra (Mauritius) Limited				
GVK Gautami Power Limited *	India	20	20	Power generation
Held by IJM Rajasthan (Mauritius) Limited				
Jaipur-Mahua Tollway Private Limited * (6)	India	26	–	Highway development
Held by IJM Investments (L) Ltd				
Earning Edge Sdn Bhd	Malaysia	22	22	Property development
Held by IJM Properties Sdn Bhd				
Ever Mark (M) Sdn Bhd (8)	Malaysia	–	50	Dormant
MASSCORP-Vietnam Sdn Bhd *	Malaysia	20	20	Investment holding
Good Debut Sdn Bhd *	Malaysia	50	50	Property development
Cekap Tropikal Sdn Bhd *	Malaysia	50	50	Property development
Sierra Selayang Sdn Bhd *	Malaysia	50	50	Property development
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% (2015: 21%) is held indirectly by the Company via 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
Held by KP Port Services Sdn Bhd				
KP Depot Services Sdn Bhd *	Malaysia	18	19	Container depot services
Held by CIDB Inventures Sdn Bhd				
Swarna Tollway Private Limited # (5)	Malaysia	30	–	Infrastructure development

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

for the financial year ended 31 March 2016

56 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2016 (cont'd)

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, Industrial Concrete Products Sdn Bhd, a wholly-owned subsidiary of the Company, acquired two ordinary shares of RM1 each representing a 100% equity interest in ICP Precast Products Sdn Bhd.

(2) During the financial year, Strong Mixed Concrete Sdn Bhd, a wholly-owned subsidiary of Malaysian Rock Products Sdn Bhd, which in turn is a wholly-owned subsidiary of Industrial Concrete Products Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company, incorporated a 60% subsidiary known as SMC Islamabad (Private) Limited in Islamabad, Pakistan.

(3) Following an internal group restructuring process, Commerce House Sdn Bhd, a wholly-owned subsidiary of Road Builder (M) Sdn Bhd ("RBM"), which in turn is a wholly-owned subsidiary of IJM Construction Sdn Bhd ("IJMC"), was disposed by RBM to IJMC, which is a wholly-owned subsidiary of the Company.

(4) Following the execution of a Supplementary Agreement, RBM-PATI JV has been reclassified from joint venture to subsidiary of RBM, which is a wholly-owned subsidiary of IJMC, which in turn is a wholly-owned subsidiary of the Company as RBM assumed full control over the entity during the financial year (Notes 23(e), 33(a)).

(5) During the 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% of the issued and paid-up share capital of Swarna Tollway Private Limited ("STPL") to MAIF Investments India 3 Pte Ltd. Following the completion of the disposal, it becomes an associate of the Company via CIDB Inventures Sdn Bhd, which held 30% equity interest in STPL (Note 49(ii)).

(6) During the financial year, 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, disposed 74% of the issued and paid-up share capital of Jaipur-Mahua Tollway Private Limited ("JMTPL") to ISQ Asia Infrastructure I-A Private Limited ("IIA"). Following the completion of the disposal, JMTPL becomes an associate of IJMRM (Note 49(i)).

(7) During the financial year, Essmarine Terminal Sdn Bhd, a wholly-owned subsidiary of Road Builder (M) Holdings Bhd ("RBH"), which in turn is a wholly-owned subsidiary of the Company, disposed 2% equity interest in Kuantan Port Consortium Sdn Bhd ("KPC") to Beibu Gulf Holding (Hong Kong) Co., Ltd. Following the completion of the disposal, KPC becomes a 60% owned subsidiary of RBH, of which 30% is held directly by Essmarine Terminal Sdn Bhd (Note 50(a)).

(8) During the financial year, IJM Properties Sdn Bhd, a wholly-owned subsidiary of IJM Land Berhad, which in turn is a wholly-owned subsidiary of the Company, acquired additional 50% of the issued and paid-up share capital of Ever Mark (M) Sdn Bhd. Following the completion of the acquisition, it becomes a wholly-owned subsidiary of IJM Properties Sdn Bhd (Note 48(a)(ii).

(9) During the financial year, Maxharta Sdn Bhd, a wholly-owned subsidiary of IJM Properties Sdn Bhd, which in turn is a wholly-owned subsidiary of IJM Land Berhad, which in turn is a wholly-owned subsidiary of the Company, acquired two ordinary shares of RM1 each representing a 100% equity interest in Eksplorasi Cemerlang Sdn Bhd.

57 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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:				
- Realised	6,204,458	5,672,146	280,379	381,106
- Unrealised	(472,970)	(368,715)	5,136	13,938
	5,731,488	5,303,431	285,515	395,044
Total share of retained profits/(accumulated losses) of the associates:				
- Realised	138,152	102,184	–	–
- Unrealised	(26,118)	4,740	–	–
Total share of retained profits/(accumulated losses) of the joint ventures:				
- Realised	(67,554)	(153,772)	–	–
- Unrealised	2,362	2,619	–	–
	5,778,330	5,259,202	285,515	395,044
Add: Consolidation adjustments	(2,736,248)	(2,717,362)	–	–
Total retained profits	3,042,082	2,541,840	285,515	395,044

STATUTORY DECLARATION

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 229 to 395 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 26 May 2016.

CYRUS ERUCH DARUWALLA

Before me:

PESURUHJAYA SUMPAH
No B 459
Nama GUNALAN
MALAYSIA

Commissioner for Oaths
Petaling Jaya

NO: 13, (TINGKAT 1) JALAN 52/10
PJ NEW TOWN
46200 PETALING JAYA, SELANGOR.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF IJM CORPORATION BERHAD
(Incorporated in Malaysia)
(Company No: 104131-A)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of IJM Corporation Berhad on pages 229 to 394 which comprise the balance sheets as at 31 March 2016 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 year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 56.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards, and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2016 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards, and the requirements of the Companies Act, 1965 in Malaysia.

PricewaterhouseCoopers (AF 1146), Chartered Accountants,
Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P O Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (Cont'd)

pwc

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 56 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 57 on page 395 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 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

LOH LAY CHOON
(No. 2497/03/18 (J))
Chartered Accountant

Kuala Lumpur
26 May 2016

PricewaterhouseCoopers (AF 1146), Chartered Accountants,
Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P O Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my

LIST OF MATERIAL PROPERTIES

as at 31 March 2016

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 - 36352, Phase 1 (Lot RA1-001 to Lot RA1-526), Phase 2 (Lot RA2-001 to Lot RA2-484) Mukim Tanjung Dua Belas	Mixed development	754.60	Leasehold (expiring 2111)	Under development	A: 2014	N/A	1,306,258
2	H.S.D 117006 - 7 PT 8396 - 7 H.S.D 117008 - 10 PT 8400 - 2 H.S.D 117011 PT 8407 Mukim Kuala Lumpur	Mixed development	23.40	Leasehold (expiring 2106)	Under development	A: 2013	N/A	873,993
3	Kutai Timur East Kalimantan Indonesia	Agriculture land	24,235	Leasehold (expiring 2044 & 2045)	Oil Palm Estate & Palm Oil Mill	A: 2008, 2012 & 2014	4	630,450
4	Seksyen 8, Georgetown Daerah Timur Laut Penang					N/A	N/A	620,761
	Parcel A1, Lot 691 Geran 117786	Residential	12.98	Freehold	Under development			
	Parcel A1-3	Residential	1.73	Freehold	Under development			
	Balance Parcel A1	Residential, Mixed Development & Commercial	22.19	Freehold	Under reclamation			
	Parcel A2	Mixed Development & Commercial	10.61	Freehold	Yet to be reclaimed			
	Parcel B1	Residential & Commercial	11.28	Leasehold	Yet to be reclaimed			
	PT 168 HS(D) 14095	Recreation & Amenities	0.56	Leasehold (expiring 2105)	For future development			
	PT 87 HS(D) 13805	Commercial	1.83	Leasehold (expiring 2104)	For future development			
5	AGL264342 Royal Mint Street, London, United Kingdom	Mixed development	1.10	Leasehold (expiring 3011)	Under development	A: 2012	N/A	462,105

LIST OF MATERIAL PROPERTIES (Cont'd)

as at 31 March 2016

No	Location	Description	Area Hectares	Tenure	Existing Use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building	Net Book Value (RM'000)
6	PT 22721-22730 Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus							
	PT 35990-36065 PT 36100-36144 PT 32130 (Part) Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus				Under development			
	PT 25150-25325							
	PT 32965 Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus	Residential, Commercial land	49.43					
	PT 23227-23243 Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus							
	PT 32115-32118 Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus			Freehold		A: 2004	N/A	444,754
	PT 23244-23247 PT 23996, PT 22597 PT 25326-25329 Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus				For future development			
	PT 23308 Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus							
	PT 32127 PT 32129-32134 PT 34414 Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus	Agriculture land	412.35					

No	Location	Description	Area Hectares	Tenure	Existing Use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building	Net Book Value (RM'000)
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	330,524
	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	292,874
9	Bulungan, East Kalimantan Indonesia	Agriculture land	15,685	Leasehold (expiring 2043 & 2045)	Oil Palm Estate	A: 2008	N/A	225,111
10	Kuantan, Pahang Lot 1863 Mukim Sungai Karang	Industrial land	599.63	Leasehold (expiring 2045)	Port facilities	A: 1998, 2001, 2002, 2003, 2005, 2006, 2007, 2008 & 2013	3-18	192,475

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 32nd 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, 24 August 2016, at 3.00 p.m. to transact the following matters:-

1. To receive the audited financial statements for the year ended 31 March 2016 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) Tan Sri Dato' Tan Boon Seng @ Krishnan — **Resolution 1**
   b) Datuk Ir. Hamzah bin Hasan — **Resolution 2**
   c) Dato' Soam Heng Choon — **Resolution 3**
3. To re-elect Goh Tian Sui as Director who retires in accordance with Article 94 of the Company's Articles of Association and who being eligible, offers himself for re-election. — **Resolution 4**
4. To re-appoint the following Directors pursuant to Section 129(6) of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting:-
   a) Tan Sri Abdul Halim bin Ali — **Resolution 5**
   b) Dato' David Frederick Wilson — **Resolution 6**
5. To re-appoint PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration. — **Resolution 7**
6. As special business to consider and pass the following resolutions:-
   a) RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR — **Resolution 8**

      "THAT subject to the passing of Resolution 5, 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."

   b) DIRECTORS' FEES — **Resolution 9**

      "THAT the Directors' fees of RM928,000 for the year ended 31 March 2016 be approved to be divided amongst the Directors in such manner as they may determine."

   c) AUTHORITY TO ISSUE SHARES UNDER SECTION 132D — **Resolution 10**

      "THAT the Directors be and are hereby authorised, pursuant to Section 132D of the Companies Act 1965, to allot and issue not more than ten percent (10%) of the issued share capital 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."

d) PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY **Resolution 11**

"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 issued capital of the Company; and

ii) the funds allocated for the purchase of shares shall not exceed its retained profits and share premium account

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 and/or cancelled)

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."

By Order of the Board

Ng Yoke Kian
Company Secretary
MAICSA 7018150

Petaling Jaya
29 July 2016

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

Notes:-

1. **RE-ELECTION AND RE-APPOINTMENT OF DIRECTORS**

   Save for Goh Tian Sui who was appointed on 20 June 2016, 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 and the Board are satisfied with the performance and effectiveness of the Directors.

   The passing of Resolution 5 and Resolution 6 will require not less than three-fourths (3/4) of the approval of members present and voting.

2. **RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

   The Resolution 8, if approved, will authorise the continuity of Tan Sri Abdul Halim bin Ali as an Independent Non-Executive Director of the Company.

   Tan Sri Abdul Halim, the Independent Non-Executive Chairman of the Company, had completed the 9-year tenure as an Independent Non-Executive Director on 25 April 2016. The Board has vide the Nomination & Remuneration Committee ("NRC") reviewed and assessed the performance and independence of Tan Sri Abdul Halim and was of the opinion that his length of service on the Board does not in any way interfere with his exercise of impartial and independent judgement. Tan Sri Abdul Halim continues exercising strong independent judgement, in expressing his views and deliberating issues objectively, 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. Moreover, the insight and knowledge of the Group's various core business operations acquired by Tan Sri Abdul Halim during his tenure of office would continue to enable him to discharge the duties and role as an Independent Director effectively. The NRC and the Board appreciate the benefits of 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, he will be able to serve the interest of the Company and its shareholders. As such, the NRC and the Board would like to recommend and retain Tan Sri Abdul Halim as an Independent Director and Chairman of the Company.

3. **DIRECTORS' FEES**

   The Resolution 9, if approved, will authorise the payment of Directors' fees pursuant to Article 97 of the Articles of Association.

4. **AUTHORITY TO ISSUE SHARES UNDER SECTION 132D**

   The Resolution 10, if approved, will empower the Directors to issue up to 10% of the issued share capital (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 29 July 2016, which is despatched together with the Annual Report 2016.

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 4.00 p.m. on 23 August 2016;

   (vii) only members whose names appear in the Record of Depositors and/or Register of Members as at **17 August 2016** 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.

7. **POLL VOTING**

   All the Resolutions will be put to vote by poll.

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 32nd 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, 24 August 2016, at 3.00 p.m., and at any adjournment thereof, in the manner indicated below:-

No.	Resolutions	For	Against
1.	To re-elect Tan Sri Dato' Tan Boon Seng @ Krishnan as Director		
2.	To re-elect Datuk Ir. Hamzah bin Hasan as Director		
3.	To re-elect Dato' Soam Heng Choon as Director		
4.	To re-elect Goh Tian Sui as Director		
5.	To re-appoint Tan Sri Abdul Halim bin Ali as Director to hold office until the next AGM		
6.	To re-appoint Dato' David Frederick Wilson as Director to hold office until the next AGM		
7.	To re-appoint PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration		
8.	To retain Tan Sri Abdul Halim bin Ali as an Independent Non-Executive Director		
9.	To approve the payment of Directors' fees of RM928,000		
10.	To authorise the issuance of up to 10% of the issued share capital of the Company		
11.	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 ____________ 2016

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 4.00 p.m. on 23 August 2016;

(vii) only members whose names appear in the Record of Depositors and/or Register of Members as at **17 August 2016** 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; and

(ix) all the Resolutions will be put to vote by poll.

Please Fold Here

Stamp

The Company Secretary
IJM CORPORATION BERHAD (104131-A)
2nd Floor, Wisma IJM
Jalan Yong Shook Lin
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Certified to OHSAS 18001:2007
Cert. No. : SR 0105

Certified to MS 1722:2011
Cert. No. : SR 0308

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- HSBC Bank Malaysia Berhad
- Malayan Banking Berhad
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- Standard Chartered Bank Malaysia Berhad
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STOCK EXCHANGE LISTING
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Bursa Malaysia Securities Berhad
since 29 September 1986
BMSB Code : 3336
Reuters Code : IJMS.KL
Bloomberg Code : IJM MK

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