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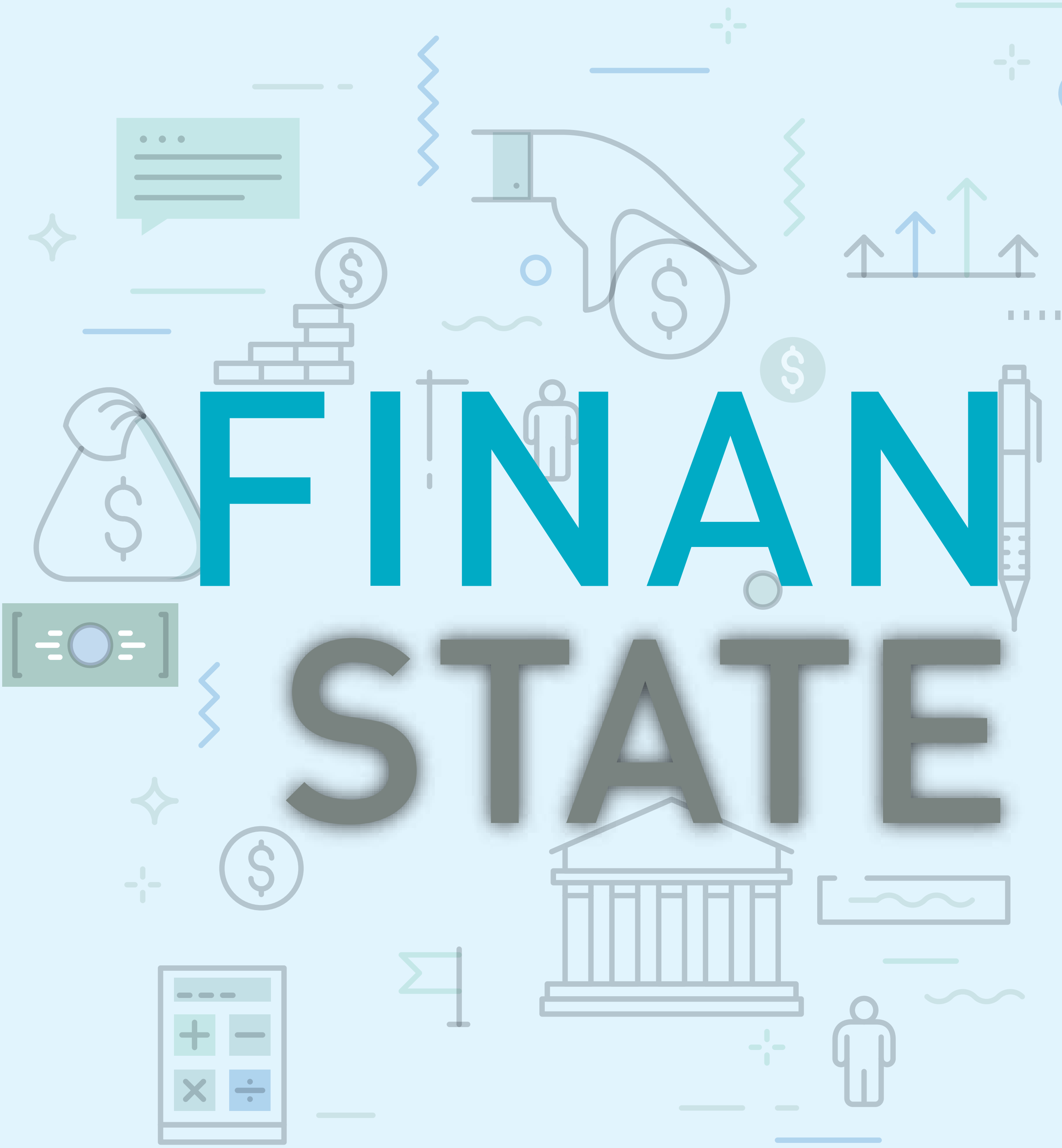

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DIRECTORS' REPORT AND STATEMENT

The Directors have pleasure in submitting their report and statement together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2017.

PRINCIPAL ACTIVITIES

The Company is principally engaged in construction and investment holding activities. The Group's principal activities are in construction, property development, manufacturing and quarrying, hotel operations, port operations, tollway operations, plantations and investment holding.

There have been no significant changes in these principal activities during the financial year.

FINANCIAL RESULTS

	The Group RM'000	The Company RM'000
Net profit for the financial year	766,804	259,471
Attributable to:		
Owners of the Company	653,773	259,471
Non-controlling interests	113,031	–
	766,804	259,471

DIVIDENDS

Dividends paid since the end of the previous financial year are as follows:

	RM'000
In respect of the financial year ended 31 March 2016:	
A single tier second interim dividend of 4 sen per share, paid on 15 July 2016	143,967
A single tier special dividend of 3 sen per share, paid on 15 July 2016	107,975
In respect of the financial year ended 31 March 2017:	
A single tier first interim dividend of 3 sen per share, paid on 28 December 2016	108,087
	360,029

On 25 May 2017, the Directors have declared a single tier second interim dividend in respect of the financial year ended 31 March 2017 of 4.5 sen per share to be paid on 21 July 2017 to every member who is entitled to receive the dividend as at 5:00 pm on 30 June 2017.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2017.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are disclosed in the financial statements.

ISSUE OF SHARES

During the financial year, the number of issued and paid-up ordinary shares of the Company was increased from 3,584,805,820 to 3,613,386,720 by way of the issuance of:-

(i) 8,288,900 new ordinary shares arising from the vesting of shares under the Employee Share Grant Plan ("ESGP");

ISSUE OF SHARES (cont'd)

(ii) 8,196,700 new ordinary shares arising from the exercise of options under the Employee Share Option Scheme ("ESOS") at the following issue prices; and

Number of shares issued units	ESOS exercise price RM/share	Award of options under ESOS ("ESOS Award")
1,946,100	2.18	First ESOS Award
1,101,700	2.16*	First ESOS Award
1,643,900	2.57	Second ESOS Award
2,136,800	2.54**	Second ESOS Award
503,100	2.94	Third ESOS Award
609,500	2.91***	Third ESOS Award
255,600	3.03****	Fourth ESOS Award
8,196,700		

(iii) 12,095,300 new ordinary shares arising from the subscription of new shares under the shares held under trust at the following issue prices:

Number of shares issued units	ESOS exercise price RM/share	Award of options under ESOS ("ESOS Award")
1,000,000	2.18	First ESOS Award
1,500,000	2.16*	First ESOS Award
1,000,000	2.57	Second ESOS Award
5,553,000	2.54**	Second ESOS Award
1,537,300	2.91***	Third ESOS Award
1,505,000	3.03****	Fourth ESOS Award
12,095,300		

* *ESOS exercise price of RM2.18 had been adjusted on 25 June 2016*
** *ESOS exercise price of RM2.57 had been adjusted on 25 June 2016*
*** *ESOS exercise price of RM2.94 had been adjusted on 25 June 2016*
**** *ESOS exercise price of RM3.06 had been adjusted on 25 June 2016*

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

TREASURY SHARES

During the financial year, the Company repurchased 2,000 of its ordinary shares from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") for RM6,872. The average price paid for the shares repurchased was approximately RM3.39 per share.

Details of the treasury shares are set out in Note 14(C) to the financial statements.

LONG TERM INCENTIVE PLAN

At an Extraordinary General Meeting held on 19 October 2012, the Directors were authorised to proceed with the establishment and administration of the Long Term Incentive Plan ("LTIP"), which comprises an ESOS and an ESGP. The Directors have appointed a committee ("Committee") to administer the LTIP. The Directors and/or the Committee have also established trusts which are administered by a trustee in accordance with the trust deeds dated 20 December 2012 for the LTIP.

DIRECTORS' REPORT AND STATEMENT (cont'd)

LONG TERM INCENTIVE PLAN (cont'd)

The main features of the ESOS are as follows:

(a) The ESOS was implemented on 24 December 2012, and shall be in force for a period of five years and expires on 23 December 2017. On 24 November 2015, the Board of Directors had extended the scheme period of the ESOS for another five years effective from 24 December 2017 to 23 December 2022 pursuant to the By-Laws of the LTIP.

(b) Eligible employees are determined at the absolute discretion of the Committee subject to the employee, Executive Director (holding office in a full time executive capacity) and a Person Connected to an Executive Director, collectively known as "Group Employee", having been confirmed in the employment or appointment of the Company and its subsidiaries (save for any subsidiaries which are dormant or incorporated outside Malaysia) on or up to the date of the ESOS award ("ESOS Award") and has attained the age of eighteen (18) years. An Executive Director shall only be eligible if he is on the payroll and involved in the day-to-day management of the Company and his participation in the Scheme is specifically approved by the shareholders of the Company in a general meeting.

(c) In respect of a Group Employee, the employee who is a Malaysian citizen, has been in employment with Company and its subsidiaries for a period of at least 3 consecutive years prior to and up to the date of the ESOS Award; the employee who is a non-Malaysian citizen, has been in employment with the Company and its subsidiaries on a full-time contract for a period of at least 4 consecutive years prior to and up to the date of the ESOS Award.

(d) The option price shall be the volume-weighted average market price of the Company's shares as shown in the Daily Official List of Bursa Malaysia for the five market days immediately preceding the date of the ESOS Award with an allowance for a discount of not more than ten per centum (10%) therefrom.

(e) Vesting dates for the First, Second, Third, Fourth and Fifth ESOS Awards and percentage for each vesting date are as follows:

Vesting Dates					
First ESOS Award	Second ESOS Award	Third ESOS Award	Fourth ESOS Award	Fifth ESOS Award	Percentage (%)
24/12/2013	24/12/2014	24/12/2015	24/12/2016	24/12/2017	40
24/12/2014	24/12/2015	24/12/2016	24/12/2017	24/12/2018	30
24/12/2015	24/12/2016	24/12/2017	24/12/2018	24/12/2019	30

On 24 December 2012, the first award of options under the ESOS of 29,640,600 options ("First ESOS Award") was awarded to the Group Employee at an option price of RM4.44 per ordinary share. The vesting of the options was contingent upon the acceptance of the First ESOS Award by the eligible Group Employee and fulfilment of the relevant vesting conditions as at the relevant vesting dates. The vesting conditions include the tenure and performance of the eligible Group Employee who had accepted the First ESOS Award. The ESOS exercise price had been adjusted to RM4.37 on 13 June 2014, following the declaration of a single tier special dividend of 10 sen per share for the financial year ended 31 March 2014 on 27 May 2014. The ESOS exercise price was adjusted to RM2.18 on 11 September 2015, following the 1:1 Bonus Issue. The ESOS exercise price was further adjusted to RM2.16 on 25 June 2016, following the declaration of a single tier special dividend of 3 sen per share for the financial year ended 31 March 2016 on 26 May 2016.

On 24 December 2013, the second award of options under the ESOS of 31,729,600 options ("Second ESOS Award") was awarded to the Group Employee at an option price of RM5.22 per ordinary share. The vesting of the options was contingent upon the acceptance of the Second ESOS Award by the eligible Group Employee and fulfilment of the relevant vesting conditions as at the relevant vesting dates. The vesting conditions include the tenure and performance of the eligible Group Employee who had accepted the Second ESOS Award. The ESOS exercise price had been adjusted to RM5.14 on 13 June 2014, following the declaration of a single tier special dividend of 10 sen per share for the financial year ended 31 March 2014 on 27 May 2014. The ESOS exercise price was adjusted to RM2.57 on 11 September 2015, following the 1:1 Bonus Issue. The ESOS exercise price was further adjusted to RM2.54 on 25 June 2016, following the declaration of a single tier special dividend of 3 sen per share for the financial year ended 31 March 2016 on 26 May 2016.

LONG TERM INCENTIVE PLAN (cont'd)

On 24 December 2014, the third award of options under the ESOS of 10,651,000 options ("Third ESOS Award") was awarded to the Group Employee at an option price of RM5.88 per ordinary share. The vesting of the options will be contingent upon the acceptance of the Third ESOS Award by the eligible Group Employee and fulfilment of the relevant vesting conditions as at the relevant vesting dates. The vesting conditions include the tenure and performance of the eligible Group Employee who have accepted the Third ESOS Award. The ESOS exercise price was adjusted to RM2.94 on 11 September 2015, following the 1:1 Bonus Issue. The ESOS exercise price was further adjusted to RM2.91 on 25 June 2016, following the declaration of a single tier special dividend of 3 sen per share for the financial year ended 31 March 2016 on 26 May 2016.

On 24 December 2015, the fourth award of options under the ESOS of 19,605,100 options ("Fourth ESOS Award") was awarded to the Group Employee at an option price of RM3.06 per ordinary share. The vesting of the options will be contingent upon the acceptance of the Fourth ESOS Award by the eligible Group Employee and fulfilment of the relevant vesting conditions as at the relevant vesting dates. The vesting conditions include the tenure and performance of the eligible Group Employee who have accepted the Fourth ESOS Award from the date of the Fourth ESOS Award. The ESOS exercise price had been adjusted to RM3.03 on 25 June 2016, following the declaration of a single tier special dividend of 3 sen per share for the financial year ended 31 March 2016 on 26 May 2016.

On 24 December 2016, the fifth award of options under the ESOS of 16,034,000 options ("Fifth ESOS Award") was awarded to the Group Employee at an option price of RM2.93 per ordinary share. The vesting of the options will be contingent upon the acceptance of the Fifth ESOS Award by the eligible Group Employee and fulfilment of the relevant vesting conditions as at the relevant vesting dates. The vesting conditions include the tenure and performance of the eligible Group Employee who have accepted the Fifth ESOS Award from the date of the Fifth ESOS Award.

The number of outstanding options is set out in Note 14(D) to the financial statements.

The main features of the ESGP are as follows:

(a) The ESGP was implemented on 24 December 2012, and shall be in force for a period of ten years and expires on 23 December 2022.

(b) ESGP comprises a retention share plan ("RSP") and a performance share plan ("PSP").

    (i) The RSP is a share plan for selected middle to senior management employees of the Group who are holding job grades 1 to 8 or such rank or position as may be designated by the Committee from time to time.

    (ii) The PSP is a performance share plan for selected senior management employees of the Group who are holding job grades 1 to 3 or such rank or position as may be designated by the Committee from time to time.

(c) On 15 April 2013, the first award of shares under the ESGP ("First ESGP Award") was made to the eligible Group Employee and once accepted was vested to the eligible Group Employee at no consideration over a period of up to three (3) years, subject to the fulfilment of vesting conditions.

(d) On 15 April 2014, the second award of shares under the ESGP ("Second ESGP Award") was made to the eligible Group Employee and once accepted will be vested to the eligible Group Employee at no consideration over a period of up to three (3) years, subject to the fulfilment of vesting conditions.

(e) On 15 April 2015, the third award of shares under the ESGP ("Third ESGP Award") was made to the eligible Group Employee and once accepted will be vested to the eligible Group Employee at no consideration over a period of up to three (3) years, subject to the fulfilment of vesting conditions.

(f) On 15 April 2016, the fourth award of shares under the ESGP ("Fourth ESGP Award") was made to the eligible Group Employee and once accepted will be vested to the eligible Group Employee at no consideration over a period of up to three (3) years, subject to the fulfilment of vesting conditions.

(g) On 15 April 2017, the fifth award of shares under the ESGP ("Fifth ESGP Award") was made to the eligible Group Employee and once accepted will be vested to the eligible Group Employee at no consideration over a period of up to three (3) years, subject to the fulfilment of vesting conditions

DIRECTORS' REPORT AND STATEMENT (cont'd)

LONG TERM INCENTIVE PLAN (cont'd)

The provisional number of shares awarded under the First, Second, Third, Fourth and Fifth ESGP Awards are as follows:-

	Provisional Number of Shares Awarded				
ESGP	First ESGP Award	Second ESGP Award	Third ESGP Award	Fourth ESGP Award	Fifth ESGP Award
PSP	1,516,100[*1]	1,357,100[*1]	1,429,000[*1]	3,701,400[*1]	3,379,200[*1]
RSP	4,559,300[*2]	5,034,400[*2]	5,321,900[*2]	11,552,800[*2]	11,605,800[*2]

[*1] *The quantum of shares to be vested may vary from 0% to 200% of the provisional number of shares awarded.*

[*2] *The quantum of shares to be vested may vary from 0% to 150% of the provisional number of shares awarded.*

The total number of new Company's shares which may be made available under the LTIP shall not exceed ten per centum (10%) of the total issued and paid-up share capital (excluding treasury shares) comprising ordinary shares of the Company at any time during the duration of the LTIP.

The aggregate maximum allocation of the options and shares to the Directors and senior management of the Group shall not be more than 50% of the Company's shares available under the LTIP. As at 31 March 2017, the total number of options (ESOS) and shares (ESGP) allocated to the Directors and senior management of the Group is 11.95% of the shares available under the LTIP. Whereas, the total number of options (ESOS) and shares (ESGP) allocated to the Directors and senior management of the Group during the financial year is 1.81% of the shares available under the LTIP.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Tan Sri Abdul Halim bin Ali#*@, *Independent Non-Executive Chairman*

Tan Sri Dato' Tan Boon Seng @ Krishnan, *Deputy Non-Executive Chairman*

Dato' Soam Heng Choon@, *Chief Executive Officer ("CEO") & Managing Director ("MD")*

Mr Lee Chun Fai, *Deputy CEO & Deputy MD*

Datuk Lee Teck Yuen*, *Senior Independent Non-Executive Director*

Datuk Ir. Hamzah bin Hasan#*, *Independent Non-Executive Director*

Mr Pushpanathan a/l S A Kanagarayar#, *Independent Non-Executive Director*

Mr Goh Tian Sui, *Independent Non-Executive Director* (appointed as Independent Non-Executive Director on 20 June 2016)

Dato' David Frederick Wilson@, *Independent Non-Executive Director* (redesignated as Independent Non-Executive Director on 25 May 2017)

members of the Audit Committee

* *members of the Nomination and Remuneration Committee*

@ *members of the Securities and Options Committee*

DIRECTORS' SHAREHOLDING

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, particulars of interests of Directors who held office at the end of the financial year in shares and options over ordinary shares of the Company and its related corporations during the financial year are as follows:

IJM Corporation Berhad

	Number of ordinary shares			
Name of Directors	**Balance at 1.4.2016/ At date of Appointment**	**Acquired**	**Disposed**	**Balance at 31.3.2017**
Tan Sri Abdul Halim bin Ali				
Direct interest	30,000	–	–	**30,000**
Tan Sri Dato' Tan Boon Seng @ Krishnan				
Direct interest	5,793,666	249,400	–	**6,043,066**
Indirect interest	371,972(1)	–	50,000	**321,972**(1)
Dato' Soam Heng Choon				
Direct interest	623,900	637,300	–	**1,261,200**
Lee Chun Fai				
Direct interest	256,200	203,600	100,000	**359,800**
Indirect interest	250,000(1)	–	–	**250,000**(1)
Datuk Lee Teck Yuen				
Direct interest	11,764,692	–	–	**11,764,692**
Goh Tian Sui(2)				
Indirect interest	10,000(1)	–	–	**10,000**(1)

	Options over ordinary shares ("Options") under Employee Share Option Scheme ("ESOS")					
	Provisional Number of Options+		Number of Options			
Name of Directors	**At 1.4.2016**	**At 31.3.2017**	**At 1.4.2016**	**Vested**	**Exercised**	**At 31.3.2017**
First ESOS Award on 24.12.2012						
Dato' Soam Heng Choon	–	**–**	384,900	–	384,900	**–**
Lee Chun Fai	–	**–**	376,400	–	–	**376,400**
Second ESOS Award on 24.12.2013						
Lee Chun Fai	115,500	**–**	263,000	115,500	–	**378,500**
Third ESOS Award on 24.12.2014						
Dato' Soam Heng Choon	561,000	**280,500**	374,000	280,500	–	**654,500**
Lee Chun Fai	99,000	**49,500**	63,800	49,500	–	**113,300**
Fourth ESOS Award on 24.12.2015						
Dato' Soam Heng Choon	1,320,000	**792,000**	–	528,000	–	**528,000**
Lee Chun Fai	385,000	**231,000**	–	154,000	–	**154,000**

DIRECTORS' REPORT AND STATEMENT (cont'd)

DIRECTORS' SHAREHOLDING (cont'd)

IJM Corporation Berhad (cont'd)

Name of Directors	Number of ordinary shares ("Shares") under Employee Share Grant Plan ("ESGP")					
	Performance Share Plan++			Retention Share Plan+++		
	+Provisional Number at 1.4.2016	+Provisional Number at 31.3.2017	Vested	+Provisional Number at 1.4.2016	+Provisional Number at 31.3.2017	Vested
First ESGP Award on 15.4.2013						
Tan Sri Dato' Tan Boon Seng @ Krishnan	196,500	**–**	198,400	50,600	**–**	51,000
Dato' Soam Heng Choon	48,500	**–**	97,000	19,400	**–**	29,000
Lee Chun Fai	48,500	**–**	97,000	19,400	**–**	29,000
Second ESGP Award on 15.4.2014						
Lee Chun Fai	97,000	**48,500**	48,500	38,800	**19,400**	29,100
Third ESGP Award on 15.4.2015						
Dato' Soam Heng Choon	393,000	**393,000**	–	101,200	**101,200**	–
Fourth ESGP Award on 15.4.2016						
Dato' Soam Heng Choon	–	**550,600**	79,000	–	**153,000**	47,400
Lee Chun Fai	–	**347,600**	–	–	**139,000**	–

IJM Plantations Berhad (a subsidiary)

Name of Directors	Number of ordinary shares			
	Balance at 1.4.2016	Acquired	Disposed	Balance at 31.3.2017
Tan Sri Abdul Halim bin Ali				
Direct interest	20,000	–	–	**20,000**
Tan Sri Dato' Tan Boon Seng @ Krishnan				
Direct interest	716,060	–	–	**716,060**
Indirect interest	481,033(1)	–	–	**481,033(1)**

Notes:-

(1) *Through a family member*

(2) *Appointed on 20 June 2016*

\+ *The vesting of the Options and/or Shares to the eligible Director is subject to the fulfilment of the relevant vesting conditions as at the relevant vesting dates.*

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

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

Except as disclosed above, the Directors in office at the end of the financial year do not have any direct or indirect interests in the shares or Options of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS AND REMUNERATION

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the fees and other emoluments shown under Directors' Remuneration in the financial statements) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Details of the Directors' Remuneration are set out in Note 7 to the financial statements.

Except as disclosed above, neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangement whose object was to enable the Directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the shares or Options of the Company.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a liability insurance for the Directors and officers of the Group throughout the financial year, which provides appropriate insurance cover for the Directors and officers of the Group. The amount of insurance premium paid for the financial year 2017 was RM276,429.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(a) to ascertain the action taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report and statement, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts of the Group and of the Company inadequate to any substantial extent and the values attributed to current assets of the Group and of the Company misleading; or

(b) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(c) not otherwise dealt with in this report and statement or in the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report and statement, neither any charge on the assets of the Group and the Company has arisen which secures the liability of any other person nor any contingent liability of the Group and the Company.

In the interval between the end of the financial year and the date of this report and statement, no item, transaction or other events of a material and unusual nature has arisen which, in the opinion of the Directors, would substantially affect the results of the operations of the Group and of the Company for the current financial year.

No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.

In the opinion of the Directors:

(a) other than as disclosed in the financial statements, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature;

DIRECTORS' REPORT AND STATEMENT (cont'd)

OTHER STATUTORY INFORMATION (cont'd)

In the opinion of the Directors: (cont'd)

(b) the financial statements of the Group and of the Company set out on pages 180 to 341 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2017 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the Financial Reporting Standards in Malaysia and the provisions of the Companies Act 2016; and

(c) the information set out in Note 55 on page 342 of the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016, the list of Directors of the subsidiaries during the financial year and up to the date of this report and statement is as follows:

Dato' Sri Haji Abd Rahim bin Abdul
Dato' Abdullah Yusuff bin Basiron
Tuan Haji Adam bin Abdul Hamid
Tengku Ahmad Rithauddeen bin Tengku Ismail
Amir Amin Haji Muhammed
A.V. Sunil Kumar
Aw Soon Lee
Dato' Azahari bin Muhammad Yusof
Aziz Bin Bahaman
B Rajagopala Rao Bendi
Chai Kian Soon
Chan Kai Leong
Chan Kok Keong
Chang Cheen Ying
Tan Sri Dato' Chen Wing Sum
Choo Lai Fong
Datuk Dr Choo Yuen May
Chow Man Fui
Chua Lay Hoon
Claire Louise Le Brocq
Cyrus Eruch Daruwalla
Deepak Dasgupta
Devananda Naraidoo
Edward Chong Sin Kiat
Fong Wah Sin
Gan Chin Giap
Datuk Givananadam a/l Kalinan
Goh Chee Huat
Harjeet Singh Daya Singh
Dato' Hoo Kim See
Hu Hai Shan
James Ponniah a/l Joseph
Jenny Pascaline Anna
John Patrick Griffin
John Lee Yow Meng
Joseph Tek Choon Yee
Dato' Josphine Juliana A/P S Arulanandam
Dato' Haji Khasbullah bin A Kadir
Khor Kar Buan
Dato' Khor Kiem Teoh
Khoo Choom Kwong
K. Ravi Kumar
Kunabalan Konasingam
Lee Chun Fai
Lee Hong Chai
Lee Kok Hoo
Datuk Lee Teck Yuen
Leong Yew Kuen
Liew Hau Seng
Liew Kiam Woon
Low Hong Imm
Lu, Yong
Marie Cindhia Veronique Magny-Antoine
Mark Andrew Lahiff
Ma, Zhengguo
Dato' Md Naim bin Nasir
Michael Robinson
Dato' Mohamed Feisal bin Ibrahim
M. Ramachandran a/l V. D. Nair
Muhammed Rafiq Haji Abdul Rahim
Muhammad Umair
Najeeb Amin
Natarajan Thulasidas
Ong Teng Cheng
Ong Wah Cheong
Pang Chwee Hoon
Tan Sri Datuk Wira Pang Tee Chew
Philip Andrew Bolton
P.K. Venugopal a/l Krishna Poduval
Pook Fong Fee
Purushothaman a/l Kumaran
Pushpanathan a/l S A Kanagarayar
Ramakrishnan Karikal Valaven
Rodziah binti Morshidi
Sachidananda Payandee Govinda
Sandra Segran a/l Kenganathan
Shane Michael Hollywood
Dato' Soam Heng Choon
S S Charkraborty
Syed Sarfaraz Haider Rizvi
Tan Boon Leng
Tan Sri Dato' Tan Boon Seng @Krishnan
Tan Khee Leng
Tan Kiam Choon
Tang King Hua
Tang Kwong Hieng
Tharamangalam Sundaramurthy Subramanyam
Dato' Toh Chin Leong
T. Vijay Kumar
Tong Wai Yong
Venkatesen Saminada Chetty
Wan Chee Leong
Wan Salwani binti Wan Yusoff
Wei Tao
Wong Kian Foong
Tan Sri Dato' Wong See Wah
Wong Soon Fah
Yong Juen Wah
Zabidin bin Abu Samah

SUBSIDIARIES

Details of subsidiaries are set out in Note 54 to the financial statements.

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 8 to the financial statements.

AUDITORS

The Auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

This report and statement was approved by the Board of Directors on 25 May 2017.

Signed on behalf of the Board of the Directors:

TAN SRI ABDUL HALIM BIN ALI
DIRECTOR

DATO' SOAM HENG CHOON
DIRECTOR

Petaling Jaya

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31 March 2017

	Note	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
Operating revenue	4,13	**6,065,335**	5,128,198	**298,059**	270,372
Cost of sales		**(4,638,326)**	(3,694,548)	**(1,962)**	(14)
Gross profit		**1,427,009**	1,433,650	**296,097**	270,358
Other operating income		**259,779**	508,065	**99,882**	78,382
Tendering, selling and distribution expenses		**(200,149)**	(182,777)	**–**	–
Administrative expenses		**(339,015)**	(352,660)	**(38,177)**	(45,277)
Other operating expenses		**(66,015)**	(104,825)	**(13,531)**	(25,985)
Operating profit before finance cost	5	**1,081,609**	1,301,453	**344,271**	277,478
Finance cost	9	**(144,670)**	(169,224)	**(70,170)**	(73,463)
Operating profit after finance cost		**936,939**	1,132,229	**274,101**	204,015
Share of profits of associates		**56,403**	13,725	**–**	–
Share of profits of joint ventures		**16,668**	9,843	**–**	–
Profit before taxation	13	**1,010,010**	1,155,797	**274,101**	204,015
Income tax expense	10	**(243,206)**	(274,262)	**(14,630)**	(9,865)
Net profit for the financial year		**766,804**	881,535	**259,471**	194,150
Other comprehensive income (net of tax):					
Items that will not be reclassified to profit or loss:					
Actuarial loss on defined benefit plan		**–**	(751)	**–**	–
Revaluation gains on property, plant and equipment		**20,562**	–	**–**	–
		20,562	(751)	**–**	–
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences of foreign operations		**138,237**	59,302	**(4,201)**	(52)
Share of other comprehensive income of associates		**4,095**	3,790	**–**	–
Realisation of other comprehensive income arising from disposal of foreign subsidiaries and joint ventures		**(4,890)**	(53,889)	**–**	–
		137,442	9,203	**(4,201)**	(52)
		158,004	8,452	**(4,201)**	(52)
Total comprehensive income for the financial year		**924,808**	889,987	**255,270**	194,098

	Note	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
Net profit attributable to:					
Owners of the Company		**653,773**	793,587	**259,471**	194,150
Non-controlling interests		**113,031**	87,948	**–**	–
Net profit for the financial year		**766,804**	881,535	**259,471**	194,150
Total comprehensive income attributable to:					
Owners of the Company		**770,202**	787,652	**255,270**	194,098
Non-controlling interests		**154,606**	102,335	**–**	–
Total comprehensive income for the financial year		**924,808**	889,987	**255,270**	194,098
Earnings per share for net profit attributable to owners of the Company:					
- Basic	11(a)	**18.16 Sen**	22.22 Sen		
- Fully diluted	11(b)	**17.94 Sen**	21.81 Sen		

CONSOLIDATED BALANCE SHEET
as at 31 March 2017

	Note	2017 RM'000	2016 RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	14(A)	**6,022,651**	3,584,805
Share premium	14(B)	**–**	2,349,079
Treasury shares	14(C)	**(10)**	(3)
Shares held under trust	14(E)	**(4,016)**	(3,812)
Revaluation reserve		**91,759**	71,197
Exchange translation reserve		**(44,550)**	(138,432)
Share-based payment reserve		**80,138**	77,949
Other reserves	15	**48,399**	45,494
Retained profits		**3,302,903**	3,042,082
		9,497,274	9,028,359
NON-CONTROLLING INTERESTS		**1,319,406**	1,208,045
TOTAL EQUITY		**10,816,680**	10,236,404
NON-CURRENT LIABILITIES			
Bonds	16	**1,950,000**	1,880,000
Term loans	17	**2,121,809**	2,269,363
Government support loans	18	**154,474**	184,481
Hire purchase and lease payables	19	**802**	169
Deferred tax liabilities	22	**669,456**	631,326
Trade and other payables	23	**701,402**	764,463
Retirement benefits	24	**10,511**	4,675
Provisions	25	**109,705**	85,829
		5,718,159	5,820,306
Deferred income	26	**73,063**	8,164
		16,607,902	16,064,874
NON-CURRENT ASSETS			
Property, plant and equipment	27	**1,989,646**	1,812,557
Land use rights	28	**165,831**	134,839
Investment properties	29	**68,867**	60,083
Concession assets	30	**3,097,066**	2,912,176
Associates	32	**901,392**	869,633
Joint ventures	33	**754,783**	680,521
Available-for-sale financial assets	34	**2,155**	2,212
Long term receivables	35	**176,699**	128,787
Intangible assets	36	**102,618**	91,603
Deferred tax assets	22	**297,762**	230,046
Land held for property development	37(a)	**514,788**	604,143
Plantation development expenditure	38	**1,201,570**	1,088,487
		9,273,177	8,615,087

	Note	2017 RM'000	2016 RM'000
CURRENT ASSETS			
Property development costs	37(b)	**5,587,380**	5,632,922
Inventories	39	**1,421,961**	1,092,482
Trade and other receivables	40	**2,031,003**	2,256,370
Financial assets at fair value through profit or loss	41	**299,164**	407,200
Derivative financial instruments	21	**2,909**	–
Tax recoverable		**129,329**	152,023
Deposits, cash and bank balances	42	**2,147,777**	1,679,461
		11,619,523	11,220,458
Less:			
CURRENT LIABILITIES			
Trade and other payables	43	**2,518,205**	2,258,316
Current tax liabilities		**12,979**	22,630
Derivative financial instruments	21	**–**	10,380
Provisions	25	**10,718**	1,945
Borrowings			
- Bank overdrafts	44	**44,514**	187,352
- Others	44	**1,698,382**	1,290,048
		4,284,798	3,770,671
NET CURRENT ASSETS		**7,334,725**	7,449,787
		16,607,902	16,064,874

COMPANY BALANCE SHEET
as at 31 March 2017

	Note	2017 RM'000	2016 RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	14(A)	**6,022,651**	3,584,805
Share premium	14(B)	**–**	2,349,079
Treasury shares	14(C)	**(10)**	(3)
Shares held under trust	14(E)	**(4,016)**	(3,812)
Exchange translation reserve		**(2,209)**	1,992
Share-based payment reserve		**80,138**	77,949
Other reserves	15	**–**	–
Retained profits		**184,957**	285,515
TOTAL EQUITY		**6,281,511**	6,295,525
NON-CURRENT LIABILITIES			
Bonds	16	**1,300,000**	1,200,000
Term loans	17	**176,940**	157,300
Trade and other payables	43	**948,028**	964,234
		2,424,968	2,321,534
		8,706,479	8,617,059
NON-CURRENT ASSETS			
Property, plant and equipment	27	**2,430**	2,491
Investment properties	29	**7,312**	7,477
Subsidiaries	31	**7,038,258**	7,136,241
Associates	32	**371,800**	368,529
Joint ventures	33	**225,700**	218,600
Available-for-sale financial assets	34	**2,050**	2,050
Deferred tax assets	22	**2,132**	2,520
		7,649,682	7,737,908
CURRENT ASSETS			
Trade and other receivables	40	**1,357,059**	1,099,484
Financial assets at fair value through profit or loss	41	**20,807**	39,156
Deposits, cash and bank balances	42	**230,397**	173,043
Tax recoverable		**2,196**	4,579
		1,610,459	1,316,262
Less:			
CURRENT LIABILITIES			
Trade and other payables	43	**342,564**	347,111
Borrowings			
- Bank overdraft	44	**1,098**	–
- Others	44	**210,000**	90,000
		553,662	437,111
NET CURRENT ASSETS		**1,056,797**	879,151
		8,706,479	8,617,059

STATEMENTS OF CHANGES IN EQUITY
for the financial year ended 31 March 2017

		Attributable to owners of the Company											
The Group	Note	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Shares held under trust RM'000	Re-valuation reserve RM'000	Exchange translation reserve RM'000	Share-based payment reserve RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 April 2016		3,584,805	2,349,079	(3)	(3,812)	71,197	(138,432)	77,949	45,494	3,042,082	9,028,359	1,208,045	10,236,404
Comprehensive income:													
Net profit for the financial year		–	–	–	–	–	–	–	–	653,773	653,773	113,031	766,804
Other comprehensive income													
Currency translation differences arising from translation of net investment in foreign operations		–	–	–	–	–	96,662	–	–	–	96,662	41,575	138,237
Realisation of other comprehensive income arising from disposal of a foreign associate		–	–	–	–	–	(4,890)	–	–	–	(4,890)	–	(4,890)
Share of other comprehensive income/(losses) of associates		–	–	–	–	–	1,708	–	3,726	(1,339)	4,095	–	4,095
Revaluation gains on property, plant and equipment		–	–	–	–	20,562	–	–	–	–	20,562	–	20,562
		–	–	–	–	20,562	93,480	–	3,726	(1,339)	116,429	41,575	158,004
Total comprehensive income for the financial year		–	–	–	–	20,562	93,480	–	3,726	652,434	770,202	154,606	924,808
Share of reserves in an associate		–	–	–	–	–	–	–	(821)	722	(99)	–	(99)
Accretion of interest in an associate		–	–	–	–	–	–	–	–	(1,229)	(1,229)	–	(1,229)
Issuance of ESOS and ESGP		–	–	–	–	–	–	39,560	–	–	39,560	–	39,560

STATEMENTS OF CHANGES IN EQUITY (cont'd)
for the financial year ended 31 March 2017

The Group (cont'd)	Note	Attributable to owners of the Company											
		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:													
Acquisition of additional interests in subsidiaries		–	–	–	–	–	402	–	–	(31,077)	(30,675)	(13,770)	(44,445)
Single tier second interim dividend: - Year ended 31 March 2016	12	–	–	–	–	–	–	–	–	(143,967)	(143,967)	–	(143,967)
Single tier special dividend: - Year ended 31 March 2016	12	–	–	–	–	–	–	–	–	(107,975)	(107,975)	–	(107,975)
Single tier first interim dividend: - Year ended 31 March 2017	12	–	–	–	–	–	–	–	–	(108,087)	(108,087)	–	(108,087)
Dividends paid by subsidiaries to non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	(35,375)	(35,375)

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 by a subsidiary to non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	5,900	5,900
Issuance of shares:													
- Vesting of shares under ESGP	14(A),(B)	8,289	16,198	–	–	–	–	(24,487)	–	–	–	–	–
- Exercise of ESOS	14(A),(B),(E)	15,311	17,841	–	30,924	–	–	(12,884)	–	–	51,192	–	51,192
- Shares held under trust	14(A),(B),(E)	18,735	12,393	–	(31,128)	–	–	–	–	–	–	–	–
Shares buy back	14(C)	–	–	(7)	–	–	–	–	–	–	(7)	–	(7)
Transition to no-par value regime on 31 January 2017	14(A),(B)	2,395,511	(2,395,511)	–	–	–	–	–	–	–	–	–	–
Total transactions with owners		2,437,846	(2,349,079)	(7)	(204)	–	402	(37,371)	–	(391,106)	(339,519)	(43,245)	(382,764)
At 31 March 2017		**6,022,651**	**–**	**(10)**	**(4,016)**	**91,759**	**(44,550)**	**80,138**	**48,399**	**3,302,903**	**9,497,274**	**1,319,406**	**10,816,680**

STATEMENTS OF CHANGES IN EQUITY (cont'd)

for the financial year ended 31 March 2017

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

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:													
Partial disposal of equity interests in a subsidiary		–	–	–	–	–	–	–	–	11,412	11,412	5,309	16,721
Acquisition of additional interests in a subsidiary		–	–	–	–	–	76	–	–	(439)	(363)	(21,301)	(21,664)
Single tier second interim dividend: - Year ended 31 March 2015		–	–	–	–	–	–	–	–	(196,481)	(196,481)	–	(196,481)
Single tier first interim dividend: - Year ended 31 March 2016	12	–	–	–	–	–	–	–	–	(107,198)	(107,198)	–	(107,198)
Dividends paid by subsidiaries to non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	(24,195)	(24,195)

STATEMENTS OF CHANGES IN EQUITY (cont'd)
for the financial year ended 31 March 2017

The Group (cont'd)	Note	Attributable to owners of the Company											
		Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Shares held under trust RM'000	Re-valuation reserve RM'000	Exchange translation reserve RM'000	Share-based payment reserve RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Transactions with owners: (cont'd)													
Issuance of shares:													
- Shares allotted upon privatisation of IJM Land Berhad	14(A),(B),15	279,386	1,732,194	–	–	–	–	–	(2,011,580)	–	–	–	–
- Bonus issue	14(A),(B)	1,786,460	(1,786,460)	–	–	–	–	–	–	–	–	–	–
- Vesting of shares under ESGP	14(A),(B)	3,033	13,004	–	–	–	–	(16,037)	–	–	–	–	–
- Exercise of ESOS	14(A),(B),(E)	7,299	29,054	–	23,766	–	–	(10,702)	–	–	49,417	–	49,417
- Shares held under trust	14(A),(B),(E)	8,626	15,181	–	(23,807)	–	–	–	–	–	–	–	–
Shares buy back	14(C)	–	–	(10)	–	–	–	–	–	–	(10)	–	(10)
Disposal of treasury shares	14(C)	–	36	277	–	–	–	–	–	–	313	–	313
Total transactions with owners		2,084,804	3,009	267	(41)	–	76	(26,739)	(2,011,580)	(292,706)	(242,910)	(40,187)	(283,097)
At 31 March 2016		3,584,805	2,349,079	(3)	(3,812)	71,197	(138,432)	77,949	45,494	3,042,082	9,028,359	1,208,045	10,236,404

The Company	Note	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Shares held under trust RM'000	Exchange translation reserve RM'000	Share-based payment reserve RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000
			Non-distributable						Distributable	
At 1 April 2016		3,584,805	2,349,079	(3)	(3,812)	1,992	77,949	–	285,515	6,295,525
Comprehensive income:										
Net profit for the financial year		–	–	–	–	–	–	–	259,471	259,471
Other comprehensive income:										
Currency translation differences arising from translation of foreign projects		–	–	–	–	(4,201)	–	–	–	(4,201)
Total comprehensive income for the financial year		–	–	–	–	(4,201)	–	–	259,471	255,270
Issuance of ESOS and ESGP		–	–	–	–	–	39,560	–	–	39,560
Transactions with owners:										
Single tier second interim dividend:										
- Year ended 31 March 2016	12	–	–	–	–	–	–	–	(143,967)	(143,967)
Single tier special dividend:										
- Year ended 31 March 2016	12	–	–	–	–	–	–	–	(107,975)	(107,975)
Single tier first interim dividend:										
- Year ended 31 March 2017	12	–	–	–	–	–	–	–	(108,087)	(108,087)
Issuance of shares:										
- Vesting of shares under ESGP	14(A),(B)	8,289	16,198	–	–	–	(24,487)	–	–	–
- Exercise of ESOS	14(A),(B),(E)	15,311	17,841	–	30,924	–	(12,884)	–	–	51,192
- Shares held under trust	14(A),(B),(E)	18,735	12,393	–	(31,128)	–	–	–	–	–
Shares buy back	14(C)	–	–	(7)	–	–	–	–	–	(7)
Transition to no-par value regime on 31 January 2017	14(A),(B)	2,395,511	(2,395,511)	–	–	–	–	–	–	–
At 31 March 2017		**6,022,651**	**–**	**(10)**	**(4,016)**	**(2,209)**	**80,138**	**–**	**184,957**	**6,281,511**

STATEMENTS OF CHANGES IN EQUITY (cont'd)
for the financial year ended 31 March 2017

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		–	–	–	–	–	–	–	(196,481)	(196,481)
Single tier first interim dividend:										
- Year ended 31 March 2016	12	–	–	–	–	–	–	–	(107,198)	(107,198)
Issuance of shares:										
- Shares allotted upon privatisation of IJM Land Berhad	14(A),(B),15	279,386	1,732,194	–	–	–	–	(2,011,580)	–	–
- Bonus issue	14(A),(B)	1,786,460	(1,786,460)	–	–	–	–	–	–	–
- Vesting of shares under ESGP	14(A),(B)	3,033	13,004	–	–	–	(16,037)	–	–	–
- Exercise of ESOS	14(A),(B),(E)	7,299	29,054	–	23,766	–	(10,702)	–	–	49,417
- Shares held under trust	14(A),(B),(E)	8,626	15,181	–	(23,807)	–	–	–	–	–
Shares buy back	14(C)	–	–	(10)	–	–	–	–	–	(10)
Disposal of treasury shares	14(C)	–	36	277	–	–	–	–	–	313
At 31 March 2016		3,584,805	2,349,079	(3)	(3,812)	1,992	77,949	–	285,515	6,295,525

CONSOLIDATED CASH FLOW STATEMENTS

for the financial year ended 31 March 2017

	Note	2017 RM'000	2016 RM'000
OPERATING ACTIVITIES			
Receipts from customers		**6,559,858**	5,630,936
Payments to contractors, suppliers and employees		**(4,806,887)**	(4,523,148)
Income tax paid		**(261,807)**	(349,295)
Net cash flow from operating activities		**1,491,164**	758,493
INVESTING ACTIVITIES			
Acquisition of subsidiaries	47(a)(i), 47(b)(ii)	**(361)**	237
Investments in associates		**(3,402)**	(2,387)
Additional investment in a joint venture		**(500)**	–
Cash consideration paid for privatisation of IJM Land Berhad ("IJML")		**–**	(122,931)
Acquisition of financial assets at fair value through profit or loss		**(377,317)**	(562,696)
Subscription of Redeemable Unsecured Murabahah Stocks in an associate		**(16,200)**	–
Purchase of land held for property development		**(69,540)**	(9,937)
Purchase of property, plant and equipment, land used rights and investment properties		**(235,303)**	(213,345)
Cost incurred on concession assets		**(47,161)**	(77,370)
Additions to plantation development expenditure		**(22,451)**	(49,991)
Additions to port infrastructure		**(233,645)**	(173,605)
Quarry development expenditure incurred	36	**(4,488)**	(9,144)
Disposal of property, plant and equipment, land used rights and investment properties		**17,666**	5,586
Disposal of assets held for sale		**–**	4,114
Disposal of disposal group classified as assets held for sale	48(i)	**–**	197,161
Disposal of a subsidiary	48(ii)	**–**	374,082
Disposal of an associate		**79,678**	–
Disposal of available-for-sale financial assets		**60**	28,346
Disposal of financial assets at fair value through profit or loss		**498,497**	382,589
Redemption of preference shares of an associate		**1,628**	–
Proceeds from liquidation of an associate		**62**	–
Dividends received from associates		**27,412**	8,369
Dividends received from other investments		**510**	390
Income from unit trusts		**483**	540
Interest received		**80,828**	85,767
Advances to associates		**–**	(36)
Repayments from associates		**359**	14,407
Advances to joint ventures		**(96,165)**	(69,270)
Repayments from joint ventures		**40,831**	9,041
Net cash flow used in investing activities		**(358,519)**	(180,083)

CONSOLIDATED CASH FLOW STATEMENTS (cont'd)
for the financial year ended 31 March 2017

	Note	2017 RM'000	2016 RM'000
FINANCING ACTIVITIES			
Issuance of shares by the Company:			
- Exercise of share options		**51,192**	49,417
Issuance of shares by subsidiaries to non-controlling shareholders		**5,900**	–
Drawdown of Commercial Papers and Medium Term Notes		**–**	150,000
Repayments of Commercial Papers and Medium Term Notes		**–**	(700,000)
Drawdown of bonds		**100,000**	400,000
Repayment of bonds		**(140,000)**	(130,000)
Proceeds from bank borrowings		**523,168**	536,924
Repayments of bank borrowings		**(359,737)**	(715,038)
Repayments to the State Government		**–**	(3,100)
Repayment of government support loans		**(36,202)**	(7,000)
Repayments to hire purchase and lease creditors		**(152)**	(119)
Interest paid		**(249,976)**	(270,895)
Dividends paid by subsidiaries to non-controlling shareholders		**(35,375)**	(24,195)
Dividends paid by the Company		**(360,029)**	(303,679)
Re-purchase of treasury shares	14(C)	**(7)**	(10)
Proceeds from disposal of treasury shares		**–**	313
Uplifting of restricted deposits		**45,326**	205,380
Acquisition of additional interests in a subsidiary		**(44,445)**	(8,952)
Partial disposal of equity interests in a subsidiary		**–**	16,721
Net cash flow used in financing activities		**(500,337)**	(804,233)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		**632,308**	(225,823)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**1,423,749**	1,637,354
FOREIGN EXCHANGE DIFFERENCES ON OPENING BALANCES		**21,274**	12,218
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	49	**2,077,331**	1,423,749

COMPANY CASH FLOW STATEMENTS

for the financial year ended 31 March 2017

	Note	2017 RM'000	2016 RM'000
OPERATING ACTIVITIES			
Receipts from customers		**16,058**	19,905
Payments to contractors, suppliers and employees		**(27,874)**	(39,162)
Income tax paid		**(11,858)**	(17,690)
Net cash flow used in operating activities		**(23,674)**	(36,947)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(850)**	(343)
Disposal of property, plant and equipment		**133**	170
Acquisition of financial assets at fair value through profit or loss		**(51)**	(32,621)
Acquisition of shares in subsidiaries		**(30,932)**	(8,951)
Acquisition of shares in an associate		**(3,321)**	(2,387)
Cash consideration paid for privatisation of IJML		**–**	(122,931)
Proceeds from liquidation of an associate		**62**	–
Disposal of financial assets at fair value through profit or loss		**20,370**	–
Dividends received from subsidiaries		**249,128**	235,166
Dividends received from associates		**17,300**	6,344
Dividends received from other investments		**363**	341
Interest received		**7,493**	5,576
Repayments from subsidiaries		**455,496**	698,192
Repayments from associates		**352**	6,149
Repayments from joint ventures		**158**	50
Advances to subsidiaries		**(488,919)**	(279,540)
Advances to associates		**(5)**	(2)
Advances to joint ventures		**(154)**	–
Net cash flow from investing activities		**226,623**	505,213
FINANCING ACTIVITIES			
Issuance of shares by the Company:			
- Exercise of share options		**51,192**	49,417
Drawdown of bonds		**100,000**	400,000
Drawdown of Commercial Papers and Medium Term Notes		**–**	150,000
Repayments of Commercial Papers and Medium Term Notes		**–**	(700,000)
Proceeds from bank borrowings		**310,000**	414,567
Repayments of bank borrowings		**(190,000)**	(214,582)
Repayment to a subsidiary		**–**	(76,101)
Interest paid		**(70,170)**	(71,798)
Dividends paid by the Company		**(360,029)**	(303,679)
Re-purchase of treasury shares	14(C)	**(7)**	(10)
Proceeds from disposal of treasury shares		**–**	313
Net cash flow used in financing activities		**(159,014)**	(351,873)
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		**43,935**	116,393
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**173,043**	55,804
FOREIGN EXCHANGE DIFFERENCES ON OPENING BALANCES		**12,321**	846
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	49	**229,299**	173,043

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 March 2017

The following accounting policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the financial statements, unless otherwise stated.

1 BASIS OF PREPARATION

The financial statements of the Group and the Company have been prepared in accordance with the Financial Reporting Standards ("FRS") and the requirements of the Companies Act 2016 in Malaysia.

The Group includes transitioning entities and has elected to continue to apply FRS during the current and next financial year. The Group will be adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards ("MFRS") for annual period beginning on 1 April 2018. In adopting the new framework, the Group will be applying MFRS 1 "First-time adoption of MFRS".

The financial statements have been prepared under the historical cost convention, unless otherwise indicated in this summary of significant accounting policies.

The preparation of financial statements in conformity with FRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Management to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the Management's best knowledge of current events and actions, actual results may differ from those estimates.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2 to the financial statements.

The Group and the Company adopted the following Standards, Amendments and Annual interpretation to Standards.

(a) Amendments to published standards that are effective

The amendments to published standards that are effective for the Group's and the Company's financial year beginning on 1 April 2016 and applicable to the Group and the Company are as follows:

- Amendments to FRS 11 "Accounting for Acquisitions of Interests in Joint Operations"
- Amendments to FRS 116 and FRS 138 "Clarification of Acceptable Methods of Depreciation and Amortisation"
- Amendments to FRS 127 "Separate Financial Statements" – "Equity method in Separate Financial Statements"
- Annual improvements to FRSs 2012 – 2014 Cycle, which include Amendments to FRS 5 "Non-current Assets Held for Sale and Discontinued Operations", FRS 7 "Financial Instruments: Disclosures", FRS 119 "Employee Benefits" and FRS 134 "Interim Financial Reporting"
- Amendments to FRS 101 "Presentation of Financial Statements" – "Disclosure Initiative"
- Amendments to FRS 10, FRS 12 and FRS 128 "Investment Entities: Applying the Consolidation Exception"

The amendments to published standards do not result in a significant change to the accounting policies and do not have a material impact on the financial statements of the Group and the Company.

1 BASIS OF PREPARATION (cont'd)

(b) Standards, amendments to published standards and interpretation that are applicable to the Group and the Company, but are not yet effective and have not been early adopted

(i) The amendments to published standards that are mandatory for the Group's and the Company's financial year beginning on 1 April 2017 and the Group and the Company have not early adopted, are as follows* :

- Amendments to FRS 107 "Statement of Cash Flows" – "Disclosure Initiative" introduce an additional disclosure on changes in liabilities arising from financing activities.
- Amendments to FRS 112 "Income Taxes" – "Recognition of Deferred Tax Assets for Unrealised Losses" clarify the requirements for recognising deferred tax assets on unrealised losses arising from deductible temporary differences on assets carried at fair value. In addition, in evaluating whether an entity will have sufficient taxable profits in future periods against which deductible temporary differences can be utilised, the amendments require an entity to compare the deductible temporary differences with future taxable profits that exclude tax deductions resulting from the reversal of those temporary differences.
- Annual improvements to FRSs 2014 – 2016 Cycle, which include Amendments to FRS 12 "Disclosure of Interests in Other Entities"

(ii) The new standards, amendments to published standards and interpretation that are mandatory for the Group's and the Company's financial year beginning on 1 April 2018 and the Group and the Company have not early adopted are as follows* :

- Amendments to MFRS 1 "First-time adoption of Malaysian Financial Reporting Standards" remove the short term exemptions covering transition provisions of MFRS 7, MFRS 10 and MFRS 119. Those reliefs provided were available for entities with reporting periods that had passed and therefore no longer applicable.
- MFRS 9 "Financial Instruments"

  MFRS 9 "Financial Instruments" will replace FRS 139 "Financial Instruments: Recognition and Measurement". MFRS 9 retains but simplifies the mixed measurement model in FRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

  For liabilities, the standard retains most of the FRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

  MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in FRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)
for the financial year ended 31 March 2017

1 BASIS OF PREPARATION (cont'd)

(b) Standards, amendments to published standards and interpretation that are applicable to the Group and the Company, but are not yet effective and have not been early adopted (cont'd)

(ii) The new standards, amendments to published standards and interpretation that are mandatory for the Group's and the Company's financial year beginning on 1 April 2018 and the Group and the Company have not early adopted are as follows* : (cont'd)

- MFRS 15 "Revenue from Contracts with Customers"

  MFRS 15 "Revenue from contracts with customers" deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. Transfer of control is not the same as transfer of risks and rewards as currently considered for revenue recognition. A company would recognise revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer). Extensive disclosures are required to provide greater insight into both revenue that has been recognised, and revenue that is expected to be recognised in the future from existing contracts. Significant management judgments and changes in those judgments that management made to determine revenue are also required to be disclosed.

  The standard replaces MFRS 118 "Revenue", MFRS 111 "Construction Contracts" and related interpretations.

- Amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 141 "Agriculture: Bearer Plants" introduce a new category of biological assets i.e. bearer plants. A bearer plant is a living plant that is used in the production and supply of agricultural produce, is expected to bear produce for more than one period, and has remote likelihood of being sold as agricultural produce. Bearer plants are accounted for under MFRS 116 as an item of property, plant and equipment. Agricultural produce growing on bearer plants continue to be measured at fair value less costs to sell under MFRS 141, with fair value changes recognised in profit or loss as the produce grows.

- Amendments to MFRS 128 "Investments in Associates and Joint Ventures" allows venture capital organisations, mutual funds, unit trusts and similar entities to elect, on an individual basis, measuring their investments in associates and joint ventures at fair value through profit or loss. An entity that is not an investment entity can retain their fair value measurement applied by its associates or joint ventures (that are investment entities) when applying equity method.

- Amendments to MFRS 140 "Classification on 'Change in Use' – Assets transferred to, or from, Investment Properties" clarify that to transfer to, or from investment properties there must be a change in use. A change in use would involve an assessment of whether a property meets, or has ceased to meet, the definition of investment property. The change must be supported by evidence that the change in use has occurred and a change in management's intention in isolation is not sufficient to support a transfer of property. The amendments clarify the same principle that applies to assets under construction.

- IC Interpretation 22 "Foreign Currency Transactions and Advance Consideration" applies when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. MFRS 121 requires an entity to use the exchange rate at the "date of the transaction" to record foreign currency transactions. It provides guidance on how to determine "the date of transaction" when a single payment/receipt is made, as well as for situations where multiple payments/receipts are made. The date of transaction is the date when the payment or receipt of advance consideration gives rise to the non-monetary asset or non-monetary liability when the entity is no longer exposed to foreign exchange risk. If there are multiple payments or receipts in advance, the entity should determine the date of the transaction for each payment or receipt.

1 BASIS OF PREPARATION (cont'd)

(b) Standards, amendments to published standards and interpretation that are applicable to the Group and the Company, but are not yet effective and have not been early adopted (cont'd)

(iii) The new standard that is mandatory for the Group's and the Company's financial year beginning on 1 April 2019 and the Group and the Company have not early adopted is as follows* :

- MFRS 16 "Leases"

  MFRS 16 "Leases" supersedes MFRS 117 "Leases" and the related interpretations. Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

  MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases.

  The right-of-use asset is depreciated in accordance with the principle in MFRS 116 "Property, Plant and Equipment" and the lease liability is accreted over time with interest expense recognised in the income statement.

  For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases, and account for them differently.

  MFRS 16 is likely to have a significant impact on lessees that have significant number of off balance sheet operating leases under MFRS 117.

  * These standards and amendments to published standards will be adopted on the respective effective dates upon the adoption of the MFRS framework.

The Group is in the process of assessing the full impact of the above standards, amendments to published standards and interpretation on the financial statements of the Group and the Company in the year of initial application.

2 ECONOMIC ENTITIES IN THE GROUP

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

The existence and effect of potential voting rights are considered when assessing whether the Group controls another entity. In assessing whether potential voting rights contribute to control, the Group examines all facts and circumstances (including the terms of exercise of the potential voting rights and any other contractual arrangements whether considered individually or in combination) that affect potential voting rights.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases. Subsidiaries are consolidated using the acquisition method of accounting, except for business combinations involving entities or businesses under common control, which are accounted for using the predecessor basis of accounting.

Under the acquisition method of accounting, the consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. The costs directly attributable to the acquisition are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the date of acquisition. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill – See accounting policy 3 on goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)
for the financial year ended 31 March 2017

2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(a) Subsidiaries (cont'd)

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gains or losses arising from such remeasurement are recognised in profit or loss.

Under the predecessor basis of accounting, assets and liabilities acquired are not restated to their respective fair values but at the carrying amounts in the consolidated financial statements of the ultimate holding company of the Group and adjusted to ensure uniform accounting policies of the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities (as of the date of transaction) of the acquired entity is recognised as an adjustment to equity. No additional goodwill is recognised. The acquired entity's results, assets and liabilities are consolidated as if both the acquirer and the acquiree had always been combined. Consequently, the consolidated financial statements reflect both entities' full year's results. The comparative information is restated to reflect the combined results of both entities.

Non-controlling interest represents that portion of profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Company. It is measured on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets at the date of acquisition and the non-controlling interests' share of changes in the subsidiaries' equity since that date.

All earnings and losses of the subsidiary are attributed to the owners of the Company and the non-controlling interests, even if the attribution of losses to the non-controlling interests results in a debit balance in the total equity.

All inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated except for contracted finished goods which are stated at net realisable value. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(c) Disposal of subsidiaries

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets and liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(d) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. The existence and the effect of potential voting rights are considered when assessing whether the group exercises significant influence over another entity. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies.

Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and adjusted thereafter to recognise the investor's share of the profit or loss of the associate in profit or loss, and the Group's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount and recognises the amount as a separate line item in profit or loss.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

For incremental interest in an associate when significant influence is retained, the date of acquisition is the purchase date at each stage and goodwill is calculated at each purchase date based on the fair value of assets and liabilities identified. The previously held interest is not re-measured.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. The fair value of the retained interest shall be regarded as its fair value on initial recognition as a financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2017

2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(e) Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

(i) Joint ventures

The Group's interest in a joint venture is accounted for in the financial statements by the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the joint venture in profit or loss, and the Group's share of movements in other comprehensive income of the joint venture in other comprehensive income. Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. An impairment is recognised for the amount by which the carrying amount of the joint venture exceeds its recoverable amount and recognises the amount as a separate line item in profit or loss.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its joint venture because of a loss of joint control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

(ii) Joint operations

In relation to the Group's interest in the joint operations, the Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

3 GOODWILL

Goodwill arises from a business combination and represents the excess of the aggregate of fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previously held equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in profit or loss.

Goodwill on acquisition of subsidiaries is included in the balance sheet as intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and carried at cost less accumulated impairment. Any impairment is recognised immediately as an expense and is not subsequently reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the business combination in which the goodwill arose. The Group allocates goodwill to each business segment in each country in which it operates. See accounting policy 25 on impairment of non-financial assets.

Goodwill on acquisitions of joint ventures and associates is included in investments in joint ventures and associates respectively. Such goodwill is tested for impairment as part of the total carrying value.

4 INVESTMENTS

In the Company's separate financial statements, investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy 25 on impairment of non-financial assets. On disposal of investments in subsidiaries, joint ventures and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Long term investments are classified as available-for-sale financial assets. These are initially measured at fair value plus transaction costs and subsequently, at fair value except for investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. These are measured at cost and are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Changes in fair values of available-for-sale equity securities are recognised in other comprehensive income. A significant or prolonged decline in the fair value of the investment below its cost is considered as an indicator that the asset is impaired. See accounting policy 22(d)(ii) on impairment of available-for-sale financial assets.

Short term investments in marketable securities are classified as financial assets at fair value through profit or loss and measured at fair value on the date a transaction is entered into and are subsequently re-measured at fair value with changes in fair value recognised in profit or loss. Market value is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date. On disposal of an investment, the difference between net disposal proceeds and its fair value is recognised in profit or loss.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)
for the financial year ended 31 March 2017

5 FOREIGN CURRENCIES

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except that exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs are classified as borrowing costs.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rates at the date of that balance sheet;
- Income and expenses for each statement of comprehensive income presented are translated at the average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates on the dates of the transactions); and
- All resulting exchange differences are recognised as a separate component of other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate at the date of the balance sheet. Exchange differences arising are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign operations are recognised in other comprehensive income. On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences relating to that foreign operation recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss, as part of the gain or loss on disposal. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

6 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

All property, plant and equipment are stated at cost or at valuation less accumulated depreciation and accumulated impairment except for freehold land and capital work-in-progress which are not depreciated. Freehold land is not depreciated as it has an infinite life. Depreciation on capital work-in-progress commences when the assets are ready for their intended use. The cost is net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the government. When the amount of GST incurred is not recoverable from the government, the GST is recognised as part of the cost of acquisition of the property, plant and equipment.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are recognised as expenses in profit or loss during the financial year in which they are incurred.

Hotel properties comprise leasehold land, hotel buildings and related fixed plant and equipment. Hotel properties are initially stated at cost and are subsequently revalued periodically by independent professional valuers at an interval not exceeding 5 years with additional revaluations in the intervening years where market conditions indicate that the carrying values of the revalued properties materially differ from the market values.

The Group amortises plantation infrastructure in equal annual instalments over the period of the respective leases ranging from 21 to 81 years. Leasehold lands classified as finance leases are amortised in equal instalments over the period of the respective leases that range from 60 to 883 years. Other property, plant and equipment are depreciated on a straight-line basis to write-off the cost of the assets, or their revalued amounts, to their residual values over their estimated useful lives. The annual rates of depreciation are:

Buildings, including hotel properties	2 to 10.0%
Plant, machinery, equipment and vehicles	4 to 33.3%
Office equipment, furniture and fittings and renovations	5 to 33.3%

Other than hotel properties, the Directors have applied the transitional provisions of International Accounting Standards ("IAS") 16 "Property, Plant and Equipment", which have been adopted by the Malaysian Accounting Standards Board ("MASB"), which allows the assets to be stated at their last revalued amounts less accumulated depreciation and accumulated impairment. Accordingly, these valuations have not been updated.

When an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income as a revaluation surplus reserve. When the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus reserve of that asset; all other decreases are recognised in profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision of the residual values and useful lives are included in profit or loss for the financial year in which the changes arise.

At each balance sheet date, the Group assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount. See accounting policy 25 on impairment of non-financial assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in profit or loss. On disposal of revalued assets, amounts in the revaluation reserve relating to those assets are transferred to retained earnings.

Where applicable, the fair value of property, plant and equipment at the date of acquisition of subsidiaries is carried forward in place of cost.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2017

7 INVESTMENT PROPERTIES

Investment properties, comprising principally land and buildings, are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs if the investment property meets the definition of a qualifying asset. After initial recognition, investment property is stated at cost less accumulated depreciation and accumulated impairment.

Freehold land is not depreciated as it has an infinite life. Leasehold land is amortised on a straight line basis over the respective lease periods between 15 and 99 years. Depreciation on buildings is calculated so as to write off the cost of the assets less residual values on a straight-line basis over the expected useful lives. The annual depreciation rate for buildings is 2%.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period of the retirement or disposal.

At each balance sheet date, the Group assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount. See accounting policy 25 on impairment of non-financial assets.

8 CONCESSION ASSETS

Items classified as concession assets comprise expressway development expenditure and port infrastructure.

(a) Expressway development expenditure

Expressway Development Expenditure ("EDE") comprises the costs of construction (inclusive of the cost of reconstruction, widening and rehabilitation) of the concession assets. EDE is measured at cost less accumulated amortisation and accumulated impairment.

Where the Group provides construction services in exchange for the concession assets, the revenue and profits relating to the construction services are recognised in accordance with accounting policy 9(a) on revenue and profit recognition for construction contracts.

Upon completion of the construction works and commencement of road tolling operations, the EDE are amortised over the concession periods based on the following formula:

$$\frac{\text{Cumulative traffic volume to-date}}{\text{Projected total traffic volume for the entire concession period}} \text{ X EDE}$$

The projected total traffic volume for the entire concession period is determined by a traffic survey carried out by a firm of independent traffic consultants and Directors' annual re-assessment of the projected total traffic volume.

All interest and fees incurred during the period of construction are capitalised in the EDE which in turn are amortised in profit or loss in accordance with the formula above. Interest and fees incurred after the completion of construction are charged to profit or loss.

Compensation received relating to variations in terms of concession agreements are recognised as deferred income and are credited to profit or loss over the expected lives of the related assets, on bases consistent with amortisation of the related assets.

8 CONCESSION ASSETS (cont'd)

(b) Port infrastructure

Port infrastructure consists of buildings, berths, storage facilities and inner harbour basins. It is stated at cost less accumulated amortisation and accumulated impairment. The cost of port infrastructure is amortised on a straight-line basis over the concession period.

At each balance sheet date, the Group assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount. See accounting policy 25 on impairment of non-financial assets.

9 REVENUE AND PROFIT RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of goods and services tax and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity as well as specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion of a construction contract is determined based on the proportion that the contract costs incurred for work performed to-date bear to the estimated total costs for the contract. Costs incurred during the financial year in connection with future activity on a contract are excluded from costs incurred to-date when determining the stage of completion of a contract. Such costs are shown as amounts due from/(to) customers on construction contracts within trade and other receivables on the balance sheet unless it is not probable that such contract costs are recoverable from the customers, in which case such costs are recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is only included in contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim.

(b) Property development activities

When the outcome of the development activity can be estimated reliably and the sale of the development unit is effected, property development revenue and costs are recognised as revenue and expenses respectively by reference to the stage of completion of development activity at the balance sheet date. The stage of completion is determined based on the proportion that the property development costs incurred to-date bear to the estimated total costs for the property development.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)
for the financial year ended 31 March 2017

9 REVENUE AND PROFIT RECOGNITION (cont'd)

(b) Property development activities (cont'd)

When the outcome of a development activity cannot be estimated reliably, property development revenue is recognised only to the extent of property development costs incurred that is probable to be recoverable and the property development costs on the development units sold are recognised as an expense when incurred.

Irrespective of whether the outcome of a property development activity can be estimated reliably, when it is probable that total property development costs will exceed total property development revenue, the expected loss is recognised as an expense in the period in which the loss is identified.

(c) Sale of goods

Sales are recognised upon delivery of products and customer acceptance, and performance of after-sales services, if any, net of goods and services tax ("GST") or sales tax and discounts and after eliminating sales within the Group.

(d) Concession revenue

Concession revenue from the operation of toll roads and port operations is recognised as and when the services are performed.

Pursuant to the relevant Concession Agreements, the Government of Malaysia reserves the right to restructure or to restrict the imposition of unit toll rate increases, and in such event, the Government shall compensate for any reduction in toll revenue, subject to negotiation and other considerations that the Government may deem fit. Toll compensation is recognised in profit or loss over the period in which the compensation relates to based on the arrangements as disclosed in Note 30 to the financial statements.

(e) Hotel and club operations revenue

Hotel revenue represents income derived from room rentals, sales of food and beverage and other hotel related income. Room rental income is accrued on a daily basis on customer-occupied rooms. Sales of food and beverage are recognised upon delivery to customers. Hotel revenue is recognised net of GST and discounts.

Revenue from clubhouse operations represents income derived from membership subscription fees and sales of services. Membership subscription fees are recognised on an accrual basis as and when they are due. Revenue from sales of services is recognised upon performance of services.

(f) Other revenue

Dividend income is recognised when the Group's right to receive payment is established.

Interest income is recognised using the effective interest method, taking into account the principal outstanding and the effective rate over the period to maturity, unless collectibility is in doubt, in which case it is recognised on a cash receipt basis.

When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables are recognised using the original effective interest rate.

Rental income is recognised on an accrual basis unless collectibility is in doubt, in which case the recognition of such income is suspended.

Revenue from management services is recognised upon performance of services.

10 BORROWINGS AND BORROWING COSTS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the initial recognised amount and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method, except for borrowing costs incurred for the acquisition, construction or production of any qualifying assets.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

General and specific borrowing costs, including exchange differences to the extent that they are regarded as an adjustment to interest costs, directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs incurred on borrowings directly associated with property development activities and construction contracts up to completion is capitalised and included as part of property development costs and construction contract costs.

Borrowing costs incurred on borrowings to finance the plantation expenditure, construction of concession assets and property, plant and equipment during the period that is required to complete and prepare the asset for its intended use are capitalised as part of the cost of the asset.

All other borrowing costs are charged to profit or loss in the period in which they are incurred.

11 LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

Land held for property development consists of land held for future development where no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost or at valuation less accumulated impairment. Land held for property development is transferred to property development costs (under current assets) when development activities, including activities associated with obtaining approvals prior to commencement of physical development, have commenced and the development is expected to be completed within the normal operating cycle.

Costs associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where the Group had previously recorded the land at revalued amount, it continues to retain this amount as its deemed cost as allowed by FRS 201_{2004} on “Property Development Activities”. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy 25 on impairment of non-financial assets.

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or that can be allocated on a reasonable basis to these activities.

Property development costs not recognised as an expense are recognised as an asset and are stated at the lower of cost and net realisable value. Cost includes cost of land, all direct building costs, and other related development expenditure, including interest expenses incurred during the period of active development.

Where revenue recognised in profit or loss exceeds billings to purchasers, the balance is shown as accrued billings under trade and other receivables (within current assets). Where billings to purchasers exceed revenue recognised in profit or loss, the balance is shown as progress billings under trade and other payables (within current liabilities).

Where applicable, the fair value of land at the date of acquisition of subsidiaries is carried forward in place of cost.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)
for the financial year ended 31 March 2017

12 INVENTORIES

(a) Completed buildings, vacant industrial and bungalow lots

Units of completed development properties, vacant industrial and bungalow lots held for sale are stated at the lower of cost and net realisable value. The cost comprises proportionate cost of land and related development and construction expenditure.

Where applicable, the fair value of completed buildings at the date of acquisition of subsidiaries is carried forward in place of cost.

(b) Finished goods, quarry and manufactured products, raw materials, construction materials, crude palm oil, crude palm kernel oil, palm kernel expellers, stores and spares

Inventories are stated at the lower of cost and net realisable value, other than contracted crude palm oil, crude palm kernel oil and palm kernel expellers which are stated at net realisable value. Cost is determined on a weighted average basis. The costs of raw materials, oil palm nurseries, stores and spares comprise the original cost of purchase plus the cost of bringing the inventories to their present location and for finished goods and quarry products, it consists of direct materials, direct labour, direct charges and production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

13 AMOUNTS DUE FROM/(TO) CUSTOMERS ON CONSTRUCTION CONTRACTS

Where the amounts of construction contract costs incurred plus recognised profits (less recognised losses) exceed progress billings, the net balance is shown as amounts due from customers on construction contracts under trade and other receivables. Where the progress billings exceed the sum of construction contract costs incurred and recognised profits (less recognised losses), the net balance is shown as amounts due to customers on construction contracts under trade and other payables.

14 TRADE AND OTHER RECEIVABLES

(a) Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and include retention monies withheld by principals. Other receivables generally arise from transactions outside the usual operating activities of the Group. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value. After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment (see accounting policy 22(d) on impairment of financial assets).

(b) Advances for plasma schemes represent accumulated plantation development cost including borrowing costs and indirect overheads less repayments to date and provisions for impairment, which are recoverable from plasma farmers (see accounting policy 22(d) on impairment of financial assets).

In the event the Group provides a corporate guarantee to the plasma scheme for obtaining loans from financial institutions, it will be accounted for as a financial guarantee contract (see accounting policy 30 on financial guarantee contracts).

15 LEASES

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

(a) Accounting by lessee

Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings.

Each lease payment is allocated between the liability and finance charges so as to achieve a periodic constant rate of interest on the lease principal outstanding. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease expense.

Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on the straight line basis over the lease period.

(b) Accounting by lessor

Finance leases

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return on the balance outstanding.

Operating leases

When assets are leased out under an operating lease, the asset is included in property, plant and equipment in the balance sheet. Lease income (net of any incentives given to lessees) is recognised over the term of the lease on a straight-line basis.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)
for the financial year ended 31 March 2017

16 QUARRY DEVELOPMENT

Expenses incurred on the development of quarry faces are capitalised and amortised based on actual production volume over the estimated reserves available from the quarry faces developed, which is based on the higher of the existing or new quarry development phases.

The criteria that the Group uses to determine the recognition of overburden removal costs in the development of a quarry face as deferred expenditure is if all the following conditions are met:

- It is probable that the future economic benefit (improved access to the quarry face) associated with the overburden removal activity will flow to the entity;
- The entity can identify the component of the quarry face for which access has been improved; and
- The costs relating to the overburden removal activity associated with that component can be measured reliably.

Where an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount. See accounting policy 25 on impairment of non-financial assets.

17 LAND USE RIGHTS

Land use rights where a significant portion of the risks and rewards of ownership is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. Land use rights are carried at cost or surrogate carrying amount and are amortised on a straight line basis over the lease terms.

Land use rights are amortised over the land use rights periods ranging from 15 to 99 years.

18 INCOME TAXES

The income tax expense for the period comprises current and deferred tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable profits. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

18 INCOME TAXES (cont'd)

Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is adjusted against goodwill on acquisition.

Deferred tax and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

19 EMPLOYEE BENEFITS

(a) Short term employee benefits

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the owners of the Company after certain adjustments. The Group recognises a provision where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

Wages, salaries, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(b) Post-employment benefits

The Group has various post-employment benefit schemes in accordance with local conditions and practices in the countries in which it operates. These benefit plans are either defined contribution or defined benefit plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependant on one or more factors such as age, years of service and compensation.

(i) Defined contribution plan

The Group's contributions to a defined contribution plan are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"), which is a defined contribution plan.

(ii) Defined benefit plan

The liability recognised in the balance sheet in respect of a defined benefit plan is the present value of the defined benefit obligation at the balance sheet date, less the fair value of plan assets, together with adjustments for its actuarial gains/losses and past service costs.

The defined benefit obligation, calculated using the projected unit credit method, is determined by independent actuaries, by discounting the estimated future cash outflows using market yields at the balance sheet date on government bonds which have currency and terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in other comprehensive income in the period in which they arise. The actuarial gains and losses are not subsequently reclassified to profit or loss in subsequent periods.

The current service cost of the defined benefit plan reflects the increase in the defined benefit obligation resulting from employee service in the current year. It is recognised in the profit or loss in employee benefit expense, except where included in the cost of an asset.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)
for the financial year ended 31 March 2017

19 EMPLOYEE BENEFITS (cont'd)

(b) Post-employment benefits (cont'd)

(ii) Defined benefit plan (cont'd)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs, unless the changes to the plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

(c) Share-based compensation

The Group operates a number of equity-settled share-based compensation plans under which the entity receives services from employees as consideration for equity instruments of the Group. The fair values of the share options and share grants granted in exchange for the employee services received are recognised as employee benefit expense in profit or loss over the vesting period of the grant, with a corresponding increase in share-based payment reserve within equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options and share grants granted, excluding the impact of any non-market performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of options and grants that are expected to vest. At each balance sheet date, the Group reviews, and adjusts as appropriate, its estimates of the number of share options and share grants that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to share-based payment reserves in equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital when the share options and share grants are exercised. When share options and share grants are not exercised and lapsed, the share-based payment reserves are transferred to retained earnings.

If the terms of equity-settled share-based compensation plans are modified, at a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

In the separate financial statements of the Company, the grant by the Company of share options and share grants over its equity instruments to the employees of subsidiaries in the Group is treated as a capital contribution to the subsidiary. The fair value of share options and share grants granted to employees of the subsidiary in exchange for the services of the employees to the subsidiary are recognised as investment in subsidiary, with a corresponding credit to equity of the Company. When the Company subsequently charges the subsidiaries for the costs of share options and share grants, the Company recognises a return of the capital contribution by the subsidiaries as a decrease in investment in subsidiaries.

20 CASH AND CASH EQUIVALENTS

For the purpose of cash flow statements, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash in hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, less bank overdrafts.

Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents in the statement of cash flows. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

21 SHARE CAPITAL

(i) Classification

Ordinary shares are classified as equity.

(ii) Share issue costs

Incremental costs directly attributable to the issue of new shares are deducted against the share capital account. In other cases, they are charged to the profit or loss when incurred.

(iii) Dividends

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period. Distributions to holders of an equity instrument is recognised directly in equity.

(iv) Purchase of own shares

Where the Company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental external costs, net of tax, is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled, reissued or disposed of.

Where such shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on disposal or reissue, net of any directly attributable incremental transaction costs, is recognised in the capital reserve account.

Where such shares are subsequently cancelled, the cost of treasury shares is deducted against the retained profits of the Company.

(v) Shares held under trust

Shares issued by the Company under the ESOS Trust Funding Mechanism ("ETF mechanism") are recorded as shares held under trust in the balance sheet. The subscription amounts of the shares are included in equity attributable to owners of the Company as shares held under trust and are reduced upon the exercise of options under the ETF mechanism.

22 FINANCIAL INSTRUMENTS

Financial instruments are contracts that give rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

Financial Assets:

(a) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it is acquired or incurred principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be sold within 12 months; otherwise, they are classified as non-current assets.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)
for the financial year ended 31 March 2017

22 FINANCIAL INSTRUMENTS (cont'd)

(a) Classification (cont'd)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. The Group's loans and receivables comprise 'long term receivables', 'trade and other receivables' (other than amounts due from customers on construction contracts, accrued billings in respect of property development, prepayments and GST receivables) and 'deposits, cash and bank balances' in the balance sheet.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the management intends to dispose of the assets within 12 months after the balance sheet date.

Investment in unquoted equity instruments which are classified as available-for-sale and whose fair value cannot be reliably measured are measured at cost. These investments are assessed for impairment at each reporting date.

(b) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are expensed in profit or loss.

(c) Subsequent measurement – gains and losses

Financial assets, both available-for-sale and at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividend income, are recognised in profit or loss in the period in which the changes arise.

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, except for impairment (see accounting policy Note 22(d)(ii) on impairment of available-for-sale financial assets) and foreign exchange gains and losses on monetary assets. The exchange differences on monetary assets are recognised in profit or loss, whereas exchange differences on non-monetary assets are recognised in other comprehensive income as part of fair value change.

Interest and dividend income on available-for-sale financial assets are recognised separately in profit or loss. Dividend income on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

(d) Subsequent measurement – impairment of financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired and recognises an allowance for impairment when such evidence exists. A financial asset or a group of financial assets is impaired and impairment is incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

22 FINANCIAL INSTRUMENTS (cont'd)

(d) Subsequent measurement – impairment of financial assets (cont'd)

If any such evidence exists, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss.

The carrying amount of the financial assets is reduced by the impairment directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account.

(i) <u>Loans and receivables</u>

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) <u>Available-for-sale financial assets</u>

In addition to the objective evidence of impairment described in Note 22(d)(i) above, a significant or prolonged decline in the fair value of the equity investment below its cost is also considered as an indicator that the asset is impaired. If any such evidence exists, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in profit or loss. The amount of cumulative loss that is reclassified to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment of that financial asset previously recognised in profit or loss. Impairment recognised in profit or loss on equity instruments classified as available-for-sale is not reversed through profit or loss in subsequent periods.

(e) Derecognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

When available-for-sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

(f) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

(g) Fair value estimation

The fair value of publicly traded derivatives and securities is based on quoted market prices at the balance sheet date.

The fair value of interest rate swap contracts is calculated as the present value of the estimated future cash flows. The fair value of crude palm oil ("CPO") pricing swap contracts is based on quoted market prices at the balance sheet date.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)
for the financial year ended 31 March 2017

22 FINANCIAL INSTRUMENTS (cont'd)

(g) Fair value estimation (cont'd)

In assessing the fair value of non-traded derivatives and financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for the specific or similar instruments are used for long term debt. Other techniques and bases, such as discounted value of future cash flows and the underlying net asset base of the instrument, are used to determine fair value for the remaining financial instruments. In particular, the fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

The carrying values of financial assets and financial liabilities with a maturity period of less than one year are assumed to approximate their fair values.

(h) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

Financial liabilities:

(a) Classification

The Group classifies its financial liabilities as financial liabilities at fair value through profit or loss and other financial liabilities. The classification depends on the nature of the liabilities and the purpose for which the financial liabilities were incurred. Management determines the classification at initial recognition.

(i) Financial liabilities at fair value through profit or loss

The Group classifies financial liabilities at fair value through profit or loss if they are held for trading. They are presented as current liabilities if they are expected to be settled within 12 months after the end of the reporting period; otherwise they are presented as non-current liabilities. Derivatives are also categorised as held for trading unless they are designated as hedges.

(ii) Other financial liabilities

Other financial liabilities of the Group comprise 'bonds', 'commercial papers and medium term notes', 'term loans', 'government support loans', 'hire purchase and lease creditors', 'trade and other payables' (other than amounts due to customers on construction contracts, progress billings in respect of property development, retirement benefits payable and GST payables) and 'borrowings' in the balance sheet.

(b) Recognition, initial measurement and subsequent measurement

When other financial liabilities are recognised initially, they are measured at fair value plus directly attributable transaction costs.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of comprehensive income when the other financial liabilities are derecognised, and through the amortisation process.

(c) Derecognition

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expired.

23 TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year, or in the normal operating cycle of the business if longer. Otherwise, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

24 GOVERNMENT GRANTS

Grants from the government are recognised at their fair values where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the acquisition of assets and operational maintenance of the concession assets are classified as non-current and are credited to the statement of comprehensive income over the expected lives of the related assets, on bases consistent with the depreciation of the related assets.

The Group also treats the benefit of a government loan at a below market rate of interest as a government grant. In accordance with the transitional provision of the amendments to FRS 120 "Accounting for Government Grants and Disclosure of Government Assistance", loans received on or after 1 April 2010 are recognised and measured initially at their fair value. The benefit of the government loan at below market rate of interest is measured as the difference between the initial carrying value of the loan and the proceeds received, and is recognised as a government grant, which will be credited to the statement of comprehensive income over the expected lives of the related assets on bases consistent with the depreciation of the related assets for which the loan was granted to the Group.

Government support loans obtained prior to 1 April 2010 are recognised and measured initially based on proceeds received, and hence do not give rise to a government grant.

25 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets (including goodwill or intangible assets not ready for use) that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Other non-financial assets (including those which are subject to amortisation) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying values may not be recoverable. An impairment is recognised for the amount by which the carrying value of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment is charged to profit or loss unless it reverses a previous revaluation, in which case it is charged to the revaluation surplus. Impairment of goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment of a revalued asset, in which case it is taken to revaluation surplus reserve.

26 PROVISIONS

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- a reliable estimate of the amount can be made.

Where the Group expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)
for the financial year ended 31 March 2017

27 SEGMENTAL INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The Executive Committee ("EXCO"), which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CODM.

Segment revenue, expenses, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment.

Segment revenue, expenses, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process.

28 CONTINGENT LIABILITIES

The Group does not recognise contingent liabilities other than those arising from business combinations, but discloses their existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably. Contingent liabilities do not include financial guarantee contracts.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where their fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions and the information about the contingent liabilities acquired are disclosed in the notes to the financial statements.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provisions of FRS 137 "Provisions, Contingent Liabilities and Contingent Assets" and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with FRS 118 "Revenue".

29 PLANTATION DEVELOPMENT EXPENDITURE

Plantation development expenditure comprises new planting expenditure, estate administration, finance cost relating to qualifying expenditure, depreciation of property, plant and equipment, amortisation of land use rights and upkeep of plantation up to its maturity and are stated at cost or valuation. All expenditure incurred subsequent to maturity, replanting expenditure and upkeep and maintenance expenditure including fertilising costs are charged to profit or loss when incurred.

Certain plantation expenditure of the subsidiaries of the Company had been revalued in 1997. The Directors have not adopted a policy of regular revaluations of such assets and no later valuation has been recorded.

30 FINANCIAL GUARANTEE CONTRACTS

Financial guarantee contracts are contracts that require the Group or Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of the debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with FRS 137 "Provisions, contingent liabilities and contingent assets" and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of a financial guarantee is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2017

1 GENERAL INFORMATION

The Company is principally engaged in construction and investment holding activities. The Group's principal activities consist of construction, property development, manufacturing and quarrying, hotel operations, tollway operations, port operations, plantations and investment holding. The principal activities of the subsidiaries and associates are described in Note 54 to the financial statements.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The address of the registered office of the Company is 2nd Floor, Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 25 May 2017.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Due to the complexity of transactions entered into by the Group, significant judgement is required in determining capital allowances, deductibility of certain expenses and the chargeability of certain income during the estimation of the provision for income taxes. In determining the tax treatment, the Directors have relied upon industry practice and experts opinions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

(b) Deferred tax assets

Deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised.

(c) Construction contracts

The Group recognises contract profits based on the stage of completion method. The stage of completion of a construction contract is determined based on the proportion that the contract costs incurred for work performed to-date bear to the estimated total costs for the contract. When it is probable that the estimated total contract costs of a contract will exceed the total contract revenue of the contract, the expected loss on the contract is recognised as an expense immediately.

Significant judgement is required in the estimation of total contract costs. Where the actual total contract costs is different from the estimated total contract costs, such difference will impact the contract profits/(losses) recognised.

The Group has estimated total contract revenue based on the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably based on the latest available information, and in the absence of such, the Directors' best estimates derived from reasonable assumptions, experience and judgement.

Where the actual approved variations and claims differ from the estimates, such difference will impact the contract profits/(losses) recognised.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2017

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(d) Property development

The Group recognises property development profits by reference to the stage of completion of the development activity at the balance sheet date. The stage of completion is determined based on the proportion that the property development costs incurred to-date bear to the estimated total costs for the property development. Where it is probable that total property development costs of a development phase will exceed total property development revenue of the development phase, the expected loss on the development phase is recognised as an expense immediately.

Significant judgement is required in determining the completeness and accuracy of the total property development costs as estimates of future property development costs are inherently uncertain, which involve management's estimation of future cost to completion of the development. Substantial changes in cost estimates in future periods may affect the profitability of the respective property development projects.

Where the actual total property development costs is different from the estimated total property development costs, such difference will impact the property development profits/(losses) recognised.

There is no estimation required in determining the transaction prices as revenue from property development are based on fixed contracted selling prices.

(e) Plantation expenditure

There are certain parcels of land use rights where the remaining periods are less than 25 years. The assumption of further extension of the land use rights periods to be granted on those lands involve judgement on the future decision by the local authority and the explicit terms and conditions imposed on the land titles. Based on their assessment of the assumed extension of the land use rights, management is of the view that there is no impairment indicator of the plantation expenditure.

(f) Amortisation of expressway development expenditure

The expressway development expenditure of the Group are amortised over the concession period based on the following formula:

$$\frac{\text{Cumulative traffic volume to-date}}{\text{Projected total traffic volume for the entire concession period}} \text{ X Expressway development expenditure}$$

In order to determine the projected total traffic volume for the entire concession period, the Group relies on the traffic survey carried out by a firm of independent traffic consultants and Directors' annual re-assessment of the current and future years' projected total traffic volume. Any changes in the projected total traffic volume for the entire concession period will impact the amortisation charge for the year.

(g) Allowance for impairment of receivables

The Group recognises an allowance for impairment of receivables when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

Significant judgement is required in the assessment of the recoverability of receivables. If there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event'), significant judgement is required to estimate the amount and timing of future cash flows to determine the impairment amount required.

To the extent that actual recoveries deviate from management's estimates, such variances may have a material impact on the profit or loss. Based on their assessment, management believes that the current level of allowance for impairment of receivables is adequate. In addition, management is also rigorously monitoring the recoverability of these receivables.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(h) Impairment of assets

The Group determines whether an asset is impaired by evaluating the extent to which the recoverable amount of an asset is less than its cost. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods are used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Group's test for impairment of assets.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to market (including foreign currency exchange, interest rate and price risks), credit and liquidity risks. The Group's overall financial risk management objective is to minimise any potential adverse effects from the unpredictability of financial markets on the Group's financial performance in order to ensure the Group creates value for its shareholders. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to the Group's financial risk management policies. The management regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

The Group uses derivative financial instruments such as forward foreign exchange contracts and CPO pricing swap contracts to hedge certain financial risk exposures.

(a) Market risk

(i) <u>Currency risk</u>

Entities within the Group primarily transact in their respective functional currencies except for certain transactions and borrowings which were denominated in currencies other than their respective functional currencies.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are managed by entering into forward foreign exchange contracts, cross currency swap contracts and the borrowing amounts are kept to an acceptable level.

Currency risks arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency of the entity. The currency exposure profile of the Group's and the Company's financial assets and financial liabilities is disclosed in the respective notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

As at the balance sheet date, the Group's and Company's Ringgit Malaysia ("RM") functional currency entities had United States Dollar ("USD"), Argentine Peso ("AP"), Singapore Dollar ("SGD") and Chinese Yuan ("CNY") denominated net monetary (liabilities)/assets. The effects to the Group's and the Company's profit before tax if the USD and AP; SGD and CNY had strengthened/weakened by 5% and 1% respectively against RM are as follows:

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Net monetary liabilities denominated in USD	**(475,305)**	(387,634)	**(102,265)**	(53,210)
Effects to profit before tax if the USD had strengthened/weakened by 5% against RM:				
- strengthened	**(23,766)**	(19,382)	**(5,113)**	(2,661)
- weakened	**23,766**	19,382	**5,113**	2,661
Net monetary assets denominated in AP	**13,825**	13,146	**13,825**	13,146
Effects to profit before tax if the AP had strengthened/weakened by 5% against RM:				
- strengthened	**691**	657	**691**	657
- weakened	**(691)**	(657)	**(691)**	(657)

	The Group	
	2017 RM'000	2016 RM'000
Net monetary assets denominated in SGD	**26,633**	30,100
Effects to profit before tax if the SGD had strengthened/weakened by 1% against RM:		
- strengthened	**266**	301
- weakened	**(266)**	(301)
Net monetary liabilities denominated in CNY	**(35,547)**	(74,700)
Effects to profit before tax if the CNY had strengthened/weakened by 1% against RM:		
- strengthened	**(355)**	(747)
- weakened	**355**	747

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

As at the balance sheet date, the Group's Indian Rupees ("INR") functional currency entities had United States Dollar ("USD") denominated net monetary liabilities. The effects to the Group's profit before tax if the USD had strengthened/weakened by 5% against INR are as follows:

	The Group	
	2017 RM'000	**2016 RM'000**
Net monetary liabilities denominated in USD	**(234,808)**	(228,637)
Effects to profit before tax if the USD had strengthened/weakened by 5% against INR:		
- strengthened	**(11,740)**	(11,432)
- weakened	**11,740**	11,432

As at the balance sheet date, the Group's Indonesian Rupiah ("IDR") functional currency entities had United States Dollar ("USD") denominated net monetary liabilities. The effects to the Group's profit before tax if the USD had strengthened/weakened by 5% against IDR are as follows:

	The Group	
	2017 RM'000	**2016 RM'000**
Net monetary liabilities denominated in USD	**(705,761)**	(638,456)
Effects to profit before tax if the USD had strengthened/weakened by 5% against IDR:		
- strengthened	**(35,288)**	(31,923)
- weakened	**35,288**	31,923

This sensitivity analysis ignores any offsetting foreign exchange factors and has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date. The stated change represents management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual balance sheet date.

As at balance sheet date, there are no other significant monetary balances held by the Group and the Company that are denominated in non-functional currency. Differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration.

(ii) Cash flow interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest bearing assets are primarily short-term bank deposits with financial institutions. The interest rates on these deposits are monitored closely to ensure that they are maintained at favourable rates. The Group considers the risk of significant changes to interest rates on deposits to be unlikely.

Interest rate exposure arises mainly from the Group's borrowings. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Market risk (cont'd)

(ii) Cash flow interest rate risk (cont'd)

If the Group's borrowings at variable rates on which effective hedges have not been entered into changes by the following basis points, with all other variables being held constant, the effects on profit before tax would be as follows:

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Borrowings based on cost of funds ("COF"):				
- increase by 25 basis points	**(2,264)**	(2,766)	**–**	–
- decrease by 25 basis points	**2,264**	2,766	**–**	–
Borrowings based on London interbank offered rate ("LIBOR"):				
- increase by 25 basis points	**–**	(1,358)	**–**	(393)
- decrease by 25 basis points	**–**	1,358	**–**	393
- increase by 50 basis points	**(7,123)**	(3,943)	**(885)**	–
- decrease by 50 basis points	**7,123**	3,943	**885**	–
Borrowings based on benchmark prime lending rate ("BPLR"):				
- increase by 25 basis points	**–**	(254)	**–**	–
- decrease by 25 basis points	**–**	254	**–**	–
Borrowings based on Marginal cost of lending rate ("MCLR"):				
- increase by 25 basis points	**(606)**	–	**–**	–
- decrease by 25 basis points	**606**	–	**–**	–

(iii) Price risk

The Group is exposed to quoted securities price risk arising from investments held which are classified on the balance sheet as fair value through profit or loss and price volatility risk due to fluctuation in the palm products commodity market. Investments in quoted securities comprise mainly quoted unit trusts as an alternative to bank deposits. The Group considers the impact of changes in prices of equity securities on profit before tax to be insignificant. To manage and mitigate the risk on price volatility, the Group monitors the fluctuation of crude palm oil price daily and enters into physical forward selling commodity contracts or crude palm oil ("CPO") pricing swap arrangements in accordance with the guidelines set by the Board of Directors. The CPO swap contracts are offered by the reputable banks in Malaysia, which can be net settled during the period of the contracts.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Market risk (cont'd)

(iii) Price risk (cont'd)

If average prices of crude palm oil change by 10% with all other variables being held constant, the effects on profit before tax would have been:

	The Group 2017 RM'000	The Group 2016 RM'000
Physical Forward Selling Commodity Contracts		
Effects to profit before tax if crude palm oil price:		
- increase by 10%	**24,198**	20,155
- decrease by 10%	**(24,240)**	(20,155)
CPO Swap Contracts		
Effects to profit before tax if crude palm oil price:		
- increase by 10%	**(2,922)**	(8,594)
- decrease by 10%	**2,922**	8,594

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from credit exposures to customers, including outstanding receivables, as well as deposits, cash and bank balances and derivative financial instruments with financial institutions.

For trade and other receivables, the Group controls these risks by the application of credit approvals, limits and monitoring procedures. The Group also minimises its exposure through analysing the counterparties' financial condition prior to entering into any agreements/contracts and obtaining sufficient collaterals where appropriate to mitigate credit risk. Trade receivables are monitored on an ongoing basis via Group management reporting procedures. For other financial assets (deposits, cash and bank balances with financial institutions, quoted unit trusts and derivative financial instruments), the Group adopts the policy of dealing only with counterparties of high credibility (i.e. banks and financial institutions).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance and the financial guarantee contracts as disclosed in Note 3(c) to the financial statements.

See Notes 33 and 40 for further disclosure on credit risk.

(c) Liquidity risk

The Group treasury actively monitors and manages its debt maturity profile, operating cash flows and the availability of funding (comprising undrawn borrowing facilities and cash and cash equivalents) so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments (Note 49) to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Liquidity risk (cont'd)

The tables below analyses the financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining periods from the balance sheet date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RM'000	Between 1 and 5 years RM'000	Over 5 years RM'000
The Group			
At 31 March 2017			
Bonds	**124,559**	**1,034,182**	**1,381,689**
Term loans	**832,919**	**2,070,614**	**85,947**
Government support loans	**34,000**	**114,715**	**60,798**
Trade and other payables	**2,035,579**	**383,972**	**419,539**
Short term borrowings*	**1,055,309**	**–**	**–**
Hire purchase and lease payables	**760**	**837**	**–**
Financial guarantee contracts**	**1,055**	**8,980**	**17,026**
Provisions	**10,718**	**–**	**–**
	4,094,899	**3,613,300**	**1,964,999**
At 31 March 2016			
Bonds	234,853	865,324	1,538,281
Term loans	454,771	2,231,473	161,240
Government support loans	33,943	138,772	73,000
Trade and other payables	1,838,459	422,096	462,542
Short term borrowings*	1,033,236	–	–
Hire purchase and lease payables	170	180	–
Derivative financial instruments	10,380	–	–
Financial guarantee contracts**	362	7,490	16,646
Provisions	1,945	–	–
	3,608,119	3,665,335	2,251,709

* Short term borrowings of the Group include bankers' acceptances, revolving credits, letters of credit and bank overdrafts.

** A subsidiary of the Group provided corporate guarantees for a bank loan facility amounting to RM47.3 million (2016: RM40.3 million) to a cooperative in Indonesia in respect of plasma development. As at 31 March 2017, RM27.0 million (2016: RM24.5 million) has been drawn down.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Liquidity risk (cont'd)

	Less than 1 year RM'000	Between 1 and 5 years RM'000	Over 5 years RM'000
The Company			
At 31 March 2017			
Bonds	**61,729**	**709,821**	**869,025**
Term loans	**4,042**	**177,457**	**–**
Short term borrowings (revolving credits and bank overdrafts)	**212,200**	**–**	**–**
Trade and other payables	**341,714**	**948,028**	**–**
	619,685	**1,835,306**	**869,025**
At 31 March 2016			
Bonds	57,153	561,376	942,374
Term loans	3,442	161,134	–
Short term borrowings (revolving credits)	90,218	–	–
Trade and other payables	345,433	964,234	–
	496,246	1,686,744	942,374

The exposure of the borrowings of the Group and the Company to interest rate changes and the contractual repricing dates at the balance sheet dates are disclosed in Notes 16, 17, 43 and 44 to the financial statements.

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders value. In order to maintain or achieve an optimal capital structure, the Group may adjust the dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new financing facilities or dispose assets to reduce borrowings.

Management monitors capital based on the Group's and the Company's gearing ratio. The Group and the Company are also required by certain banks to maintain maximum gearing ratios, varying between 1.25 and 4 times. The Group's and the Company's strategies are to maintain a gearing ratio of not greater than 1 time.

The gearing ratio is calculated as net debt divided by equity capital. Net debt is calculated as total borrowings (excluding trade and other payables) less cash and cash equivalents. Equity capital is equivalent to capital and reserves attributable to owners of the Company. The Group is subject to certain externally imposed capital requirements in the form of loan covenants as disclosed in Note 16. The Group and the Company monitor gearing ratios and compliance with loan covenants based on the terms of the respective loan agreements. The Group has complied with the loan covenants during the year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2017

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by levels of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2017				
The Group				
Assets:				
Financial assets at fair value through profit or loss	**299,164**	**–**	**–**	**299,164**
Available-for-sale financial assets	**–**	**–**	**2,155**	**2,155**
Derivative financial instruments	**–**	**2,909**	**–**	**2,909**
Total assets	**299,164**	**2,909**	**2,155**	**304,228**
The Company				
Assets:				
Financial assets at fair value through profit or loss	**20,807**	**–**	**–**	**20,807**
Available-for-sale financial assets	**–**	**–**	**2,050**	**2,050**
Total assets	**20,807**	**–**	**2,050**	**22,857**
2016				
The Group				
Assets:				
Financial assets at fair value through profit or loss	407,200	–	–	407,200
Available-for-sale financial assets	–	–	2,212	2,212
Total assets	407,200	–	2,212	409,412
Liabilities:				
Derivative financial instruments	–	10,380	–	10,380
Total liabilities	–	10,380	–	10,380
The Company				
Assets:				
Financial assets at fair value through profit or loss	39,156	–	–	39,156
Available-for-sale financial assets	–	–	2,050	2,050
Total assets	39,156	–	2,050	41,206

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(e) Fair value measurements (cont'd)

The fair values of financial instruments traded in active markets (such as trading securities) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets held by the Group and the Company are the closing prices. These instruments are included in Level 1.

The fair values of financial instruments that are not traded in an active market (for example, CPO swap contracts) are determined by using a valuation technique. The fair value of CPO swap contracts is calculated based on the differences between fixed CPO prices as per the swap contracts and the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange for the specific contracted periods. These instruments are classified as Level 2.

If a valuation technique for the instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

4 OPERATING REVENUE

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Construction contract revenue	**2,104,740**	1,374,716	**973**	(1,733)
Property development revenue	**1,396,938**	1,140,684	**–**	–
Sale of quarry and manufactured products	**1,133,423**	979,782	**–**	–
Sale of goods	**28,670**	38,853	**–**	–
Toll concession revenue	**379,598**	465,096	**–**	–
Port revenue	**208,797**	525,978	**–**	–
Sale of crude palm oil and plantations related products	**753,711**	557,613	**–**	–
Management services	**22,652**	7,579	**29,932**	29,931
Dividend income	**362**	341	**266,791**	241,850
Rental of properties	**243**	219	**363**	324
Rendering of other services	**36,201**	37,337	**–**	–
	6,065,335	5,128,198	**298,059**	270,372

Supplementary information on operating revenue of the Group inclusive of the Group's share of revenue of associates and joint ventures are as follows:

	The Group	
	2017 RM'000	2016 RM'000
Operating revenue of the Group	**6,065,335**	5,128,198
Share of operating revenue of:		
Associates	**641,572**	500,499
Joint ventures	**210,832**	154,155
	6,917,739	5,782,852

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

5 OPERATING PROFIT BEFORE FINANCE COST

(a) The following expenses (excluding finance cost and income tax expense) by nature have been debited in arriving at operating profit before finance cost:

	Note	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
Construction contract costs		**1,989,764**	1,262,813	**1,962**	14
Property development costs		**918,472**	771,680	**–**	–
Cost of quarry and manufactured products sold		**932,564**	802,125	**–**	–
Cost of plantation products sold		**458,572**	383,493	**–**	–
Toll operation costs		**221,606**	222,850	**–**	–
Port operation costs		**117,348**	251,546	**–**	–
Other costs		**–**	41	**–**	–
Property, plant and equipment:					
- depreciation	27	**136,345**	121,488	**504**	604
- written off	27	**1,170**	1,340	**–**	–
- loss on disposal		**2,142**	654	**–**	–
- impairment	27	**–**	1,190	**–**	–
Land use rights:					
- amortisation	28	**5,380**	3,862	**–**	–
Investment properties:					
- depreciation	29	**672**	612	**165**	164
Rental of land and buildings		**8,756**	7,733	**2,067**	1,475
Hire of plant and equipment		**8,502**	7,021	**–**	7
Auditors' remuneration:					
- statutory audit	8				
Current year		**3,864**	3,869	**426**	416
Under accrual in respect of prior years		**217**	229	**–**	20
Foreign exchange (gains)/losses (net)		**(30,117)**	8,332	**(13,870)**	7,578
Fair value loss:					
- financial assets held for trading		**556**	451	**–**	10
- derivative financial instruments		**–**	18,120	**–**	355
Concession assets:					
- amortisation	30	**163,042**	138,879	**–**	–
- written off	30	**284**	8,051	**–**	–
Amortisation of quarry development expenditure	36	**3,776**	4,279	**–**	–
Allowance for impairment of receivables	40	**8,329**	25,808	**–**	6,550
Bad debts written off		**1,751**	–	**–**	–
Allowance for impairment of amounts owing by joint ventures	33	**–**	205	**–**	–

Direct operating expenses from investment properties that generated rental income for the Group and the Company during the financial year amounted to RM220,000 (2016: RM399,000) and RM169,000 (2016: RM161,000) respectively.

Direct operating expenses from investment properties that did not generate rental income for the Group and the Company during the financial year amounted to RM98,000 (2016: RM17,000) and RM97,000 (2016: RM16,000) respectively.

5 OPERATING PROFIT BEFORE FINANCE COST (cont'd)

(b) The following amounts have been credited in arriving at operating profit before finance cost:

	Note	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
Gross dividends received from:					
- subsidiaries					
(quoted)		**–**	–	**24,301**	29,160
(unquoted)		**–**	–	**224,827**	206,005
- associates					
(quoted)		**–**	–	**8,114**	6,156
(unquoted)		**–**	–	**9,186**	188
- other investments					
(quoted)		**510**	390	**363**	341
Interest income:					
- bank deposits		**44,813**	54,681	**2,965**	5,533
- loans and receivables from related parties		**26,614**	14,937	**72,596**	65,444
- loans and receivables from non-related parties		**14,848**	22,513	**2,530**	43
- amortised costs on trade and other receivables and amounts due from joint ventures		**15,058**	6,852	**–**	–
- others		**15,046**	13,128	**1,998**	–
Gain on disposal of property, plant and equipment		**12,285**	1,981	**28**	95
Gain on disposal of assets held for sale		**–**	173	**–**	–
Gain on disposal of assets and liabilities of disposal group classified as held for sale	48(i)	**–**	114,141	**–**	–
Gain on disposal of a subsidiary	48(ii)	**–**	126,874	**–**	–
Gain on remeasurement of previously held equity interests upon disposal	48(i),(ii)	**–**	60,934	**–**	–
Reversal of impairment of:					
- Property development costs	37(b)	**34**	237	**–**	–
Rental income		**9,741**	9,207	**363**	324
Write back of allowance for impairment of receivables	40	**3,650**	11,440	**–**	–
Write back of allowance for impairment of amounts owing by joint ventures	33	**–**	5,881	**–**	5,881
Write back of allowance for impairment of associates		**–**	1,712	**–**	–
Write back of building stocks		**33**	104	**–**	–
Write back of impairment of property, plant and equipment	27	**5,312**	–	**–**	–
Amortisation of government grants	26	**6,172**	6,646	**–**	–
Income from quoted unit trusts		**12,227**	10,110	**191**	176

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2017

5 OPERATING PROFIT BEFORE FINANCE COST (cont'd)

(b) The following amounts have been credited in arriving at operating profit before finance cost: (cont'd)

	Note	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
Fair value gains:					
- financial assets held for trading		**1,955**	3,066	**1,780**	833
- derivative financial instruments		**5,237**	–	**–**	–
Gain on disposal of an associate		**4,553**	–	**–**	–
Gain on remeasurement of previously held equity interests upon acquisition		**–**	56	**–**	–

6 EMPLOYEE BENEFITS COST

	Note	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
Wages, salaries and bonus		**422,970**	400,555	**23,570**	24,332
Defined contribution retirement plan		**45,094**	41,805	**3,373**	3,521
Defined benefit retirement plan	24	**2,029**	643	**–**	–
Other employee benefits		**30,905**	30,916	**2,670**	2,622
Share-based payments		**39,426**	53,827	**4,754**	11,196
		540,424	527,746	**34,367**	41,671
Less expenses capitalised into:					
- Concession assets	30	**–**	(621)	**–**	–
- Property development costs	37(b)	**(131)**	–	**–**	–
- Plantation development expenditure	38(b)	**(17,773)**	(19,307)	**–**	–
- Construction contract work in progress	45	**(98,528)**	(88,951)	**–**	–
		423,992	418,867	**34,367**	41,671

7 DIRECTORS' REMUNERATION

	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
Directors of the Company:				
Fees	**1,524**	1,308	**1,109**	928
Defined contribution retirement plan	**723**	677	**723**	677
Other emoluments	**5,024**	4,733	**5,000**	4,706
Share-based payments	**3,324**	3,333	**3,324**	3,333
	10,595	10,051	**10,156**	9,644

The estimated monetary value of benefits-in-kind provided to the Directors of the Group and of the Company by way of usage of the Group's and the Company's assets and the provision of other benefits during the financial year amounted to RM181,000 (2016: RM192,000) and RM181,000 (2016: RM192,000) respectively.

8 AUDITORS' REMUNERATION – STATUTORY AUDIT

	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
PricewaterhouseCoopers Malaysia *	**2,635**	2,576	**426**	436
Other member firms of PricewaterhouseCoopers International Limited *	**423**	472	**–**	–
Other auditors of subsidiaries	**1,023**	1,050	**–**	–
	4,081	4,098	**426**	436

* PricewaterhouseCoopers Malaysia and other member firms of PricewaterhouseCoopers International Limited are separate and independent legal entities.

9 FINANCE COST

	Note	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
Interest expenses arising from:					
- Bank borrowings		**146,195**	160,012	**10,951**	7,682
- Advances from subsidiaries		**–**	–	**–**	541
- Hire purchase and leasing		**27**	18	**–**	–
- Bonds		**88,160**	93,399	**59,219**	55,834
- Commercial Papers and Medium Term Notes ("MTN")		**–**	9,406	**–**	9,406
- Amortisation of government support loan		**6,195**	7,136	**–**	–
- Amortised costs on financial liabilities		**16,998**	15,174	**–**	–
- Accretion of liabilities		**5,751**	–	**–**	–
- Discounting of long term receivables		**5,865**	–	**–**	–
- Others		**2,202**	1,163	**–**	–
		271,393	286,308	**70,170**	73,463
Less interest capitalised into:					
- Land held for property development	37(a)	**(4,113)**	(3,342)	**–**	–
- Property development costs	37(b)	**(120,711)**	(118,574)	**–**	–
- Plantation development expenditure	38(b)	**(3,263)**	(2,207)	**–**	–
- Construction contract work in progress	45	**–**	(26)	**–**	–
- Concession assets	30	**–**	(2,054)	**–**	–
		(128,087)	(126,203)	**–**	–
		143,306	160,105	**70,170**	73,463
Foreign exchange losses		**1,548**	11,106	**–**	–
Less foreign exchange losses capitalised into:					
- Plantation development expenditure	38(b)	**(184)**	(1,987)	**–**	–
		1,364	9,119	**–**	–
		144,670	169,224	**70,170**	73,463

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

10 INCOME TAX EXPENSE

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current tax:				
- Malaysian income tax	**292,892**	280,691	**14,242**	9,606
- Overseas taxation	**(11,920)**	7,369	**–**	–
	280,972	288,060	**14,242**	9,606
Deferred taxation (Note 22)	**(37,766)**	(13,798)	**388**	259
	243,206	274,262	**14,630**	9,865
Current tax:				
- Current year	**282,073**	274,955	**14,487**	13,022
- Benefits from previously unrecognised temporary differences	**(1,075)**	(3,288)	**–**	–
- (Over)/under accrual in prior years (net)	**(26)**	16,393	**(245)**	(3,416)
	280,972	288,060	**14,242**	9,606
Deferred taxation:				
- Origination and reversal of temporary differences	**(37,766)**	(13,798)	**388**	259
	243,206	274,262	**14,630**	9,865

The explanation of the relationship between income tax expense and profit before taxation is as follows:

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit before taxation	**1,010,010**	1,155,797	**274,101**	204,015
Tax calculated at the Malaysian tax rate of 24% (2016: 24%)	**242,402**	277,391	**65,784**	48,964
Tax effects of:				
- Different tax rates in other countries	**8,894**	(24,804)	**–**	–
- Expenses not deductible for tax purposes	**63,186**	86,646	**18,639**	24,705
- Income not subject to tax	**(43,492)**	(120,770)	**(69,548)**	(60,499)
- Utilisation of tax incentives	**(3,658)**	(16)	**–**	–
- Current year's deferred tax assets derecognised or not recognised on unused tax losses and unutilised deductible temporary differences	**5,752**	39,941	**–**	–
- Utilisation of previously unrecognised tax losses	**(809)**	(717)	**–**	–
- Utilisation of previously unrecognised deductible temporary differences	**(266)**	(2,571)	**–**	–
- Share of results of associates and joint ventures	**(18,485)**	2,360	**–**	–
- Changes in tax rate	**–**	(103)	**–**	111
- Reduction in tax rate due to increase in chargeable income	**(10,248)**	–	**–**	–
- Others	**(44)**	512	**–**	–
(Over)/under accrual in prior years (net)	**(26)**	16,393	**(245)**	(3,416)
Income tax expense	**243,206**	274,262	**14,630**	9,865

10 INCOME TAX EXPENSE (cont'd)

The tax (charge)/credit in relation to the components of other comprehensive income are as follows:

	The Group					
	2017			2016		
	Before tax RM'000	Tax (charge)/ credit RM'000	After tax RM'000	Before tax RM'000	Tax (charge)/ credit RM'000	After tax RM'000
Revaluation gains on property, plant and equipment	**27,056**	**(6,494)**	**20,562**	–	–	–
	27,056	**(6,494)**	**20,562**	–	–	–
Current tax		**–**			–	
Deferred taxation (Note 22)		**6,494**			–	
		6,494			–	

There is no tax charge/credit in relation to the components of other comprehensive income of the Company.

11 EARNINGS PER SHARE

(a) Basic

The basic earnings per share for the financial year has been calculated based on the Group's net profit attributable to owners of the Company for the financial year and the weighted average number of ordinary shares in issue during the financial year excluding ordinary shares purchased by the Company and held as treasury shares (Note14(C)). The weighted average number of ordinary shares in issue is derived after taking into account the issuance of shares pursuant to the exercise of ESOS and vesting of ESGP (2016: issuance of shares pursuant to the exercise of ESOS and vesting of ESGP).

	The Group	
	2017 RM'000	2016 RM'000
Net profit attributable to owners of the Company	**653,773**	793,587
	'000	**'000**
Weighted average number of ordinary shares in issue	**3,600,319**	3,571,689
Basic earnings per share (sen)	**18.16**	22.22

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

11 EARNINGS PER SHARE (cont'd)

(b) Fully diluted

The fully diluted earnings per share of the Group is calculated by dividing the Group's net profit attributable to owners of the Company for the financial year of RM653,773,000 (2016: RM793,587,000) by the weighted average number of ordinary shares in issue, adjusted to assume the conversion of all dilutive potential ordinary shares, i.e. the ESOS and ESGP (2016: the ESOS and ESGP). A calculation is done to determine the number of shares that could have been acquired at market price (determined as the weighted average annual share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding ESOS and ESGP (2016: outstanding ESOS and ESGP).

	The Group	
	2017 RM'000	2016 RM'000
Net profit attributable to owners of the Company	**653,773**	793,587
	'000	**'000**
Weighted average number of ordinary shares in issue	**3,600,319**	3,571,689
Adjustments for ESOS	**12,529**	37,675
Adjustments for ESGP	**31,464**	29,976
Weighted average number of ordinary shares for diluted earnings per share	**3,644,312**	3,639,340
Diluted earnings per share (sen)	**17.94**	21.81

12 DIVIDENDS

Dividends declared and paid in respect of the current financial year are as follows:

	The Company			
	2017		2016	
	Dividend per share Sen	Amount of dividend RM'000	Dividend per share Sen	Amount of dividend RM'000
Single tier first interim dividend	**3.00**	**108,087**	3.00	107,198
Single tier second interim dividend	**4.50**	*	4.00	143,967
Special dividend	**–**	**–**	3.00	107,975
	7.50	**108,087**	10.00	359,140

* The amount of dividend will be determined based on the number of shareholders entitled to receive the dividend as at 5:00pm on 30 June 2017.

On 25 May 2017, the Directors have declared a single tier second interim dividend in respect of the financial year ended 31 March 2017 of 4.5 sen per share to be paid on 21 July 2017 to every member who is entitled to receive the dividend as at 5:00pm on 30 June 2017. The second interim dividend has not been recognised in the Statement of Changes in Equity as it was declared subsequent to the financial year end.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2017 (2016: Nil).

13 SEGMENTAL REPORTING

Management has determined the operating segments based on the reports reviewed by the Executive Committee ("EXCO") that are used for allocating resources and assessing performance. The EXCO considers the business from the business segment perspective and assesses the performance of the operating segments based on a measure of profit before taxation.

The Group has the following principal business segments:

(a) Construction - Construction activities

(b) Property development - Development of land into vacant lots, residential, commercial and/or industrial buildings

(c) Manufacturing and quarrying - Production and sale of concrete products, and quarrying activities

(d) Plantation - Cultivation of oil palms, milling of fresh fruit bunches and trading of crude palm oil

(e) Infrastructure - Tollway and port operations

Other operations of the Group comprise mainly investment holding.

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2017 is as follows:

	Construction RM'000	Property development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & others RM'000	Group RM'000
REVENUE:							
Total revenue	3,034,697	1,516,225	1,164,398	753,711	975,515	300,007	7,744,553
Less: Inter-segment revenue	(502,551)	–	(27,784)	–	–	(296,479)	(826,814)
	2,532,146	1,516,225	1,136,614	753,711	975,515	3,528	6,917,739
Less: Share of operating revenue of associates and joint ventures	(380,690)	(78,481)	(3,191)	–	(387,120)	(2,922)	(852,404)
Revenue from external customers	2,151,456	1,437,744	1,133,423	753,711	588,395	606	6,065,335
RESULTS:							
Profit before taxation	216,715	303,277	142,417	168,514	62,313	116,774	1,010,010

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2017 is as follows: (cont'd)

	Construction RM'000	Property development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & others RM'000	Group RM'000
Profit before taxation includes:							
- Depreciation and amortisation of property, plant and equipment, land use rights, investment properties, concession assets and intangible assets	(11,869)	(11,508)	(46,943)	(66,031)	(172,864)	–	(309,215)
- Amortisation of government grants	–	–	–	–	6,172	–	6,172
- Interest income	62,515	35,374	687	6,975	10,358	470	116,379
- Finance cost	(53,401)	(6,927)	(4,750)	(23,821)	(55,771)	–	(144,670)
- Share of profits/(losses) of associates	36,254	(2,043)	54	–	(7,388)	29,526	56,403
- Share of profits/(losses) of joint ventures	27,095	14,688	–	–	(25,115)	–	16,668

Inter-segment revenue comprises rendering of construction services to the property development and infrastructure segments and the sale of manufacturing and quarrying products to the construction segment. These transactions are transacted on agreed terms between the segments.

The revenue from external customers reported to the EXCO is measured in a manner consistent with that in the statement of comprehensive income.

Revenue by product and services is disclosed in Note 4 to the financial statements.

	Construction RM'000	Property development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & others RM'000	Group RM'000
ASSETS:							
Segment assets	2,212,505	9,315,317	1,450,689	2,950,654	4,449,784	86,660	20,465,609
Unallocated assets:							
- Deferred tax assets							297,762
- Tax recoverable							129,329
Consolidated total assets							20,892,700
Segment assets include:							
- Investment in associates	232,359	18,321	2,202	–	585,160	63,350	901,392
- Investment in joint ventures	170,934	422,862	–	–	160,734	253	754,783
- Additions to non-current assets* (other than financial instruments and deferred tax assets)	20,928	88,552	73,329	146,678	299,981	–	629,468

13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2017 is as follows: (cont'd)

	Construction RM'000	Property development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & others RM'000	Group RM'000
LIABILITIES:							
Segment liabilities	**2,941,973**	**3,359,054**	**290,585**	**1,025,789**	**1,700,993**	**2,128**	**9,320,522**
Unallocated liabilities:							
- Deferred tax liabilities							**669,456**
- Current tax liabilities							**12,979**
Consolidated total liabilities							**10,002,957**

* Non-current assets comprise property, plant and equipment, land use rights, investment properties, concession assets, intangible assets, land held for property development and plantation development expenditure.

The amounts provided to the EXCO with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the operations of the segment.

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2016 is as follows:

	Construction RM'000	Property development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & others RM'000	Group RM'000
REVENUE:							
Total revenue	2,235,674	1,289,966	1,009,688	557,613	1,295,014	286,053	6,674,008
Less: Inter-segment revenue	(592,677)	–	(26,919)	–	–	(271,560)	(891,156)
	1,642,997	1,289,966	982,769	557,613	1,295,014	14,493	5,782,852
Less: Share of operating revenue of associates and joint ventures	(228,815)	(105,005)	(2,987)	–	(303,940)	(13,907)	(654,654)
Revenue from external customers	1,414,182	1,184,961	979,782	557,613	991,074	586	5,128,198
RESULTS:							
Profit before taxation	170,569	159,288	124,090	50,408	555,773	95,669	1,155,797

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2016 is as follows: (cont'd)

	Construction RM'000	Property development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & others RM'000	Group RM'000
Profit before taxation includes:							
- Depreciation and amortisation of property, plant and equipment, land use rights, investment properties, concession assets and intangible assets	(10,118)	(11,925)	(44,816)	(54,468)	(147,793)	–	(269,120)
- Amortisation of government grants	–	–	–	–	6,646	–	6,646
- Interest income	59,296	27,646	1,364	8,169	15,506	130	112,111
- Finance cost	(57,065)	(18,327)	(4,319)	(21,358)	(68,155)	–	(169,224)
- Share of profits/(losses) of associates	13,984	(415)	35	–	(8,917)	9,038	13,725
- Share of profits/(losses) of joint ventures	18,093	20,721	–	–	(28,971)	–	9,843
- Gain on disposal of assets and liabilities of disposal group classified as held for sale	–	–	–	–	114,141	–	114,141
- Gain on disposal of a subsidiary	–	–	–	–	126,874	–	126,874
- Gain on remeasurement of previously held equity interests upon disposal	–	–	–	–	60,934	–	60,934

Inter-segment revenue comprises rendering of construction services to the property development and infrastructure segments and the sale of manufacturing and quarrying products to the construction segment. These transactions are transacted on agreed terms between the segments.

13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2016 is as follows: (cont'd)

	Construction RM'000	Property development RM'000	Manufacturing & quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & others RM'000	Group RM'000
ASSETS:							
Segment assets	1,907,204	9,157,279	1,306,096	2,550,813	4,446,445	85,639	19,453,476
Unallocated assets:							
- Deferred tax assets							230,046
- Tax recoverable							152,023
Consolidated total assets							19,835,545
Segment assets include:							
- Investment in associates	178,237	8,506	2,198	–	664,118	16,574	869,633
- Investment in joint ventures	163,045	338,504	–	–	178,749	223	680,521
- Additions to non-current assets* (other than financial instruments and deferred tax assets)	14,411	24,594	49,275	200,011	266,032	–	554,323
LIABILITIES:							
Segment liabilities	2,490,379	3,501,815	210,429	824,521	1,909,235	642	8,937,021
Unallocated liabilities:							
- Deferred tax liabilities							631,326
- Current tax liabilities							22,630
Consolidated total liabilities							9,590,977

* Non-current assets comprise property, plant and equipment, land use rights, investment properties, concession assets, intangible assets, land held for property development and plantation development expenditure.

The amounts provided to the EXCO with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the operations of the segment.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

13 SEGMENTAL REPORTING (cont'd)

Geographical information:

	Revenue from external customers RM'000	Non-current* assets RM'000
2017		
Malaysia	**5,513,365**	**5,036,465**
India	**214,938**	**540,364**
Indonesia	**286,362**	**1,509,165**
Other countries	**50,670**	**54,392**
	6,065,335	**7,140,386**
2016		
Malaysia	4,592,265	4,855,982
India	319,674	523,490
Indonesia	188,264	1,271,049
Other countries	27,995	53,367
	5,128,198	6,703,888

* Non-current assets comprise property, plant and equipment, land use rights, investment properties, concession assets, intangible assets, land held for property development and plantation development expenditure.

Revenue is based on the country in which the customers are located. Non-current assets are determined according to the country where these assets are located.

14 SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST

(A) SHARE CAPITAL

	The Group and the Company			
	2017		2016	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Authorised:				
At 1 April 2016/2015	**5,000,000**	**5,000,000**	3,000,000	3,000,000
Created during the financial year	**–**	**–**	2,000,000	2,000,000
Abolishment of the concept of authorised share capital on 31 January 2017 *	**(5,000,000)**	**(5,000,000)**	–	–
At 31 March	**–**	**–**	5,000,000	5,000,000
Issued and fully paid:				
At 1 April 2016/2015 (ordinary shares of RM1.00 each)	**3,584,805**	**3,584,805**	1,500,001	1,500,001
Issuance of shares arising from:				
- Privatisation of IJM Land Berhad (Note 15(e))	**–**	**–**	279,386	279,386
- 1:1 Bonus issue	**–**	**–**	1,786,460	1,786,460
- Vesting of shares under ESGP	**8,289**	**8,289**	3,033	3,033
- Exercise of share options	**8,197**	**15,311**	7,299	7,299
- Shares held under trust (Note 14(E))	**12,095**	**18,735**	8,626	8,626
Transition to no-par value regime on 31 January 2017 (Note 14(B))	**–**	**2,395,511**	–	–
At 31 March – ordinary shares with no par value (2016: par value of RM1.00 each)	**3,613,386**	**6,022,651**	3,584,805	3,584,805

* The new Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account of RM2,395,511,000 becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

14 SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(A) SHARE CAPITAL (cont'd)

During the financial year, the number of issued and paid-up ordinary shares of the Company was increased from 3,584,805,820 to 3,613,386,720 by way of the issuance of:-

(i) 8,288,900 new ordinary shares arising from the vesting of shares under the Employee Share Grant Plan ("ESGP");

(ii) 8,196,700 new ordinary shares arising from the exercise of options under the Employee Share Option Scheme ("ESOS") at the following issue prices; and

Number of shares issued units	ESOS exercise price RM/share	Award of options under ESOS ("ESOS Award")
1,946,100	2.18	First ESOS Award
1,101,700	2.16*	First ESOS Award
1,643,900	2.57	Second ESOS Award
2,136,800	2.54**	Second ESOS Award
503,100	2.94	Third ESOS Award
609,500	2.91***	Third ESOS Award
255,600	3.03****	Fourth ESOS Award
8,196,700		

(iii) 12,095,300 new ordinary shares arising from the subscription of new shares under the shares held under trust at the following issue prices:

Number of shares issued units	ESOS exercise price RM/share	Award of options under ESOS ("ESOS Award")
1,000,000	2.18	First ESOS Award
1,500,000	2.16*	First ESOS Award
1,000,000	2.57	Second ESOS Award
5,553,000	2.54**	Second ESOS Award
1,537,300	2.91***	Third ESOS Award
1,505,000	3.03****	Fourth ESOS Award
12,095,300		

* ESOS exercise price of RM2.18 had been adjusted on 25 June 2016
** ESOS exercise price of RM2.57 had been adjusted on 25 June 2016
*** ESOS exercise price of RM2.94 had been adjusted on 25 June 2016
**** ESOS exercise price of RM3.06 had been adjusted on 25 June 2016

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

14 SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(B) SHARE PREMIUM

	The Group and the Company	
	2017 RM'000	2016 RM'000
At 1 April 2016/2015	**2,349,079**	2,346,070
Arising from:		
- Privatisation of IJML (Note 15(e))	**–**	1,732,194
- 1:1 Bonus Issue	**–**	(1,786,460)
- Vesting of shares under ESGP	**16,198**	13,004
- Exercise of share options	**17,841**	29,054
- Shares held under trust (Note 14(E))	**12,393**	15,181
- Excess consideration from the disposal of treasury shares	**–**	36
Transition to no-par value regime on 31 January 2017 under the Companies Act 2016 * (Note 14(A))	**(2,395,511)**	–
At 31 March	**–**	2,349,079

* Prior to 31 January 2017, the application of the share premium account was governed by Sections 60 and 61 of the Companies Act 1965. In accordance with the transitional provisions set out in Section 618 (2) of the new Companies Act 2016 (the "Act"), on 31 January 2017 any amount standing to the credit of the Company's share premium account has become part of the Company's share capital (Note 14(A)). Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM2,395,511,000 for purposes as set out in Section 618(3) of the Act.

(C) TREASURY SHARES

	The Group and the Company			
	2017		2016	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
At 1 April 2016/2015	**1**	**3**	49	270
Shares buy back	**2**	**7**	2	10
Disposal	**–**	**–**	(50)	(277)
At 31 March	**3**	**10**	1	3

The shareholders of the Company had approved an ordinary resolution at the Annual General Meeting held on 24 August 2016 for the Company to repurchase its own shares up to a maximum of 10% of the issued and paid-up capital of the Company. The Directors of the Company were committed to enhancing the value of the Company and believed that the repurchase plan was being applied in the best interest of the Company and its shareholders.

On 2 June 2016, the Company repurchased 1,000 of its ordinary shares from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") for RM3,500. The average price paid for the shares repurchased was approximately RM3.50 per share. On 5 December 2016, the Company repurchased another 1,000 of its ordinary shares from the open market on Bursa Malaysia for RM3,280. The average price paid for the shares repurchased was approximately RM3.28 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares as allowed for under Section 127 of the Companies Act 2016. The Company has the right to reissue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

14 SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(D) SHARE-BASED PAYMENTS

At an Extraordinary General Meeting held on 19 October 2012, the Directors were authorised to proceed with the establishment and administration of the Long Term Incentive Plan ("LTIP"), which comprises an Employee Share Option Scheme ("ESOS") and an Employee Share Grant Plan ("ESGP"). The Directors have appointed a committee ("Committee") to administer the LTIP. The Directors and/or the Committee have also established trusts which are administered by a trustee in accordance with the trust deeds dated 20 December 2012 for the LTIP.

(i) Share options

Share options were granted to executive directors and employees (collectively known as "Group Employee"), which is subject to eligibility criteria, under the Company's Employee Share Option Scheme ("ESOS"), which became operative on 24 December 2012.

The exercise price of the options is determined based on volume-weighted average market price of the Company's ordinary shares as shown in the Daily Official List of the Bursa Malaysia Securities Berhad for the five market days immediately preceding the Offer Date with an allowance for a discount of not more than ten per centum (10%) therefrom.

The vesting of the options is conditional upon acceptance of the offer and fulfilment of the relevant vesting conditions as at the relevant vesting dates as follows:

First ESOS Award	Second ESOS Award	Third ESOS Award	Fourth ESOS Award	Fifth ESOS Award	Percentage (%)
24 December 2013	24 December 2014	24 December 2015	24 December 2016	24 December 2017	40
24 December 2014	24 December 2015	24 December 2016	24 December 2017	24 December 2018	30
24 December 2015	24 December 2016	24 December 2017	24 December 2018	24 December 2019	30

The vesting conditions include the tenure and performance of the eligible Group Employee who have accepted the Offer from the date of the Offer. Once the options are vested, the options are exercisable up to the expiry date of the ESOS, which was initially on 23 December 2017. On 24 November 2015, the Board of Directors had extended the scheme period of the ESOS for another five years effective from 24 December 2017 to 23 December 2022 pursuant to the By-Laws of the LTIP.

(a) On 24 December 2012, the first award of options under the ESOS of 29,640,600 options ("First ESOS Award") was awarded to the Group Employee at an exercise price of RM4.44 per ordinary share. The exercise price of the First ESOS Award had been adjusted to RM4.37 (*) on 13 June 2014 and to RM2.18 (**) on 11 September 2015. On 25 June 2016, the exercise price of the First ESOS Award had been further adjusted to RM2.16 (***).

The first tranche of ESOS under the First ESOS Award amounting to 10,525,800 options had been vested and were exercisable as at 24 December 2013. The second tranche of ESOS under the First ESOS Award amounting to 7,215,700 options had been vested and were exercisable as at 24 December 2014. The third tranche of ESOS under the First ESOS Award amounting to 13,641,000 options had been vested and were exercisable as at 24 December 2015.

14 SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(D) SHARE-BASED PAYMENTS (cont'd)

(i) Share options (cont'd)

(a) Movements in the number of share options outstanding for the First ESOS Award are as follows:

Grant Date	Expiry Date	Exercise Price RM/share	Number of share options over ordinary shares Balance at 1.4.2016 '000	Forfeited '000	Exercised '000	Balance at 31.3.2017 '000
24 December 2012	23 December 2022	4.44/4.37*/ 2.18**/2.16***	12,536	–	(5,218)	**7,318**

As at 31 March 2017, out of the 7,318,000 (2016: 12,535,800) outstanding options from the First ESOS Award, 7,318,000 (2016: 12,535,800) options are exercisable. The weighted average quoted price of shares of the Company at the time when the options were exercised was RM3.46 (2016: RM3.46).

(b) On 24 December 2013, the second award of options under the ESOS of 31,729,600 options ("Second ESOS Award") was awarded to the Group Employee at an exercise price of RM5.22 per ordinary share. The exercise price of the Second ESOS Award had been adjusted to RM5.14 (*) on 13 June 2014 and to RM2.57 (**) on 11 September 2015. On 25 June 2016, the exercise price of the Second ESOS Award had been further adjusted to RM2.54 (***).

The first tranche of ESOS under the Second ESOS Award amounting to 11,279,900 options had been vested and were exercisable as at 24 December 2014. The second tranche of ESOS under the Second ESOS Award amounting to 16,300,500 options had been vested and were exercisable as at 24 December 2015. The third tranche of ESOS under the Second ESOS Award amounting to 15,110,100 options have been vested and were exercisable as at 24 December 2016.

Movements in the number of share options outstanding for the Second ESOS Award are as follows:

Grant Date	Expiry Date	Exercise Price RM/share	Number of share options over ordinary shares Balance at 1.4.2016 '000	Forfeited '000	Exercised '000	Balance at 31.3.2017 '000
24 December 2013	23 December 2022	5.22/5.14*/ 2.57**/2.54***	37,718	(2,147)	(10,322)	**25,249**

As at 31 March 2017, out of the 25,248,700 (2016: 37,717,510) outstanding options from the Second ESOS Award, 25,248,700 (2016: 20,460,400) options are exercisable. The weighted average quoted price of shares of the Company at the time when the options were exercised was RM3.42 (2016: RM3.48).

(c) On 24 December 2014, the third award of options under the ESOS of 10,651,000 options ("Third ESOS Award") was awarded to the Group Employee at an exercise price of RM5.88 per ordinary share. The exercise price of the Third ESOS Award had been adjusted to RM2.94 (*) on 11 September 2015. On 25 June 2016, the exercise price of the Third ESOS Award had been further adjusted to RM2.91 (**).

The first tranche of ESOS under the Third ESOS Award amounting to 7,869,700 options had been vested and were exercisable as at 24 December 2015. The second tranche of ESOS under the Third ESOS Award amounting to 5,418,700 options have been vested and were exercisable as at 24 December 2016.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

14 SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(D) SHARE-BASED PAYMENTS (cont'd)

(i) Share options (cont'd)

(c) Movements in the number of share options outstanding for the Third ESOS Award are as follows:

			Number of share options over ordinary shares			
Grant Date	Expiry Date	Exercise Price RM/share	Balance at 1.4.2016 '000	Forfeited '000	Exercised '000	Balance at 31.3.2017 '000
24 December 2014	23 December 2022	5.88/2.94* 2.91**	18,188	(419)	(3,201)	**14,568**

As at 31 March 2017, out of the 14,568,365 (2016: 18,187,940) outstanding options from the Third ESOS Award, 8,377,700 (2016: 6,159,500) options are exercisable. The weighted average quoted price of shares of the Company at the time when the options were exercised was RM3.43 (2016: RM3.46).

(d) On 24 December 2015, the fourth award of options under the ESOS of 19,605,100 options ("Fourth ESOS Award") was awarded to the Group Employee at an exercise price of RM3.06 per ordinary share. The exercise price of the Fourth ESOS Award had been adjusted to RM3.03 (*) on 25 June 2016.

The first tranche of ESOS under the Fourth ESOS Award amounting to 7,012,100 options have been vested and were exercisable as at 24 December 2016.

Movements in the number of share options outstanding for the Fourth ESOS Award are as follows:

			Number of share options over ordinary shares			
Grant Date	Expiry Date	Exercise Price RM/share	Balance at 1.4.2016 '000	Forfeited '000	Exercised '000	Balance at 31.3.2017 '000
24 December 2015	23 December 2022	3.06/3.03*	19,605	(1,262)	(1,396)	**16,947**

As at 31 March 2017, out of the 16,947,440 outstanding options from the Fourth ESOS Award, 5,616,200 options are exercisable. The weighted average quoted price of shares of the Company at the time when the options were exercised was RM3.40.

(e) On 24 December 2016, the fifth award of options under the ESOS of 16,034,000 options ("Fifth ESOS Award") has been awarded to the Group Employee at an exercise price of RM2.93 per ordinary share.

Movements in the number of share options outstanding for the Fifth ESOS Award are as follows:

			Number of share options over ordinary shares				
Grant Date	Expiry Date	Exercise Price RM/share	Balance at 1.4.2016 '000	Granted '000	Forfeited '000	Exercised '000	Balance at 31.3.2017 '000
24 December 2016	23 December 2022	2.93	–	16,034	–	–	**16,034**

As at 31 March 2017, none of the options are vested under the Fifth ESOS Award.

Note 6 to the financial statements which discloses the total expenses recognised in profit or loss arising from transactions accounted for as equity-settled share-based payment transactions include the expense arising from the offer of ESOS.

14 SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(D) SHARE-BASED PAYMENTS (cont'd)

(i) Share options (cont'd)

The fair value of share options offered was estimated using the Trinomial Valuation Model, taking into account the terms and conditions upon which the options were offered. The assumptions used for the valuation were as follows:

	First ESOS Award	Second ESOS Award	Third ESOS Award	Fourth ESOS Award	Fifth ESOS Award
Fair value at the date of offer (RM)	1.08/0.54**	1.02/0.51**	1.08/0.54**	0.73	0.73
Share price at the date of offer (RM)	4.98	5.80	6.60	3.40	3.25
Exercise price (RM)	4.44/4.37*/ 2.18**/2.16***	5.22/5.14*/ 2.57**/2.54***	5.88/2.94**/ 2.91***	3.06/3.03***	2.93
Expected volatility (%)	25.9	18.4	16.5	19.0	21.2
Expected life (years)	5	4	3	7	6

* The ESOS exercise price had been adjusted to RM4.37 and RM5.14 on 13 June 2014, following the declaration of a single tier special dividend of 10 sen per share for the financial year ended 31 March 2014 on 27 May 2014.

** The ESOS fair value and exercise price had been adjusted on 11 September 2015 following the 1:1 Bonus Issue.

*** The ESOS exercise price had been adjusted on 25 June 2016, following the declaration of a single tier special dividend of 3 sen per share for the financial year ended 31 March 2016 on 26 May 2016.

The expected life of the options was based on historical data, therefore it is not necessarily indicative of exercise patterns that may occur. The expected volatility reflected the assumption that the historical volatility was indicative of future trends, which may also not necessarily be the actual outcome. No other features of the options offered were incorporated into the measurement of fair value.

The fair value of the ESOS had been further adjusted on 3 December 2015 (refer to the table below), following the approval of the extension of ESOS scheme period on 24 November 2015 for another five years to 23 December 2022, pursuant to the By-Laws of the LTIP.

	First ESOS Award	Second ESOS Award	Third ESOS Award
Incremental fair value as a result of modification (RM)	0.04	0.10	0.16
Share price at the date of modification (RM)	3.40	3.40	3.40
Exercise price (RM)	2.18	2.57	2.94
Expected volatility (%)	18.7	18.7	18.7
Expected life (years)	2.5-3.5	3-4	3.5-4.5

There was no change to Fourth ESOS Award because it was awarded to the Group Employee on 24 December 2015, which was after the modification date.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2017

14 SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(D) SHARE-BASED PAYMENTS (cont'd)

(ii) Share grants

The ESGP has been implemented on 24 December 2012 and shall be in force for a period of ten years and expires on 23 December 2022.

On 15 April 2013, the first award of shares under the ESGP ("First ESGP Award") had been made to the eligible Group Employee and once accepted will be vested to the eligible Group Employee at no consideration over a period of up to three years, subject to the fulfilment of vesting conditions.

Movements in the number of share grants outstanding are as follows:

	Number of share grants			
Grant Date	Balance at 1.4.2016 '000	Forfeited '000	Issued '000	Balance at 31.3.2017 '000
15 April 2013	6,075	(1,568)	(4,507)	**–**

On 15 April 2014, the second award of shares under the ESGP ("Second ESGP Award") had been made to the eligible Group Employee and once accepted will be vested to the eligible Group Employee at no consideration over a period of up to three years, subject to the fulfilment of vesting conditions.

Movements in the number of share grants outstanding are as follows:

	Number of share grants			
Grant Date	Balance at 1.4.2016 '000	Forfeited '000	Issued '000	Balance at 31.3.2017 '000
15 April 2014	12,600	(5,288)	(3,656)	**3,656**

On 15 April 2015, the third award of shares under the ESGP ("Third ESGP Award") had been made to the eligible Group Employee and once accepted will be vested to the eligible Group Employee at no consideration over a period of up to three years, subject to the fulfilment of vesting conditions.

Movements in the number of share grants outstanding are as follows:

	Number of share grants			
Grant Date	Balance at 1.4.2016 '000	Forfeited '000	Issued '000	Balance at 31.3.2017 '000
15 April 2015	13,372	–	–	**13,372**

14 SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES, SHARE-BASED PAYMENTS AND SHARES HELD UNDER TRUST (cont'd)

(D) SHARE-BASED PAYMENTS (cont'd)

(ii) Share grants (cont'd)

On 15 April 2016, the fourth award of shares under the ESGP ("Fourth ESGP Award") has been made to the eligible Group Employee and once accepted will be vested to the eligible Group Employee at no consideration over a period of up to three years, subject to the fulfilment of vesting conditions.

Movements in the number of share grants outstanding are as follows:

	Number of share grants			
Grant Date	Balance at 1.4.2016 '000	Granted '000	Issued '000	Balance at 31.3.2017 '000
15 April 2016	–	15,137	(126)	**15,011**

The fair value of ESGP offered was based on the closing market price of the shares that was quoted on Bursa Malaysia at the date of the offer.

Note 6 to the financial statements which discloses the total expenses recognised in profit or loss arising from transactions accounted for as equity-settled share-based payment transactions include the expense arising from the offer of ESGP.

(E) SHARES HELD UNDER TRUST

The Group Employee can elect to fund the exercise of the options themselves or through an ESOS Trust Funding Mechanism ("ETF mechanism"). To facilitate the ETF mechanism, the Company provides funding to the trustee to subscribe for new shares of the Company which are held under a trust and managed by a trustee. Shares issued by the Company under the ETF mechanism are recorded as shares held under trust in the financial statements. The shares issued under the ETF mechanism rank pari passu in all respects with the existing ordinary shares of the Company.

The movement of shares held under trust during the financial year is as follows:

	The Group and the Company	
	2017 RM'000	2016 RM'000
At 1 April 2016/2015	**3,812**	3,771
Subscription of new shares (Notes 14(A),(B))	**31,128**	23,807
Exercise of share options via ETF mechanism	**(30,924)**	(23,766)
At 31 March	**4,016**	3,812

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

15 OTHER RESERVES

	The Group 2017 RM'000	The Group 2016 RM'000
(a) Capital reserve		
At 1 April 2016/2015	**33,761**	33,769
Share of capital reserve in an associate	**(821)**	(8)
At 31 March	**32,940**	33,761
(b) Fair value reserve		
At 1 April 2016/2015	**786**	5,568
Share of fair value reserve in an associate	**2,000**	(4,782)
At 31 March	**2,786**	786
(c) Redemption reserve		
At 1 April 2016/2015/At 31 March	**10,200***	10,200
(d) Hedge reserve		
At 1 April 2016/2015	**747**	134
Share of hedge reserve in an associate	**1,726**	613
At 31 March	**2,473**	747
(e) Other reserve		
At 1 April 2016/2015	**–**	2,011,580
Shares allotted upon privatisation of IJM Land Berhad (Notes 14(A),(B))	**–**	(2,011,580)
At 31 March	**–**	–
At 31 March	**48,399**	45,494

* This represents consolidation adjustment on the capitalisation of retained earnings equivalent to the nominal value of the redeemable cumulative preference shares redeemed by a subsidiary of the Company.

	The Company 2017 RM'000	The Company 2016 RM'000
(a) Other reserve		
At 1 April 2016/2015	**–**	2,011,580
Shares allotted upon privatisation of IJM Land Berhad (Notes 14(A),(B))	**–**	(2,011,580)
At 31 March	**–**	–

16 BONDS

	Unsecured	Secured			
	Sukuk Murabahah Notes (a) RM'000	Sukuk Mudharabah Notes (b) RM'000	Junior Bai Bithaman Ajil Notes (c) RM'000	Senior Bai Bithaman Ajil Notes (c) RM'000	Total RM'000
The Group					
2017					
At 1 April 2016	**1,200,000**	**700,000**	**137,774**	**–**	**2,037,774**
Drawdown during the year	**100,000**	**–**	**–**	**–**	**100,000**
Redeemed during the year	**–**	**(20,000)**	**(120,000)**	**–**	**(140,000)**
Reversal	**–**	**–**	**(17,774)**	**–**	**(17,774)**
At 31 March	**1,300,000**	**680,000**	**–**	**–**	**1,980,000**
Less:					
Amortisation of fair value	**–**	**–**	**(17,774)**	**–**	**(17,774)**
Reversal	**–**	**–**	**17,774**	**–**	**17,774**
	1,300,000	**680,000**	**–**	**–**	**1,980,000**
Less:					
Amount redeemable within 12 months (Note 44)	**–**	**(30,000)**	**–**	**–**	**(30,000)**
	1,300,000	**650,000**	**–**	**–**	**1,950,000**
2016					
At 1 April 2015	800,000	700,000	267,774	18,017	1,785,791
Drawdown during the year	400,000	–	–	–	400,000
Redeemed during the year	–	–	(130,000)	–	(130,000)
Reversal	–	–	–	(18,017)	(18,017)
At 31 March	1,200,000	700,000	137,774	–	2,037,774
Less:					
Amortisation of fair value	–	–	(9,005)	(18,017)	(27,022)
Reversal	–	–	–	18,017	18,017
	1,200,000	700,000	128,769	–	2,028,769
Less:					
Amount redeemable within 12 months (Note 44)	–	(20,000)	(128,769)	–	(148,769)
	1,200,000	680,000	–	–	1,880,000

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

16 BONDS (cont'd)

	Unsecured Sukuk Murabahah Notes (a) RM'000	Total RM'000
The Company		
2017		
At 1 April 2016	**1,200,000**	**1,200,000**
Drawdown during the year	**100,000**	**100,000**
At 31 March	**1,300,000**	**1,300,000**
Less:		
Amount redeemable within 12 months (Note 44)	**–**	**–**
	1,300,000	**1,300,000**
2016		
At 1 April 2015	800,000	800,000
Drawdown during the year	400,000	400,000
At 31 March	1,200,000	1,200,000
Less:		
Amount redeemable within 12 months (Note 44)	–	–
	1,200,000	1,200,000

A. Maturity profile of Bonds

	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
2017								
Unsecured								
Sukuk Murabahah Notes	(a)	**1,300,000**	**–**	**–**	**200,000**	**150,000**	**150,000**	**800,000**
Secured								
Sukuk Mudharabah Notes	(b)	**680,000**	**30,000**	**40,000**	**55,000**	**60,000**	**60,000**	**435,000**
		1,980,000	**30,000**	**40,000**	**255,000**	**210,000**	**210,000**	**1,235,000**

16 BONDS (cont'd)

A. Maturity profile of Bonds (cont'd)

		The Group						
	Note	Carrying amount RM'000	< 1 year RM'000	1 – 2 years RM'000	2 – 3 years RM'000	3 – 4 years RM'000	4 – 5 years RM'000	> 5 years RM'000
2016								
Unsecured								
Sukuk Murabahah Notes	(a)	1,200,000	–	–	–	200,000	150,000	850,000
Secured								
Sukuk Mudharabah Notes	(b)	700,000	20,000	30,000	40,000	55,000	60,000	495,000
Junior Bai Bithaman Ajil Notes	(c)	128,769	128,769	–	–	–	–	–
		2,028,769	148,769	30,000	40,000	255,000	210,000	1,345,000

		The Company						
	Note	Carrying amount RM'000	< 1 year RM'000	1 – 2 years RM'000	2 – 3 years RM'000	3 – 4 years RM'000	4 – 5 years RM'000	> 5 years RM'000
2017								
Unsecured								
Sukuk Murabahah Notes	(a)	**1,300,000**	**–**	**–**	**200,000**	**150,000**	**150,000**	**800,000**
2016								
Unsecured								
Sukuk Murabahah Notes	(a)	1,200,000	–	–	–	200,000	150,000	850,000

B. Principal features of Bonds

(a) Sukuk Murabahah Notes

On 10 March 2014, the Company established an unsecured Sukuk Murabahah Programme ("Programme") of up to RM3.0 billion in nominal value with a tenure of up to 20 years from the first issuance date.

The Programme contains covenants which require the Group to maintain its net debt to equity ratio of not more than 1.25 times.

On 10 April 2014, the Company made its first issuance pursuant to the Programme for the amount of RM500,000,000 at nominal value and carrying a profit rate ranging from 4.60% to 4.85% per annum. It is repayable in 3 annual instalments, commencing 5 years after the issue date.

On 12 June 2014, the Company issued a second tranche of RM300,000,000 pursuant to the Programme at its nominal value that carries a profit rate of 4.83% per annum. It is repayable in full 8 years after the issue date.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

16 BONDS (cont'd)

B. Principal features of Bonds (cont'd)

(a) Sukuk Murabahah Notes (cont'd)

On 21 April 2015, the Company issued a third tranche of RM200,000,000 pursuant to the Programme at its nominal value that carries a profit rate of 4.90% per annum. It is repayable in full 10 years after the issue date.

On 4 June 2015, the Company issued a fourth tranche of RM200,000,000 pursuant to the Programme at its nominal value that carries a profit rate of 4.64% per annum. It is repayable in full 8 years after the issue date.

On 17 October 2016, the Company issued a fifth tranche of RM100,000,000 pursuant to the Programme at its nominal value that carries a profit rate of 4.60% per annum. It is repayable in full 8 years after the issue date.

(b) Sukuk Mudharabah Notes

(i) A subsidiary, Besraya (M) Sdn Bhd ("Besraya"), issued RM700,000,000 secured Sukuk Mudharabah ("Sukuk"), an Islamic Securities Programme on 28 July 2011.

The RM700,000,000 Sukuk was issued at its nominal value. It is repayable in 13 annual instalments, commencing 5 years after the issue date.

As at 31 March 2017, the profit rate of the Sukuk is 4.96% (2016: 4.95%) per annum.

(ii) The Sukuk is secured by the following:

- a debenture creating a first ranking fixed and floating charge over all present and future assets, rights and interests of the issuer;
- a first ranking assignment of all of the issuer's rights, interests, titles and benefits under the Project Agreements, including without limitation the right to demand, collect and retain toll, liquidated damages and all proceeds arising therefrom;
- an assignment of all rights, interests, titles and benefits in all performance and/or maintenance bonds issued to and/or in favour of the issuer, save for those assigned or to be assigned to the Government of Malaysia pursuant to the Concession Agreement;
- a first ranking assignment of all rights, interests, titles and benefits in all relevant insurance/ takaful policies of the issuer and/or in respect of the Besraya Extension Expressway Project, subject to the insurance provisions under the Concession Agreement and the Supplemental Concession Agreement; and
- a first ranking charge and assignment of all rights, interests, titles and benefits in all Designated Accounts and the credit balances.

(iii) The Sukuk contains covenants which require Besraya to maintain a financial service cover ratio of at least 1.25 times and debt equity ratio of not greater than 80:20.

(c) Junior Bai Bithaman Ajil ("BBA") Notes

The principal features of the Junior BBA Notes were as follows:

(i) A subsidiary, New Pantai Expressway Sdn Bhd ("NPE"), issued RM250,000,000 secured Junior BBA Notes on 27 October 2003.

The RM250,000,000 Junior BBA Notes were issued at its nominal value and carried a profit rate ranging from 7.45% to 7.75% per annum. It was repayable in 4 semi-annual instalments, commencing 11 1/2 years after the issue date.

The RM250,000,000 Junior BBA Notes were fully repaid during the financial year.

16 BONDS (cont'd)

B. Principal features of Bonds (cont'd)

(c) Junior Bai Bithaman Ajil ("BBA") Notes (cont'd)

The principal features of the Junior BBA Notes were as follows: (cont'd)

(ii) The Junior BBA Notes were secured by the following:

- a debenture creating a fixed and floating charge over all assets, rights and interests, both present and future of the issuer;
- assignment of all contractual rights of the issuer, being its rights arising under the Project Agreements (as defined in the Junior BBA Notes Trust Deeds);
- a charge and an assignment over the Designated Accounts (as defined in the Junior BBA Notes Trust Deeds); and
- an assignment of all the issuer's interests in all relevant insurances required to be undertaken in respect of the New Pantai Highway Project.

(iii) The Junior BBA Notes contained covenants which required NPE to maintain a financial service cover ratio of at least 1.25 times and debt equity ratio of not greater than 75:25.

17 TERM LOANS

	Note	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
Current:					
Secured	44	**232,985**	118,237	**–**	–
Unsecured	44	**455,717**	218,710	**–**	–
		688,702	336,947	**–**	–
Non-current:					
Secured		**613,651**	815,156	**–**	–
Unsecured		**1,508,158**	1,454,207	**176,940**	157,300
		2,121,809	2,269,363	**176,940**	157,300
		2,810,511	2,606,310	**176,940**	157,300

A. Currency profile of term loans

The currency exposure profile of term loans is as follows:

	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
United States Dollar	**1,424,554**	1,197,770	**176,940**	157,300
Chinese Renminbi	**35,547**	56,777	**–**	–
	1,460,101	1,254,547	**176,940**	157,300

17 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans

The net exposure of term loans to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows:

At 31 March 2017

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 interest rate 1-2 years RM'000	Floating interest rate 2-3 years RM'000	Floating interest rate 3-4 years RM'000	Floating interest rate 4-5 years RM'000	Floating interest rate > 5 years RM'000	Fixed interest rate < 1 year RM'000	Fixed interest rate 1-2 years RM'000	Fixed interest rate 2-3 years RM'000	Fixed interest rate 3-4 years RM'000	Fixed interest rate 4-5 years RM'000
2017															
Secured															
Term loan 1	5.2	7,799	RM	(a)	–	–	–	–	7,799	–	–	–	–	–	–
Term loan 2	4.7	200,000	RM	(b)	100,000	100,000	–	–	–	–	–	–	–	–	–
Term loan 3	4.9	221,132	RM	(c)	27,760	55,520	55,520	55,520	26,812	–	–	–	–	–	–
Term loan 4	3.0	17,896	GBP	(d)	–	–	–	17,896	–	–	–	–	–	–	–
Term loan 5	4.6	25,461	RM	(e)	9,280	9,280	6,901	–	–	–	–	–	–	–	–
Term loan 6	4.6	51,475	RM	(f)	18,800	18,800	13,875	–	–	–	–	–	–	–	–
Term loan 7	4.6	11,225	RM	(g)	4,490	4,490	2,245	–	–	–	–	–	–	–	–
Term loan 8	4.8	39,375	RM	(h)	22,500	16,875	–	–	–	–	–	–	–	–	–
Term loan 9	4.7	124,451	RM	(i)	–	–	–	24,451	50,000	50,000	–	–	–	–	–
Term loan 10	5.0	41,278	RM	(j)	12,383	28,895	–	–	–	–	–	–	–	–	–
Term loan 11	4.7	19,000	RM	(k)	–	–	19,000	–	–	–	–	–	–	–	–
Term loan 12	8.5	37,772	RMB	(l)	–	–	–	–	–	–	37,772	–	–	–	–
Term loan 13	4.9	49,772	RM	(m)	–	9,700	36,800	3,272	–	–	–	–	–	–	–
		846,636			195,213	243,560	134,341	101,139	84,611	50,000	37,772	–	–	–	–

17 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans (cont'd)

The net exposure of term loans to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows: (cont'd)

At 31 March 2017 (cont'd)

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
2017														
Unsecured														
Term loan 16	9.4	11,972	RMB	3,193	3,193	3,193	2,393	–	–	–	–	–	–	–
Term loan 17	9.4	23,575	RMB	23,575	–	–	–	–	–	–	–	–	–	–
Term loan 18	5.3	200,000	RM	–	–	–	–	–	–	40,000	80,000	80,000	–	–
Term loan 19	5.0	50,000	RM	–	10,000	20,000	20,000	–	–	–	–	–	–	–
Term loan 20	2.0	108,353	USD	30,958	77,395	–	–	–	–	–	–	–	–	–
Term loan 21	2.5	176,903	USD	–	66,339	66,339	44,225	–	–	–	–	–	–	–
Term loan 22	2.5	176,903	USD	–	66,339	66,339	44,225	–	–	–	–	–	–	–
Term loan 23	2.4	132,677	USD	49,754	66,339	16,584	–	–	–	–	–	–	–	–
Term loan 24	2.0	108,353	USD	30,958	77,395	–	–	–	–	–	–	–	–	–
Term loan 25	2.4	132,677	USD	–	19,903	26,535	26,535	26,535	33,169	–	–	–	–	–
Term loan 26	3.0	176,940	USD	–	176,940	–	–	–	–	–	–	–	–	–
Term loan 27	5.0	8,996	RM	–	–	3,460	3,750	1,786	–	–	–	–	–	–
Term loan 28	2.8	176,940	USD	–	176,940	–	–	–	–	–	–	–	–	–
Term loan 29	8.8	221,991	RS	221,991	–	–	–	–	–	–	–	–	–	–
Term loan 30	8.8	20,460	RS	20,460	–	–	–	–	–	–	–	–	–	–
Term loan 31	3.7	234,809	USD	32,502	42,783	54,722	67,657	37,145	–	–	–	–	–	–
Term loan 32	4.8	2,326	RM	2,326	–	–	–	–	–	–	–	–	–	–
		1,963,875		415,717	783,566	257,172	208,785	65,466	33,169	40,000	80,000	80,000	–	–
Total term loans		2,810,511		610,930	1,027,126	391,513	309,924	150,077	83,169	77,772	80,000	80,000	–	–

17 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans (cont'd)

The net exposure of term loans to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows: (cont'd)

At 31 March 2016

					Floating interest rate						Fixed interest rate				
The Group	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Note	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	> 5 years RM'000	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000
2016															
Secured															
Term loan 2	4.7	250,000	RM	(b)	50,000	100,000	100,000	–	–	–	–	–	–	–	–
Term loan 3	5.1	220,916	RM	(c)	–	27,760	55,520	55,520	55,520	26,596	–	–	–	–	–
Term loan 5	4.7	27,744	RM	(e)	2,320	9,280	9,280	6,864	–	–	–	–	–	–	–
Term loan 6	4.7	56,105	RM	(f)	4,700	18,800	18,800	13,805	–	–	–	–	–	–	–
Term loan 7	4.7	13,470	RM	(g)	2,245	4,490	4,490	2,245	–	–	–	–	–	–	–
Term loan 8	4.8	45,000	RM	(h)	5,625	22,500	16,875	–	–	–	–	–	–	–	–
Term loan 9	5.2	205,687	RM	(i)	–	–	–	10,247	50,000	145,440	–	–	–	–	–
Term loan 10	5.4	44,625	RM	(j)	3,347	13,387	27,891	–	–	–	–	–	–	–	–
Term loan 11	4.8	18,239	RM	(k)	–	–	4,639	13,600	–	–	–	–	–	–	–
Term loan 14	5.2	1,607	RM	(n)	–	–	1,047	560	–	–	–	–	–	–	–
Term loan 15	5.2	50,000	RM	(o)	50,000	–	–	–	–	–	–	–	–	–	–
		933,393			118,237	196,217	238,542	102,841	105,520	172,036	–	–	–	–	–

17 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans (cont'd)

The net exposure of term loans to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows: (cont'd)

At 31 March 2016 (cont'd)

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 16	6.8	12,100	RMB	756	3,025	3,025	3,025	2,269	–	–	–	–	–	–
Term loan 17	6.9	44,677	RMB	16,754	22,338	5,585	–	–	–	–	–	–	–	–
Term loan 18	5.3	200,000	RM	–	–	–	–	–	–	–	40,000	80,000	80,000	–
Term loan 19	5.1	50,000	RM	–	–	10,000	20,000	20,000	–	–	–	–	–	–
Term loan 20	1.6	110,403	USD	13,800	27,601	69,002	–	–	–	–	–	–	–	–
Term loan 21	2.2	157,719	USD	–	–	59,144	59,145	39,430	–	–	–	–	–	–
Term loan 22	2.2	157,719	USD	–	–	59,144	59,145	39,430	–	–	–	–	–	–
Term loan 23	2.0	118,289	USD	–	29,572	59,144	29,573	–	–	–	–	–	–	–
Term loan 24	1.6	110,403	USD	13,800	27,601	69,002	–	–	–	–	–	–	–	–
Term loan 26	2.2	157,300	USD	–	–	157,300	–	–	–	–	–	–	–	–
Term loan 27	5.2	12,062	RM	–	–	2,702	3,750	3,750	1,860	–	–	–	–	–
Term loan 28	2.0	157,300	USD	–	–	157,300	–	–	–	–	–	–	–	–
Term loan 29	9.2	89,543	RS	89,543	–	–	–	–	–	–	–	–	–	–
Term loan 30	9.3	11,860	RS	11,860	–	–	–	–	–	–	–	–	–	–
Term loan 31	2.8	228,637	USD	19,766	28,912	38,057	48,678	60,183	33,041	–	–	–	–	–
Term loan 32	4.9	17,717	RM	15,391	2,326	–	–	–	–	–	–	–	–	–
		1,635,729		181,670	141,375	689,405	223,316	165,062	34,901	–	40,000	80,000	80,000	–

17 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans (cont'd)

The net exposure of term loans to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows: (cont'd)

At 31 March 2016 (cont'd)

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 33	9.2	36,300	RMB	36,300	–	–	–	–	–	–	–	–	–	–
Term loan 34	11.3	148	RS	–	–	–	–	–	–	148	–	–	–	–
Term loan 35	11.9	185	RS	–	–	–	–	–	–	148	37	–	–	–
Term loan 36	11.9	185	RS	–	–	–	–	–	–	148	37	–	–	–
Term loan 37	11.9	185	RS	–	–	–	–	–	–	148	37	–	–	–
Term loan 38	11.6	185	RS	–	–	–	–	–	–	148	37	–	–	–
		37,188		36,300	–	–	–	–	–	740	148	–	–	–
Total unsecured loans		1,672,917		217,970	141,375	689,405	223,316	165,062	34,901	740	40,148	80,000	80,000	–
Total term loans		2,606,310		336,207	337,592	927,947	326,157	270,582	206,937	740	40,148	80,000	80,000	–

17 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans (cont'd)

The net exposure of term loans to interest rate cash flow risk and the periods in which the borrowings mature or reprice are as follows: (cont'd)

At 31 March 2017

The Company	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Floating interest rate < 1 year RM'000	Floating interest rate 1-2 years RM'000	Floating interest rate 2-3 years RM'000	Floating interest rate 3-4 years RM'000	Floating interest rate 4-5 years RM'000	Floating interest rate > 5 years RM'000	Fixed interest rate < 1 year RM'000	Fixed interest rate 1-2 years RM'000	Fixed interest rate 2-3 years RM'000	Fixed interest rate 3-4 years RM'000	Fixed interest rate 4-5 years RM'000
2017														
Unsecured														
Term loan 26	3.0	**176,940**	USD	**–**	**176,940**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

At 31 March 2016

The Company	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Floating interest rate < 1 year RM'000	Floating interest rate 1-2 years RM'000	Floating interest rate 2-3 years RM'000	Floating interest rate 3-4 years RM'000	Floating interest rate 4-5 years RM'000	Floating interest rate > 5 years RM'000	Fixed interest rate < 1 year RM'000	Fixed interest rate 1-2 years RM'000	Fixed interest rate 2-3 years RM'000	Fixed interest rate 3-4 years RM'000	Fixed interest rate 4-5 years RM'000
2016														
Unsecured														
Term loan 26	2.2	157,300	USD	–	–	157,300	–	–	–	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

17 TERM LOANS (cont'd)

C. Principal features of secured term loans

(a) Term loan 1 of RM7,799,000 is secured by way of:

(i) a facility agreement for the sum of RM300,000,000;

(ii) a debenture incorporating a fixed and floating charge over all present and future assets of a subsidiary of IJM Land Berhad ("IJML"), a subsidiary of the Company;

(iii) an assignment over the current and future proceeds of a subsidiary of IJML;

(iv) a legal charge over the Designated Accounts of a subsidiary of IJML; and

(v) a corporate guarantee by IJML.

(b) Term loan 2 of RM200,000,000 (2016: RM250,000,000) is secured by way of:

(i) facility agreements for the sum of RM250,000,000;

(ii) a first legal charge created under the National Land Code, 1965 over certain properties and parcels of land of the subsidiaries of IJML (Notes 27 and 37); and

(iii) letter of awareness or comfort from the Company.

(c) Term loan 3 of RM221,132,000 (2016: RM220,916,000) is secured by way of:

(i) a facility agreement for the sum of RM220,089,000;

(ii) a registered first party first legal charge over 67 parcels of adjoining land of a subsidiary of IJML (Note 37); and

(iii) a proportionate corporate guarantee by IJML and a corporate shareholder of a subsidiary of IJML.

(d) Term loan 4 of RM17,896,000 is secured by way of:

(i) a first ranking debenture by way of a fixed and floating charge over all present and future assets of a subsidiary of IJML;

(ii) a first party first legal charge over one (1) parcel of land of a subsidiary of IJML (Note 37);

(iii) a legal charge over the entire equity interest in a subsidiary of IJML;

(iv) a first party charge over the Designated Accounts of a subsidiary of IJML;

(v) a third party Deed of Assignment by a subsidiary of IJML over all its rights, title and interest over the land;

(vi) a first party Deed of Assignment by a subsidiary of IJML over all contracts awarded by the subsidiary and over all insurance proceeds relating to the project;

(vii) an irrevocable letter of undertaking by the subsidiary of IJML to deposit proceeds of sales of the development into the Designated Accounts; and

(viii) a corporate guarantee by IJML.

(e) Term loan 5 of RM25,461,000 (2016: RM27,744,000) is secured by way of:

(i) a facility agreement for the sum of RM27,880,000;

(ii) a first party first legal charge over two parcels of freehold land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee by IJML.

(f) Term loan 6 of RM51,475,000 (2016: RM56,105,000) is secured by way of:

(i) a facility agreement for the sum of RM56,360,000;

(ii) a first party first legal charge over one parcel of freehold land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee by IJML.

17 TERM LOANS (cont'd)

C. Principal features of secured term loans (cont'd)

(g) Term loan 7 of RM11,225,000 (2016: RM13,470,000) is secured by way of:

(i) a facility agreement for the sum of RM13,470,000;

(ii) a first party first legal charge over two parcels of freehold land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee by IJML.

(h) Term loan 8 of RM39,375,000 (2016: RM45,000,000) is secured by way of:

(i) a facility agreement for the sum of RM45,000,000;

(ii) a first party first legal charge over one parcel of freehold land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee by a subsidiary of IJML.

(i) Term loan 9 of RM124,451,000 (2016: RM205,687,000) and revolving credit of RM13,349,000 (2016: RM13,349,000) (Note 44(A)(c)) is secured by way of:

(i) a facility agreement for the sum of RM460,000,000;

(ii) a first party first legal charge over certain parcels of leasehold land of a subsidiary of IJML (Note 37); and

(iii) a letter of support from IJML and an associate of the Company.

(j) Term loan 10 of RM41,278,000 (2016: RM44,625,000) is secured by way of:

(i) a facility agreement for the sum of RM44,625,000;

(ii) a first party first legal charge over 10% ordinary shares of a subsidiary of IJML; and

(iii) a corporate guarantee by IJML.

(k) Term loan 11 of RM19,000,000 (2016: RM18,239,000) is secured by way of:

(i) a facility agreement for the sum of RM125,000,000;

(ii) a first party first legal charge over 2,013 parcels of adjoining freehold land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee by IJML.

(l) Term loan 12 of RM37,772,000 is secured by way of an irrevocable standby letter of credit issued on behalf of IJML of RM360,000,000.

(m) Term loan 13 of RM49,772,000 is secured by way of:

(i) a first legal charge over 42 parcels of land and completed units of inventories of a subsidiary of IJML (Note 37); and

(ii) a corporate guarantee by IJML.

(n) Term loan 14 of RM1,607,000 as at the end of the preceding financial year was secured by way of:

(i) a facility agreement for the sum of RM22,500,000;

(ii) a registered first party first fixed legal charge over a parcel of freehold land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee by IJML.

The loan was fully repaid during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

17 TERM LOANS (cont'd)

C. Principal features of secured term loans (cont'd)

(o) Term loan 15 of RM nil (2016: RM50,000,000) and revolving credit of RM50,000,000 (2016: RM50,000,000) (Note 44(A)(d)) in accordance with the Shariah principle of Bai' al-Inah is secured by way of:

(i) a first party legal charge over one parcel of leasehold land of a subsidiary of IJML (Note 37);

(ii) a deed of debenture registering a fixed and floating charge over the present and future assets ("debenture") of a subsidiary of IJML prior to the completion of reclamation of commercial land of "The Light" project ("commercial land") and issuance of relevant land title(s), of which upon completion of reclamation, the debenture shall be discharged and replaced with legal charge over the commercial land;

(iii) an irrevocable letter of undertaking from a subsidiary of IJML to execute the legal charge in favour of the bank over the commercial land upon issuance of the land title(s); and

(iv) a corporate guarantee by IJML.

The loan was fully repaid during the financial year.

18 GOVERNMENT SUPPORT LOANS

	Note	The Group 2017 RM'000	The Group 2016 RM'000
Government Support Loans:			
- Government Support Loan 1	(a)	**102,625**	126,270
- Government Support Loan 2	(b)	**84,953**	91,315
		187,578	217,585
Less: Payable within 12 months (Note 43)		**(33,104)**	(33,104)
		154,474	184,481

A. Maturity profile of Government Support Loans

	Total carrying amount RM'000	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	> 5 years RM'000
2017							
Government Support Loan 1	**102,625**	**26,153**	**25,286**	**24,186**	**27,000**	**–**	**–**
Government Support Loan 2	**84,953**	**6,951**	**6,720**	**6,497**	**8,974**	**8,676**	**47,135**
	187,578	**33,104**	**32,006**	**30,683**	**35,974**	**8,676**	**47,135**
2016							
Government Support Loan 1	126,270	26,153	25,286	24,447	23,384	27,000	–
Government Support Loan 2	91,315	6,951	6,720	6,497	6,282	8,676	56,189
	217,585	33,104	32,006	30,944	29,666	35,676	56,189

18 GOVERNMENT SUPPORT LOANS (cont'd)

B. Principal features of Government Support Loans

The principal features of Government Support Loans of subsidiaries of Road Builder (M) Holdings Bhd ("RBH"), a subsidiary of the Company, are as follows:

(a) Government Support Loan 1 - Unsecured

On 26 March 1996, New Pantai Expressway Sdn Bhd ("NPE"), a subsidiary of RBH, entered into a Land Cost Supplemental Agreement with the Government of Malaysia ("the Government") for an interest-free loan provided by the Government in making available the concession area to NPE as Reimbursable Land Cost for the construction of the New Pantai Expressway.

As amended by a second Supplemental Concession Agreement dated 7 October 2003, the Government Support Loan 1 is reimbursable to the Government in 5 annual instalments, with the first instalment commencing on 11 September 2016.

(b) Government Support Loan 2 – Secured

The Government Support Loan 2 is in respect of an agreement between Kuantan Port Consortium Sdn Bhd, a subsidiary of RBH and the Government of Malaysia ("the Government") in connection with the reimbursable infrastructure cost for the purpose of financing the dredging of the new harbour basin. In financial year 2007, the instalment payments were re-scheduled to commence on 15 June 2006 and are repayable over 22 yearly variable instalments, which are interest-free.

The Government Support Loan 2 is secured by a negative pledge and by a deed of assignment over:

(i) the balance of the revenue from the scheduled leases, tenancies and new sub leases and tenancies granted after the commencement date of the Privatisation Agreement after deducting the amounts payable to Kuantan Port Authority; and

(ii) all other revenue received from Kuantan port operations.

19 HIRE PURCHASE AND LEASE PAYABLES

	The Group	
	2017 RM'000	2016 RM'000
Minimum lease payments:		
- Payable within 1 year	**760**	170
- Payable between 1 and 5 years	**837**	180
	1,597	350
Less: Future finance charges	**(110)**	(36)
Present value of hire purchase and lease liabilities	**1,487**	314
Present value of hire purchase and lease liabilities:		
- Payable within 1 year (Note 43)	**685**	145
- Payable between 1 and 5 years (included in non-current liabilities)	**802**	169
	1,487	314

Hire purchase and lease liabilities are effectively secured as the rights to the leased assets revert to the financier in the event of default. As at the balance sheet date, the effective interest rate was 6.22% (2016: 10.30%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

20 FINANCIAL INSTRUMENTS BY CATEGORY

	Note	Loans and receivables RM'000	Assets at fair value through the profit and loss RM'000	Available-for-sale financial assets RM'000	Total RM'000
The Group					
At 31 March 2017					
Assets as per balance sheet:					
Non-current assets:					
Joint ventures *	33	552,997	–	–	552,997
Available-for-sale financial assets	34	–	–	2,155	2,155
Long term receivables **	35	163,411	–	–	163,411
Current assets:					
Derivative financial instruments	21	–	2,909	–	2,909
Trade and other receivables ***	40	1,773,443	–	–	1,773,443
Financial assets at fair value through profit or loss	41	–	299,164	–	299,164
Deposits, cash and bank balances	42	2,147,777	–	–	2,147,777
Total		4,637,628	302,073	2,155	4,941,856

	Note	Other financial liabilities at amortised costs RM'000	Total RM'000
Liabilities as per balance sheet:			
Non-current liabilities:			
Bonds	16	1,950,000	1,950,000
Term loans	17	2,121,809	2,121,809
Government support loans	18	154,474	154,474
Trade and other payables ****	23	542,988	542,988
Current liabilities:			
Trade and other payables *****	43	2,069,368	2,069,368
Borrowings	44	1,742,896	1,742,896
Total		8,581,535	8,581,535

* Joint ventures comprise Redeemable Convertible Secured Islamic Debt Securities ("RCSIDS") and amounts owing by joint ventures.

** Long term receivables exclude lease receivables.

*** Trade and other receivables exclude amounts due from customers on construction contracts, accrued billings in respect of property development, prepayments and GST receivables.

**** Trade and other payables exclude deposits.

***** Trade and other payables exclude amounts due to customers on construction contracts, progress billings in respect of property development, retirement benefits payable and GST payables.

20 FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

	Note	Loans and receivables RM'000	Assets at fair value through the profit and loss RM'000	Available-for-sale financial assets RM'000	Total RM'000
The Group (cont'd)					
At 31 March 2016					
Assets as per balance sheet:					
Non-current assets:					
Joint ventures *	33	474,374	–	–	474,374
Available-for-sale financial assets	34	–	–	2,212	2,212
Long term receivables **	35	113,306	–	–	113,306
Current assets:					
Trade and other receivables ***	40	1,919,749	–	–	1,919,749
Financial assets at fair value through profit or loss	41	–	407,200	–	407,200
Deposits, cash and bank balances	42	1,679,461	–	–	1,679,461
Total		4,186,890	407,200	2,212	4,596,302

	Note	Liabilities at fair value through the profit and loss RM'000	Other financial liabilities at amortised costs RM'000	Total RM'000
Liabilities as per balance sheet:				
Non-current liabilities:				
Bonds	16	–	1,880,000	1,880,000
Term loans	17	–	2,269,363	2,269,363
Government support loans	18	–	184,481	184,481
Trade and other payables ****	23	–	606,507	606,507
Current liabilities:				
Derivative financial instruments	21	10,380	–	10,380
Trade and other payables *****	43	–	1,871,708	1,871,708
Borrowings	44	–	1,477,400	1,477,400
Total		10,380	8,289,459	8,299,839

* Joint ventures comprise Redeemable Convertible Secured Islamic Debt Securities ("RCSIDS") and amounts owing by joint ventures.

** Long term receivables exclude lease receivables.

*** Trade and other receivables exclude amounts due from customers on construction contracts, accrued billings in respect of property development, prepayments and GST receivables.

**** Trade and other payables exclude deposits.

***** Trade and other payables exclude amounts due to customers on construction contracts, progress billings in respect of property development, retirement benefits payable and GST payables.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2017

20 FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

	Note	Loans and receivables RM'000	Assets at fair value through the profit and loss RM'000	Available-for-sale financial assets RM'000	Total RM'000
The Company					
At 31 March 2017					
Assets as per balance sheet:					
Non-current assets:					
Joint ventures *	33	74,395	–	–	74,395
Available-for-sale financial assets	34	–	–	2,050	2,050
Current assets:					
Trade and other receivables **	40	1,355,466	–	–	1,355,466
Financial assets at fair value through profit or loss	41	–	20,807	–	20,807
Deposits, cash and bank balances	42	230,397	–	–	230,397
Total		1,660,258	20,807	2,050	1,683,115

	Note	Other financial liabilities at amortised costs RM'000	Total RM'000
Liabilities as per balance sheet:			
Non-current liabilities:			
Bonds	16	1,300,000	1,300,000
Term loans	17	176,940	176,940
Trade and other payables	43	948,028	948,028
Current liabilities:			
Trade and other payables ***	43	341,670	341,670
Borrowings	44	211,098	211,098
Total		2,977,736	2,977,736

* Joint ventures include RCSIDS and amounts owing by joint ventures.

** Trade and other receivables exclude amounts due from customers on construction contracts and prepayments.

*** Trade and other payables exclude amounts due to customers on construction contracts and GST payable.

20 FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

	Note	Loans and receivables RM'000	Assets at fair value through the profit and loss RM'000	Available-for-sale financial assets RM'000	Total RM'000
The Company (cont'd)					
At 31 March 2016					
Assets as per balance sheet:					
Non-current assets:					
Joint ventures *	33	67,295	–	–	67,295
Available-for-sale financial assets	34	–	–	2,050	2,050
Current assets:					
Trade and other receivables **	40	1,093,528	–	–	1,093,528
Financial assets at fair value through profit or loss	41	–	39,156	–	39,156
Deposits, cash and bank balances	42	173,043	–	–	173,043
Total		1,333,866	39,156	2,050	1,375,072

	Note	Other financial liabilities at amortised costs RM'000	Total RM'000
Liabilities as per balance sheet:			
Non-current liabilities:			
Bonds	16	1,200,000	1,200,000
Term loans	17	157,300	157,300
Trade and other payables	43	964,234	964,234
Current liabilities:			
Trade and other payables ***	43	345,433	345,433
Borrowings	44	90,000	90,000
Total		2,756,967	2,756,967

* Joint ventures include RCSIDS and amounts owing by joint ventures.

** Trade and other receivables exclude prepayments.

*** Trade and other payables exclude amounts due to customers on construction contracts.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

21 DERIVATIVE FINANCIAL INSTRUMENTS

	Note	The Group Assets RM'000	The Group Liabilities RM'000
At 31 March 2017			
Current:			
Crude palm oil ("CPO") swap contracts	(a)	**2,909**	**–**
At 31 March 2016			
Current:			
Crude palm oil ("CPO") swap contracts	(a)	–	10,158
Forward foreign exchange contract	(b)	–	222
		–	10,380

(a) Crude palm oil ("CPO") swap contracts

IJM Plantations Berhad, a subsidiary of the Company, has entered into CPO swap contracts to mitigate the exposure of fluctuations in the price of CPO.

The change in fair value is due to the differences between fixed CPO prices as per the swap contracts and the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange for the specific contracted periods.

As at 31 March 2017, the outstanding CPO swap contracts are made up of notional amounts of 11,250 metric tonnes (2016: 32,250 metric tonnes) with contracted prices ranging from RM2,775 to RM2,925 per metric tonne (2016: ranging from RM2,065 to RM2,510 per metric tonne) commencing within the period from 1 January 2017 to 31 March 2018 (2016: 1 September 2015 to 31 March 2017).

(b) Forward foreign exchange contract

In the preceding financial year, Industrial Concrete Products Sdn Bhd, a subsidiary of the Company, entered into forward foreign exchange contracts to hedge its foreign exchange exposures in the purchase of raw materials. As at 31 March 2016, the foreign currency amount to be paid and contractual exchange rate of the Group's outstanding contract, for the purpose of overseas purchase was as follows:

Settlement date	Currency to be paid	Amount in foreign currency to be paid	Contractual rate	Amount to be paid
31.05.16	US Dollar	914,027	4.1807	RM3,821,273

(c) Maturity profile of derivative financial instruments

Types of derivative	< 1 year RM'000	1 – 3 years RM'000	> 3 years RM'000	Total fair value of derivative financial assets/ (liabilities) RM'000
At Group				
As at 31 March 2017:				
(i) CPO swap contracts	**2,909**	**–**	**–**	**2,909**
As at 31 March 2016:				
(i) CPO swap contracts	(10,158)	–	–	(10,158)
(ii) Forward foreign exchange contract	(222)	–	–	(222)
				(10,380)

22 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

The following amounts, determined after appropriate offsetting, are shown in the balance sheet

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Deferred tax assets	**297,762**	230,046	**2,132**	2,520
Deferred tax liabilities	**(669,456)**	(631,326)	**–**	–
	(371,694)	(401,280)	**2,132**	2,520
At 1 April 2016/2015	**(401,280)**	(579,140)	**2,520**	2,779
Credited/(charged) to income statement (Note 10)				
- Property, plant and equipment	**(5,711)**	(2,101)	**(35)**	33
- Concession assets	**(25,101)**	(25,897)	**–**	–
- Post–employment benefit	**(313)**	(41)	**–**	–
- Intangible assets	**(175)**	(1,242)	**–**	–
- Plantation development expenditure	**(4,685)**	(9,844)	**–**	–
- Tax losses	**(16,935)**	2,457	**–**	–
- Payables	**30,095**	8,486	**(353)**	(292)
- Development properties	**56,839**	27,077	**–**	–
- Construction contracts	**1,546**	(1,568)	**–**	–
- Borrowings	**(618)**	(448)	**–**	–
- Investment properties	**230**	7,096	**–**	–
- Derivative financial instruments	**(3,135)**	2,529	**–**	–
- Share-based payment	**4,692**	6,287	**–**	–
- Others	**1,037**	1,007	**–**	–
	37,766	13,798	**(388)**	(259)
Disposal of a subsidiary (Note 48(ii))	**–**	181,097	**–**	–
Revaluation reserve (Note 10)	**(6,494)**	–	**–**	–
Acquisition of a subsidiary (Note 47(a)(i))	**(1,904)**	–	**–**	–
Exchange differences	**218**	(17,035)	**–**	–
At 31 March	**(371,694)**	(401,280)	**2,132**	2,520

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

22 DEFERRED TAXATION (cont'd)

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Subject to income tax				
Deferred tax assets (before offsetting)				
- Property, plant and equipment	**938**	890	**–**	–
- Development properties	**125,872**	77,477	**–**	–
- Post-employment benefit	**1,210**	1,523	**–**	–
- Payables	**145,889**	115,794	**2,199**	2,552
- Tax losses	**100,292**	108,318	**–**	–
- Construction contracts	**2,768**	1,222	**–**	–
- Borrowings	**108**	2,213	**–**	–
- Investment properties	**7,326**	7,096	**–**	–
- Concession assets	**7,263**	7,891	**–**	–
- Derivative financial instruments	**–**	2,529	**–**	–
- Share-based payment	**11,307**	6,615	**–**	–
- Others	**2,394**	1,357	**–**	–
	405,367	332,925	**2,199**	2,552
Offsetting	**(107,605)**	(102,879)	**(67)**	(32)
Deferred tax assets (after offsetting)	**297,762**	230,046	**2,132**	2,520
Deferred tax liabilities (before offsetting)				
- Property, plant and equipment	**(141,383)**	(126,898)	**(67)**	(32)
- Plantation development expenditure	**(166,311)**	(153,263)	**–**	–
- Development properties	**(208,009)**	(216,453)	**–**	–
- Intangible assets	**(5,562)**	(5,387)	**–**	–
- Borrowings	**(14,070)**	(15,557)	**–**	–
- Inventories	**(705)**	(705)	**–**	–
- Payables	**(4)**	(4)	**–**	–
- Concession assets	**(241,233)**	(216,760)	**–**	–
- Derivative financial instruments	**(606)**	–	**–**	–
- Others	**822**	822	**–**	–
	(777,061)	(734,205)	**(67)**	(32)
Offsetting	**107,605**	102,879	**67**	32
Deferred tax liabilities (after offsetting)	**(669,456)**	(631,326)	**–**	–

The amounts of unutilised deductible temporary differences and unused tax losses for which no deferred tax asset is recognised in the balance sheets are as follows:

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Unutilised deductible temporary differences	**110,190**	105,377	**–**	–
Unused tax losses	**803,300**	721,676	**–**	–
	913,490	827,053	**–**	–
Deferred tax assets not recognised at 24% (2016: 24%)	**219,238**	198,493	**–**	–

22 DEFERRED TAXATION (cont'd)

The unutilised deductible temporary differences and unused tax losses as stated above are available indefinitely for offset against future taxable profits of the subsidiaries in which those items arose, except for unused tax losses of RM649,587,000 (2016: RM580,292,000) which will expire in the following financial years:

	The Group 2017 RM'000	2016 RM'000
Financial year		
2017	–	26,240
2018	**43,648**	63,905
2019	**94,748**	62,094
2020	**171,272**	140,161
2021	**39,010**	35,384
2022	**170,169**	147,723
2023	**96,292**	80,054
2024	**12,192**	12,427
2025	**16,450**	12,304
2026	**5,806**	–
	649,587	580,292

Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other subsidiaries in the Group and they have arisen in subsidiaries that have a recent history of losses and some of the subsidiaries are not expected to generate sufficient taxable profits before the expiry of the unused tax losses.

23 TRADE AND OTHER PAYABLES

	Note	The Group 2017 RM'000	2016 RM'000
Advances from the State Government	(a)	**33,180**	33,180
Land and development costs payable	(b)	**426,063**	479,127
Less: Payable within 12 months (Note 43)		**(12,238)**	(6,000)
Payable after 12 months		**413,825**	473,127
Deposits	(c)	**158,414**	157,956
Refundable membership securities	(d)	**5,628**	5,649
Shareholder's advance	(e)	**–**	4,281
Lease payable to Kuantan Port Authority	(f)	**96,021**	95,842
Less: Payable within 12 months (Note 43)		**(5,666)**	(5,572)
Payable after 12 months		**90,355**	90,270
		701,402	764,463

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

23 TRADE AND OTHER PAYABLES (cont'd)

(a) On 17 January 2003, Jelutong Development Sdn Bhd ("JDSB"), an indirect subsidiary of the Company, entered into a Reimbursement Land Cost Agreement (hereinafter referred to as "the RLC Agreement") with the Penang State Government in connection with the completion of the Jelutong Expressway Project.

Under the RLC Agreement, the advances received from the State Government for the reimbursement of land cost totalling RM33,180,000 are repayable to the State Government as follows:

	Percentage of advances to be repaid to the Penang State Government %
36 months from the commencement of Stage 3 of the Construction Works of Jelutong Expressway or from the completion of alienation of Parcels A2 and B1, whichever is the later (1st Payment)	**30**
12 months from the date of the Certificate of Completion of the entire Jelutong Expressway or from the date of the 1st Payment, whichever is the later (2nd Payment)	**30**
12 months from the date of the 2nd Payment	**40**
	100

JDSB had completed Stage 3 of the Construction Works in March 2015 and the alienation of Parcels A2 and B1 has yet to commence as at balance sheet date.

The advances on reimbursable land cost are interest free. However, if JDSB fails to pay the Penang State Government any of the instalment payments above by their respective due dates, JDSB shall be liable to pay to the Penang State Government interest at a fixed rate of 8% per annum on any such outstanding instalment payments.

(b) This represents the present value of the deferred development cost of RM214,733,000 (2016: RM220,326,000) in connection with a mixed development at Royal Mint Street, United Kingdom ("UK"), which will become payable upon surplus cash flow being available from the development; and the present value of the land and deferred development costs of RM211,330,000 (2016: RM258,801,000) in connection with a mixed development in Kuala Lumpur, which will become payable as the development progresses.

(c) This represents deposits received from purchasers of development units for the mixed development at Royal Mint Street, United Kingdom.

(d) This represents membership securities received by ERMS Berhad ("ERMS"), an indirect subsidiary of the Company, prior to the implementation of a Deed of Trust dated 20 May 1993. The membership securities are refundable only upon the transfer of a membership by a member to an acceptable transferee and after the said transferee has paid the required refundable securities.

Based on the Deed of Trust, the refundable membership securities shall be paid to an Accumulated Fund over 92 equal annual payments of RM77,000. Subsequently, on 28 June 1997, the Trustee agreed to an annual payment of RM364 to be paid to the Accumulated Fund over 88 years beginning from 15 June 1998.

On 20 March 2003, ERMS had withdrawn the Accumulated Fund and purchased a group premium pension scheme, wherein the terminal value will be used to refund the membership securities to the members. Accordingly, ERMS had ceased to contribute the fixed annual payment to the Accumulated Fund.

(e) The shareholder's advance was in respect of an advance by a subsidiary's shareholder to the subsidiary which was unsecured, interest free and will be repayable after full repayment of other term loans of the subsidiary or upon approval by the lenders of the other term loans. During the financial year, the shareholder's advance has been waived by the shareholder.

23 TRADE AND OTHER PAYABLES (cont'd)

(f) In the preceding financial year, Kuantan Port Consortium Sdn Bhd ("KPC"), which is a 60%-owned subsidiary of Road Builder (M) Holdings Bhd, which in turn is a wholly-owned subsidiary of the Company, entered into a new Privatisation Agreement on 16 June 2015 with the Government of Malaysia ("Government") and Kuantan Port Authority ("KPA") ("Privatisation Agreement"), whereby KPC is granted a 30-year port concession in relation to the development, operation and management of Kuantan Port, which covers the existing Kuantan Port and a new deep water terminal adjacent to the existing Kuantan Port.

The balance represents the present value of future lease payments payable to the Government and KPA, which is in relation to the lease of land solely for the purpose of the port operations and the development of the port and other related purposes upon the terms and conditions of the Privatisation Agreement.

24 RETIREMENT BENEFITS

(a) Defined contribution plan

The Company and its subsidiaries in Malaysia contribute to the Employees Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group has no further payment obligations.

(b) Unfunded defined benefit plan

A local indirect subsidiary of the Company operates an unfunded defined benefit scheme ("the scheme") for its eligible employees. Under the scheme, eligible employees are entitled to retirement benefits by applying a certain factor (either 0.50, 0.75 or 1.00 depending on the number of years of service with the company) to the 100% of final salary on attainment of the retirement age of 55 years based on the number of years of service with the company. The net obligation in respect of the scheme, calculated using the projected unit credit method is determined by an actuarial valuation carried out every 3 years by a qualified actuary. The last actuarial valuation was performed for the financial year ended 31 March 2016.

The indirect subsidiaries of the Company in Indonesia operate an unfunded defined benefit scheme ("the scheme") for its eligible employees. Under the scheme, the eligible employees are entitled to retirement benefits computed by applying certain factors on the severance pay and service pay. The severance pay and service pay are derived by applying certain multipliers on the final salary upon attainment of the retirement age of 55 years, based on the number of years of service with the company. The net obligation in respect of the scheme, calculated using the projected unit credit method is determined by an actuarial valuation carried out by a qualified actuary. The last actuarial valuation was performed for the financial year ended 31 March 2017.

The movements during the financial year on the amounts recognised in the consolidated balance sheet are as follows:

	The Group	
	2017 RM'000	2016 RM'000
At 1 April 2016/2015	**6,348**	6,517
Reclassification	**4,526**	–
Charged to profit or loss (Note 6)	**2,029**	643
Capitalised in plantation development expenditure (Note 38)	**537**	–
Contributions paid during the financial year	**(2,143)**	(1,563)
Adjustment for actuarial loss	**–**	751
Exchange differences	**592**	–
At 31 March	**11,889**	6,348
Present value of liabilities:		
- Payable within 1 year (Note 43)	**1,378**	1,673
- Payable between 1 and 5 years	**2,556**	3,516
- Payable after 5 years	**7,955**	1,159
Payable after 1 year (included in non-current liabilities)	**10,511**	4,675
	11,889	6,348

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

24 RETIREMENT BENEFITS (cont'd)

(b) Unfunded defined benefit plan (cont'd)

The amounts of unfunded defined benefit recognised in the balance sheet may be analysed as follows:

	The Group 2017 RM'000	The Group 2016 RM'000
Present values of unfunded defined benefit obligations, recognised as liability in the balance sheets	**11,889**	6,348
Analysed as:		
Current (included in other payables - Note 43)	**1,378**	1,673
Non-current	**10,511**	4,675
	11,889	6,348

The expenses recognised in the profit or loss were analysed as follows:

	The Group 2017 RM'000	The Group 2016 RM'000
Current service cost	**1,501**	354
Interest cost	**528**	289
Total unfunded defined benefit retirement plan (Note 6)	**2,029**	643

The charges to the profit or loss were included in the following line items:

	The Group 2017 RM'000	The Group 2016 RM'000
Cost of sales	**1,884**	482
Administrative expenses	**145**	161
Total included in employee benefits cost (Note 6)	**2,029**	643

The principal actuarial assumptions used in respect of the Group's unfunded defined benefit plan were as follows:

	The Group 2017 %	The Group 2016 %
Discount rate	**4.7 ~ 8**	4.7
Expected rate of salary increases	**5.5 ~ 8**	5.5

25 PROVISIONS

	Note	The Group 2017 RM'000	2016 RM'000
Provision for maintenance			
At 1 April 2016/2015		**1,945**	5,115
Current year provision		**5,823**	19,006
Disposal of a subsidiary	48(ii)	**–**	(11,657)
Utilised during the year		**(3,441)**	(7,722)
Over provision in respect of prior years		**(1,406)**	(3,675)
Reclassification		**(168)**	(67)
Exchange translation differences		**–**	945
At 31 March	(a)	**2,753**	1,945
Provision for affordable housing			
At 1 April 2016/2015		**85,829**	99,675
Current year provision		**31,841**	5,169
Over provision in respect of prior years		**–**	(19,015)
At 31 March	(b)	**117,670**	85,829
		120,423	87,774
Analysis of total provisions:			
Current		**10,718**	1,945
Non-current		**109,705**	85,829
		120,423	87,774

(a) Provision for maintenance is in respect of the contractual obligations under the respective concession agreements to maintain and restore the Expressway Development Expenditure ("EDE") to a specified standard of serviceability.

(b) Provision for affordable housing represents the present value of unavoidable costs exceeding the economic benefits expected to be received by the Group in discharging the obligation to develop affordable housing involuntarily based on the requirements imposed by relevant authorities in relation to the Group's property development projects.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

26 DEFERRED INCOME

	Note	The Group 2017 RM'000	The Group 2016 RM'000
Government grants	(a)	**2,708**	8,164
Deferred gain	(b)	**70,355**	–
At 31 March		**73,063**	8,164

(a) Government grants:

	Note	2017 RM'000	2016 RM'000
Cost			
At 1 April 2016/2015		**48,982**	123,755
Disposal of a subsidiary	48(ii)	**–**	(83,560)
Exchange translation differences		**7,351**	8,787
At 31 March		**56,333**	48,982
Accumulated amortisation			
At 1 April 2016/2015		**(40,818)**	(40,468)
Current amortisation	5(b)	**(6,172)**	(6,646)
Disposal of a subsidiary	48(ii)	**–**	6,863
Exchange translation differences		**(6,635)**	(567)
At 31 March		**(53,625)**	(40,818)
		2,708	8,164

The government grants represent grants received from the Indian Government for certain toll road concessions awarded to the Group.

(b) The deferred gain represents the Group's share of the gain arising from the disposal of a parcel of land to a joint venture held via a wholly-owned subsidiary of the Company.

27 PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

	Freehold land RM'000	Leasehold land RM'000	Plantation infrastructure RM'000	Buildings RM'000	Hotel properties RM'000	Plant, machinery, equipment and vehicles RM'000	Office equipment, furniture, fittings and renovations RM'000	Capital work-in-progress RM'000	Total RM'000
The Group									
2017									
Net book value									
At 1 April 2016	62,749	152,772	336,765	245,606	186,410	586,936	44,172	197,147	1,812,557
Additions	74	–	30,011	2,840	1,019	71,262	6,908	90,930	203,044
Acquisition of a subsidiary (Note 47(a)(i))	9,800	–	–	28,300	39,412	–	1,443	7,140	86,095
Revaluation	–	–	–	–	27,056	–	–	–	27,056
Disposals	(1,051)	–	–	(515)	(43,482)	(6,507)	(58)	(15,316)	(66,929)
Written off	–	–	–	(468)	–	(617)	(85)	–	(1,170)
Depreciation charges for the year	–	(2,086)	(14,352)	(19,321)	(4,699)	(92,033)	(11,350)	–	(143,841)
Impairment	–	–	–	–	2,470	2,842	–	–	5,312
Transferred to land use rights (Note 28)	–	(4,474)	–	–	–	–	–	–	(4,474)
Transferred to investment properties (Note 29)	–	–	–	(626)	–	–	–	–	(626)
Exchange differences arising from translation of assets of foreign operations	836	107	23,639	12,283	–	15,657	701	19,399	72,622
Reclassifications	(1)	(816)	1,393	32,842	92	43,266	253	(77,029)	–
At 31 March 2017	72,407	145,503	377,456	300,941	208,278	620,806	41,984	222,271	1,989,646

27 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of property, plant and equipment are as follows: (cont'd)

	Freehold land RM'000	Leasehold land RM'000	Plantation infrastructure RM'000	Buildings RM'000	Hotel properties RM'000	Plant, machinery, equipment and vehicles RM'000	Office equipment, furniture, fittings and renovations RM'000	Capital work-in-progress RM'000	Total RM'000
The Group									
2016									
Net book value									
At 1 April 2015	62,782	154,164	303,423	252,924	190,929	582,995	43,194	136,420	1,726,831
Additions	–	722	28,980	2,314	931	59,568	9,209	101,774	203,498
Disposal of a subsidiary (Note 48(ii))	(57)	–	–	(1,905)	–	(590)	(347)	–	(2,899)
Disposals	–	–	–	(841)	–	(3,340)	(78)	–	(4,259)
Written off	–	–	–	(488)	–	(444)	(408)	–	(1,340)
Depreciation charges for the year	–	(2,422)	(12,032)	(18,595)	(5,431)	(81,421)	(11,426)	–	(131,327)
Impairment	–	–	–	–	–	–	–	(1,190)	(1,190)
Exchange differences arising from translation of assets of foreign operations	24	98	8,376	4,597	–	4,412	335	5,401	23,243
Reclassifications	–	210	8,018	7,600	(19)	25,756	3,693	(45,258)	–
At 31 March 2016	62,749	152,772	336,765	245,606	186,410	586,936	44,172	197,147	1,812,557

27 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of property, plant and equipment are as follows: (cont'd)

	Freehold land RM'000	Leasehold land RM'000	Plantation infrastructure RM'000	Buildings RM'000	Hotel properties RM'000	Plant, machinery, equipment and vehicles RM'000	Office equipment, furniture, fittings and renovations RM'000	Capital work-in-progress RM'000	Total RM'000
The Group									
Net book value									
At 31 March 2017									
Cost/Valuation	**72,407**	**172,982**	**452,660**	**487,136**	**244,968**	**1,480,717**	**144,482**	**225,188**	**3,280,540**
Accumulated depreciation	**–**	**(27,479)**	**(75,204)**	**(186,157)**	**(13,340)**	**(852,463)**	**(102,373)**	**–**	**(1,257,016)**
Accumulated impairment	**–**	**–**	**–**	**(38)**	**(23,350)**	**(7,448)**	**(125)**	**(2,917)**	**(33,878)**
Net book value	**72,407**	**145,503**	**377,456**	**300,941**	**208,278**	**620,806**	**41,984**	**222,271**	**1,989,646**
At 31 March 2016									
Cost/Valuation	62,749	179,506	393,901	413,476	237,825	1,372,619	138,775	200,337	2,999,188
Accumulated depreciation	–	(26,734)	(57,136)	(167,517)	(28,065)	(775,629)	(94,426)	–	(1,149,507)
Accumulated impairment	–	–	–	(353)	(23,350)	(10,054)	(177)	(3,190)	(37,124)
Net book value	62,749	152,772	336,765	245,606	186,410	586,936	44,172	197,147	1,812,557

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

27 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Buildings RM'000	Plant, machinery, equipment and vehicles RM'000	Office equipment, furniture, fittings and renovations RM'000	Total RM'000
The Company				
2017				
Net book value				
At 1 April 2016	**437**	**1,688**	**366**	**2,491**
Additions	**–**	**742**	**108**	**850**
Disposals	**–**	**(105)**	**–**	**(105)**
Depreciation charges for the year	**(11)**	**(781)**	**(85)**	**(877)**
Exchange differences	**–**	**71**	**–**	**71**
At 31 March 2017	**426**	**1,615**	**389**	**2,430**
2016				
Net book value				
At 1 April 2015	447	2,477	330	3,254
Additions	–	190	153	343
Disposals	–	(75)	–	(75)
Depreciation charges for the year	(10)	(926)	(117)	(1,053)
Exchange differences	–	22	–	22
At 31 March 2016	437	1,688	366	2,491
At 31 March 2017				
Cost	**577**	**4,423**	**4,187**	**9,187**
Accumulated depreciation	**(151)**	**(2,808)**	**(3,798)**	**(6,757)**
Net book value	**426**	**1,615**	**389**	**2,430**
At 31 March 2016				
Cost	577	3,359	4,079	8,015
Accumulated depreciation	(140)	(1,671)	(3,713)	(5,524)
Net book value	437	1,688	366	2,491

(a) Valuation

Property, plant and equipment include leasehold land, buildings and plant of certain subsidiaries which were last revalued in 1982, 1993 and 1997 based on an open market value basis by firms of independent professional valuers.

In accordance with the Group's accounting policy on property, plant and equipment, hotel building and leasehold land ("hotel properties") are revalued periodically by an independent professional valuer at an interval of not exceeding 5 years.

27 PROPERTY, PLANT AND EQUIPMENT (cont'd)

(a) Valuation (cont'd)

During the year, the hotel properties of ERMS Berhad, an indirect subsidiary of the Company were revalued by an independent qualified valuer, Henry Butcher Malaysia, a member of the Institute of Surveyors, Malaysia. The valuation was arrived at based on the Comparison Method of Valuation where reference was made to similar properties. The fair values of these assets are within level 3 of the fair value hierarchy using significant unobservable inputs. This valuation method entails comparing hotel properties with similar properties that were sold recently. The location of the hotel property, time element, merits and demerits of the hotel properties are taken into consideration to arrive at an acceptable degree of comparability and the value of the hotel properties. The valuation results were reviewed by management and deliberated during the management committee meetings.

	Valuation method	Average fair value per room RM'000	Parameters – Relationship of unobservable inputs to fair value per room
Hotel properties	Comparison method of valuation	504	The higher the average fair value per room, the higher the fair value

Had the revalued leasehold land, buildings and plant been carried at the historical cost model, the net book values would have been as follows:

	The Group 2017 RM'000	The Group 2016 RM'000
Leasehold land	**56,994**	57,693
Buildings	**34,000**	35,875
	90,994	93,568

(b) Assets acquired under finance lease agreements

Included in property, plant and equipment of the Group are the net book values of the following assets acquired under finance lease agreements:

	The Group 2017 RM'000	The Group 2016 RM'000
Plant, machinery, equipment and vehicles	**3,146**	1,450

(c) Net book values of assets pledged as security for term loans of certain subsidiaries (Note 17):

	The Group 2017 RM'000	The Group 2016 RM'000
Land	**110,000**	80,342
Building	**53,739**	59,903
	163,739	140,245

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

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 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
Included in the aggregate costs incurred to-date within amounts due from/(to) customers on construction contracts	45	**2,153**	3,332	**373**	449
Capitalised as plantation development expenditure	38(b)	**5,343**	6,507	**–**	–

(e) In the preceding financial year, land titles to freehold lands with carrying values of RM2,968,000 were in the process of being transferred to the Group.

28 LAND USE RIGHTS

	Note	The Group 2017 RM'000	The Group 2016 RM'000
<u>Cost</u>			
At 1 April 2016/2015		**166,073**	155,192
Additions		**24,056**	7,010
Transferred from property, plant and equipment	27	**5,593**	–
Disposal of a subsidiary	48(ii)	**–**	(13)
Exchange differences		**10,238**	3,884
At 31 March		**205,960**	166,073
<u>Accumulated amortisation</u>			
At 1 April 2016/2015		**31,234**	25,872
Transferred from property, plant and equipment	27	**1,119**	–
Amortisation for the financial year	5(a)	**6,037**	4,922
Disposal of a subsidiary	48(ii)	**–**	(1)
Exchange differences		**1,739**	441
At 31 March		**40,129**	31,234
<u>Net book value</u>			
At 31 March		**165,831**	134,839

During the financial year, amortisation expenses of RM657,000 (2016: RM969,000) and RM Nil (2016: RM91,000) have been included in plantation development expenditure (Note 38(b)) and aggregate costs incurred to-date within amounts due from/(to) customers on construction contracts (Note 45) of the Group respectively.

The Group's land use rights with carrying value of RM51.3 million (2016: RM39.3 million) are still in the process of being transferred to the Group.

29 INVESTMENT PROPERTIES

The Group	Note	Freehold land RM'000	Leasehold land RM'000	Freehold buildings RM'000	Long term leasehold buildings RM'000	Work in progress RM'000	Total RM'000
2017							
Net book value							
At 1 April 2016		**6,134**	**7,478**	**10,148**	**23,781**	**12,542**	**60,083**
Additions		**–**	**–**	**–**	**–**	**9,493**	**9,493**
Depreciation charges for the year	5(a)	**–**	**(97)**	**(265)**	**(310)**	**–**	**(672)**
Transferred from property, plant and equipment	27	**–**	**–**	**626**	**–**	**–**	**626**
Disposals		**–**	**–**	**(252)**	**–**	**–**	**(252)**
Reversal of over accrual of costs		**–**	**–**	**(411)**	**–**	**–**	**(411)**
At 31 March 2017		**6,134**	**7,381**	**9,846**	**23,471**	**22,035**	**68,867**
2016							
Net book value							
At 1 April 2015		6,134	7,575	1,710	24,152	2,257	41,828
Additions		–	–	–	–	2,998	2,998
Depreciation charges for the year	5(a)	–	(97)	(144)	(371)	–	(612)
Transferred from property development costs	37(b)	–	–	–	–	12,132	12,132
Transferred from assets held for sale		–	–	3,737	–	–	3,737
Reclassification		–	–	4,845	–	(4,845)	–
At 31 March 2016		6,134	7,478	10,148	23,781	12,542	60,083
At 31 March 2017							
Cost		**6,134**	**8,713**	**13,051**	**24,549**	**22,035**	**74,482**
Accumulated depreciation		**–**	**(1,332)**	**(2,834)**	**(1,078)**	**–**	**(5,244)**
Accumulated impairment		**–**	**–**	**(371)**	**–**	**–**	**(371)**
Net book value		**6,134**	**7,381**	**9,846**	**23,471**	**22,035**	**68,867**
At 31 March 2016							
Cost		6,134	8,713	12,205	24,549	12,542	64,143
Accumulated depreciation		–	(1,235)	(2,000)	(768)	–	(4,003)
Accumulated impairment		–	–	(57)	–	–	(57)
Net book value		6,134	7,478	10,148	23,781	12,542	60,083

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

29 INVESTMENT PROPERTIES (cont'd)

The Company	Note	Leasehold buildings RM'000	Freehold buildings RM'000	Total RM'000
2017				
Net book value				
At 1 April 2016		**2,988**	**4,489**	**7,477**
Depreciation charges for the year	5(a)	**(33)**	**(132)**	**(165)**
At 31 March 2017		**2,955**	**4,357**	**7,312**
2016				
Net book value				
At 1 April 2015		3,020	884	3,904
Transferred from assets held for sale		–	3,737	3,737
Depreciation charges for the year	5(a)	(32)	(132)	(164)
At 31 March 2016		2,988	4,489	7,477
At 31 March 2017				
Cost		**3,053**	**6,475**	**9,528**
Accumulated depreciation		**(98)**	**(2,118)**	**(2,216)**
Net book value		**2,955**	**4,357**	**7,312**
At 31 March 2016				
Cost		3,053	6,475	9,528
Accumulated depreciation		(65)	(1,986)	(2,051)
Net book value		2,988	4,489	7,477

The above properties are not occupied by the Group and are used to either earn rentals or for capital appreciation, or both. As at 31 March 2017, the fair value of the properties of the Group and the Company was estimated at RM106,660,000 (2016: RM91,222,000) and RM11,678,000 (2016: RM10,314,000) respectively by the Directors based on either valuations by independent professionally qualified valuers or the Directors' estimates by reference to open market value of properties in the vicinity. The fair values of investment properties are within level 2 of the fair value hierarchy.

30 CONCESSION ASSETS

	Note	The Group 2017 RM'000	The Group 2016 RM'000
Expressway development expenditure		**2,325,629**	2,355,130
Port infrastructure		**771,437**	557,046
		3,097,066	2,912,176
Expressway development expenditure:			
Cost			
At 1 April 2016/2015		**3,253,023**	3,826,231
Additions		**47,161**	79,424
Reclassification		**–**	278,100
Written off	5(a)	**(409)**	(4,030)
Disposal of a subsidiary	48(ii)	**–**	(1,019,304)
Exchange translation differences		**90,829**	92,602
At 31 March		**3,390,604**	3,253,023
Accumulated amortisation			
At 1 April 2016/2015		**(592,370)**	(531,092)
Current amortisation	5(a)	**(156,513)**	(134,954)
Written off	5(a)	**125**	1,145
Disposal of a subsidiary	48(ii)	**–**	78,623
Exchange translation differences		**(23,419)**	(6,092)
At 31 March		**(772,177)**	(592,370)
		2,618,427	2,660,653
Less: Deferred income			
Cost			
At 1 April 2016/2015 and At 31 March		**(400,456)**	(400,456)
Accumulated amortisation			
At 1 April 2016/2015		**94,933**	82,983
Current amortisation	5(a)	**12,725**	11,950
At 31 March		**107,658**	94,933
		(292,798)	(305,523)
		2,325,629	2,355,130

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

30 CONCESSION ASSETS (cont'd)

	Note	The Group 2017 RM'000	The Group 2016 RM'000
Port infrastructure:			
Cost			
At 1 April 2016/2015		**716,148**	452,970
Additions		**233,645**	173,605
Accrual		**–**	95,842
Written off	5(a)	**–**	(6,269)
At 31 March		**949,793**	716,148
Accumulated amortisation			
At 1 April 2016/2015		**(159,102)**	(144,330)
Current amortisation	5(a)	**(19,254)**	(15,875)
Written off	5(a)	**–**	1,103
At 31 March		**(178,356)**	(159,102)
		771,437	557,046

Deferred income comprises:

(a) compensation received by New Pantai Expressway Sdn Bhd ("NPE"), an indirect subsidiary of the Company, from the Malaysian Government as a result of the cessation of toll collections with effect from 14 February 2009 at the PJS2 Toll Plaza for Kuala Lumpur bound road users on the NPE; and

(b) compensation received by Besraya Sdn Bhd, an indirect subsidiary of the Company, from the Malaysian Government as a result of the cessation of toll collections with effect from 24 February 2009 at the Salak Jaya Toll Plaza and compensation for the deferment of toll increase.

Expressway development expenditure comprises toll road concessions in Malaysia and India, with concession periods ranging from 14 to 44 years and ending between 2017 and 2040. Port infrastructure comprises port concession in Malaysia, with concession period of 48 years ending in 2045.

The concession assets with net carrying values of RM1,831,819,000 (2016: RM1,878,182,000) are pledged as security for bonds (Note 16).

Concession assets incurred during the financial year include the capitalisation of the following expenses:

	Note	The Group 2017 RM'000	The Group 2016 RM'000
Employee benefits cost	6	**–**	621
Finance cost	9	**–**	2,054

31 SUBSIDIARIES

	The Company 2017 RM'000	The Company 2016 RM'000
At cost:		
Quoted shares:		
- in Malaysia	**534,100**	506,858
Unquoted shares:		
- in Malaysia	**5,605,817**	5,602,817
- outside Malaysia	**8,716**	8,055
	6,148,633	6,117,730
Less: Accumulated impairment		
Unquoted shares		
- outside Malaysia	**(1,035)**	(1,035)
	6,147,598	6,116,695
Amounts owing by subsidiaries	**817,196**	952,596
Costs of investment in relation to share options and share grants being granted to employees of subsidiaries	**73,464**	66,950
	7,038,258	7,136,241
Market value *		
Quoted shares:		
- in Malaysia	**1,590,731**	1,739,937

The Group's effective equity interest in the subsidiaries and their respective principal activities and countries of incorporation are set out in Note 54 to the financial statements.

* The market values of quoted shares are traded in an active market and are within Level 1 of the fair value hierarchy.

As at 31 March 2017, the total non-controlling interests are RM1,319,406,000 (2016: RM1,208,045,000), of which RM784,741,000 (2016: RM719,287,000) is attributable to IJM Plantations Berhad. The other non-controlling interests are not significant.

Set out below are the summarised financial information for a subsidiary that has non-controlling interests that are material to the Group. The financial information below is based on amounts before inter-company eliminations.

	IJM Plantations Berhad 2017 RM'000	IJM Plantations Berhad 2016 RM'000
Proportion of ordinary shares held by non-controlling interests (%)	**44%**	45%
Summarised statements of comprehensive income:		
Revenue	**753,711**	557,613
Net profit for the financial year	**116,538**	22,043
Total comprehensive income for the financial year	**212,590**	57,496
Net profit attributable to non-controlling interests	**52,767**	8,688
Dividends paid to non-controlling interests	**19,729**	23,675
Summarised balance sheets:		
Current assets	**551,021**	433,718
Current liabilities	**(295,034)**	(193,432)
Non-current assets	**2,426,062**	2,156,705
Non-current liabilities	**(903,019)**	(791,701)
Net assets	**1,779,030**	1,605,290

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

31 SUBSIDIARIES (cont'd)

Set out below are the summarised financial information for a subsidiary that has non-controlling interests that are material to the Group. The financial information below is based on amounts before inter-company eliminations. (cont'd)

	IJM Plantations Berhad 2017 RM'000	IJM Plantations Berhad 2016 RM'000
Summarised cash flows:		
Cash flows from operating activities	**183,089**	57,020
Cash flows used in investing activities	**(136,470)**	(76,783)
Cash flows from/(used in) financing activities	**50,583**	(80,316)
Net increase/(decrease) in cash and cash equivalents during the financial year	**97,202**	(100,079)
Cash and cash equivalents at beginning of the financial year	**268,520**	371,420
Foreign exchange differences on opening balances	**20,272**	(2,821)
Cash and cash equivalents at end of the financial year	**385,994**	268,520

32 ASSOCIATES

	Note	The Group 2017 RM'000	The Group 2016 RM'000
Share of net assets of associates	(a)	**873,376**	869,633
Redeemable Unsecured Murabahah Stocks	(b)	**16,200**	–
Amount owing by an associate*		**11,816**	–
		901,392	869,633

* Amount owing by an associate represents unsecured advances which bears interest at a fixed rate of 7.85% per annum.

(a) Share of net assets of associates

	The Group 2017 RM'000	The Group 2016 RM'000
Quoted shares, at cost:		
- in Malaysia	**345,314**	341,993
- outside Malaysia	**38,080**	38,080
Unquoted shares, at cost:		
- in Malaysia	**83,591**	93,091
- outside Malaysia	**349,810**	427,924
	816,795	901,088
Share of post-acquisition retained profits	**141,629**	112,034
Share of post-acquisition reserves	**16,206**	(32,863)
	974,630	980,259
Less: Accumulated impairment	**(101,254)**	(110,626)
	873,376	869,633

32 ASSOCIATES (cont'd)

(a) Share of net assets of associates (cont'd)

	The Company 2017 RM'000	The Company 2016 RM'000
Quoted shares, at cost:		
- in Malaysia	**345,314**	341,993
- outside Malaysia	**38,080**	38,080
Unquoted shares, at cost:		
- in Malaysia	**28,309**	36,263
- outside Malaysia	**51,214**	52,979
	462,917	469,315
Less: Accumulated impairment	**(91,117)**	(100,786)
	371,800	368,529
Market value*		
Quoted shares:		
- in Malaysia	**436,674**	332,679
- outside Malaysia	**237,540**	85,598
	674,214	418,277

* The market values of quoted shares are traded in an active market and are within Level 1 of the fair value hierarchy.

The Group's effective equity interest in the associates and their respective principal activities and countries of incorporation are set out in Note 54 to the financial statements.

b) During the financial year, a subsidiary of the Company has subscribed for RM16,200,000 nominal value of Redeemable Unsecured Murabahah Stocks ("RUMS"), maturing on 12 July 2056, as issued by an associate of the Company. The terms of the RUMS are as follows:

(i) The RUMS bears a cumulative and non-compounding profit rate that is determined prior to each issuance of RUMS. As at 31 March 2017, the effective profit rate of RUMS is 10% p.a.

(ii) Each issuance of RUMS shall be valid from and including the date of the issuance until the maturity date provided that if each issuance of RUMS has not been fully redeemed in full by such date, it shall be valid until being redeemed and cancelled in accordance with the provision stated in the Deed Poll.

(iii) Any issuance of RUMS redeemed shall be immediately cancelled and thereafter will not be available for resale or reissued.

(iv) West Coast Expressway Sdn Bhd may make Periodic Profit Payments (as defined in the Deed Poll) or redeem the RUMS subject to the conditions in relation to the Project Financing Facilities (as defined in the Deed Poll).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

32 ASSOCIATES (cont'd)

(c) Certain losses of associates of the Group are not recognised when they exceed the Group's cost of investment and advances as the Group has no further obligations beyond these amounts. The Group's share of such losses is as follows:

	The Group 2017 RM'000	The Group 2016 RM'000
Current year share of losses	**(10,957)**	(248)
Current year recognition of previously unrecognised losses	**24**	–
Adjustment for previously unrecognised losses upon disposal of an associate	**2,974**	–
	(7,959)	(248)
Cumulative share of losses	**(13,733)**	(5,774)

(d) Set out below are the associates of the Group as at balance sheet dates, which, in the opinion of the management, are material to the Group. The associates as listed below have share capital consisting solely of ordinary shares, which are held either directly or indirectly by the Group.

Name of entity	Place of business/ country of incorporation	% of ownership 2017	% of ownership 2016	Nature of relationship	Measurement method
Scomi Group Berhad	Malaysia	**25**	25	Associate	Equity
Hexacon Construction Pte Limited	Singapore	**46**	46	Associate	Equity
WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad)	Malaysia	**26**	26	Associate	Equity

(e) Set out below are the summarised financial information for material associates which are accounted for using the equity method:

Summarised balance sheets:

	Scomi Group Berhad		Hexacon Construction Pte Limited		WCE Holdings Berhad	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current						
Cash and cash equivalents	**161,540**	157,337	**491,323**	356,544	**1,053,888**	1,301,431
Other current assets (excluding cash)	**1,340,264**	1,500,972	**155,769**	218,696	**192,042**	286,306
Total current assets	**1,501,804**	1,658,309	**647,092**	575,240	**1,245,930**	1,587,737
Financial liabilities (excluding trade and other payables)	**(556,935)**	(704,022)	**–**	–	**–**	(6,625)
Other current liabilities (including trade and other payables)	**(523,619)**	(566,974)	**(347,589)**	(261,343)	**(268,346)**	(478,457)
Total current liabilities	**(1,080,554)**	(1,270,996)	**(347,589)**	(261,343)	**(268,346)**	(485,082)

32 ASSOCIATES (cont'd)

(e) Set out below are the summarised financial information for material associates which are accounted for using the equity method: (cont'd)

Summarised balance sheets: (cont'd)

	Scomi Group Berhad		Hexacon Construction Pte Limited		WCE Holdings Berhad	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-current						
Assets	**822,957**	981,980	**241,930**	161,284	**1,653,212**	830,394
Financial liabilities	**(250,410)**	(161,743)	**–**	–	**(1,619,853)**	(1,117,560)
Other liabilities	**(30,839)**	(25,394)	**(31,488)**	(83,931)	**(289,911)**	(121,977)
Total non-current liabilities	**(281,249)**	(187,137)	**(31,488)**	(83,931)	**(1,909,764)**	(1,239,537)
Non-controlling interests	**(476,082)**	(576,417)	**–**	–	**(39,305)**	(42,967)
Net assets (excluding non-controlling interests)	**486,876**	605,739	**509,945**	391,250	**681,727**	650,545
Market value (Group's share)	**86,577**	88,917	**–***	–*	**350,097**	243,762

* Hexacon Construction Pte Limited is a private company and there is no quoted market price available for its shares.

Summarised statement of comprehensive income:

	Scomi Group Berhad		Hexacon Construction Pte Limited		WCE Holdings Berhad	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	**935,962**	1,744,706	**622,051**	460,508	**869,374**	584,826
Depreciation and amortisation	**(136,597)**	(105,330)	**–**	–	**(348)**	(360)
Interest income	**6,281**	3,538	**–**	–	**1,234**	432
Finance cost	**(30,151)**	(16,483)	**–**	–	**(2,114)**	(1,166)
(Loss)/profit before taxation	**(180,023)**	96,607	**95,428**	33,475	**35,738**	(6,281)
Income tax expense	**(9,503)**	(38,857)	**(16,928)**	(3,868)	**(3,309)**	(1,086)
(Loss)/profit after taxation	**(189,526)**	57,750	**78,500**	29,607	**32,429**	(7,367)
Other comprehensive income/(loss)	**10,184**	88,325	**4,395**	(10,510)	**–**	–
Less: Profit/(loss) after taxation attributable to non-controlling interests	**69,500**	(7,760)	**–**	–	**(1,248)**	(707)
Less: Other comprehensive loss attributable to non-controlling interests	**(16,065)**	(35,406)	**–**	–	**–**	–
Total comprehensive (loss)/income	**(125,907)**	102,909	**82,895**	19,097	**31,181**	(8,074)
Dividends received from associates	**–**	–	**2,912**	1,242	**–**	–

Note: The summarised financial information above reflects the amounts presented in the financial statements of the associates.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

32 ASSOCIATES (cont'd)

(e) Set out below are the summarised financial information for material associates which are accounted for using the equity method: (cont'd)

Reconciliation of the summarised financial information presented to the carrying amount of its interests in associates:

	Scomi Group Berhad		Hexacon Construction Pte Limited		WCE Holdings Berhad	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Net assets at 1 April 2016/2015	**605,739**	622,237	**391,250**	325,570	**650,545**	664,800
Less: Gross dividend distributed during the year	**–**	–	**(4,585)**	(2,730)	**–**	–
Net profit for the financial year	**(120,026)**	49,990	**78,500**	29,607	**31,181**	(8,074)
Other comprehensive income	**(5,881)**	52,919	**4,395**	(10,510)	**–**	–
Other reserves	**2,438**	(6,837)	**–**	–	**1**	(6,181)
Foreign exchange differences	**–**	–	**40,385**	49,313	**–**	–
	482,270	718,309	**509,945**	391,250	**681,727**	650,545
Less: fair value adjustment upon increase in additional interests	**4,606**	(112,570)	**–**	–	**–**	–
Net assets at 31 March	**486,876**	605,739	**509,945**	391,250	**681,727**	650,545
Interests in associates	**119,727**	149,483	**232,024**	178,019	**154,989**	151,896
Goodwill	**20,188**	20,397	**–**	–	**–**	–
Carrying value	**139,915**	169,880	**232,024**	178,019	**154,989**	151,896

(f) Set out below are the financial information of all individually immaterial associates on an aggregate basis.

	2017 RM'000	2016 RM'000
Carrying amounts of interest in associates	**374,464**	369,838
Share of associates' profits/(losses)	**40,248**	(5,020)
Share of associates' other comprehensive income	**3,578**	1,276
Share of associates' total comprehensive income/(losses)	**43,826**	(3,744)

33 JOINT VENTURES

	Note	The Group 2017 RM'000	2016 RM'000
Redeemable Convertible Unsecured Loan Stocks ("RCULS")	(A)	**240,000**	240,000
At cost:			
- In Malaysia		**111,875**	111,375
Share of post-acquisition reserves		**(150,089)**	(145,228)
		201,786	206,147
Redeemable Convertible Secured Islamic Debt Securities ("RCSIDS")	(B)	**57,540**	50,436
Amounts owing by joint ventures		**622,910**	551,391
Less: Allowance for impairment of amounts owing by joint ventures		**(127,453)**	(127,453)
		495,457	423,938
		754,783	680,521

(A) RCULS

In 2007 and 2009, the Company had subscribed for RM240,000,000 nominal value of Redeemable Convertible Unsecured Loan Stocks ("RCULS"), maturing on 8 February 2026, as issued by Lebuhraya Kajang-Seremban Sdn Bhd ("Lekas"), a joint venture of the Company. The terms of RCULS are as follows:

(i) The RCULS bear fixed cumulative interest of 7% per annum from the date of subscription until the date of redemption or maturity, whichever is earlier.

(ii) The RCULS are convertible on the basis of one RCULS for one new ordinary share of RM1 each in Lekas.

(iii) The conversion period is the period commencing from the date immediately after the first anniversary of the date of issuance of the final completion certificate of the final phase of the works under the Concession Agreement and ending on such a date falling 3 years thereafter. As at 31 March 2017, the period for exercising the conversion had expired.

(B) RCSIDS

In the previous financial year, the Company acquired RM90,109,292 nominal value of Redeemable Convertible Secured Islamic Debt Securities ("RCSIDS"), maturing on 10 April 2023, as issued by Lekas, a joint venture of the Company. The terms of RCSIDS are as follows:

(i) The RCSIDS bear a fixed, cumulative and non-compounding profit rate of 7.9% per annum.

(ii) Every RM1 nominal value of the RCSIDS or every RM1 profit payable on such RCSIDS can be converted into 1 ordinary share of Lekas at the conversion price of RM1. The profit in respect of the RCSIDS can only be converted into ordinary shares if it is done in conjunction with the conversion of the corresponding RCSIDS.

(iii) The conversion period commences from the date immediately after the issue date and ends on the maturity date.

(iv) The RCSIDS may, prior to the maturity date, be redeemed in part or in full at their aggregate nominal value plus accrued and unpaid profit. No cash payment will be made for the principal amount in respect of the RCSIDS and the profit earned on the relevant profit payment dates during the subsistence of the syndicated term loan facility and until the maturity date. Any early redemption shall take place on a profit payment date or such other dates as may be mutually agreed between the parties. All outstanding RCSIDS and cumulative profit shall be redeemed by the issuer on the maturity date.

The RCSIDS which have been redeemed will be cancelled and cannot be reissued and the outstanding profit which has not been converted into new ordinary shares shall be paid by the issuer in the form of cash payment on the maturity date.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

33 JOINT VENTURES (cont'd)

	The Company 2017 RM'000	The Company 2016 RM'000
RCULS	**240,000**	240,000
Unquoted shares, at cost	**50,000**	50,000
	290,000	290,000
Less: Allowance for impairment of investments	**(138,695)**	(138,695)
	151,305	151,305
RCSIDS	**57,540**	50,436
Amounts owing by joint ventures	**50,422**	50,426
Less: Allowance for impairment of amounts owing by joint ventures	**(33,567)**	(33,567)
	16,855	16,859
	225,700	218,600

The amounts owing by joint ventures are mainly unsecured advances for the joint ventures' working capital requirements which bear interest rates ranging from 7% to 7.9% (2016: 6% to 7.9%) per annum.

As at 31 March 2017, amounts owing by joint ventures of the Group and the Company of RM127,453,000 (2016: RM127,453,000) and RM33,567,000 (2016: RM33,567,000) respectively were impaired and provided for. The net amounts recoverable from joint ventures are arrived at based on the present value of the projected cash flows generated by the construction and property development activities undertaken by the joint ventures.

Movements on the Group's and the Company's allowance for impairment of amounts owing by joint ventures are as follows:

	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
At 1 April 2016/2015	**127,453**	256,168	**33,567**	39,448
Allowance for impairment of amounts owing by joint ventures during the year (Note 5(a))	**–**	205	**–**	–
Write back of allowance for impairment of amounts owing by joint ventures (Note 5(b))	**–**	(5,881)	**–**	(5,881)
Disposal of RBM India project	**–**	(123,039)	**–**	–
At 31 March	**127,453**	127,453	**33,567**	33,567

The Group has carried out an assessment on the recoverability of the amounts owing by joint ventures and management believes that the current impairment recognised is adequate.

The management has assessed whether there is any impairment of its investment in one of the joint venture of the Company as the joint venture has incurred a loss during the financial year.

This assessment was performed by calculating the value-in-use ("VIU") of the investment based on net cash inflow generated from its toll operation over the remaining concession period of 22 years up to the year of 2039.

Key assumptions used were:

Annual growth rate of traffic volume	Negative 1.7% for the year of 2018 and ranges from 1.7% to 7.5% per annum from the year of 2018 to 2039
Discount rate	5.5%

Based on management's assessment, there is no provision for impairment required during the financial year.

33 JOINT VENTURES (cont'd)

As at the reporting date, if the change in the annual growth rate of traffic volume and the discount rate used in the VIU had been 50 basis points lower and 50 basis points higher respectively, with all variables held constant, no provision for impairment is required.

(a) Details of the joint ventures are as follows:

	Group's effective interest in joint ventures 2017 %	2016 %	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	**50**	50	Property development
IJM-SCL Joint Venture	**50**	50	Dormant
IJM-Gayatri Joint Venture	**60**	60	Dormant
IJM-NBCC-VRM Joint Venture	**50**	50	Dormant
Lebuhraya Kajang-Seremban Sdn Bhd	**50**	50	Toll road operations
IJM-Norwest JV **	**–**	70	Construction
IJMC-Zublin Joint Venture	**50**	50	Construction
ISZL Consortium	**25**	25	Construction
BSC-RBM-PATI JV	**25**	25	Construction
IJMC-Ambang Usaha Joint Venture	**50**	50	Construction
IJMC-Gayatri Joint Venture	**60**	60	Construction
IJM-LFE Joint Venture	**70**	70	Construction
Shimizu-Nishimatsu-UEMB-IJM Joint Venture	**20**	20	Construction
IJMC-JAKS Joint Venture	**60**	60	Construction
Kiara Teratai-IJM Joint Venture	**40**	40	Construction
IJM LFE Sdn Bhd	**70**	70	Construction
IJM Sunway Sdn Bhd	**50**	50	Construction
IJM-CHEC Joint Venture	**60**	–	Construction

* Joint ventures related to WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad), an associate of the Company.

** During the year, IJM Construction Sdn Bhd, a wholly-owned subsidiary of the Company, acquired the remaining 30% interest in IJM-Norwest JV ("IJMNJV"). Subsequent to the acquisition, IJMNJV became a wholly-owned subsidiary. The net loss arising from this transaction amounted to RM2,987,295 at the consideration sum of RM1,095,121 (Note 54).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

33 JOINT VENTURES (cont'd)

(b) As at 31 March 2017 and 31 March 2016, there is no contingent liability and capital commitment relating to the Group's interest in the joint ventures.

(c) Set out below are the joint ventures of the Group as at 31 March 2017 and 31 March 2016, which, in the opinion of the management, are material to the Group. The joint ventures as listed below have share capital consisting solely of ordinary shares, which are held directly or indirectly by the Group.

Name of entity	Place of business/ country of incorporation	% of ownership 2017	% of ownership 2016	Nature of relationship	Measurement method
Lebuhraya Kajang-Seremban Sdn Bhd	Malaysia	**50**	50	Joint venture	Equity
Elegan Pesona Sdn Bhd	Malaysia	**50**	50	Joint venture	Equity
Nasa Land Sdn Bhd	Malaysia	**50**	50	Joint venture	Equity

Lebuhraya Kajang-Seremban Sdn Bhd, Elegan Pesona Sdn Bhd and Nasa Land Sdn Bhd are private companies and there is no quoted market price available for their shares.

(d) Set out below are the summarised financial information for material joint ventures which are accounted for using the equity method:

(i) Summarised balance sheets:

	Lebuhraya Kajang-Seremban Sdn Bhd 2017 RM'000	Lebuhraya Kajang-Seremban Sdn Bhd 2016 RM'000	Elegan Pesona Sdn Bhd 2017 RM'000	Elegan Pesona Sdn Bhd 2016 RM'000	Nasa Land Sdn Bhd 2017 RM'000	Nasa Land Sdn Bhd 2016 RM'000
Current						
Cash and cash equivalents	**64,881**	50,003	**103,698**	34,110	**11,095**	1,862
Other current assets (excluding cash)	**7,507**	6,296	**65,112**	131,685	**319,686**	284,624
Total current assets	**72,388**	56,299	**168,810**	165,795	**330,781**	286,486
Financial liabilities (excluding trade and other payables)	**(35,000)**	–	**–**	–	**–**	–
Other current liabilities (including trade and other payables)	**(139,221)**	(121,697)	**(35,987)**	(68,032)	**(104,673)**	(64,811)
Total current liabilities	**(174,221)**	(121,697)	**(35,987)**	(68,032)	**(104,673)**	(64,811)
Non-current						
Assets	**1,280,108**	1,308,785	**4,070**	486	**367**	476
Financial liabilities (excluding trade and other payables)	**(1,504,877)**	(1,540,537)	**–**	–	**(160,455)**	(152,898)
Other non-current liabilities (including trade and other payables)	**(72,235)**	(51,459)	**–**	–	**–**	–
Total non-current liabilities	**(1,577,112)**	(1,591,996)	**–**	–	**(160,455)**	(152,898)
Net (liabilities)/assets	**(398,837)**	(348,609)	**136,893**	98,249	**66,020**	69,253

33 JOINT VENTURES (cont'd)

(d) Set out below are the summarised financial information for material joint ventures which are accounted for using the equity method: (cont'd)

(ii) Summarised statements of comprehensive income:

	Lebuhraya Kajang-Seremban Sdn Bhd		Elegan Pesona Sdn Bhd		Nasa Land Sdn Bhd	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	**71,552**	72,383	**119,404**	188,360	**33,038**	14,916
Depreciation and amortisation	**(32,450)**	(33,662)	**–**	–	**–**	–
Interest income	**1,471**	1,218	**1,859**	487	**21**	34
Finance cost	**(87,992)**	(88,314)	**–**	–	**–**	–
(Loss)/profit before taxation	**(50,228)**	(57,943)	**50,473**	66,957	**(3,233)**	(3,001)
Income tax expense	**–**	–	**(11,829)**	(16,079)	**–**	–
Net (loss)/profit for the year/total comprehensive (loss)/income	**(50,228)**	(57,943)	**38,644**	50,878	**(3,233)**	(3,001)

(iii) Reconciliation of the summarised information presented to the carrying amounts of interest in joint ventures is set out below:

	Lebuhraya Kajang-Seremban Sdn Bhd		Elegan Pesona Sdn Bhd		Nasa Land Sdn Bhd	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Net (liabilities)/assets at 1 April 2016/2015	**(348,609)**	(290,666)	**98,249**	47,371	**69,253**	72,254
Net (loss)/profit for the financial year	**(50,228)**	(57,943)	**38,644**	50,878	**(3,233)**	(3,001)
Net (liabilities)/assets at 31 March	**(398,837)**	(348,609)	**136,893**	98,249	**66,020**	69,253
Interests in joint ventures	**(199,418)**	(174,305)	**68,447**	49,125	**33,010**	34,627
Goodwill	**–**	–	**–**	–	**11,597**	11,597
RCULS	**240,000**	240,000	**–**	–	**–**	–
Carrying amount of interests in joint ventures	**40,582**	65,695	**68,447**	49,125	**44,607**	46,224

(e) Set out below are the financial information of all individually immaterial joint ventures on an aggregate basis.

	2017 RM'000	2016 RM'000
Carrying amounts of interest in joint ventures	**48,150**	45,103
Share of joint ventures' profits/share of joint ventures' total comprehensive income	**24,077**	14,876

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

34 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Unquoted shares:				
- in Malaysia	**2,050**	2,050	**2,050**	2,050
- outside Malaysia	**–**	57	**–**	–
Transferable club membership	**105**	105	**–**	–
	2,155	2,212	**2,050**	2,050

The currency exposure profile of available-for-sale financial assets is as follows:

	The Group	
	2017 RM'000	2016 RM'000
Indian Rupees	**–**	57

35 LONG TERM RECEIVABLES

	Note	The Group 2017 RM'000	The Group 2016 RM'000
Lease receivables	(a)	**15,481**	17,320
Less: Amount receivable within 12 months (included in trade and other receivables - Note 40)		**(2,193)**	(1,839)
		13,288	15,481
Deposits	(b)	**82,309**	85,084
Amounts due from non-controlling interests	(c)	**38,684**	28,222
Advances for plasma schemes	(d)	**42,418**	–
		176,699	128,787

(a) Lease receivables

	The Group	
	2017 RM'000	2016 RM'000
Lease receivables:		
- Receivable within 1 year	**3,217**	3,069
- Receivable between 1 and 5 years	**14,317**	13,983
- Receivable after 5 years	**–**	3,551
	17,534	20,603
Less: Unearned interest income	**(2,053)**	(3,283)
	15,481	17,320
Lease receivables (net of unearned interest income):		
- Receivable within 1 year	**2,193**	1,839
- Receivable between 1 and 5 years	**13,288**	11,128
- Receivable after 5 years	**–**	4,353
	15,481	17,320

IJM Properties Sdn Bhd, an indirect subsidiary of the Company, entered into a lease arrangement with a third party to lease a building for a period of 15 years commencing 1 March 2007.

The Group does not have any significant exposure to credit risk from the lease receivables as the ownership and rights to the building revert to the Group in the event of default.

35 LONG TERM RECEIVABLES (cont'd)

(b) The deposits represent monies received from buyers of development units of a mixed development project at Royal Mint Street, United Kingdom that are held by a stakeholder.

(c) The amounts due from non-controlling interests are denominated in USD. The amounts due from non-controlling interests are in respect of advances made by subsidiaries of IJM Plantations Berhad, a subsidiary of the Company to non-controlling interests. The advances are operational in nature for furtherance of the overseas subsidiaries business operations. The amounts due from non-controlling interests are currently interest free, secured against the equity shares in the respective companies and repayable on demand. Management reserves the right to charge interest in the future. Management does not intend to demand for repayment of the amounts owing by the non-controlling interests within the period of twelve months. As a result, the amounts are classified as non-current assets as at the balance sheet date.

(d) The Government of the Republic of Indonesia requires companies involved in plantation development to provide support to develop and cultivate oil palm lands for local communities in oil palm plantations as part of their social obligation which are known as "Plasma" schemes.

In line with this requirement, the subsidiaries of IJM Plantations Berhad ("indirect subsidiaries"), a subsidiary of the Company, has involved in several cooperative programs for the development and cultivation of oil palm lands for local communities. The indirect subsidiaries supervise and manage the plasma schemes. Advances made by the indirect subsidiaries to the plasma schemes in the form of plantation development costs are recoverable either through bank loans obtained by the cooperatives or direct repayments from the plasma schemes when these plasma areas come into production.

IJM Plantations Berhad has carried out an assessment on the recoverability of its advances and management believes that no impairment is required. However, management expects the advances will not be repaid within the next financial year. As a result, the amounts are reclassified as non-current assets and accounted for at their present value at initial recognition during the current financial year.

36 INTANGIBLE ASSETS

	Goodwill on consolidation RM'000	Quarry development expenditure RM'000	Total RM'000
The Group			
2017			
Cost			
At 1 April 2016	1,073,597	63,285	1,136,882
Additions	–	4,488	4,488
Acquisition of a subsidiary (Note 47(a)(i))	10,303	–	10,303
At 31 March 2017	1,083,900	67,773	1,151,673
Accumulated amortisation			
At 1 April 2016	–	(40,840)	(40,840)
Amortisation for the financial year (Note 5(a))	–	(3,776)	(3,776)
At 31 March 2017	–	(44,616)	(44,616)
Accumulated impairment			
At 1 April 2016/At 31 March 2017	(1,004,439)	–	(1,004,439)
At 31 March 2017	79,461	23,157	102,618

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

36 INTANGIBLE ASSETS (cont'd)

	Goodwill on consolidation RM'000	Quarry development expenditure RM'000	Total RM'000
The Group			
2016			
Cost			
At 1 April 2015	1,073,597	53,141	1,126,738
Additions	–	9,144	9,144
Reclassification	–	1,000	1,000
At 31 March 2016	1,073,597	63,285	1,136,882
Accumulated amortisation			
At 1 April 2015	–	(36,561)	(36,561)
Amortisation for the financial year (Note 5(a))	–	(4,279)	(4,279)
At 31 March 2016	–	(40,840)	(40,840)
Accumulated impairment			
At 1 April 2015/At 31 March 2016	(1,004,439)	–	(1,004,439)
At 31 March 2016	69,158	22,445	91,603

During the financial year, amortisation of quarry development expenditure of RM3,776,000 (2016: RM4,279,000) was included in cost of sales.

37 PROPERTY DEVELOPMENT

(a) Land held for property development

	The Group 2017 RM'000	2016 RM'000
Freehold land, at cost	**371,960**	463,107
Leasehold land, at cost	**62,355**	65,016
Leasehold land, at valuation	**63,368**	63,368
Development costs	**39,411**	34,958
Accumulated impairment	**(22,306)**	(22,306)
	514,788	604,143
At 1 April 2016/2015	**604,143**	587,480
Additions during the year	**75,683**	16,983
Transferred to property development costs (Note 37(b)):		
- Land cost	**(8,465)**	(226)
- Development costs	**–**	(94)
	(8,465)	(320)
Disposals during the year	**(156,573)**	–
At 31 March	**514,788**	604,143

During the financial year, finance cost of RM4,113,000 (2016: RM3,342,000) (Note 9) has been capitalised in land held for property development.

The carrying values of freehold and leasehold land amounting to RM3,371,000 and RM543,000 respectively (2016: RM3,371,000 and RM543,000 respectively) are pledged as security for Term Loans of the subsidiaries (Note 17).

37 PROPERTY DEVELOPMENT (cont'd)

(b) Property development costs

	Note	The Group 2017 RM'000	The Group 2016 RM'000
At 1 April 2016/2015			
Freehold land – at cost		**803,700**	878,340
Leasehold land – at cost		**2,784,028**	2,100,578
Development costs		**5,533,261**	5,940,528
Accumulated costs charged to profit or loss		**(2,783,589)**	(3,004,004)
Completed units transferred to inventories		**(623,399)**	(354,947)
Accumulated impairment		**(81,079)**	(81,316)
		5,632,922	5,479,179
Less: Completed development properties:			
Freehold land – at cost		**(92,187)**	(47,294)
Leasehold land – at cost		**(16,717)**	(6,034)
Development costs		**(1,057,709)**	(912,366)
Accumulated costs charged to profit or loss		**916,531**	866,016
Completed units transferred to inventories		**250,082**	99,678
		–	–
		5,632,922	5,479,179
Costs incurred during the financial year:			
- Purchase of land		**39,205**	34,927
- Reversal of over accrual of costs		**(47,471)**	–
- Development costs		**998,330**	1,156,836
		990,064	1,191,763
Disposal of land		**(20,338)**	–
Transferred from land held for property development:	37(a)		
- Land cost		**8,465**	226
- Development costs		**–**	94
		8,465	320
Costs charged to profit or loss		**(649,788)**	(651,593)
Reversal of impairment during the year	5(b)	**34**	237
Completed units transferred to inventories		**(398,501)**	(376,591)
Transferred to investment properties	29	**–**	(12,132)
Exchange differences		**24,522**	1,739
At 31 March		**5,587,380**	5,632,922
At 31 March:			
Freehold land – at cost		**736,076**	803,700
Leasehold land – at cost		**2,727,193**	2,784,028
Development costs		**5,384,892**	5,533,261
Accumulated costs charged to profit or loss		**(2,468,951)**	(2,783,589)
Completed units transferred to inventories		**(710,083)**	(623,399)
Accumulated impairment		**(81,747)**	(81,079)
		5,587,380	5,632,922

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

37 PROPERTY DEVELOPMENT (cont'd)

(b) Property development costs (cont'd)

During the financial year, employee benefits cost of RM131,000 (2016: Nil) (Note 6) has been included in property development costs.

During the financial year, RM47,471,000 of the leasehold land cost/development rights has been reversed due to changes in the estimated land costs payable for a mixed development in Kuala Lumpur.

During the financial year, finance cost of RM120,711,000 (2016: RM118,574,000) (Note 9) has been capitalised in property development costs.

The carrying values of freehold land and leasehold land amounting to RM617,862,000 (2016: RM542,669,000) and RM1,458,196,000 (2016: RM1,469,945,000) respectively are pledged as security for Revolving Credit (Note 44) and Term Loans of subsidiaries (Note 17).

As at 31 March 2017, land titles to leasehold land with the carrying values of RM2,284,000 (2016: RM6,011,000) are in the process of being transferred.

38 PLANTATION DEVELOPMENT EXPENDITURE

	The Group	
	2017 RM'000	2016 RM'000
Cost or valuation		
At 1 April 2016/2015		
At cost	**919,754**	828,695
At valuation	**168,733**	168,733
	1,088,487	997,428
Additions	**31,898**	61,661
Exchange differences	**81,185**	29,398
At 31 March	**1,201,570**	1,088,487
Representing:		
At cost	**1,032,837**	919,754
At valuation	**168,733**	168,733
	1,201,570	1,088,487

(a) Certain plantation development expenditure of IJM Plantations Berhad, a subsidiary of the Company and certain of its subsidiaries were last revalued in 1997 based on an open market value basis by firms of independent professional valuers.

Had the revalued plantation development expenditure of the Group been carried under the cost model, the carrying amount would have been RM64,117,000 (2016: RM64,117,000).

(b) Plantation development expenditure capitalised during the financial year include the following:

	Note	The Group 2017 RM'000	The Group 2016 RM'000
Depreciation of property, plant and equipment	27(d)	**5,343**	6,507
Amortisation of land use rights	28	**657**	969
Retirement benefits	24	**537**	–
Finance cost	9	**3,263**	2,207
Foreign exchange losses	9	**184**	1,987
Employee benefits cost	6	**17,773**	19,307

39 INVENTORIES

	The Group	
	2017 RM'000	2016 RM'000
Cost		
Raw materials:		
- Construction materials	**17,149**	6,919
- Other raw materials	**132,652**	94,339
Finished goods:		
- Completed buildings	**994,485**	728,381
- Quarry and manufactured products	**140,856**	143,436
- Palm kernels	**4,064**	2,727
Oil palm nurseries	**10,574**	8,592
Fertilisers and chemicals	**22,109**	19,357
Stores, spares & consumables	**21,985**	20,153
Goods in transit	**7,347**	13,940
	1,351,221	1,037,844
Net realisable value		
Finished goods:		
- Completed buildings	**19,995**	21,570
- Crude palm oil	**39,770**	23,429
- Consumables	**1,040**	950
- Palm kernel expellers	**232**	287
- Crude palm kernel oil	**9,703**	8,402
	70,740	54,638
	1,421,961	1,092,482

40 TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Trade receivables	**1,339,758**	1,193,972	**67,795**	62,139
Trade advances	**45,874**	55,290	**1,626**	1,636
Other receivables	**347,775**	482,828	**25,513**	32,108
Amounts owing by subsidiaries	**–**	–	**1,311,514**	1,059,536
Amounts owing by associates	**191,947**	353,969	**1,340**	1,690
Amount owing by a joint operations partner *	**52,391**	60,750	**–**	–
Deposits	**34,891**	27,867	**463**	586
	2,012,636	2,174,676	**1,408,251**	1,157,695
Less: Allowance for impairment of trade and other receivables	**(213,037)**	(232,800)	**(52,785)**	(64,167)
	1,799,599	1,941,876	**1,355,466**	1,093,528
Amounts due from customers on construction contracts (Note 45)	**54,874**	94,760	**7**	–
Accrued billings in respect of property development	**124,155**	184,910	**–**	–
Prepayments	**52,375**	34,824	**1,586**	5,956
	2,031,003	2,256,370	**1,357,059**	1,099,484

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

40 TRADE AND OTHER RECEIVABLES (cont'd)

Trade receivables include the current portion of the following items:

	The Group	
	2017 RM'000	2016 RM'000
Lease receivables (Note 35)	**2,193**	1,839

The currency exposure profile of trade and other receivables is as follows:

	The Group	
	2017 RM'000	2016 RM'000
United States Dollar	**1,520**	1,336
Singapore Dollar	**5,615**	8,830
Brunei Dollar	**4,882**	2,343
	12,017	12,509

* The balance represents an amount owing by a joint operations partner, WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad), which is an associate of the Company.

Trade and other receivables that are neither past due nor impaired:

Credit terms of trade receivables range from payment in advance to 120 days (2016: range from payment in advance to 120 days).

Trade and other receivables that are neither past due nor impaired comprise:

- Receivables in relation to construction business arising from rendering of construction services to companies with a good collection track record with the Group and the Company. These receivables include retention sums which are to be settled in accordance with the terms of the respective contracts;
- Receivables in relation to property development business arising from sale of development units to large number of property purchasers with end financing facilities from reputable end-financiers, and the ownership and rights to the properties revert to the Group in the event of default; and
- Receivables from other external parties with no history of default.

Trade and other receivables that are past due but not impaired:

As at 31 March 2017, trade and other receivables of the Group and the Company of RM358,170,000 (2016: RM541,125,000) and RM1,023,000 (2016: RM890,000) respectively were past due but not impaired. These relate to customers for whom there is no objective evidence that the receivables are not fully recoverable.

The ageing analysis of these receivables is as follows:

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Up to 6 months	**272,279**	285,352	**–**	–
More than 6 months	**85,891**	255,773	**1,023**	890
	358,170	541,125	**1,023**	890

40 TRADE AND OTHER RECEIVABLES (cont'd)

Trade and other receivables that are impaired:

As at 31 March 2017, trade and other receivables of the Group and the Company of RM213,037,000 (2016: RM232,800,000) and RM52,785,000 (2016: RM64,167,000) respectively were impaired and provided for. The receivables were individually impaired either because of significant delays in collection period or because the debtors are in unexpectedly difficult economic situations. Movements on the Group's and the Company's allowance for impairment of trade and other receivables are as follows:

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
At 1 April 2016/2015	**232,800**	226,357	**64,167**	57,617
Allowance for impairment of receivables during the year (Note 5(a))	**8,329**	25,808	**–**	6,550
Write back of allowance for impairment of receivables (Note 5(b))	**(3,650)**	(11,440)	**–**	–
Bad debts written off	**(15,153)**	(11,597)	**(11,382)**	–
Foreign currency exchange differences	**9,336**	451	**–**	–
Reclassification of balances *	**(18,625)**	3,221	**–**	–
At 31 March	**213,037**	232,800	**52,785**	64,167

* These amounts were transferred to amount due from a subsidiary and are hence eliminated in the Group financial statements.

Concentrations of credit risk with respect to trade and other receivables are limited due to the Group's large number of customers, who are dispersed over a broad spectrum of industries and businesses, other than the concentration of credit risk in respect of amounts due from WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad), an associate and companies related to the associate. The Group has carried out an assessment on the recoverability of these balances and management believes that the current impairment recognised is adequate.

The amounts owing by subsidiaries and associates are unsecured and repayable on demand. Certain amounts owing by subsidiaries and associates bear interest at rates ranging from 5.0% to 7.65% (2016: 5.0% to 7.85%) per annum. The Company has carried out an assessment on the recoverability of these balances and management believes that the carrying amount is recoverable.

There is no material difference between the carrying value of trade and other receivables and their fair value, due to the short-term duration of the receivables.

Certain construction receivables, net of recoveries from projected cash flows to be derived from the projects, are secured against land titles deposited with the Group.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

41 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Quoted securities in Malaysia - held for trading:				
Quoted shares	**3,198**	3,541	**–**	–
Quoted real estate investment trusts	**7,035**	6,369	**7,035**	6,369
Quoted unit trusts	**275,159**	384,669	**–**	20,166
Quoted securities outside Malaysia - held for trading:				
Quoted government securities	**13,717**	12,621	**13,717**	12,621
Quoted unit trusts	**55**	–	**55**	–
	299,164	407,200	**20,807**	39,156

The fair values of all quoted securities are based on their quoted market prices in an active market and are within level 1 of the fair value hierarchy.

The currency exposure profile of financial assets at fair value through profit or loss is as follows:

	The Group and the Company	
	2017 RM'000	2016 RM'000
Argentine Peso	**13,772**	12,621

42 DEPOSITS, CASH AND BANK BALANCES

	Note	The Group		The Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Deposits with licensed banks	49	**1,053,596**	708,631	**69,550**	19,578
Cash and bank balances		**624,232**	473,381	**160,847**	153,465
Housing Development Accounts (a)		**469,949**	497,449	**–**	–
	49	**1,094,181**	970,830	**160,847**	153,465
		2,147,777	1,679,461	**230,397**	173,043

(a) Cash and bank balances include balances amounting to RM469,949,000 (2016: RM497,449,000) which are maintained in designated Housing Development Accounts pursuant to the Housing Developers (Control and Licensing) Act, 1966 and Housing Regulations, 1991 in connection with the Group's property development projects. The utilisation of these balances are restricted before completion of the housing development projects and fulfilment of all relevant obligations to the purchasers, such that the cash can only be withdrawn from such accounts for the purpose of completing the particular projects.

42 DEPOSITS, CASH AND BANK BALANCES (cont'd)

The currency exposure profile of deposits with licensed banks is as follows:

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
United States Dollar	**190,371**	130,142	**–**	–

The currency exposure profile of cash and bank balances and Housing Development Accounts is as follows:

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
United States Dollar	**106,623**	140,377	**74,675**	104,089
Singapore Dollar	**21,018**	22,925	**–**	–
Argentine Peso	**53**	525	**53**	525
	127,694	163,827	**74,728**	104,614

The effective interest rates per annum as at the end of the financial year for the Group and the Company are as follows:

	The Group		The Company	
	2017 %	2016 %	2017 %	2016 %
Deposits with licensed banks:				
Ringgit Malaysia	**2.97**	3.31	**3.05**	3.10
US Dollar	**1.13**	1.93	**–**	–
Indian Rupee	**5.69**	7.24	**6.50**	7.00
Indonesian Rupiah	**6.00**	7.38	**–**	–
Cash at bank held under Housing Development Accounts	**1.91**	2.01	**–**	–

Deposits, cash and bank balances are mainly deposits with banks with high credit ratings assigned by international credit rating agencies.

The cash and bank balances are deposits held at call with banks and earn no interest.

Deposits with licensed banks of the Group and of the Company have a maturity period ranging between 1 and 365 days (2016: 1 and 365 days) and 1 and 180 days (2016: 1 and 180 days) respectively.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

43 TRADE AND OTHER PAYABLES

	Note	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
Current:					
Trade payables		**1,126,226**	980,511	**1,544**	2,824
Amounts owing to subsidiaries		**–**	–	**297,947**	297,039
Amounts owing to associates		**21**	73	**1**	–
Amounts owing to joint ventures		**29,636**	19,188	**–**	–
Government support loans	18	**33,104**	33,104	**–**	–
Trade accruals		**426,365**	322,524	**32,389**	29,002
Hire purchase and lease payables	19	**685**	145	**–**	–
Land and development costs payable	23(b)	**12,238**	6,000	**–**	–
Other payables and accruals		**459,622**	519,751	**9,833**	16,568
Lease payable to Kuantan Port Authority	23(f)	**5,666**	5,572	**–**	–
		2,093,563	1,886,868	**341,714**	345,433
Retirement benefits payable	24	**1,378**	1,673	**–**	–
Progress billings in respect of property development		**69,437**	113,965	**–**	–
Amounts due to customers on construction contracts	45	**353,827**	255,810	**850**	1,678
		2,518,205	2,258,316	**342,564**	347,111
Non-current:					
Amounts owing to subsidiaries		**–**	–	**948,028**	964,234

The currency exposure profile of trade and other payables is as follows:

	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
United States Dollar	**7,526**	3,866	**–**	–

The current amounts owing to subsidiaries, associates and joint ventures are unsecured and repayable on demand. Certain outstanding sums bear interest at rates ranging from 3.0% to 5.0% (2016: 3.0% to 5.0%) per annum.

Credit terms of trade and other payables range from payments in advance to 120 days (2016: range from payments in advance to 120 days).

44 BORROWINGS

	Note	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
Secured					
Bonds	16	**30,000**	148,769	**–**	–
Term loans	17	**232,985**	118,237	**–**	–
Revolving credits	(A)	**92,824**	95,349	**–**	–
		355,809	362,355	**–**	–
Unsecured					
Term loans	17	**455,717**	218,710	**–**	–
Bankers' acceptances		**62,159**	29,308	**–**	–
Revolving credits		**816,588**	669,273	**210,000**	90,000
Bank overdrafts	49	**44,514**	187,352	**1,098**	–
Letters of credit		**8,109**	10,402	**–**	–
		1,387,087	1,115,045	**211,098**	90,000
		1,742,896	1,477,400	**211,098**	90,000

The currency exposure profile of the above bank borrowings is as follows:

	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
United States Dollar	**425,046**	320,884	**–**	–

As at the balance sheet date, the weighted average annual effective interest rates for the bank borrowings, other than Bonds and Term Loans which are disclosed in Notes 16 and 17 respectively, of the Group and of the Company are as follows:

	The Group and The Company 2017 Bankers' acceptances %	2017 Revolving credits %	2017 Bank overdrafts %	2016 Bankers' acceptances %	2016 Revolving credits %	2016 Bank overdrafts %
Ringgit Malaysia	**3.79**	**4.48**	**7.15**	3.67	4.70	–
Indian Rupee	**8.80**	**8.75**	**9.95**	–	9.24	10.48
United States Dollar	**–**	**1.80**	**–**	–	1.29	–
Chinese Renminbi	**–**	**5.13**	**4.79**	–	5.13	4.79

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

44 BORROWINGS (cont'd)

The security of bonds and term loans are disclosed in Notes 16 and 17 respectively.

(A) As at the balance sheet date, the following revolving credits of the Group are secured as follows:

	Note	The Group 2017 RM'000	The Group 2016 RM'000
Revolving credit (i)	(a)	**2,000**	2,000
Revolving credit (ii)	(b)	**27,475**	30,000
Revolving credit (iii)	(c)	**13,349**	13,349
Revolving credit (iv)	(d)	**50,000**	50,000
		92,824	95,349

(a) The revolving credit (i) of RM2,000,000 (2016: RM2,000,000) is secured by way of:

(i) a facility agreement for the sum of RM9,000,000, which had been partially repaid in the previous financial year;

(ii) a registered open all monies third party charge over certain parcels of freehold vacant commercial land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee by IJML.

(b) The revolving credit (ii) of RM27,475,000 (2016: RM30,000,000) is secured by way of Lien-Holder's Caveat over landed properties (Note 37) of a subsidiary of IJML with a minimum security cover of 1.0 time the loan outstanding.

(c) The security for revolving credit (iii) of RM13,349,000 (2016: RM13,349,000) is disclosed in Note 17(C)(i).

(d) The security for revolving credit (iv) of RM50,000,000 (2016: RM50,000,000) is disclosed in Note 17(C)(o). The revolving credit (iv) is in accordance with the Shariah Principle of Commodity Murabahah.

45 AMOUNTS DUE FROM/(TO) CUSTOMERS ON CONSTRUCTION CONTRACTS

	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
Aggregate costs incurred to-date	**10,736,225**	9,451,064	**729,141**	730,581
Attributable profits less recognised losses	**787,612**	593,686	**(31,814)**	(34,089)
	11,523,837	10,044,750	**697,327**	696,492
Less: Progress billings on contracts	**(11,822,790)**	(10,205,800)	**(698,170)**	(698,170)
	(298,953)	(161,050)	**(843)**	(1,678)
Amounts due from customers on construction contracts (included in trade and other receivables - Note 40)	**54,874**	94,760	**7**	–
Amounts due to customers on construction contracts (included in trade and other payables - Note 43)	**(353,827)**	(255,810)	**(850)**	(1,678)
	(298,953)	(161,050)	**(843)**	(1,678)
Advances received on contracts (included in trade payables)	**107,018**	74,380	**–**	–
Retention sums on contracts (included in trade receivables)	**178,440**	134,490	**11,816**	10,274

45 AMOUNTS DUE FROM/(TO) CUSTOMERS ON CONSTRUCTION CONTRACTS (cont'd)

During the financial year, the following expenses have been included in the aggregate costs incurred to-date of the Group and of the Company:

	Note	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
Employee benefits cost	6	**98,528**	88,951	**–**	–
Finance cost	9	**–**	26	**–**	–
Depreciation of property, plant and equipment	27(d)	**2,153**	3,332	**373**	449
Amortisation of land use rights	28	**–**	91	**–**	–

46 IMPAIRMENT OF ASSETS

<u>Impairment tests for goodwill</u>

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segments.

The carrying amounts of goodwill allocated to the CGUs are as follows:

	Manufacturing and quarrying RM'000	Construction RM'000	Property RM'000	Total RM'000
2017				
At 1 April 2016	**56,026**	**13,132**	**–**	**69,158**
Acquisition of a subsidiary (Note 47(a)(i))	**–**	**–**	**10,303**	**10,303**
At 31 March 2017	**56,026**	**13,132**	**10,303**	**79,461**
2016				
At 1 April 2015 / At 31 March 2016	56,026	13,132	–	69,158

The recoverable amounts of the respective CGUs are determined based on value-in-use ("VIU") calculations, using pre-tax cash flow projections on the following basis:

CGU	Basis of cash flow projections	Growth rate 2017 %	Growth rate 2016 %	Discount rate 2017 %	Discount rate 2016 %
Manufacturing and Quarrying	Financial budgets approved by management based on past performance and expectations of market development	**3.0**	3.0	**4.5**	5.3
Construction	Discounted cash flows of the construction order book	**N/A**	N/A	**10.0**	10.0

N/A denotes not applicable

The discount rates used are pre-tax and reflect the specific risks relating to the respective CGUs.

During the financial year, the Group recognised a goodwill arising from the acquisition of a subsidiary (Note 47(a)(i)) as the goodwill allocated to the property CGU is supportable by the net recoverable amounts.

There are no reasonably possible changes in any of the key assumptions used that would cause the carrying amount of the CGUs to materially exceed the recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

47 ACQUISITION OF SUBSIDIARIES

(a) During the current financial year, the Group acquired the following subsidiaries:

(i) On 6 January 2017, Cypress Potential Sdn Bhd ("CPSB"), a 70%-owned subsidiary of IJM Properties Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company via IJM Land Berhad, entered into a sale and purchase agreement with Sebana Holdings Sdn Bhd ("SHSB"), to acquire 7,000,000 ordinary shares and 23,741 preference shares in Sebana Golf & Marina Resort Berhad ("SGMR"), representing a 100% of the issued and paid up ordinary share capital of SGMR for a total purchase consideration of RM1. The acquisition was completed on 6 January 2017.

Details of net assets acquired are as follows:

	Note	Fair value RM'000
Identifiable assets and liabilities:		
Non-current assets		
Property, plant and equipment	27	**86,095**
Current assets		
Trade and other receivables		**3,009**
Inventory		**421**
Cash and bank balances		**734**
		4,164
Non-current liabilities		
Deferred tax liabilities	22	**(1,904)**
Current liabilities		
Trade and other payables		**(98,658)**
Fair value of identifiable net liabilities acquired		**(10,303)**
Less: Purchase consideration		*
Goodwill on acquisition	36,46	**(10,303)**

Details of cash flows arising from the acquisition are as follows:

	Group RM'000
Total purchase consideration	*
Less: Cash and cash equivalents of a subsidiary acquired	**734**
Cash inflow to the Group on acquisition	**734**

* The purchase consideration is RM1.

The acquired business contributed revenue of RM1,532,000 and incurred net loss of RM2,127,000 to the Group for the period from 6 January 2017, date of completion of acquisition, to 31 March 2017.

47 ACQUISITION OF SUBSIDIARIES (cont'd)

(a) During the current financial year, the Group acquired the following subsidiaries: (cont'd)

(ii) On 13 May 2016, IJM Vijayawada (Mauritius) Limited, a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company, completed the acquisition of 2,970,000 ordinary shares of INR10 each, representing a 10.1% equity interest in Vijayawada Tollway Private Limited ("VTPL") from IDFC Limited (formerly known as Infrastructure Development Finance Company Limited) for a total cash consideration of INR29,700,000. With this acquisition, the Company's effective equity interest in VTPL has increased from 89.8% to 99.9%.

The additional interest in VTPL has been accounted for as transactions with non-controlling interests. The difference between the consideration paid and the relevant share of the carrying value of net assets of VTPL amounting to RM7,734,000, which is charged to equity.

(iii) On 17 June 2016, Industrial Concrete Products Sdn Bhd ("ICP"), a wholly-owned subsidiary of the Company, acquired 1,260,000 ordinary shares in ICP Jiangmen Co. Ltd ("ICPJM"), representing a 21% equity interest in ICPJM for a total cash consideration of RM15,389,576. With this acquisition, the Company's effective equity interest in ICPJM has increased from 75% to 96%.

The additional interest in ICPJM has been accounted for as transactions with non-controlling interests. The difference between the consideration paid and the relevant share of the carrying value of net assets of ICPJM amounting to RM13,072,000, which is charged to equity.

(iv) On 18 August 2016, IJM Properties Sdn Bhd, a wholly-owned subsidiary of IJM Land Berhad, which in turn is a wholly-owned subsidiary of the Company, has incorporated a 55%-owned subsidiary, namely Era Moden Hartanah Sdn Bhd.

(v) On 30 December 2016, the Company has acquired 2 ordinary shares, representing a 100% equity interest in IJM RE Sdn Bhd ("IJM RE") for a total cash consideration of RM2. On the same day, IJM RE has acquired 2 ordinary shares, representing a 100% equity interest in IJM RE Commercial Sdn Bhd for a total cash consideration of RM2.

(vi) On 22 February 2017, the Company incorporated a wholly-owned subsidiary in India, namely Dewas Bypass Tollway Private Limited ("DBTPL") with an initial share capital of 1,000,000 equity shares of INR10 each. On 31 March 2017, IJM Dewas (Mauritius) Limited, a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company, subscribed for 25,000,000 shares of INR10 each, representing a 96.15% equity interest in DBTPL.

(vii) On 17 March 2017, IJM Dewas (Mauritius) Limited ("IJMDM") was incorporated in the Republic of Mauritius as a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company.

(viii) On 17 May 2017, IJM Realty (Mauritius) Limited was incorporated in the Republic of Mauritius as a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company.

The acquisitions (iv), (v), (vi), (vii) & (viii) have no significant effect on the financial results of the Group in the current financial year and the financial position of the Group as at the end of the current financial year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

47 ACQUISITION OF SUBSIDIARIES (cont'd)

(b) In the preceding financial year, the Group acquired the following subsidiaries:

(i) On 14 May 2015, Maxharta Sdn Bhd, a wholly-owned subsidiary of IJM Properties Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company via IJM Land Berhad, acquired 2 ordinary shares of RM1 each in Eksplorasi Cemerlang Sdn Bhd ("ECSB"), representing a 100% equity interest in ECSB for a total cash consideration of RM2.

(ii) On 17 August 2015, IJM Properties Sdn Bhd ("IJM PROP"), a wholly-owned subsidiary of IJM Land Berhad, which in turn is a wholly-owned subsidiary of the Company, entered into a share sale agreement with WNG Sdn Bhd ("WNG"), to acquire 125,000 ordinary shares of RM1 each in Ever Mark (M) Sdn Bhd ("EMM"), representing a 50% of the issued and paid up ordinary share capital of EMM for a total purchase consideration of RM125,000. Following the completion of the acquisition, EMM became a wholly-owned subsidiary of IJM PROP. The acquisition had resulted in cash inflow of RM237,000, net of purchase consideration.

(iii) On 29 December 2015, Strong Mixed Concrete Sdn Bhd, a wholly-owned subsidiary of Malaysian Rock Products Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company via Industrial Concrete Products Sdn Bhd, subscribed for 60,000 shares of Rs10 each, representing a 60% equity interest in SMC Islamabad (Private) Limited.

(iv) On 8 March 2016, Industrial Concrete Products Sdn Bhd, a wholly-owned subsidiary of the Company, acquired 2 ordinary shares of RM1 each in ICP Precast Products Sdn Bhd ("ICPPP"), representing a 100% equity interest in ICPPP for a total cash consideration of RM2.

The above acquisitions had no significant effect on the financial results of the Group in the preceding financial year and the financial position of the Group as at the end of the preceding financial year.

48 DISPOSAL OF INTEREST IN SUBSIDIARIES

In the preceding financial year, the Group disposed the following subsidiaries:

(i) On 6 December 2014, IJM Rajasthan (Mauritius) Limited ("IJMRM"), a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company, entered into a conditional Share Purchase and Debenture Subscription Agreement with ISQ Asia Infrastructure I-A Private Limited ("IIA") to dispose of 195,141,936 equity shares of Indian Rupees ("INR") 10 each, representing a 100% of the issued and paid-up share capital of Jaipur-Mahua Tollway Private Limited ("JMTPL") for a total consideration of INR 5,250 million.

The disposal was initially for 74% of the equity shareholdings and the balance 26% of the equity shareholdings shall be disposed upon obtaining the approval from the National Highways Authority of India within a period of two years from the completion of the disposal of 74% of the equity shareholdings. The disposal was completed on 12 May 2015 and a net gain of RM168,674,000 was recognised in profit or loss.

Following the completion of the disposal, JMTPL ceased to be a subsidiary and it became an associate of the Group.

48 DISPOSAL OF INTEREST IN SUBSIDIARIES (cont'd)

In the preceding financial year, the Group disposed the following subsidiaries: (cont'd)

(i) Details of the disposal were as follows:

		At date of disposal RM'000
Assets of disposal group classified as held for sale		
Property, plant and equipment		952
Concession assets		328,351
Other receivables		928
Tax recoverable		840
Deposits, cash and bank balances		14,471
		345,542
Liabilities of disposal group classified as held for sale		
Term loans		(182,565)
Government grants		(46,132)
Trade and other payables		(20,208)
Provisions		(20,332)
		(269,237)
Net assets		76,305
Less: Proportionate net assets representing the remaining 26% equity shareholdings in JMTPL		(19,839)
Net assets disposed of		56,466
Transfer from foreign exchange reserve		41,025
Net disposal proceeds		(211,632)
Gain on disposal of a subsidiary	5(b)	(114,141)
Gain on remeasurement of previously held equity interests	5(b)	(54,533)
Total gain on disposal to the Group		(168,674)

The net cash flows on disposal was determined as follows:

Total proceeds from disposal – cash consideration	211,632
Cash and cash equivalents of subsidiary disposed of	(14,471)
Cash inflow to the Group on disposal	197,161

(ii) On 20 July 2015, IJMII (Mauritius) Limited ("IJMIIM"), a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company, entered into a conditional Share Purchase Agreement with MAIF Investments India 3 Pte Ltd ("MAIF") and Swarna Tollway Private Limited ("STPL") to dispose 175,000,000 equity shares of INR10 each and 14,000,000 cumulative compulsorily convertible preference shares of INR10 each, representing a 70% of the issued and paid-up share capital of STPL to MAIF, for a total cash consideration of INR6,853.1 million.

Following the completion of the disposal in October 2015, STPL ceased to be a subsidiary and it became an associate of the Group via CIDB Inventures Sdn Bhd ("CIDB"), which holds 30% equity interest in STPL. CIDB is a wholly-owned subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

48 DISPOSAL OF INTEREST IN SUBSIDIARIES (cont'd)

In the preceding financial year, the Group disposed the following subsidiaries: (cont'd)

(ii) Details of the disposal were as follows:

	Note	At date of disposal RM'000
Non-current assets		
Property, plant and equipment	27	2,899
Land use rights	28	12
Concession assets	30	940,681
		943,592
Current assets		
Other receivables		28,312
Cash and bank balances		67,728
		96,040
Non-current liabilities		
Term loans		(126,007)
Deferred tax liabilities	22	(181,097)
Government grants	26	(76,697)
		(383,801)
Current liabilities		
Other payables		(7,556)
Current tax liabilities		(26,798)
Provisions	25	(11,657)
		(46,011)
Net assets		609,820
Less: Proportionate net assets representing the remaining 30% equity interest in STPL		(182,946)
Net assets disposed		426,874
Transfer from foreign exchange reserve		(111,938)
Net disposal proceeds		(441,810)
Gain on disposal of a subsidiary	5(b)	(126,874)
Gain on remeasurement of previously held equity interests	5(b)	(6,401)
Total gain on disposal to the Group		(133,275)

The net cash flows on disposal was determined as follows:

Total proceeds from disposal – cash consideration	441,810
Cash and cash equivalents of subsidiary disposed of	(67,728)
Cash inflow to the Group on disposal	374,082

49 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the Group's and the Company's cash flow statements comprise the following:

	Note	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
Deposits with licensed banks	42	**1,053,596**	708,631	**69,550**	19,578
Cash and bank balances	42	**1,094,181**	970,830	**160,847**	153,465
Bank overdrafts	44				
- Unsecured		**(44,514)**	(187,352)	**(1,098)**	–
		2,103,263	1,492,109	**229,299**	173,043
Less:					
Restricted deposits with licensed banks	(a)	**(25,932)**	(68,360)	**–**	–
		2,077,331	1,423,749	**229,299**	173,043

(a) As at 31 March 2017, the restricted deposits with licensed banks are mainly deposits of certain subsidiaries, which were assigned to the banks to be held as security in connection with the term loans of certain subsidiaries referred to in Note 17 to the financial statements; escrow amounts in respect of toll collected on behalf of the tollway authority and in respect of a corporate guarantee facility to a cooperative in Indonesia.

As at the end of the preceding financial year, the restricted deposits with licensed banks were mainly deposits of certain subsidiaries, which were assigned to the banks to be held as security in connection with the bonds and term loans of certain subsidiaries referred to in Notes 16 and 17 respectively to the financial statements; escrow amounts in respect of toll collected on behalf of the tollway authority and in respect of a corporate guarantee facility to a cooperative in Indonesia.

50 FAIR VALUES OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is assumed to be the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

Quoted market prices, when available, are used as a measure of fair values. However, for a significant portion of the Group's and of the Company's financial instruments, quoted market prices do not exist. For such financial instruments, fair values presented are estimates derived using the discounted value of future cash flows or other valuation techniques. These techniques involve uncertainties and are significantly affected by the assumptions used and judgements made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in assumptions could significantly affect these estimates and the resulting fair values.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

50 FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

The carrying values of financial assets and financial liabilities of the Group and of the Company at the balance sheet date approximated their fair values except for the following:

	Note	The Group Carrying value RM'000	The Group Fair value* RM'000	The Company Carrying value RM'000	The Company Fair value* RM'000
Financial Liabilities					
At 31 March 2017					
(i) Bonds	16	**1,950,000**	**1,974,955**	**1,300,000**	**1,312,966**
(ii) Term loans	17	**2,121,809**	**2,110,359**	**176,940**	**176,940**
(iii) Government support loans	18	**154,474**	**145,158**	**–**	**–**
(iv) Advances from the State Government	23(a)	**33,180**	**(aa)**	**–**	**–**
At 31 March 2016					
(i) Bonds	16	1,880,000	1,896,231	1,200,000	1,204,609
(ii) Term loans	17	2,269,363	2,243,397	157,300	157,300
(iii) Government support loans	18	184,481	174,367	–	–
(iv) Advances from the State Government	23(a)	33,180	(aa)	–	–

(aa) The fair value of the Advances from the State Government has not been disclosed as the repayment is scheduled upon completion of certain conditions as set out in Note 23(a) to the financial statements, of which the completion date could not be reasonably determined as at the year end.

* The fair values of the financial liabilities above have been derived based on discounted cash flows using market interest rates applicable for similar financial instruments as at the balance sheet date and are within Level 2 of the fair value hierarchy.

51 SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances.

(a) The following transactions with related parties were carried out under terms and conditions negotiated amongst the related parties:

The Group

	2017 RM'000	2016 RM'000
(aa) Associates		
(i) Sales/progress billings in respect of construction contract:		
- West Coast Expressway Sdn Bhd	**519,935**	398,177
- Jaipur-Mahua Tollway Private Limited *	**–**	2,844
- Swarna Tollway Private Limited **	**438**	5,720
(ii) Interest charged to:		
- WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad)	**–**	2,634
- Kuantan Pahang Holding Sdn Bhd	**844**	812
(iii) Repayment from/(advances to):		
- WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad)	**157**	14,023
- West Coast Expressway Sdn Bhd	**630,359**	152,967
(ab) Joint ventures		
(i) Progress billings in respect of construction contracts to:		
- Sierra Ukay Sdn Bhd	**1,133**	22,241
(ii) Project management and sales and marketing fees charged to:		
- Elegan Pesona Sdn Bhd	**660**	1,534
- Sierra Ukay Sdn Bhd	**234**	505
(iii) Toll operation and maintenance revenue charged to:		
- Lebuhraya Kajang Seremban Sdn Bhd	**7,155**	7,238
(iv) Management fees charged to/(by):		
- Elegan Pesona Sdn Bhd	**–**	853
- Lebuhraya Kajang Seremban Sdn Bhd	**(602)**	(342)
(v) Interest charged to:		
- Sierra Ukay Sdn Bhd	**14,337**	5,033
- Lebuhraya Kajang Seremban Sdn Bhd	**7,104**	7,138
- IJMC-Ambang Usaha Joint Venture	**–**	16
- Nasa Land Sdn Bhd	**1,904**	684
- 368 Segambut Sdn Bhd	**2,424**	1,254
(vi) Net (advances to)/repayment from:		
- 368 Segambut Sdn Bhd	**(8,851)**	(18,357)
- Sierra Ukay Sdn Bhd	**(3,451)**	(7,472)
- Elegan Pesona Sdn Bhd	**18,081**	2,093
- Nasa Land Sdn Bhd	**(27,348)**	(11,741)
- IJMC-JAKS Joint Venture	**(437)**	6,898
- IJM Perennial Development Sdn Bhd	**(32,534)**	(21,729)
- ISZL Consortium	**(641)**	–

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

51 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(a) The following transactions with related parties were carried out under terms and conditions negotiated amongst the related parties: (cont'd)

The Group (cont'd)

	2017 RM'000	2016 RM'000
(ac) Joint operation partner		
(i) Progress billings in respect of construction contracts to:		
- IJMC-KEB Joint Venture	**186,458**	343,205
(ii) Project management fee charged to:		
- IJMC-KEB Joint Venture	**16,711**	–

* During the financial year, IJM Rajasthan (Mauritius) Limited, a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company, disposed the remaining 26% equity interest in Jaipur-Mahua Tollway Private Limited.

** In the preceding financial year, IJMII (Mauritius) Limited, a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company, disposed 70% equity interest in Swarna Tollway Private Limited and following the completion of the disposal, it became an associate of the Company (Note 48(ii)).

The Company

	2017 RM'000	2016 RM'000
(aa) Subsidiaries		
(i) Interest charged to/(by):		
- IJM Properties Sdn Bhd	**42,579**	40,635
- Liberty Heritage (M) Sdn Bhd	**735**	858
- Suria Bistari Development Sdn Bhd	**4,090**	3,911
- IJM Land Berhad	**15,619**	10,788
- Road Builder (M) Sdn Bhd	**–**	(541)
- IJM Land Management Services Sdn Bhd	**1,078**	807
(ii) Capital contribution via share-based payment in:		
- IJM Construction Sdn Bhd	**12,957**	8,250
- IJM Land Berhad	**9,171**	8,550
- IJM Plantations Berhad	**3,709**	2,674
- Industrial Concrete Products Sdn Bhd	**5,140**	3,102
- Road Builder (M) Holdings Bhd	**3,379**	1,472
(iii) Share-based payments charged to:		
- Kuantan Port Consortium Sdn Bhd	**1,778**	1,334
- Industrial Concrete Products Sdn Bhd	**2,994**	2,287
- Malaysian Rock Products Sdn Bhd	**633**	455
- IJM Plantations Berhad	**4,430**	3,078
- IJM Construction Sdn Bhd	**10,709**	5,541
- Road Builder (M) Sdn Bhd	**–**	483
- IJM Land Management Services Sdn Bhd	**6,003**	4,268
- Besraya Sdn Bhd	**825**	611

51 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(a) The following transactions with related parties were carried out under terms and conditions negotiated amongst the related parties: (cont'd)

The Company (cont'd)

	2017 RM'000	2016 RM'000
(aa) Subsidiaries (cont'd)		
(iv) Management fees charged to:		
- IJM Construction Sdn Bhd	**10,181**	10,181
- IJM Plantations Berhad	**2,801**	2,801
- Industrial Concrete Products Sdn Bhd	**4,531**	4,531
- New Pantai Expressway Sdn Bhd	**1,015**	1,015
- Kuantan Port Consortium Sdn Bhd	**2,092**	2,092
- Besraya (M) Sdn Bhd	**937**	937
- IJM Land Management Services Sdn Bhd	**8,374**	8,374
(v) Office rental charged by:		
- IJM Construction Sdn Bhd	**2,008**	1,403
(vi) Repayment from/(advances to):		
- IJM Investments (M) Limited	**(60,009)**	273,136
- IJM Construction Sdn Bhd	**28,710**	50,215
- IJM Properties Sdn Bhd	**182,780**	(58)
- IJM Land Berhad	**(176,557)**	–
- Jelutong Development Sdn Bhd	**5,718**	249
- IJM (India) Infrastructure Limited	**(3,800)**	(89)
- Commerce House Sdn Bhd	**–**	7,672
- Liberty Heritage (M) Sdn Bhd	**–**	549
- IJM Investments (L) Ltd	**59,288**	118,273
- IJMII (Mauritius) Limited	**(117)**	(732)
- IJM Construction (Middle East) Limited Liability Company	**–**	(798)
- Kuantan Port Consortium Sdn Bhd	**4,411**	5,552
- IJM Land Management Services Sdn Bhd	**3,820**	1,610
- Industrial Concrete Products Sdn Bhd	**8,219**	11,437
- IJM Plantations Berhad	**8,139**	8,724
- Malaysian Rock Products Sdn Bhd	**677**	697
- Besraya (M) Sdn Bhd	**–**	2,498
- New Pantai Expressway Sdn Bhd	**1,977**	2,186
- RB Land Sdn Bhd	**109**	1,266
- IJM RE Sdn Bhd	**(54,280)**	–
(vii) Advances from/(repayments to):		
- Road Builder (M) Holdings Bhd	**(16,206)**	15,049
- Road Builder (M) Sdn Bhd	**–**	(76,100)
- IJM (India) Geotechniques Private Limited	**580**	6
(ab) Associates		
(i) Repayment from:		
- WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad)	**157**	5,765
(ac) Joint ventures		
(i) Interest charged to:		
- Lebuhraya Kajang-Seremban Sdn Bhd	**7,104**	7,138

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

51 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(b) Key management compensation during the financial year:

Key management personnel comprises the Executive Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

	The Group 2017 RM'000	The Group 2016 RM'000	The Company 2017 RM'000	The Company 2016 RM'000
Wages, salaries and bonus	**11,423**	10,478	**5,724**	5,317
Defined contribution retirement plan	**1,817**	1,673	**927**	866
Other employee benefits	**585**	632	**277**	150
Share-based payments	**6,633**	7,917	**3,857**	3,892
	20,458	20,700	**10,785**	10,225

(c) Transactions with Directors and key management relating to the purchase of properties during the financial year:

In the ordinary course of business, certain Directors and key management personnel of the Group purchased properties from the property development subsidiaries during the financial year.

The following transactions with Directors and key management personnel were carried out under terms not more favourable than those generally available to the public or employees of the Group, or under negotiated terms which the Board of Directors, after deliberation, has believed to be in the best interests of the Group:

	The Group 2017 RM'000	The Group 2016 RM'000
Progress billings during the financial year:		
- Directors and key management personnel of the Company	**4,938**	2,004
- Close family members of Directors and key management personnel of the Company	**1,324**	874
Amount outstanding arising from progress billings as at end of financial year from:		
- Directors and key management personnel of the Company	**1,591**	37
- Close family members of Directors and key management personnel of the Company	**1,280**	–

(d) The amounts that remained outstanding at the reporting date in respect of the transactions with related parties are disclosed in Notes 31, 32, 33, 40 and 43.

52 COMMITMENTS

(a) Capital commitments

	The Group 2017 RM'000	2016 RM'000
Approved and contracted for	**1,098,039**	1,247,805
Approved but not contracted for	**71,913**	170,350
	1,169,952	1,418,155
Analysed as follows:		
Purchases of property, plant and equipment, land use rights and plantation development expenditure	**265,607**	340,862
Purchases of development land	**5,948**	11,150
Concession assets	**808,942**	1,066,143
Investment properties	**89,455**	–
	1,169,952	1,418,155

(b) Non-cancellable operating lease commitments

(i) The Group as lessor:

The non-cancellable operating lease commitments are in relation to operating lease receivables from various tenants.

	The Group 2017 RM'000	2016 RM'000
Future minimum sublease receipts:		
- expiring not later than 1 year	**14,399**	14,877
- expiring later than 1 year but not later than 5 years	**50,269**	52,947
- expiring later than 5 years	**66,568**	78,262
	131,236	146,086

(ii) The Group as lessee:

The non-cancellable operating lease commitments is in relation to the operating lease payables by IJM Plantations Berhad, a 56%-owned subsidiary of the Company and its subsidiaries, which is pursuant to the Sub-lease Agreement dated 30 September 2015 for land use rights until the end of the respective land use rights periods.

	The Group 2017 RM'000	2016 RM'000
Future minimum lease payments:		
- expiring not later than 1 year	**1,134**	849
- expiring later than 1 year but not later than 5 years	**4,536**	3,395
- expiring later than 5 years	**68,789**	52,298
	74,459	56,542

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

53 CONTINGENT LIABILITIES (UNSECURED)

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Performance guarantees in respect of the contract performance of concession agreements	**–**	–	**750**	973
Stamp duty matters under appeal	**2,237**	1,945	**–**	–
Sales and service tax matters under appeal	**4,304**	3,742	**897**	780
	6,541	5,687	**1,647**	1,753

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017

SUBSIDIARIES

Name	Country of incorporation	Effective equity interest 2017 %	2016 %	Principal activities
Held by the Company				
CIDB Inventures Sdn Bhd	Malaysia	**100**	100	Infrastructure investment
Emcee Corporation Sdn Bhd	Malaysia	**100**	100	Dormant
IJM Construction Sdn Bhd	Malaysia	**100**	100	Civil and building construction and investment holding
IJM Construction (Middle East) Limited Liability Company *	United Arab Emirates	**100**	100	Construction
IJM Highway Services Sdn Bhd	Malaysia	**100**	100	Provision of toll operation and maintenance services
IJM International (BVI) Pty Ltd ^	British Virgin Islands	**–**	100	Struck off
IJM International Limited *	Hong Kong	**100**	100	Investment holding
IJM Investments (L) Ltd ^	Federal Territory of Labuan	**100**	100	Investment holding
IJM Investments (M) Limited #	Republic of Mauritius	**100**	100	Investment holding
IJM Land Berhad	Malaysia	**100**	100	Investment holding
IJM Overseas Ventures Sdn Bhd	Malaysia	**100**	100	Dormant
IJM Plantations Berhad	Malaysia	**56**	55	Cultivation of oil palms and investment holding
IJM RE Sdn Bhd	Malaysia	**100**	–	Investment holding
Industrial Concrete Products Sdn Bhd	Malaysia	**100**	100	Production and sale of concrete products and investment holding
Kamad Quarry Sdn Bhd	Malaysia	**100**	100	Dormant
Kemena Industries Sdn Bhd *	Malaysia	**55**	55	Manufacture and sale of ready-mixed concrete and reinforced concrete products

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2017 %	2016 %	Principal activities
Held by the Company (cont'd)				
Makmur Venture Sdn Bhd	Malaysia	**100**	100	Investment holding
Nilai Cipta Sdn Bhd	Malaysia	**70**	70	Dormant
RB Manufacturing Sdn Bhd	Malaysia	**100**	100	Dormant
Road Builder (M) Holdings Bhd	Malaysia	**100**	100	Investment holding
Held by IJM Construction Sdn Bhd				
Commerce House Sdn Bhd	Malaysia	**100**	100	Trading in construction materials and providing insurance agency services
IJM Building Systems Sdn Bhd	Malaysia	**100**	100	Construction contracts, trading and rental of aluminium formworks
IJM Construction Vietnam Company Limited #	Vietnam	**100**	100	Provision of construction services, consulting service and installation of electrical systems and mechanical systems
IJM Investments J.A. Limited *	United Arab Emirates	**100**	100	Investment holding
IJM-Norwest JV (1)	**	**100**	–	Construction
Jurutama Sdn Bhd	Malaysia	**100**	100	Civil and building construction
Prebore Piling & Engineering Sdn Bhd	Malaysia	**100**	100	Piling, engineering and other construction works
Road Builder (M) Sdn Bhd	Malaysia	**100**	100	Civil and building construction
Held by IJM Investments J.A. Limited				
IJM Construction (Pakistan) (Private) Limited #	Pakistan	**100**	100	Civil and building construction
IJM Gulf Limited *	United Arab Emirates	**60**	60	Dormant
IM Technologies Pakistan (Private) Limited *	Pakistan	**60**	60	Civil, building construction and property development
Karachi Expressway J.A. Limited *	United Arab Emirates	**100**	100	Investment holding and construction
Held by Road Builder (M) Sdn Bhd				
RBM-PATI JV *	**	**100**	100	Construction

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2017 %	2016 %	Principal activities
Held by IJM Investments (M) Limited				
IEMCEE Infra (Mauritius) Limited #	Republic of Mauritius	**100**	100	Investment holding
IJM Dewas (Mauritius) Limited #	Republic of Mauritius	**100**	–	Investment holding
IJMII (Mauritius) Limited #	Republic of Mauritius	**100**	100	Investment holding
IJM Rajasthan (Mauritius) Limited #	Republic of Mauritius	**100**	100	Investment holding
IJM Rewa (Mauritius) Limited #	Republic of Mauritius	**100**	100	Investment holding
IJM Trichy (Mauritius) Ltd #	Republic of Mauritius	**100**	100	Investment holding
IJM Vijayawada (Mauritius) Ltd #	Republic of Mauritius	**100**	100	Investment holding
Held by IJM Dewas (Mauritius) Limited				
Dewas Bypass Tollway Private Limited * (of which 3.85% is held directly by the Company)	India	**100**	–	Highway development
Held by IJMII (Mauritius) Limited				
IJM (India) Infrastructure Limited *	India	**99.9**	99.9	Construction
Held by IJM (India) Infrastructure Limited				
IJM (India) Geotechniques Private Limited *	India	**99.9**	99.9	Soil investigation & testing, foundation laying & treatment & piling
IJM Lingamaneni Township Private Limited *	India	**98**	98	Property development
Roadstar (India) Infrastructure Private Limited *	India	**70**	70	Development of infrastructure projects and construction & operation of toll gates
Swarnandhra-IJMII Integrated Township Development Company Private Limited *	India	**51**	51	Property development
Swarnandhra Road Care Private Limited *	India	**99.9**	99.9	Road maintenance

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2017 %	2016 %	Principal activities
<u>Held by IJM Rewa (Mauritius) Limited</u>				
Rewa Tollway Private Limited *	India	**100**	100	Infrastructure development
<u>Held by IJM Vijayawada (Mauritius) Ltd</u>				
Vijayawada Tollway Private Limited * (of which 25.51% (2016: 25.51%) is held directly by the Company)	India	**99.9**	89.8	Highway development
<u>Held by IJM Land Berhad</u>				
Asas Panorama Sdn Bhd	Malaysia	**60**	60	Property development
Emko Properties Sdn Bhd	Malaysia	**100**	100	Property development
ERMS Berhad	Malaysia	**100**	100	Hotel operations
IJM Land Management Services Sdn Bhd	Malaysia	**100**	100	Provision of management services
IJM Properties Sdn Bhd	Malaysia	**100**	100	Property development and investment holding
Mintle Limited #	Jersey	**51**	51	Property investment
OneAce Global Limited	Federal Territory of Labuan	**100**	100	Investment holding
RB Development Sdn Bhd	Malaysia	**100**	100	Property development
RB Land Sdn Bhd	Malaysia	**100**	100	Property development and construction activities
Sova Holdings Sdn Bhd	Malaysia	**70**	70	Property development
<u>Held by Emko Properties Sdn Bhd</u>				
Emko Management Services Sdn Bhd	Malaysia	**100**	100	Property management
<u>Held by ERMS Berhad</u>				
Holiday Villa Management Sdn Bhd	Malaysia	**100**	100	Dormant
<u>Held by IJM Properties Sdn Bhd</u>				
Aqua Aspect Sdn Bhd	Malaysia	**80**	80	Property development
Chen Yu Land Sdn Bhd	Malaysia	**100**	100	Property development
Cypress Potential Sdn Bhd	Malaysia	**70**	70	Property development activities and property investment

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2017 %	Effective equity interest 2016 %	Principal activities
Held by IJM Properties Sdn Bhd (cont'd)				
Era Moden Hartanah Sdn Bhd	Malaysia	**55**	–	Dormant
Ever Mark (M) Sdn Bhd	Malaysia	**100**	100	Dormant
IJM Management Services Sdn Bhd	Malaysia	**100**	100	Providing project and construction management services and sales and marketing services
IJMP-MK Joint Venture	**	**70**	70	Property development
Jalinan Masyhur Sdn Bhd	Malaysia	**51**	51	Dormant
Jelutong Development Sdn Bhd	Malaysia	**80**	80	Property development
Larut Leisure Enterprise (Hong Kong) Limited *	Hong Kong	**99**	99	Property development and investment holding
Liberty Heritage (M) Sdn Bhd	Malaysia	**100**	100	Dormant
Manda'rina Sdn Bhd	Malaysia	**100**	100	Property development
Maxharta Sdn Bhd	Malaysia	**100**	100	Investment holding
NS Central Market Sdn Bhd	Malaysia	**70**	70	Property development
Preferred Accomplishment Sdn Bhd	Malaysia	**100**	100	Sale of electricity
Radiant Pillar Sdn Bhd * (of which 10.6% (2016:10.4%) is held indirectly by the Company via WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad))	Malaysia	**71**	70	Property development and investment holding
Sinaran Intisari (M) Sdn Bhd	Malaysia	**100**	100	Dormant
Suria Bistari Development Sdn Bhd	Malaysia	**51**	51	Property development
The Light Waterfront Sdn Bhd	Malaysia	**100**	100	Dormant
Valencia Terrace Sdn Bhd	Malaysia	**100**	100	Property development
Worldwide Ventures Sdn Bhd	Malaysia	**86**	86	Property development and investment holding
Held by Cypress Potential Sdn Bhd				
Sebana Golf & Marina Resort Berhad	Malaysia	**70**	–	Resort, marina and golf course operator
Held by Larut Leisure Enterprise (Hong Kong) Limited				
Jilin Dingtai Enterprise Company Limited *	China	**99**	99	Property development

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2017 %	2016 %	Principal activities
Held by Maxharta Sdn Bhd				
Jelita Kasturi Sdn Bhd	Malaysia	**100**	100	Property development
Panorama Jelita Sdn Bhd	Malaysia	**100**	100	Property development
Eksplorasi Cemerlang Sdn Bhd	Malaysia	**100**	100	Dormant
Held by Radiant Pillar Sdn Bhd				
Bandar Rimbayu Sdn Bhd * (of which 10.6% (2016: 10.4%) is held indirectly by the Company via WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad))	Malaysia	**71**	70	Property development
IJMP-RPSB Joint Venture * (of which 5.3% (2016: 5.2%) is held indirectly by the Company via WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad))	**	**85**	85	Dormant
Held by Worldwide Ventures Sdn Bhd				
Island Golf View Sdn Bhd	Malaysia	**86**	86	Property development
Sheffield Enterprise Sdn Bhd	Malaysia	**60**	60	Dormant
Held by Mintle Limited				
RMS (England) Limited #	England and Wales	**51**	51	Property development
Held by RMS (England) Limited				
RMS (England) 1 Limited #	England and Wales	**51**	51	Dormant
RMS (England) 2 Limited #	England and Wales	**51**	51	Dormant
Held by RB Land Sdn Bhd				
Aras Varia Sdn Bhd	Malaysia	**100**	100	Property development and clubhouse operations
Casa Warna Sdn Bhd	Malaysia	**100**	100	Property management
Dian Warna Sdn Bhd	Malaysia	**100**	100	Property development
Ikatan Flora Sdn Bhd	Malaysia	**100**	100	Property development
Murni Lapisan Sdn Bhd	Malaysia	**100**	100	Property development and construction activities

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2017 %	2016 %	Principal activities
Held by RB Land Sdn Bhd (cont'd)				
RB Property Management Sdn Bhd	Malaysia	**100**	100	Property development
Seremban Two Holdings Sdn Bhd	Malaysia	**100**	100	Property development
Seremban Two Property Management Sdn Bhd	Malaysia	**100**	100	Property management
Seremban Two Properties Sdn Bhd	Malaysia	**100**	100	Property development
Shah Alam 2 Sdn Bhd	Malaysia	**100**	100	Property development
Tarikan Abadi Sdn Bhd	Malaysia	**100**	100	Property development
Titian Tegas Sdn Bhd	Malaysia	**100**	100	Property development
Unggul Senja Sdn Bhd	Malaysia	**100**	100	Property development
Held by IJM Plantations Berhad				
Akrab Perkasa Sdn. Bhd.	Malaysia	**56**	55	Dormant
Berakan Maju Sdn. Bhd.	Malaysia	**56**	55	Cultivation of oil palms
Desa Talisai Palm Oil Mill Sdn. Bhd.	Malaysia	**56**	55	Dormant
Desa Talisai Sdn. Bhd.	Malaysia	**56**	55	Investment holding
Dynasive Enterprise Sdn. Bhd.	Malaysia	**56**	55	Investment holding
Excellent Challenger (M) Sdn. Bhd.	Malaysia	**56**	55	Cultivation of oil palms
Gunaria Sdn. Bhd.	Malaysia	**56**	55	Investment holding
IJM Biofuel Sdn Bhd	Malaysia	**56**	55	Dormant
IJM Edible Oils Sdn. Bhd.	Malaysia	**56**	55	Palm oil and kernel milling
IJMP Investments (M) Limited *	Republic of Mauritius	**56**	55	Under member's voluntary liquidation
Minat Teguh Sdn. Bhd.	Malaysia	**56**	55	Investment holding
Rakanan Jaya Sdn. Bhd.	Malaysia	**56**	55	Cultivation of oil palms
Ratus Sempurna Sdn. Bhd.	Malaysia	**56**	55	Property holding
Sabang Mills Sdn. Bhd.	Malaysia	**56**	55	Dormant
Sijas Plantations Sdn. Bhd.	Malaysia	**56**	55	Dormant
Held by Gunaria Sdn Bhd				
PT Sinergi Agro Industri *	Indonesia	**53**	52	Cultivation of oil palms
PT Karya Bakti Sejahtera Agrotama *	Indonesia	**53**	52	Cultivation of oil palms

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2017 %	2016 %	Principal activities
Held by Minat Teguh Sdn. Bhd.				
PT Primabahagia Permai *	Indonesia	**53**	52	Cultivation of oil palms
Held by PT Primabahagia Permai				
PT Prima Alumga *	Indonesia	**53**	52	Cultivation of oil palms
PT Indonesia Plantation Synergy *	Indonesia	**51**	50	Cultivation of oil palms and milling
Held by IJM RE Sdn Bhd				
IJM RE Commercial Sdn Bhd	Malaysia	**100**	–	Dormant
Held by Industrial Concrete Products Sdn Bhd				
Durabon Sdn Bhd	Malaysia	**100**	100	Processing and sales of steel bars
Expedient Resources Sdn Bhd	Malaysia	**100**	100	Under member's voluntary liquidation
ICP Investments (L) Limited ^	Federal Territory of Labuan	**100**	100	Investment holding
ICP Jiangmen Co. Ltd. *	People's Republic of China	**96**	75	Production and sale of concrete products
ICP Marketing Sdn Bhd	Malaysia	**100**	100	Dormant
ICP Precast Products Sdn Bhd	Malaysia	**100**	100	Dormant
Malaysian Rock Products Sdn Bhd	Malaysia	**100**	100	Quarrying, sale of rock products and investment holding
Held by Expedient Resources Sdn Bhd				
Tadmansori Rubber Industries Sdn Bhd	Malaysia	**100**	100	Under member's voluntary liquidation
Held by ICP Investments (L) Limited				
ICPB (Mauritius) Limited #	Mauritius	**100**	100	Investment holding
Held by ICPB (Mauritius) Limited				
IJM Steel Products Private Limited *	India	**100**	100	Dormant
IJM Concrete Products Private Limited *	India	**100**	100	Production and supply of ready-mixed concrete

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2017

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2017 %	Effective equity interest 2016 %	Principal activities
Held by IJM Concrete Products Private Limited				
IJM-AIKYA Joint Venture *	India	**60**	60	Crushing and marketing of building stone material
Held by Malaysian Rock Products Sdn Bhd				
Aggregate Marketing Sdn Bhd	Malaysia	**100**	100	Dormant
Azam Ekuiti Sdn Bhd	Malaysia	**100**	100	Leaseholder of quarry land
Bohayan Industries Sdn Bhd	Malaysia	**70**	70	Dormant
IJM Concrete (Private) Limited ^	United Arab Emirates	**60**	60	Investment holding
IJM Concrete Products Pakistan (Private) Limited *	Pakistan	**100**	100	Dormant
Kuang Rock Products Sdn Bhd	Malaysia	**100**	100	Quarrying and sale of rock products
Oriental Empire Sdn Bhd	Malaysia	**100**	100	Leaseholder of quarry land
Scaffold Master Sdn Bhd	Malaysia	**100**	100	Sale and rental of steel scaffolding
Strong Mixed Concrete Sdn Bhd	Malaysia	**100**	100	Production and supply of ready-mixed concrete
Warga Sepakat Sdn Bhd	Malaysia	**100**	100	Leaseholder of quarry land
Held by IJM Concrete (Private) Limited				
IJM Concrete Pakistan *	Pakistan	**60**	60	Production and supply of ready-mixed concrete
IJM Concrete Pakistan (Private) Limited *	Pakistan	**60**	60	Dormant
Held by Strong Mixed Concrete Sdn Bhd				
SMC Islamabad (Private) Limited *	Pakistan	**60**	60	Production and supply of ready-mixed concrete
Held by RB Manufacturing Sdn Bhd				
Kuching Riverine Resort Management Sdn Bhd	Malaysia	**100**	100	Property management
Held by Road Builder (M) Holdings Bhd				
Arena Wiramas Sdn Bhd	Malaysia	**–**	100	Liquidated
Besraya (M) Sdn Bhd	Malaysia	**100**	100	Toll road operation

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2017 %	Effective equity interest 2016 %	Principal activities
Held by Road Builder (M) Holdings Bhd (cont'd)				
Essmarine Terminal Sdn Bhd	Malaysia	**100**	100	Investment holding
Gagah Garuda Sdn Bhd	Malaysia	**100**	100	Investment holding
HMS Resource Sdn Bhd	Malaysia	**100**	100	Investment holding
Kuantan Port Consortium Sdn Bhd (of which 30% (2016 : 30%) is held directly by Essmarine Terminal Sdn Bhd)	Malaysia	**60**	60	Port management
New Pantai Expressway Sdn Bhd	Malaysia	**100**	100	Design, construction, management, operation and maintenance of New Pantai Highway
NPE Property Development Sdn Bhd	Malaysia	**100**	100	Property development
RB Port Sdn Bhd	Malaysia	**–**	100	Liquidated
Held by Kuantan Port Consortium Sdn Bhd				
KP Port Services Sdn Bhd	Malaysia	**60**	60	Port supporting services, stevedorage, storage handling and providing nitrogen purging and pigging services
Held by KP Port Services Sdn Bhd				
KPN Services Sdn Bhd	Malaysia	**60**	60	Under members' voluntary liquidation
ASSOCIATES				
Held by the Company				
Bionic Land Berhad *	Malaysia	**20**	20	Investment holding and provision of management services
Cofreth (M) Sdn Bhd *	Malaysia	**25**	25	Total facilities management, operations & maintenance, co-generation and district cooling system/ service provider
Community Resort Development System Sdn Bhd *	Malaysia	**20**	20	Under members' voluntary liquidation
Emas Utilities Corporation Sdn Bhd *	Malaysia	**40**	40	Investment holding

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017 (cont'd)

ASSOCIATES (cont'd)

Name	Country of incorporation	Effective equity interest 2017 %	Effective equity interest 2016 %	Principal activities
Held by the Company (cont'd)				
Grupo Concesionario del Oeste S.A. *	Argentina	**20**	20	Construction, renovation, repair, conservation and operation of Acesso Oeste highway
Inversiones E Inmobiliaria Sur-Sur S.A. *	Chile	**25**	25	Property development
WCE Holdings Berhad * (formerly known as Kumpulan Europlus Berhad)	Malaysia	**26**	26	Investment holding
MASSCORP-Chile Sdn Bhd * (2)	Malaysia	**–**	32	Investment holding
Scomi Group Berhad *	Malaysia	**25**	25	Investment holding and provision of management services
Held by CIDB Inventures Sdn Bhd				
Swarna Tollway Private Limited *	India	**30**	30	Infrastructure development
Held by IEMCEE Infra (Mauritius) Limited				
GVK Gautami Power Limited *	India	**20**	20	Power generation
Held by IJM Construction Sdn Bhd				
Hexacon Construction Pte Limited *	Singapore	**46**	46	Civil and building construction
Highway Master Sdn Bhd	Malaysia	**50**	50	Road pavement construction
Integrated Water Services (M) Sdn Bhd *	Malaysia	**35**	35	Operation and maintenance of a water treatment plant
Held by IJM Investments (L) Ltd				
Earning Edge Sdn Bhd	Malaysia	**22**	22	Property development
Held by IJM Land Berhad				
Kuantan Pahang Holding Sdn Bhd	Malaysia	**40**	40	Investment holding
Held by IJM Properties Sdn Bhd				
Cekap Tropikal Sdn Bhd *	Malaysia	**50**	50	Property development
Good Debut Sdn Bhd *	Malaysia	**50**	50	Property development
MASSCORP-Vietnam Sdn Bhd *	Malaysia	**20**	20	Investment holding
Sierra Selayang Sdn Bhd *	Malaysia	**50**	50	Property development

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2017 (cont'd)

ASSOCIATES (cont'd)

Name	Country of incorporation	Effective equity interest 2017 %	2016 %	Principal activities
Held by IJM Rajasthan (Mauritius) Limited				
Jaipur-Mahua Tollway Private Limited * (3)	India	**–**	26	Highway development
Held by KP Port Services Sdn Bhd				
KP Depot Services Sdn Bhd *	Malaysia	**18**	18	Container depot services
Held by Malaysian Rock Products Sdn Bhd				
DML-MRP Resources (M) Sdn Bhd	Malaysia	**50**	50	Dormant
Held by Road Builder (M) Holdings Bhd				
West Coast Expressway Sdn Bhd * (of which 21.2% (2016: 20.9%) is held indirectly by the Company via WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad))	Malaysia	**41**	41	Design, construction and development of the West Coast Expressway Project and managing its toll operations
Held by Road Builder (M) Sdn Bhd				
Budi Benar Sdn Bhd *	Malaysia	**25**	25	Dormant

Audited by a member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers, Malaysia.

* Audited by a firm other than member firm of PricewaterhouseCoopers International Limited and PricewaterhouseCoopers, Malaysia.

** Unincorporated entities.

^ Company not required to be audited under the laws of the country of incorporation.

(1) During the financial year, IJM Construction Sdn Bhd ("IJM Const"), a wholly-owned subsidiary of the Company, has acquired an additional 30% equity interest in IJM-Norwest JV. Following the completion of the acquisition, IJM-Norwest JV becomes a wholly-owned subsidiary of the Company as IJM Const assumed full control over the entity (Note 33(a)).

(2) During the financial year, the Company disposed 31.87% equity interest in MASSCORP-Chile Sdn Bhd ("MCSB") for a total consideration of RM1.

(3) During the financial year, IJM Rajasthan (Mauritius) Limited, a wholly-owned subsidiary of IJM Investments (M) Limited, which in turn is a wholly-owned subsidiary of the Company, disposed the remaining 26% equity interest in Jaipur-Mahua Tollway Private Limited.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2017

55 DISCLOSURE OF REALISED AND UNREALISED RETAINED PROFITS

The following analysis is prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the context of disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad.

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:				
- Realised	**6,698,505**	6,204,458	**174,572**	280,379
- Unrealised	**(234,447)**	(472,970)	**10,385**	5,136
	6,464,058	5,731,488	**184,957**	285,515
Total share of retained profits/ (accumulated losses) of the associates:				
- Realised	**103,417**	138,152	**–**	–
- Unrealised	**38,212**	(26,118)	**–**	–
Total share of retained profits/ (accumulated losses) of the joint ventures:				
- Realised	**(163,260)**	(67,554)	**–**	–
- Unrealised	**2,362**	2,362	**–**	–
	6,444,789	5,778,330	**184,957**	285,515
Add: Consolidation adjustments	**(3,141,886)**	(2,736,248)	**–**	–
Total retained profits	**3,302,903**	3,042,082	**184,957**	285,515

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Cyrus Eruch Daruwalla, being the officer primarily responsible for the financial management of IJM Corporation Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the financial statements set out on pages 180 to 342 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at Petaling Jaya on 25 May 2017.

CYRUS ERUCH DARUWALLA

Before me

PESURUHJAYA SUMPAH MALAYSIA

Commissioner for Oaths
Petaling Jaya

NO: 13, TINGKAT 1, JALAN 52/10
PJ NEW TOWN
46200 PETALING JAYA, SELANGOR.

INDEPENDENT AUDITOR'S REPORT
To the Members of IJM Corporation Berhad

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF IJM CORPORATION BERHAD
(Incorporated in Malaysia)
(Company No: 104131-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of IJM Corporation Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017, and of their financial performance and their cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the balance sheets as at 31 March 2017 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 180 to 341.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and the Company. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Our audit approach (cont'd)

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTERS
Revenue and costs recognition of the Group **i) Construction contracts** **Revenue: RM2,104,740,000** **Cost: RM1,989,764,000** **ii) Property development activities** **Revenue: RM1,396,938,000** **Cost: RM918,472,000**	
Refer to Note 9(a) and Note 9(b) for the accounting policies and Notes 2(c), 2(d), 4 and 5(a) to the financial statements. We focused on this area because the accounting for construction contracts and property development activities is inherently complex as it involved the use of significant judgements made by management in the following areas: i) Stage of completion ii) Extent of costs incurred for construction contracts and property development projects, and construction costs or property development costs yet to be incurred iii) Status of variation orders and claims with customers	We evaluated and tested the key controls in respect of the review and approval of contract and property development project budgets to assess the reliability of these budgets. We checked the extent of costs incurred to date to internal quantity surveyors' latest valuations or sub-contractor claim certificates to corroborate the stage of completion. Where costs have not been billed or certified, we assessed the adequacy of management's accruals of such costs by checking subsequent contractors' claims certificates or approvals from internal quantity surveyors. We checked the reasonableness of the estimated total construction costs and property development costs, including subsequent changes to the costs, by agreeing to supporting documentation; i.e. approved budgets, quotations, correspondences, contracts and variation orders with sub-contractors. We had discussions with management to understand the nature of the variation orders and claims included in revenue and inspected correspondences from the customers and minutes of meetings to corroborate the key judgement applied by management. Based on the procedures performed above, we noted no material exceptions in the revenue and costs recognition for construction contracts and property development activities.

INDEPENDENT AUDITOR'S REPORT (cont'd)

To the Members of IJM Corporation Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

KEY AUDIT MATTERS	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTERS
Impairment assessment of the Group's and Company's investment in joint venture Investment in joint venture – Lebuhraya Kajang-Seremban Sdn Bhd ("LEKAS") (Group: RM159.5 million; Company: RM225.7 million) Refer to Note 4 and Note 25 for the accounting policies and Note 33 to the financial statements. LEKAS is the toll road operator of Lebuh Raya Kajang-Seremban and has been granted a service concession up to the year of 2039. For the financial year ended 31 March 2017, management has performed an impairment assessment over the carrying amount of the investment in LEKAS by calculating the value-in-use ("VIU") of the investment based on net cash inflow generated from its toll operation over the remaining concession period of 22 years up to the year of 2039 net of tax and financing cash flows. We focused on this area because management's impairment assessment includes inputs that are based on significant assumptions and judgements, comprising annual traffic growth rate and the discount rate.	We obtained management's VIU impairment model and checked the key assumptions used in the cash flow projections by performing the following procedures: • Compared the annual traffic growth rate to historical trends and traffic consultant's forecast; • Checked the reasonableness of the discount rate by comparing the rates used to comparable organisations and market information; • Checked the sensitivity analysis performed by management on the annual traffic growth rate and discount rate to determine whether reasonable changes on these key assumptions would give rise to a material impairment. Based on the procedures performed above, we did not identify any material exceptions.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and Statement, which we obtained prior to the date of this auditors' report, and the Chairman's Statement and other sections of the 2017 Annual Report, which are expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with the Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (cont'd)

To the Members of IJM Corporation Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 54 to the financial statements.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 55 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

LOH LAY CHOON
(No. 2497/03/18 (J))
Chartered Accountant

Kuala Lumpur
25 May 2017

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 2017

No	Location	Description	Area Hectares	Tenure	Existing Use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building	Net Book Value (RM'000)
1	District of Kuala Langat Selangor PT 36309, 36330 - 36334, 36341, 36342 36344, 36348, 36349 41090, 41184 - 41186 41188 - 41190, 41192 41210, 41211, 41213 - 41217, 41220, 71955 Mukim Tanjung Dua Belas.	Mixed development	472.19	Leasehold (expiring 2111)	Under development	A: 2014	N/A	1,322,400
2	HSD 119538 - 119541 PT 9209 - 9212 HSD 119543 - 119550 PT 9216 - 9220, 9222 9223 & 9230 HSD 119552 PT 9238 Mukim Kuala Lumpur	Mixed development	23.42	Leasehold (expiring 2106)	Under development	A: 2013	N/A	876,588
3	Kutai Timur East Kalimantan Indonesia	Agriculture land	21,827	Leasehold (expiring 2044 & 2045)	Oil Palm Estate & Palm Oil Mill	A: 2008, 2012 & 2014	5	750,292
4	AGL264342 Royal Mint Street London, United Kingdom	Mixed development	1.10	Leasehold (expiring 3011)	Under development	A: 2012	N/A	473,697
5	PT 36593 - 36981 PT 35993 - PT 35994 PT 36039 - PT 36054 PT 37800 Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus PT 26961 - PT 27156 Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus PT 32965 Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus PT 23227 - 23243 Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus				Under development			

LIST OF MATERIAL PROPERTIES (cont'd)
as at 31 March 2017

No	Location	Description	Area Hectares	Tenure	Existing Use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building	Net Book Value (RM'000)
5	PT 36987 - PT 36989 PT 36991 - 37027 PT 37029 - PT 37048 PT 36990, PT 37028 PT 37049 - PT 37055 PT 37057 - PT 37150 PT 37801, PT 37811-37915, PT 37158 - 37323, PT 37334 - 37527, PT 37528 PT 32115 - 32118 PT 36982 - 36983 PT 37154, PT 37327 - 37328, PT 37535 Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus	Residential, Commercial land	95.40					
	PT 23244 - 23247 PT 23996, PT 22597 PT 25326 - 25328 PT 27157 - 27159 Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus			Freehold	For future development	A: 2004	N/A	399,364
	PT 27160 - 27161 Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus	Agriculture land	232.75					
	PT 37152 - 37153 PT 37324 - 37326 PT 37533 - 37534 PT 32134, PT 34414 Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus							
6	Seksyen 8, Georgetown Daerah Timur Laut Penang							
	Parcel A1, Lot 691 Geran 117786	Residential	12.98		Under development			
	Parcel A1-3	Residential	1.73					
	Balance Parcel A1	Residential, Mixed Development & Commercial	13.96	Freehold	Under reclamation	N/A	N/A	389,355
	Parcel A2	Mixed Development & Commercial	8.75		Yet to be reclaimed			
	Parcel B1	Residential & Commercial	15.06	Leasehold				

No	Location	Description	Area Hectares	Tenure	Existing Use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building	Net Book Value (RM'000)
6	PT168 HS (D) 14095	Recreation & Amenities	0.56	Leasehold (expiring 2105)	For future development			
	PT 87 HS(D) 13805	Commercial	1.83	Leasehold (expiring 2104)				
7	Mukim Sungai Karang, Kuantan, Pahang							
	HSD No. 19141-2 PT7795-6 HSD No. 19144, PT7798 HSD No. 20044, PT8020 HSD No. 20046, PT8022 HSD No. 20058-61 PT8034-7	Industrial	94.72	Leasehold (expiring 2065 & 2066)				
	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	Under development	A: 2014	N/A	345,134
	HSD No. 19196, PT7850	Residential	31.41	Leasehold (expiring 2098)				
	HSD No. 19143, PT7797 HSD No. 19145-78 PT7799-832 HSD No. 19180-95 PT7834-49	Industrial	49.72	Leasehold (expiring 2065)				
8	Huihai Plaza, Xi'an Road Chaoyang District Changchun, Jilin Province The People's Republic of China	Commercial	4.18	Leasehold (expiring 2043)	Under development	A: 2014	N/A	311,316
9	Bulungan East Kalimantan Indonesia	Agriculture land	15,188	Leasehold (expiring 2043 & 2045)	Oil Palm Estate	A: 2008	N/A	273,419
10	Lampung Sumatera Indonesia	Agriculture land	10,513	Leasehold (expiring 2021, 2029 & 2049)	Oil Palm Estate	A: 2010	N/A	211,710

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 33rd Annual General Meeting ("AGM") of IJM CORPORATION BERHAD (104131-A) will be held at the Victorian Ballroom, Level 1, Holiday Villa Hotel & Suites Subang, 9 Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 23 August 2017, at 3.00 p.m. to transact the following matters:-

1. To receive the audited financial statements for the year ended 31 March 2017 together with the reports of the Directors and Auditors thereon.
2. To re-elect the following Directors who retire by rotation in accordance with Article 90 of the Company's Articles of Association and who being eligible, offer themselves for re-election:-
   a) Datuk Lee Teck Yuen — **Resolution 1**
   b) Lee Chun Fai — **Resolution 2**
   c) Pushpanathan a/l S A Kanagarayar — **Resolution 3**

   Please refer to Note 1
3. To re-appoint the following Directors:-
   a) Tan Sri Abdul Halim bin Ali — **Resolution 4**
   b) Dato' David Frederick Wilson — **Resolution 5**

   Please refer to Note 1
4. To re-appoint PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration. — **Resolution 6**
5. As special business to consider and pass the following resolutions:-
   a) RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR — **Resolution 7**

   "THAT subject to the passing of Resolution 4, Tan Sri Abdul Halim bin Ali shall continue to serve as an Independent Non-Executive Director of the Company notwithstanding that his tenure as an independent director has exceeded a cumulative term of nine (9) years."

   Please refer to Note 2

   b) DIRECTORS' FEES — **Resolution 8**

   "THAT the Directors' fees of RM1,108,583 for the year ended 31 March 2017 be approved to be divided amongst the Directors in such manner as they may determine."

   Please refer to Note 3

   c) DIRECTORS' BENEFITS — **Resolution 9**

   "THAT the payment of Directors' benefits to the Non-Executive Directors up to an amount of RM520,000 for the period from 31 January 2017 until the next Annual General Meeting be approved."

   Please refer to Note 3

   d) DIRECTORS' FEES AND MEETING ALLOWANCE OF THE SUBSIDIARIES — **Resolution 10**

   "THAT the payment of Directors' fees and/or meeting allowance by the subsidiaries to several Directors be approved:-

   i) Directors' fees of RM414,000 for the year ended 31 March 2017; and

   ii) Directors' meeting allowance of up to an amount of RM52,000 from 31 January 2017 until the next Annual General Meeting."

   Please refer to Note 3

e) AUTHORITY TO ISSUE SHARES UNDER SECTIONS 75 AND 76 **Resolution 11**

"THAT the Directors be and are hereby authorised, pursuant to Sections 75 and 76 of the Companies Act 2016, to allot and issue not more than ten percent (10%) of the total number of issued shares of the Company at any time, upon such terms and conditions and for such purposes as the Directors in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force, and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof."

Please refer to Note 4

f) PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY **Resolution 12**

"THAT the Directors be and are hereby authorised to purchase the ordinary shares of the Company through the stock exchange of Bursa Malaysia Securities Berhad at any time upon such terms and conditions as the Directors in their absolute discretion deem fit provided that:-

i) the aggregate number of shares purchased (which are to be treated as treasury shares) does not exceed ten per cent (10%) of the total number of issued shares of the Company; and

ii) the funds allocated for the purchase of shares shall not exceed its retained profits

AND THAT the Directors be and are hereby further authorised to deal with the treasury shares in their absolute discretion (which may be distributed as dividends, resold, transferred, cancelled and/or in any other manner as prescribed by the Companies Act 2016, and the relevant rules, regulations and/or requirements)

AND THAT such authority shall continue to be in force until:-

a) the conclusion of the next Annual General Meeting ("AGM");

b) the expiration of the period within which the next AGM is required by law to be held; or

c) revoked or varied in a general meeting,

whichever occurs first."

Please refer to Note 5

By Order of the Board

Ng Yoke Kian
Company Secretary
MAICSA 7018150

Petaling Jaya
25 July 2017

Notes:-

1. **RE-ELECTION AND RE-APPOINTMENT OF DIRECTORS**

The performance of each Director who subject for re-election or re-appointment had been assessed through the Board annual evaluation (including the independence of Independent Non-Executive Directors). The Nomination & Remuneration Committee ("NRC") and the Board are satisfied with the performance and effectiveness of the Directors.

Datuk Lee Teck Yuen, Lee Chun Fai and Pushpanathan a/l S A Kanagarayar are standing for re-election as Directors, and being eligible, have offered themselves for re-election at this AGM.

Tan Sri Abdul Halim bin Ali and Dato' David Frederick Wilson, both of whom are above the age of 70, were re-appointed pursuant to Section 129 of the Companies Act 1965 at the 32nd AGM held on 24 August 2016 to hold office until the conclusion of the next AGM. Their term of office, therefore will end at the conclusion of this AGM.

With the Companies Act 2016 coming into force on 31 January 2017, and having repealed Section 129 of the Companies Act 1965, there is no longer an age limit for Directors. The Resolution 4 and Resolution 5, if passed, will approve and authorise the continuation of Tan Sri Abdul Halim bin Ali and Dato' David Frederick Wilson in office from the date of this AGM and they shall be thereafter subject to retirement by rotation pursuant to the Articles of Association of the Company.

The profiles of the Directors who subject for re-election or re-appointment are set out on pages 27 to 31 of the Annual Report 2017.

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

2. **RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

The Resolution 7, if approved, will authorise the retention of Tan Sri Abdul Halim bin Ali as an Independent Non-Executive Director of the Company.

Tan Sri Abdul Halim, had completed the 9-year tenure on 25 April 2016, and was retained as an Independent Non-Executive Chairman following the approval of shareholders at the last AGM held on 24 August 2016. Tan Sri Abdul Halim continues bringing strong independent viewpoints and objective judgement to Board deliberations and decision making, besides seeking clarification and challenging Management on the conduct of the Group's business and other issues raised at various Board and Board Committee meetings. He provides leadership for the Board and facilitates the Board to perform its responsibilities effectively through his independent and objective chairmanship. In addition, the insight and good understanding of the Group's various core business operations acquired by Tan Sri Abdul Halim during his tenure of office would continue to facilitates him to discharge the duties and role as an Independent Director effectively. The experience and stability brought by Tan Sri Abdul Halim due to his long-service on the Board and as an active participant in the corporate community will serve the interest of the Company and its shareholders. As such, the NRC and the Board recommend the retention of Tan Sri Abdul Halim as an Independent Director and Chairman of the Company.

3. **DIRECTORS' FEES AND BENEFITS**

Pursuant to Section 230(1) of the Companies Act 2016 which came into effect on 31 January 2017, the fees of the directors, and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at the general meeting.

The Resolution 8, if approved, will authorise the payment of Directors' fees to the Non-Executive Directors ("NED") by the Company.

The Resolution 9, if approved, will authorise the payment of Directors' benefits to the NED by the Company. The Directors' benefits of RM520,000 for the period from 31 January 2017 until the next AGM in year 2018 are derived from the estimated meeting allowance based on the number of scheduled meetings and unscheduled meetings (when necessary) for the Board and Board Committees, number of NEDs involved in the meetings, travel claims of the NEDs and car benefits of the Non-Executive Chairman and Deputy Non-Executive Chairman. The meeting allowance for a NED is RM1,000 per meeting.

The Resolution 10 is in relation to the payment of Directors' fees and/or meeting allowance by two (2) subsidiaries to several Directors of the Company. The details are as follows:-

(a) Directors' fees payable by the subsidiaries for the financial year ended 31 March 2017

Subsidiaries	Directors	Amount (RM)
IJM Plantations Berhad ("IJMP") (a 56% owned subsidiary)	Tan Sri Dato' Tan Boon Seng @ Krishnan ("TSKT") Dato' Soam Heng Choon ("DSHC") Pushpanathan a/l S A Kanagarayar ("Ken")	374,000
Kuantan Port Consortium Sdn Bhd ("KPC") (a 60% owned subsidiary)	TSKT Datuk Lee Teck Yuen ("DLTY")	40,000
	Total	**414,000**

(b) TSKT, DSHC and Ken are also entitled to the meeting allowance of IJMP for RM1,000 per person for each meeting attended. The estimated Directors' meeting allowance of RM52,000 is based on the number of scheduled meetings and unscheduled meetings (when necessary) for the Board and Board Committees of IJMP during the period from 31 January 2017 until the next AGM in year 2018. As for KPC, TSKT and DLTY do not receive any meeting allowance.

The Directors' fees and/or meeting allowance payable by IJMP and KPC are subject to the shareholders' approval at the general meetings of IJMP and KPC.

4. **AUTHORITY TO ISSUE SHARES UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

The Resolution 11, if approved, will empower the Directors to issue up to 10% of the total number of issued shares (excluding treasury shares) of the Company, for purposes of funding future investment projects, working capital, acquisitions and/or so forth. The approval is a renewal of general mandate and is sought to provide flexibility and avoid any delay and cost in convening a general meeting for such issuance of shares for fund raising activities, including placement of shares. The authorisation, unless revoked or varied by the Company at a general meeting, will expire at the next AGM. At this juncture, there is no decision to issue new shares. Should there be a decision to issue new shares after the authorisation is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

5. **SHARE BUY-BACK AUTHORITY**

The details of the proposal are set out in the Share Buy-Back Statement dated 25 July 2017, which is despatched together with the Annual Report 2017.

6. **APPOINTMENT OF PROXY AND ENTITLEMENT OF ATTENDANCE**

(i) a proxy may but need not be a member;

(ii) a member, other than an exempt authorised nominee, is entitled to appoint up to two (2) proxies;

(iii) a member, who is an authorised nominee, may appoint up to two (2) proxies in respect of each Securities Account held; whereas, an exempt authorised nominee may appoint multiple proxies in respect of each Securities Account held;

(iv) a member who appoints a proxy must duly execute the Form of Proxy, and if more than one (1) proxy is appointed, the number of shares to be represented by each proxy must be clearly indicated;

(v) a corporate member who appoints a proxy must execute the Form of Proxy under seal or the hand of its officer or attorney duly authorised;

(vi) the duly executed Form of Proxy must be deposited at the Registered Office before 3.00 p.m. on 21 August 2017;

(vii) only members whose names appear in the Record of Depositors and/or Register of Members as at **16 August 2017** will be entitled to attend and vote at the meeting; and

(viii) the Annual Report, Share Buy-Back Statement and Form of Proxy are available for download at www.ijm.com

FORM OF PROXY

I/We ____

NRIC/Passport/Company No.: ______________________ Mobile Phone No.: ______________

CDS Account No.: ______________________ Number of Shares Held: ______________

Address: ____

____

being a member of **IJM CORPORATION BERHAD (104131-A)**, hereby appoint:-

1) Name of Proxy: ______________________ NRIC No.: ______________

Address: ____

______________________ Number of Shares Represented: __________

2) Name of Proxy: ______________________ NRIC No.: ______________

Address: ____

______________________ Number of Shares Represented: __________

or failing him/her, the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the 33rd Annual General Meeting ("AGM") of IJM CORPORATION BERHAD to be held at the Victorian Ballroom, Level 1, Holiday Villa Hotel & Suites Subang, 9 Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 23 August 2017, at 3.00 p.m., and at any adjournment thereof, in the manner indicated below:-

No.	Resolutions	For	Against
1.	To re-elect Datuk Lee Teck Yuen as Director		
2.	To re-elect Lee Chun Fai as Director		
3.	To re-elect Pushpanathan a/l S A Kanagarayar as Director		
4.	To re-appoint Tan Sri Abdul Halim bin Ali as Director		
5.	To re-appoint Dato' David Frederick Wilson as Director		
6.	To re-appoint PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration		
7.	To retain Tan Sri Abdul Halim bin Ali as an Independent Non-Executive Director		
8.	To approve the payment of Directors' fees of RM1,108,583		
9.	To approve the payment of Directors' benefits of RM520,000		
10.	To approve the payment of Directors' fees of RM414,000 and/or meeting allowance of up to an amount of RM52,000 by the subsidiaries		
11.	To authorise the issuance of up to 10% of the total number of issued shares of the Company		
12.	To approve the Proposed Renewal of Share Buy-Back Authority		

Please indicate with "X" how you wish your vote to be cast. In the absence of specific instruction, your Proxy will vote or abstain as he/she thinks fit.

Signed (and sealed) this __________ day of ____________ 2017

Signature(s): ______________________________

Notes:-

(i) a proxy may but need not be a member;

(ii) a member, other than an exempt authorised nominee, is entitled to appoint up to two (2) proxies;

(iii) a member, who is an authorised nominee, may appoint up to two (2) proxies in respect of each Securities Account held; whereas, an exempt authorised nominee may appoint multiple proxies in respect of each Securities Account held;

(iv) a member who appoints a proxy must duly execute the Form of Proxy, and if more than one (1) proxy is appointed, the number of shares to be represented by each proxy must be clearly indicated;

(v) a corporate member who appoints a proxy must execute the Form of Proxy under seal or the hand of its officer or attorney duly authorised;

(vi) the duly executed Form of Proxy must be deposited at the Registered Office before 3.00 p.m. on 21 August 2017;

(vii) only members whose names appear in the Record of Depositors and/or Register of Members as at **16 August 2017** will be entitled to attend and vote at the meeting;

(viii) the Annual Report, Share Buy-Back Statement and Form of Proxy are available for download at www.ijm.com.

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Stamp

The Company Secretary

IJM CORPORATION BERHAD (104131-A)

2nd Floor, Wisma IJM
Jalan Yong Shook Lin
46050 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Please Fold Here

CORPORATE INFORMATION

IJM CORPORATION BERHAD
(104131-A)

HEAD OFFICE
Wisma IJM, Jalan Yong Shook Lin
46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Tel : 603-79858288 Fax : 603-79529388
E-mail : ijm@ijm.com Website : http://www.ijm.com

Certified to ISO 9001:2015
Cert. No. : AR 0911

Certified to OHSAS 18001:2007
Cert. No. : SR 0105

Certified to MS 1722:2011
Cert. No. : SR 0308

Certified to ISO 14001:2004
Cert. No. : ER 0489

MALAYSIA BRANCH OFFICES

JOHOR, MALAYSIA
17-05, 17th Floor, City Plaza
Jalan Tebrau, 80250 Johor Bahru
Johor Darul Ta'zim, Malaysia
Tel : 607-3334895, 607-3334896
Fax : 607-3334918
E-mail : ijmjb@ijm.com
Website : http://www.ijm.com
Contact : Mr Ong Teng Cheng

PENANG, MALAYSIA
Suite 05-01, Menara IJM Land
1, Lebuh Tunku Kudin 3, 11700 Gelugor
Penang, Malaysia
Tel : 604-2961388
Fax : 604-2961389
E-mail : ijmpg@ijm.com
Website : http://www.ijm.com
Contact : Mr Beh Lai Seng

SARAWAK, MALAYSIA
1st Floor, Lots 7886 & 7887, Queen's Court
Jalan Wan Alwi, 93350 Kuching
Sarawak, Malaysia
Tel : 6082-463496, 6082-463497
Fax : 6082-461581
E-mail : ijmkch@ijm.com
Website : http://www.ijm.com
Contact : Mr Chan Kai Leong

REGISTERED OFFICE
2nd Floor, Wisma IJM, Jalan Yong Shook Lin
46050 Petaling Jaya, Selangor Darul Ehsan
Malaysia
Tel : 603-79858288
Fax : 603-79521200
E-mail : csa@ijm.com
Website : http://www.ijm.com

PRINCIPAL BANKERS
- AmInvestment Bank Berhad
- CIMB Bank Berhad
- HSBC Bank Malaysia Berhad
- Malayan Banking Berhad
- Public Bank Berhad
- RHB Banking Group
- Standard Chartered Bank Malaysia Berhad
- United Overseas Bank (Malaysia) Berhad

AUDITORS
PricewaterhouseCoopers
Chartered Accountants
Level 10, 1 Sentral, Jalan Rakyat
Kuala Lumpur Sentral
50706 Kuala Lumpur, Malaysia
Tel : 603-21731188
Fax : 603-21731288
Website : www.pwc.com/my

SHARE REGISTRAR
Tricor Investor & Issuing House Services
Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Tel : 603-2783 9299
Fax : 603-2783 9222

STOCK EXCHANGE LISTING
Main Market of
Bursa Malaysia Securities Berhad
since 29 September 1986
BMSB Code : 3336
Reuters Code : IJMS.KL
Bloomberg Code : IJM MK

DIVISIONAL OFFICES

CONSTRUCTION

MALAYSIA

IJM CONSTRUCTION SDN BHD (195650-H)
2nd Floor, Wisma IJM, Jalan Yong Shook Lin
46050 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : 603-79858288
Fax : 603-79529388
E-mail : ijm@ijm.com
Website : http://www.ijm.com
Contact : Mr Liew Hau Seng

INDIA

IJM (INDIA) INFRASTRUCTURE LIMITED
H.No. 1-89/1, 3rd & 4th Floor
Plot No. 42 & 43, Kavuri Hills Phase-1
Madhapur, Hyderabad - 500 081 India
Tel : 91 40 23114661/62/63/64
Fax : 91 40 23114669
E-mail : ijmii@ijm.com
Website : http://www.ijm.com
Contact : Mr Tan Kiam Choon

MIDDLE EAST

KINGDOM OF BAHRAIN

IJM CONSTRUCTION SDN BHD
MIDDLE EAST REGIONAL OFFICE
Villa No. 835, Road No. 31, Block No. 608, Wadyan
P. O. Box 28141, West Riffa, Kingdom of Bahrain
Tel : 973 1773 0343
Fax : 973 1773 2187/1773 7881
E-mail : ijmme@ijmmellc.ae
Contact : Mr Tan Kiam Choon

UNITED ARAB EMIRATES

IJM CONSTRUCTION (MIDDLE EAST) LLC (560467)
Office 203, Level 2, Arcade Building, Al Garhoud
P. O. Box 36634, Dubai, United Arab Emirates
Tel : 971 4 2827007
Fax : 971 4 2830411
E-mail : ijmme@ijmmellc.ae
Contact : Mr Tan Kiam Choon

PAKISTAN

IJM CONSTRUCTION (PAKISTAN) (PVT) LTD
China Ground, Kashmir Road, Next to Kashmir Lawn
P. O. Box No. 3407, Muslimabad
74800 Karachi, Pakistan
Tel : 92 332 3786001
E-mail : ijmpakistan@ijm.com
Contact : Mr Pook Fong Fee

SINGAPORE

HEXACON CONSTRUCTION PTE LTD (198204843K)
432, Balestier Road, #02-432 Public Mansion
Singapore 329813
Tel : 65-62519388
Fax : 65-62531638
E-mail : hexacon@singnet.com.sg
Website : http://www.hexacon.com.sg
Contact : Mr Pang Hoe Sang

INDUSTRY

MALAYSIA

INDUSTRIAL CONCRETE PRODUCTS SDN BHD (32369-W)
Wisma IJM Annexe, Jalan Yong Shook Lin
P. O. Box 191, 46720 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : 603-79558888
Fax : 603-79581111
E-mail : icp@ijm.com
Website : www.icpb.com.my
Contact : Dato' Harry Khor Kiem Teoh

MALAYSIAN ROCK PRODUCTS SDN BHD (4780-T)
STRONG MIXED CONCRETE SDN BHD (193822-X)
SCAFFOLD MASTER SDN BHD (146056-P)
Wisma IJM Annexe, Jalan Yong Shook Lin
46050 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : 603-79558888
Fax : 603-79574891
E-mail : mrp@ijm.com
Website : http://www.ijm.com
Contact : Mr Tan Khuan Beng

DURABON SDN BHD (392693-W)
Lot 27, Jalan Perindustrian 4
Kawasan Perindustrian Senai Fasa II
81400 Senai, Johor Malaysia
Tel : 607-5992680
Fax : 607-5991700
E-mail : icpdsn@ijm.com
Contact : Mr Pang Chwee Hoon

KUANG ROCK PRODUCTS SDN BHD (246283-D)
21-D, Jalan BRP 6/10, Section U20, Bukit Rahman Putra
47000 Sungai Buloh, Selangor Malaysia
Tel : 603-61566224
Fax : 603-61567634
E-mail : krp@ijm.com
Contact : Mr Ng Seng Keong

MALAYSIAN ROCK PRODUCTS SDN BHD (4780-T)
19-A, Jalan Ronggeng 3, Taman Skudai Baru
83100 Skudai, Johor Malaysia
Tel : 607-5565155
Fax : 607-5565299
E-mail : mrp@ijm.com
Contact : Mr Tan Khuan Beng

CHINA

ICP JIANGMEN CO LTD
6, Sihang Road, Gujing Town, Xinhui District
Jiangmen City, Guangdong 529145, China
Tel : 86 (0) 750 8269008
Fax : 86 (0) 750 8269098
E-mail : icp@ijm.com
Website : http://www.icpjm.com.cn
Contact : Mr Lee Hong Chai

INDIA

IJM CONCRETE PRODUCTS PRIVATE LIMITED
Head Office - Hyderabad
H.No. 1-89/1, 2nd Floor
Plot No. 42 & 43, Kavuri Hills Phase-1
Madhapur, Hyderabad - 500 081 India
Tel : 91 40 43408888
Fax : 91 40 23114669
E-mail : ijmcpplhyd@ijm.com
Contact : Mr Kunabalan Konasingam/Mr Lau Liang See

PAKISTAN

IJM CONCRETE PAKISTAN (PRIVATE) LIMITED
Islamabad
Goldcrest DHA Islamabad, DHA Phase II
Sheikh Zayed Bin Sultan Road (G.T. Road)
Islamabad, Pakistan
Tel : 9251 5825075
Fax : 9251 4492203
E-mail : ijmcpp@ijm.com
Contact : Mr Choo Teck Kooi Ben/
Mr Desmond Hoy Foo Mun

PLANTATION

IJM PLANTATIONS BERHAD (133399-A)
Wisma IJM Plantations, Lot 1, Jalan Bandar Utama
Mile 6, Jalan Utara, 90000 Sandakan, Sabah
Postal Address: BQ 3933, Mail Bag No. 8
90009 Sandakan, Sabah, Malaysia
Tel : 6089-667721
Fax : 6089-667728
E-mail : ijmplt@ijm.com
Website : http://www.ijm.com
Contact : Mr Joseph Tek Choon Yee

INFRASTRUCTURE

BESRAYA (M) SDN BHD (342223-A)
Plaza Tol Loke Yew, Lebuhraya Sungai Besi
56100 Kuala Lumpur, Malaysia
Tel : 603-92828382
Fax : 603-92828389
E-mail : info.besraya@ijm.com
Website : http://www.besraya.com.my
Contact : Pn. Wan Salwani Binti Wan Yusoff

NEW PANTAI EXPRESSWAY SDN BHD (308276-U)
Plaza Tol Pantai Dalam
KM 10.6, Lebuhraya Baru Pantai
58200 Kuala Lumpur, Malaysia
Tel : 603-77838800
Fax : 603-77831111
E-mail : info.npe@ijm.com
Website : http://www.npe.com.my
Contact : Pn. Wan Salwani Binti Wan Yusoff

LEBUHRAYA KAJANG-SEREMBAN SDN BHD (700707-U)
Plaza Tol Kajang Selatan
KM 3.3, Lebuhraya Kajang Seremban
43500 Semenyih, Selangor Darul Ehsan, Malaysia
Tel : 603-87238021
Fax : 603-87230021
E-mail : info.lekas@ijm.com
Website : http://www.lekas.com.my
Contact : Pn. Wan Salwani Binti Wan Yusoff

KUANTAN PORT CONSORTIUM SDN BHD (374383-H)
Wisma KPC, KM 25, Tanjung Gelang
P. O. Box 199, 25720 Kuantan
Pahang Darul Makmur, Malaysia
Tel : 609-5863888
Fax : 609-5863777
E-mail : info.kuantanport@ijm.com
Website : http://www.kuantanport.com.my
Contact : Dato' Ir. Haji Khasbullah A. Kadir

PROPERTY

MALAYSIA

IJM LAND BERHAD (187405-T)
Head Office - Petaling Jaya
Ground Floor, Wisma IJM, Jalan Yong Shook Lin
46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Tel : 603-79858288
Fax : 603-79529091
E-mail : sales@ijm.com
Website : http://www.ijmland.com
Contact : Mr Edward Chong Sin Kiat

Selangor
Bandar Rimbayu
No 1, Jalan Flora 3, Bandar Rimbayu
42500 Telok Panglima Garang
Selangor Darul Ehsan, Malaysia
Tel : 1800228686
Fax : 603-55252500
E-mail : sales@ijm.com
Website : http://www.rimbayu.com
Contact : Mr Shuy Eng Leong

Negeri Sembilan
P.T. 10786, Seremban 2
70300 Seremban
Negeri Sembilan Darul Khusus, Malaysia
Tel : 1800222456
Fax : 606-7619888
E-mail : sales@ijm.com
Website : http://www.seremban2.ijmland.com
Contact : Dato' Hoo Kim See

Penang
Suite 01-01, Menara IJM Land
1, Lebuh Tunku Kudin 3
11700 Gelugor, Penang, Malaysia
Tel : 604-2961222
Fax : 604-2961223
E-mail : sales@ijm.com
Website : http://www.ijmland.com
Contact : Dato' Toh Chin Leong

Johor
17-01, 17th Floor, City Plaza
Jalan Tebrau, 80250 Johor Bahru
Johor Darul Ta'zim, Malaysia
Tel : 607-3391888
Fax : 607-3334803
E-mail : sales@ijm.com
Website : http://www.ijmland.com
Contact : Mr Clement Pee Poh Hun

Sebana Cove Resort
No 52, Jalan Permas 15/1
Bandar Baru Permas Jaya
81750 Johor Bahru
Johor Darul Ta'zim, Malaysia
Tel : 607-3823323
Fax : 607-3824338
E-mail : sales@ijm.com
Website : http://www.sebanacoveresort.com
Contact : Mr Roger Lee Wai Hin

Nasa City
No 1, Jalan Palma Puteri 4
Desa Palma, 81100 Johor Bahru
Johor Darul Ta'zim, Malaysia
Tel : 607-3578899
Fax : 607-3591188
E-mail : sales@ijm.com
Website : http://nasacity.ijmland.com
Contact : Mr Lim Hock Seng

Sabah
Wisma IJM Plantations
Ground Floor, Lot 1, Jalan Bandar Utama,
Mile 6, Jalan Utara, 90000 Sandakan, Sabah
Tel : 6089-671899
Fax : 6089-673860
E-mail : sales@ijm.com
Website : http://www.ijmland.com
Contact : Mr Patrick Oye Kheng Hoon

Sarawak
Level 2, Riverine Emerald Condominium
(South Wing Mail Box), Jalan Petanak
93100 Kuching, Sarawak, Malaysia
Tel : 6082-231678
Fax : 6082-252136
E-mail : sales@ijm.com
Website : http://www.ijmland.com
Contact : Mr Chai King Sing

UNITED KINGDOM

RMS (ENGLAND) LIMITED
Quay Level, International House
1 St Katherine's Way, London E1W 1UN
United Kingdom
Tel : 44 (0) 20 3752 3949
Fax : 44 (0) 20 7488 9911
E-mail : sales@ijm.com
Website : http://www.royalmintgardens.com
Contact : Mr Mark Lahiff

VIETNAM

SOVA HOLDINGS SDN BHD
Beautiful Saigon 1, Level 8 Room 802
02 Nguyen Khac Vien Street
Tan Phu Ward, District 7
Ho Chi Minh City, Vietnam
Tel : 84 8 5416 0808/0909
Fax : 84 8 5413 6433
E-mail : sales@ijm.com
Website : http://www.ijmland.com
Contact : Mr Chow Ah Kan

IJM CORPORATION BERHAD
(104131-A)

Wisma IJM, Jalan Yong Shook Lin
46050 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia
Tel : +603-7985 8288
Fax : +603-7952 9388
E-mail : ijm@ijm.com
Web : www.ijm.com