



# 32<sup>nd</sup> Annual General Meeting

Review of Group Performance & Prospects  
Financial Year Ended 31 March 2016

24 August 2016



---

# Contents

## Business Review

- ❑ FY2016 Group Performance
- ❑ Segmental Performance Reviews & Outlook

## Corporate Responsibility

- ❑ Marketplace
- ❑ Environment
- ❑ Community
- ❑ Workplace

## Concluding Remarks

## Questions & Answers

# Group Income Statement

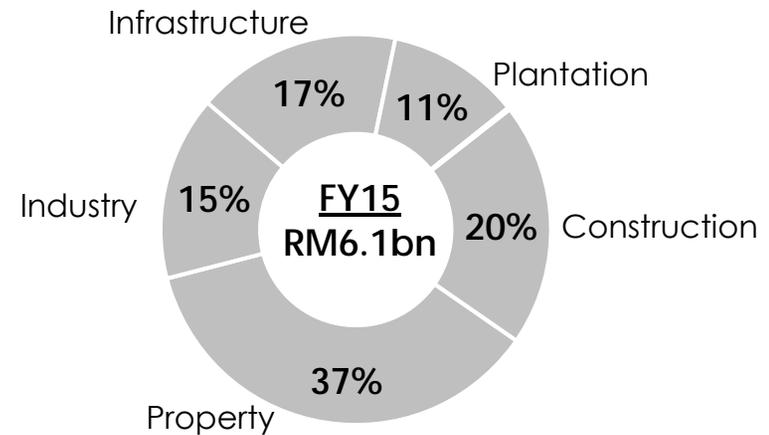
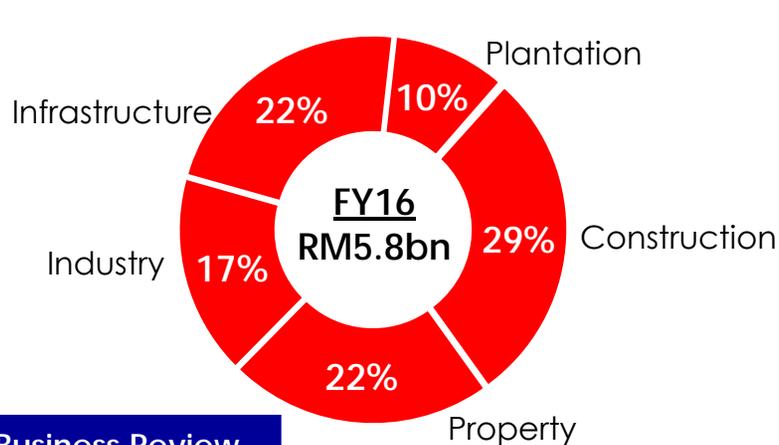
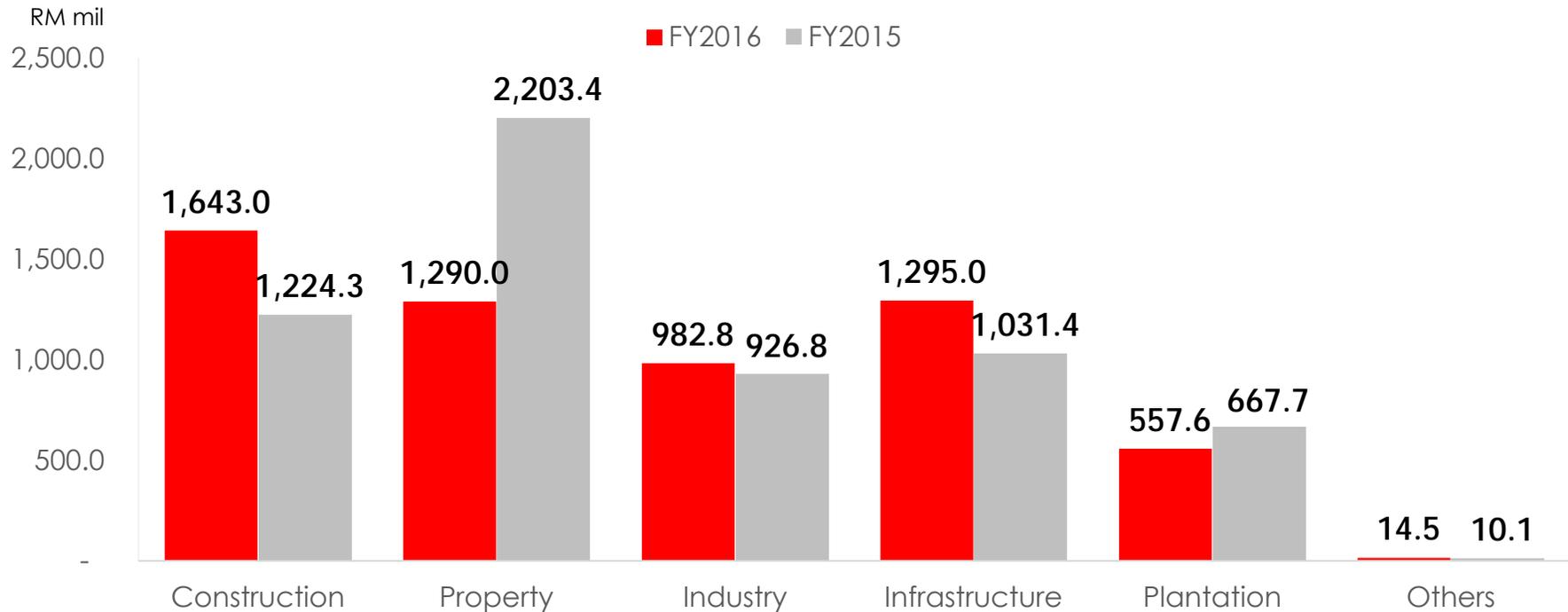
	Full Year		% Δ
	FY2016	FY2015	
	RM mil		
<b>Revenue</b>	<b>5,128.2</b>	<b>5,448.3</b>	(5.9) ↓
<b>Operating profit</b>	<b>1,301.5</b>	<b>1,292.4</b>	0.7 ↑
Finance cost	(169.2)	(242.7)	
<b>Operating profit after finance cost</b>	<b>1,132.2</b>	<b>1,049.7</b>	
Share of results from JV & associates	23.6	(30.3)	
<b>Profit before tax</b>	<b>1,155.8</b>	<b>1,019.4</b>	13.4 ↑
Taxation	(274.3)	(306.3)	
<b>Profit after tax</b>	<b>881.5</b>	<b>713.1</b>	
<b>Profit after tax &amp; MI</b>	<b>793.6</b>	<b>480.9</b>	65.0 ↑
<b>EPS (basic) sen</b>	<b>22.2</b>	<b>14.8</b>	50.0 ↑
EPS (fully diluted) sen	21.8	14.7	
<b>Proposed/declared DPS sen</b>	<b>3.0</b>	<b>4.0</b>	
Proposed special DPS sen	-	-	

# Group Balance Sheet

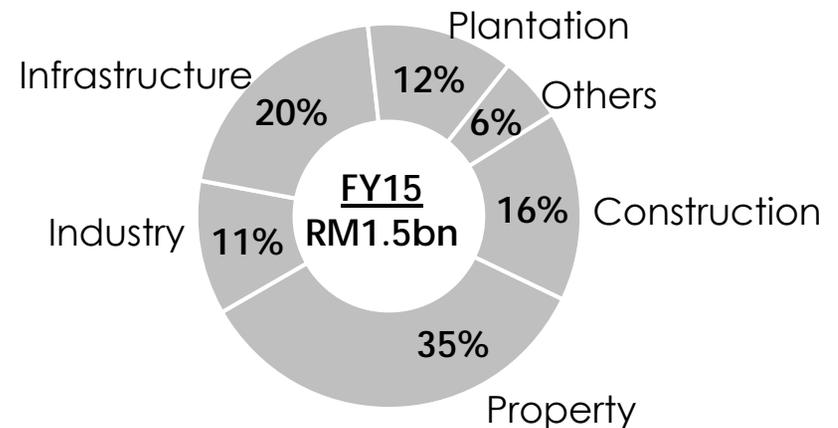
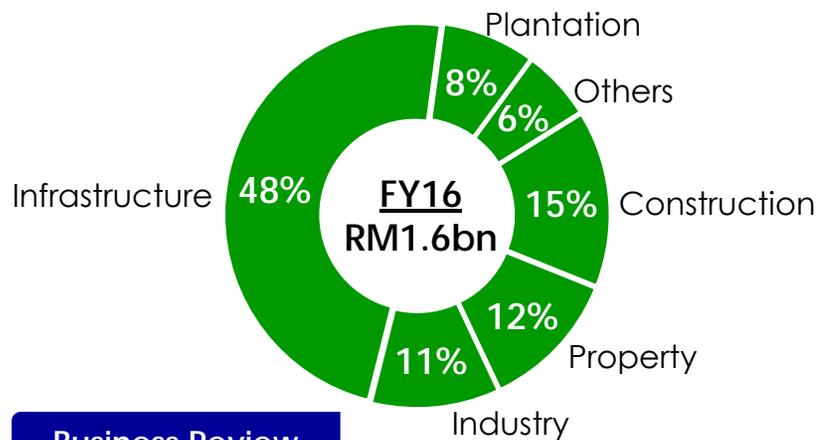
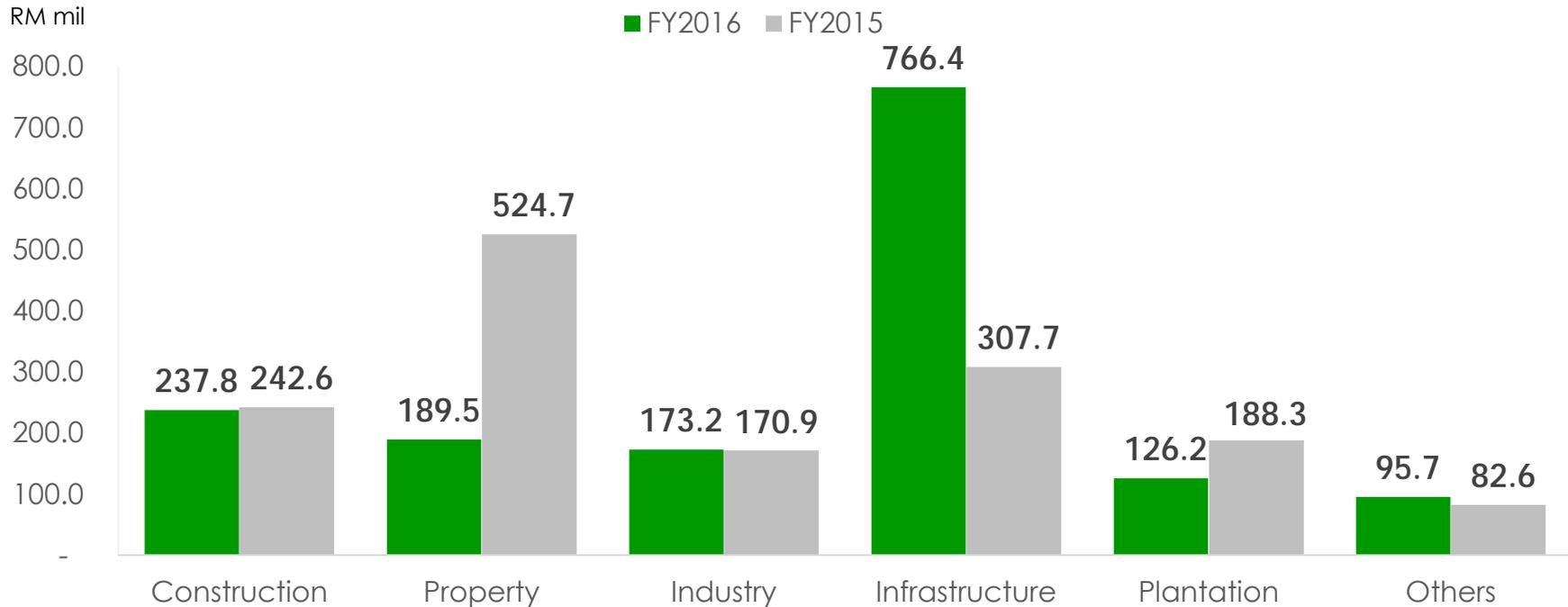
RM Mil	31-Mar-16	31-Mar-15
<b>Share capital</b>	<b>3,584.8</b>	<b>1,500.0</b>
<b>Shareholders' funds</b>	<b>9,028.4</b>	<b>8,429.6</b>
<b>Total assets</b>	<b>19,835.6</b>	<b>19,730.7</b>
<b>Net assets per share (RM)</b>	<b>2.52</b>	<b>5.62</b>
<b>Total cash</b>	<b>1,679.5</b>	<b>1,911.3</b>
<b>Total borrowings</b>	<b>5,844.6</b>	<b>6,154.8</b>
<b>Net cash / debt*</b>	<b>(4,165.1)</b>	<b>(4,243.6)</b>
<b>Net debt / shareholders' funds (%)</b>	<b>46.1%</b>	<b>50.3%</b>

* Recourse debt	RM'mil	796.6	19%
Non-recourse debt	RM'mil	<u>3,368.5</u>	81%
Net debt	RM'mil	<u>4,165.1</u>	100%

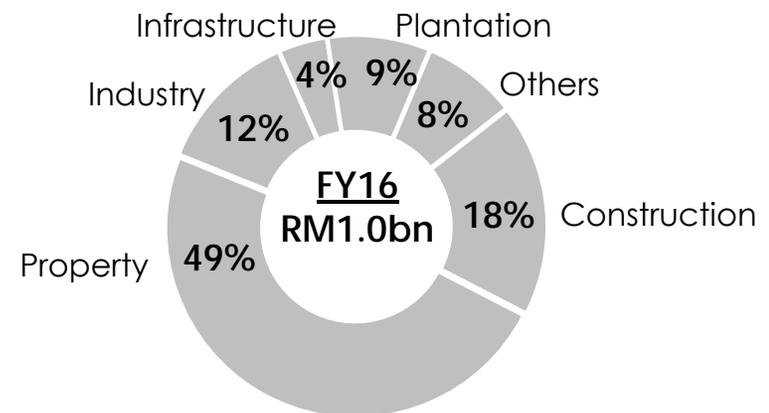
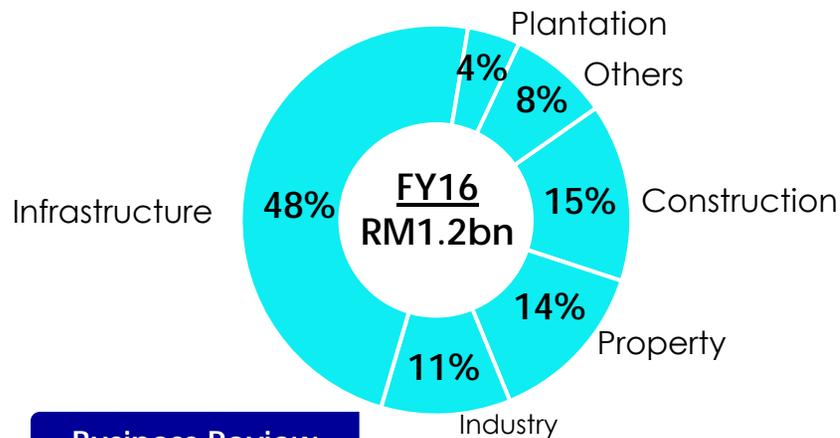
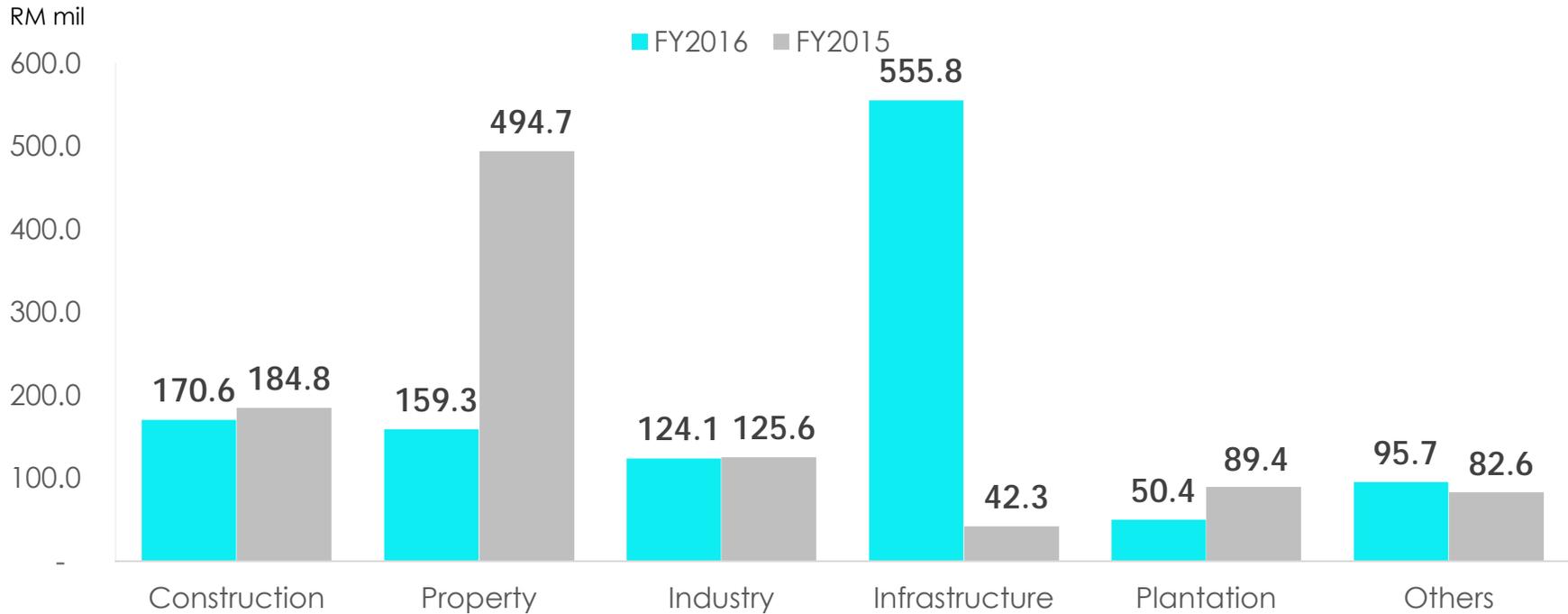
# Annual Group Revenue by Division



# Annual Group EBITDA by Division



# Annual Group PBT by Division



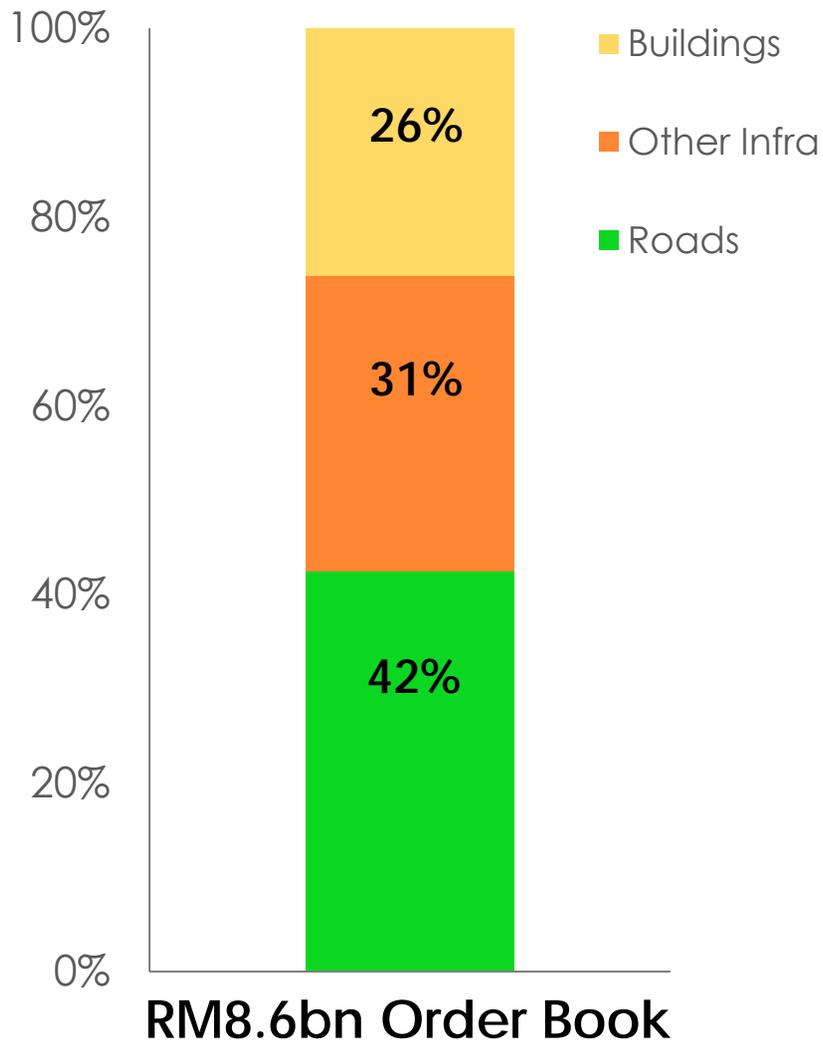
# Construction Snapshot

	Full Year		%Δ
	FY2016	FY2015	
Revenue	1,643.0	1,224.3	34.2 ↑
EBITDA	237.8	242.6	(2.0) ↓
Profit / Loss before tax	170.6	184.8	(7.7) ↓
PBT %	10.4%	15.1%	

## Comments

- ❑ Full year revenue increased over the corresponding period following higher contribution from projects that were secured in the previous year
- ❑ However, the full year PBT fell over the corresponding period, mainly due to net unrealised foreign exchange losses of RM4.7m (FY16) compared to over the corresponding periods gains of RM15.1m (FY15)

# Order Book at a Record High



## FY2017 Contract Awarded

May 2016

IJM-CHEC JV Kuantan Breakwater  
Contract Value: RM176.4m

MRT 2 (Jinjang to Jalan Ipoh)  
Contract Value: RM1.47bn

## Outlook

- Outlook for order book replenishment is positive, although IJM has become more selective
- Malaysian government's continued emphasis on infrastructure spending to meet demographic and economic needs with the unveiling of 11MP

# WCE-Package 4 (NKVE/FHR2-NNKSB1) Progress



**Multicellular Deck**



**Installation of Rebar for Bottom Slab & Web of Multicellular Deck**



# WCE-Package 5 (NNKSB1-Kapar) Progress

Installation of 300mm Spun Piles



Installation of Stone Column



Installation of Prefabricated Vertical Drain



Concreting of Piled Embankment Slab



# WCE-Package 8

## (Hutan Melintang-Teluk Intan) Progress

Beam Launching Work for Span



Concreting of Columns



Construction of Precast Plank



Concrete Casting Work for Bridge Plinth



# WCE-Package 9

## (Kg. Lekir-Changkat Cermin) Progress

Embankment of Earth Filling in Progress



View of Bridge Beam Installed Across Existing Ipoh-Lumut Highway



Culvert Construction in Progress at Changkat Cermin



RS Wall Construction in Progress



# MRT Line 1

Taman Midah Station



Taman Pertama Station



Taman Mutiara Station



Taman Connaught Station



# University of Reading Malaysia, Johor



# JKG Tower, Kuala Lumpur



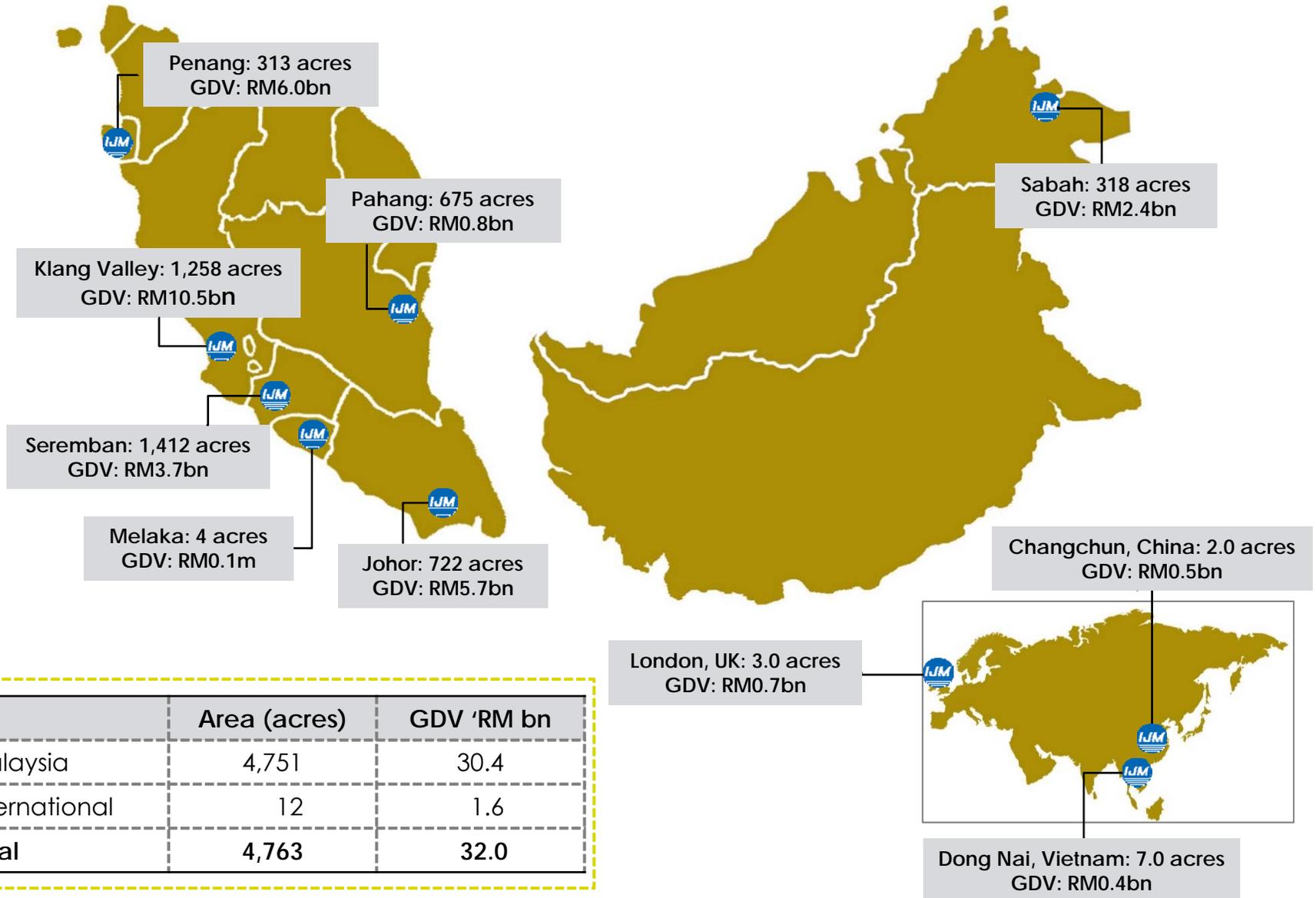
# Property Snapshot

	Full Year		%Δ
	FY2016	FY2015	
Revenue	1,290.0	2,203.4	(41.5) ↓
EBITDA	189.5	524.7	(63.9) ↓
Profit / Loss before tax	159.3	494.7	(67.8) ↓
PBT %	12.3%	22.5%	

## Comments

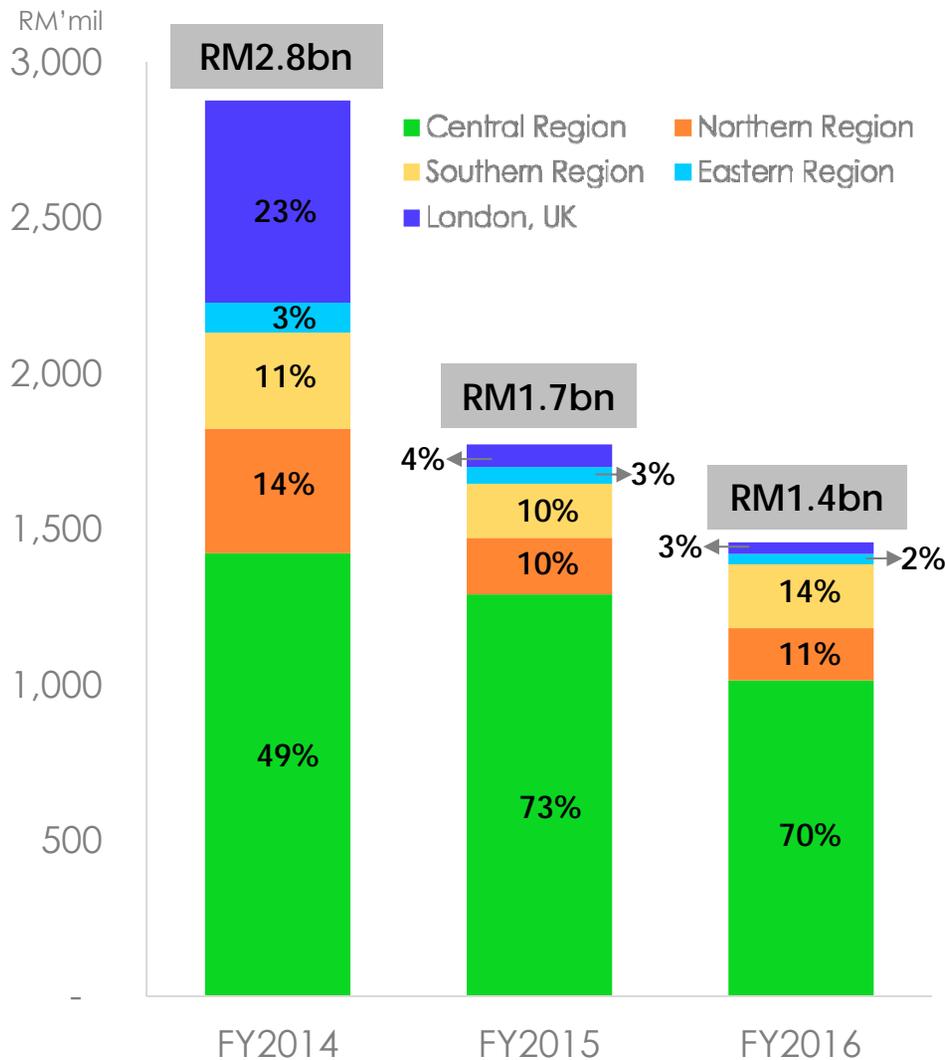
- Revenue, PBT & PBT margin for the year were lower due to slower take up rate, lower gross profit margin as well as completion of several projects in the preceding year
- The decline in PBT and PBT margin was further exacerbated by the recognition of unrealised foreign exchange loss of RM30.9m for the year as opposed to a gain of RM3.2m in the preceding year, as well as a one-off recognition of gain remeasurement of existing equity interest in Larut Leisure Enterprise (Hong Kong) Limited and Valencia Terrace Sdn Bhd amounting to RM22.7m in the preceding year

# Land Bank Profile



# Sales Achieved

## Sales Figure



## Outlook

- ❑ The property market is facing some headwinds as a result of more stringent end-financing criteria imposed by banks as well as weaker consumer sentiment resulting from higher cost of living
- ❑ We aim to conclude the sale of 33 acres of The Light Phase II to the IJM-Perennial JV in FY17
- ❑ Township and landed developments, namely Bandar Rimbayu and Seremban 2, to underpin sales

# Periwinkle Residence, Bandar Rimbayu



# Seri Riana Residence, Kuala Lumpur



# Pantai Sentral Park, Kuala Lumpur



# Saujana Duta, Seremban



# The Light Collection III - Waterways



# Industry Snapshot

	Full Year		%Δ
	FY2016	FY2015	
Revenue	982.8	926.8	6.0 ↑
EBITDA	173.2	170.9	1.3 ↑
Profit / Loss before tax	124.1	125.6	(1.2) ↓
PBT %	12.6%	13.6%	

## Comments

- Full year revenue improves as a result of a 13.7% increase in the delivered tonnage of piles compared to the previous year. Full year PBT was marginally lower compared to the previous year mainly attributable to lower margins in the quarrying and ready mixed concrete segment

# Capacity & Locations

## Capacity

**10 Pile Factories**

2.0m tonnes p.a

**10 Quarries**

8.0m tonnes p.a



**India:**  
 Medchal Mandal  
 Magadi Taluk  
 Jhansi

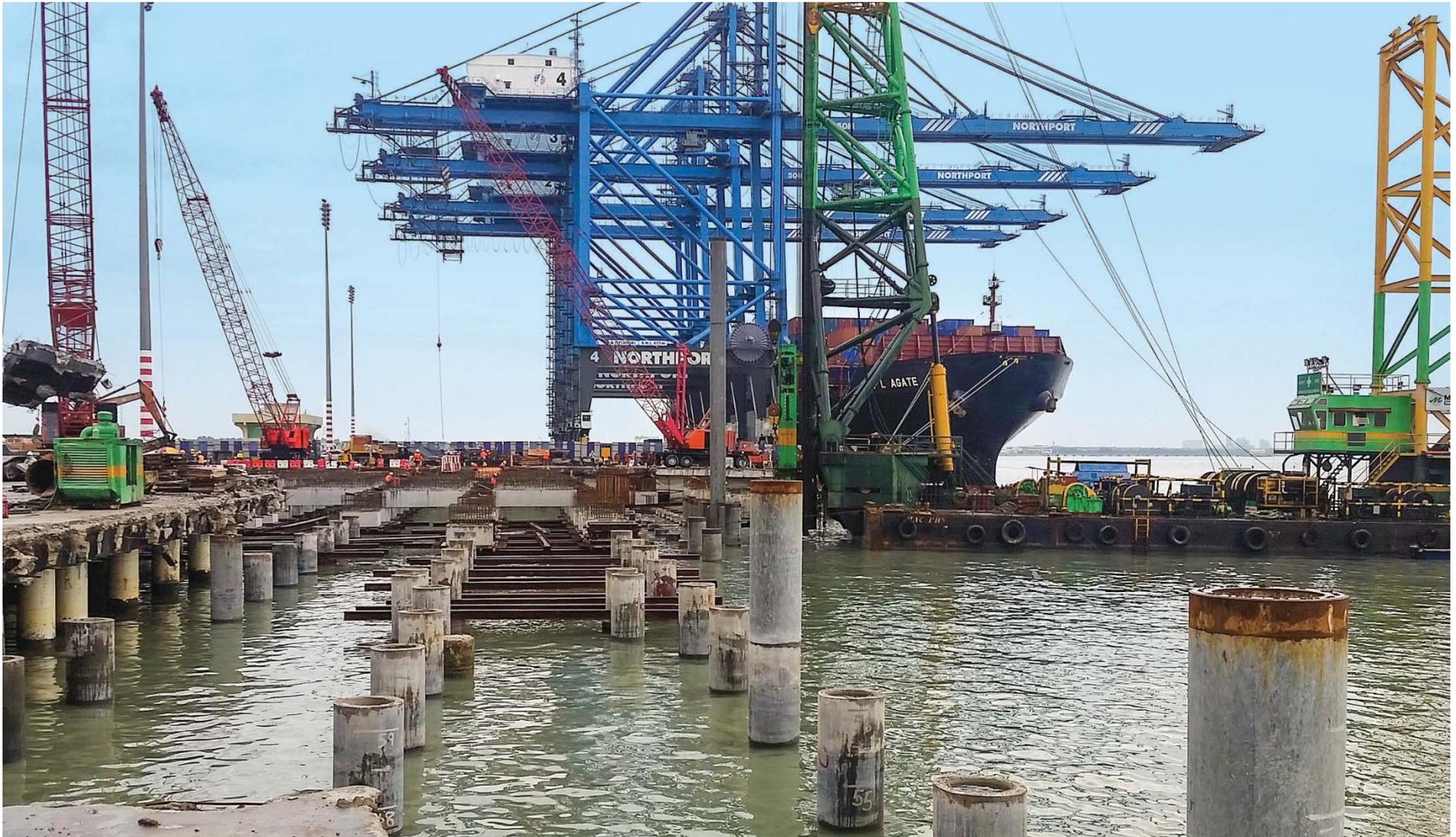
## Outlook

- Record order book for piles
- Division to continue to benefit from large scale infrastructure projects in Malaysia
- Potential supply orders from Infrastructure and Property Divisions

# New Ready Mixed Concrete Plant, Klang



# ICP Piles at North Port, Port Klang



# Gebeng Quarry, Kuantan



# New Deep Water Terminal, Kuantan Port



Size of Piles –  
Diameter  
600mm &  
1,200mm



Acropodes for  
Breakwater

# Temburong Bridge, Brunei



- ❑ Approximately 14.5km
- ❑ Size of Piles – Diameter 1,000mm

# RAPID Project

**RAPID Package 3 Tecnicas Reunidas**



**RAPID Package 2A/B SINOPEC, First Project to Successfully Convert Square Piles to Spun Piles**

**Deep Water Terminal, Dialog**



**RAPID Package 5, Toyo Engineering**

# Infrastructure Snapshot

	Full Year		%Δ
	FY2016	FY2015	
	RM mil		
<b>Revenue</b>	<b>1,295.0</b>	<b>1,031.4</b>	25.6 ↑
<b>EBITDA</b>	<b>766.4</b>	<b>307.7</b>	149.1 ↑
- Malaysian Tollways	220.9	179.3	
- Port	277.7	181.2	
- Overseas Infrastructure	267.8	(52.8)	
<b>Profit / Loss before tax</b>	<b>555.8</b>	<b>42.3</b>	1213.9 ↑
- Malaysian Tollways	114.1	55.8	
- Port	250.6	140.9	
- Overseas Infrastructure	191.1	(154.4)	
<b>PBT %</b>	<b>42.9%</b>	<b>4.1%</b>	

# Infrastructure Snapshot

## Comments

- ❑ Revenue for the full year has increased substantially compared to previous year following continued traffic growth in Malaysian toll road concessions (Besraya & NPE) and higher cargo revenue being recorded by the port concession
- ❑ The one-off gains from the disposals of Swarna and Jaipur Mahua Tollways totalling to RM301.9m coupled with the increased in profits in the Malaysian toll roads and port concessions helped to boost Group's full year PBT

## Outlook

- ❑ Tenders for Packages 1, 2, 6, 7, 10 and 11 of West Coast Expressway construction currently underway
- ❑ We hope to conclude the disposal of balance stakes in Jaipur-Mahua and Swarna in FY17
- ❑ Kuantan Port to double capacity with the New Deep Water Terminal

# Concession Assets Portfolio

	Assets	Type	% Share	Concession Period
<b>Operating</b>				
Malaysia	New Pantai Expressway, Selangor	Tollway 20 km	100%	1996 – 2030
	Besraya & Extension, Selangor	Tollway 29 km	100%	1996 – 2040
	LEKAS, Kajang-Seremban	Tollway 44 km	50%	2007 – 2039
	Kuantan Port, Pahang	Port	60%	1998 – 2045
Vietnam	Bihn An Water Corporation	Water Treatment	36%	1999 – 2019
India	Swarna, Andra Pradesh	Tollway 145 km	30%	2001 – 2031
	Rewa, Madhya Pradesh	Tollway 387 km	100%	2004 – 2019
	Jaipur-Mahua, Rajasthan	Tollway 108 km	26%	2005 – 2030
	Chilikaluripet – Vijayawada, Andra Pradesh	Tollway 79 km	100%	2008 – 2025
	Gautami, Andra Pradesh	Power 460 MW	20%	2009 – 2024
Argentina	Western Access Tollway, Buenos Aires	Tollway 56 km	20%	1997 – 2017
<b>Under Construction</b>				
Malaysia	West Coast Expressway	Tollway 233 km	40%	2013 - 2073

# New Deep Water Terminal Progress

Reclamation works



Dredging works



Berth construction



Breakwater works

# Loke Yew Toll Plaza, Besraya



# Mines Utara Toll Plaza, Besraya



# Toll Plaza at Swarna Tollway



# Western Access Tollway, Argentina



# Plantation Snapshot

	Full Year		%Δ
	FY2016	FY2015	
Revenue	557.6	667.7	(16.5) ↓
EBITDA	126.2	188.3	(33.0) ↓
Profit / Loss before tax	50.4	89.4	(43.6) ↓
PBT %	9.0%	13.4%	
Average CPO price per tonne	2,142.0	2,289.0	
FFB Yield Per Hectare (tonne)	20.8	25.6	
OER %	21.2%	20.9%	

## Comments

- Revenue for the year declined mainly due to lower commodity prices and lower sales volume. The prolonged dry weather has also resulted in lower FFB production which adversely impacted the financial performance of the Division

# Operations Profile



**59,595 ha**

Total Planted Area

**21**

No. of Estates

**848,059 mt**

FFB Production (FY16)

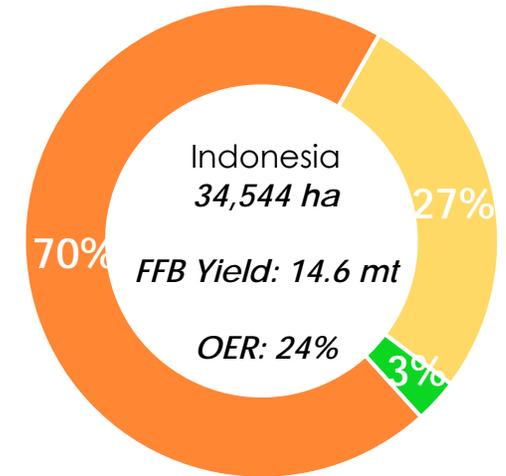
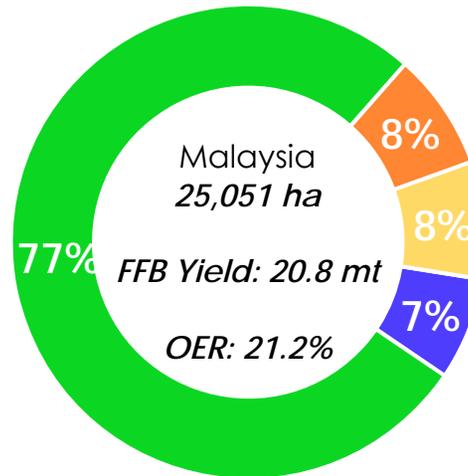
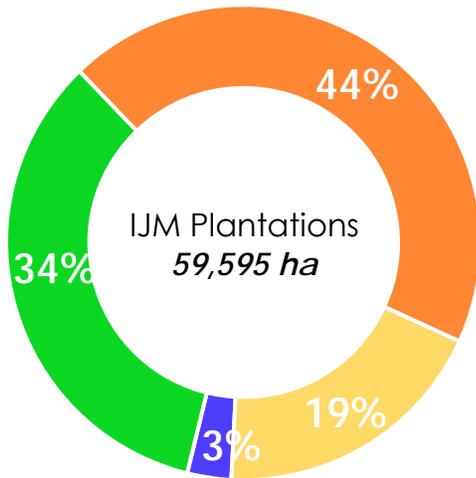
**4**

No. of Mills

**219,504 mt**

Crude Palm Oil (FY16)

# Plantation Age Profile



- Mature (>20 yrs)
- Mature - Prime (8-20 yrs)
- Mature - Young (4-7 yrs)
- Immature (1-3 yrs)

## Outlook

- ❑ CPO price outlook has turned positive in the short term
- ❑ Expansion of land bank in Indonesia progressing well. As at end-March, more than 34,000 ha planted

# Minat Teguh Estate, Sabah



# Desa Telisai Palm Oil Mill, Sabah



# Rakanan Jaya North Estate, Sabah



# Corporate Responsibility

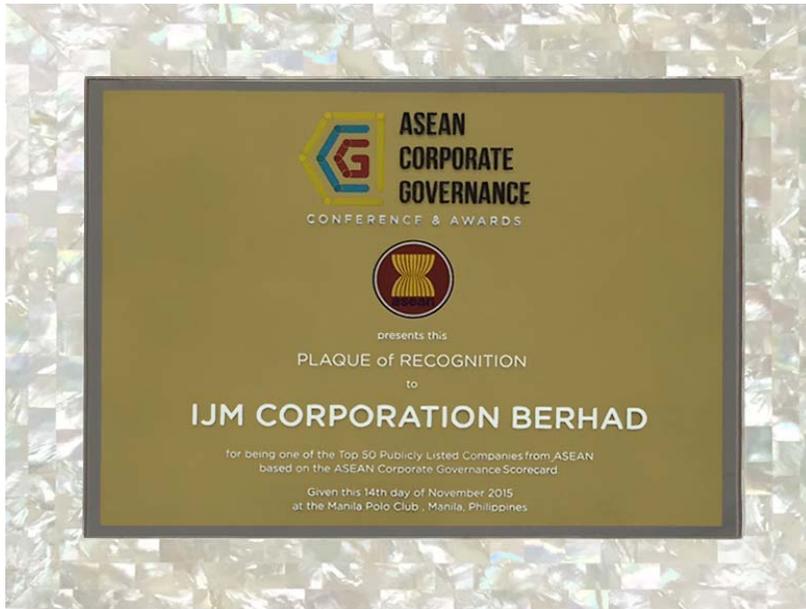


Dato' Soam and Mr Joseph Tek accepting the Top 10 Disclosure Merit Recognition Award for IJM Corporation Berhad and IJM Plantations Berhad at the MSWG-ASEAN Corporate Governance Transparency Index, Findings & Recognition 2015 Awards



Dato' Soam receiving the award for 'Highest Profit Growth Company – Construction' at the 2015 The Edge Billion Ringgit Club

# Corporate Responsibility



IJM Corporation Berhad is recognised as one of five Malaysian companies listed among ASEAN Top 50 for good corporate governance at the ASEAN Corporate Governance Awards 2015



IJM Construction won three awards at the Malaysian Construction Industry Excellence Awards ("MCIEA") 2015 namely, Contractor of the Year, Builder of the Year for the Legoland Hotel and Best Project Award (Major-Building) for the National Cancer Institute

# Corporate Responsibility



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



Dato' Soam, accompanied by IJM Group's division heads, delivering the opening address at IJM Media Appreciation Night 2016 at IJM Land's ICE Gallery at Pantai Sentral Park

# Corporate Responsibility



IJM Land won three awards at The Star Property Awards 2016 namely, WOW (The Light Waterfront, Penang), Family-Friendly (Bandar Rimbayu) and one of the Top Ranked Developers



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

# Corporate Responsibility



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



River water quality monitoring programme is implemented in all operating units

# Corporate Responsibility



Green development in The Light Collection III Waterways in Penang



Green development in Linear Garden at Debunga Residensi

# Corporate Responsibility



The replacement of conventional street lighting with low-impact Light Emitting Diode (LED) street lights in NPE is completed, while the installation are in progress for Besraya and LEKAS which are targeted to be completed by end 2016.



LED street lights are known to have higher illumination index for a more comfortable driving as well as achieving improved energy efficiency of over 60%

# Corporate Responsibility



Mangrove forest preservation are crucial for coastal areas



In promoting awareness and enthusiasm among children on the protection of threatened birds, IJM Plantations in collaboration with Borneo Bird Club Sandakan, initiated a Bird Conservation awareness outreach project at local schools

# Corporate Responsibility



An annual event, the IJM Give Day Out initiative with 2015 theme 'Play Around Playground' with the aim to address the issue on the lack of proper and safe playgrounds for children to socialise and be connected with their friends was held simultaneously at every location where IJM is present



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

# Corporate Responsibility



IJM Land spreads Chap Goh Mei cheer at Seremban 2 with fireworks display



Cycling event organised in IJM's township developments

# Corporate Responsibility

Before (the house and toilet)



After (the house and toilet)



IJM's Home Rehabilitation Programme had reconstructed the badly damaged house at Taman Tunku Ampuan Najihah in Seremban to a brand new house



Tan Sri Dato' Krishnan Tan with Dato' Soam at the press conference for the 45<sup>th</sup> COBRA 10s 2015 Rugby Tournament

# Corporate Responsibility



Executive mentoring session



Critical Analysis training programme for participants in Northern region

# Corporate Responsibility



Dato' Soam having his casual meet-up with scholars and Graduate Associates



Career talk conducted at Universiti Teknologi Petronas

# Corporate Responsibility



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



Various sports, social and welfare activities are organised throughout the year through the Group's Kelab Sukan IJM

# IJM Business Strategy

## Short-Term Strategy

### Continue Domestic Growth Agenda

- ❑ execution of existing order book & land bank to underpin earnings
- ❑ focus on infrastructure projects modelled on PFI to build up order book and recurrent income

### Riding on opportunistic sector/market

### Selective participation in overseas project tenders

### More vigilant on cost control and cash flow management

## Long-Term Strategy

### Continued Focus On Core Competencies

- ❑ proven track record in execution

### Strengthen Regional Presence

- ❑ significant growth opportunities in Asia
- ❑ continue to expand our addressable market via exports & direct investments

### Grow Recurrent Income Base

- ❑ develop our concession-based portfolio
- ❑ building investment property assets

### Value Realisation

- ❑ unlock value of our assets

---

# Concluding Remarks

- ❑ Malaysian market outlook is mixed
  - ❑ Short-term – challenging
  - ❑ Long-term – expanding capacity
- ❑ Selective participation in overseas construction tenders
- ❑ Diversity in earnings base to provide sustainable growth in shareholder value over the long term
- ❑ Overall business environment is expected to be challenging. However, the Group remains vigilant and ready to exploit any opportunities

---

# Questions & Answers

## Question 1a.

The Chairman's Statement reported that the Group's operating results for its core segments namely property and plantation recorded much declined pre-tax profits except for the Infrastructure segment.

How sustainable is the Infrastructure Division's performance given that its pre-tax profits increased thirteen-fold mainly due to one-off gains from the disposal of the Group's 74% equity interest in Jaipur Mahua Tollway Private Ltd ("JMPL") and 70% equity interest in Swarna Tollway Private Ltd ("STPL")?

---

# Questions & Answers

## Reply 1a.

The Infrastructure Division's existing portfolio of concession assets is expected to continue to provide recurrent revenue streams and profitability. Whilst the heightened regulation on bauxite related activities will impact cargo throughput at Kuantan Port in the immediate future, the anticipated eventual clearing of bauxite stockpiles outside the Port area, supported by the construction of the New Deep Water Terminal and the development of Malaysia-China Kuantan Industrial Park ("MCKIP") is expected to contribute positively to the revenues and earnings of the Division going forward.

---

# Questions & Answers

## Reply 1a.

After the disposals of some of the Divisions toll concessions in India in FY2016, the Group, to further enhance the sustainability of the Division's performance, will continue to explore fresh and suitable investment opportunities in this sector, in line with the Group's long term strategy of creating shareholder value through the initial construction, maintenance and eventual monetisation of its concession assets at the right price.

---

# Questions & Answers

## Question 1b.

Amid the Group's 99.9% equity interest in Chilkaluripet-Vijayawada Tollway since May 2016, how long is the concession period, how profitable is this Tollway, and would the Board plan to dispose this Tollway in near future?

---

# Questions & Answers

## Reply 1b.

The Chikaluripet-Vijayawada Tollway incurred a small loss in the financial year ended 31 March 2016 due to the commencement of amortisation post receipt of the completion certificate during the financial year. Whilst the concession is currently seeing encouraging traffic trends, the Group remains open to monetisation at the appropriate price.

The concession period ends in 2025.

---

# Questions & Answers

## Question 1c.

What are the Board's measures to uplift the performances of Besraya, NPE and LEKAS (a joint venture company) due to weaker traffic performance and escalating operating costs amid the Board's cost-effective measures by implementing the LED streetlights and the ETC system for improved efficiency in toll plaza management?

---

# Questions & Answers

## Reply 1c.

Traffic volume at Besraya and NPE continue to be resilient given the maturity of the urban corridors they serve respectively. Whilst traffic at LEKAS continues to be impacted by the widening toll rate disparity with North-South Expressway following the increase in toll rates, measures are being undertaken to enhance traffic volumes including improving signage postings, conducting various awareness campaigns and working with property developers to provide interchanges near major townships along the alignment.

---

# Questions & Answers

## Reply 1c.

The Group continues to implement disciplined cost controls through the use of energy saving technology such as LED street-lights and fully automated Electronic Toll Collection (ETC) systems which enhance road safety and is consistent with the Group's sustainability efforts.

---

# Questions & Answers

## Question 1d.

In what ways, the Construction Division plays its role and benefits from the development of the New Deep Water Terminal Project ("NDWT") Phase 1 with its partner, Guangxi Beibu amid the new Alliance Steel mill plant in MCKIP under construction?

How much is the development contributing to the Group's revenue and earnings?

---

# Questions & Answers

## Reply 1d.

The construction of the NDWT undertaken by the Construction Division mainly includes reclamation and building of new berths, dredging works as well as building a section of the breakwater. However, the construction of the new Alliance Steel mill plant in MCKIP does not involve the Construction Division.

---

# Questions & Answers

## Reply 1d.

The construction of the NDWT and the development of MCKIP is expected to contribute positively to the revenue and earnings of the Group's Construction, Property, Industry and Infrastructure Divisions in the future. For the year ended 31 March 2016, revenue and earnings were recognised by the Construction Division to the extent of work completed on the RM1.2 billion project awarded for Phase 1 while the Industry Division derived revenue from the supply of piles and quarry products.

---

# Questions & Answers

## Question 1e.

What are the benefits and opportunities accruing to the Group and the Infrastructure Division's port concession amid the regulation of the bauxite mining activities and the decrease in bauxite export performance?

---

# Questions & Answers

## Reply 1e.

Whilst Kuantan Port has adhered to high standards in the maintenance of its operating environs, heightened regulation on bauxite related activities, starting with the imposition of the current moratorium on bauxite mining from January 2016, had permitted Kuantan Port the opportunity to further improve on the maintenance of its roads and ground facilities thereby providing a better working environment for staff and other port users.

---

# Questions & Answers

## Reply 1e.

Although the moratorium on bauxite mining will have an adverse impact on cargo throughput, the existence and eventual clearing of approximately 4 million tons of stockpile outside the Port is expected to provide future revenue streams in the near term.

---

# Questions & Answers

## Question 2a.

The CEO's Review of Operations reported that the Property Division's pre-tax profits decreased 68% amid weak responses to its new launches for projects due to the soft market and dampened consumers' sentiment, property cooling measures and banks' stringent lending rules.

What are the Board's plans and control of the Group's inventories of finished goods and completed buildings which rose up 68.1% to RM676.756 million from RM402.688 million last year?

---

# Questions & Answers

## Reply 2a.

The Property Division had adopted a more measured stance to launching new projects as it began to place greater emphasis on inventory and cash management since early FY2016. This is evidenced by the shift of new launches to mid-range landed products, fewer acquisitions of prominent land bank made in the past few years as well as the ramp up of sales and marketing initiatives that include attractive incentives to buyers of existing completed units.

---

# Questions & Answers

## Question 2b.

What are the Board's measures to boost the Property Division's performance and earnings amid slower economic growth, weakened Ringgit, impact of GST and low crude oil prices?

---

# Questions & Answers

## Reply 2b.

Despite the tougher market, reasonably priced homes are still in demand given the young demography of the country. As such, the Property Division has focused much of its efforts towards bridging the affordability gap by launching more mass market products, offering financing assistance to buyers such as flexible instalments schemes, working with banks and insurance companies to offer innovative solutions such as Home TIPS (Triple Insurance Protection Scheme) and engaging with property agents to broaden our market reach.

---

# Questions & Answers

## Question 2c.

What are the outlook and expected development values of the Division's on-going projects namely Phase 1, Royal Mint Gardens in London amid Phase 2 to be launched and Hui Hai International, an 8-storey retail & commercial complex in Xi'An Avenue in the People Square, Chongqing Road Commercial Area which the Board has planned to launch for the current year?

---

# Questions & Answers

## Reply 2c.

Phase 1 of Royal Mint Gardens, London, was launched in 2013 with an expected development value of GBP200 million. The project is substantially sold and currently under construction. Phase 2 is now under re-planning from a hotel cum residential block to a predominantly residential scheme.

Hui Hai International in Xi-An Avenue, with an expected development value of RMB781 million, is in the final stages of obtaining authority approvals before it will be launched.

---

# Questions & Answers

## Question 3.

The Industry Division's Manufacturing & Quarrying did not show improved results as it faced with tough competition for its ready-mixed concrete, P.C. piles and other R.C. products, as well as reduced turnover in quarry business.

Given that the piles division's order book is healthy, how does the Board see this Division's performance and earnings to improve with the commencement of the Pan Borneo Highway, the NDWT and the sand mining operations?

---

# Questions & Answers

## Reply 3.

Prospects of the Industry Division are encouraging on the back of its healthy order book, bolstered by ongoing Government spending on infrastructure projects in Malaysia as well as projects undertaken by the IJM Group.

---

# Questions & Answers

## Question 4a.

The share of results of associates recorded profits to turn around from the previous year's losses.

What is the status of Board's concession agreement re-negotiations for the Group's 20%-owned Grupo Concesionario del Oeste S.A. ("GCO"), a 21-year concession of the 56km Western Access Tollway in Buenos Aires, Argentina?

---

# Questions & Answers

## Reply 4a.

The concession agreement re-negotiations with the Argentinian Government are still on-going.

---

# Questions & Answers

## Question 4b.

In what ways would the Group's 20%-owned Gautami Power in India and 36%-owned Binh An Water Corporation Ltd in Vietna contribute to regular and stable income streams until 2023 and 2019 respectively?

---

# Questions & Answers

## Reply 4b.

Whilst Binh An Water continues to be profitable, Gautami Power is currently constrained by the shortage of gas supply, which once stabilised, is expected to contribute regular income streams until the end of its concession period.

---

# Questions & Answers

## Question 5.

Amid the lower than expected palm oil prices, crop production/productivity affected by the prolonged dry weather and labour shortage, does the Board see better or below expectations of the Plantation Division's performance?

---

# Questions & Answers

## Reply 5.

For FY2017, subject to the extent of the lag-effect of the El-Nino experienced in the previous financial year, a marginal recovery of FFB production is expected for the Malaysian operations. FFB production for the Indonesian operations would be boosted by the larger area attaining maturity. Notwithstanding the expected increase in production volume, the performance of the Plantation Division would be largely determined by crude palm oil prices and foreign exchange rate movement in the financial year.



**Thank You**