



# IJM CORPORATION BERHAD (104131-A)

## Part A1 : Quarterly Report

Quarterly report for the financial period ended:	<b>30/06/2019</b>
Quarter:	<b>1st Quarter</b>
Financial Year End:	<b>31/03/2020</b>
The figures:	<b>Have not been audited</b>
Full Quarterly Report:	<b>Refer attached</b>

## Part A2 : Summary of Key Financial Information for the financial period ended 30/06/2019

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	Current year quarter 30/06/2019 RM'000	Preceding year quarter 30/06/2018 RM'000	Current year to date 30/06/2019 RM'000	Preceding year to date 30/06/2018 RM'000
1 Revenue	1,543,558	1,444,316	1,543,558	1,444,316
2 Profit before taxation	143,400	103,228	143,400	103,228
3 Net profit for the period	80,471	60,817	80,471	60,817
4 Net profit attributable to owners of the Company	59,424	62,764	59,424	62,764
5 Basic earnings per share (sen)	1.64	1.73	1.64	1.73
6 Proposed/Declared dividend per share (sen)	-	-	-	-
	<b>As at end of current quarter 30/06/2019</b>		<b>As at preceding financial year end</b>	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		2.63		2.63

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter			Cumulative Period		
	Current year quarter	Preceding year quarter	Change (+/-)	Current year to date	Preceding year to date	Change (+/-)
	30/06/2019 RM'000	30/06/2018 RM'000	%	30/06/2019 RM'000	30/06/2018 RM'000	%
Operating revenue	1,543,558	1,444,316	6.9%	1,543,558	1,444,316	6.9%
Cost of sales	(1,299,952)	(1,155,395)	12.5%	(1,299,952)	(1,155,395)	12.5%
Gross profit	243,606	288,921	-15.7%	243,606	288,921	-15.7%
Other operating income	87,046	73,691	18.1%	87,046	73,691	18.1%
Foreign exchange differences	(10,431)	(71,041)	-85.3%	(10,431)	(71,041)	-85.3%
Tendering, selling and distribution expenses	(23,915)	(32,546)	-26.5%	(23,915)	(32,546)	-26.5%
Administrative expenses	(58,590)	(85,405)	-31.4%	(58,590)	(85,405)	-31.4%
Other operating expenses	(53,697)	(13,893)	286.5%	(53,697)	(13,893)	286.5%
Operating profit before finance cost	184,019	159,727	15.2%	184,019	159,727	15.2%
Finance cost	(54,605)	(59,833)	-8.7%	(54,605)	(59,833)	-8.7%
Operating profit after finance cost	129,414	99,894	29.6%	129,414	99,894	29.6%
Share of (losses)/profits of associates	15,705	7,370	113.1%	15,705	7,370	113.1%
Share of losses of joint ventures	(1,719)	(4,036)	-57.4%	(1,719)	(4,036)	-57.4%
Profit before taxation	143,400	103,228	38.9%	143,400	103,228	38.9%
Income tax expense	(62,929)	(42,411)	48.4%	(62,929)	(42,411)	48.4%
Net profit for the period	80,471	60,817	32.3%	80,471	60,817	32.3%
<u>Other comprehensive income / (loss)</u> <u>(net of tax):</u>						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Currency translation differences of foreign operations	48,303	(16,546)		48,303	(16,546)	
Share of other comprehensive income of associates	896	670		896	670	
	49,199	(15,876)	409.9%	49,199	(15,876)	409.9%
Total comprehensive income for the period	129,670	44,941	188.5%	129,670	44,941	188.5%
<u>Net profit attributable to:-</u>						
Owners of the Company	59,424	62,764	-5.3%	59,424	62,764	-5.3%
Perpetual sukuk	10,532	-		10,532	-	
Non-controlling interests	10,515	(1,947)	640.1%	10,515	(1,947)	640.1%
	80,471	60,817	32.3%	80,471	60,817	32.3%
<u>Total comprehensive income attributable to:-</u>						
Owners of the Company	99,916	41,597	140.2%	99,916	41,597	140.2%
Perpetual sukuk	10,532	-		10,532	-	
Non-controlling interests	19,222	3,344	474.8%	19,222	3,344	474.8%
	129,670	44,941	188.5%	129,670	44,941	188.5%
<u>Earnings per share (sen):-</u>						
Basic	1.64	1.73		1.64	1.73	
Fully diluted	1.64	1.73		1.64	1.73	

**IJM CORPORATION BERHAD (104131-A)**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>30/06/2019</b>	<b>31/03/2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	<b>6,111,955</b>	6,099,350
Treasury shares	<b>(18,070)</b>	(18,070)
Shares held under trust	<b>(1,363)</b>	(1,379)
Other reserves	<b>(11,664)</b>	(35,922)
Retained profits	<b>3,481,508</b>	3,494,673
	<b>9,562,366</b>	9,538,652
Perpetual sukuk of a subsidiary	<b>657,640</b>	647,108
Non-controlling interests	<b>1,211,544</b>	1,198,661
Total equity	<b>11,431,550</b>	11,384,421
<b>NON-CURRENT LIABILITIES</b>		
Bonds	<b>2,856,016</b>	2,755,848
Term loans	<b>2,083,365</b>	1,982,960
Government support loans	<b>86,780</b>	92,970
Lease liabilities	<b>122,735</b>	-
Hire purchase and lease payables	<b>-</b>	11
Deferred tax liabilities	<b>626,060</b>	614,540
Trade and other payables	<b>249,218</b>	347,469
Retirement benefits	<b>22,687</b>	21,831
	<b>6,046,861</b>	5,815,629
DEFERRED INCOME	<b>70,355</b>	70,355
	<b>17,548,766</b>	17,270,405

**IJM CORPORATION BERHAD (104131-A)**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	30/06/2019 RM'000	31/03/2019 RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	2,888,515	2,946,837
Land use rights	-	145,968
Right-of-use assets	343,054	-
Concession assets	3,607,141	3,568,740
Investment properties	634,360	584,162
Associates	819,791	842,859
Joint ventures	843,823	764,503
Financial assets at fair value through other comprehensive income	3,665	3,665
Long term receivables	211,700	206,220
Deferred tax assets	407,433	371,200
Inventories	640,195	631,921
Intangible assets	102,003	102,200
	<b>10,501,680</b>	10,168,275
<b>CURRENT ASSETS</b>		
Inventories	8,073,897	8,236,097
Produce growing on bearer plants	7,745	7,750
Trade and other receivables	2,383,959	2,090,197
Contract assets	272,222	326,836
Financial assets at fair value through profit or loss	555,691	444,699
Derivative financial instruments	6,438	4,470
Tax recoverable	150,971	169,697
Deposits, cash and bank balances	1,668,945	1,557,953
	<b>13,119,868</b>	12,837,699
<b>CURRENT LIABILITIES</b>		
Trade and other payables	3,156,444	3,101,618
Contract liabilities	827,928	773,877
Provisions	4,283	2,870
Derivative financial instruments	334	4,467
Lease liabilities	15,866	-
Borrowings:		
- Bank overdrafts	104,907	75,753
- Others	1,907,609	1,721,215
Current tax liabilities	55,411	55,769
	<b>6,072,782</b>	5,735,569
<b>NET CURRENT ASSETS</b>	<b>7,047,086</b>	7,102,130
	<b>17,548,766</b>	17,270,405
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)</b>	<b>2.63</b>	2.63

**IJM CORPORATION BERHAD (104131-A)**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 JUNE 2019**

	-----Attributable to owners of the Company-----					Total	Perpetual sukuk	Non-controlling interests	Total equity
	Share capital	Treasury shares	Shares held under trust	Other reserves	Retained profits				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 April 2019</b>	<b>6,099,350</b>	<b>(18,070)</b>	<b>(1,379)</b>	<b>(35,922)</b>	<b>3,494,673</b>	<b>9,538,652</b>	<b>647,108</b>	<b>1,198,661</b>	<b>11,384,421</b>
Total comprehensive income for the period	-	-	-	40,492	59,424	99,916	10,532	19,222	<b>129,670</b>
Issuance of employee share options and share grants (net)	-	-	-	(3,906)	-	(3,906)	-	-	<b>(3,906)</b>
Single tier second interim dividend: Year ended 31 March 2019	-	-	-	-	(72,589)	(72,589)	-	-	<b>(72,589)</b>
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(6,339)	<b>(6,339)</b>
Issuance of shares:									
- exercise of employee share options	355	-	16	(78)	-	293	-	-	<b>293</b>
- vesting of shares under ESGP	12,250	-	-	(12,250)	-	-	-	-	<b>-</b>
<b>At 30 June 2019</b>	<b>6,111,955</b>	<b>(18,070)</b>	<b>(1,363)</b>	<b>(11,664)</b>	<b>3,481,508</b>	<b>9,562,366</b>	<b>657,640</b>	<b>1,211,544</b>	<b>11,431,550</b>
<b>At 1 April 2018 (as previously reported)</b>	6,074,349	(2,104)	(1,521)	41,607	3,376,581	9,488,912	-	1,276,411	10,765,323
Effects of transition from FRSs to MFRSs *	-	-	-	(99,670)	(42,747)	(142,417)	-	(104,611)	(247,028)
Effects of adoption of MFRS 9 *	-	-	-	(6,074)	(77,128)	(83,202)	-	-	(83,202)
<b>At 1 April 2018 (as restated)</b>	6,074,349	(2,104)	(1,521)	(64,137)	3,256,706	9,263,293	-	1,171,800	10,435,093
Total comprehensive income for the period	-	-	-	(21,167)	62,764	41,597	-	3,344	44,941
Issuance of employee share options and share grants	-	-	-	11,010	-	11,010	-	-	11,010
Accretion of interests in subsidiaries	-	-	-	-	(1,127)	(1,127)	-	-	(1,127)
Single tier second interim dividend: Year ended 31 March 2018	-	-	-	-	(108,927)	(108,927)	-	-	(108,927)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(2,039)	(2,039)
Issuance of shares:									
- exercise of employee share options	122	-	142	(52)	-	212	-	-	212
- vesting of shares under ESGP	24,879	-	-	(24,879)	-	-	-	-	-
Shares buy back	-	(7,890)	-	-	-	(7,890)	-	-	(7,890)
<b>At 30 June 2018</b>	<b>6,099,350</b>	<b>(9,994)</b>	<b>(1,379)</b>	<b>(99,225)</b>	<b>3,209,416</b>	<b>9,198,168</b>	<b>-</b>	<b>1,173,105</b>	<b>10,371,273</b>

\* Certain figures on the effects of transition from FRSs to MFRSs and effects of adoption of MFRS 9 were amended to be consistent with the audited financial statements for the year ended 31 March 2019.

**IJM CORPORATION BERHAD (104131-A)**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2019**

	<b>3 months ended 30/06/2019 RM'000</b>	<b>3 months ended 30/06/2018 RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	<b>1,360,760</b>	1,405,828
Payments to contractors, suppliers and employees	<b>(1,109,857)</b>	(1,412,947)
Income tax paid	<b>(69,009)</b>	(45,359)
<b>Net cash flow from/(used in) operating activities</b>	<b>181,894</b>	(52,478)
<b>INVESTING ACTIVITIES</b>		
Investments in associates	-	(12,513)
Acquisition of financial assets at fair value through profit or loss	<b>(154,098)</b>	(234,180)
Purchases of property, plant and equipment, development land, land use rights, investment properties, concession assets and deferred expenditure	<b>(210,901)</b>	(290,234)
Disposal of investments, property, plant and equipment, land use rights, investment properties and assets held for sale	<b>49,746</b>	77,983
Interest received	<b>23,226</b>	18,492
Dividends received from associates, joint venture and other investments	<b>14,223</b>	18,303
Net advances to associates and joint ventures	<b>(78,103)</b>	(5,535)
<b>Net cash flow used in investing activities</b>	<b>(355,907)</b>	(427,684)
<b>FINANCING ACTIVITIES</b>		
Issuance of shares by the Company		
- exercise of share options	<b>293</b>	212
Re-purchase of treasury shares	-	(7,890)
Net proceeds from bank and government borrowings	<b>295,821</b>	36,119
Repayments of hire purchase and lease liabilities	<b>(2,339)</b>	(153)
Interest paid	<b>(83,769)</b>	(69,461)
Dividends paid by subsidiaries to non-controlling shareholders	<b>(6,339)</b>	(2,039)
Net drawdown of bonds	<b>50,000</b>	650,000
Net placements of restricted deposits	<b>(6,728)</b>	(380)
Acquisition of additional interests in a subsidiary	-	(1,127)
<b>Net cash flow from financing activities</b>	<b>246,939</b>	605,281
<b>Net increase in cash and cash equivalents during the financial period</b>	<b>72,926</b>	125,119
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>1,451,135</b>	1,407,001
Foreign exchange differences on opening balances	<b>2,408</b>	3,161
<b>Cash and cash equivalents at end of the financial period</b>	<b>1,526,469</b>	1,535,281
Cash and cash equivalents comprise the following :		
Deposits, cash and bank balances	1,668,945	1,624,442
Bank overdrafts	(104,907)	(60,634)
	<u>1,564,038</u>	<u>1,563,808</u>
Less: restricted deposits with licensed banks	(37,569)	(28,527)
	<u>1,526,469</u>	<u>1,535,281</u>

# IJM CORPORATION BERHAD (104131-A)

## A NOTES TO THE QUARTERLY RESULTS

### A1. Basis of Preparation

The interim financial report has been prepared in accordance with *MFRS 134: Interim Financial Reporting* and *Paragraph 9.22 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad* (“*Bursa Securities*”).

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2019 which are available at <http://www.ijm.com>. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2019.

The financial statements of the Group, which comprise the statement of financial position of the Group as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the financial period ended 30 June 2019 have not been audited.

### A2. Changes in Accounting Policies

The significant accounting policies applied are consistent with those adopted for the audited financial statements for the year ended 31 March 2019 except for the adoption of the following new standard, amendments to published standards and interpretation that are effective for the Group’s financial year beginning on or after 1 April 2019 and applicable to the Group as follows:

- MFRS 16 “Leases”
- Amendments to MFRS 9 “Prepayment features with negative compensation”
- Amendments to MFRS 119 “Plan amendment, curtailment or settlement”
- Amendments to MFRS 128 “Long term interests in Associates and Joint Ventures”
- Annual improvements to MFRSs 2015 - 2017 Cycle, which include Amendments to MFRS 3 “Business Combinations”, MFRS 11 “Joint Arrangements”, MFRS 112 “Income Taxes” and MFRS 123 “Borrowing Costs”.
- IC Interpretation 23 “Uncertainty over income tax treatments”

Other than MFRS 16, the adoption of these amendments and interpretation does not result in any significant change to the accounting policies and do not have a material impact on the interim financial report of the Group.

#### MFRS 16 “Leases”

MFRS 16 “Leases” supersedes MFRS 117 “Leases” and the related interpretations. MFRS 16 eliminates the classification of leases by the lessee as either finance leases or operating leases. MFRS 16 introduces a single accounting model, requiring the lessee to recognise the “right-of-use” of the underlying asset and the lease liability reflecting future lease payment liabilities in the statement of financial position. The right-of-use asset is depreciated in accordance with the principles in MFRS 116 “Property, Plant and Equipment” and the lease liability is accreted over time with interest expense recognised in the statement of comprehensive income. 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.

## IJM CORPORATION BERHAD (104131-A)

### A2. Changes in Accounting Policies (continued)

The Group has adopted MFRS 16 retrospectively from 1 April 2019 using the simplified transition approach and has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening balance of statement of financial position as at 1 April 2019.

As permitted by the exemptions under the standard, the Group has not applied the principles of MFRS 16 to short term leases (leases with lease terms of 12 months or less from dates of commencement) and leases for which the underlying assets are of low value.

The impact of adoption of MFRS 16 on operating leases and finance leases are as follows:

(i) Leases previously classified as operating leases

On adoption of MFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of MFRS 117. These liabilities are measured at the present value of the remaining lease payments.

On a lease-by-lease basis, the Group measures the associated right-of-use asset on a retrospective basis either at its carrying amount as if the new rules had always been applied or at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 March 2019.

In applying MFRS 16 for the first time, the Group has applied the following practical expedients:

- (a) The use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- (b) Reliance on previous assessments on whether leases are onerous;
- (c) The accounting for operating leases with remaining lease terms of less than 12 months as short term leases as at the date of initial application;
- (d) The exclusion of initial direct costs for the measurement of the right-of-use assets at the date of initial application; and
- (e) The use of hindsight in determining the lease terms where the contracts contain options to extend or terminate the leases.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Group relied on its assessment made by applying MFRS 117 and IC Interpretation 4 “Determining whether an Arrangement contains a Lease”.

(ii) Leases previously classified as finance leases

For leases previously classified as finance leases, the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and lease liability at the date of initial application. The measurement principles of MFRS 16 are then applied after that date. Consequently, reclassifications from certain property, plant and equipment, land use rights and finance lease liability that had been included in borrowings have been made to right-of-use assets and lease liabilities respectively on the date of initial application.



## IJM CORPORATION BERHAD (104131-A)

### A2. Changes in Accounting Policies (continued)

The table below shows the impact of changes to the condensed consolidated statement of financial position of the Group resulting from the adoption of MFRS 16 as at 1 April 2019:

	As at 31 March 2019 RM'000	Effects of adoption of MFRS 16 RM'000	As at 1 April 2019 RM'000
<u>Group</u>			
<u>Non-current assets:</u>			
- Property, plant and equipment	2,946,837	(71,653)	2,875,184
- Land use rights	145,968	(145,968)	-
- Right-of-use assets	-	346,825	346,825
- Concession assets	3,568,740	(83,063)	3,485,677
<u>Non-current liabilities:</u>			
- Lease liabilities	-	124,413	124,413
- Trade and other payables	347,469	(89,691)	257,778
<u>Current liabilities:</u>			
- Trade and other payables	3,101,618	(6,125)	3,095,493
- Lease liabilities	-	17,544	17,544

Other than the recognition of right-of-use assets and lease liabilities in the statement of financial position, the impact on the Group's financial performance upon adoption of MFRS 16 in the current financial period is as follows:

(i) Consolidated Statement of Comprehensive Income

Expenses which had included operating lease rentals within adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA") are now replaced by interest expense on lease liabilities (included within "finance costs") and amortisation of rights of use assets (included within "depreciation and amortisation"); and

(ii) Consolidated Statement of Cash Flows

Operating lease rental outflows previously recorded within "net cash flow from operating activities" are now classified as "net cash flow from financing activities" for repayment of lease liabilities.

## IJM CORPORATION BERHAD (104131-A)

### A3. Audit Report

The audit report for the financial year ended 31 March 2019 was not subject to any modification or qualification.

### A4. Seasonality or Cyclicity of Operations

The Group's operations are not materially affected by seasonal or cyclical factors except for the Plantation division which normally sees its cropping pattern of oil palms declining to a trough in the first half of a calendar year before rising to a peak in the second half.

### A5. Unusual Significant Items

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual in nature, size or incidence during the financial period ended 30 June 2019.

### A6. Material Changes in Estimates

There were no major changes in estimates that have a material effect on the results for the financial period ended 30 June 2019.

### A7. Debt and Equity Securities

(a) For the financial period ended 30 June 2019, the number of issued and paid-up ordinary shares of the Company was increased from 3,635,687,820 to 3,639,266,620 by way of the issuance of:-

- i. 3,450,700 new ordinary shares arising from the vesting of shares under the Employee Share Grant Plan ("ESGP"); and
- ii. 128,100 new ordinary shares arising from the exercise of options under the Employee Share Option Scheme ("ESOS").

(b) There were no share buybacks, cancellations and repayments of debt and equity securities for the financial period ended 30 June 2019.

### A8. Dividend Paid

There was no dividend paid during the current quarter.

## IJM CORPORATION BERHAD (104131-A)

### A9. Segmental Information

	GROUP		
	3 months ended 30/06/2019	3 months ended 30/06/2018	Change (+/-)
	RM'000	RM'000	%
<b><u>External revenue: *</u></b>			
Construction	518,001	526,918	-1.7%
Property development	462,383	334,693	38.2%
Manufacturing and quarrying	231,287	231,660	-0.2%
Plantation	133,067	183,143	-27.3%
Infrastructure	198,660	167,763	18.4%
Investment and others	160	139	15.1%
	<b>1,543,558</b>	<b>1,444,316</b>	<b>6.9%</b>
<b><u>Inter-segment revenue:</u></b>			
Construction	90,944	175,869	-48.3%
Property development	-	-	
Manufacturing and quarrying	11,291	5,570	102.7%
Plantation	-	-	
Infrastructure	-	-	
Investment and others	46,499	64,012	-27.4%
	<b>148,734</b>	<b>245,451</b>	<b>-39.4%</b>
<b><u>Profit/(loss) before taxation:</u></b>			
Construction	40,622	39,690	2.3%
Property development	45,853	44,897	2.1%
Manufacturing and quarrying	15,178	13,146	15.5%
Plantation	(5,383)	(26,269)	79.5%
Infrastructure	44,408	24,856	78.7%
Investment and others	2,722	6,908	-60.6%
	<b>143,400</b>	<b>103,228</b>	<b>38.9%</b>
<b><u>Earnings before interest, tax, depreciation and amortisation:</u></b>			
Construction	67,022	63,233	6.0%
Property development	51,588	52,502	-1.7%
Manufacturing and quarrying	30,729	27,033	13.7%
Plantation	29,104	20,379	42.8%
Infrastructure	109,520	76,422	43.3%
Investment and others	2,728	6,907	-60.5%
	<b>290,691</b>	<b>246,476</b>	<b>17.9%</b>
Finance Cost	(54,605)	(59,833)	
Depreciation and amortisation	(92,686)	(83,415)	
Profit before taxation	<b>143,400</b>	<b>103,228</b>	<b>38.9%</b>
	<b>As at 30/06/2019 RM'000</b>	<b>As at 31/03/2019 RM'000</b>	
<b><u>Total Assets:</u></b>			
Construction	2,523,966	2,247,025	
Property development	11,380,200	11,356,498	
Manufacturing and quarrying	1,470,712	1,447,279	
Plantation	2,374,768	2,255,326	
Infrastructure	5,240,582	5,082,436	
Investment and others	72,916	76,513	
Total segment assets	<b>23,063,144</b>	<b>22,465,077</b>	
Unallocated corporate assets	558,404	540,897	
Consolidated total assets	<b>23,621,548</b>	<b>23,005,974</b>	

## IJM CORPORATION BERHAD (104131-A)

### A9. Segmental Information (continued)

\* Included in revenue from external customers are revenue from contracts with customers of RM1,531,435,000 for financial period ended 30 June 2019 (30 June 2018: RM1,338,785,000). The timing of revenue recognition for revenue from contracts with customers is as follows:

	Construction	Property development	Manufacturing & Quarrying	Plantation	Infrastructure	Investment & Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>3 months ended 30/06/2019</b>							
Timing of revenue recognition:							
- At a point in time	2,429	159,486	224,080	133,067	-	-	519,062
- Over time	515,571	302,698	6,422	-	187,658	24	1,012,373
	518,000	462,184	230,502	133,067	187,658	24	1,531,435
<b>3 months ended 30/06/2018</b>							
Timing of revenue recognition:							
- At a point in time	6,198	3,515	228,103	183,143	62,802	-	483,761
- Over time	520,720	330,932	1,309	-	2,063	-	855,024
	526,918	334,447	229,412	183,143	64,865	-	1,338,785

### A10. Carrying Amount of Revalued Property, Plant and Equipment

The valuations of certain property, plant and equipment have been brought forward without amendments from the audited financial statements for the Financial Year 2019.

### A11. Changes in the Composition of the Group

During the current financial period, there has been no change in the composition of the Group.

## IJM CORPORATION BERHAD (104131-A)

### A12. Contingent Liabilities

The changes in contingent liabilities are summarised as follows:-

	<b>RM'000</b>
Balance as at 31 March 2019	5,144
- Exchange differences	<u>97</u>
Balance as at 30 June 2019	<u><u>5,241</u></u>

### A13. Capital Commitments

Capital commitments not provided for in the financial statements as at 30 June 2019 are as follows:

	<b>RM'000</b>
Approved and contracted for	1,437,242
Approved but not contracted for	<u>117,922</u>
	<u><u>1,555,164</u></u>

Analysed as follows:

- Purchases of property, plant and equipment and right-of-use assets	213,218
- Purchases of development land	30,753
- Concession assets	1,283,299
- Investment properties	<u>27,894</u>
	<u><u>1,555,164</u></u>

### A14. Significant events subsequent to the date of statement of financial position

There was no significant event subsequent to the date of the statement of financial position.

## IJM CORPORATION BERHAD (104131-A)

### B Bursa Securities Listing Requirements (Part A of Appendix 9B)

#### B1. Detailed Analysis of Performance of all Operating Segments

In the current quarter, the Group achieved an operating revenue of RM1,543.56 million, an increase of 6.9% over the corresponding quarter of the preceding year, following higher revenues contributed by the Group's Property Development and Infrastructure divisions. The Group also recorded a pre-tax profit for the current quarter of RM143.40 million, a growth of 38.9% over the corresponding quarter of the preceding year, following improved earnings posted by the Group's Construction, Property Development, Manufacturing & Quarrying, Plantation and Infrastructure divisions.

Further analysis of the divisional performances is given below.

Operating Segment	Commentary
Construction	Revenue for the current quarter decreased marginally by 1.7% compared to the corresponding quarter of the preceding year as certain major projects which contributed significantly to the preceding year's revenue have since been completed. Pre-tax profit for the current quarter was slightly higher by 2.3% compared to the corresponding quarter of the preceding year mainly due to a decrease in the unrealised foreign exchange losses.
Property development	Current quarter revenue and pre-tax profit increased by 38.2% and 2.1% respectively compared to the previous year's corresponding quarter. The improved financial results were mainly due to the higher sales recorded and the completion of some development projects during the current quarter.
Manufacturing and quarrying	Current quarter revenue was almost unchanged while pre-tax profit increased by 15.5% compared to the previous year's corresponding quarter with improved margins recorded by the piles and ready-mixed concrete sectors.
Plantation	Revenue for the current quarter decreased by 27.3% compared to the corresponding quarter of the preceding year mainly due to the decrease in CPO sales volume and lower commodity prices. A lower pre-tax loss was recorded in the current quarter mainly attributable to the net foreign exchange gains of RM0.2 million in the current quarter as compared to a net foreign exchange loss of RM30.9 million in the corresponding quarter of the preceding year following the strengthening of the Indonesian Rupiah against the US Dollar.
Infrastructure	Revenue for the current quarter increased by 18.4% compared to the corresponding quarter of the preceding year. This was mainly due to an expansion of cargo throughput handled by the Group's port concession which grew by 78% in the current quarter compared to the corresponding quarter of the preceding year. The Group's wholly-owned toll concessions in Malaysia also contributed to revenue growth in the current quarter compared to the corresponding quarter of the preceding year. The higher contributions from the Group's local tolls and port concessions as well as toll concession investment in Argentina increased the Division's pre-tax profit for the current quarter to RM44.4 million from a pre-tax profit of RM24.9 million recorded in the previous year's corresponding quarter.

## IJM CORPORATION BERHAD (104131-A)

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

The Group's pre-tax profit decreased to RM143.4 million compared to RM331.6 million posted in the immediate preceding quarter mainly due to higher foreign exchange losses and lower contributions from the Group's Construction, Property Development, Plantation and Infrastructure divisions.

### **B3. Prospects for the Current Financial Year**

The Group's Construction division expects a challenging year in view of the subdued property market and reduced public spending by the Government. With reduced availability of new construction jobs in the local market and a more competitive tender environment, the division will remain vigilant and cautious to preserve its earnings whilst focusing on the execution and timely completion of its existing projects. Based on an outstanding order book of RM6.1 billion, underpinned by the implementation of on-going projects, the division expects a satisfactory performance for the current financial year.

The local property market is expected to remain challenging although consumer sentiments have improved. The key issues of price affordability, the overhang of high-rise properties, rising cost of living and tight financing arrangements will continue to have a dampening effect. Nonetheless, the Property Development division remains steadfast in its efforts to grow its business in view of the strategic locations of its properties and the brand premium that it has established. With the potential conversion of unbilled sales of about RM2.0 billion, the division is expected to maintain a satisfactory performance in the current financial year.

The Group's Industry division expects a challenging year given the competitive domestic and overseas operating environment. It would however, continue with its mitigation efforts through the improvement of product quality, cost and process efficiency.

The Group's Plantation division expects a challenging year due to the prevailing low commodity prices and the volatility of the foreign exchange rates particularly that of the Indonesian Rupiah against the US Dollar and Japanese Yen. Notwithstanding the recovery of crop production in the Malaysian operations and the higher crop production from the increased young mature areas in the Indonesian operations, the division continues to face cost pressures arising mainly from wage increases.

The Group's toll and port operations continue to provide recurrent revenue streams as existing concessions mature thereby further enhancing the earnings of the Group's Infrastructure division.

Based on the above stated factors and given the constantly changing business environment, the Group expects the current financial year to be challenging.

### **B4. Profit Forecast**

Not applicable.

## IJM CORPORATION BERHAD (104131-A)

### B5. Taxation

The taxation for the group for the financial period under review is as follows:

	INDIVIDUAL QUARTER 3 MONTHS ENDED 30 JUNE		CUMULATIVE PERIOD 3 MONTHS ENDED 30 JUNE	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Malaysian income tax	57,623	43,843	57,623	43,843
Overseas taxation	-	(2,612)	-	(2,612)
Deferred taxation	5,306	1,180	5,306	1,180
	<u>62,929</u>	<u>42,411</u>	<u>62,929</u>	<u>42,411</u>

The Group's effective tax rate (excluding the results of associates and joint ventures which are equity accounted net of tax) for the financial year was higher than the statutory tax rate mainly due to certain expenses not being deductible for tax purposes and the non-recognition of deferred tax assets on unused tax losses of certain subsidiaries.

### B6. Status of Corporate Proposals

As at 30 June 2019, there were no outstanding corporate proposals.



## IJM CORPORATION BERHAD (104131-A)

### B7. Group Borrowings

Particulars of the Group's borrowings as at 30 June 2019 are as follows:

	<b>As at 30/06/2019 RM'000</b>
<b>(a) (i) Short Term Borrowings</b>	
Secured:-	
- Islamic bonds	55,000
- Term loans	81,753
- Hire purchase and lease payables (included in trade and other payables)	172
- Revolving credits	136,402
- Government support loans (included in trade and other payables)	6,951
Unsecured:-	
- Islamic bonds	150,000
- Government support loans (included in trade and other payables)	26,153
- Term loans	568,809
- Revolving credits	581,436
- Revolving loans	290,045
- Bankers' acceptances	27,972
- Letters of Credit	16,192
- Bank overdrafts	104,907
	<u>2,045,792</u>
<b>(ii) Long Term Borrowings</b>	
Secured:-	
- Islamic bonds	1,456,016
- Term loans	949,601
- Government support loans	59,848
Unsecured:-	
- Islamic bonds	1,400,000
- Government support loans	26,932
- Term loans	1,133,764
	<u>5,026,161</u>

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	368,600	1,527,099
Indian Rupee	7,714,291	462,857
Chinese Yuan	63,700	38,386
Japanese Yen	5,247,200	202,005
Pound Sterling	71,649	376,301
		<u>2,606,648</u>

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### B8. Changes in Material Litigation

There was no material litigation since 31 March 2019.

### B9. Dividends

No dividend has been declared for the current financial year ending 31 March 2020.

In respect of the financial year ended 31 March 2019, a single tier first interim dividend of 2 sen per share was paid on 27 December 2018 and a single tier second interim dividend of 2 sen per share was paid on 19 July 2019.

### B10. Earnings per Share

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	30/06/2019 RM'000	30/06/2018 RM'000	30/06/2019 RM'000	30/06/2018 RM'000
<u>Basic Earnings per share:-</u>				
(a) Net profit for the period attributable to owners of the Company	59,424	62,764	59,424	62,764
(b) Weighted average number of ordinary shares ('000)	3,626,402	3,628,819	3,626,402	3,628,819
<b>Basic Earnings per share (sen)</b>	<b>1.64</b>	<b>1.73</b>	<b>1.64</b>	<b>1.73</b>
<u>Diluted Earnings per share:-</u>				
(a) Net profit for the period attributable to owners of the Company	59,424	62,764	59,424	62,764
(b) Weighted average number of ordinary shares ('000)	3,626,402	3,628,819	3,626,402	3,628,819
Effect of dilution ('000)				
- Employee share options and share grants	33	3,764	33	3,764
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	3,626,435	3,632,583	3,626,435	3,632,583
<b>Diluted Earnings per share (sen)</b>	<b>1.64</b>	<b>1.73</b>	<b>1.64</b>	<b>1.73</b>

## IJM CORPORATION BERHAD (104131-A)

### B11. Notes to the Statement of Comprehensive Income

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	30/06/2019 RM'000	30/06/2018 RM'000	30/06/2019 RM'000	30/06/2018 RM'000
Interest income	<b>58,606</b>	28,498	<b>58,606</b>	28,498
Other income (including investment income)	<b>17,507</b>	34,542	<b>17,507</b>	34,542
Interest expense	<b>(54,605) *</b>	(59,833) *	<b>(54,605) *</b>	(59,833) *
Depreciation and amortisation	<b>(92,686)</b>	(83,415)	<b>(92,686)</b>	(83,415)
Net reversal/(allowance) of impairment of receivables	<b>1,054</b>	(891)	<b>1,054</b>	(891)
Net gains on disposal of investments or properties	<b>1,846</b>	1,202	<b>1,846</b>	1,202
Net allowance of impairment of assets	<b>(42,036)</b>	(294)	<b>(42,036)</b>	(294)
Net foreign exchange losses	<b>(10,431)</b>	(71,041)	<b>(10,431)</b>	(71,041)
Net gains on derivatives	<b>7,902</b>	11,503	<b>7,902</b>	11,503
<i>* Includes unrealised foreign exchange gains/(losses) incurred by the Plantation division classified under Finance Cost</i>	-	(11,756)	-	(11,756)

The above disclosure is prepared in accordance with paragraph 16 of Appendix 9B of the Main Market Listing Requirements (“MMLR”) issued by Bursa Malaysia Securities Berhad. Except for the above, the rest of the items required for disclosures pursuant to paragraph 16 of the MMLR are not applicable to the Group.

## IJM CORPORATION BERHAD (104131-A)

### B12 Derivative financial instruments

#### (a) Crude Palm Oil Pricing Swap Contracts

The Group entered into Crude Palm Oil (“CPO”) pricing swap contracts offered by certain reputable banks in Malaysia to mitigate the exposure of fluctuations in the price of CPO.

As at 30 June 2019, the outstanding notional volume and value of the CPO pricing swap contracts and their fair values are as follows:

CPO pricing swap contracts	Notional volume outstanding as at 30/06/2019 (metric tonnes)	Notional value outstanding as at 30/06/2019 (RM'000)	Fair value as at 30/06/2019 (RM'000)
- Less than 1 year	22,500	53,042	6,438
- 1 year to 3 years	-	-	-
- More than 3 years	-	-	-

#### (b) Cross Currency Swap Contracts

The Group entered into Cross Currency Swap contracts offered by certain reputable banks in Malaysia to swap USD floating rate liability into MYR floating rate liability, thus hedging the USD/MYR currency risk and the interest rate risk.

As at 30 June 2019, the outstanding notional value of the cross currency swap contracts and their fair values are as follows:

Cross currency swap contracts	Notional value outstanding as at 30/06/2019 (USD'000)	Notional value outstanding as at 30/06/2019 (RM'000)	Fair value as at 30/06/2019 (RM'000)
- Less than 1 year	77,000	318,310	(334)
- 1 year to 3 years	-	-	-
- More than 3 years	-	-	-

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### B13. Fair value changes of derivative financial instruments

The Group recognised a total net fair value gain on derivative financial instruments of RM7.90 million during the current financial period. The details are as follows:

Type of derivative	Current quarter fair value gains/(losses) RM'000	Current period fair value gains/(losses) RM'000	Basis of fair value measurement	Reasons for the gains/(losses)
Crude palm oil ("CPO") pricing swap contracts	3,769	3,769	Price differentials between the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange and the fixed contracted CPO prices.	The average future CPO price quoted on the Bursa Malaysia Derivative Exchange is lower than the contracted fixed CPO prices.
Cross currency swap contracts	4,133	4,133	Exchange rate differentials between the USD/MYR spot rate and the contracted USD/MYR rate; Interest rate differentials between the USD floating interest rate and the contracted MYR interest rate.	The fair value gain or loss is affected by movements in the USD/MYR spot rates and the USD and MYR interest rates.