



**IJM CORPORATION BERHAD**  
**198301008880 (104131-A)**

**Part A1 : Quarterly Report**

Quarterly report for the financial period ended: **30/06/2020**  
Quarter: **1st Quarter**  
Financial Year End: **31/03/2021**  
The figures: **Have not been audited**  
Full Quarterly Report: **Refer attached**

**Part A2 : Summary of Key Financial Information for the financial period ended 30/06/2020**

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	Current year quarter 30/06/2020 RM'000	Preceding year quarter 30/06/2019 RM'000	Current year to date 30/06/2020 RM'000	Preceding year to date 30/06/2019 RM'000
1 Revenue	879,803	1,543,558	879,803	1,543,558
2 Profit before taxation	93,152	143,400	93,152	143,400
3 Net profit for the period	49,753	80,471	49,753	80,471
4 Net profit attributable to owners of the Company	1,271	59,424	1,271	59,424
5 Basic earnings per share (sen)	0.04	1.64	0.04	1.64
6 Proposed/Declared dividend per share (sen)	-	-	-	-
	<b>As at end of current quarter 30/06/2020</b>		<b>As at preceding financial year end</b>	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		2.65		2.65

## 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 (+/-)
	30/06/2020 RM'000	30/06/2019 RM'000	%	30/06/2020 RM'000	30/06/2019 RM'000	%
Operating revenue	879,803	1,543,558	-43.0%	879,803	1,543,558	-43.0%
Cost of sales	(736,074)	(1,299,952)	-43.4%	(736,074)	(1,299,952)	-43.4%
Gross profit	143,729	243,606	-41.0%	143,729	243,606	-41.0%
Other operating income	63,379	87,046	-27.2%	63,379	87,046	-27.2%
Foreign exchange differences	91,436	(10,431)	976.6%	91,436	(10,431)	976.6%
Tendering, selling and distribution expenses	(25,733)	(23,915)	7.6%	(25,733)	(23,915)	7.6%
Administrative expenses	(68,576)	(58,590)	17.0%	(68,576)	(58,590)	17.0%
Other operating expenses	(19,677)	(53,697)	-63.4%	(19,677)	(53,697)	-63.4%
Operating profit before finance cost	184,558	184,019	0.3%	184,558	184,019	0.3%
Finance cost	(62,409)	(54,605)	14.3%	(62,409)	(54,605)	14.3%
Operating profit after finance cost	122,149	129,414	-5.6%	122,149	129,414	-5.6%
Share of (losses)/profits of associates	(24,833)	15,705	-258.1%	(24,833)	15,705	-258.1%
Share of losses of joint ventures	(4,164)	(1,719)	-142.2%	(4,164)	(1,719)	-142.2%
Profit before taxation	93,152	143,400	-35.0%	93,152	143,400	-35.0%
Income tax expense	(43,399)	(62,929)	-31.0%	(43,399)	(62,929)	-31.0%
Net profit for the period	49,753	80,471	-38.2%	49,753	80,471	-38.2%
<u>Other comprehensive income (net of tax):</u>						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Currency translation differences of foreign operations	100,866	48,303		100,866	48,303	
Share of other comprehensive income of associates	249	896		249	896	
	101,115	49,199	105.5%	101,115	49,199	105.5%
Total comprehensive income for the period	150,868	129,670	16.3%	150,868	129,670	16.3%
<u>Net profit attributable to:-</u>						
Owners of the Company	1,271	59,424	-97.9%	1,271	59,424	-97.9%
Perpetual sukuk	11,549	10,532	9.7%	11,549	10,532	9.7%
Non-controlling interests	36,933	10,515	251.2%	36,933	10,515	251.2%
	49,753	80,471	-38.2%	49,753	80,471	-38.2%
<u>Total comprehensive income attributable to:-</u>						
Owners of the Company	59,988	99,916	-40.0%	59,988	99,916	-40.0%
Perpetual sukuk	11,549	10,532	9.7%	11,549	10,532	9.7%
Non-controlling interests	79,331	19,222	312.7%	79,331	19,222	312.7%
	150,868	129,670	16.3%	150,868	129,670	16.3%
<u>Earnings per share (sen):-</u>						
Basic	0.04	1.64		0.04	1.64	
Fully diluted	0.04	1.64		0.04	1.64	

**IJM CORPORATION BERHAD 198301008880 (104131-A)**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>30/06/2020</b>	<b>31/03/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	<b>6,112,042</b>	6,112,042
Treasury shares	<b>(18,070)</b>	(18,070)
Shares held under trust	<b>(1,263)</b>	(1,263)
Other reserves	<b>(28,762)</b>	(90,701)
Retained profits	<b>3,565,316</b>	3,600,358
	<b>9,629,263</b>	9,602,366
Perpetual sukuk of a subsidiary	<b>860,019</b>	848,470
Non-controlling interests	<b>1,272,101</b>	1,192,770
	<b>11,761,383</b>	11,643,606
<b>NON-CURRENT LIABILITIES</b>		
Bonds	<b>2,726,298</b>	2,876,119
Term loans	<b>1,552,392</b>	1,615,143
Government support loans	<b>49,210</b>	58,672
Lease liabilities	<b>47,376</b>	49,889
Deferred tax liabilities	<b>644,626</b>	629,587
Trade and other payables	<b>311,198</b>	311,297
Retirement benefits	<b>25,780</b>	22,443
Derivative financial instruments	<b>588</b>	872
	<b>5,357,468</b>	5,564,022
<b>DEFERRED INCOME</b>	<b>70,355</b>	70,355
	<b>17,189,206</b>	17,277,983

**IJM CORPORATION BERHAD 198301008880 (104131-A)**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>30/06/2020</b>	<b>31/03/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	2,709,381	2,578,272
Right-of-use assets	449,893	444,907
Concession assets	3,727,861	3,786,391
Investment properties	650,034	652,879
Associates	884,154	921,975
Joint ventures	822,905	852,370
Financial assets at fair value through other comprehensive income	3,665	3,665
Long term receivables	247,217	220,731
Deferred tax assets	443,741	447,287
Inventories	678,963	679,223
Intangible assets	101,113	101,116
	<b>10,718,927</b>	<b>10,688,816</b>
<b>CURRENT ASSETS</b>		
Inventories	7,649,710	7,687,014
Produce growing on bearer plants	10,895	11,892
Trade and other receivables	1,780,196	1,865,664
Contract assets	303,686	345,336
Financial assets at fair value through profit or loss	534,952	534,630
Derivative financial instruments	826	1,722
Assets held for sale	531	3,665
Tax recoverable	153,161	91,880
Deposits, cash and bank balances	2,141,180	2,222,648
	<b>12,575,137</b>	<b>12,764,451</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	3,005,270	3,130,999
Contract liabilities	596,617	666,366
Provisions	3,113	2,476
Derivative financial instruments	2,474	3,236
Lease liabilities	12,292	11,870
Borrowings:		
- Bank overdrafts	92,719	118,860
- Others	2,328,433	2,211,657
Current tax liabilities	63,940	29,820
	<b>6,104,858</b>	<b>6,175,284</b>
<b>NET CURRENT ASSETS</b>	<b>6,470,279</b>	<b>6,589,167</b>
	<b>17,189,206</b>	<b>17,277,983</b>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)</b>	<b>2.65</b>	<b>2.65</b>

**IJM CORPORATION BERHAD 198301008880 (104131-A)**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 JUNE 2020**

	-----Attributable to owners of the Company-----					Perpetual sukuk RM'000	Non-controlling interests RM'000	Total equity RM'000	
	Share capital RM'000	Treasury shares RM'000	Shares held under trust RM'000	Other reserves RM'000	Retained profits RM'000				Total RM'000
<b>At 1 April 2020</b>	<b>6,112,042</b>	<b>(18,070)</b>	<b>(1,263)</b>	<b>(90,701)</b>	<b>3,600,358</b>	<b>9,602,366</b>	<b>848,470</b>	<b>1,192,770</b>	<b>11,643,606</b>
Total comprehensive income for the period	-	-	-	58,717	1,271	59,988	11,549	79,331	150,868
Issuance of employee share options and share grants	-	-	-	3,222	-	3,222	-	-	3,222
Single tier second interim dividend: Year ended 31 March 2020	-	-	-	-	(36,313)	(36,313)	-	-	(36,313)
<b>At 30 June 2020</b>	<b>6,112,042</b>	<b>(18,070)</b>	<b>(1,263)</b>	<b>(28,762)</b>	<b>3,565,316</b>	<b>9,629,263</b>	<b>860,019</b>	<b>1,272,101</b>	<b>11,761,383</b>
<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	129,670
Issuance of employee share options and share grants	-	-	-	(3,906)	-	(3,906)	-	-	(3,906)
Single tier second interim dividend: Year ended 31 March 2019	-	-	-	-	(72,589)	(72,589)	-	-	(72,589)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(6,339)	(6,339)
Issuance of shares:									
- exercise of employee share options	355	-	16	(78)	-	293	-	-	293
- vesting of shares under ESGP	12,250	-	-	(12,250)	-	-	-	-	-
<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>

**IJM CORPORATION BERHAD 198301008880 (104131-A)**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2020**

	<b>3 months ended 30/06/2020 RM'000</b>	<b>3 months ended 30/06/2019 RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	998,750	1,360,760
Payments to contractors, suppliers and employees	(855,364)	(1,109,857)
Income tax paid	(52,560)	(69,009)
<b>Net cash flow from operating activities</b>	<b>90,826</b>	<b>181,894</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through profit or loss	(37,616)	(154,098)
Purchases of property, plant and equipment, development land, right-of-use assets, investment properties, concession assets and deferred expenditure	(23,407)	(210,901)
Disposal of investments, property, plant and equipment, right-of-use assets, investment properties and assets held for sale	48,025	49,746
Interest received	24,144	23,226
Dividends received from associates and other investments	18,996	14,223
Net advances to associates and joint ventures	(6,127)	(78,103)
<b>Net cash flow from/(used in) investing activities</b>	<b>24,015</b>	<b>(355,907)</b>
<b>FINANCING ACTIVITIES</b>		
Issuance of shares by the Company		
- exercise of share options	-	293
Net proceeds from bank and government borrowings	65,001	295,821
Repayments of hire purchase and lease liabilities	(3,301)	(2,339)
Interest paid	(85,568)	(83,769)
Dividends paid by subsidiaries to non-controlling shareholders	-	(6,339)
Net (repayments)/drawdown of bonds	(150,000)	50,000
Net uplifts/(placements) of restricted deposits	18,384	(6,728)
<b>Net cash flow (used in)/from financing activities</b>	<b>(155,484)</b>	<b>246,939</b>
<b>Net (decrease)/increase in cash and cash equivalents during the financial period</b>	<b>(40,643)</b>	<b>72,926</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>2,071,209</b>	<b>1,451,135</b>
Foreign exchange differences on opening balances	3,523	2,408
<b>Cash and cash equivalents at end of the financial period</b>	<b>2,034,089</b>	<b>1,526,469</b>
Cash and cash equivalents comprise the following :		
Deposits, cash and bank balances	2,141,180	1,668,945
Bank overdrafts	(92,719)	(104,907)
	2,048,461	1,564,038
Less: restricted deposits with licensed banks	(14,372)	(37,569)
	<u>2,034,089</u>	<u>1,526,469</u>

**IJM CORPORATION BERHAD**  
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**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 2020 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 2020.

The financial statements of the Group, which comprise the statement of financial position of the Group as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the financial period ended 30 June 2020 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 2020 except for the adoption of the following amendments to published standards:

- (a) Amendments to published standards that are effective for the Group’s financial year beginning on or after 1 April 2020 and applicable to the Group are as follows:
- The conceptual framework for financial reporting (Revised 2018)
  - Amendments to MFRS 3 “Definition of a business”
  - Amendments to MFRS 101 and MFRS 108 “Definition of Material”
- (b) Amendments to published standard that is effective for the Group’s financial year beginning on or after 1 April 2021 and the Group has early adopted in FY2021 is as follows:
- Amendments to MFRS 16 “COVID-19 Related Rent Concessions”

The adoption of the above amendments does not result in any significant change to the accounting policies and does not have a material impact on the interim financial report of the Group.

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**A3. Audit Report**

The audit report for the financial year ended 31 March 2020 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 2020.

**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 2020.

**A7. Debt and Equity Securities**

- (a) There was no issuance of ordinary shares of the Company for the financial period ended 30 June 2020.
- (b) There were no share buybacks, cancellations and repayments of debt and equity securities for the financial period ended 30 June 2020.

**A8. Dividend Paid**

On 21 August 2020, a single tier second interim dividend of 1 sen per share in respect of the financial year ended 31 March 2020 was paid totalling RM36,312,823.



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**A9. Segmental Information**

	GROUP		
	3 months ended 30/06/2020	3 months ended 30/06/2019	Change (+/-)
	RM'000	RM'000	%
<b><u>External revenue:</u></b>			
Construction	287,510	518,001	-44.5%
Property development	145,705	462,383	-68.5%
Manufacturing and quarrying	85,566	231,287	-63.0%
Plantation	205,985	133,067	54.8%
Infrastructure	154,956	198,660	-22.0%
Investment and others	81	160	-49.4%
	<u>879,803</u>	<u>1,543,558</u>	-43.0%
<b><u>Inter-segment revenue:</u></b>			
Construction	16,921	90,944	-81.4%
Property development	-	-	
Manufacturing and quarrying	4,468	11,291	-60.4%
Plantation	-	-	
Infrastructure	-	-	
Investment and others	12,288	46,499	-73.6%
	<u>33,677</u>	<u>148,734</u>	-77.4%
<b><u>Profit/(loss) before taxation:</u></b>			
Construction	16,394	40,622	-59.6%
Property development	(10,409)	45,853	-122.7%
Manufacturing and quarrying	(14,934)	15,178	-198.4%
Plantation	115,298	(5,383)	2241.9%
Infrastructure	(11,022)	44,408	-124.8%
Investment and others	(2,175)	2,722	-179.9%
	<u>93,152</u>	<u>143,400</u>	-35.0%
<b><u>Earnings/(losses) before interest, tax, depreciation and amortisation:</u></b>			
Construction	49,759	67,022	-25.8%
Property development	(3,334)	51,588	-106.5%
Manufacturing and quarrying	962	30,729	-96.9%
Plantation	150,275	29,104	416.3%
Infrastructure	63,684	109,520	-41.9%
Investment and others	(2,169)	2,728	-179.5%
	<u>259,177</u>	<u>290,691</u>	-10.8%
Finance Cost	(62,409)	(54,605)	
Depreciation and amortisation	(103,616)	(92,686)	
Profit before taxation	<u>93,152</u>	<u>143,400</u>	-35.0%
	As at 30/06/2020 RM'000	As at 31/03/2020 RM'000	
<b><u>Total Assets:</u></b>			
Construction	2,461,526	2,634,774	
Property development	10,723,827	10,881,362	
Manufacturing and quarrying	1,467,618	1,487,153	
Plantation	2,504,603	2,285,766	
Infrastructure	5,494,906	5,564,870	
Investment and others	44,682	60,175	
Total segment assets	<u>22,697,162</u>	<u>22,914,100</u>	
Unallocated corporate assets	596,902	539,167	
Consolidated total assets	<u>23,294,064</u>	<u>23,453,267</u>	

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**A9. Segmental Information (continued)**

	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 30/06/2020</b>							
<b>Revenue from contract with customers</b>							
Timing of revenue recognition:							
- At a point in time	782	42,860	84,572	205,695	-	-	333,909
- Over time	286,728	94,274	138	290	142,561	16	524,007
	287,510	137,134	84,710	205,985	142,561	16	857,916
<b>Revenue from other sources</b>	-	8,571	856	-	12,395	65	21,887
<b>Total revenue</b>	287,510	145,705	85,566	205,985	154,956	81	879,803
<b>3 months ended 30/06/2019</b>							
<b>Revenue from contract with customers</b>							
Timing of revenue recognition:							
- At a point in time	2,429	159,486	224,080	133,067	-	-	519,062
- Over time	515,572	302,698	6,422	-	187,658	24	1,012,374
	518,001	462,184	230,502	133,067	187,658	24	1,531,436
<b>Revenue from other sources</b>	-	199	785	-	11,002	136	12,122
<b>Total revenue</b>	518,001	462,383	231,287	133,067	198,660	160	1,543,558

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

The carrying amounts of property, plant and equipment have been brought forward without amendments from the audited financial statements for the Financial Year 2020.

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

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

**A12. Contingent Liabilities**

The changes in contingent liabilities are summarised as follows:-

	<b>RM'000</b>
Balance as at 31 March 2020	5,022
- Exchange differences	(61)
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Balance as at 30 June 2020	<u>4,961</u>

**A13. Capital Commitments**

Capital commitments not provided for in the financial statements as at 30 June 2020 are as follows:

	<b>RM'000</b>
Approved and contracted for	931,729
Approved but not contracted for	246,136
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	<u>1,177,865</u>

Analysed as follows:

- Purchases of property, plant and equipment	417,388
- Purchases of development land	11,649
- Concession assets	739,150
- Investment properties	9,678
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	<u>1,177,865</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.

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

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

In response to the World Health Organisation declaring Covid-19 as a global pandemic on 11 March 2020, the Malaysian government implemented the Movement Control Order (MCO) with effect from 18 March 2020. The other countries in which the Group operates have also implemented similar control measures which have materially impacted the Group's business operations.

As a result of the above mentioned control measures, the Group recorded lower operating revenue of RM879.80 million (a decrease of 43.0% from the corresponding quarter of the preceding year) and pre-tax profit of RM93.15 million (a decrease of 35.0% from the corresponding quarter of the preceding year) for the current quarter.

Further analysis of the divisional performances is given below.

Operating Segment	Commentary
Construction	Revenue and pre-tax profit for the current quarter decreased by 44.5% and 59.6% respectively compared to the corresponding quarter of the preceding year. This was mainly due to lower construction activities during the MCO period.
Property development	Revenue and pre-tax profit decreased by 68.5% and 122.7% respectively as compared to the preceding year's corresponding quarter. This was mainly due to the lower construction activities and lower sales recorded during the MCO period.
Manufacturing and quarrying	Revenue and pre-tax profit for the current quarter decreased by 63.0% and 198.4% respectively compared to the previous year's corresponding quarter. These were mainly due to lower deliveries of piles, quarry products and ready-mixed concrete as a result of minimal construction activity during MCO.
Plantation	Revenue for the current quarter increased by 54.8% compared to the corresponding quarter of the preceding year mainly due to higher commodity prices and sales volume of crude palm oil (CPO). The overall FFB production for the current quarter increased by 18.8% due to the recovery of crop production in the Malaysian operations, larger planted areas having attained maturity and moving into prime age in the Indonesian operations. During the quarter, the Indonesian Rupiah recovered strongly against both the US Dollar and the Japanese Yen to record a significant net foreign exchange gain of RM91.7 million (Q1-FY2020: Gain of RM0.2 million) on the foreign currency denominated borrowings. As a result, the overall financial performance of the division improved significantly over the corresponding quarter of the preceding year.
Infrastructure	Whilst the port's operational revenue was relatively stable, the Infrastructure division's revenue and pre-tax profit for the current quarter decreased by 22.0% and 124.8% respectively mainly due to lower local and overseas tolled traffic volumes as a result of the movement control measures implemented.

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

The Group's pre-tax profit decreased by only 3.5% to RM93.2 million compared to RM96.6 million posted in the immediate preceding quarter as the detrimental financial effects of the Covid-19 movement restrictions in the current quarter were mitigated by favourable currency movements which resulted in an unrealised foreign exchange gain of RM91.4 million for the current quarter as opposed to an unrealised foreign exchange loss of RM91.0 million in the immediate preceding quarter.

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

The Group expects the current financial year to be challenging with outcomes depending largely on the duration of the Covid-19 pandemic, economic recoveries, political situations and resolution of trade wars. The Group anticipates disruptive implications on the overall market environment, together with the uncertainty of commodity prices and volatility of foreign exchange rates.

The performance of the Group's Construction division is expected to improve in the coming quarters by focusing on the timely execution and completion of its outstanding order book of RM5.5 billion. Despite the subdued property market and reduced infrastructure spending by the Government, the division had already secured RM1.7 billion new projects this year.

Market sentiment of the Property division is expected to be weak in the near to medium term with supply-demand imbalances, weak economic outlook and uncertainties over employment opportunities. As such, the Group's Property division is expected to record lower sales for the current financial year.

These challenges are expected to flow down the supply chain resulting in a prolonged subdued market for building materials, affecting the Group's Industry division. It would however, continue with its mitigation efforts through the improvement of product quality, cost and process efficiency.

The Group's Plantation division had a good start in the first quarter and with the expectation of improved crop production and CPO prices, as well as stable foreign exchange environment, the division is cautiously optimistic for a better performance for the year.

Prospects for the Group's port operations continue to remain positive as the cargo throughput is stable during the MCO period. As for the Toll division, the traffic volumes have improved close to pre-Covid 19 levels, with the resumption of economic activity.

Nevertheless, given the constantly changing business environment, the Group expects the performance to be satisfactory.

**B4. Profit Forecast**

Not applicable.

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**B5. Taxation**

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

	<b>INDIVIDUAL QUARTER 3 MONTHS ENDED 30 JUNE</b>		<b>CUMULATIVE PERIOD 3 MONTHS ENDED 30 JUNE</b>	
	<b>2020 RM'000</b>	<b>2019 RM'000</b>	<b>2020 RM'000</b>	<b>2019 RM'000</b>
Malaysian income tax	25,515	57,623	25,515	57,623
Overseas taxation	319	-	319	-
Deferred taxation	17,565	5,306	17,565	5,306
	<u>43,399</u>	<u>62,929</u>	<u>43,399</u>	<u>62,929</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 period was higher than the statutory tax rate mainly due to certain expenses not being deductible for tax purposes and non-recognition of deferred tax assets on unused tax losses of certain subsidiaries.

**B6. Status of Corporate Proposals**

As at 30 June 2020, there were no outstanding corporate proposals.

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**B7. Group Borrowings**

Particulars of the Group's borrowings as at 30 June 2020 are as follows:

	<b>As at 30/06/2020 RM'000</b>
<b>(a) (i) Short Term Borrowings</b>	
Secured:-	
- Islamic bonds	60,000
- Term loans	101,665
- Revolving credits	167,041
- Government support loans (included in trade and other payables)	9,930
Unsecured:-	
- Islamic bonds	150,000
- Government support loans (included in trade and other payables)	26,715
- Term loans	912,059
- Revolving credits	926,070
- Bankers' acceptances	11,410
- Letters of Credit	188
- Bank overdrafts	92,719
	2,457,797
<b>(ii) Long Term Borrowings</b>	
Secured:-	
- Islamic bonds	1,476,298
- Term loans	589,770
- Government support loans	49,210
Unsecured:-	
- Islamic bonds	1,250,000
- Term loans	962,622
	4,327,900

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	334,800	1,436,584
Indian Rupee	13,613,027	773,220
Chinese Yuan	51,269	31,042
Japanese Yen	5,247,200	208,838
Pound Sterling	8,197	44,246
		2,493,930

**B8. Changes in Material Litigation**

There was no material litigation since 31 March 2020.

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**B9. Dividends**

No dividend has been declared for the current financial year ending 31 March 2021.

In respect of the financial year ended 31 March 2020, a single tier first interim dividend of 2 sen per share was paid on 27 December 2019 and a single tier second interim dividend of 1 sen per share was paid on 21 August 2020.

**B10. Earnings per Share**

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
	RM'000	RM'000	RM'000	RM'000
<u>Basic Earnings per share:-</u>				
(a) Net profit for the period attributable to owners of the Company	1,271	59,424	1,271	59,424
(b) Weighted average number of ordinary shares ('000)	3,629,452	3,626,402	3,629,452	3,626,402
<b>Basic Earnings per share (sen)</b>	<b>0.04</b>	<b>1.64</b>	<b>0.04</b>	<b>1.64</b>
<u>Diluted Earnings per share:-</u>				
(a) Net profit for the period attributable to owners of the Company	1,271	59,424	1,271	59,424
(b) Weighted average number of ordinary shares ('000)	3,629,452	3,626,402	3,629,452	3,626,402
Effect of dilution ('000)				
- Employee share options and share grants	-	33	-	33
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	3,629,452	3,626,435	3,629,452	3,626,435
<b>Diluted Earnings per share (sen)</b>	<b>0.04</b>	<b>1.64</b>	<b>0.04</b>	<b>1.64</b>



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**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
	30/06/2020 RM'000	30/06/2019 RM'000	30/06/2020 RM'000	30/06/2019 RM'000
Interest income	35,346	58,606	35,346	58,606
Other income (including investment income)	24,588	17,507	24,588	17,507
Interest expense	(62,409)	(54,605)	(62,409)	(54,605)
Depreciation and amortisation	(103,616)	(92,686)	(103,616)	(92,686)
Net (allowance)/reversal of impairment of receivables	(568)	1,054	(568)	1,054
Provision for and write off of inventories	15	15	15	15
Net (losses)/gains on disposal of investments or properties	(3,919)	1,846	(3,919)	1,846
Net allowance of impairment of assets	(3)	(2,051)	(3)	(2,051)
Net foreign exchange gains/(losses)	91,436	(10,431)	91,436	(10,431)
Net gains on derivatives	1,620	7,902	1,620	7,902

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.

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**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 prices of CPO.

As at 30 June 2020, the outstanding notional volume and value of the CPO pricing swap contracts and their fair values are as follows:

<b>CPO pricing swap contracts</b>	<b>Notional volume outstanding as at 30/06/2020 (metric tonnes)</b>	<b>Notional value outstanding as at 30/06/2020 (RM'000)</b>	<b>Fair value as at 30/06/2020 (RM'000)</b>
- Less than 1 year	11,750	27,988	751
- 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 liabilities into MYR floating rate liabilities, thus hedging the USD/MYR currency risk and the interest rate risk.

As at 30 June 2020, the outstanding notional value of the cross currency swap contracts and their fair values are as follows:

<b>Cross currency swap contracts</b>	<b>Notional value outstanding as at 30/06/2020 (USD'000)</b>	<b>Notional value outstanding as at 30/06/2020 (RM'000)</b>	<b>Fair value as at 30/06/2020 (RM'000)</b>
- Less than 1 year	14,000	59,850	75
- 1 year to 3 years	-	-	-
- More than 3 years	-	-	-

**(c) Interest Rate Swap Contracts**

The Group entered into Interest Rate Swap (‘IRS’) contracts offered by a reputable bank in Malaysia to mitigate the exposure to fluctuations in the interest rates of its US Dollar borrowings. The Group has entered into IRS contracts to swap a portion of its US Dollar borrowings which is under floating rates to fixed rates.

As at 30 June 2020, the outstanding notional value of the IRS contracts and their fair values are as follows:

<b>Interest rate swap contracts</b>	<b>Base Currency</b>	<b>Notional value outstanding as at 30/06/2020 (RM'000)</b>	<b>Fair value as at 30/06/2020 (RM'000)</b>
- Less than 1 year	USD	167,891	(2,474)
- 1 year to 3 years	USD	167,891	(588)
- 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 RM1.62 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	2,732	2,732	Price differentials between the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange and the fixed contracted CPO prices for specific contracted periods.	The average future CPO price quoted on the Bursa Malaysia Derivative Exchange is lower/(higher) than the contracted fixed CPO prices.
Cross currency swap contracts	(1,317)	(1,317)	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.
Interest rate swap contracts	205	205	The difference between floating and fixed interest rates.	Fair value gain is recorded when the floating interest rates are higher than the fixed interest rates. Conversely, a fair value loss is recorded when the floating interest rates are lower than the fixed interest rates.