IJM CORPORATION BERHAD (104131-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended:	**31/03/2019**
Quarter:	**4th Quarter**
Financial Year End:	**31/03/2019**
The figures:	**Have been audited**
Full Quarterly Report:	**Refer attached**

Part A2 : Summary of Key Financial Information for the financial period ended 31/03/2019

		Individual Quarter		Cumulative Period	
		Current year quarter 31/03/2019 RM'000	Preceding year quarter 31/03/2018 RM'000 Restated	Current year to date 31/03/2019 RM'000	Preceding year to date 31/03/2018 RM'000 Restated
1	Revenue	1,394,930	1,355,561	5,655,661	5,965,587
2	Profit before taxation	331,622	81,535	647,988	611,061
3	Net profit for the period	266,950	16,372	440,709	378,262
4	Net profit attributable to owners of the Company	240,811	17,860	418,916	346,651
5	Basic earnings per share (sen)	6.64	0.49	11.56	9.56
6	Proposed/Declared dividend per share (sen)	2.00	3.00	4.00	6.00

		As at end of current quarter 31/03/2019	As at preceding financial year end Restated
7	Net assets per share attributable to ordinary equity holders of the Company (RM)	2.63	2.58

IJM CORPORATION BERHAD (104131-A)

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 (+/-)**
	31/03/2019 RM'000	**31/03/2018 RM'000**	**%**	**31/03/2019 RM'000**	**31/03/2018 RM'000**	**%**
Operating revenue	**1,394,930**	1,355,561	2.9%	**5,655,661**	5,965,587	-5.2%
Cost of sales	**(1,055,894)**	(1,104,920)	-4.4%	**(4,506,479)**	(4,807,627)	-6.3%
Gross profit	**339,036**	250,641	35.3%	**1,149,182**	1,157,960	-0.8%
Other operating income	**50,267**	55,690	-9.7%	**216,577**	202,026	7.2%
Foreign exchange differences	**13,499**	4,834	179.3%	**(45,696)**	(3,721)	1128.1%
Tendering, selling and distribution expenses	**(32,139)**	(17,142)	87.5%	**(123,485)**	(117,503)	5.1%
Administrative expenses	**(82,943)**	(104,597)	-20.7%	**(339,528)**	(365,614)	-7.1%
Other operating expenses	**(27,920)**	(29,276)	-4.6%	**(111,697)**	(75,352)	48.2%
Operating profit before finance cost	**259,800**	160,150	62.2%	**745,353**	797,796	-6.6%
Finance cost	**(39,780)**	(41,898)	-5.1%	**(225,103)**	(185,674)	21.2%
Operating profit after finance cost	**220,020**	118,252	86.1%	**520,250**	612,122	-15.0%
Share of profits/(losses) of associates	**111,793**	(25,809)	533.2%	**142,551**	8,242	1629.6%
Share of losses of joint ventures	**(191)**	(10,908)	98.2%	**(14,813)**	(9,303)	59.2%
Profit before taxation	**331,622**	81,535	306.7%	**647,988**	611,061	6.0%
Income tax expense	**(64,672)**	(65,163)	-0.8%	**(207,279)**	(232,799)	-11.0%
Net profit for the period	**266,950**	16,372	1530.5%	**440,709**	378,262	16.5%
Other comprehensive income / (loss) (net of tax):						
Items that will not be reclassified to profit or loss:						
Share of other comprehensive income/(losses) of associates	**-**	10		**-**	(3,449)	
Actuarial gain on defined benefit plan	**1,831**	1,643		**1,831**	1,643	
Others	**-**	(38)		**-**	(38)	
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences of foreign operations	**2,983**	(50,733)		**(4,072)**	(169,488)	
Realisation of other comprehensive losses arising from disposal of foreign subsidiary and associate	**1,667**	-		**21,740**	-	
Realisation of other comprehensive loss arising from dilution of interests in an associate	**-**	1,873		**-**	1,873	
Share of other comprehensive losses of associates	**(9,441)**	(1,327)		**(1,348)**	(19,029)	
	(2,960)	(48,572)	-93.9%	**18,151**	(188,488)	-109.6%
Total comprehensive income/(loss) for the period	**263,990**	(32,200)	-919.8%	**458,860**	189,774	141.8%
Net profit attributable to:-						
Owners of the Company	**240,811**	17,860	1248.3%	**418,916**	346,651	20.8%
Non-controlling interests	**26,139**	(1,488)	-1856.7%	**21,793**	31,611	-31.1%
	266,950	16,372	1530.5%	**440,709**	378,262	16.5%
Total comprehensive income/(loss) attributable to:-						
Owners of the Company	**237,565**	(14,145)	-1779.5%	**426,928**	209,116	104.2%
Non-controlling interests	**26,425**	(18,055)	-246.4%	**31,932**	(19,342)	-265.1%
	263,990	(32,200)	-919.8%	**458,860**	189,774	141.8%
Earnings per share (sen):-						
Basic	**6.64**	0.49		**11.56**	9.56	
Fully diluted	**6.63**	0.49		**11.55**	9.53	

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

	31/03/2019 RM'000	31/03/2018 RM'000	01/04/2017 RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	**6,099,350**	6,074,349	6,022,651
Treasury shares	**(18,070)**	(2,104)	(10)
Shares held under trust	**(1,379)**	(1,521)	(4,016)
Other reserves	**(35,922)**	(58,063)	70,273
Retained profits	**3,494,673**	3,333,834	3,263,742
	9,538,652	9,346,495	9,352,640
Perpetual sukuk of a subsidiary	**647,108**	-	-
Non-controlling interests	**1,198,661**	1,171,800	1,218,568
Total equity	**11,384,421**	10,518,295	10,571,208
NON-CURRENT LIABILITIES			
Bonds	**2,755,848**	1,910,000	1,950,000
Term loans	**1,982,960**	940,150	2,121,809
Government support loans	**92,970**	125,715	154,474
Hire purchase and lease payables	**11**	290	802
Deferred tax liabilities	**614,540**	592,643	588,471
Trade and other payables	**347,469**	541,229	542,988
Contract liabilities	**-**	155,461	158,414
Provisions	**-**	-	-
Retirement benefits	**21,831**	19,410	10,511
	5,815,629	4,284,898	5,527,469
DEFERRED INCOME	**70,355**	70,355	73,063
	17,270,405	14,873,548	16,171,740

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

	31/03/2019 RM'000	31/03/2018 RM'000	01/04/2017 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	**2,946,837**	2,753,002	2,855,864
Land use rights	**145,968**	150,668	165,831
Concession assets	**3,568,740**	3,342,386	3,097,066
Investment properties	**584,162**	498,601	68,867
Associates	**842,859**	823,540	893,096
Joint ventures	**764,503**	708,630	754,288
Available-for-sale financial assets	-	2,155	2,155
Financial assets at fair value through other comprehensive income	**3,665**	-	-
Long term receivables	**206,220**	251,352	176,699
Deferred tax assets	**371,200**	319,521	319,014
Inventories	**631,921**	663,465	514,788
Intangible assets	**102,200**	101,596	102,618
	10,168,275	9,614,916	8,950,286
CURRENT ASSETS			
Inventories	**8,236,097**	7,683,817	7,159,333
Produce growing on bearer plants	**7,750**	10,615	13,249
Trade and other receivables	**2,090,197**	1,713,724	1,777,392
Contract assets	**326,836**	280,263	274,274
Financial assets at fair value through profit or loss	**444,699**	311,079	299,164
Derivative financial instruments	**4,470**	1,055	2,909
Assets held for sale	-	124	-
Tax recoverable	**169,697**	150,041	129,329
Deposits, cash and bank balances	**1,557,953**	1,467,653	2,147,777
	12,837,699	11,618,371	11,803,427
CURRENT LIABILITIES			
Trade and other payables	**3,101,618**	2,934,322	2,360,112
Contract liabilities	**773,877**	478,213	463,233
Provisions	**2,870**	2,764	2,753
Derivative financial instruments	**4,467**	5,858	-
Borrowings:			
- Bank overdrafts	**75,753**	32,309	44,514
- Others	**1,721,215**	2,871,808	1,698,382
Current tax liabilities	**55,769**	34,465	12,979
	5,735,569	6,359,739	4,581,973
NET CURRENT ASSETS	**7,102,130**	5,258,632	7,221,454
	17,270,405	14,873,548	16,171,740
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	**2.63**	2.58	2.59

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	-----Attributable to owners of the Company-----								
	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	Perpetual sukuk RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 April 2018 (as previously reported)	**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 (see Note A2)	-	-	-	(99,670)	(42,747)	(142,417)	-	(104,611)	**(247,028)**
Effects of adoption of MFRS 9 (see Note A2)	-	-	-	(6,074)	(77,128)	(83,202)	-	-	**(83,202)**
At 1 April 2018 (as restated)	**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	-	-	-	7,120	419,808	426,928	-	31,932	**458,860**
Share of reserves in an associate	-	-	-	409	(299)	110	-	-	**110**
Issuance of employee share options and share grants	-	-	-	45,817	-	45,817	-	-	**45,817**
Transferred to retained earnings	-	-	-	(200)	200	-	-	-	**-**
Accretion of interests in a subsidiary	-	-	-	-	(274)	(274)	-	(854)	**(1,128)**
Capital distribution upon liquidation of a foreign subsidiary	-	-	-	-	-	-	-	(214)	**(214)**
Single tier second interim dividend: Year ended 31 March 2018	-	-	-	-	(108,927)	(108,927)	-	-	**(108,927)**
Single tier first interim dividend: Year ended 31 March 2019	-	-	-	-	(72,541)	(72,541)	-	-	**(72,541)**
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(21,485)	**(21,485)**
Issuance of shares by a subsidiary to non-controlling shareholders	-	-	-	-	-	-	-	17,482	**17,482**
Issuance of perpetual sukuk by a subsidiary	-	-	-	-	-	-	647,108	-	**647,108**
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	-	(15,966)	-	-	-	(15,966)	-	-	**(15,966)**
At 31 March 2019	**6,099,350**	**(18,070)**	**(1,379)**	**(35,922)**	**3,494,673**	**9,538,652**	**647,108**	**1,198,661**	**11,384,421**

	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	Perpetual sukuk RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 April 2017 (as previously reported)	6,022,651	(10)	(4,016)	175,746	3,302,903	9,497,274	-	1,319,406	10,816,680
Effects of transition from FRSs to MFRSs (see Note A2)	-	-	-	(105,473)	(39,161)	(144,634)	-	(100,838)	(245,472)
At 1 April 2017 (as restated)	6,022,651	(10)	(4,016)	70,273	3,263,742	9,352,640	-	1,218,568	10,571,208
Total comprehensive income for the period	-	-	-	(134,898)	344,014	209,116	-	(19,342)	189,774
Share of reserves in an associate	-	-	-	1,652	2,766	4,418	-	-	4,418
Dilution of interest in an associate	-	-	-	-	(1,843)	(1,843)	-	-	(1,843)
Issuance of employee share options and share grants	-	-	-	35,769	-	35,769	-	-	35,769
Accretion of interests in subsidiaries	-	-	-	-	(2,802)	(2,802)	-	1,998	(804)
Single tier second interim dividend: Year ended 31 March 2017	-	-	-	-	(163,195)	(163,195)	-	-	(163,195)
Single tier first interim dividend: Year ended 31 March 2018	-	-	-	-	(108,848)	(108,848)	-	-	(108,848)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(29,844)	(29,844)
Issuance of shares by a subsidiary to non-controlling shareholders	-	-	-	-	-	-	-	420	420
Issuance of shares:									
- exercise of employee share options	19,983	-	9,864	(6,513)	-	23,334	-	-	23,334
- vesting of shares under ESGP	24,346	-	-	(24,346)	-	-	-	-	-
- shares held under trust	7,369	-	(7,369)	-	-	-	-	-	-
Shares buy back	-	(2,094)	-	-	-	(2,094)	-	-	(2,094)
At 31 March 2018	6,074,349	(2,104)	(1,521)	(58,063)	3,333,834	9,346,495	-	1,171,800	10,518,295

	Other reserves RM'000	Retained profits RM'000	Amounts attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
At 31 March 2018 (as previously reported)	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)
At 31 March 2018 (as restated) - without the effects of adoption of MFRS 9	(58,063)	3,333,834	9,346,495	1,171,800	10,518,295

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	12 months ended 31/03/2019 RM'000	12 months ended 31/03/2018 RM'000
OPERATING ACTIVITIES		
Receipts from customers	**5,527,590**	6,185,035
Payments to contractors, suppliers and employees	**(5,201,244)**	(5,067,686)
Income tax paid	**(226,926)**	(226,422)
Net cash flow from operating activities	**99,420**	890,927
INVESTING ACTIVITIES		
Investment in associates	**(12,513)**	(51)
Subscription of Redeemable Unsecured Murabahah Stocks in an associate	**(24,870)**	(27,100)
Acquisition of financial assets at fair value through other comprehensive income	**(1,510)**	-
Acquisition of financial assets at fair value through profit or loss	**(696,894)**	(787,392)
Purchases of property, plant and equipment, development land, land use rights, investment properties, concession assets and deferred expenditure	**(796,354)**	(1,211,720)
Disposal of investments, property, plant and equipment, land use rights, investment properties and assets held for sale	**740,122**	785,964
Redemption of preference shares of an associate	**8,187**	1,020
Capital distribution to minority shareholders upon liquidation of a subsidiary	**(214)**	-
Interest received	**84,512**	87,450
Income from unit trusts	**-**	452
Dividends received from associates, joint venture and other investments	**60,246**	93,790
Net advances to associates and joint ventures	**(130,882)**	(125,450)
Net cash flow used in investing activities	**(770,170)**	(1,183,037)
FINANCING ACTIVITIES		
Issuance of shares by the Company		
- exercise of share options	**212**	23,334
Issuance of shares by subsidiaries to non-controlling shareholders	**-**	420
Re-purchase of treasury shares	**(15,966)**	(2,094)
Net (repayment of)/proceeds from bank and government borrowings	**(437,657)**	241,991
Repayments to hire purchase and lease creditors	**(598)**	(709)
Interest paid	**(341,627)**	(248,635)
Dividends paid by subsidiaries to non-controlling shareholders	**(21,485)**	(29,844)
Dividends paid by the Company	**(181,468)**	(272,043)
Net drawdown/(repayment) of Bonds	**1,065,000**	(30,000)
Proceeds from issuance of perpetual Sukuk	**647,108**	-
Net placements of restricted deposits	**(2,955)**	(5,125)
Acquisition of additional interests in a subsidiary	**(1,128)**	(804)
Net cash flow from/(used in) financing activities	**709,436**	(323,509)
Net increase/(decrease) in cash and cash equivalents during the financial year	**38,686**	(615,619)
Cash and cash equivalents at beginning of the financial year	**1,407,001**	2,077,331
Foreign exchange differences on opening balances	**5,448**	(54,711)
Cash and cash equivalents at end of the financial year	**1,451,135**	1,407,001
Cash and cash equivalents comprise the following :		
Deposits, cash and bank balances	1,557,953	1,467,653
Bank overdrafts	(75,753)	(32,309)
	1,482,200	1,435,344
Less: restricted deposits with licensed banks	(31,065)	(28,343)
	1,451,135	1,407,001

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 2018 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 2018.

The financial statements of the Group, which comprise the statement of financial position of the Group as at 31 March 2019, the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the financial year ended 31 March 2019 have been audited.

A2. Changes in Accounting Policies

For the periods up to and including the year ended 31 March 2018, the Group prepared its financial statements in accordance with the Financial Reporting Standards ("FRS"). The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 31 March 2018, except for the effects arising from the transition from FRSs to MFRSs, which are disclosed below. As such, certain comparative figures have been restated.

The interim financial report of the Group for the year ended 31 March 2019 is prepared in accordance with MFRS Framework, including MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards". Subject to certain transition elections and effects of adoption of MFRS 141 "Agriculture", MFRS 9 "Financial Instruments" and MFRS 15 "Revenue from contracts with customers" as disclosed below, the Group has consistently applied the same accounting policies in its opening MFRS balance sheet as at 1 April 2017, being the transition date, and throughout all periods presented, as if these policies had always been in effect.

<u>Transition from FRSs to MFRSs</u>:

(i) <u>MFRS 1 exemption options</u>

As provided in MFRS 1, first time adopters of MFRS can elect optional exemptions from full retrospective application of MFRSs. The Group has elected the following exemptions:

(a) Exemption for business combinations

The Group has elected to apply MFRS 3 "Business Combinations" prospectively from the date FRS 3 "Business Combinations" was adopted i.e. 1 April 2011. Business combinations that occurred prior to that date have not been restated. In addition, the Group has also applied MFRS 10 "Consolidated Financial Statements" on the same date as FRS 3. This election does not have any impact on the financial results of the Group.

(b) Property, plant and equipment – previous revaluation as deemed cost

Under FRS, valuation adjustments on certain property, plant and equipment were incorporated into the financial statements. The Group has elected to use the previous revaluation as deemed cost under MFRS. Accordingly, the carrying amounts of these property, plant and equipment as at 1 April 2017 have not been restated. The revaluation reserve of RM104.3 million as at 1 April 2017 was reclassified to retained profits.

A2. Changes in Accounting Policies (continued)

Transition from FRSs to MFRSs (continued):

(i) MFRS 1 exemption options (continued)

(c) MFRS 9 "Financial Instruments"

The Group has elected the exemption in MFRS 1 which allows the Group not to restate comparative information in the year of initial application. The Group continues to apply FRS 139 "Financial Instruments: Recognition and Measurement" and FRS 7 "Financial Instruments: Disclosure" for the comparative information. Any adjustments to align the carrying amounts of financial assets and financial liabilities under the previous FRS 139 with MFRS 9 are recognised in retained profits as at 1 April 2018.

(d) Assets and liabilities of subsidiaries, joint ventures and associates

The assets and liabilities of subsidiaries, joint ventures and associates which had adopted the MFRS Framework or International Financial Reporting Standards ("IFRS") earlier than the Group shall remain at the same carrying amounts as in the financial statements of these subsidiaries, joint ventures and associates, after adjusting for consolidation adjustments.

(e) Borrowing costs

MFRS 1 permits the application of the requirements of MFRS 123 "Borrowing costs" from the transition date or from a date earlier than the effective date of MFRS 123. The Group elected to apply this exemption from 1 April 2017. Accordingly, the Group:

(i) had not restated the borrowing cost components that were capitalised under FRS and that were included in the carrying amount of assets at that date; and

(ii) accounts for borrowing costs incurred on or after that date in accordance with MFRS 123, including those borrowing costs incurred on or after that date on qualifying assets already under construction.

The optional exemptions elected by the Group that have an impact on the reported financial positions prepared in accordance with FRSs have been applied in the opening MFRS statement of financial position as at 1 April 2017 and throughout all periods presented in the interim financial report.

(ii) Effects of adoption of Amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 141 "Agriculture"

Amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 141 "Agriculture: Bearer Plants" introduce a new category of biological assets i.e. bearer plants. A bearer plant is a living plant that is used in the production and supply of agricultural produce, is expected to bear produce for more than one period, and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Bearer plants are accounted for under MFRS 116 as an item of property, plant and equipment. Agricultural produce growing on bearer plants are measured at fair value less costs to sell under MFRS 141, with fair value changes recognised in profit or loss as the produce grows.

Prior to the adoption of the MFRS 116 and MFRS 141, all new planting expenditure incurred from land clearing, planting, field upkeep and maintenance to the point of maturity were capitalised under plantation development expenditure and were not amortised. Replanting expenditure which represents cost incurred to replant old planted areas were charged to profit or loss as and when incurred. Agricultural produce forming part of the bearer plants was not recognised and identified separately.

A2. Changes in Accounting Policies (continued)

Transition from FRSs to MFRSs (continued):

(ii) Effects of adoption of Amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 141 "Agriculture" (continued)

With the adoption of the Amendments to MFRS 116 and MFRS 141, new planting expenditure and replanting expenditure are accounted for as property, plant and equipment in accordance with MFRS 116 and measured at cost less accumulated depreciation, whereas produce growing on bearer plants within the scope of MFRS 141 are measured at fair value less costs to sell.

The adoption of the Amendments to MFRS 116 and MFRS 141 have resulted in additional depreciation on property, plant and equipment and replanting expenditure that were charged to profit or loss prior to the adoption of the Amendments to MFRS 116 and MFRS 141 being reversed and capitalised under property, plant and equipment. Changes in fair value less costs to sell of the produce growing on bearer plants are recognised in profit or loss.

(iii) MFRS 9 "Financial Instruments"

MFRS 9 replaces MFRS 139 and amends the previous requirements in three main areas: (i) classification and measurement of financial assets; (ii) impairment of financial assets, mainly by introducing a forward looking expected loss impairment model; and (iii) hedge accounting including removing some of the restrictions on applying hedge accounting in MFRS 139. The impact of MFRS 9 adoption is described below:

(a) Classification and measurement

Under MFRS 9, financial assets are classified according to their cash flow characteristics and the business model under which they are managed. The Group has categorised its financial assets as financial assets measured at amortised cost, fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("FVOCI").

The Group has made an irrevocable election to classify RM2.2 million of the Group's other investments previously classified as available-for-sale financial assets as financial assets at FVOCI. Fair value changes on other investments at FVOCI are presented in other comprehensive income ("OCI") and are not subsequently transferred to profit or loss. Upon sale of other investments at FVOCI, the cumulative gain or loss in OCI is reclassified to retained profits.

The other financial assets held by the Group which include:
- equity investments, currently measured at fair value through profit or loss will continue to be measured on the same basis under MFRS 9; and
- debt instruments, currently classified as loans and receivables and measured at amortised cost meet the conditions to be classified at amortised cost under MFRS 9.

There is no impact on the Group for financial liabilities as the new requirements only affect the accounting for financial liabilities that are designated at FVTPL and the Group does not have such liabilities. The derecognition rules have been transferred from FRS 139 "Financial Instruments: Recognition and Measurement" and have not been changed.

A2. Changes in Accounting Policies (continued)

Transition from FRSs to MFRSs (continued):

(iii) MFRS 9 "Financial Instruments" (continued)

(b) Impairment

MFRS 9 changes the recognition of impairment provision for financial assets by introducing an expected credit loss model. Upon the adoption of MFRS 9, the Group has revised its impairment methodology to include expected credit losses based on an assessment of any significant increase in credit risk for financial assets measured at amortised cost, contract assets and lease receivables at the end of each reporting period. The assessment has resulted in a decrease in retained profits with a corresponding adjustment to trade receivables as at 1 April 2018.

(c) Hedge accounting

The new accounting requirements on hedge accounting do not have any impact on the Group because the Group does not adopt hedge accounting.

The Group has elected the exemption in MFRS 1 which allows the Group not to restate comparative information in the year of initial application of MFRS 9.

(iv) MFRS 15 "Revenue from Contracts with Customers"

MFRS 15 "Revenue from contracts with customers" replaces MFRS 118 "Revenue", MFRS 111 "Construction Contracts" and related interpretations.

The Group has assessed the effects of applying the new revenue standard on the Group's financial statements and based on the analysis of the recognition of various revenue sources, no significant differences with existing accounting principles were identified except for the following:

(a) Determining the transaction price

In determining the transaction price, the Group assesses the estimated transaction price based on the most likely amount, which is not reversible in the future.

(b) Accounting for separate performance obligations arising from the sale of properties

The application of MFRS 15 resulted in the identification of various separate performance obligations which previously had been bundled as a sale of property. The performance obligations are separated if they are capable of being distinct and are distinct within the context of the contracts, such as, the provision of furniture and fittings, common facilities and any other charges paid on behalf of house buyers. Revenue will then be allocated to the respective performance obligations and recognised when controls in relation to the performance obligations have been transferred. This could affect the timing of the recognition of revenue going forward.

A2. Changes in Accounting Policies (continued)

Transition from FRSs to MFRSs (continued):

(iv) MFRS 15 "Revenue from Contracts with Customers" (continued)

(c) Timing of recognition for the sales of properties

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Control of the asset may transfer over time or at a point in time. For properties sold in accordance with the Housing Development (Control and Licensing) Act 1966 ("HDA"), control of the asset is transferred over time as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Therefore revenue from sale of properties under HDA, without a secured financing arrangement is recognised when it is probable that the Group will collect the consideration of the sale of the property to which it is entitled. Sales of properties that are not governed under HDA, will be assessed on a contract by contract basis, to establish the Group's enforceable right to payment for performance completed to date.

(d) Accounting for incremental costs of obtaining a contract

The Group's existing accounting policy is to expense off costs, such as sales commissions, in obtaining a contract. Under MFRS 15, these costs are recognised as an asset, as the Group expects to recover them.

(e) Classification of land held for property development and property development costs

Upon withdrawal of FRS 201 "Property Development Activities", land held for property development and property development costs are reclassified as inventories as these assets are in the process of production for sale. These inventories are carried at the lower of cost or net realisable value.

(f) Presentation of contract assets and contract liabilities in the statements of financial position

MFRS 15 requires separate presentation of contract assets and contract liabilities in the balance sheet. This results in some reclassifications as of 1 April 2018, which are currently included in other statement of financial position line items. Contract assets identified are mainly the right to consideration for goods or services transferred to the customers. In the case of property development and construction contracts, contract assets are the excess of cumulative revenue earned over cumulative billings to-date and contract liabilities are the obligations to transfer goods or services to the customers for which the Group or the Company has received the consideration or has billed the customers.

With the adoption of MFRS 15, revenue is recognised by reference to each distinct performance obligation in the contracts with customers. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or service promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group has applied this standard retrospectively.

A2. Changes in Accounting Policies (continued)

Transition from FRSs to MFRSs (continued):

(iv) MFRS 15 "Revenue from Contracts with Customers" (continued)

The Group has also elected the following practical expedients upon the adoption of MFRS 15:

- completed contracts that began and ended in the same comparative reporting period as well as completed contracts at the beginning of the earliest period presented, are not restated; and
- for all reporting periods presented before the date of initial application, the amount of transaction price allocated to the remaining performance obligations and an explanation of when the Group expects to recognise the amount as revenue are not disclosed.

Upon adoption of MFRS 15, property development cost and land held for property development are measured at the lower of cost and net realisable value in accordance with MFRS 102 "Inventories".

The effects of the transition from FRSs to MFRSs are as follows:

	As previously stated under FRSs	Effects of adoption of MFRS 141	Effects of adoption of MFRS 15	31 March 2018 as restated
	RM'000	RM'000	RM'000	RM'000
Condensed Consolidated Statement of Comprehensive Income				
Quarter ended 31 March 2018				
Revenue	1,398,630	-	(43,069)	1,355,561
Costs of sales	(1,104,799)	(7,153)	7,032	(1,104,920)
Other operating income	56,994	-	(1,304)	55,690
Tendering, selling and distribution expenses	(56,851)	-	39,709	(17,142)
Other operating expenses	(30,757)	1,481	-	(29,276)
Share of losses of associates	(28,511)	-	2,702	(25,809)
Share of losses of joint ventures	(15,389)	-	4,481	(10,908)
Profit before taxation	77,656	(5,672)	9,551	81,535
Income tax expense	(65,250)	(1,497)	1,584	(65,163)
Net profit for the period	12,406	(7,169)	11,135	16,372
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences of foreign operations	(54,856)	4,123	-	(50,733)
Total comprehensive income	(40,289)	(3,046)	11,135	(32,200)
Net profit attributable to:				
Owners of the Company	11,188	(3,908)	10,580	17,860
Non-controlling interests	1,218	(3,261)	555	(1,488)
Total comprehensive income/(loss) attributable to:				
Owners of the Company	(23,001)	(1,724)	10,580	(14,145)
Non-controlling interests	(17,288)	(1,322)	555	(18,055)
Earnings per share (sen):				
Basic	0.31			0.49
Fully Diluted	0.31			0.49

IJM CORPORATION BERHAD (104131-A)

A2. Changes in Accounting Policies (continued)

Transition from FRSs to MFRSs (continued):

The effects of the transition from FRSs to MFRSs are as follows (continued):

	As previously stated under FRSs	**Effects of adoption of MFRS 141**	**Effects of adoption of MFRS 15**	**31 March 2018 as restated**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Condensed Consolidated Statement of Comprehensive Income				
Year ended 31 March 2018				
Revenue	6,026,948	-	(61,361)	5,965,587
Costs of sales	(4,788,194)	(26,533)	7,100	(4,807,627)
Other operating income	208,503	-	(6,477)	202,026
Tendering, selling and distribution expenses	(182,875)	-	65,372	(117,503)
Share of profits of associates	5,540	-	2,702	8,242
Share of losses of joint ventures	(10,002)	-	699	(9,303)
Profit before taxation	629,559	(26,533)	8,035	611,061
Income tax expense	(238,870)	6,271	(200)	(232,799)
Net profit for the year	390,689	(20,262)	7,835	378,262
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences of foreign operations	(180,359)	10,871	-	(169,488)
Total comprehensive income	191,330	(9,391)	7,835	189,774
Net profit attributable to:				
Owners of the Company	349,809	(10,545)	7,387	346,651
Non-controlling interests	40,880	(9,717)	448	31,611
Total comprehensive income/(loss) attributable to:				
Owners of the Company	206,509	(4,780)	7,387	209,116
Non-controlling interests	(15,179)	(4,611)	448	(19,342)
Earnings per share (sen):				
Basic	9.65			9.56
Fully Diluted	9.62			9.53

IJM CORPORATION BERHAD (104131-A)

A2. Changes in Accounting Policies (continued)

Transition from FRSs to MFRSs (continued):

The effects of the transition from FRSs to MFRSs are as follows (continued):

	As previously stated under FRSs	Effects of adoption of MFRS 1	Effects of adoption of MFRS 141	Effects of adoption of MFRS 15	31 March 2018 As restated (after effects of transition from FRSs to MFRSs)	Effects of adoption of MFRS 9	1 April 2018 As restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Condensed Consolidated Statement of Financial Position							
As at 31 March 2018/1 April 2018							
Total Equity							
Other reserves	41,607	(104,246)	4,576	-	(58,063)	(6,074)	(64,137)
Retained profits	3,376,581	104,246	(136,337)	(10,656)	3,333,834	(77,128)	3,256,706
Non-controlling interests	1,276,411	-	(105,796)	1,185	1,171,800	-	1,171,800
Non-current liabilities							
Deferred tax liabilities	682,177	-	(89,534)	-	592,643	-	592,643
Trade and other payables	696,690	-	-	(155,461)	541,229	-	541,229
Contract liabilities	-	-	-	155,461	155,461	-	155,461
Provisions	117,087	-	-	(117,087)	-	-	-
Non-current assets							
Property, plant and equipment	1,990,135	-	762,867	-	2,753,002	-	2,753,002
Associates	829,134	-	-	(5,594)	823,540	(3,479)	820,061
Joint ventures	708,425	-	-	205	708,630	(8,490)	700,140
Available-for-sale financial assets	2,155	-	-	-	2,155	(2,155)	-
Financial assets at fair value through other comprehensive income	-	-	-	-	-	2,155	2,155
Deferred tax assets	304,147	-	7,275	8,099	319,521	-	319,521
Land held for property development	663,465	-	-	(663,465)	-	-	-
Inventories	-	-	-	663,465	663,465	-	663,465
Plantation development expenditure	1,107,848	-	(1,107,848)	-	-	-	-
Current assets							
Property development costs	6,128,340	-	-	(6,128,340)	-	-	-
Inventories	1,334,243	-	-	6,349,574	7,683,817	-	7,683,817
Produce growing on bearer plants	-	-	10,615	-	10,615	-	10,615
Trade and other receivables	1,952,313	-	-	(238,589)	1,713,724	(71,233)	1,642,491
Contract assets	-	-	-	280,263	280,263	-	280,263
Current liabilities							
Trade and other payables	3,020,359	-	-	(86,037)	2,934,322	-	2,934,322
Contract liabilities	-	-	-	478,213	478,213	-	478,213
Net assets per share attributable to owners of the Company (RM)	2.62				2.58		2.55

A2. Changes in Accounting Policies (continued)

Transition from FRSs to MFRSs (continued):

The effects of the transition from FRSs to MFRSs are as follows (continued):

	As previously stated under FRSs	Effects of adoption of MFRS 1	Effects of adoption of MFRS 141	Effects of adoption of MFRS 15	1 April 2017 As restated
	RM'000	RM'000	RM'000	RM'000	RM'000
Condensed Consolidated Statement of Financial Position (continued)					
As at 1 April 2017					
Total Equity					
Other reserves	175,746	(104,284)	(1,189)	-	70,273
Retained profits	3,302,903	104,284	(125,402)	(18,043)	3,263,742
Non-controlling interests	1,319,406	-	(101,575)	737	1,218,568
Non-current liabilities					
Deferred tax liabilities	669,456	-	(80,985)	-	588,471
Trade and other payables	701,402	-	-	(158,414)	542,988
Contract liabilities	-	-	-	158,414	158,414
Provisions	109,705	-	-	(109,705)	-
Non-current assets					
Property, plant and equipment	1,989,646	-	866,218	-	2,855,864
Associates	901,392	-	-	(8,296)	893,096
Joint ventures	754,783	-	-	(495)	754,288
Deferred tax assets	297,762	-	12,952	8,300	319,014
Land held for property development	514,788	-	-	(514,788)	-
Inventories	-	-	-	514,788	514,788
Plantation development expenditure	1,201,570	-	(1,201,570)	-	-
Current assets					
Property development costs	5,587,380	-	-	(5,587,380)	-
Inventories	1,421,961	-	-	5,737,372	7,159,333
Produce growing on bearer plants	-	-	13,249	-	13,249
Trade and other receivables	2,031,003	-	-	(253,611)	1,777,392
Contract assets	-	-	-	274,274	274,274
Current liabilities					
Trade and other payables	2,518,205	-	-	(158,093)	2,360,112
Contract liabilities	-	-	-	463,233	463,233
Provisions	10,718	-	-	(7,965)	2,753
Net assets per share attributable to owners of the Company (RM)	2.63				2.59

A2. Changes in Accounting Policies (continued)

Transition from FRSs to MFRSs (continued):

The effects of the transition from FRSs to MFRSs are as follows (continued):

	As previously stated under FRSs		Effects of transition from FRSs to MFRSs		Restated under MFRSs
	RM'000		RM'000		RM'000
Condensed Consolidated Statement of Cash Flows					
Year ended 31 March 2018					
Net cash fow from operating activities:					
Payments to contractors, suppliers and employees	(5,084,466)		16,780		(5,067,686)
Net cash flow used in investing activities:					
Purchase of property, plant and equipment, development land, land use rights, investment properties, concession assets and deferred expenditure	(1,194,940)		(16,780)		(1,211,720)

A3. Audit Report

The audit reports for the financial years ended 31 March 2019 and 31 March 2018 were not subject to any modification or qualification.

A4. Seasonality or Cyclicality 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 year ended 31 March 2019.

A6. Material Changes in Estimates

There were no major changes in estimates that have a material effect on the results for the financial year ended 31 March 2019.

A7. Debt and Equity Securities

(a) For the financial year ended 31 March 2019, the number of issued and paid-up ordinary shares of the Company was increased from 3,628,678,020 to 3,635,687,820 by way of the issuance of:-

i. 6,981,000 new ordinary shares arising from the vesting of shares under the Employee Share Grant Plan ("ESGP"); and

ii. 28,800 new ordinary shares arising from the exercise of options under the Employee Share Option Scheme ("ESOS").

(b) For the financial year ended 31 March 2019, 9,039,000 ordinary shares were repurchased in the open market at an average price of RM1.77 per share and retained as treasury shares of the Company.

There were no cancellations and repayments of debt and equity securities for the financial year ended 31 March 2019.

A8. Dividend Paid

On 27 December 2018, a single tier first interim dividend of 2 sen per share in respect of the financial year ended 31 March 2019 was paid totalling RM72,540,817.

On 20 July 2018, a single tier second interim dividend of 3 sen per share in respect of the financial year ended 31 March 2018 was paid totalling RM108,927,000.

A9. Segmental Information

	GROUP			GROUP		
	3 months ended 31/03/2019	3 months ended 31/03/2018	Change (+/-)	12 months ended 31/03/2019	12 months ended 31/03/2018	Change (+/-)
	RM'000	RM'000	%	RM'000	RM'000	%
External revenue: *						
Construction	**444,919**	543,866	-18.2%	**1,981,153**	2,327,569	-14.9%
Property development	**357,122**	284,555	25.5%	**1,427,318**	1,181,856	20.8%
Manufacturing and quarrying	**212,217**	218,274	-2.8%	**883,353**	1,054,016	-16.2%
Plantation	**164,802**	141,317	16.6%	**630,900**	747,217	-15.6%
Infrastructure	**215,688**	165,968	30.0%	**732,185**	652,099	12.3%
Investment and others	**182**	1,581	-88.5%	**752**	2,830	-73.4%
	1,394,930	1,355,561	2.9%	**5,655,661**	5,965,587	-5.2%
Inter-segment revenue:						
Construction	**105,599**	174,151	-39.4%	**533,449**	635,980	-16.1%
Property development	-	-		-	-	
Manufacturing and quarrying	**11,334**	3,391	234.2%	**44,077**	19,150	130.2%
Plantation	-	-		-	-	
Infrastructure	-	-		-	-	
Investment and others	**211,086**	11,858	1680.1%	**540,384**	485,807	11.2%
	328,019	189,400	73.2%	**1,117,910**	1,140,937	-2.0%
Profit/(loss) before taxation:						
Construction	**61,946**	41,682	48.6%	**174,392**	221,219	-21.2%
Property development	**70,020**	43,618	60.5%	**202,043**	120,687	67.4%
Manufacturing and quarrying	**14,814**	13,326	11.2%	**58,993**	82,479	-28.5%
Plantation	**16,722**	(3,788)	541.4%	**(43,306)**	50,771	-185.3%
Infrastructure	**171,438**	(19,531)	977.8%	**268,251**	122,817	118.4%
Investment and others	**(3,318)**	6,228	-153.3%	**(12,385)**	13,088	-194.6%
	331,622	81,535	306.7%	**647,988**	611,061	6.0%
Earnings before interest, tax, depreciation and amortisation:						
Construction	**79,152**	61,931	27.8%	**267,180**	289,657	-7.8%
Property development	**77,703**	38,180	103.5%	**228,525**	146,628	55.9%
Manufacturing and quarrying	**29,113**	27,094	7.5%	**114,721**	136,969	-16.2%
Plantation	**39,666**	40,177	-1.3%	**118,990**	218,911	-45.6%
Infrastructure	**245,425**	50,225	388.7%	**504,827**	353,153	42.9%
Investment and others	**(3,318)**	6,228	-153.3%	**(12,385)**	13,088	-194.6%
	467,741	223,835	109.0%	**1,221,858**	1,158,406	5.5%
Finance Cost	**(39,780)**	(41,898)		**(225,103)**	(185,674)	
Depreciation and amortisation	**(86,939)**	(100,402)		**(339,367)**	(361,671)	
Profit before taxation	**331,622**	81,535	306.7%	**647,988**	611,061	6.0%

	As at 31/03/2019	As at 31/03/2018
	RM'000	RM'000
Total Assets:		
Construction	**2,247,025**	1,735,566
Property development	**11,356,498**	10,519,040
Manufacturing and quarrying	**1,447,279**	1,461,472
Plantation	**2,255,326**	2,269,221
Infrastructure	**5,082,436**	4,627,768
Investment and others	**76,513**	150,658
Total segment assets	**22,465,077**	20,763,725
Unallocated corporate assets	**540,897**	469,562
Consolidated total assets	**23,005,974**	21,233,287

A9. Segmental Information (continued)

* Included in revenue from external customers are revenue from contract with customers of RM5,606,662,000 for financial year ended 31 March 2019 (31 March 2018: RM5,910,816,000). The timing of revenue recognition for revenue from contract with customers are 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
3 months ended 31/03/2019							
Timing of revenue recognition:							
- At a point in time	2,548	100,757	205,413	164,782	(188,814)	-	284,686
- Over time	442,371	265,081	6,098	20	376,016	52	1,089,638
	444,919	365,838	211,511	164,802	187,202	52	1,374,324
12 months ended 31/03/2019							
Timing of revenue recognition:							
- At a point in time	19,418	606,524	865,535	630,880	-	-	2,122,357
- Over time	1,961,735	820,764	14,580	20	687,129	77	3,484,305
	1,981,153	1,427,288	880,115	630,900	687,129	77	5,606,662
3 months ended 31/03/2018							
Timing of revenue recognition:							
- At a point in time	9,183	148,035	215,884	141,258	(171,149)	-	343,211
- Over time	534,683	136,235	1,411	59	597,969	2,078	1,272,435
	543,866	284,270	217,295	141,317	426,820	2,078	1,615,646
12 months ended 31/03/2018							
Timing of revenue recognition:							
- At a point in time	31,899	526,151	1,028,911	747,158	-	-	2,334,119
- Over time	2,295,670	654,525	20,379	59	603,986	2,078	3,576,697
	2,327,569	1,180,676	1,049,290	747,217	603,986	2,078	5,910,816

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 2018.

A11. Changes in the Composition of the Group

During the financial year, the following changes in composition were effected:

(i) On 23 May 2018, Industrial Concrete Products Sdn Bhd, which is a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary known as IJM IBS Sdn Bhd. This incorporation has no material impact on the financial results of the Group for the Financial Year 2019.

(ii) On 5 October 2018, the Company made an announcement on members' voluntary winding-up of a dormant subsidiary, Sheffield Enterprise Sdn Bhd ("SESB"). SESB is a 90%-owned subsidiary of the Company via IJM Land Berhad. This winding-up has no material impact on the financial results of the Group for the Financial Year 2019.

A11. Changes in the Composition of the Group (continued)

(iii) On 23 October 2018, ICPB (Mauritius) Limited, a wholly-owned subsidiary of the Company via ICP Investments (L) Limited and Industrial Concrete Products Sdn Bhd, entered into a share purchase agreement to dispose 32,083,669 ordinary shares of Indian Rupees (INR) 10 each, representing 99.99% of the issued and paid-up share capital of IJM Steel Products Private Limited to Pravan Holdings LLP and Highworth Holdings LLP in equal proportion for a total consideration of INR63,999,998 (which is equivalent to RM3.6 million). The disposal resulted in losses of approximately RM2.7 million to the Group for the Financial Year 2019.

(iv) On 26 November 2018, CIDB Inventures Sdn Bhd ("CIDBI"), a wholly-owned subsidiary of the Company exercised its rights pursuant to a Shareholders Agreement dated 26 October 2015 to dispose 81,000,000 ordinary shares in Swarna Tollway Private Limited ("STPL") to MAIF Investments India 3 Pte Ltd, representing the remaining 30% issued and paid-up share capital of STPL, for a total consideration of INR2,419.43 million (which is equivalent to RM140.3 million). The disposal of the remaining stake resulted in reversal of the previously recognised equity accounted profits and foreign exchange differences of approximately RM41.4 million to the Group for the Financial Year 2019.

A12. Contingent Liabilities

The changes in contingent liabilities are summarised as follows:-

	RM'000
Balance as at 31 March 2018	5,188
- Exchange differences	(44)
Balance as at 31 March 2019	5,144

A13. Capital Commitments

Capital commitments not provided for in the financial statements as at 31 March 2019 are as follows:

	RM'000
Approved and contracted for	1,500,496
Approved but not contracted for	84,376
	1,584,872
Analysed as follows:	
- Purchases of property, plant and equipment and land use rights	193,144
- Purchases of development land	16,127
- Concession assets	1,346,275
- Investment properties	29,326
	1,584,872

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.

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 RM1,394.93 million, an increase of 2.9% over the corresponding quarter of the preceding year, following higher revenues contributed by the Group's Property Development, Plantation and Infrastructure divisions. The Group also recorded a pre-tax profit for the current quarter of RM331.62 million, a growth of 306.7% over the corresponding quarter of the preceding year, mainly due to improved earnings posted by the Group's Construction, Property Development, Manufacturing & Quarrying, Plantation and Infrastructure divisions.

For the current year ended 31 March 2019, the Group posted an operating revenue of RM5,655.66 million, a decrease of 5.2% over the preceding year, mainly due to lower revenue contributed by the Group's Construction, Manufacturing & Quarrying and Plantation divisions. The Group's pre-tax profit for the current year totalled RM647.99 million, a growth of 6.0% compared to the preceding year, mainly due to higher earnings achieved by the Group's Property Development and Infrastructure divisions.

Further analysis of the divisional performances is given below.

Operating Segment	Commentary
Construction	Revenue for the current quarter and year ended 31 March 2019 declined by 18.2% and 14.9% respectively compared to the corresponding period of the preceding year as newer projects have yet to reach optimal construction phase. However, higher construction margins as well as increased contribution from jointly controlled entities in the current quarter resulted in pre-tax profit improving by 48.6% over the corresponding quarter of the preceding year. For the current year ended 31 March 2019, pre-tax profit declined by 21.2% following lower construction revenue as well as an unrealised foreign exchange loss of RM9.7 million in relation to US Dollar denominated borrowings in the current year as compared to an unrealised foreign exchange gain of RM10.8 million in the preceding year.
Property development	Current quarter revenue and pre-tax profit increased by 25.5% and 60.5% respectively compared to the previous year's corresponding quarter. The revenue and pre-tax profit for the current year was also 20.8% and 67.4% higher as compared to the preceding year. The improved financial results were mainly due to the higher sales recorded, higher work progress as well as the disposal of certain parcels of commercial land during the year.
Manufacturing and quarrying	Current quarter revenue and pre-tax profit decreased by 2.8% and increased by 11.2% respectively compared to the previous year's corresponding quarter with improved margins recorded by the piles and ready-mixed concrete sectors. Revenue and pre-tax profit for the year was lower by 16.2% and 28.5% respectively compared to the previous year's corresponding period. These were mainly due to lower sales volumes and margins in the piles and quarrying sectors.

B1. Detailed Analysis of Performance of all Operating Segments (cont'd)

Operating Segment	Commentary
Plantation	Revenue and pre-tax profit for the current quarter increased by 16.6% and 541.7% respectively compared to the corresponding quarter of the preceding year mainly due to higher CPO sales volume and net unrealised foreign exchange gain of RM9.7 million for the current quarter as compared to unrealised foreign exchange loss of RM10.8 million in the corresponding quarter of the preceding year. Revenue for the current year however decreased by 15.6% compared to the preceding year mainly due to lower commodity prices. The pre-tax loss of RM43.3 million for the year was mainly attributable to the lower commodity prices, compounded by the production cost pressure in the Malaysian operations and also the increase in young mature areas in the Indonesian operations incurring full plantation maintenance costs and overhead set against the start-up crop yield. The Division's results were also affected by the net unrealised foreign exchange loss of RM25.8 million on the US Dollar denominated borrowings for the current year as compared to the unrealised foreign exchange loss of RM23.7 million in the preceding year.
Infrastructure	Revenue for the current quarter and year increased by 30.0% and 12.3% respectively 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 61% in the current quarter and 20% in the current year compared to the corresponding period of the preceding year. The Group's wholly-owned toll concessions in Malaysia also contributed to revenue growth in the current year compared to 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 RM171.4 million from a pre-tax loss of RM19.5 million recorded in the previous year's corresponding quarter. The Division's pre-tax profit for the current year also increased to RM268.3 million from RM122.8 million recorded in the preceding year mainly due to higher contributions from the Group's local tolls as well as toll concession investment in Argentina.

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

The Group's pre-tax profit increased to RM331.6 million compared to RM177.3 million posted in the immediate preceding quarter mainly due to higher contributions from the Group's Construction, Property Development, Plantation and Infrastructure divisions.

B3. Prospects for the Coming Financial Year

The Group's Construction division expects a satisfactory performance based on an outstanding order book of RM7.8 billion, underpinned by the expected implementation of on-going projects.

The local property market is expected to remain challenging although consumer sentiments have improved. The key issues of price affordability, the overhang of high priced properties, rising costs 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 unbilled sales of about RM2.1 billion, the division is expected to maintain a satisfactory performance in the coming financial year.

Given the competitive operating environment both domestically and overseas, the Group's Industry division expects to maintain its performance in the coming financial year.

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

Other than Grupo's one-off recognition in this year, the Group's toll and port operations are expected to continue to provide recurrent revenue streams as existing concessions mature thereby further enhancing the earnings of the Group's Infrastructure division.

Notwithstanding the above stated factors, given the constantly changing business environment, the Group expects the coming financial year to continue to be challenging.

B4. Profit Forecast

Not applicable.

B5. Taxation

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

	INDIVIDUAL QUARTER 3 MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD 12 MONTHS ENDED 31 MARCH	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Malaysian income tax	101,947	72,698	236,220	216,711
Overseas taxation	(2,936)	13,396	717	13,235
Deferred taxation	(34,339)	(20,931)	(29,658)	2,853
	64,672	65,163	207,279	232,799

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 31 March 2019, there were no outstanding corporate proposals.

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B7. Group Borrowings

Particulars of the Group’s borrowings as at 31 March 2019 are as follows:

	As at 31/03/2019 RM'000
(a) (i) Short Term Borrowings	
Secured:-	
- Islamic bonds	55,000
- Term loans	80,834
- Hire purchase and lease payables (included in trade and other payables)	278
- Revolving credits	107,091
- Bank overdrafts	550
- Government support loans (included in trade and other payables)	6,951
Unsecured:-	
- Islamic bonds	200,000
- Government support loans (included in trade and other payables)	26,153
- Term loans	505,381
- Revolving credits	543,392
- Revolving loans	183,578
- Bankers' acceptances	35,367
- Letters of Credit	10,572
- Bank overdrafts	75,203
	1,830,350
(ii) Long Term Borrowings	
Secured:-	
- Islamic bonds	1,455,848
- Hire purchase and lease payables	11
- Term loans	936,257
- Government support loans	66,249
Unsecured:-	
- Islamic bonds	1,300,000
- Government support loans	26,721
- Term loans	1,046,703
	4,831,789

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	312,475	1,273,822
Indian Rupee	6,374,915	375,483
Chinese Yuan	58,550	35,364
Japanese Yen	5,247,200	192,933
Pound Sterling	71,649	381,818
		2,259,420

B8. Changes in Material Litigation

There was no material litigation since 31 March 2018.

B9. Dividends

The Company has declared a single tier second interim dividend in respect of the financial year ended 31 March 2019 of 2 sen per share to be paid on 19 July 2019 to every member who is entitled to receive the dividend at the close of business on 28 June 2019.

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.

In respect of the financial year ended 31 March 2018, a single tier first interim dividend of 3 sen per share was paid on 28 December 2017 and a single tier second interim dividend of 3 sen per share was paid on 20 July 2018.

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B10. Earnings per Share

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	31/03/2019 RM'000	31/03/2018 RM'000	31/03/2019 RM'000 Audited	31/03/2018 RM'000
Basic Earnings per share:-				
(a) Net profit for the period attributable to owners of the Company	240,811	17,860	418,916	346,651
(b) Weighted average number of ordinary shares ('000)	3,625,856	3,628,640	3,624,337	3,625,719
Basic Earnings per share (sen)	**6.64**	**0.49**	**11.56**	**9.56**
Diluted Earnings per share:-				
(a) Net profit for the period attributable to owners of the Company	240,811	17,860	418,916	346,651
(b) Weighted average number of ordinary shares ('000)	3,625,856	3,628,640	3,624,337	3,625,719
Effect of dilution ('000) - Employee share options and share grants	3,764	6,669	3,764	11,084
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	3,629,620	3,635,309	3,628,101	3,636,803
Diluted Earnings per share (sen)	**6.63**	**0.49**	**11.55**	**9.53**

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**
	31/03/2019 RM'000	**31/03/2018 RM'000**	**31/03/2019 RM'000**	**31/03/2018 RM'000**
			Audited	
Interest income	**19,832**	33,193	**108,219**	118,172
Other income (including investment income)	**18,578**	14,911	**83,904**	69,314
Interest expense	**(39,780)** *	(41,898) *	**(225,103)** *	(185,674) *
Depreciation and amortisation	**(86,939)**	(100,402)	**(339,367)**	(361,671)
Net (allowance)/reversal of impairment of receivables	**(6,475)**	2,141	**(3,276)**	1,155
Net gains/(losses) on disposal of investments or properties	**18,722**	1,593	**(21,301)**	3,221
Net allowance of impairment of assets	**(3,173)**	(1,065)	**(3,477)**	(2,825)
Net foreign exchange gains/(losses)	**13,499**	4,834	**(45,696)**	(3,721)
Net (losses)/gains on derivatives	**(2,759)**	(5,657)	**4,777**	(4,886)
** Includes unrealised foreign exchange gains/(losses) incurred by the Plantation division classified under Finance Cost*	**7,211**	(10,619)	**(25,923)**	(23,460)

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.

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 31 March 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 31/03/2019 (metric tonnes)	Notional value outstanding as at 31/03/2019 (RM'000)	Fair value as at 31/03/2019 (RM'000)
- **Less than 1 year**	21,000	50,401	4,470
- **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 31 March 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 31/03/2019 (USD'000)	Notional value outstanding as at 31/03/2019 (RM'000)	Fair value as at 31/03/2019 (RM'000)
- **Less than 1 year**	45,000	187,708	(4,467)
- **1 year to 3 years**	-	-	-
- **More than 3 years**	-	-	-

(c) Forward foreign exchange contracts

The Group enters into Forward Foreign Exchange contracts offered by certain reputable banks in Malaysia to purchase US Dollars at a predetermined exchange rate for settlement at a predetermined time in the future, thus hedging the USD/MYR currency risk.

As at 31 March 2019, there are no outstanding forward foreign exchange contracts.

B13. Fair value changes of derivative financial instruments

The Group recognised a total net fair value gain on derivative financial instruments of RM4.78 million during the current financial year. The details are as follows:

Type of derivative	Current quarter fair value gains/(losses) RM'000	Current year fair value gains/(losses) RM'000	Basis of fair value measurement	Reasons for the gains/(losses)
Crude palm oil ("CPO") pricing swap contracts	(40)	7,530	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 has dropped below the contracted prices.
Cross currency swap contracts	(2,719)	(5,133)	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.
Forward foreign exchange contracts	-	2,380	Exchange rate differentials between the market spot rate and the contracted rate between USD and MYR.	The market spot rate for USD against the MYR has risen above the contracted rate.