IJM CORPORATION BERHAD

ANNUAL REPORT **2019**

Delivering Inspired Solutions

Leveraging on IJM's core strengths, we are jumpstarting a dynamic future by delivering inspired solutions in the way we do our business. This is spearheaded by Group-wide digitalisation initiatives, focus on uplifting the potential of our human resource, and a brand rejuvenation exercise. We are harnessing our people's new ideas, new thinking and energised approach to execute innovative strategies and solutions that will keep us in the lead in a changing marketplace.

IJM CHARTER

- Quality Products & Services
- Trusted Client Relationships
- Safety, Health & Environment
- Employee Welfare
- Social Responsibility
- Good Corporate Governance
- Maximising Stakeholder Returns
- Ethical Conduct

VISION

Our vision is to become a leading Malaysian conglomerate in the markets we serve.

MISSION

Our mission is to deliver sustainable value to our stakeholders and enrich lives with the IJM Mark of Excellence.

CORE VALUES

At IJM, we are guided by a set of core values in everything we do. These values form an integral part of our corporate culture, which is geared towards long-term success:

INTEGRITY

We act with professionalism in everything we do and with everyone we deal with, always delivering on our promise.

TEAMWORK

We work, collaborate and succeed in unity, believing and trusting each other in pursuing our shared goals. We embrace a philosophy of openness in acknowledging differences of opinions, cultures and contributions among all team members, treating all with respect.

INNOVATION

We believe in continuous improvements, always exploring new ideas and promoting creative thinking. We commit passionately to excel at all we do, constantly striving to push the limits and surpass standards of excellence at every opportunity.

CUSTOMER FOCUS

We place our customers at the heart of everything we do, constantly delivering at the right time with high quality and great attitude. We relentlessly rise to exceed customers' expectations with the IJM Mark of Excellence.

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Scan this to view our Annual Report online. Our Annual Report, financial and other information about IJM Corporation Berhad can also be found at **www.ijm.com**

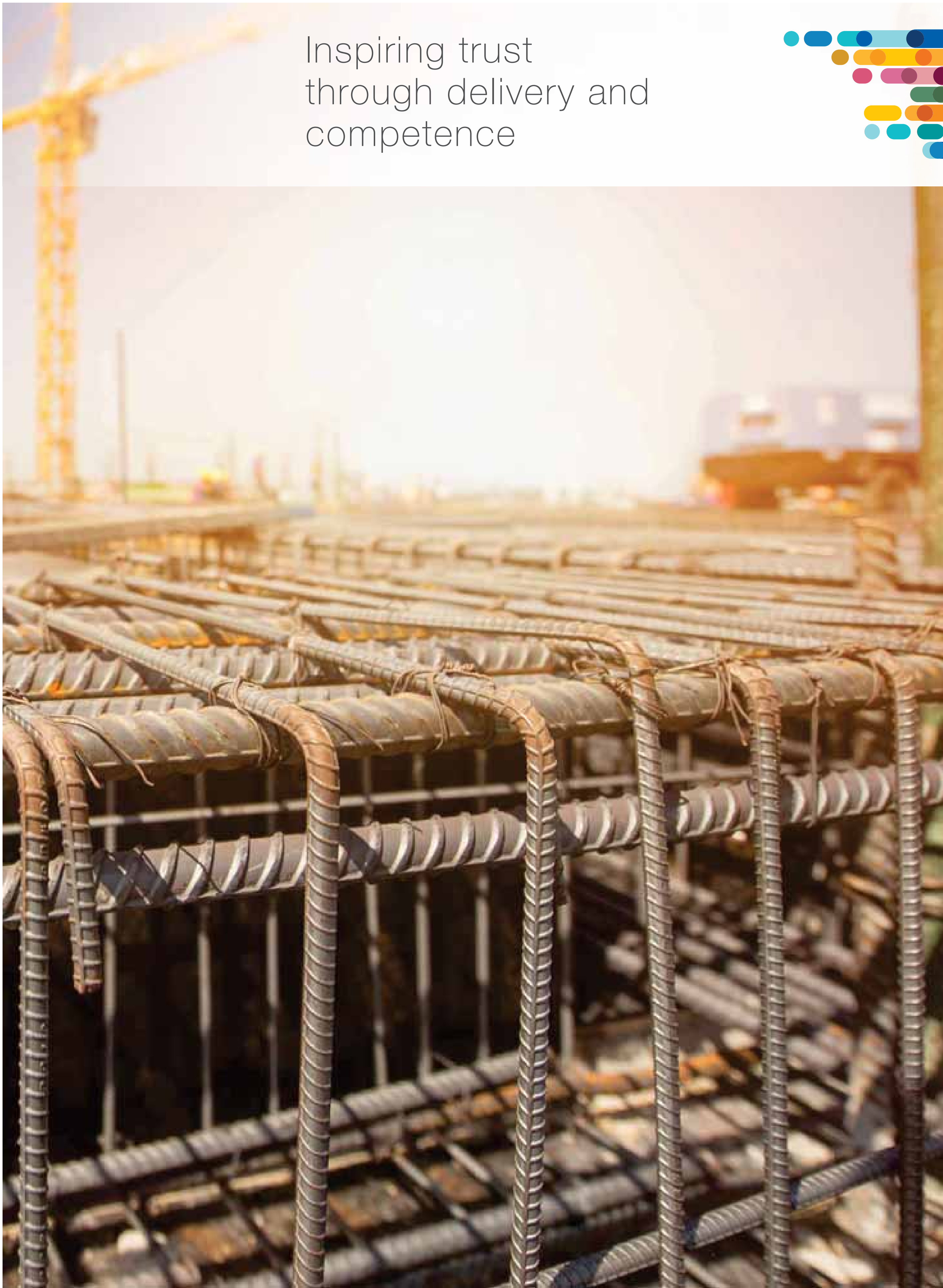
35TH ANNUAL GENERAL MEETING IJM CORPORATION BERHAD

Wednesday, 28 August 2019, 3.00pm

Victorian Ballroom
Level 1, Holiday Villa Hotel & Suites Subang
9 Jalan SS12/1, 47500 Subang Jaya
Selangor Darul Ehsan, Malaysia

1 FRAMEWORK & COMMITMENTS

Inspiring trust through delivery and competence



OUR GLOBAL PRESENCE

Headquartered in Selangor, Malaysia, IJM's international aspirations have seen it establish a presence in 10 countries, with primary focus in Malaysia, India, China and Indonesia.

IJM's growth over the past three and a half decades has been the result of its unwavering focus on its core competencies, diversification into strategically related businesses and selective expansion into new markets.

Legend:

Construction

Property

Industry

Plantation

Infrastructure


Middle East
Pakistan
China
India
Vietnam
Singapore
Indonesia
Malaysia

CORPORATE PROFILE

IJM Corporation Berhad ("IJM") is a leading Malaysian conglomerate and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). Its core business activities encompass construction, property development, manufacturing and quarrying, infrastructure concessions and plantations.

IJM was formed in 1983 as a result of a merger between three medium-sized local construction companies – IGB Construction Sdn Bhd, Jurutama Sdn Bhd and Mudajaya Sdn Bhd – to compete more effectively against bigger foreign contractors in Malaysia at the time. In the years following its formation, the Company quickly established itself as a professionally managed construction group and rapidly gained market acceptance. During this time, the Company progressively built on its delivery capabilities, competitive prowess and financial capacity to strengthen its footing as a reputable local contractor.

In April 2007, IJM acquired the Road Builder Group ("RBH"), its nearest competitor, to augment its position as one of the country's biggest builders. In addition to bolstering its construction order book, property land bank and infrastructure portfolio, the enlarged Group enabled IJM to attain considerable synergistic benefits, greater local prominence as well as possess a more sizeable balance sheet to bid for larger jobs and facilitate its expansion into overseas markets.

The residents-only clubhouse at Sherwood, Granview, Selangor

Puteri Cove Residences, Nusajaya, Johor

IJM's undertaking as a property developer began as a natural progression from its experience in the construction business. The Group's property arm, led by IJM Land Berhad, has since grown considerably and has emerged as one of the largest property developers in Malaysia with sprawling townships, commercial buildings and high-rise condominiums under development in key growth areas throughout the country. Besides establishing itself as a reputable township developer in India, IJM has also successfully undertaken overseas ventures in Orlando, USA, Singapore and Australia. Current overseas developments include projects in London and China.

Initially supporting in-house needs, the Group's Industry Division grew its operations into scalable core activities focused on catering to demand from outside the Group. IJM continued to expand this division with strategic acquisitions such as the takeover of Industrial Concrete Products Berhad in 2004 and successful market diversifications into China and India.

Leveraging on its construction expertise, the Group also owns and operates infrastructure concessions to create long-term recurrent income streams. Initial advancements into concession assets in Malaysia, however, proved elusive and an international focus was adopted. IJM's involvement in overseas infrastructure privatisation Build Operate-Transfer schemes met with considerable success. Amongst the Group's present investments in major overseas infrastructure projects are the Western Access Tollway in Argentina, three tolled highways and the Gautami power plant in India, and the Binh An water treatment concession in Vietnam. In Malaysia, the Group owns and operates the New Pantai Expressway, BESRAYA and LEKAS expressways as well as the Kuantan Port. IJM also owns a stake in the West Coast Expressway that is currently being constructed. The Group has invested in and profitably sold several infrastructure assets in China and India.

ICP piles used in the Sandisk Factory, Penang

Aerial view of Excellent Challenger 2 Estate

BESRAYA Highway

The Group ventured into oil palm plantations in 1985 as a source of steady income to cushion the cyclical nature of its core construction business. Now listed on the Main Market of Bursa Securities, IJM Plantations Berhad has contributed significantly to the Group's earnings over the years and has also accorded the Group better resilience to weather macroeconomic and input costs volatilities. It is currently expanding its plantation operations into Indonesia.

IJM IN THE NEWS

IJM Plantations' long-term growth prospects seen to be positive

IJM Plantations Bhd (Feb 8, RM1.80)

Maintain sell with a lower get price (TP) of RM1.04 met up with the chief fina officer (CFO) & executive d tor of IJM Plantations Bhd (I recently. Management exp cost of production to ea FY20 driven by higher yiel

However, we believe cost of production woul main relatively high. In fac see potential risk of low f fruit bunch (FFB) produc in FY20.

No major rerating cata to drive the share price pe mance in the near term.

As such, we reiterate our recommendation on IJMP

IJM RM2b FY19 job target likely to be from other building works

IJM Corp Bhd (Sept 7, RM1.80)

Building Work) at the Tun Exchange for a total value 505 million. The constructi riod is for 26 months wi pected completion by the quarter of 2020.

The job win is IJM's fir nounced job win of financi 2019 (FY19), lifting its out ing order book to an estim RM9.3 billion (based on out ing order book of RM8.8 bil of end-June 2018). Assum 8% pre-tax margin, we est a net profit contribution of million (85 sen earnings per over the construction peric FY21. We make no change earnings forecasts having in for RM1 billion of new cor

5 keluarga miskin terima sumbangan dari IJM Land Berhad

MAJOR BOOST

IJM Corp Bhd's construction order book has ballooned to more than RM9 billion, following a RM505 million job win by a wholly-owned unit yesterday. IJM Construction was awarded a superstructure contract for Affin Bank's new 47-storey headquarters at the Tun Razak Exchange.

CONSTRUCTION PROJECT

IJM ORDER BOOK EXCEEDS RM9B

Unit bags RM505 Affin Bank's new

IJM Corp's order book, unbilled sales seen supporting FY19-FY21 earnings

IJM Corp Bhd (Aug 29, RM1.90)

a lower target 2.45: IJM Corp ults for the first ended June 30, e below expec- to an unreal- ige (forex) loss

... presented a 3% rebound on-quarter (q-o-q), main- en by higher property de- ent revenue.

up profit before tax (PBT) d 45% y-o-y to RM103 mil- 1QFY19 due to lower con- on (-29% y-o-y), industry y-o-y) and infrastructure y-o-y) earnings, while its ion arm contributed a loss 6 million.

ough construction revenue clined 1% y-o-y, PBT was ainly due to unrealised fo- es. Similarly, its plantation s also hit by unrealised forex on US dollar-denominated ings, while crude palm oil prices were also lower.

roperty arm was the star ner as PBT jumped 87% y-o-y and 94% q-o-q to RM45 million for 1QFY19 (it was the highest contributor at 44% of group PBT), driven by higher revenue (+14% y-o-y) and a better PBT margin of 13.4% for 1QFY19, compared with 8.2% for 1QFY18 and 7.4% for 4QFY18.

Its property arm was the star performer for 1QFY19.

M's high remaining order k of RM8.8 billion and un- d sales of RM2 billion will ort construction and proper- rnings for FY19 to FY21. We expect higher fresh fruit bunch production to drive a plantation earnings turnaround in subsequent quarters.

We have trimmed our core earnings per share forecasts by 1%-2% for FY19-FY21 to reflect lower plantation contributions. We reiterate our "buy" call with a lower 12-month TP of RM2.45 from RM2.54, based on a 10% discount to revalued net asset value (RNAV).

We have revised down our RNAV per share estimate to RM2.73 from RM2.82 to reflect lower plantation valuation. IJM remains our top large-cap sector "buy". Key downside risks include slower property sales and government policy risk to its toll road concessions. — *Affin Hwang Capital, Aug 29*

IJM Plantations' Malaysia FFB output seen to rise from October

IJM Land plans to launch RM1.7b worth of properties in FY2020

IJM sees better performance from construction division in mid-2019

KUALA LUMPUR: IJM Corp Bhd ...

... lines of the Pantai Sentral Park Interchange launching ceremony here yesterday.

The launching ceremony was officiated by Deputy Works Minister Mohd Anuar Mohd Tahir. Also present was Malaysian Highway ...

However, the local property market was expected to remain challenging as the key issues of price affordability, overhang in high-rise residences, rising cost of living and tight financing would continue to have a dampening effect, he said.

For the second quarter ended Sept 30, 2018 IJM Corp reported an 80.8% drop in net profit to RM21.92mil due to weaker earnings posted by all its major divisions compared with RM114.23mil a year ago.

The group's construction, property development, manufacturing and quarrying, plantations and infrastr... weaker ... Soam ...

... currencies recently, we are already seeing an improvement of RM70mil-RM80mil to our bottom line," he added.

For the plantation sector, Soam said it is now in a very challenging period due to high inventory and the fall in crude palm oil prices but he believed the prices would rebound in the first quarter of next year after the peak crop season has tapered off.

On the new 2.8km Pantai Sentral Park Interchange launched yesterday, he said it was fully funded by the group at a cost of RM98mil as part of its corporate social responsi-

Untung bersih IJM Corp RM93.42 juta

KUALA LUMPUR: Keuntungan bersih IJM Corporation Bhd (IJM Corp) pada suku berakhir 31 Disember 2018 meningkat kepada RM93.42 juta berbanding RM93.39 juta yang dicatatkan semasa suku ketiga 2018.

Perolehan, bagaimanapun, merosot kepada RM1.51 bilion daripada RM1.55 bilion berikutan pendapatan yang lebih rendah daripada segmen pembinaan, perkilangan, kuari dan perladangan.

Syarikat itu dalam satu makluman kepada Bursa Malaysia hari ini berkata perolehan daripada segmen pembinaan susut 16.8 peratus dari tahun ke tahun pada suku ketiga 2019, memandangkan banyak projek baharunya masih belum mencapai fasa pembinaan yang optimum.

Hasil daripada sektor perkilangan dan segmen kuari juga berkurangan sebanyak 15.1 peratus dari tahun ke tahun, sebahagian besarnya disebabkan oleh jumlah jualan dan margin yang lebih rendah.

Menurut IJM Corp ... tahun ke tahun pada ... sawit dan harga ...

Sementara itu, ... tahun, berikutan ... konsesi pelabuhan ...

IJM Amona发展合建 ... 27.5万

CONSOLIDATION PHASE

IJM UPBEAT ON CONSTRUCTION DIVISION

Firm expects better performance starting from second half of next year

IJM Land半马义跑接受报名，8月4举行名额1万人

IJM Corp shares up on positive news

The two firms to benefit from resumption of bauxite mining activities

By GANESHWARAN KANA

PETALING JAYA: ... and IJM Corp Bhd ... benefit from the government's decision to allow the ... bauxite mining and ... ties in Pahang, according to Hwang Capital Research.

The positive impact ... tinuation of bauxite export activities on ... earnings would depend ... the mining activities, said the research house.

Affin Hwang Capital anticipates the ... resumption in the ... "a relief rally on both short term".

IJM Plantations expects FFB yield to improve in FY19, FY20

IJM's track record seen helping it to get jobs

AWARDS & ACCOLADES

Putra Brand Awards 2018 – Property Development Category (Silver)

High QLASSIC Achievement Awards 2018

StarProperty.my Awards 2018 – All-Star Award: Top Ranked Developer of the Year

Graduates' Choice Award 2018 – Top 10 Best Employer Brands in the Real Estate/ Property category

Malaysian Construction Industry Excellence Awards (MCIEA) 2018 – Best Project Award for Major Project (Building)

Highest QLASSIC Achievement Awards 2019

High QLASSIC Achievement Awards and Best QLASSIC Achievement Awards 2018

The Edge Malaysia Property Excellence Awards 2018 – Top 10 Property Developers Awards (#2)

National Annual Corporate Report Awards (NACRA) Industry Excellence Awards 2018

Master Builders Association Malaysia (MBAM) Long Service Awards 2018 – Jade Service Award for 30 years of service

Construction Industry Development Board (CIDB) – 5-Star SCORE Rating Award

BCI Asia Top 10 Developer Awards (Malaysia)

Royal Institution of Surveyors Malaysia (RISM) Awards 2018 – Outstanding Contribution Towards Sustainability

Property Insight Prestigious Developer Awards 2018 – Top 10 Developers Award

CIMB-Principal Corporate PRS Conference 2018 – Highest AUM for Large Corporation

In our pursuit for excellence, we are honoured to have been recognised for our industry leadership, corporate and community stewardship as well as for having a dynamic workplace culture.

Here is an overview of our awards and accolades that showcases our track record and performance in the sectors that we operate in.

CONSTRUCTION

- **Royal Institution of Surveyors Malaysia (RISM) Awards 2018**
  - Outstanding Contribution Towards Sustainability Award
- **Master Builders Association Malaysia (MBAM) Long Service Awards 2018**
  - Jade Service Award for 30 years of service
- **Construction Industry Development Board (CIDB)**
  - 5-Star SCORE Rating Award in 2018 and 2016
- **Malaysia Canada Business Council (MCBC) 25th Anniversary Business Excellence Awards**
  - Excellence Through Quality Award
- **RAM Ratings Blueprint Awards**
  - Project Finance Landmark Deal in 2015
- **PAM Awards for Excellence in Architecture**
  - Silver Award in Public and Institutional Category (SOCSO Rehabilitation Centre) in 2015
- **Utusan Business Awards**
  - Industry Excellence in Construction Sector in 2015
- **National Occupational Safety and Health Award (OSH) Construction Category for Puteri Cove Residences, Johor in 2017 and The Light Collection IV in 2014**
- **Malaysian Construction Industry Excellence Awards (MCIEA) by CIDB**
  - Best Project Award for Major Project (Building) in 2018, 2016, 2015, 2013
  - Builder of the Year Award in 2015, 2002 and 2001
  - Best Infrastructure Project for Major Project in 2016
  - Contractor of the Year Award in 2012 and 2009

PROPERTY

- **Putra Brand Awards**
  - Property Development Category (Silver) in 2018
  - Property Development Category (Bronze) in 2017
- **Property Insight Prestigious Developer Awards**
  - Top 10 Developers Award in 2018, 2017, 2016 and 2015
- **StarProperty.my Awards**
  - All-Star Award: Top Ranked Developer of the Year and The Poseidon Award Category (Excellence) Best Waterfront Development for The Light Waterfront Penang in 2018
  - All-Star Award: Top Ranked Developer of the Year, The Family-Friendly Award (Excellence) for Seremban 2, The Skyline Award (Excellence) for Seri Riana Residence and StarProperty.my Readers' & Voters' Choice Award in 2017
  - All-Star Award: Top Ranked Developer of the Year, The Family-Friendly Award (Excellence) for Bandar Rimbayu, and The WOW Award (Excellence) for The Light Waterfront Penang in 2016
- **The Edge Malaysia Property Excellence Awards**
  - Top 10 Property Developers Awards in 2018, 2017, 2016 and 2015
  - Property Development Excellence Award for Seremban 2 in 2016
  - Notable Property Achievement Award for The Light Waterfront Penang in 2015
- **BCI Asia Top 10 Developer Awards (Malaysia)**
  - in 2018, 2016, 2015 and 2014
- **Construction Industry Development Board (CIDB) QLASSIC Excellence Awards**
  - Highest QLASSIC Achievement Awards for Saujana Duta Phase 2L in 2019
  - High QLASSIC Achievement Awards and Best QLASSIC Achievement Awards for Residential, Category B (Project Value RM20 mil – RM100 mil) for Seri Riana Residence Phase 2B in 2018
  - High QLASSIC Achievement Awards for The Light Collection III, Seri Riana Residence, De'Bunga Residensi, Saujana Duta and the Fairway Golf Villas at Sebana Cove, and Best QLASSIC Achievement Award in the small (less than RM20 million) residential category for De'Bunga Residensi in 2017
- **FIABCI World Prix D'Excellence Awards**
  - World Gold in Master Plan Category for Bandar Rimbayu in 2017
  - World Silver in Master Plan Category for The Light Waterfront Penang in 2015
- **FIABCI Malaysia Property Awards**
  - Master Plan Category Winner for Bandar Rimbayu in 2016 and The Light Waterfront Penang in 2014
- **International Property Awards (Asia Pacific) 2015**
  - Highly Commended for Condominium Malaysia for Seri Riana Residence and Architecture Multiple Residence Malaysia for DeBunga Residensi
- **MIP Planning Excellence Awards 2016**
  - Place Making and Public Space Award for The ARC at Bandar Rimbayu and Merit in Design Excellence for Bandar Rimbayu
- **Malaysia Landscape Architecture Awards**
  - Honours in Landscape Design for DeBunga Residensi in 2015 and The Address in 2016
- **The Malaysia Book of Records 2015 for The Light Waterfront Penang**
  - National record for being the first marine ecosystem in a residential precinct

PLANTATION

- **ACCA Malaysia Sustainability Reporting Awards (MaSRA)**
  - Finalist in 2016
- **Malaysian Palm Oil Board Industry Excellence Award**
  - Best Kernel Crushing Plant (IJM Edible Oils Sdn Bhd, Kernel Crushing Plant) in 2016
- **Asia Money Best Managed Company (Small Cap) in Malaysia in 2015**
- **Malaysian Palm Oil Board Industry Excellence Award**
  - Best Estate (Rakanan Jaya North Estate) in 2014
- **Malaysian Investor Relations Awards (Mid Cap)**
  - Best CEO and Best CFO in 2014

Here is the recognition that IJM has received for its culture of professionalism, performance and good governance as well as care for society and the environment.

GOVERNANCE, REPORTING, INVESTOR RELATIONS AND CORPORATE SOCIAL RESPONSIBILITY

- **The Edge Billion Ringgit Club Corporate Awards**
  - Highest Growth in Profit After Tax (Construction sector) in 2017, 2016 and 2015
- **National Annual Corporate Report Awards (NACRA)**
  - Industry Excellence Awards (Construction and Infrastructure) in 2017, 2016, 2014, 2013, 2009, 2008, 2007, 2006, 2004 and 2003
  - Merit Awards in 2018, 2015 and 2010
- **ASEAN India Business Council (AIBC) ASEAN**
  - India Achievement and Excellence Award 2017
- **BrandLaureate Awards**
  - Most Valuable Brand Award for Construction and Builder of Choice in 2016
- **ASEAN Corporate Governance Awards**
  - Top 50 Public Listed Companies in ASEAN in 2015
- **MSWG-ASEAN Corporate Governance Transparency Index, Findings & Recognition**
  - Top 10 Disclosure Merit Recognition Award in 2015
- **Malaysia-ASEAN Corporate Governance Index**
  - Industry Excellence Award (Industrial/Trading) in 2014
- **Asia Money Best Managed Company (Mid Cap) in Malaysia in 2014 and 2006**

WORKPLACE AND DIVERSITY

- **CIMB-Principal Corporate PRS Conference 2018**
  - Highest AUM for Large Corporation
- **Graduates' Choice Award 2018**
  - Top 10 Best Employer Brands in the Real Estate/Property category
- **Malaysia's 100 (M100)**
  Leading Graduate Employer
- **GRADUAN Brand Awards**
  Top 50 Companies
- **TalentCorp Life @ Work Awards 2016**
  – Honouree
- **HR Asia Best Companies to Work for in Asia 2014 Awards**

IJM GROUP STRUCTURE

Construction

- IJM Construction Sdn Bhd
  - Road Builder (M) Sdn Bhd
    - RBM-PATI JV
  - Commerce House Sdn Bhd
  - IJM Building Systems Sdn Bhd
  - IJM Construction Vietnam Co., Ltd

Property

- IJM Land Berhad
  - IJM Land Management Services Sdn Bhd
  - IJM Properties Sdn Bhd
    - Aqua Aspect Sdn Bhd
    - Chen Yu Land Sdn Bhd
    - Cypress Potential Sdn Bhd
      - Sebana Golf & Marina Resort Berhad
    - IJM Management Services Sdn Bhd
    - Jelutong Development Sdn Bhd
    - Manda'rina Sdn Bhd
    - Maxharta Sdn Bhd
      - Jelita Kasturi Sdn Bhd
      - Panorama Jelita Sdn Bhd
    - NS Central Market Sdn Bhd
    - Suria Bistari Development Sdn Bhd
    - Worldwide Ventures Sdn Bhd
      - Island Golf View Sdn Bhd
    - Preferred Accomplishment Sdn Bhd

Industry

- Industrial Concrete Products Sdn Bhd
  - Durabon Sdn Bhd
  - ICP Investments (L) Limited
  - ICPB (Mauritius) Limited
    - IJM Concrete Products Private Limited
      - IJM-AIKYA Joint Venture
  - ICP Jiangmen Co. Ltd

Plantation

- IJM Plantations Berhad
  - Berakan Maju Sdn Bhd
  - Desa Talisai Sdn Bhd
  - Dynasive Enterprise Sdn Bhd
    - PT Prima Alumga
  - Excellent Challenger (M) Sdn Bhd
  - Gunaria Sdn Bhd
    - PT Sinergi Agro Industri
    - PT Karya Bakti Sejahtera Agrotama

Infrastructure & Others

- Road Builder (M) Holdings Bhd
  - Besraya (M) Sdn Bhd
  - New Pantai Expressway Sdn Bhd
  - Kuantan Port Consortium Sdn Bhd
    - KP Port Services Sdn Bhd
      - KP Depot Services Sdn Bhd
- West Coast Expressway Sdn Bhd
- IJM Investments (M) Limited
  - IEMCEE Infra (Mauritius) Limited
    - GVK Gautami Power Limited

- Direct subsidiary/associate/joint venture of IJM Corporation Berhad
- Subsidiaries
- Associates
- Joint Ventures
- Direct subsidiary of Road Builder (M) Holdings Bhd, a wholly-owned subsidiary of IJM Corporation Berhad
- Direct associate of Road Builder (M) Holdings Bhd, a wholly-owned subsidiary of IJM Corporation Berhad
- Direct subsidiary of IJM (India) Infrastructure Limited, a subsidiary of IJMII (Mauritius) Limited
- Direct subsidiary of IJMII (Mauritius) Limited
- Direct subsidiary of RB Manufacturing Sdn Bhd, a wholly-owned subsidiary of IJM Corporation Berhad

Note: Non-operating or dormant companies are not included

- IJM Investments J. A. Limited
  - IJM Construction (Pakistan) (Private) Limited
  - IM Technologies Pakistan (Private) Limited
  - Karachi Expressway J. A. Limited
- Jurutama Sdn Bhd
- Prebore Piling & Engineering Sdn Bhd
- IJM-Norwest JV
- Hexacon Construction Pte Limited
- Integrated Water Services (M) Sdn Bhd
- Highway Master Sdn Bhd
- BSC-RBM-PATI JV
- IJMC-Gayatri Joint Venture
- IJM-LFE Joint Venture
- IJMC-Zublin Joint Venture
- IJM LFE Sdn Bhd
- IJM Sunway Sdn Bhd
- ISZL Consortium
- Shimizu-Nishimatsu-UEMB-IJM Joint Venture
- Kiara Teratai-IJM Joint Venture
- IJM-CHEC Joint Venture

IJM Construction (Middle East) LLC

IJM (India) Infrastructure Limited
- IJM (India) Geotechniques Private Limited

- Radiant Pillar Sdn Bhd
  - Bandar Rimbayu Sdn Bhd
- Valencia Terrace Sdn Bhd
- IJMP-MK Joint Venture
- Larut Leisure Enterprise (Hong Kong) Limited
  - Jilin Dingtai Enterprise Development Co. Ltd.
- Cekap Tropikal Sdn Bhd
- Good Debut Sdn Bhd
- RB Land Sdn Bhd
  - Aras Varia Sdn Bhd
  - Casa Warna Sdn Bhd
  - Dian Warna Sdn Bhd
  - Ikatan Flora Sdn Bhd
  - RB Property Management Sdn Bhd
  - Seremban Two Holdings Sdn Bhd
  - Seremban Two Properties Sdn Bhd
  - Seremban Two Property Management Sdn Bhd
  - Shah Alam 2 Sdn Bhd
  - Titian Tegas Sdn Bhd
  - Tarikan Abadi Sdn Bhd
  - Murni Lapisan Sdn Bhd
  - Unggul Senja Sdn Bhd
- Sova Holdings Sdn Bhd
- Emko Properties Sdn Bhd
  - Emko Management Services Sdn Bhd
- ERMS Berhad
- RB Development Sdn Bhd
- Mintle Limited
  - RMS (England) Limited
- OneAce Global Limited
- Asas Panorama Sdn Bhd
- Kuantan Pahang Holding Sdn Bhd
- Elegan Pesona Sdn Bhd
- IJM Management Services-Giat Bernas Joint Venture
- IJM Properties-JA Manan Development Joint Venture
- Nasa Land Sdn Bhd
- 368 Segambut Sdn Bhd
- Sierra Ukay Sdn Bhd

IJM RE Sdn Bhd
- IJM RE Commercial Sdn Bhd
  - Fairview Valley Sdn Bhd
- IJM Perennial Development Sdn Bhd

IJM Lingamaneni Township Private Limited *

Swarnandhra-IJMII Integrated Township Development Company Private Limited *

NPE Property Development Sdn Bhd *

Kuching Riverine Resort Management Sdn Bhd

IJM Realty (Mauritius) Limited
- Nagpur Integrated Township Private Limited

Bionic Land Berhad

- IJM IBS Sdn Bhd
- Malaysian Rock Products Sdn Bhd
  - Azam Ekuiti Sdn Bhd
  - IJM Concrete (Private) Limited
  - Kuang Rock Products Sdn Bhd
  - Oriental Empire Sdn Bhd
  - Scaffold Master Sdn Bhd
  - Strong Mixed Concrete Sdn Bhd
    - SMC Islamabad (Private) Limited
  - Warga Sepakat Sdn Bhd

Kemena Industries Sdn Bhd

Cofreth (M) Sdn Bhd

- IJM Edible Oils Sdn Bhd
- Minat Teguh Sdn Bhd
  - PT Primabahagia Permai
    - PT Indonesia Plantation Synergy
      - PT Perindustrian Sawit Sinergi
- Rakanan Jaya Sdn Bhd
- Ratus Sempurna Sdn Bhd

- IJMII (Mauritius) Limited
  - Swarnandhra Road Care Private Limited *
- IJM Rajasthan (Mauritius) Limited
- IJM Rewa (Mauritius) Limited
  - Rewa Tollway Private Limited
  - Vijayapura Tollway Private Limited
- IJM Trichy (Mauritius) Ltd
- IJM Vijayawada (Mauritius) Limited
  - Vijayawada Tollway Private Limited
- IJM Dewas (Mauritius) Limited
  - Dewas Bypass Tollway Private Limited

IJM International Limited

IJM Investments (L) Ltd

IJM Highway Services Sdn Bhd

CIDB Inventures Sdn Bhd

Emas Utilities Corporation Sdn Bhd

Grupo Concesionario del Oeste S. A.

WCE Holdings Berhad

Scomi Group Berhad

Lebuhraya Kajang-Seremban Sdn Bhd

IJM Shared Services Sdn Bhd
(formerly known as Makmur Venture Sdn Bhd)

CORPORATE DIARY

APRIL 2018

11 April
National Volleyball Championship 2018 @ Selangor

The Perak men's volleyball team, sponsored by our Industrial Concrete Products Sdn Bhd ("ICP"), consists mainly of ICP employees. The team achieved the first runner up position in the national championship.

16 April
Environmental Awareness Outreach @ Sandakan

As part of its community programme, our Plantation Division reached out to the local communities to raise environmental awareness among the students of SK Ladang Sandak, Sandakan.

17 April
Structured Training Programme @ IJM Plantations

Our Plantation Division organised numerous structured trainings such as first aid training for all employees throughout the year to promote health and safety.

24 April
IJM Allianz Duo Highway Challenge 2018 – BESRAYA Challenge

The first leg of the duo challenge flagged off successfully at the elevated BESRAYA highway. The race offered 2 categories: 13km challenge run and 6km fun run that saw the participation of more than 5,700 runners.

MAY 2018

9 May
FUNtastic Day @ BESRAYA (E9), NPE (E10) & LEKAS (E21)

As part of the Toll Division's monthly reward programme, goodies are handed out to toll users on every 9th, 10th and 21st of the month at our highways based on our highway route numbers.

15 May
Rurality Project by IJM Plantations

A year-round programme to uplift the smallholders' lifestyle was carried out in collaboration with The Forest Trust and funded by Nestle.

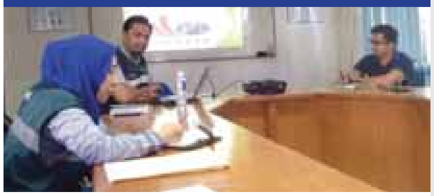
29 May
Leadership Accelerated Development ("LEAD") Programme @ Wisma IJM

LEAD is a 2-year programme designed for employees who have the ability to take on more challenges and responsibilities as well as aspire to rise to a senior role. Participants are exposed to a variety of programmes to develop leadership and soft skills.

29 May
Quarry and Readymix Concrete Cost Optimisation Programme

The programme was carried out by ICP throughout the year to monitor the progress of its cost optimisation implementation.

JUNE 2018



7 June

Implementation of Systematic Occupational Health Enhancement Level Programme ("SoHELP") @ IJM Plantations

Our Plantation Division implemented SoHELP at its Sandakan estate to improve occupational health and prevention of diseases for people working in the mill and estate.

28 June

IJM Board visits Hari Raya Open House @ Toll Division

Our Directors joined the open house at Loke Yew Toll Plaza at BESRAYA highway. *Duit raya* and goodie bags were given out to orphans from Rumah Kasih Nurul Hasanah.

29 June

BCI Asia Top 10 Developer Awards @ Malaysia

Our Property Division was named one of the Top 10 Property Developers in Malaysia.

29 June

Hari Raya Celebration @ Wisma IJM

IJM staff and guests celebrated the festivity with a sumptuous spread of Malay cuisine and lively performances.

JULY 2018

6-8 July

IJM Games 2018 @ Sandakan

This year, our Plantation Division hosted the biennial 12th IJM Games 2018 in Sandakan and emerged as the overall champion.

20 July

Stakeholders' Engagement @ Plantations

Our Plantation Division hosted a site visit for Wild Asia, World Wildlife Fund and Bel Dairy at its kernel crushing plant.

27 July

Study Tour to Kuantan Port

Our Port Division hosted 90 young engineers and students from the Institution of Engineers for a day tour to gain knowledge of the port and construction of the New Deep Water Terminal.

29 July

IJM Allianz Duo Highway Challenge 2018 – NPE Challenge

The final leg of the duo challenge offered 2 categories: 21km half marathon challenge and 10km run which attracted more than 9,000 running enthusiasts.

31 July

Health Screening Test @ Wisma IJM

A health screening test was organised in conjunction with the IJM HSE Day for employees to assess their health levels including dental, eye and glucose tests.

CORPORATE DIARY

AUGUST 2018

2 August

Senior Management Forum 2018 @ Holiday Villa Subang

The Board, senior management and managers attended the annual forum to discuss on Group and divisional performances as well as business strategies.

16 August

Awarded Highest Accolade for Quality

The Property Division won the Highest QLASSIC Achievement Award for its Seri Riana Residence Phase 2B in Wangsa Maju at Construction Industry Development Board ("CIDB")'s annual QLASSIC Day 2018 with a score of 82%. It was also awarded the Best QLASSIC Achievement Awards 2018 for Residential, Category B (Project Value RM20 mil – RM100 mil).

18 August

RHB-Shimano Highway Ride @ LEKAS 2018

The 5th edition of the race saw a turnout of more than 4,400 local and foreign cycling enthusiasts.

24 August

IJM Scholarship & Academic Excellence Awards 2018

A total of 14 top students were awarded with IJM scholarship and 52 deserving students received the Academic Excellence Awards.

25 August

IJM Annual Dinner @ One World Hotel

It was aptly themed The Greatest Show as Directors, staff and guests attended the yearly event and were treated to great food, live performances and lucky draws.

28 August

AGM @ Holiday Villa Subang

IJM held its 34th Annual General Meeting and the shareholders approved resolutions to receive the audited financial statements, reappointment of Directors and auditors, among others.

SEPTEMBER 2018

5 September

Letter of Award from Affin Bank Berhad

Our Construction Division accepted the Letter of Award from Affin Bank Berhad for the construction of the superstructure works of a 47-storey office building (Package 4 - Main Building Works) at Tun Razak Exchange, Kuala Lumpur for a contract sum of RM505 million.

27 September

RHB Non-Deal Roadshow @ Kuala Lumpur

IJM met with numerous institutional investors in one-on-one meetings.

13 September

Press Conference and Cheque Presentation for 20th NS Royal Sevens Rugby Tournament 2018

Our joint venture, LEKAS contributed to the Kesatuan Rugbi Negeri Sembilan to support the rugby tournament as part of its community programme.

27 September

Bursa Bull Charge Charity Run 2018 @ Kuala Lumpur

Together with corporate Malaysia, Team IJM ran for a good cause at the charity run. One of our runners emerged as the champion of the run.

28 September

CIDB MCIEA 2018 @ Kuala Lumpur

IJM won the Best Major Project under the International Achievement Award category for The Starling, Damansara Uptown project at the Malaysian Construction Industry Excellence Awards (MCIEA) 2018 by CIDB.

29 September

5th Annual Training Camp Series 2018 No. 2 Kuantan Port Squadron

The 5th series was officiated by Mr. Wong Soon Fah, Executive Director of Kuantan Port. To date, the port security squadron consists of 60 members.

OCTOBER 2018

16 October
Build Tech Asia 2018 @ Singapore
Our Industry Division participated in the expo to showcase its products, quality and technology innovation to the international construction players.

23 October
Soft launch of ECER's Asia Centre of Excellence for Smart Technology ("ACES") @ Menara MITI, Kuala Lumpur
A memorandum of understanding was signed among ACES and leading industry players in the East Coast Economic Region ("ECER") including IJM, Malaysia-China Kuantan Industrial Park and Kuantan Port to support ACES' initiatives to drive Industry 4.0 knowledge and practices in their organisations.

23 October
Project DX kick-off @ Wisma IJM
Project DX was officiated by IJM's Senior Management commencing an 18-month digital transformation journey to enhance our business operations to meet the dynamic business demands.

25 October
Mock-up Accident @ BESRAYA Highway
A mock-up exercise was conducted at Loke Yew Toll Plaza to evaluate the level of staff readiness and efficiency of various agencies involved during a crisis.

29 October
The Edge Malaysia Property Excellence Awards 2018
Our Property Division was cited as one of Malaysia's Top 10 Property Developers.

NOVEMBER 2018

2 November
IJM visits Balai Bomba & Penyelamat Seksyen 7 @ Petaling Jaya
In the spirit of good neighbourliness, more than 30 IJM volunteers visited the fire and rescue team next to Wisma IJM to show appreciation to our brave fire and rescue team.

23 November
Deepavali Celebration @ Uncle Chili's Hilton, Petaling Jaya
IJM staff celebrated the festival of lights with delicious food, performances and a best-dressed competition.

24 November
Launching of Residensi Suria Pantai @ Pantai Sentral Park
IJM Land together with its partner, Amona Development launched an affordable housing project known as the Residensi Suria Pantai under RUMAWIP scheme.

24 November
Kuantan Port Fun Ride 2018
The 35km fun ride attracted the young and old from ages 6 to 66 years old recognising the versatility of the sport across age groups.

CORPORATE DIARY

DECEMBER 2018

5 December

Back to School Programme @ Lulu Hypermarket, Kuala Lumpur

Children of our Toll Division's employees received school aid which included school bags, uniforms and shoes in preparation for the new school term as part of its community programme.

13 December

Opening of Pantai Sentral Interchange @ Kuala Lumpur

The new 2.8km interchange will enhance connectivity to Pantai Sentral Park from the New Pantai Expressway and brings new development opportunities to the surrounding areas.

15 December

Gopeng Rafting Expedition

Our Kelab Sukan IJM ("KSIJM") organised a water rafting expedition to Gopeng and participants also explored the Gua Tempurung and hiked up Bukit Batu Putih.

28 December

Human-Elephant Conflict ("HEC") Meetings

Under the initiative of the Rurality Project by Earthworm Foundation for the Sabah Wildlife Department and surrounding affected stakeholders, the Plantation Division hosted HEC meetings to discuss and resolve current HEC issues.

JANUARY 2019

3-4 January

CIMB Malaysia Corporate Day @ Kuala Lumpur

IJM engaged with local institutional investors in one-on-one and small group sessions.

26 January

Badminton Championship @ Kompleks Sukan IJM Cobra, Petaling Jaya

Staff squared off against each other in this competition organised by KSIJM to promote a healthy lifestyle and friendly competition amongst staff.

28 January

Crop Suppliers' Self-Assessment @ IJM Plantations

The Plantation Division works together with its crop suppliers on self-assessment for sustainable practices in oil palm production.

FEBRUARY 2019

1 February

Safety Campaign 2019

A safety campaign in conjunction with Chinese New Year 2019 was held to create awareness on the importance of safety to road users at the Setul Toll Plaza, LEKAS highway.

15 February

Chinese New Year Celebration @ Wisma IJM

Staff, guests and 29 children from the Ti-Ratana Welfare Society gathered to celebrate the lunar new year and were treated to lion dance and wushu performances as well as delicious food.

26 February

KSIJM Ping Pong Championship

Participants got together and competed in this year's ping pong championship held at Wisma IJM.

28 February

Commissioning of the CPO Washing System

The commissioning and fine tuning of the crude palm oil ("CPO") washing system in Desa Talisai's palm oil mill was carried out to remove chloride content in CPO by reducing the formation of 3-MCPD esters.

MARCH 2019

8 March

Handover of Inwood Residences @ Pantai Sentral Park

This marked the successful completion and handover of Phase 1 of Pantai Sentral Park, known as Inwood Residences to homebuyers.

19 March

Handover Mock-up Cheque for Archery Sport Development programme

Our Industry Division has been sponsoring SK Tok Muda, Kapar as part of its community programme to develop archery skills among local students.

21 March

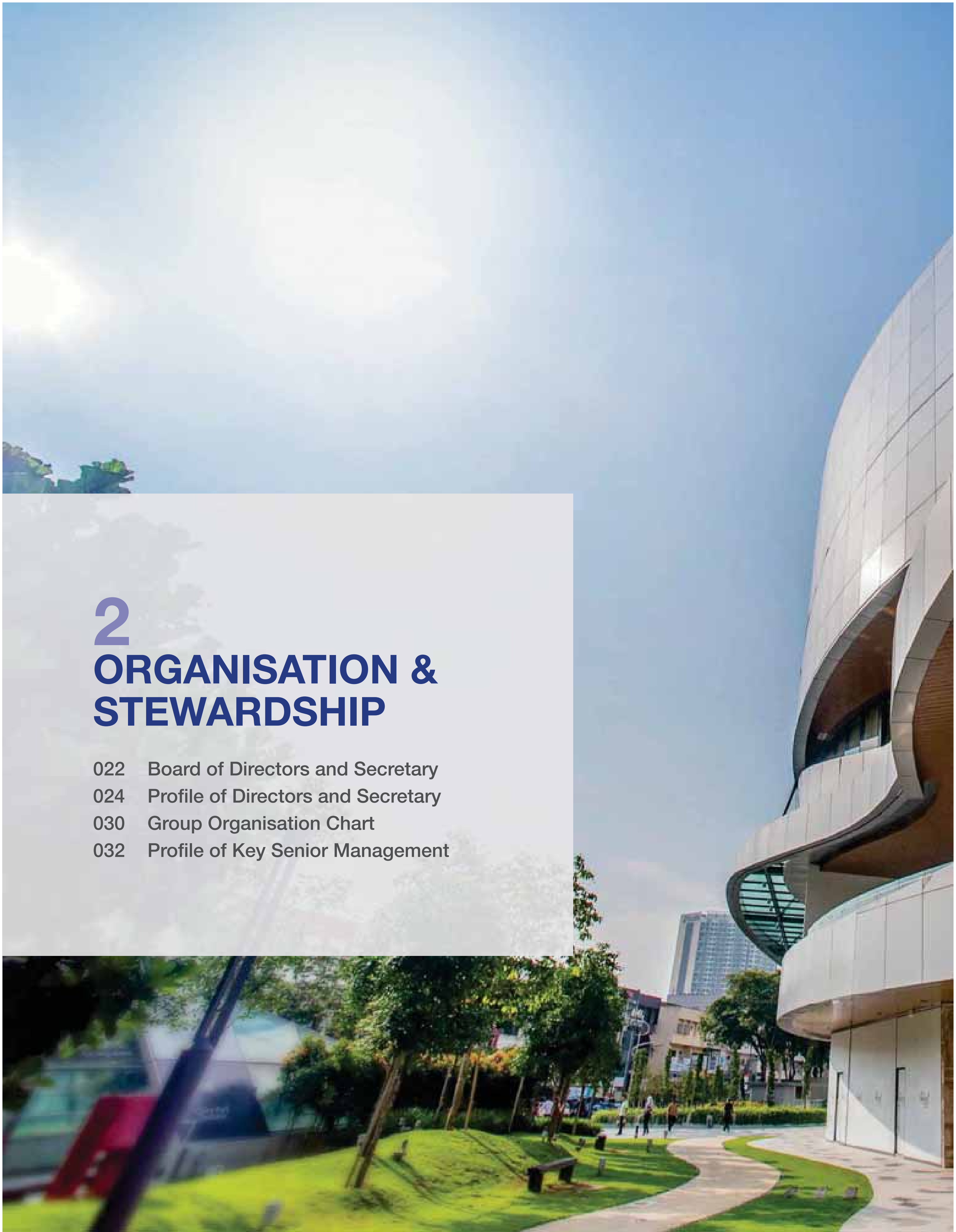
Property Division Achieved Highest QLASSIC score

The Division won a quality building award for its Phase 2L of Saujana Duta project in Seremban 2 Heights at CIDB's annual QLASSIC Day 2019 with a score of 89%, the highest ever achieved in QLASSIC since inception.

27-28 March

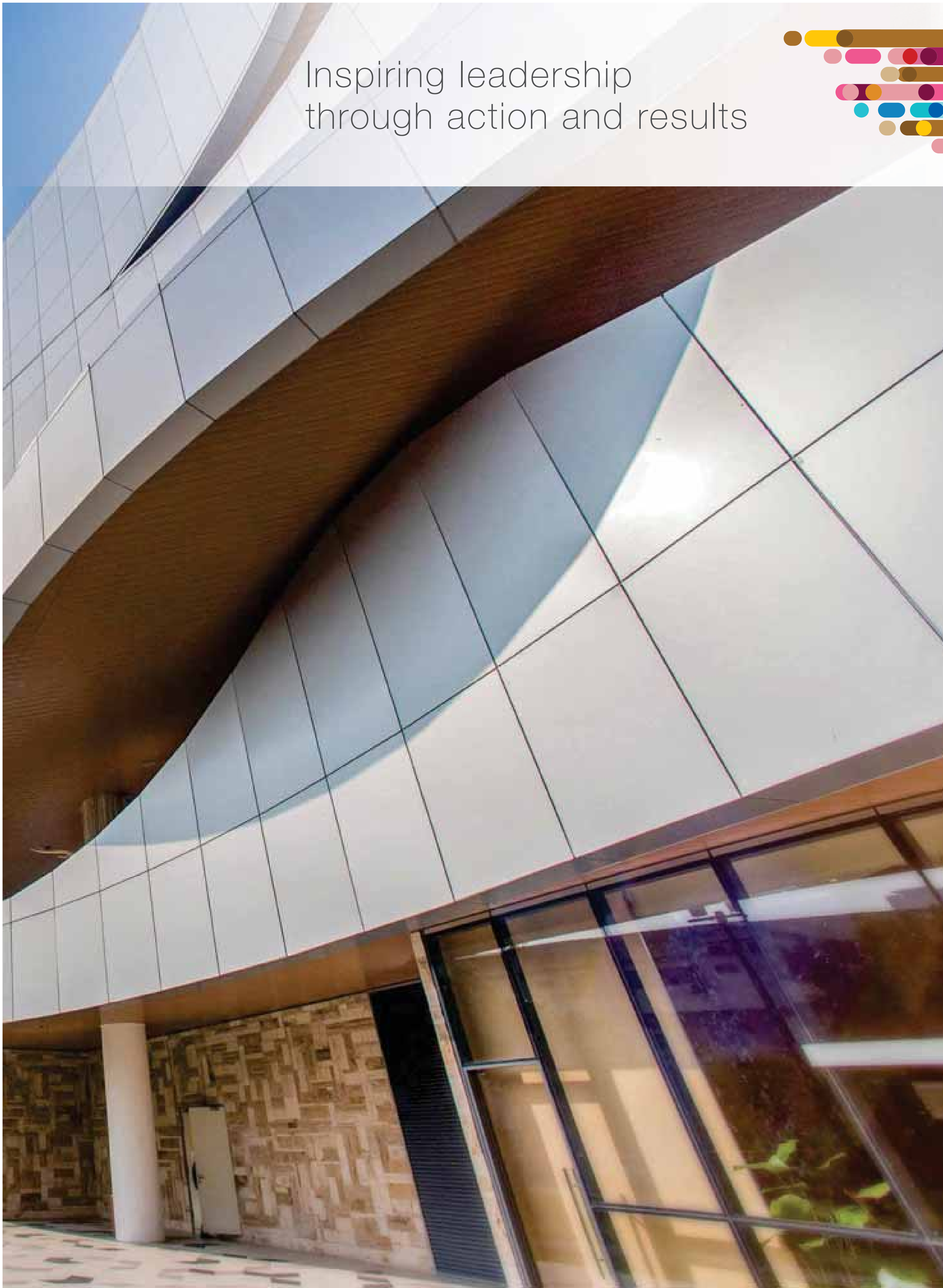
Credit Suisse Asian Investment Conference @ Hong Kong

IJM participated in one-on-one and small group meetings with institutional investors over 2 days.



2
ORGANISATION & STEWARDSHIP

Inspiring leadership through action and results



BOARD OF DIRECTORS AND SECRETARY

Dato' David Frederick Wilson

Ms Tan Ting Min

Mr Pushpanathan A/L S A Kanagarayar

Datuk Lee Teck Yuen

Tan Sri Dato' Tan Boon Seng @ Krishnan

Tan Sri Abdul Halim Bin Ali

Ms Ng Yoke Kian
(Secretary)

Mr Goh Tian Sui

Tunku Alina Binti
Raja Muhd Alias

Datuk Ir. Hamzah
Bin Hasan

Mr Lee Chun Fai

Dato' Soam Heng Choon

PROFILE OF DIRECTORS AND SECRETARY

	Tan Sri Abdul Halim Bin Ali • PMN, PJN, SPMS, SIMP, DGSM, DHMS, DSDK, JSM, KMN • Independent Non-Executive Chairman	**Tan Sri Dato' Tan Boon Seng @ Krishnan** • PSM, DSPN, SMS • Deputy Non-Executive Chairman
Nationality	Malaysian	Malaysian
Age/Gender	76/Male	66/Male
Academic/ Professional Qualification	Bachelor of Arts (Honours), University of Malaya	• Bachelor of Economics (Honours), University of Malaya • Master of Business Administration, Golden Gate University, San Francisco, USA • Member of the Malaysian Institute of Certified Public Accountants (MICPA)
Board Committee Membership(s)	• Audit Committee (Member) • Nomination & Remuneration Committee (Member) • Securities & Options Committee (Chairman)	Nil
Date Appointed/ Working Experience	Tan Sri Abdul Halim joined the Board of IJM Corporation Berhad on 25 April 2007 and was subsequently appointed Chairman on 24 August 2011. His past appointments and/or working experience were as follows:- • Ministry of Foreign Affairs, Malaysian Diplomatic Service (1966 - 1996) - served in several diplomatic missions overseas, including ambassadorial appointments in Vietnam and Austria • Chief Secretary to the Government of Malaysia (1996 - 2001) • Chairman of the Employees Provident Fund Board (2001 - 2007) • Chairman, Minority Shareholders Watch Group (2001 - 2013) • Chairman, Multimedia Development Corporation (2003 - 2016) • Chairman, University of Technology Malaysia School of Professional and Continuing Education (UTMSpace) (2011 - 2017)	Tan Sri Krishnan was appointed Deputy Non-Executive Chairman of IJM Corporation Berhad ("IJM") on 1 January 2014. He held the following positions in IJM prior to his appointment as Deputy Non-Executive Chairman:- • Executive Deputy Chairman (1 January 2011 – 31 December 2013) • Chief Executive Officer & Managing Director (26 February 2004 – 31 December 2010) • Group Managing Director (1 January 1997 - 26 February 2004) • Deputy Managing Director (1 November 1993 – 1 January 1997) • Director (10 April 1990 – 1 November 1993) • Alternate Director (12 June 1984 – 10 April 1990) • Financial Controller (1983 - 1984) His past appointments and/or working experience were as follows:- • Group Financial Controller (last position), Kumpulan Perangsang Selangor Berhad (1976 - 1983) • President, Malaysia India Business Council ("MIBC") (2008 - 2015) • Chairman, IJM Land Berhad (2007 - 2015) • Co-Chairman, Malaysia India CEO Forum (2011 – 2019)
Present Directorship(s)	Listed Companies • Malaysia Building Society Berhad (Chairman) • Sedania Innovator Berhad (Chairman) Other Public Companies • MBSB Bank Berhad (formerly known as Asian Finance Bank Berhad) (Chairman)	Listed Companies • IJM Plantations Berhad • Grupo Concesionario del Oeste S.A. (Argentina) Other Public Companies • HSBC Bank Malaysia Berhad (Independent Non-Executive Chairman) • Malaysia Aviation Group Berhad • Malaysia Airlines Berhad • Malaysian Community & Education Foundation
Other Current Position(s) Held	Nil	• Founder President, MIBC • Management Committee Member, Olympic Council Trust • President, Klang High School Old Boys Association

	Dato' Soam Heng Choon • DIMP, DPNS • Chief Executive Officer & Managing Director	**Lee Chun Fai** • Deputy Chief Executive Officer & Deputy Managing Director
Nationality	Malaysian	Malaysian
Age/Gender	59/Male	48/Male
Academic/ Professional Qualification	• Bachelor of Science (1st Class Honours) in Civil Engineering, University of Strathclyde, United Kingdom • Professional Engineer (P.Eng.) • Member of the Institution of Engineers, Malaysia	• Bachelor of Accountancy (Honours), University Utara Malaysia • Master of Business Administration, Northwestern University (Kellogg School of Management) and The Hong Kong University of Science & Technology
Board Committee Membership(s)	• Executive Committee (Chairman) • Securities & Options Committee (Member)	Executive Committee (Member)
Date Appointed/ Working Experience	Dato' Soam was appointed Chief Executive Officer ("CEO") & Managing Director ("MD") of IJM Corporation Berhad ("IJM") on 6 April 2015. He was the Deputy CEO & Deputy MD of IJM from 7 June 2013 to 5 April 2015. He has extensive experience in construction and property development and his past appointments and/or working experience were as follows:- • Ministry of Works (1979 - 1989) • Road Builder (M) Holdings Bhd Group (1989 - 2006) • Executive Director, RB Land Holdings Berhad (now known as IJM Land Berhad) (2004 - 2006) • MD, IJM Land Berhad (2006 - 2010) • CEO&MD, IJM Land Berhad (2010 - 2015)	Mr Lee was appointed Deputy Chief Executive Officer & Deputy Managing Director of IJM Corporation Berhad ("IJM") on 6 April 2015. Prior to that, he was the Deputy Chief Financial Officer for IJM Group. He started his career with a public accounting firm. In October 1995, he joined Road Builder (M) Holdings Bhd ("RBH Group") and was the Head of Corporate Services Division of RBH Group prior to the acquisition of RBH Group by the Company in 2007. He has extensive experience in corporate finance, privatisation projects and financial management.
Present Directorship(s)	Listed Companies • IJM Plantations Berhad Other Public Companies • IJM Land Berhad • ERMS Berhad • Road Builder (M) Holdings Bhd • Malaysian South-South Corporation Berhad • Perdana Leadership Foundation • Construction Labour Exchange Centre Berhad	Listed Companies • WCE Holdings Berhad • Scomi Group Bhd • Scomi Energy Services Bhd Other Public Companies • IJM Land Berhad • Road Builder (M) Holdings Bhd • Sebana Golf & Marina Resort Berhad
Other Current Position(s) Held	• President, Real Estate and Housing Developers Association Malaysia (REHDA) • Member, Research Advisory Council of the Construction Research Institute of Malaysia (CREAM)	• Head, Corporate Strategy & Investment, IJM • Head, Information Systems Department, IJM • Board representative of the Company in WCE Holdings Berhad, Scomi Group Bhd and Scomi Energy Services Bhd

PROFILE OF DIRECTORS AND SECRETARY

	Datuk Lee Teck Yuen • PJN • Senior Independent Non-Executive Director	**Datuk Ir. Hamzah Bin Hasan** • PJN, DPMT, DNS • Independent Non-Executive Director
Nationality	Malaysian	Malaysian
Age/Gender	62/Male	68/Male
Academic/ Professional Qualification	Bachelor of Science (Honours) in Civil Engineering and Business Administration, University of Leeds, United Kingdom	• Bachelor of Science (Honours) in Civil Engineering, Glasgow University, United Kingdom • Master of Science (Construction Management), Loughborough University, United Kingdom • Professional Engineer of the Board of Engineers Malaysia
Board Committee Membership(s)	Nomination & Remuneration Committee (Chairman)	• Audit Committee (Member) • Nomination & Remuneration Committee (Member)
Date Appointed/ Working Experience	Datuk Lee was appointed as a Non-Executive Director of IJM Corporation Berhad ("IJM") on 30 May 2007, and subsequently appointed Senior Independent Non-Executive Director of IJM on 9 November 2012. He was a Director of IJM Land Berhad from 2007 to 2015 and has more than 30 years' experience in property development.	Datuk Hamzah was appointed as an Independent Non-Executive Director of IJM Corporation Berhad on 16 November 2012. He has vast experience in both the public and private sector and his past appointments and/or working experience were as follows:- • Civil Engineer, Public Works Department (JKR) (1975 - 1998) • Group Managing Director, Ahmad Zaki Resources Berhad (1998 - 2002) • Chief Executive Officer, Construction Industry Development Board ("CIDB") (2003 - 2011) • Chairman, CIDB (2011 - 2014)
Present Directorship(s)	<u>Other Public Companies</u> • Road Builder (M) Holdings Bhd • Malaysian South-South Corporation Berhad • Asean Business Forum	<u>Listed Companies</u> • WCE Holdings Berhad (Chairman) <u>Other Public Companies</u> • University of Technology Malaysia School of Professional and Continuing Education (UTMSpace) • Phillip Mutual Berhad
Other Current Position(s) Held	• President, Malaysian Water Ski Federation • Honorary Secretary, Malaysian South-South Association (MASSA)	• Fellow of the Chartered Institute of Building • Fellow of the Royal Institute of Chartered Surveyors • Fellow of the Institution of Engineers Malaysia • Fellow of the Institute of Value Engineering Malaysia • Fellow of the ASEAN Federation of Engineering Organizations • Honorary Fellow of the Project Management Institution Malaysia

	Pushpanathan A/L S A Kanagarayar • Independent Non-Executive Director	**Goh Tian Sui** • Independent Non-Executive Director
Nationality	Malaysian	Malaysian
Age/Gender	67/Male	64/Male
Academic/ Professional Qualification	• Member of the Institute of Chartered Accountants of Scotland • Member of the Malaysian Institute of Certified Public Accountants ("MICPA") • Member of the Malaysian Institute of Accountants ("MIA")	• Bachelor of Science (Honours) in Estate Management, University of Reading, United Kingdom • Fellow of the Royal Institution of Chartered Surveyors ("RICS"), United Kingdom • Fellow of the Royal Institution of Surveyors Malaysia ("RISM") • Registered Valuer with the Board of Valuers, Appraisers and Estate Agents, Malaysia
Board Committee Membership(s)	Audit Committee (Chairman)	Nil
Date Appointed/ Working Experience	Mr Pushpanathan was appointed as an Independent Non-Executive Director of IJM Corporation Berhad on 9 November 2012. He has more than 39 years of experience in providing advisory, accounting and audit services in the role of a partner-adviser for a large number of clients based in Malaysia and internationally (both private and public corporations) in a variety of industries. He was also involved in share valuations of corporations, mergers and acquisitions, restructurings, takeovers, flotations, investigations and tax planning. His past appointments and/or working experience were as follows:- • Partner, Messrs Ernst & Young (1983 - 2009) • Chairman, Adjudication and/or Organising Committees, National Annual Corporate Report Awards (2003 - 2009) • Chairman, MICPA's Financial Statements Review Committee and Project Chairman, the Insurance Standards Working Group of Malaysian Accounting Standards Board ("MASB") on Financial Reporting Standard 4 (2003 - 2007) • Member of the International Federation of Accountants' Developing Nations Permanent Taskforce (2004 - 2005) • Board Member, MASB (2009 - 2015) • Honorary Secretary, Financial Reporting Foundation (2010 - 2015) • President, MICPA (2012 - 2014) • Council Member, MIA (2012 - 2014)	Mr Goh was appointed as an Independent Non-Executive Director of IJM Corporation Berhad on 20 June 2016. He has more than 30 years of experience as a Chartered Valuation Surveyor in both public and private sectors and has been involved in various real estate valuation and advisory assignments. His past appointments and/or working experience were as follows:- • Director, C H Williams Talhar & Wong Sdn Bhd (1989 - 2003) • Executive Committee Member, Association of Valuers & Property Consultants in Private Practice (1991 - 2000) • Council Member, RISM (1996 - 1999) • Board Member, Board of Valuers, Appraisers and Estate Agents, Malaysia (1999 - 2010) • Managing Director, C H Williams Talhar & Wong Sdn Bhd (2003 -2010) • Independent Non-Executive Director, GLM REIT Management Sdn Bhd, Manager of Tower Real Estate Investment Trust (2006 - 2010) • Member, RICS Malaysia Working Group (2006 - 2010) • Chairman, RICS Malaysia Working Group (2010 - 2012) • Independent Non-Executive Director, IJM Land Berhad (2013 - 2015) • Board Member, RICS Asia Valuation Professional Group (2010 -2016)
Present Directorship(s)	Listed Companies • IJM Plantations Berhad • Bursa Malaysia Berhad Other Public Companies • Asian Institute of Finance Berhad • Sun Life Malaysia Assurance Berhad • Sun Life Malaysia Takaful Berhad • MICPA • Malaysian Community & Education Foundation	Nil
Other Current Position(s) Held	• Council Member and EXCO Member, MICPA • Chairman, Listing Committee of Bursa Malaysia Berhad • Project Chairman, the Insurance Standards Working Group of MASB on Malaysian Financial Reporting Standard ("MFRS") 17 • Chairman, MFRS Applications & Implementation Committee of MASB • Trustee, WWF-Malaysia	Nil

PROFILE OF DIRECTORS AND SECRETARY

	Dato' David Frederick Wilson • DIMP • Independent Non-Executive Director	**Tunku Alina Binti Raja Muhd Alias** • Independent Non-Executive Director
Nationality	British	Malaysian
Age/Gender	74/Male	55/Female
Academic/ Professional Qualification	• Master of Arts in Mechanical Sciences, Cambridge University, United Kingdom • Fellow of the Institution of Civil Engineers, United Kingdom • Fellow of the Chartered Institution of Highways and Transportation, United Kingdom	• Bachelor of Laws (LL.B.), University of Malaya • LL.M. (Masters in Law) (Corporate and Commercial Law), King's College, London • PhD in Islamic Finance, International Centre for Education in Islamic Finance, Malaysia ("INCEIF") • Advocate and Solicitor of the High Court of Malaya • Associate Mediator of Singapore Mediation Centre
Board Committee Membership(s)	Securities & Options Committee (Member)	Nil
Date Appointed/ Working Experience	Dato' Wilson was appointed as a Non-Executive Director of IJM Corporation Berhad ("IJM") on 30 May 2007, and was re-designated as Independent Non-Executive Director of IJM on 25 May 2017. He worked on various infrastructure and development projects in United Kingdom, Africa, Central America, the Caribbean and the Middle East before coming to Malaysia in 1980 as the Chief Resident Engineer for the construction of the Kuala Lumpur-Seremban Expressway and the implementation of the first highway toll systems in Malaysia. His past appointments and/or working experience were as follows:- • General Manager - Technical Services, United Engineers (Malaysia) Berhad (1986 - 1990) • Managing Director, Kinta Kellas plc (1990 - 1994) (management of the construction of the North-South Expressway) • Managing Director, Renong Overseas Corporation Sdn Bhd (1995 -2002) • Managing Director, Crest Petroleum Berhad (1998 - 2000) • President, Construction and Engineering Division, Renong Group (1998 - 2002) • Director, Road Builder (M) Holdings Bhd (2002 - 2007)	Tunku Alina was appointed as an Independent Non-Executive Director of IJM Corporation Berhad on 1 November 2017. She has more than 25 years of experience in leading business and community development, client negotiation, legal consultation, dispute resolution and goal setting and specialises in managing clients' compliance and regulatory aspects for investments and development of properties in Malaysia and abroad. She currently volunteers as a facilitator with Soliya's Connect Program. Her past appointments and/or working experience were as follows:- • Legal Assistant, Skrine & Co (1987 - 1992) • Managing Partner, Wong Lu Peen & Tunku Alina (1992 - 2011) • Adjunct Professor at the School of Law, University of Miami (August – November 2016) • Adjunct Research Fellow of INCEIF (January 2013 - December 2015)
Present Directorship(s)	Nil	Listed Companies • Malaysian Pacific Industries Berhad • Batu Kawan Berhad Other Public Companies • Raja Alias Foundation (Trustee) • MBSB Bank Berhad (formerly known as Asian Finance Bank Berhad)
Other Current Position(s) Held	Nil	Council Member, Malaysian Oil Scientists' & Technologists' Association

Tan Ting Min
• Independent Non-Executive Director

Ng Yoke Kian
• Company Secretary

	Tan Ting Min	Ng Yoke Kian
Nationality	Malaysian	Malaysian
Age/Gender	50/Female	51/Female
Academic/ Professional Qualification	• Bachelor of Arts (Honours) (Cantab) in Natural Sciences, Cambridge University, United Kingdom • Master of Arts, Cambridge University, United Kingdom	Associate of Malaysian Institute of Chartered Secretaries & Administrators (MAICSA)
Board Committee Membership(s)	Nil	Nil
Date Appointed/ Working Experience	Ms Tan was appointed as an Independent Non-Executive Director of IJM Corporation Berhad on 1 November 2017. Her past appointments and/or working experience were as follows:- • Investment Analyst, Ke-zan Securities Sdn Bhd (1992 - 1993) • Investment Analyst, Credit Suisse Securities (Malaysia) Sdn Bhd ("Credit Suisse") (1994 - 2010) • Head of Research, Credit Suisse (2010 - 2017) During her tenure as the Head of Research in Credit Suisse, Ms Tan led the Credit Suisse Malaysian equity research team to rank first in the Institutional Investor Poll in Malaysia for seven (7) consecutive years.	Ms Ng joined IJM Corporation Berhad ("IJM") in 1997 and was appointed Company Secretary on 6 April 2012. She started her career with a secretarial firm for about 5 years and was an Assistant Manager of the Technical and Research Department of MAICSA prior to joining IJM. She has more than 25 years experience in corporate secretarial work. She held the following positions in IJM prior to her appointment as Company Secretary:- • Manager, Corporate Services Department (1997 - 2006) • Senior Manager, Corporate Services Department (2007 - 2012)
Present Directorship(s)	Listed Companies Sime Darby Plantation Berhad Other Public Companies Nil	Nil
Other Current Position(s) Held	Director of Sime Darby Oils International Limited	• Company Secretary, IJM Plantations Berhad • Head, Corporate Services Department

Note:-
1. There are no family relationship between the Directors and/or major shareholders of the Company.
2. Save for Tan Sri Dato' Tan Boon Seng @ Krishnan and Datuk Ir. Hamzah Bin Hasan who have interest in certain related party transactions as disclosed in Note 51(c) to the Financial Statements, none of the Directors has any financial interest in any business arrangement involving the Group.
3. All Directors maintain a clean record with regard to convictions for offences.

GROUP ORGANISATION CHART

BOARD OF DIRECTORS

- Executive Committee
- Audit Committee
  - Risk Management Committee
  - Internal Audit
- Nomination & Remuneration Committee
- Securities & Options Committee
- Company Secretary

Divisions

Construction
Liew Hau Seng

Property
Edward Chong Sin Kiat

Industry
Tan Boon Leng

Plantation
Joseph Tek Choon Yee

Infrastructure – Port
Wong Soon Fah

Infrastructure – Tolls
Wan Salwani Binti Wan Yusoff

Group Support Services

Accounts & Finance
Cyrus Eruch Daruwalla

Corporate Strategy & Investment
Lee Chun Fai

Corporate Services
Ng Yoke Kian

Information Systems
Chee Yin Tzuen

Quality
S. Ramesh A/L V. Subramaniam

Health, Safety & Environment
Rozaimy Bin Amiruddin

CEO & Managing Director
Dato' Soam Heng Choon

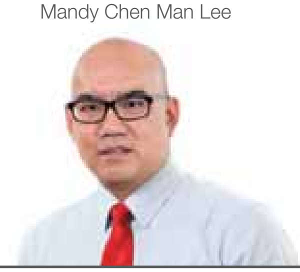
Deputy CEO &
Deputy Managing Director
Lee Chun Fai

Legal
James Ponniah Joseph

Human Resources & Administration
Agnes Choon

Corporate Communications
Mandy Chen Man Lee

Investor Relations
Shane Guha Thakurta



Internal Audit
Chan Weng Yew

International Ventures

India
Cyrus Eruch Daruwalla

Middle East
Liew Hau Seng

Pakistan
Pook Fong Fee

Indonesia
Purushothaman A/L Kumaran

Vietnam
Tan Peng Kok

Argentina
Adam Eleod

PROFILE OF KEY SENIOR MANAGEMENT

	Liew Hau Seng • Managing Director, IJM Construction Sdn Bhd	**Edward Chong Sin Kiat** • Managing Director, IJM Land Berhad
Nationality	Malaysian	Malaysian
Age/Gender	53/Male	47/Male
Academic/ Professional Qualification	• Bachelor of Engineering (1st Class Honours) in Civil Engineering, Universiti Teknologi Malaysia • Master in Business Administration, HELP University	• Bachelor of Business (Accountancy), Royal Melbourne Institute of Technology, Australia • Member of the Malaysian Institute of Accountants (MIA) • Member of CPA Australia
Date Appointed/ Working Experience	Mr Liew was re-designated as Managing Director of IJM Construction Sdn Bhd ("IJMC") on 6 April 2015. He was the Executive Director of IJMC from 1 June 2012 to 5 April 2015, and was appointed to head the Construction Division with effect from 7 June 2013. His past appointments and/or working experience were as follows:- • Engineer, GR Concrete Sdn Bhd (1989 - 1995) • Senior Engineer, IJMC (1995 - 2002) • Senior Project Manager, IJMC (2003 - 2005) • Project Director, IJMC (2006 - 2009) • Operations Director, IJMC (2010 - 2011) • Executive Director, IJMC (2012 – 2015)	Mr Edward Chong was appointed Managing Director of IJM Land Berhad ("IJML") on 6 April 2015. Prior to joining RB Land Holdings Berhad ("RBL") [now known as IJM Land Berhad ("IJML")] in 2000, Mr Edward Chong was attached to the corporate finance department of an investment bank and prior to that, a public accounting firm. His past appointments in RBL or IJML were as follows:- • Assistant General Manager of Corporate Affairs, RBL (2000) • General Manager of Corporate Affairs, RBL (2001 – 2007) • General Manager of Finance, IJML (2007 – 2012) • Chief Financial Officer, IJML (2012) • Chief Operating Officer & Chief Financial Officer, IJML (1 November 2012 – 6 April 2015)
Present Directorship(s)	Nil	Listed Companies Nil Other Public Companies • IJM Land Berhad • ERMS Berhad • Sebana Golf & Marina Resort Berhad
Other Current Position(s) Held	Nil	Nil

	Joseph Tek Choon Yee • Chief Executive Officer & Managing Director, IJM Plantations Berhad	**Tan Boon Leng** • Managing Director, Industrial Concrete Products Sdn Bhd
Nationality	Malaysian	Malaysian
Age/Gender	53/Male	58/Male
Academic/ Professional Qualification	• Bachelor of Science (1st Class Honours), Universiti Kebangsaan Malaysia • Master in Philosophy (Plant Breeding), Cambridge University, England • ASEAN Senior Management Development Programme, Harvard Business School	Bachelor of Engineering in Civil Engineering, University of Canterbury, New Zealand
Date Appointed/ Working Experience	Mr Joseph Tek was appointed Chief Executive Officer & Managing Director ("CEO&MD") of IJM Plantations Berhad ("IJMP") on 23 May 2010. He joined IJMP in September 2004 to head the research, training and development activities of IJMP Group, and was appointed an Alternate Director on 22 May 2008 and Executive Director on 19 October 2008 besides being the General Manager – Plantations (Sabah). He was then redesignated to the position of Chief Operating Officer & Executive Director on 18 May 2009, prior to his appointment as CEO&MD of IJMP. His past appointments and/or working experience were as follows:- • Plant Breeder (Ebor Research), Sime Darby Plantations Sdn Bhd (1991 - 1997) • R&D Manager, Sime Darby Plantations Sdn Bhd (1997 - 2000) • Manager-Agritech Business, Sime Aerogreen Sdn Bhd and Sime Gardentech Sdn Bhd (2000 - 2001) • Head of R&D, Malaysian Palm Oil Association ("MPOA") (2001 - 2004) • Vice-Chairman, MPOA Environment Working Committee (2004 - 2005) • Member, Criteria Working Group for the Roundtable on Sustainable Palm Oil (RSPO) (2005 - 2006) • Council Member, Malaysian Oil Scientists' and Technologists' Association (MOSTA) (2006 - 2007) • Member, Programme Advisory Committee (PAC) of Malaysian Palm Oil Board ("MPOB") (2011 - 2013) • President, Malaysian Estate Owners' Association ("MEOA") (2015 - 2018)	Mr Tan was appointed Managing Director of Industrial Concrete Products Sdn Bhd ("ICP") on 13 August 2018 to oversee the operations of the Industry Division. His past appointments and/or working experience were as follows:- • Southern Pipe Industry (Malaysia) Sdn Bhd (1988 - 1991) • Sales Engineer, ICP Marketing Sdn Bhd ("ICPM") (May 1991 – January 1993) • Senior Sales Engineer, ICPM (January 1993 – January 1995) • Assistant Area Sales Manager, ICPM (1995 - 2001) • Sales Manager, ICPM (2001 - 2003) • Senior Sales Manager, ICPM (2003 - 2008) • General Manager (Marketing), ICPM (2008 - 2011) • General Manager (Operations), ICP (2011 – 2014) • Senior General Manager (Operations), ICP (2014 – 2017) • Chief Operating Officer, ICP (2017 – 2018)
Present Directorship(s)	<u>Listed Companies</u> IJM Plantations Berhad <u>Other Public Companies</u> Nil	Nil
Other Current Position(s) Held	• Council Member, MEOA • Member of Board of Governors, Montfort Youth Training Centre (MYTC), Sabah • Board Member, MPOB (since 2016)	Nil

PROFILE OF KEY SENIOR MANAGEMENT

Wan Salwani Binti Wan Yusoff

- Chief Operating Officer, Toll Division, Malaysia

Wong Soon Fah

- Executive Director, Kuantan Port Consortium Sdn Bhd

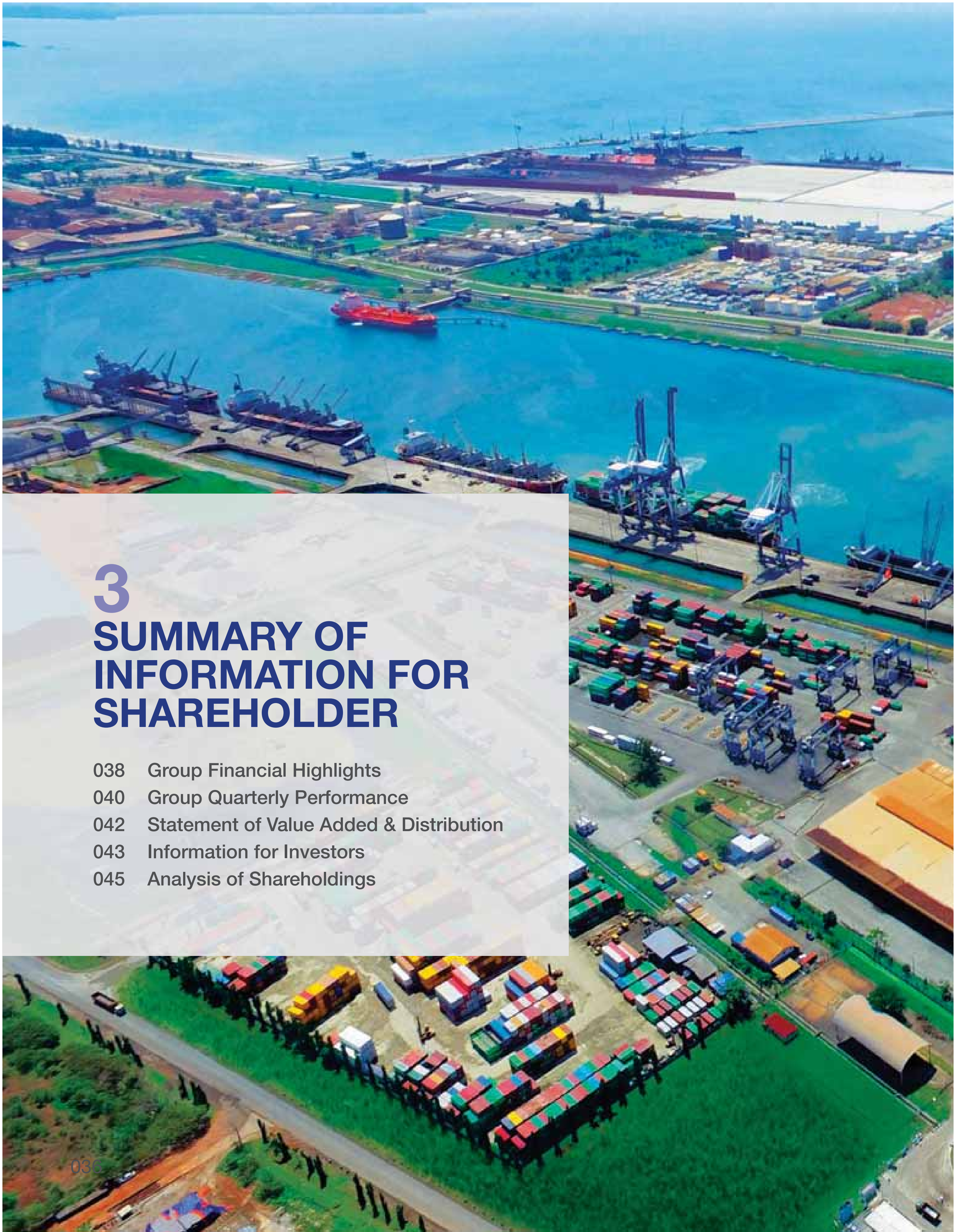
	Wan Salwani Binti Wan Yusoff	Wong Soon Fah
Nationality	Malaysian	Malaysian
Age/Gender	52/Female	68/Male
Academic/ Professional Qualification	• Bachelor of Science in Electrical Engineering, University of Arizona, USA • Master in Business Administration, Universiti Putra Malaysia	• Member of Chartered Institute of Transport (London) • Post Graduate Diploma in Port Operations & Management (University of Antwerp)
Date Appointed/ Working Experience	Puan Wan Salwani was appointed the Chief Operating Officer of Toll Division on 1 May 2013 to oversee the tollway operations in Malaysia. Her past appointments and/or working experience were as follows:- • Application Engineer, Enserv Sdn Bhd (1990 - 1996) • Project Engineer, Besraya (M) Sdn Bhd ("BES") (1996 - 1997) • Assistant Manager, BES (1997 - 2001) • Assistant Manager, New Pantai Expressway Sdn Bhd ("NPE") (2001 - 2003) • Manager, NPE (January 2003 – December 2007) • Senior Manager, NPE (January 2008 – June 2009) • General Manager, Toll Division (1 July 2009 – 1 May 2013) She was responsible for toll operations, mechanical & electronic matters, concession monitoring, land acquisition and corporate communication before being promoted to General Manager of Toll Division in 2009.	Mr Wong was appointed Director of Kuantan Port Consortium Sdn Bhd ("KPC") on 5 May 2017, and re-designated as Executive Director on 2 July 2018 to oversee the operations of the Port Division. His past appointments and/or working experience were as follows:- • Operations and Commercial Manager (last position), Port Authority (Klang and Kuantan) (1969 - 1997) • General Manager Operations, KPC (1998 - 2000) • General Manager Marketing, KPC (2000 - 2004) • Chief Operating Officer, KPC (2004 - 2006) • Managing Director, KPC (2006 - 2009) • Advisor, KPC (2009 - 2010) • Director of Port Klang Free Trade Zone (2011 - 2015) • Logistic and Port Development Consultancy (2016 - 2017)
Present Directorship(s)	Nil	Nil
Other Current Position(s) Held	Nil	Nil

Cyrus Eruch Daruwalla
- Chief Financial Officer

Purushothaman A/L Kumaran
- Chief Financial Officer & Executive Director, IJM Plantations Berhad
- Chief Executive Officer, Indonesian Operations

	Cyrus Eruch Daruwalla	Purushothaman A/L Kumaran
Nationality	Indian	Malaysian
Age/Gender	57/Male	57/Male
Academic/ Professional Qualification	• Bachelor of Commerce (Honours), University of Bombay • Associate Member of the Association of Chartered Certified Accountants, United Kingdom (ACCA)	• Bachelor of Accounting (Honours), University of Malaya • Master in Business Administration, Anglia Polytechnic University, Cambridge, England • Member of the Malaysian Institute of Accountants (MIA)
Date Appointed/ Working Experience	Mr Cyrus joined IJM Corporation Berhad ("IJM") on 7 September 2006 as Chief Financial Officer, heading the Accounts & Finance Department for the overall IJM Group. His past appointments and/or working experience were as follows:- • Ernst & Young, London, UK • Addmoss Taylor & Partners, London • Senior Accountant, Portlands of Blackheath Ltd., UK • Head of Professional Programmes for Emile Woolf Far East Sdn Bhd • Group Financial Controller, Sri America Group of Companies • Manager, PricewaterhouseCoopers PLT, Malaysia • Executive Director, PricewaterhouseCoopers PLT, Malaysia	Mr Puru Kumaran was appointed the Chief Financial Officer & Executive Director of IJM Plantations Berhad ("IJMP") on 23 May 2010. He was also appointed the Chief Executive Officer for the Group's Indonesian Operations on 1 January 2016. His past appointments with IJMP were as follows:- • Financial Controller, IJMP (1 January 2004 – 1 January 2007) • General Manager - Corporate Affairs & Finance, IJMP (1 January 2007 – 23 May 2010) Prior to joining IJMP, he was with Unilever Group for over 14 years, serving various finance and commercial positions in Malaysia, England and Indonesia. His last post was Commercial Director of its plantation operations in Malaysia.
Present Directorship(s)	Listed Companies Nil Other Public Companies Road Builder (M) Holdings Bhd	Listed Companies IJM Plantations Berhad Other Public Companies Nil
Other Current Position(s) Held	Country Head for IJM Indian Operations (1 January 2018)	Nil

Note:-
1. The Key Senior Management has no family relationship with any of the Directors and/or major shareholders of the Company.
2. Save for Liew Hau Seng, Joseph Tek Choon Yee, Tan Boon Leng, Wan Salwani Binti Wan Yusoff and Purushothaman A/L Kumaran who have interest in certain related party transactions as disclosed in Note 51(c) to the Financial Statements, none of the Key Senior Management has any financial interest in any business arrangement involving the Group.
3. All Key Senior Management maintain a clean record with regard to convictions for offences.



3
SUMMARY OF INFORMATION FOR SHAREHOLDER

Inspiring innovation by the way we think and work

GROUP FINANCIAL HIGHLIGHTS

		31.3.2019	31.3.2018 (Restated)[N2]	31.3.2017	31.3.2016	31.3.2015
OPERATING REVENUE [N1]	RM'000					
Construction		**2,325,361**	2,676,074	2,532,146	1,642,997	1,224,314
Property development		**1,482,011**	1,260,461	1,516,225	1,289,966	2,203,422
Manufacturing & quarrying		**886,424**	1,057,097	1,136,614	982,769	926,767
Plantation		**630,900**	747,217	753,711	557,613	667,666
Infrastructure		**943,391**	1,001,873	975,515	1,295,014	1,031,410
Investment & others		**752**	2,830	3,528	14,493	10,113
		6,268,839	6,745,552	6,917,739	5,782,852	6,063,692
PROFIT/(LOSS) BEFORE TAXATION	RM'000					
Construction		**174,392**	221,219	216,715	170,569	184,844
Property development		**202,043**	120,687	303,277	159,288	494,660
Manufacturing & quarrying		**58,993**	82,479	142,417	124,090	125,601
Plantation		**(43,306)**	50,771	168,514	50,408	89,409
Infrastructure		**268,251**	122,817	62,313	555,773	42,276
Investment & others		**(12,385)**	13,088	116,774	95,669	82,567
		647,988	611,061	1,010,010	1,155,797	1,019,357
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION & AMORTISATION (EBITDA)	RM'000	**1,212,458**	1,158,406	1,457,723	1,587,495	1,516,610
NET PROFIT FOR THE FINANCIAL YEAR	RM'000	**440,709**	378,262	766,804	881,535	713,041
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	RM'000	**418,916**	346,651	653,773	793,587	480,944
EARNINGS PER SHARE (Basic)	Sen	**11.56**	9.56	18.16	22.22	14.75*
EARNINGS PER SHARE (Fully Diluted)	Sen	**11.55**	9.53	17.94	21.81	14.65*
GROSS DIVIDEND PER SHARE	Sen	**4.00**	6.00	7.50	10.00	15.00
FINANCIAL POSITION						
ISSUED SHARE CAPITAL	RM'000	**6,099,350**	6,074,349	6,022,651***	3,584,805	1,500,001
SHAREHOLDERS' FUNDS	RM'000	**9,538,652**	9,346,495	9,497,274	9,028,359	8,429,640
TOTAL ASSETS	RM'000	**23,005,974**	21,233,287	20,892,700	19,835,545	19,730,689
TOTAL BORROWINGS	RM'000	**6,662,139**	5,913,975	6,003,770	5,844,662	6,154,763
NET ASSETS PER SHARE	RM	**2.63**	2.58	2.63	2.52	5.62
RETURN ON TOTAL ASSETS	%	**1.82**	1.63	3.13	4.00	2.44
RETURN ON EQUITY	%	**4.39**	3.71	6.88	8.79	5.71
GEARING (Net Debt/Equity)	%	**53.51**	47.57	40.60	46.13	50.34
MARKET CAPITALISATION	RM'000	**8,049,389**	9,722,719	12,285,516	12,654,362	10,800,007
SHARE PRICE						
High	RM	**2.98**	3.60	3.64	3.75*	3.65*
Low	RM	**1.39**	2.55	3.07	2.87	3.05*
Close	RM	**2.22**	2.68	3.40	3.53	3.60*
WARRANT PRICE 2009/2014						
High	RM	**–**	–	–	–	2.81
Low	RM	**–**	–	–	–	1.94
Close	RM	**–**	–	–	–	2.39**

N1 Including share of associate and joint venture's revenue

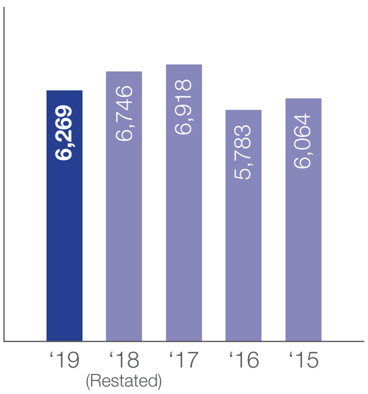
N2 FY2018 figures had been restated following the first time adoption of Malaysian Financial Reporting Standards ("MFRS")

* After adjustment for 1:1 Bonus Issue

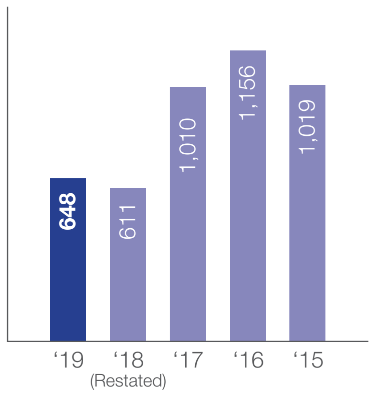
** Warrants 2009/2014 ceased trading and expired on 8 October 2014 and 24 October 2014 respectively

*** With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium account of RM2,395,511,000 has been transferred into the share capital account. Pursuant to the subsection 618(3) and 618(4) of the New Act, the Group may exercise its right to use the credit amounts being transferred from the share premium account within 24 months after the commencement of the New Act.

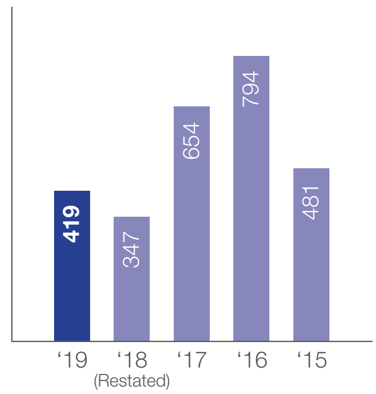
OPERATING REVENUE
RM'million
RM**6,269**million



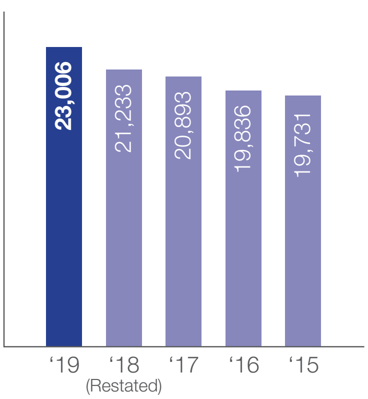
PROFIT/(LOSS) BEFORE TAXATION
RM'million
RM**648**million



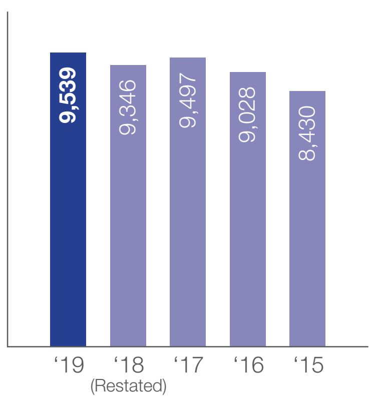
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
RM'million
RM**419**million



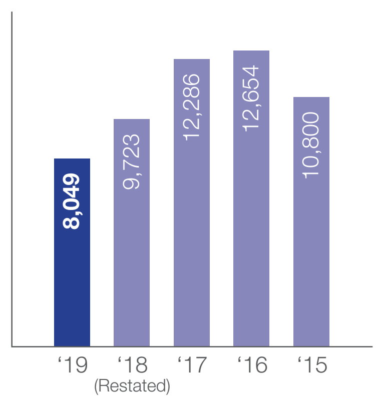
TOTAL ASSETS
RM'million
RM**23,006**million



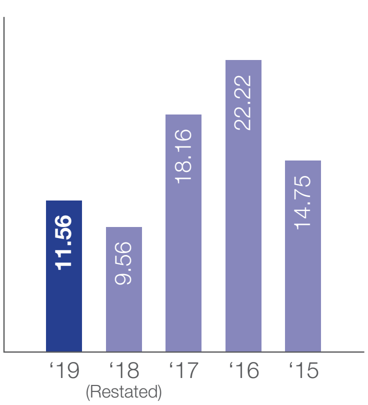
SHAREHOLDERS' FUNDS
RM'million
RM**9,539**million



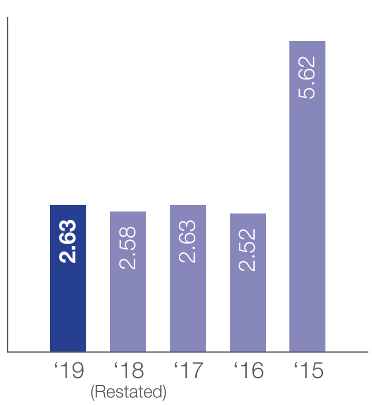
MARKET CAPITALISATION
RM'million
RM**8,049**million



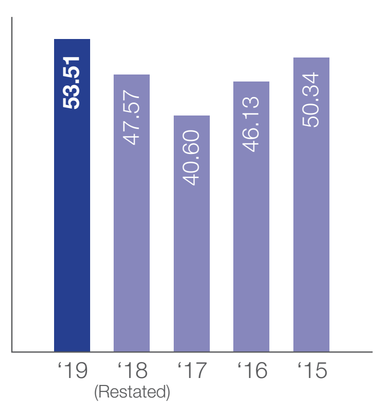
EARNINGS PER SHARE
(Basic)
Sen
11.56sen



NET ASSETS PER SHARE
RM
RM**2.63**



GEARING
(Net Debt/Equity)
%
53.51%

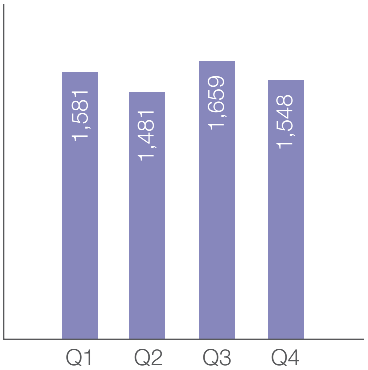


GROUP QUARTERLY PERFORMANCE

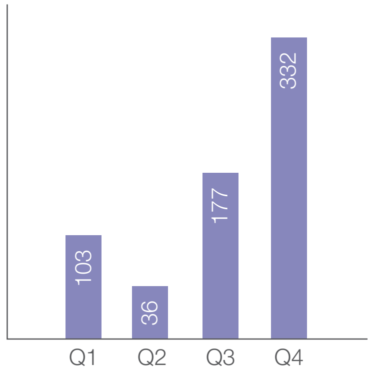
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
OPERATING REVENUE [N1]	RM'000				
Construction		606,598	627,494	561,456	529,813
Property development		345,584	267,777	490,603	378,047
Manufacturing & quarrying		232,375	221,022	219,997	213,030
Plantation		183,143	140,086	142,869	164,802
Infrastructure		212,335	225,233	243,536	262,287
Investment & others		967	(553)	156	182
		1,581,002	1,481,059	1,658,617	1,548,161
PROFIT/(LOSS) BEFORE TAXATION	RM'000				
Construction		39,690	38,509	34,247	61,946
Property development		44,897	21,924	65,202	70,020
Manufacturing & quarrying		13,146	16,081	14,952	14,814
Plantation		(26,269)	(31,749)	(2,010)	16,722
Infrastructure		24,856	8,536	63,421	171,438
Investment & others		6,908	(17,469)	1,494	(3,318)
		103,228	35,832	177,306	331,622
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION & AMORTISATION (EBITDA)	RM'000	246,476	176,270	331,371	458,341
NET PROFIT FOR THE FINANCIAL PERIOD	RM'000	60,817	11,766	101,176	266,950
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	RM'000	62,764	21,918	93,423	240,811
EARNINGS PER SHARE (Basic)	Sen	1.73	0.60	2.57	6.64
EARNINGS PER SHARE (Fully Diluted)	Sen	1.73	0.60	2.57	6.63
GROSS DIVIDEND PER SHARE	Sen	–	2.00	–	2.00
ISSUED SHARE CAPITAL	RM'000	6,099,350	6,099,350	6,099,350	6,099,350
SHAREHOLDERS' FUNDS	RM'000	9,212,486	9,217,248	9,300,331	9,538,652
TOTAL ASSETS	RM'000	21,612,827	21,880,733	22,055,706	23,005,974
TOTAL BORROWINGS	RM'000	6,700,855	7,033,037	7,175,132	6,662,139
NET ASSETS PER SHARE	RM	2.54	2.54	2.57	2.63
RETURN ON TOTAL ASSETS (Annualised)	%	1.15	0.77	1.07	1.82
RETURN ON EQUITY (Annualised)	%	2.67	1.82	2.54	4.39
GEARING (Net Debt/Equity)	%	55.10	58.30	60.47	53.51
MARKET CAPITALISATION	RM'000	6,499,311	6,535,620	5,873,885	8,049,389
SHARE PRICE					
High	RM	2.98	2.07	1.83	2.24
Low	RM	1.60	1.65	1.39	1.55
Close	RM	1.79	1.80	1.62	2.22

[N1] Including share of associate and joint venture's revenue

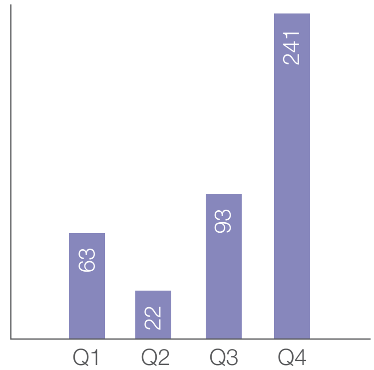
OPERATING REVENUE
RM'million



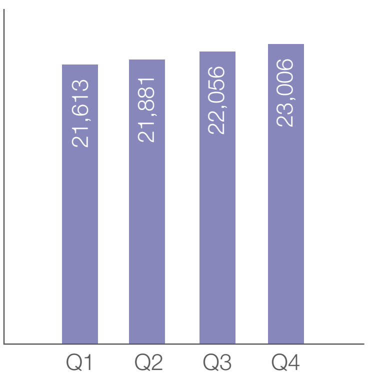
PROFIT/(LOSS) BEFORE TAXATION
RM'million



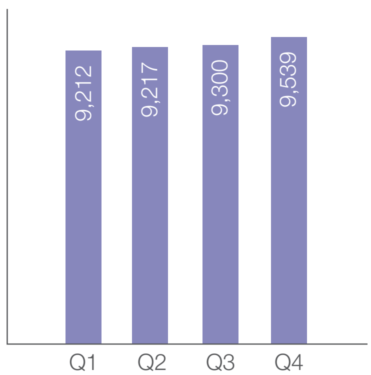
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
RM'million



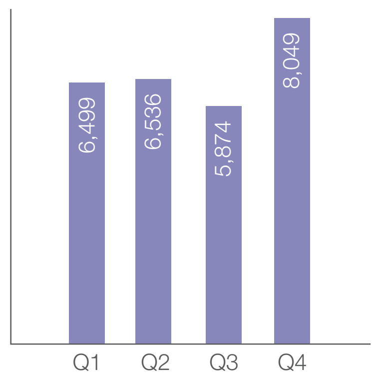
TOTAL ASSETS
RM'million



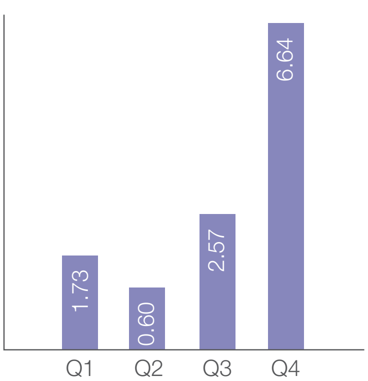
SHAREHOLDERS' FUNDS
RM'million



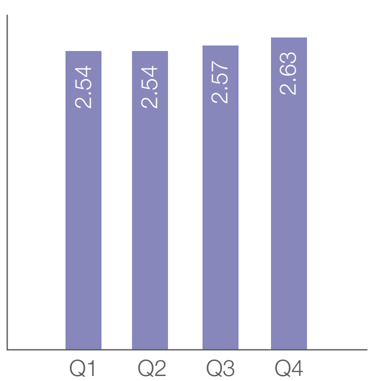
MARKET CAPITALISATION
RM'million



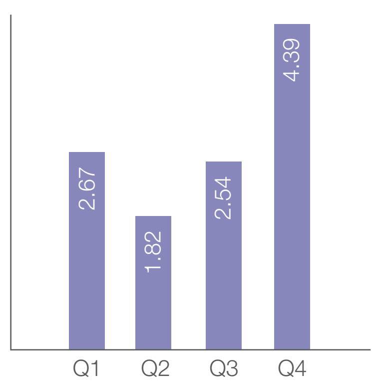
EARNINGS PER SHARE
(Basic)
Sen



NET ASSETS PER SHARE
RM



RETURN ON EQUITY
(Annualised)
%



STATEMENT OF VALUE ADDED & DISTRIBUTION

	2019 RM'000	2018 RM'000
VALUE ADDED		
Operating revenue	**5,655,661**	5,965,587*
Purchases of goods & services	**(4,145,301)**	(4,348,928)
Value added by the Group	**1,510,360**	1,616,659
Share of profits of associates	**142,551**	8,242*
Share of losses of joint ventures	**(14,813)**	(9,303)*
Total value added	**1,638,098**	1,615,598
DISTRIBUTION		
To employees		
- Salaries & other staff costs	**425,640**	457,192
To Governments		
- Taxation	**207,279**	232,799*
To providers of capital		
- Dividends	**181,468**	272,043
- Finance cost	**225,103**	185,674
- Non-controlling interests	**21,793**	31,611*
Retained for future reinvestment & growth		
- Depreciation and amortisation	**339,367**	361,671*
- Retained profits	**237,448**	74,608*
Total Distributed	**1,638,098**	1,615,598

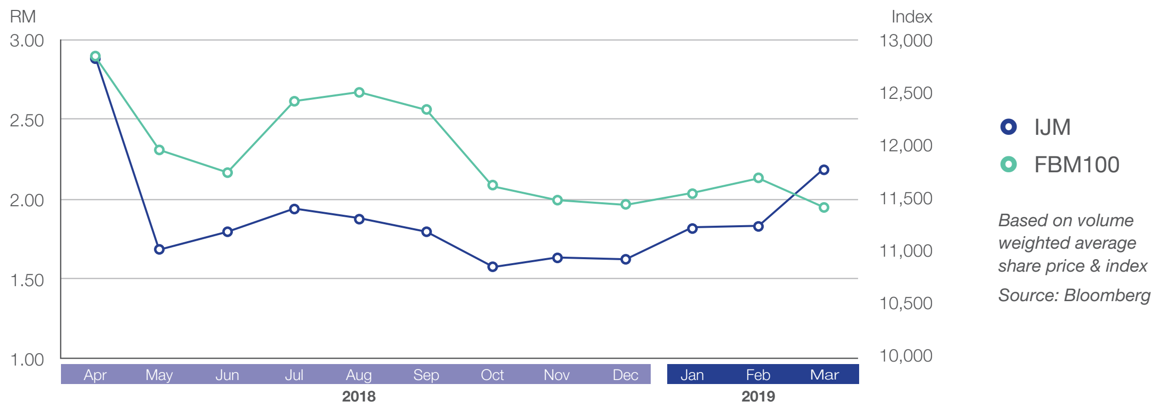
Value added is a measure of wealth created. The above statement shows the Group's value added for 2019 and 2018 and its distribution by way of payments to employees, governments and capital providers, with the balance retained in the Group for future reinvestment and growth.

	2019 RM'000	2018 RM'000
RECONCILIATION		
Profit for the year	**418,916**	346,651*
Add : Depreciation and amortisation	**339,367**	361,671*
Finance cost	**225,103**	185,674
Staff costs	**425,640**	457,192
Taxation	**207,279**	232,799*
Non-controlling interests	**21,793**	31,611*
Total value added	**1,638,098**	1,615,598

* Restated amounts

INFORMATION FOR INVESTORS

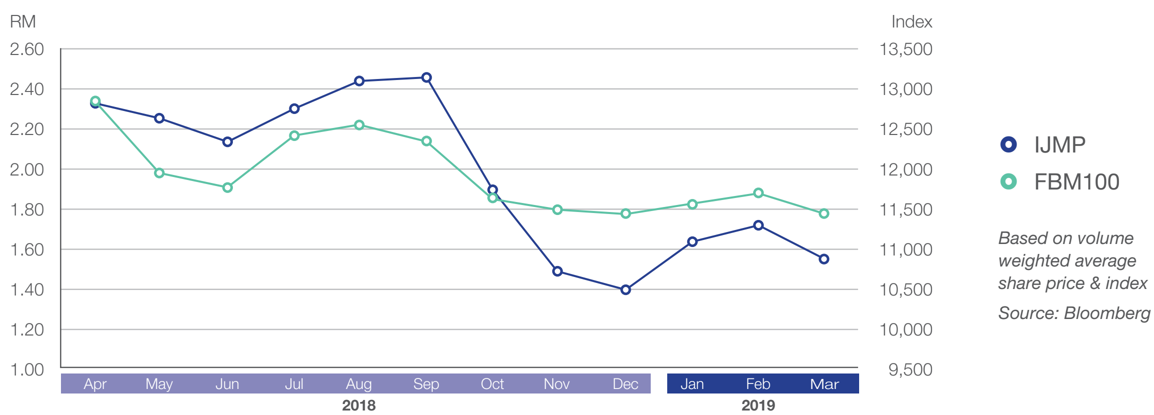
A. IJM CORPORATION BERHAD ("IJM") SHARE PRICE VS FBM100



IJM's share price (stock code: 3336) saw a sharp decline from RM2.89 in April to RM1.68 in May 2018, as investors turned cautious on the construction sector following the change in Government during the 2018 Malaysian General Election. Investor sentiment for IJM remained tepid throughout the rest of 2018 as the new Government reviewed a number of mega infrastructure projects in the country in its effort to reduce the country's financial burden and renegotiated toll concessions as part of its election manifesto. Sentiment began to improve in early 2019 when projects resumed, albeit at reduced prices.

IJM saw its share price decline by 24% compared to FBM100 which declined 11% in the same period of IJM's financial year of 2019.

B. IJM PLANTATIONS BERHAD ("IJMP") SHARE PRICE VS FBM100



IJMP's share price (stock code: 2216) was RM2.34 in April 2018 and closed the financial year 2019 at RM1.57, representing a decline of 33%. This compares to an 11% decline in the FBM100 index over the same period.

The share price of IJMP moved in tandem with the declining trend of the CPO price from circa RM2,450 in early April 2018 to RM2,150 by end of June 2018. The share price rose by the end of July to September 2018 following a recovery in CPO price arising from weak CPO production as well as better than expected export to the EU. Thereafter, the share price continued to show a declining trend before recovering in January 2019, when CPO prices were expected to recover due to stronger demand arising from higher biodiesel mandates in Malaysia and Indonesia, higher export demand and slower supply growth.

INFORMATION FOR INVESTORS

C. IJM's 2014/2034 Sukuk Murabahah (RM3.0 Billion)

RAM Ratings has reaffirmed IJM's RM3.0 Billion Sukuk Murabahah Programme with a rating of "AA3/Stable" in February 2019.

Details of the programme are disclosed in Note 16 to the Financial Statements.

FINANCIAL CALENDAR

Financial Year End		31 March 2019
Announcement of Results	1st Quarter	28 August 2018
	2nd Quarter	26 November 2018
	3rd Quarter	26 February 2019
	4th Quarter	29 May 2019
Notice of Annual General Meeting		29 July 2019
Annual General Meeting		28 August 2019

INVESTOR SERVICE

The Group maintains a dynamic website (www.ijm.com) which provides detailed information on the Group's operations and latest developments. For further details, you may contact:

For shareholder and company related matters, please contact:

Ms Ng Yoke Kian
Company Secretary
Tel : +603 79858131
Fax : +603 79521200
E-mail : csa@ijm.com

For financial performance or company development matters, please contact:

Mr Shane Guha Thakurta
Investor Relations, Assistant General Manager
Tel : +603 79858041
Fax : +603 79529388
E-mail : shanethakurta@ijm.com

ANALYSIS OF SHAREHOLDINGS

as at 28 June 2019

Number of Issued Share : 3,639,266,620*
Class of Shares : Ordinary Shares
Voting Rights
On show of hands : 1 vote
On a poll : 1 vote for each share held

*inclusive of 9,836,700 shares bought-back by the Company and retained as treasury shares as at 28 June 2019

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	Number of Shareholders	Number of Shares	Percentage of Issued Shares
Less than 100	276	9,068	0.00%
100 – 1,000	2,704	2,135,691	0.06%
1,001 - 10,000	7,917	34,175,328	0.94%
10,001 – 100,000	2,553	78,882,457	2.17%
100,001 to less than 5% of issued shares [(1)]	914	2,596,455,498	71.54%
5% and above of issued shares	3	917,771,878	25.29%
	14,367	3,629,429,920	100.00%

[(1)] excluding 9,836,700 treasury shares

REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Number of Shares		Percentage of Issued Shares
	Direct	Deemed	
1. Employees Provident Fund Board	563,178,518	–	15.52%
2. AmanahRaya Trustees Berhad – Amanah Saham Bumiputera	252,790,700	–	6.97%
3. Urusharta Jamaah Sdn Bhd	227,307,500	–	6.26%
4. Kumpulan Wang Persaraan (Diperbadankan)	220,618,300	–	6.08%

THIRTY LARGEST SHAREHOLDERS

	Number of Shares	Percentage of Issued Shares
1. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	437,673,678	12.06%
2. AmanahRaya Trustees Berhad Amanah Saham Bumiputera	252,790,700	6.95%
3. Urusharta Jamaah Sdn Bhd	227,307,500	6.26%
4. Kumpulan Wang Persaraan (Diperbadankan)	167,919,400	4.63%
5. AmanahRaya Trustees Berhad Amanah Saham Malaysia 2 - Wawasan	119,469,000	3.29%
6. AmanahRaya Trustees Berhad Amanah Saham Malaysia	95,040,100	2.62%
7. Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd	87,058,140	2.40%
8. Permodalan Nasional Berhad	85,924,480	2.37%
9. Cartaban Nominees (Asing) Sdn Bhd RHB Trustees Berhad for Kenanga Income Fund-Series 1	77,197,300	2.13%

ANALYSIS OF SHAREHOLDINGS
as at 28 June 2019

THIRTY LARGEST SHAREHOLDERS (cont'd)

	Number of Shares	Percentage of Issued Shares
10. AmanahRaya Trustees Berhad Amanah Saham Malaysia 3	58,255,100	1.61%
11. Cartaban Nominees (Asing) Sdn Bhd Exempt AN for State Street Bank & Trust Company (WEST CLT OD67)	58,183,120	1.60%
12. Cartaban Nominees (Tempatan) Sdn Bhd SCBMB Trustee Berhad for Maybank Institutional Income Fund	57,933,000	1.60%
13. Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)	55,000,000	1.52%
14. Cartaban Nominees (Tempatan) Sdn Bhd PAMB for Prulink Equity Fund	50,214,000	1.38%
15. HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Emerging Markets Stock Index Fund	49,474,234	1.36%
16. HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Total International Stock Index Fund	49,447,721	1.36%
17. Cartaban Nominees (Asing) Sdn Bhd GIC Private Limited for Government of Singapore (C)	48,311,100	1.33%
18. Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	41,363,980	1.14%
19. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Nomura)	40,410,700	1.11%
20. AmanahRaya Trustees Berhad Public Islamic Dividend Fund	35,967,608	0.99%
21. AmanahRaya Trustees Berhad Public Ittikal Sequel Fund	35,351,400	0.97%
22. AmanahRaya Trustees Berhad Amanah Saham Bumiputera 2	30,000,000	0.83%
23. AmanahRaya Trustees Berhad Amanah Saham Bumiputera 3 - Didik	29,380,900	0.81%
24. Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	26,661,018	0.73%
25. AmanahRaya Trustees Berhad Public Islamic Sector Select Fund	24,551,400	0.68%
26. Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	23,638,100	0.65%
27. Citigroup Nominees (Asing) Sdn Bhd CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	22,072,326	0.61%
28. Maybank Nominees (Tempatan) Sdn Bhd MTrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)	21,961,500	0.61%
29. HSBC Nominees (Asing) Sdn Bhd HSBC BK Plc for Kuwait Investment Office (KIO)	21,500,000	0.59%
30. AmanahRaya Trustees Berhad Public Islamic Select Enterprises Fund	21,402,400	0.59%
	2,351,459,905	64.78%

DIRECTORS' SHAREHOLDINGS IN IJM CORPORATION BERHAD

as at 28 June 2019

Name of Directors	Number of Shares		Percentage of Issued Capital
	Direct	Deemed	
Tan Sri Abdul Halim Bin Ali	30,000	–	0.001%
Tan Sri Dato' Tan Boon Seng @ Krishnan	6,493,066	421,972[1]	0.191%
Dato' Soam Heng Choon	2,093,100	–	0.058%
Lee Chun Fai	681,800	250,000[1]	0.026%
Datuk Lee Teck Yuen	11,764,692	–	0.324%
Datuk Ir. Hamzah Bin Hasan	–	–	–
Pushpanathan A/L S A Kanagarayar	–	–	–
Goh Tian Sui	–	10,000[1]	0.00%
Dato' David Frederick Wilson	–	–	–
Tunku Alina Binti Raja Muhd Alias	–	–	–
Tan Ting Min	–	–	–

Note:
[1] Through a family member

DIRECTORS' INTERESTS UNDER THE EMPLOYEE SHARE OPTION SCHEME OF IJM CORPORATION BERHAD

as at 28 June 2019

Options over ordinary shares ("Options") under Employee Share Option Scheme						
Award	Name of Directors	+ Provisional Number of Options Awarded	+ Balance Provisional Number of Options	Number of Options Vested	Number of Options Exercised	Number of Options Unexercised
First Award on 24.12.2012	Dato' Soam Heng Choon	250,250*	–	384,900*	384,900	–
	Lee Chun Fai	250,250*	–	376,400*	–	376,400
Second Award on 24.12.2013	Lee Chun Fai	308,000*	–	378,500*	–	378,500
Third Award on 24.12.2014	Dato' Soam Heng Choon	935,000*	–	935,000	–	935,000
	Lee Chun Fai	165,000*	–	162,800	–	162,800
Fourth Award on 24.12.2015	Dato' Soam Heng Choon	1,320,000	–	1,320,000	–	1,320,000
	Lee Chun Fai	385,000	–	385,000	–	385,000
Sixth Award on 30.03.2018	Dato' Soam Heng Choon	1,320,000	792,000	528,000	–	528,000
	Lee Chun Fai	660,000	396,000	264,000	–	264,000
Seventh Award on 30.03.2019	Dato' Soam Heng Choon	660,000	660,000	–	–	–
	Lee Chun Fai	330,000	330,000	–	–	–

Note:
+ The vesting of the Options to the eligible Director is subject to the fulfillment of the relevant vesting conditions as at the relevant vesting dates
* Including the Bonus Issue adjustment on 1:1 basis on 11 September 2015

ANALYSIS OF SHAREHOLDINGS

as at 28 June 2019

DIRECTORS' INTERESTS UNDER THE EMPLOYEE SHARE GRANT PLAN OF IJM CORPORATION BERHAD

as at 28 June 2019

Award	Name of Directors	Shares under Employee Share Grant Plan					
		Total				+ Balance Provisional Number of Shares	
		+ Provisional Number of Shares Awarded		Number of Shares Vested			
		PSP++	RSP+++	PSP	RSP	PSP++	RSP+++
First Award on 15.04.2013	Dato' Soam Heng Choon	72,750*	29,100*	145,500	43,600	–	–
	Lee Chun Fai	72,750*	29,100*	145,500	43,600	–	–
Second Award on 15.04.2014	Lee Chun Fai	97,000*	38,800*	97,000	58,200	–	–
Third Award on 15.04.2015	Dato' Soam Heng Choon	393,000*	101,200*	196,500	151,800	–	–
Fourth Award on 15.04.2016	Dato' Soam Heng Choon	629,600	184,600	393,800	216,200	–	–
	Lee Chun Fai	347,600	139,000	173,800	170,600	–	–
Fifth Award on 15.04.2017	Dato' Soam Heng Choon	471,600	121,400	–	–	–	–
	Lee Chun Fai	189,600	75,800	–	–	–	–
Sixth Award on 15.04.2018	Dato' Soam Heng Choon	471,600	121,400	–	–	471,600	121,400
	Lee Chun Fai	189,600	75,800	–	–	189,600	75,800
Seventh Award on 15.04.2019	Dato' Soam Heng Choon	471,600	121,400	–	–	471,600	121,400
	Lee Chun Fai	189,600	75,800	–	–	189,600	75,800

Notes:-

PSP Performance Share Plan

RSP Retention Share Plan

\+ The vesting of the shares to the eligible Director is subject to the fulfillment of the relevant vesting conditions as at the relevant vesting dates

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

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

* Including the Bonus Issue adjustment on 1:1 basis on 11 September 2015

DIRECTORS' SHAREHOLDINGS IN IJM PLANTATIONS BERHAD
as at 28 June 2019

Name of Directors	Number of Shares		Percentage of Issued Capital
	Direct	Deemed	
Tan Sri Abdul Halim Bin Ali	20,000	–	0.002%
Tan Sri Dato' Tan Boon Seng @ Krishnan	716,060	731,033[1]	0.164%
Dato' Soam Heng Choon	–	–	–
Lee Chun Fai	–	–	–
Datuk Lee Teck Yuen	–	–	–
Datuk Ir. Hamzah Bin Hasan	–	–	–
Pushpanathan A/L S A Kanagarayar	–	–	–
Goh Tian Sui	–	–	–
Dato' David Frederick Wilson	–	–	–
Tunku Alina Binti Raja Muhd Alias	–	–	–
Tan Ting Min	–	–	–

Note:
[1] Through a family member

KEY SENIOR MANAGEMENT'S SHAREHOLDINGS IN IJM CORPORATION BERHAD
as at 28 June 2019

Name of Key Senior Management	Number of Shares		Percentage of Issued Capital
	Direct	Deemed	
Liew Hau Seng	873,500	–	0.024%
Joseph Tek Choon Yee	453,900	–	0.013%
Edward Chong Sin Kiat	506,700	–	0.014%
Tan Boon Leng	285,900	–	0.008%
Wan Salwani Binti Wan Yusoff	267,500	–	0.007%
Wong Soon Fah	192,700	–	0.005%
Cyrus Eruch Daruwalla	949,000	–	0.026%
Purushothaman A/L Kumaran	807,900	–	0.022%

ANALYSIS OF SHAREHOLDINGS
as at 28 June 2019

KEY SENIOR MANAGEMENT'S INTERESTS UNDER THE EMPLOYEE SHARE OPTION SCHEME OF IJM CORPORATION BERHAD
as at 28 June 2019

Options Over Ordinary Shares ("Options") Under Employee Share Option Scheme			
Award	Name of Key Senior Management	+ Balance Provisional Number of Options	Number of Options Unexercised
First Award on 24.12.2012	Joseph Tek Choon Yee	–	98,700
	Edward Chong Sin Kiat	–	333,400
Second Award on 24.12.2013	Liew Hau Seng	–	108,600
	Joseph Tek Choon Yee	–	200,500
	Edward Chong Sin Kiat	–	325,300
	Wan Salwani Binti Wan Yusoff	–	126,800
	Cyrus Eruch Daruwalla	–	91,400
	Purushothaman A/L Kumaran	–	101,800
Third Award on 24.12.2014	Liew Hau Seng	–	93,000
	Joseph Tek Choon Yee	–	143,600
	Edward Chong Sin Kiat	–	64,000
	Tan Boon Leng	–	102,200
	Wan Salwani Binti Wan Yusoff	–	105,300
	Cyrus Eruch Daruwalla	–	127,600
Fourth Award on 24.12.2015	Edward Chong Sin Kiat	–	147,400
Fifth Award on 24.12.2016	Purushothaman A/L Kumaran	45,000	101,800
Sixth Award on 30.03.2018	Liew Hau Seng	280,500	175,900
	Joseph Tek Choon Yee	255,000	164,900
	Edward Chong Sin Kiat	280,500	166,400
	Tan Boon Leng	231,000	136,000
	Wan Salwani Binti Wan Yusoff	165,000	104,300
	Cyrus Eruch Daruwalla	255,000	164,400
	Purushothaman A/L Kumaran	280,500	181,400
Seventh Award on 30.03.2019	Liew Hau Seng	233,800	–
	Joseph Tek Choon Yee	255,000	–
	Edward Chong Sin Kiat	233,800	–
	Tan Boon Leng	275,000	–
	Wan Salwani Binti Wan Yusoff	137,500	–
	Cyrus Eruch Daruwalla	212,500	–
	Purushothaman A/L Kumaran	233,800	–

Note:
+ The vesting of the Options to the eligible Key Senior Management is subject to the fulfillment of the relevant vesting conditions as at the relevant vesting dates

KEY SENIOR MANAGEMENT'S INTERESTS UNDER THE EMPLOYEE SHARE GRANT PLAN OF IJM CORPORATION BERHAD

as at 28 June 2019

Award	Name of Key Senior Management	+ Balance Provisional Number of Shares under Employee Share Grant Plan	
		PSP ++	RSP +++
Sixth Award on 15.04.2018	Liew Hau Seng	116,400	46,600
	Joseph Tek Choon Yee	116,400	46,600
	Edward Chong Sin Kiat	116,400	46,600
	Tan Boon Leng	97,000	38,800
	Wan Salwani Binti Wan Yusoff	43,000	32,000
	Cyrus Eruch Daruwalla	116,400	46,600
	Purushothaman A/L Kumaran	116,400	46,600
Seventh Award on 15.04.2019	Liew Hau Seng	116,400	46,600
	Joseph Tek Choon Yee	116,400	46,600
	Edward Chong Sin Kiat	116,400	46,600
	Tan Boon Leng	116,400	46,600
	Wan Salwani Binti Wan Yusoff	43,000	32,000
	Cyrus Eruch Daruwalla	116,400	46,600
	Purushothaman A/L Kumaran	116,400	46,600

Notes:-
PSP Performance Share Plan
RSP Retention Share Plan
\+ The vesting of the shares to the eligible Key Senior Management is subject to the fulfillment of the relevant vesting conditions as at the relevant vesting dates
++ The quantum of shares to be vested may vary from 0% to 200% of the number of shares provisionally awarded
+++ The quantum of shares to be vested may vary from 0% to 150% of the number of shares provisionally awarded

KEY SENIOR MANAGEMENT'S SHAREHOLDINGS IN IJM PLANTATIONS BERHAD

as at 28 June 2019

Name of Key Senior Management	Number of Shares		Percentage of Issued Capital
	Direct	Deemed	
Liew Hau Seng	–	–	–
Joseph Tek Choon Yee	–	–	–
Edward Chong Sin Kiat	–	–	–
Tan Boon Leng	–	–	–
Wan Salwani Binti Wan Yusoff	–	–	–
Wong Soon Fah	–	–	–
Cyrus Eruch Daruwalla	–	–	–
Purushothaman A/L Kumaran	877,500	–	0.100%

4 BUSINESS REVIEW & REPORTS

Inspiring efficiency by improving our systems and processes

CHAIRMAN'S STATEMENT

After an initial period of uncertainty following the unprecedented change in Government at the 14th General Elections, it is increasingly evident that the new Malaysian Government adopts a business friendly stance, anchored on an open economy and free trading system. Its commitment to fiscal, structural and institutional reforms bodes well for inclusive and sustainable growth going forward. IJM is well-poised to grow with the new Malaysia. On behalf of the Board of Directors of IJM, I am pleased to present the Annual Report of the Group for the financial year ended 31 March 2019.

OPERATING RESULTS

In FY2019, the Group posted a revenue of RM5,655.66 million, representing a decrease of 5.2% over RM5,965.59 million achieved in the preceding year, mainly due to lower revenues contributed by the Construction, Industry and Plantation Divisions. This arose from construction projects not yet reaching optimal construction stages in the year, a lower sales volume of piles and quarry products as well as lower CPO commodity prices achieved.

The Group's pre-tax profit for the year stood at RM647.99 million, an increase of 6.0% compared to the preceding year, mainly due to higher earnings achieved from the Property and Infrastructure Divisions that recorded higher sales and work progress, disposal of commercial land as well as higher contributions from the Group's local tolls and port concessions, and the toll concession investment in Argentina.

Further details of the Group's financial performance are contained in the Management Discussion and Analysis section within this Annual Report.

BUSINESS OUTLOOK AND OPERATIONAL STRATEGIES FOR FY2020

Global trade conditions are expected to be the key determining factor in the near term economic outlook. As a small open economy, trade tensions between the US and China will affect Malaysia and uncertainties surrounding monetary policy normalisation in the US may also lead to financial market volatility in terms of capital flows and currency fluctuations.

While the Malaysian Government is expected to continue its disciplined management of the country's fiscal position, it is imperative that it maintains a business-friendly approach. This has been demonstrated when the new Government cleared its position on encouraging genuine foreign direct investments after its initial review of certain mega infrastructure projects and property developments. The Malaysian Government has also demonstrated that it will adopt a market-driven approach in the restructuring of the toll highway sector, thus allaying investor concerns of inequitable expropriation risks. For 2019, Bank Negara is forecasting the Malaysian economy to grow between 4.3% to 4.8% compared to 4.7% in 2018.

In the near term, the outlook for the Construction Division is supported by an outstanding order book of RM6.7 billion. 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 homes, rising cost of living and tight financing conditions will continue to have a dampening effect. Nonetheless, the Property Division will continue to exert 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 its performance in the coming financial year. Still faced with a challenging operating environment domestically, the Group's Industry Division has intensified its efforts to grow its regional market. 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 the Japanese Yen and higher borrowing costs. Notwithstanding the recovery of crop production in the Malaysian operations and increased young mature areas in the Indonesian operations, the Division continues to face cost pressures arising from wage increases and higher costs of fertilisers and fuel. The Group's Toll and Port operations will continue to provide recurrent revenue streams as existing concessions mature.

For the coming years, the Group will continue to pursue its long-term strategies of strengthening its regional footprint, growing its recurrent income base, pursuing its domestic business agenda, and continue reviewing its asset portfolio.

CORPORATE GOVERNANCE & SUSTAINABILITY

IJM is focused on maintaining high standards of corporate governance, compliance, business conduct, safety and

environmental management – all of which are vital to the Group's performance and business sustainability. It is our belief that good corporate governance supports the long-term value creation for all our stakeholders.

Our Corporate Governance Overview Statement can be found on pages 98 to 107.

IJM's commitment to sustainability is depicted in our Sustainability Statement on pages 124 to 165.

KEY LEADERSHIP CHANGES

Dato' Soam Heng Choon will cease to be the Managing Director of the Company upon his retirement as a Director at the conclusion of the Annual General Meeting on 28 August 2019 and will retire as the Chief Executive Officer on 31 August 2019 after being a dedicated employee with the Group for 30 years, many of which were in various positions of leadership. The Board and I wish to record our sincere appreciation to Dato' Soam Heng Choon for his outstanding contributions in successfully leading the IJM Group.

We take this opportunity to congratulate and welcome Mr Liew Hau Seng, who has been promoted as the new Chief Executive Officer & Managing Director with effect from 1 September 2019. We are confident that his extensive knowledge and experience in the business will enable him to lead IJM to the next level of achievement.

ACKNOWLEDGEMENT

At this juncture, I would also like to announce that I will not be seeking reappointment at this forthcoming Annual General Meeting. After 12 good years of association with the IJM Group, I would like to take this opportunity to express my gratitude to my fellow Directors, the management and staff of IJM for their support that has made my tenure as Chairman a pleasurable and enriching experience. I wish the Group the very best of success in their future endeavours as they grow from strength to strength. I would like to welcome Tan Sri Krishnan Tan to his new role as the Non-Executive Chairman after I retire from the IJM Board. He is a well-known figure in the Group and is highly regarded for his inspiring leadership qualities.

On behalf of the Board, I would like to thank the Management and all employees of the Group for their dedication and contributions to the Group in the past year. I would also like to take this opportunity to thank the shareholders, associates, clients, bankers, subcontractors and suppliers for their support to the Group. The Group values and looks forward to this continued support as we undertake new challenges and opportunities ahead.

Tan Sri Abdul Halim Bin Ali
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

I am delighted to present IJM Corporation Berhad's Annual Report 2019.

The year 2018 has been characterised by both continuity and change. Entire industries currently undergo fundamental change caused by geopolitical uncertainties, policy changes, digital disruption, foreign currency and commodity pressures and shifts in customer requirements. With these events setting the course of our business, we had an intense year that is marked by progress, but also some challenges.

Against this backdrop, the key to the Group's long-term sustainability lies in the combined strength of our business divisions and our ability to adapt to changing market conditions. We will continue to focus on areas where we can improve and respond effectively in the current operating climate as we strive to improve our performance and create value for our shareholders and stakeholders.

Delivering Inspired Solutions

To continue delivering sustainable results, unearth growth opportunities and future-proof investments, the Group recognises that it needs to go beyond bricks and mortar and constantly reinvent to deliver greater value to our stakeholders. The focus is on innovation to fuel new solutions with the potential to transform the ecosystems the Group operates in, at the same time create differentiation in its product and service offerings.

The Group has embarked on a digital transformation programme to strengthen our information system, increase operational efficiencies and optimise costs. These initiatives include Building Information Modelling, face ID biometric access control at project sites, robotic pile shoe welding in our factories and the digitalisation of berth planning and vessels scheduling. Refer to pages 134 to 135 of the Annual Report for more details.

Dato' Soam Heng Choon
Chief Executive Officer &
Managing Director

Revenue FY2019
RM5,655.66m

EBITDA FY2019
RM1,212.46m

Profit Before Tax FY2019
RM647.99m

Return on Total Assets FY2019
1.82%

Return on Equity FY2019
4.39%

Our digital transformation journey reaffirms the Group's new brand promise – **Delivering Inspired Solutions**. This brand promise, backed by our decades of experience, knowledge and success stories, is the commitment we make to all our stakeholders to implement informed and inspired initiatives. By doing so, we can provide inspired solutions that exceed expectations.

Business Environment

While the global economy started strongly in early 2018, growth moderated as the year progressed due to escalating trade tensions, policy uncertainty such as the protracted Brexit negotiations and increased volatility in commodity prices. Furthermore, recalibration of monetary policies in advance economies during the year prompted some emerging economies to experience large capital outflows. Amid waning external demand, Asian economies were still largely supported by resilient domestic demand. Global growth in 2018 expanded by 3.7% compared to 3.8% in 2017.

Malaysian economic growth moderated to 4.7% in 2018 compared to 5.9% in 2017 arising from the weakening global demand as well as domestic challenges during the year. While the General Election in May 2018 saw a smooth political transition, policy and political shifts presented major short-term uncertainties for the economy and affected growth in the ensuing months. Under the new Government, emphasis shifted towards expenditure reprioritisation and reforms on institutional and governance framework. This change in policy focus, while needed for long-term sustainability, entailed short-term economic growth trade-offs through lower and delayed public sector spending. The pace of growth in the construction sector continued to moderate in 2018 to 4.2% compared to 6.7% last year.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance

		FY2019	FY2018 (Restated)	Increase/ (Decrease)	Increase/ (Decrease) %
Total Revenue	RM'million	5,655.66	5,965.59	(309.93)	(5.2%)
Total EBITDA	RM'million	1,212.46	1,158.41	54.05	4.6%
Total PBT	RM'million	647.99	611.06	36.93	6.0%
Total Net Profit	RM'million	440.71	378.26	62.45	16.5%
PBT Margin	%	11.5	10.2		
Net Profit Margin	%	7.8	6.3		
Return on total assets	%	1.82	1.63		
Return on equity	%	4.39	3.71		

FY2018 figures have been restated following the adoption of the Malaysian Financial Reporting Standards ("MFRS") from the Financial Reporting Standards ("FRS") previously. For more information on the restatements, please refer to the Financial Statements of the Annual Report.

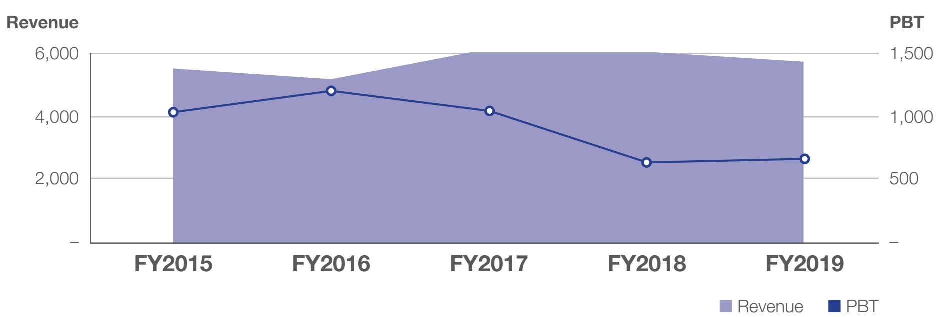
The Group reported a 5.2% lower consolidated revenue of RM5,655.66 million during the financial year ended 31 March 2019 ("FY2019") compared to RM5,965.59 million a year ago. The lower revenue was attributed to the Construction, Industry and Plantation Divisions which collectively reduced by RM633.41 million or 15% from the previous year due to newer projects not reaching optimal construction phase, slower piles and quarry sales and lower commodity prices respectively. The lower revenue was buffered by higher revenues recorded by the Property and Infrastructure Divisions which increased by RM325.55 million or 18%, supported by higher sales and work progress, disposal of certain parcels of commercial land, expansion of port cargo and improved traffic of our highway concessions in Malaysia.

The Group's profit before tax ("PBT") during FY2019 increased by 6.0% to RM647.99 million from RM611.06 million in the preceding year. This was mainly due to higher contributions from the Property and Infrastructure Divisions which cumulatively increased by RM226.78 million or 93% from the previous year owing to higher property sales and higher contributions from the Group's local tolls as well as our toll concession investment in Argentina.

The higher PBT contributions, however, were offset by lower contributions from the Construction, Industry and Plantation Divisions totaling RM164.39 million or 46% during the financial year following lower construction revenue, lower sales volume and margins in piles and quarrying sectors, lower commodity prices, increasing production and plantation maintenance costs against the start-up crop yield as well as unrealised foreign exchange losses.

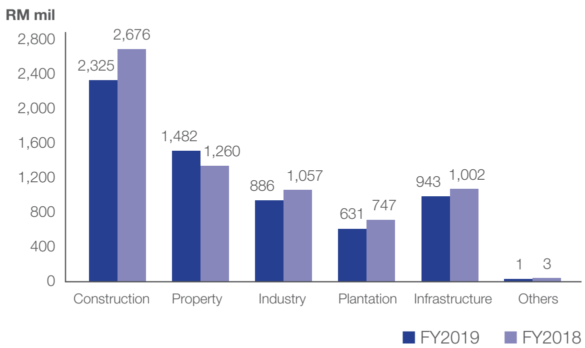
Accordingly, earnings before interest, tax, depreciation and amortisation ("EBITDA"), PBT and net profit margins, returns on total assets and equity are higher respectively this year compared to the previous year. Details of individual divisional performances are elaborated in the following pages.

Group Performance (RM'million)



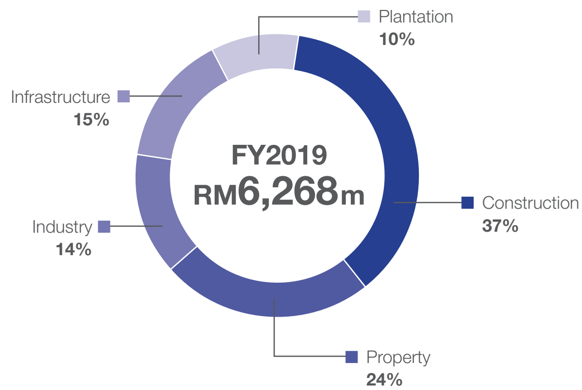
FY2018 figures have been restated following the adoption of MFRS from FRS previously.

Group Revenue by Division* (RM'million)

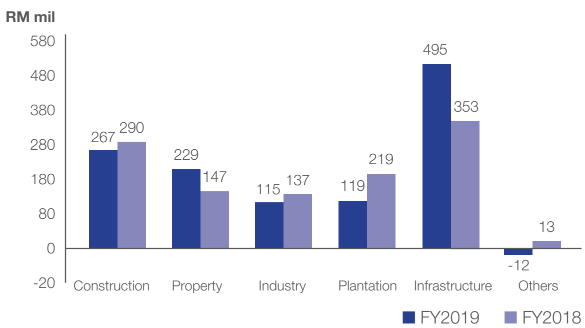


* includes share of associate and joint venture's revenue

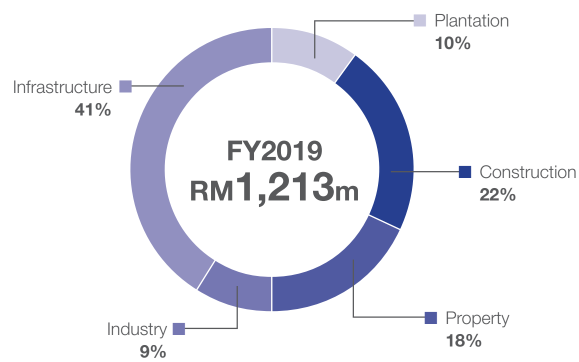
Group Revenue by Division* (Proportion %)



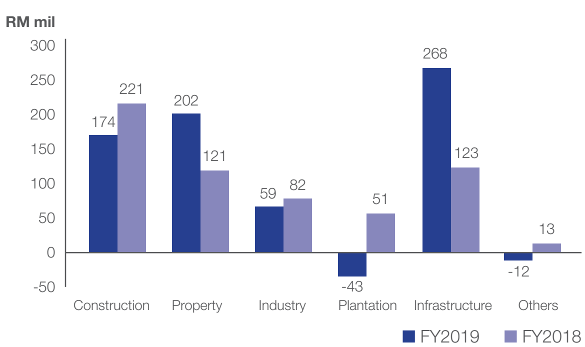
Group EBITDA by Division (RM'million)



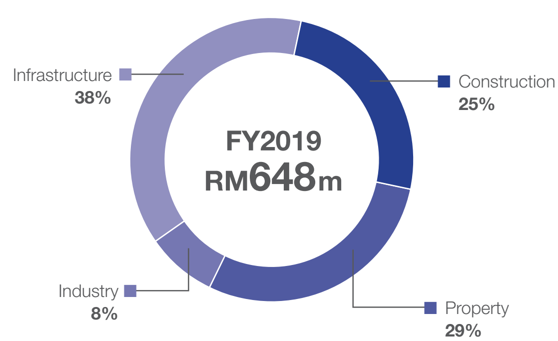
Group EBITDA by Division (Proportion %)



Group PBT by Division (RM'million)



Group PBT by Division (Proportion %)



MANAGEMENT DISCUSSION AND ANALYSIS

Financial Position

		FY2019	FY2018 (Restated)	Increase	Increase %
Total Assets	RM'million	23,005.97	21,233.29	1,772.68	8.3%
Total Liabilities	RM'million	11,621.55	10,714.99	906.56	8.5%
Total Shareholders' funds	RM'million	9,538.65	9,346.50	192.15	2.1%
Total Equity	RM'million	11,384.42	10,518.30	866.12	8.2%
Total Borrowings	RM'million	6,662.14	5,913.98	748.16	12.7%
Total Bank balances	RM'million	1,557.95	1,467.65	90.30	6.2%
Net Assets per share	RM	2.63	2.58		
Net Gearing	%	53.51	47.57		

The Group's total assets increased by RM1,772.68 million or 8.3% to RM23,005.97 million in FY2019 mainly due to higher trade and other receivables for work done on construction and property projects, increased inventories and additional concession assets investments in relation to our Kuantan Port's New Deep Water Terminal project and two road projects under construction in India which were the Dewas Bypass and Solapur-Bijapur projects.

During the financial year, the Group's total liabilities increased by RM906.56 million or 8.5% to RM11,621.55 million as at FY2019 mainly due to higher borrowings arising from a bond issuance of RM905 million by Kuantan Port to partially finance Phase 1 of its New Deep Water Terminal. The Group utilises bonds, term loans, revolving credits and other borrowing facilities to fund its business activities. Of the total borrowings, approximately 27.5% is due within 12 months. The Group has adequate fund-based facilities and bank balances and deposits to service its debt obligations as and when they become due and payable.

The Company's RM3.0 billion Sukuk Murabahah Programme has been reaffirmed as 'AA3' with a stable outlook as rated by RAM Ratings in February 2019.

Total equity of the Group increased by 8.2% to RM11,384.42 million during the financial year mainly due to a perpetual sukuk amounting to RM647.11 million raised by our subsidiary, IJM Land to reduce the Group's borrowings.

Following the above, the Group's net assets per share increased to RM2.63 as of FY2019 from RM2.58 a year ago while the Group's net gearing increased to 53.51% as at FY2019 compared to 47.57% in the prior year.

Total capital commitments of the Group in FY2019 amounted to RM1,584.87 million, an increase of 34.5% from the prior year mainly due to capital commitments for our concession assets. Concession assets represented the majority 85% of total capital commitments which was mainly in relation to the construction of the Solapur-Bijapur road project in India.

Our net operating cash flows declined to RM99.42 million during the financial year in line with lower Group revenues, mainly due to our Construction, Industry and Plantation Divisions which experienced lower divisional revenues and collections. In addition, more payments were made to contractors and suppliers during the financial year in relation to our property development projects such as the Royal Mint Gardens in the United Kingdom, Malaysia-China Kuantan Industrial Park (MCKIP) and Bandar Rimbayu.

The Group reduced its investing activities to RM770.17 million in FY2019. Current year's capital expenditure were mainly in relation to the Kuantan Port's New Deep Water Terminal and port infrastructure (approximately RM280 million), Industry Division's new Kuantan factory and new industrial building system plant at Bestari Jaya

Cash Flows

Net inflows/(outflows)		FY2019	FY2018	Increase/ (Decrease)	Increase/ (Decrease) %
Operating activities	RM'million	99.42	890.93	(791.51)	(88.8%)
Investing activities	RM'million	(770.17)	(1,183.04)	(412.87)	(34.9%)
Financing activities	RM'million	709.44	(323.51)	1,032.95	319.3%
Closing cash and cash equivalents	RM'million	1,451.14	1,407.00	44.14	3.1%

(approximately RM91 million), Plantation Division's construction of a third palm oil mill in Indonesia (approximately RM99 million) and our construction of Menara Prudential (approximately RM74 million).

In terms of financing, the Group had raised additional funds from the drawdown of bonds during the financial year, the bulk of which was in relation to an Unrated Islamic Medium Term Notes of RM905 million to partially finance Phase 1 of Kuantan Port's New Deep Water Terminal and a perpetual sukuk of RM647.11 million. During the financial year, the Group repaid borrowings and interests totaling RM779.88 million, paid dividends of RM202.95 million to shareholders and repurchased treasury shares of RM15.97 million.

Overall, closing cash and cash equivalents of the Group increased slightly by 3.1% to RM1,451.14 million as at 31 March 2019 from a year ago.

Dividends

The Company is committed to the payment of annual dividends. The quantum of dividends is determined after taking into account, inter alia, the level of available funds, the amount of retained earnings, capital expenditure commitments and other investment planning requirements.

For the financial year ended 31 March 2019, the Company declared a single tier second interim dividend of 2 sen per share, paid on 19 July 2019. Combined with a single tier first interim dividend of 2 sen per share paid earlier on 27 December 2018, the total dividends declared for this financial year amounted to 4 sen per share.

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.

Business Strategy

Since 2016, the Group embarked on a five-year strategic blueprint to drive performance, productivity and efficiency, to innovate and give us a competitive edge, as well as to enhance collaboration and communication internally and externally. We are in the third year of implementation with a total of 84 initiatives launched.

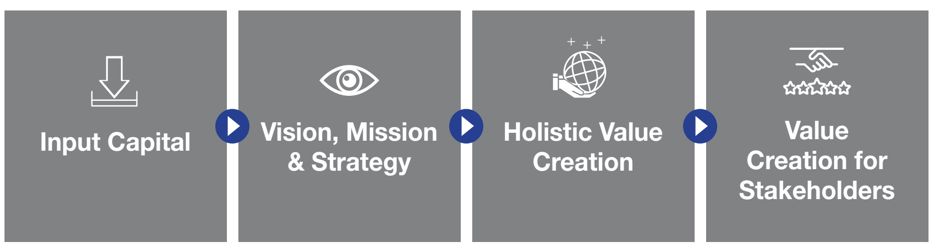
Group Five-Year Strategic Blueprint

Strategic Thrusts	Fuel Productivity, Enabling Growth	Enhance Sustainability	Regional Expansion	New Ventures	R&D and Innovation	Enhance Group Branding
	Nurturing a performance culture, inspiring workplace, shaping competitive edge and building global mindsets and talents	Embedding best practices of sustainability across the Group and cost optimisation	Venturing into Asia Pacific Region and growing our infrastructure assets and property development sectors	Developing investments for recurring income and forging partnerships for investments	Innovating our businesses, information technology and digitisation	Enhancing brand equity and becoming a leading employer

Division	Corporate	Construction	Property	Industry	Plantation	Infrastructure (Toll)	Infrastructure (Port)
Strategic Thrusts Focus Area	Enhancing corporate and employer brand, sustainability, workplace modernisation and innovation, information technology and digitisation, procurement, new ventures and investment.	• Enhancing process excellence & talent development and technical competencies. • Innovating through digitalisation, Building Information Modelling (BIM) and adoption of new construction technologies. • Driving growth by leveraging synergies across divisions within the Group, raising engagement with clients as well as regional expansion.	• Enhancing affordability of housing through creative design concept and cost optimisation. • Investment properties development. • Reinventing sales force through efficient management of sales and marketing schemes. • Enhancing quality service and customer experience.	• Implementing product innovation and driving cost optimisation. • Geographical expansion for piles, ready-mixed products and quarries. • Enhancing customer relationship management. • Driving business development in areas of quarry, sand and industrialised building systems.	• Creating value and sustainability such as land banking expansion, cattle farming, bio-banking and digital supervision. • Exploration of non-palm oil revenue such as bio gas capturing and sales of seedlings.	• Enhancing efficiency through enhancement of highway management and reducing congestion. • Optimising commercial land use. • Enhancing highway marketing and awareness.	• Fostering strategic partnership with sister ports, upgrading of facilities and innovating for the future. • Enhancing brand value and marketing with the New Deep Water Terminal and promoting total logistics solution. • Leveraging on technology and innovation to enhance operational efficiency.
No. of Initiatives Launched	26	8	14	15	5	7	9

IJM's
VALUE CREATION JOURNEY

The Group endeavours to create value for our shareholders and stakeholders through our diversified businesses, excellent track record and good corporate governance. Our businesses aim to meet the expectations of society and deliver value that is consistent with the needs of sustainable development. We deploy valuable resources, our input capital, to enable our business model to achieve our vision, mission and business strategies to create long-term purpose and value for our stakeholders and the community. The following diagram demonstrates our value creation journey over time.



MANAGEMENT DISCUSSION AND ANALYSIS

Value Creation Journey as at FY2019

INPUT CAPITAL

Financial Capital

Funds raised from the financial markets, banks and internally generated cash flows enable our business growth and productivity.

RM17.3 billion capital employed

Intellectual Capital

Significant know-how and expertise in the areas of construction, property, industry, plantation and infrastructure.

36 years in business

Human Capital

Our people's competencies and capabilities are the backbone that drives the Group to achieve its business objectives.

4,463 employees

RM1.4 million invested in 3,944 employees over 61,281 training hours

285 in-house and On-Job-Trainings at project sites on Occupational Safety and Health

Manufactured Capital

We rely on our assets and technology to produce products and deliver services based on market demand while using technology and best practices to innovate, enhance efficiency and reduce resource use.

12 PSC Pile Factories
13 Ready Mixed Concrete Plants
9 Quarries
2 UBON Bars Factories
1 Sand Mining Plant
6 Palm Oil Mills
8 Tollways (5 Operational and 3 Under-construction)
1 Port
1 Water Treatment Plant
1 Power Plant

Social and Relationship Capital

We build and maintain relationships with our diverse stakeholders to retain our social license to operate.

We strive to understand their needs and meet their expectations in order to generate shared value, form lasting relationships and better manage our business risks and opportunities.

Customer- and community-focused programmes

Natural Capital

We aim to minimise the impact of our environmental footprint and seek to optimise the use of limited natural resources while conducting our business operations.

Undeveloped land bank **4,190 acres** for property development

Total planted land bank of **60,633 hectares** in Malaysia and Indonesia

VISION, MISSION AND STRATEGY

Vision

Our vision is to become a leading Malaysian conglomerate in the markets we serve.

Mission

Our mission is to deliver sustainable value to our stakeholders and enrich lives with the IJM Mark of Excellence.

Core Values

At IJM, we are guided by a set of core values in everything we do. These values form an integral part of our corporate culture, which is geared towards long-term success: Integrity, Teamwork, Innovation and Customer Focus.

Business Strategy

- Fuel Productivity, Enabling Growth
- Enhance Sustainability
- Regional Expansion
- New Ventures
- R&D and Innovation
- Enhance Group Branding

HOLISTIC VALUE CREATION

Our Businesses: Diversified but Focused

With almost four decades of success, IJM holds leading positions across our diversified business divisions in Construction, Property, Industry, Plantation and Infrastructure. Our diversification strategy is backed by our strong delivery capabilities, good corporate governance and a drive for excellence which has resulted in a sustainable business model that has delivered inspired solutions.

Construction

IJM Construction has been entrusted with many projects that have sculpted the face of the nation and beyond - projects that have become the cornerstone of cities and communities. Our portfolio boasts of solid experience in projects that range from highways to railways and metro systems to high-rise commercial and residential buildings, shopping centres, hospitals and schools, an increasing number of which are built to international green building standards.

Property

IJM Land is one of Malaysia's premier property developers with one of the largest land banks in the country. IJM Land has successfully developed major and vibrant townships and bustling enterprises spanning across key growth areas in Malaysia, India, China and the United Kingdom. Beyond the world-class townships and integrated waterfront development that IJM Land delivers, we are here to create a positive legacy for communities to live well and thrive.

Industry

Our Industry Division is a key supplier of spun piles, quarry, ready-mixed concrete and scaffolding products to the construction industry in Malaysia and around the world. Backed by a reputation for producing high quality and reliable products, we are a market leader in the manufacturing and supply of Pretensioned Spun High Strength Concrete Piles and currently the largest spun piles manufacturer in South East Asia.

Plantation

Listed on the Main Board of Bursa Malaysia, IJM Plantations Berhad is our upstream agri-business which has grown to become a mid-sized planter with total planted land bank of over 60,000 hectares in Malaysia and Indonesia. IJM Plantations' relatively young oil palm age profile places it in a favourable position to capitalise on significant growth production as its oil palm trees reach prime production age.

In the longer term, the Division believes that its ventures would contribute constructively to the socio-economic development and help to generate multiplier effects leading towards inclusive wealth sharing and socio-economic well-being.

Infrastructure

Our capabilities and expertise enable us to participate in the entire infrastructure development value chain - from investing, designing and constructing to operating infrastructure assets. Our concessions are products of public-private partnerships whereby the government leverages on private sector financing and expertise for infrastructure development whilst allowing limited public sector resources to be allocated to other developmental initiatives.

Our international portfolio of toll roads, port, power plant and water treatment facilities have benefitted communities in the cities and countries where we operate.

Tolls

We are among the largest toll concessionaires by length in Malaysia. Built for efficiency and convenience, our toll concessions complement the Government's efforts in improving the country's road connectivity.

Our roads connect communities, spur developments along alignments and stimulate economic activity to surrounding areas.

Port

Kuantan Port is the largest port operator in the East Coast of Peninsular Malaysia and is strategically located to serve cargo routes that ply the South China Sea. The Port, which used to primarily serve the hinterland industries, is now being expanded to include a deep water terminal that aims to catalyse the future expansion of industrial and manufacturing activities in the area.

VALUE CREATION FOR STAKEHOLDERS

A leader in **construction and civil engineering**, we built:

- Roads **2,300 km** (including design and build basis)
- Bridges and viaducts **150 km**
- Railways **160 km** (including infrastructure for LRT, KTM, MRT and monorail projects in Malaysia)

Building construction in Malaysia:

- Commercial and cultural projects **>RM7 billion** (office towers, shopping malls, museum and convention centres and educational institutions)
- Hospital and medical centres **RM1.8 billion**
- Resorts and hotels **RM3.3 billion**
- High rise residential **>RM2.6 billion** (serviced apartments and condominiums)
- Industrial buildings and railway depot **RM1.3 billion**
- Utility – water and power **>RM870 million** (water supply, tunnelling, gas turbine facilities and hydroelectric power stations)
- Port **>RM2.1 billion** (breakwater and deep water terminal)
- Airport complexes **RM736 million**

Maximising our portfolio of undeveloped land bank of 4,190 acres with a **Gross Development Value more than RM35 billion**

Obtained **CIDB's QLASSIC Achievement Awards** for Seri Riana Residence Phase 2B and Saujana Duta Phase 2L page 131

Unbilled property sales totalled **RM2.1 billion**

New venture into **Real Estate Investment** with recurring leasing income from Menara Prudential, Kuala Lumpur

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Enhance brand equity through ongoing brand building exercise page 133

Recognised at the **Graduate Choice Award 2018** and **Malaysia's 100 most desired graduate employers for 2018** page 153

Enhanced Company logo to aptly reflect our Company's beliefs and values

Awarded the **Highest Asset Under Management for Large Corporation** for Corporate Private Retirement Scheme page 163

Total weight of piles manufactured since 1977 **30 million MT**

Total volume of ready mixed concrete produced since 1998 **7.0 million m^3**

Total quarry sales volume since 1996 **114 million MT**

12,679 completed Industry projects

Total FFB produced **976,395 MT**

Total FFB processed **1,042,999 MT** page 87

Total Crude Palm Oil produced **224,165 MT**

Adopted an **Anti-Bribery and Corruption Policy** page 130

Developed **Responsible Supply Chain Policy** that extends the Group's values and principles to our suppliers, service providers and contractors page 133

The **Human Rights Policy** stipulates our commitment to treat people with dignity and respect within our Group and throughout our supply chain page 165

Revised stand-alone **Environment Policy** provides an enhanced focus on the way we manage the impact of our businesses on the environment page 136

Zero burning policy at all Plantation Division's operations page 143

No deforestation of High Conservation Value and High Carbon Stock areas by IJM Plantations in new plantings. A total of **4,308 hectares** set aside for conservation

No significant spills reported page 137

Stringent operating procedures and facilities for bauxite handling

12% of total waste footprint was reused or recycled page 138

see respective pages for more details

Construction order book
RM7.8 billion
page 68

Completed civil engineering project achieved internally developed IJM Quality and Safety Assessment (IQSAS) score of **88%**
page 131

Financials FY2019

Revenue **RM5.66 billion**

EBITDA **RM1.21 billion**

PBT **RM648 million**

Dividends per share
4 sen

Since listing on the Main Market of Bursa Malaysia in 1986:

Market Capitalisation FY2019 **RM8.1 billion**
increased 122 times with compounded annual growth rate of 16%

Total Assets FY2019 **RM23 billion**
grew 134 times

Total PBT FY2019 **RM648 million**
increased 53 times

Regional expansion into India with new Build-Operate-Transfer (BOT) road projects:

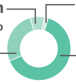
- Solapur-Bijapur Section of the National Highway, NH-13 (New NH-52) (109.08 KM)
- Dewas Bypass (19.8 KM)

Awards

- Malaysian Construction Industry Excellence Awards 2018
- QLASSIC Excellence Awards 2018 and 2019
- The Edge Malaysia Property Excellence Awards 2018

page 10

Malaysian workforce:
page 159



Women in workforce (executive and non-executive roles) **>30%**
page 162

About 66% of the workforce have been with the Group for >5 years
page 160

53 employees awarded the 20-years Long Service Awards

Second cohort of **Leadership Accelerated Development Programme (LEAD)** participated by 15 employees
page 165

Triennial group-wide employee engagement survey, MyVoice Survey to enhance performance management, career development, efficiency, competitive position, leadership and workplace conditions
page 163

Kuantan factory's **robotic pile shoe welding** resulted in **higher production efficiency by 35%** on average
page 135

Developed **Grade 100 concrete piles** with higher load bearing capacity for an economical solution

Industrial Building System plant under construction
page 82

Group-wide IT and workplace modernisation to digitally transform our operations for efficiency and competitiveness
page 134

First Malaysian listed construction company certified for ISO/IEC 27001:2013 (Information Security Management System) and **ISO/IEC 20000-1:2011** (IT Service Management System)
page 131

Building Information Modelling used in 8 construction sites and expanding
page 135

Customer engagement and satisfaction
page 133

- Average **78%** satisfaction level for all Construction projects
- Customer satisfaction score of **6.9** for Property
- **94%** satisfaction level for Industry
- **97%** satisfaction level for Port services
- **89%** satisfaction level for highway users

Delivered green buildings
page 145

- 9 GBI projects
- 1 GreenRE project
- 1 LEED project

Built **314 affordable homes** with >1,700 units under construction
page 148

Contribution to community
RM1.8 million

92% of our efforts are strategic community investments
page 146

Invested over **RM1 million on sports development programmes**

Invested RM98 million to build the **Pantai Sentral Interchange** to enhance connectivity and reduce traffic congestion
page 148

IJM Scholarships Programme
14 scholarships totalling **RM654,500**
page 151

LED lightings at our highways **reduced 4,912 tCO_2e** emissions since FY2016
page 145

Solar power used in 5 PSC pile factories
page 145

Reduced 33,855 tCO_2e emissions at the PSC pile factories
page 144

Water consumption **reduced by 2.7 million m^3**
page 139

2,058 m^3 water reused from concrete reclaimers
page 138

Rainwater harvesting systems installed to reduce water consumption
page 140

MANAGEMENT DISCUSSION AND ANALYSIS

Awards & Recognition

Over the years, the Group has garnered countless notable awards and accolades which are testaments of our professionalism, good governance, excellent track record, quality and safety standards and sustainability best practices. We have our people, customers, partners and stakeholders to acknowledge and thank for these recognitions. This year, our Construction Division attained the Malaysian Construction Industry Excellence Awards for Best Project Award for Major Project (Building) 2018 and the Royal Institution of Surveyors Malaysia (RISM) Awards 2018 for Outstanding Contribution Towards Sustainability.

Our Property Division maintained its presence on the list of top property developers in Malaysia including The Edge Malaysia Property Excellence Awards 2018, the StarProperty.my Awards 2018 – All-Star Award: Top Ranked Developer of the Year, The Poseidon Award Category (Best Waterfront Development) for The Light Waterfront Penang, Property Insight Prestigious Developer Awards 2018 and BCI Asia Top 10 Developer Awards (Malaysia) 2018 as well as notable quality achievements in the Construction Industry Development Board (CIDB) QLASSIC Excellence Awards 2019 for the Highest QLASSIC Achievement Awards for Saujana Duta Phase 2L.

Refer to the Awards and Accolades section for the list of awards received by the Group to date.

Outstanding Contribution Towards Sustainability Award at the Royal Institution of Surveyors Malaysia (RISM) 57th Anniversary Dinner Excellence Award Presentation, Kuala Lumpur

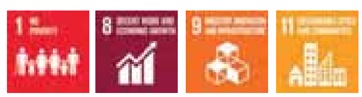
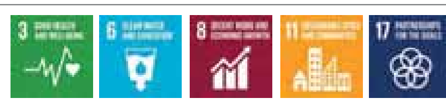
Tree planting at a rehabilitation plot in Indonesia

Ensuring health and safety for our employees is a priority at IJM

Sustainability

The Group is committed to sustainable development, sustainable business growth and sustainable communities. We continue to assess and monitor our material economic, environmental and social risks and opportunities in line with our sustainability framework and business strategies.

For the financial year under review, the top 5 key material matters in the Group's sustainability materiality matrix were:

Material Matters	Mapped to UN Sustainable Development Goals (SDGs)
Government policies	
Corporate governance	
Profitability	
Health and safety	
Customer engagement and satisfaction	

For more details on the above and the Group's emphasis on Marketplace, Environment, Community and Workplace in our sustainability agenda, we are pleased to share our sustainability report and the challenges we faced in our third instalment of the Sustainability Statement in this Annual Report.

For more than 35 years, IJM Construction has been entrusted with many projects that have sculpted the face of the nation and beyond - projects that have become the cornerstone of cities and communities.

Our portfolio boasts of solid experience in projects that range from highways to railways and metro systems to high-rise commercial and residential buildings, shopping centres, hospitals and schools, an increasing number of which are built to international green building standards.

Our strength and continued success as a world-class builder are the result of our commitment to excellence, highest standards of quality and performance in our delivery.

CONSTRUCTION

>
Inwood Residences and Secoya Residences, Pantai Sentral Park, Kuala Lumpur

v
Equatorial Plaza, Kuala Lumpur

Outstanding Order Book FY2019
RM7.8b

Revenue FY2019
RM2,325.36m
includes share of associate and joint venture's revenue

Profit Before Tax FY2019
RM174.39m

1,002
employees

> 35 years
of experience

International portfolio of projects

One of Malaysia's most
prolific builders

MANAGEMENT DISCUSSION AND ANALYSIS

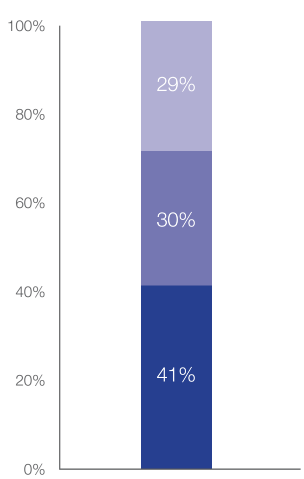
Construction Management Team:

Liew Hau Seng | Soo Sik Sang | Tong Wai Yong

Pook Fong Fee | Ong Teng Cheng | Yong Juen Wah

Cyrus Eruch Daruwalla | Wong Heng Wai | Chan Kai Leong

Ng Eng Aan | Tan Ling Jin | Lee Foh Ching



RM7.8 billion

Order Book FY2019

- Roads
- Other infrastructures
- Buildings

Key Financial Indicators FY2019:

Revenue **RM2,325.36m** FY2018 (Restated): RM2,676.07m	**EBITDA** **RM267.18m** FY2018 (Restated): RM289.66m
PBT **RM174.39m** FY2018 (Restated): RM221.22m	**PBT Margin** **7.5%** FY2018 (Restated): 8.3%

FY2018 figures have been restated following the adoption of MFRS from FRS previously.

Following the 14th General Election in May 2018, institutional and economic reforms such as reduced public sector spending are being implemented to rein in the national debt. As a result, large infrastructure projects such as the Mass Rapid Transit ("MRT") 3, Light Rail Transit ("LRT") 3, East Coast Rail Link ("ECRL") and High Speed Rail ("HSR") have come under review to align with the Government's cost cutting measures. Its decision to review these mega projects has impacted the number of public projects being rolled out to the domestic market. As such, replenishment of our order book during the year became more challenging due to the reduced number of construction jobs being available in the local construction sector.

During the financial year, the Construction Division successfully secured a RM505.0 million contract for the construction of Affin Bank's new 47-storey office tower at the upcoming international financial district, Tun Razak Exchange ("TRX") in Kuala Lumpur. In Penang, the Division was awarded two new projects, 3 Residence comprising a RM134.62 million 46-storey residential building works and a RM33.49 million Master Infrastructure Works (Ph2A) – Package 1. In the central region, the Division was awarded several in-house construction jobs in IJM Land's prominent townships, namely Seremban 2 and Bandar Rimbayu.

The Division successfully completed several projects during the financial year. These included the Almas – Mixed Use Development and Puteri Cove residential building at Puteri Harbour in Johor. In the Klang Valley, the Division completed the Equatorial Plaza commercial building consisting of a hotel and office tower along Jalan Sultan Ismail, and Menara Prudential office tower at TRX. Additionally, the Division also successfully completed several in-house projects namely the Trehaus luxury villas near Bukit Jambul, Penang and a 38-storey Pantai Sentral Parcel 1 residential building in Pantai Sentral Park. Several new phases of residential and commercial lots in IJM Land's townships located in Bandar Rimbayu and Seremban 2 were also completed during the financial year.

"Growth in the construction sector moderated to 4.2% in 2018 (2017: 6.7%). The moderation was on account of weaknesses in the property segment, as the higher levels of unsold residential properties and oversupply in commercial property weighed on growth in the residential and non–residential sub-sectors respectively. Nevertheless, the civil engineering sub-sector remained the key driver of growth for the construction sector, supported by continued progress of large petrochemical, transportation and utility projects. The special trade sub-sector benefited from early works activity from large transportation projects and additional support from solar projects."

Extracted from Bank Negara Report 2018

Given the substantial completion of construction activities for more building projects in the previous financial year and lower progress billings achieved on newer building projects in the current year, as these projects have yet to reach optimal construction phases, the Construction Division experienced a moderate decline of 13% or RM350.71 million in revenue. It recorded a revenue of RM2,325.36 million as compared to the previous year of RM2,676.07 million. Newer construction projects such as the new HSBC headquarters, UOB Tower 2, Damansara Uptown 8 and Affin Bank main building were at the early construction stages of piling and foundation works for most of the financial year. These newer building projects are expected to generate higher revenues upon reaching the superstructure construction stage from the next financial year and thereafter.

Profit before tax reported for FY2019 is RM174.39 million compared to the preceding financial year of RM221.22 million. The decline in profit before tax of RM46.83 million or 21% was attributable to lower progress billings generated on existing projects as well as an unrealised foreign exchange loss of RM9.75 million in relation to USD denominated borrowings in the current year as compared to an unrealised foreign exchange gain of RM10.78 million in the preceding year. Some of these ongoing projects especially the West Coast Highway ("WCE") had generated higher turnover in the preceding financial year compared to the current financial year.

West Coast Highway

MANAGEMENT DISCUSSION AND ANALYSIS

Kuantan Port's breakwater during the construction phase, Kuantan Port

In terms of the implementation of business strategies, the Construction Division has embarked on another advance implementation phase for digital transformation. Under the current phase of implementation, the Construction Division emphasised two key initiatives – Business Information Modelling System ("BIM") and digitalisation. The outcome of BIM (Phase 2) is to strengthen our competencies in building a solid BIM team, setting up a common data environment for digital transformation sharing essential for future requirements and to roll out role-based BIM to all project sites in the Construction Division.

The Division's digitalisation strategy aims to enhance the effectiveness of site supervision, control, safe-keeping of records and traceability. With a digitalised system in project sites, the Division targets to achieve cost optimisation and higher productivity which are essential for growth in business and long-term sustainability. These two key initiatives are aligned to the Group's digital transformation roadmap.

As one of the leaders in the construction industry, IJM Construction has always placed great importance on the standards of health, safety and environment ("HSE") practices applied in its project sites. The highest level of HSE standards is upheld in managing potential risks and pollution at the workplace. Its HSE system ensures that all potential risks are identified and mitigation controls are put in place during the early planning stage. Opportunities to enhance the HSE system by eliminating hazards and risks before the commencement of work are carried out whenever appropriate.

The Division also places high levels of importance and is fully committed to protect the environment in line with its Environmental Management System by managing all risks and capitalising on opportunities for improvement. The aim is to not only reduce the impact of pollution from our activities, but also operate in a more sustainable manner.

The Division believes that human capital and its competencies are one of the driving forces for higher HSE performance. To achieve its objectives, various initiatives have been carried out to improve the competency of employees as well as increase their level of ownership in creating a safer and better working environment. Employees are engaged and trained in self-regulated HSE practices to ensure that the best HSE practices which are provided in the IJM HSE Management System are applied in our workplace and complies with relevant legislation.

Menara Prudential, Kuala Lumpur

The Division is regarded as one of the leading contractors in the industry due to its excellent quality standards and track record. The Division is committed to ensuring our employees have an adaptive mindset and capable to quickly respond to changes in the working conditions and customers' requirements.

The Division has developed a self-regulated system called IJM Quality Standard Assessment System (IQSAS) to achieve the target Construction Industry Development Board (CIDB) QLASSIC score and for continuous quality improvement. In addition to these efforts in quality system, the Division is aware of the need to embrace Industry 4.0 in its business. Our dedicated people, strong leadership, well-defined management system and continuous improvements are the backbone of our quality delivery.

In view of the subdued property market and reduced public spending by the Government, the market outlook for the Construction Division remains challenging for the coming year. Following the near completion and deferment of several large infrastructure projects, the availability of new jobs in the local market is reducing, creating a more competitive tender environment among contractors in the industry. Due to the intense competition, it is anticipated that pricing for new projects will be reduced, compressing the profit margin for most of the new projects to be implemented in the future.

Looking at the various challenges prevailing in the construction industry, the Division will remain vigilant and cautious to preserve its earnings in the coming financial year. The Division will focus on the execution of existing projects to ensure timely completion and maximise its earnings. On the other hand, the Division is increasing its resources to tender in the overseas market especially in India where the Group already has a presence of more than 10 years. With our concurrent efforts of tendering locally and overseas, this exercise will provide the Construction Division a better opportunity of winning more new jobs in the coming financial year.

Dewas Bypass under-construction in India

With a Gross Development Value (GDV) more than RM35 billion, our Property Division maximises its portfolio of undeveloped landbank of 4,190 acres, which spans across key growth areas in Malaysia (Penang, Pahang, Greater Kuala Lumpur, Seremban, Johor, Sabah and Sarawak), India, China and the United Kingdom.

Incorporated in 1989, our property development arm, IJM Land, is one of Malaysia's largest property developers. A trusted developer with an impressive portfolio of projects, IJM Land also boasts one of the largest land banks in the country.

Beyond the world-class townships that we deliver, we are here to create a positive legacy for communities to live well and thrive.

PROPERTY

>
Swimming Pool, The Club @ Bandar Rimbayu

v
Aerial view of The Light Waterfront, Penang

Total Unbilled Sales FY2019
RM2.1b

Total Sales FY2019
RM1.7b

Revenue FY2019
RM1,482.01m
includes share of associate and joint venture's revenue

Profit Before Tax FY2019
RM202.04m

609
employees

> 30 years
of experience

Certified with
ISO 9001:2015

MANAGEMENT DISCUSSION AND ANALYSIS


The Swans 2-storey link homes, Bandar Rimbayu

Key Financial Indicators FY2019:

Revenue
RM1,482.01m
FY2018 (Restated): RM1,260.46m

EBITDA
RM228.53m
FY2018 (Restated): RM146.63m

PBT
RM202.04m
FY2018 (Restated): RM120.69m

PBT Margin
13.6%
FY2018 (Restated): 9.6%

FY2018 figures have been restated following the adoption of MFRS from FRS previously.

The property market in Malaysia has stabilised during the year under review with reference to data from the National Property and Information Centre's Property Market Status Report 2018. Based on the data, the total property transaction volume and value for 2018 have risen, albeit marginally, by 0.6% to 313,710 transactions and 0.3% to RM140.33 billion respectively compared to the previous year.

The Government had implemented various policies to address housing affordability issues and to spur housing market sales. Some of the measures implemented included the announcement of the National Housing Policy 2.0, stamp duties waiver on sales and purchase contracts of properties priced between RM300,000 to RM1.0 million and on loan documentation, removal of the Goods and Services Tax ("GST") while not imposing Sales and Services Tax (SST) on various building materials as well as the launch of the Home Ownership Campaign 2019 ("HOC").

These measures have been generally positive for the property sector and has helped stimulate the property market and increased property sales in the country. The Division expects that the national HOC from 1 January 2019 to 31 December 2019 will encourage greater home ownership and improve sales.

Rimbun Vista @ Seremban 2 Heights

For FY2019, the Division recorded an 18% increase in revenue to RM1,482.01 million against the previous corresponding period. The increase in revenue was underpinned by the commendable sales achievement of 3 Residence in Penang, Riana South in Cheras, Kuala Lumpur and Austin Duta in Johor as well as completed units of existing developments. Buoyed by higher revenue, pre-tax profit was RM202.04 million, an increase of 67% from the profit of RM120.69 million in FY2018. The increase was also due to the sale of a project in Vietnam, which contributed a gain of RM14.08 million to the pre-tax profit.

The Division's projects which were launched in FY2019 showed very encouraging responses. Majority of the residential launches during the financial year was largely focused on affordable to mid-priced range products within well-established townships, including affordable home units in Pantai Sentral Park, Bandar Rimbayu, Shah Alam 2 as well as Seremban 2. The Division achieved higher sales of RM1.7 billion in FY2019. The strategic locations of these developments with superior connectivity, in addition to their strong product offerings made the properties desirable and attractive choices among homebuyers and investors. The product launches were also backed by competitive marketing promotions and targeted campaigns.

The residential property market is expected to remain stable with signs of improvement due to the heightened and robust demand for prime landed-residential properties and well-designed apartment units. The Division adopts creative unit mixes and pricing strategies to meet homebuyers' expectations. For FY2020, the Division will remain focused on its business and will continue to monitor the market closely to better capitalise on available opportunities as well as leverage on the strengths and potential of its key townships and developments that are in great locations and supported by excellent connectivity while maintaining strong discipline on delivering quality products even for the affordable and mid-range offerings.

For the coming financial year, following the success of earlier launches, the Division plans to launch Phase 2 of its freehold Riana Dutamas development, Phase 3 of Pantai Sentral Park, Starling 2-storey link homes at Bandar Rimbayu, Rimbun Alam 2-storey link homes and Rimbun Impian 2-storey link homes at Seremban 2 Heights as well as Terraces condominium in Bukit Jambul, Penang. The Division is confident that these projects will generate strong interest from would-be homeowners due to their value-added propositions and excellent locations.

MANAGEMENT DISCUSSION AND ANALYSIS

Our credibility as a reliable, sustainable developer hinges on the quality of our products and meeting the quality expectations of our customers. For that reason, quality is ingrained into our DNA. Over the years, the Division has shown progressive and outstanding performance in the QLASSIC score compared to the industry average score, with an average scoring of 78% for all our projects.

The Division also garnered several high-profile accolades and award wins, including being named as one of the Top 10 property developers in Malaysia at The Edge Malaysia Property Excellence Awards, BCI Asia Top 10 Developer Awards (Malaysia) as well as at the Property Insight Malaysia's Prestigious Developer Awards. At the Putra Brand Awards 2018, also known as 'the People's Choice' awards, the Division was awarded a silver in the Property Development category. These awards add to the Division's track record of achievements and recognition for quality excellence in our developments.

Inwood Residences, Pantai Sentral Park, Kuala Lumpur

The Division remains resolute in creating spaces and meaningful experiences that engage all customers and community segments beyond the conveniences of strategic locations of our properties. As a provider of living, working and leisure spaces, we support and engage the community and enrich their lives as homeowners and as valuable members of our community through the inventive use of our spaces. We make continuous efforts to build places and create spaces of vibrant living and thriving sanctuaries that empower expressive journeys in lives.

On 13 December 2018, the Division launched the highly anticipated 2.8 km Pantai Sentral Interchange with the intent of improving connectivity, accessibility, liveability and commuting experience for our development, Pantai Sentral Park's residents and the surrounding communities. Located at KM 11 of the New Pantai Expressway (NPE), the new dedicated interchange was launched at an opportune time prior to the handover of the first phase of Pantai Sentral Park in March 2019.

The Division is also pursuing the completion of the Royal Mint Gardens development in London, United Kingdom. The first phase of the Royal Mint Gardens is expected to complete by December 2019.

In India, the Raintree Park Dwaraka Krishna Township (Phase 2: Willows) ("RTPDK") in Vijayawada, Andhra Pradesh developed on 5.5 acres (out of a total 108-acre landbank) with 632 residential apartments is completed and the handover of vacant possession to customers will commence soon.

A world-class new capital of Andhra Pradesh – Amravati, is being planned with good urban infrastructure and a functionally smart, technology-driven and environmentally sustainable ecosystem conducive for holistic integrated development. The greenfield capital will be an ultimate destination for investors, businesses, education and tourism. Amravati, besides being centrally located, is also accessible to major national highways like NH 5 and NH 9, thus offering good connectivity to other cities and states. The future prospect of Amravati as a prominent city is quite bright and bodes well for our RTPDK development which is located close to the new capital region.

With 2019 being India's election year, the real estate market remained soft largely due to uncertain policy changes from a newly elected government. General and state elections were conducted in April/May 2019. With the incumbent federal government returning to power, current policies including the Real Estate Regulatory Act and GST are set to continue. However, with the change of the state regime in Andhra Pradesh, developers are in a 'wait and watch' mode on the policies to be rolled out by the new state government.

The Division's First City Project ("FCP") in Nagpur, India, is being developed on 42.6 acres of land. Presently, the first phase of the project is being developed on 31 acres which consists of three residential buildings comprising 568 units with a club house, multipurpose hall, badminton and squash courts and other amenities. The expected date of completion is by December 2020.

FCP aims to be a world-class integrated township in MIHAN, Nagpur with a gated community comprising tower blocks with exquisitely designed apartments featuring several functional facilities. The township is strategically located outside the Special Economic Zone and will have residential as well as commercial developments. Nagpur is a preferred destination for knowledge-based industries such as the Indian Institute of Management and All India Institute of Medical Sciences as well as the development of Butibori as Asia's largest industrial estate. These developments are attracting many industries and real estate developers to set up operations in and around Nagpur.

The Property Division will continue to monitor the property market in the countries where it operates and adjust its property launches to ensure that its products resonate to the changing needs and sentiments of its customers as well as to ensure inventories are at sustainable levels, while continuing its efforts to improve operational efficiency and enhance customer experience.

For the forthcoming FY2020, the Property Division, backed by total unbilled sales of RM2.1 billion, remains optimistic about the opportunities ahead. However, the Malaysian property market is expected to remain challenging although consumer sentiments have improved.

The Willows, Raintree Park Dwaraka Krishna Township in Vijayawada, Andhra Pradesh, India

The growth of IJM's Industry Division is a direct result of the Group's success in the construction industry. From providing in-house support for IJM projects, the Division has upscaled its operations to focus on demand from outside the Group and around the world. Today, we are a key supplier to the construction industry for essential materials.

With our advanced computer-controlled manufacturing process, we have build a reputation for producing high quality and reliable products. Most notably, IJM is the market leader in the manufacturing and supply of Pretensioned Spun High Strength Concrete Piles (PSC).

INDUSTRY

>
Ready mixed concrete plant,
Kuala Lumpur

v
ICP pile being lifted using a vacuum lifter

Revenue FY2019

RM886.42m

includes share of associate and joint venture's revenue

Profit Before Tax FY2019

RM58.99m

648
employees

40 years
of experience

Exported to
15 countries

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Management Team:

Tan Boon Leng, Lee Chee Heong, Faizal Amir B Mohd Zain

Tan Khuan Beng, Choy Teik San, Chan Kok Keong

Lee Hong Chai, Tan Chuan Choon, Loh Zhi Ming

Leong Siew Wah, Lau Liang See, Yap Swee Kee

ICP piles used in the Atlantis Residence, Melaka, Malaysia

Key Financial Indicators FY2019:

Revenue
RM886.42m
FY2018 (Restated): RM1,057.10m

EBITDA
RM114.72m
FY2018 (Restated): RM136.97m

PBT
RM58.99m
FY2018 (Restated): RM82.48m

PBT Margin
6.7%
FY2018 (Restated): 7.8%

FY2018 figures have been restated following the adoption of MFRS from FRS previously.

In FY2019, the Industry Division's revenue declined 16% to RM886.42 million while PBT decreased by 28% to RM58.99 million. Its two main activities, pretensioned spun concrete ("PSC") piles and quarrying experienced lower volumes and selling prices due to the subdued construction and property sectors.

In the first half of FY2019, the soft market continued to put pressure on sales volumes. Major projects which contributed to sales were Hospital Tanjung Karang in Selangor, Road & Bridge Works to RAPID Pengerang in Johor, Sapura Fabrication Yard Upgrade Project in Lumut, Perak, Hospital Parit Buntar in Perak and Camel Battery Factory in the Malaysia-China Kuantan Industrial Park (MCKIP), Kuantan, Pahang.

The sales for the second half of FY2019 remained challenging. Major projects that contributed to sales were the Ikea Warehouse at Pulau Indah in Selangor, Sunway Carnival Mall in Penang, Eastern Steel Mill at Kemaman in Terengganu, Jambatan Bagan Datuk in Perak, North Butterworth Container Terminal in Penang, EM Hub at Kota Damansara in Selangor and Bali Residence at Kota Laksamana in Melaka.

The Division's export market in FY2019 achieved 198,168 tonnes which was mainly contributed by the Temburong Bridge Project in Brunei, Wilmar Flour Mill Jetty in Myanmar, Neste Oil Expansion Project in Singapore, Shwe Pyi Thar Jetty at Thiliwa in Myanmar and Pulp & Paper Mill at Palembang in Indonesia.

ICP piles at the ICP Kuantan Factory

Looking ahead, the major infrastructure projects in the domestic market targeted by the Division for FY2020 are the ECRL project, Deepwater Terminal (Phase 3) at Pengerang in Johor, Port Klang Refrigerated LPG Terminal at Westport in Selangor, Coastal Highways in Sarawak, Commercial/Convention Center at Gelugor in Penang and Industrial Plants at MCKIP, Kuantan in Pahang.

Following the commissioning of a new plant in Kuantan, Pahang, the Division is expected to benefit from the ECRL project and other growth opportunities in the eastern region, including potential industrial plants setting up at MCKIP.

In the overseas market, the Division is looking forward to continue the momentum gained in FY2019 through its business development efforts made in Singapore, Myanmar, Indonesia, Brunei and Bangladesh. More efforts will be focused on Bangladesh, in view of that nation's high growth and need for better infrastructure facilities.

To remain competitive, it was imperative for the Division to contain costs. During FY2019, the Division reviewed its plant utilisation rates and undertook rationalisation initiatives to reduce manpower and increase the cost efficiencies of its plants. The Division also managed to bring down its cost of steel materials through cheaper alternatives and strategic negotiation with suppliers.

In the coming financial year, the Division will continue its efforts to reduce its operating cost and leverage on the Group's digital transformation programme with its newly centralised sourcing system.

The Division's research and development initiatives continue to help in the production of PSC piles by improving product quality, cost and process efficiency. Significant achievements during the financial year included the implementation of cost-effective concrete mixes design for pump concrete in the production of smaller diameter piles. It has also improved the mix design of ready-mixed concrete for better consistency and quality.

Various health, safety and environment initiatives were carried out in FY2019 to ensure a safe and conducive working environment in all factories and quarries. These initiatives include promoting awareness of applying personal protection equipment at work, refresher training for crane operators, refresher first aid training for staff and workers, launching of Prevention of Slip, Trip and Fall campaign and installation of water sprinklers at various locations of the factories' compound to control dust. Basic health screening and health talks were conducted by KPJ Hospital to enhance staff awareness on the benefits of leading a healthy lifestyle. In the coming financial year, stricter controls and measures will be implemented to reduce accidents at the workplace.

ICP Jiangmen's (ICPJM) performance improved significantly with a PBT of RM2.60 million (FY2018: LBT of RM674,000). Revenue increased by 2% compared to the preceding year due to better pricing achieved. Main deliveries were made to the Zhong Shan Passenger Transport Jetty, Container Terminal in Tanzania and Hai Kou Yacht Marina in Hainan. Underscored by China's Belt and Road Initiative, the outlook is positive as it is confident of securing more projects next year.

MANAGEMENT DISCUSSION AND ANALYSIS

ICP Kuantan Factory, Pahang

Durabon Sdn Bhd ("DSB"), the Division's steel bar business, achieved a revenue of RM95 million, a decrease of 21% from FY2018 due to lower sales volume by 20%. PBT was lower by 33% to RM2.71 million as profit margin was affected by lower average selling prices and higher cost of raw materials. However, DSB managed to increase its operational efficiency by 25% via cost reduction efforts. To boost revenue and fully utilise its production capacity, DSB aims to expand its external sales to Kuching, Sarawak and export sales to Batam, Indonesia and Taiwan. Local and export sales will remain challenging with the changing business environment of the steel industry in China. DSB will continue implementing cost-cutting initiatives to enhance its competitiveness.

To create a new revenue stream, IJM IBS Sdn Bhd was incorporated during the year to manufacture and supply industrial building system ("IBS") components to the property and construction sectors. A piece of 25-acre industrial land located in Bestari Jaya was acquired for this purpose. The construction of the factory is in progress and is expected to complete by March 2020, and commercial production of IBS components will commence by August 2020. The Construction Industry Development Board (CIDB) and the Public Works Department (JKR) are currently implementing a scoring system to push for greater adoption of IBS by the construction industry in stages. Moving forward, a certain minimum IBS score will be mandated in all development orders. The company views this positively and expects a reasonable contribution to the Division's top and bottom line in the coming years.

Sales volume in the quarry sector declined 10% from last year due to the soft market attributed to the slowdown in the property sector and reduced deliveries to the Kuantan Breakwater Project (repair works) which is nearing completion. Correspondingly, the quarries in Labu, Ulu Choh, Kulai, Pancing and Kuang registered a decline in sales. In tandem with the decline in turnover and margin compression from lower selling prices which fell by 5% to 10% from last year, PBT shrank by 28% to RM11.62 million.

In its effort to improve sales and productivity, the Division embarked on increasing production volume of quarries in Gebeng and Panching, Pahang to coincide with the recommencement of the ERCL project. With the appointment of a new contractor, Kuang quarry's output is expected to increase to 150,000 tonnes per month. The Division's new quarry in Segari, Perak has commenced sales in October 2018. The Division is optimistic of supplying to Andaman, Bangladesh and Myanmar following recent positive enquiries from potential clients.

Meanwhile, the strategy for the immediate term is to find a replacement for the Kulai quarry which has a current lifespan of 1 to 1.5 years. Looking forward, the Division is hopeful that market demand will improve with the Government's decision to continue with the ECRL project, the implementation of the Penang Transport Master Plan and reclamation of three islands off the southern coast of Penang island. However, the Division continues to see intense competition from other quarries, squeezing its margins.

Ready-mixed concrete turnover under Strong Mixed Concrete Sdn Bhd ("SMC") fell slightly by 2% to RM80 million compared to the previous year. Two major plants in the Klang Valley, Chan Sow Lin and Segambut plants performed well by supplying to high profile projects such as MRT V203 and S203 and the Construction Division's office tower projects namely UOB Tower 2, Affin Bank and HSBC new headquarters in TRX and Riana Dutamas condominium in Segambut, Kuala Lumpur.

During the year, a rationalisation exercise was carried out where two plants located in Bukit Raja, Selangor and Nusajaya, Johor were shut down after incurring continuous losses due to lack of volume and margin pressures from stiff competition. Consequently, SMC incurred a loss of RM2.0 million from fixed assets write-off and demobilisation costs for these plants. However, this loss was negated by a reversal of bad debts provision and SMC managed to breakeven with a small PBT of RM0.08 million compared to a loss of RM2.79 million in FY2018.

In India, the performance of the ready-mixed sector of IJM Concrete Products Private Limited has improved with the Hyderabad region outperforming prior year's sales volume by 65% and the supply to a highway project at Dewas increasing by more than 100%. However, the financial crisis at Infrastructure Leasing & Financial Services Ltd had slowed down the construction activities and collection in the Mumbai and Bangalore regions. The Whitefield plant had ceased operations on 31 December 2018 due to the Pollution Control Board and local issues, and have relocated to Mandur on 1 March 2019. It registered a 43% increase in turnover to RM102.15 million but pre-tax profit rose by only 7% to RM2.63 million. The quarry business fared better when it achieved a pre-tax profit of RM0.66 million compared to a loss of RM2.07 million in FY2018 after ceasing operations in Jhansi and Magadi at the end of FY2018. In order to increase turnover next year, the company will start quarry operations in Vizag by mid-June 2019.

The ready-mixed operations in Islamabad, Pakistan did not fare well and recorded a 51% decline in turnover attributed to lower volumes and drop in selling prices due to prevailing economic conditions. Customers delayed and spread their payments due to tight liquidity in the market. The Pakistan operations were hit by foreign exchange losses of RM0.35 million on a USD loan as the Pakistani rupee weakened further. Consequently, a loss of RM0.96 million was recorded and the Division ceased operations there.

Turnover of Scaffold Master Sdn Bhd fell by 11% to RM9.46 million due to its strict adherence to the CIDB Act 520 in which all conventional frame scaffolding and accessories with thickness below 2.3 mm have been banned and the use of the new approved frames with the Certification of Standards Compliance (*Perakuan Permatuhan Standard* or PPS) and heavy duty (Shoring System) scaffolding had been slow. However, pre-tax profit increased marginally to RM4.20 million with gains of RM2.61 million from the sale of old scaffolding frames. The company remains confident that the use of conforming and heavy-duty scaffolding will pick up in the coming year.

Kemena Industries Sdn Bhd, a 55% subsidiary in Bintulu, Sarawak is engaged in the production and sales of ready-mixed concrete and precast reinforced concrete products. Its revenue increased by 39% to RM17.15 million but PBT was flat at RM1.34 million. Despite a challenging environment, the company is optimistic that more infrastructure works such as coastal highways, bridges, trunk roads and water pipelines will be rolled out by the Sarawak State Government in the coming year.

The Government's revival of several legacy mega infrastructure projects is expected to be catalytic, injecting huge economic benefits to the sluggish economy and boosting demand for construction materials. While this augurs well for the Division, we will remain vigilant against potential headwinds and changes in the local and overseas markets.

Quarry at Kuang, Selangor

IJM Plantations Berhad is an upstream agri-business listed on the Main Board of Bursa Malaysia since 2003.

The history of the Plantation Division's foray into oil palm dates back to its humble beginnings in 1985 when it first cultivated a 10,000-acre piece of land in Desa Talisai estate in Sandakan, Sabah. The Division expanded into other areas in Sandakan and Sugut regions before venturing organically into Indonesia in 2009.

Within six years, the planted area in Indonesia overtook the size of its planted area in Malaysia. The Division's relatively young oil palm age profile places it in a favourable position to capitalise on significant growth production as the oil palm trees reach prime production age.

Today, with a combined planted land bank of over 60,000 hectares, the Division has propelled it into the league of mid-sized Malaysian planters.

PLANTATION

> Surveillance tower at Minat Teguh Estate

v Aerial view of Desa Talisai South Estate

Total Planted Area
60,633ha

6
palm oil mills

FFB Production FY2019
976,395 mt

FFB Processed FY2019
1,042,999mt

Total FFB processing capacity of
300mt
of FFB per hour

Crude Palm Oil Produced
224,165mt

Revenue FY2019
RM630.90m
includes share of associate and joint venture's revenue

Loss Before Tax FY2019
RM43.31m

859
employees

MANAGEMENT DISCUSSION AND ANALYSIS

Plantation Management Team:


Joseph Tek Choon Yee


Puru Kumaran


Sandra Segran A/L Kenganathan


Lee Hock Leang

Key Financial Indicators FY2019:

Revenue
RM630.90m
FY2018 (Restated): RM747.22m

EBITDA
RM118.99m
FY2018 (Restated): RM218.91m

LBT
RM43.31m
FY2018 (Restated): PBT RM50.77m

PBT Margin
–
FY2018 (Restated): 6.8%

FY2018 figures have been restated following the adoption of MFRS from FRS previously.

In its formative years, IJM Plantations began as a local player with its first cultivation of merely 4,000 hectares in Desa Talisai, Sabah, Malaysia in 1985. The Division, today, boasts of a total cultivated area exceeding 60,000 hectares in Malaysia and Indonesia. Its principal activities are in the cultivation of oil palms, processing of fresh fruit bunches ("FFB") into crude palm oil ("CPO") and processing of palm kernel ("PK") into crude palm kernel oil and expellers. The Division has been listed on the Main Market of Bursa Malaysia Securities Berhad since 2003.

The Division's six palm oil mills that are strategically located in close proximity to its plantations, continue to run at a capacity of 300 mt of FFB per hour. In its Malaysian operations, four palm oil mills continue to run at a capacity of 180 mt of FFB per hour while the other two mills in its Indonesian operations are operating at a capacity of 120 mt of FFB per hour. The third mill in Indonesia with a capacity of 60 mt of FFB per hour which is under construction, is expected to be commissioned by end of 2019.

In FY2019, the oil palm industry continued to face a multitude of challenges and uncertainties. These uncertainties include the ongoing trade war between the US and China, muted demand resulting from higher import duty imposed on palm products by India and the European Union's aversion to palm oil – resulting in stock overhang and adversely impacting CPO prices. Additionally, effective 1 January 2019, minimum wage nationwide was raised to RM1,100 per month which caused the plantation industry's operating cost to increase.

During FY2019, the Division successfully delivered another year of positive crop performance with a 5% increase in the overall FFB production to 976,395 mt compared to 932,950 mt in FY2018.

Details of the Division's oil palm age profile are as follows:

		Malaysian Operations		Indonesian Operations		Division Total	
		Hectares	%	Hectares	%	Hectares	%
Mature	(> 20 years)	1,354	6%	–	0%	1,354	2%
Mature - Prime	(8 - 20 years)	17,318	70%	13,551	38%	30,869	51%
Mature - Young	(4 - 7 years)	3,316	13%	18,565	52%	21,881	36%
Immature	(1 - 3 years)	2,793	11%	3,736	10%	6,529	11%
	Total	24,781	100%	35,852	100%	60,633	100%
	Weighted average age of palms (years)		14.3		7.9		10.4

Total area under cultivation as at 31 March 2019 stood at 60,633 ha (FY2018: 60,981 ha) consisting of 54,104 ha (FY2018: 53,312 hectares) of mature areas and 6,529 ha (FY2018: 7,669 hectares) of immature areas with a weighted average age of 10.4 years. 59% of the total planted area is located in Indonesia while the balance 41% is located in Sabah, Malaysia. From the total planted area, 89% of the Malaysian planted areas are mature whereas for the Division's Indonesian operations, the mature area increased to 90% compared to 85% in FY2018. While the Malaysian operation's mature-prime remained in the range of 70%, the Indonesian operations' mature-prime increased to 38% compared to 15% in FY2018.

FFB production for the financial year was 976,395 mt (FY2018: 932,950 mt), a 5% improvement from last year. By geographical segment, FFB production from the Indonesian operations registered a growth of more than 15% to end the financial year with 533,893 mt of FFB (FY2018: 462,003 mt) as more areas attained maturity and moved into prime age. FFB production from the Malaysian operations decreased by 6% to 442,502 mt (FY2018: 470,947 mt) mainly due to crops lost from areas removed for replanting and ageing oil palm trees located especially in the Sugut region which were affected by the lagged effects from the prolonged dry weather.

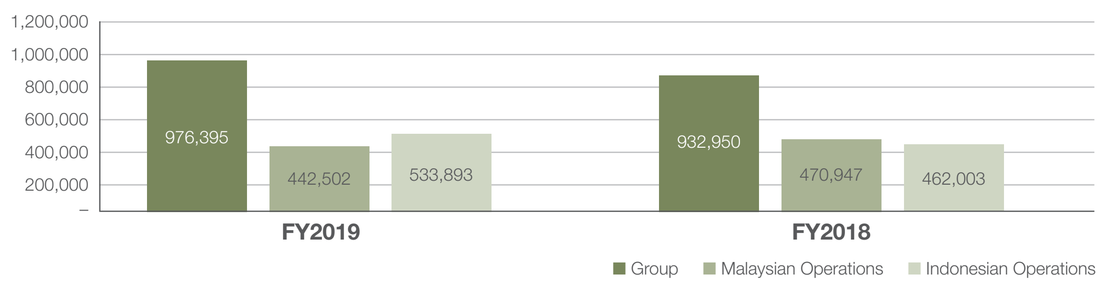
In terms of crop yield and productivity, the Division's average yield per ha increased to 18.1 mt compared to 17.5 mt in the previous year. Its Malaysian operations recorded FFB yield of 20.1 mt per ha (FY2018: 20.8 mt per ha) while Indonesian operations recorded 11% increase in FFB yield to 16.6 mt per ha (FY2018: 15.0 mt per ha). For the coming year, the Division's crop production is expected to improve further due to more areas moving toward prime age, net of the ongoing replanting programme.

The Division processed a total of 1,042,999 mt (FY2018: 1,095,595 mt) of FFB, a decrease of 5% compared to the previous year due to the decrease in the availability of both own and purchased crop.

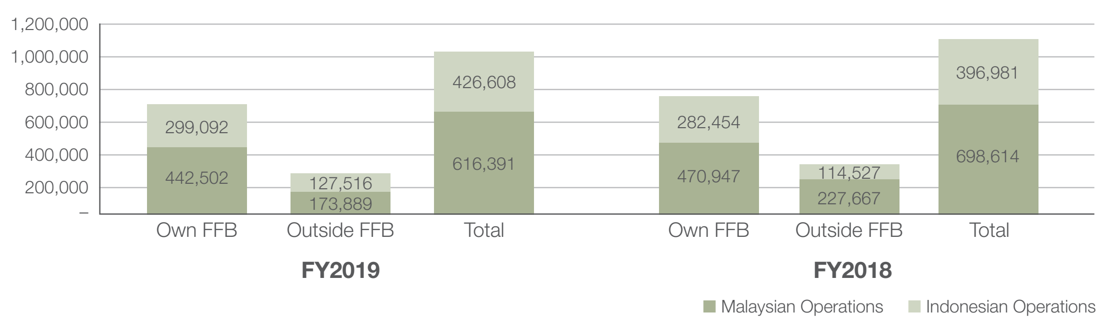
In its Malaysian operations, a total of 616,391 mt (FY2018: 698,614 mt) of FFB inclusive of outside crop were processed by its four palm oil mills. With this, a total of 122,973 mt (FY2018: 140,496 mt) of CPO and 32,502 mt (FY2018: 36,303 mt) of PK were produced by the Malaysian operations. Average oil extraction rate ("OER") and kernel extraction rate ("KER") achieved by the Division were 20.0% (FY2018: 20.1%) and 5.3% (FY2018: 5.2%) respectively.

FFB processed in its Indonesian operations was 426,608 mt, 7% higher than the previous year due to more palms attaining maturity and moving into prime age. A total of 101,192 mt (FY2018: 89,113 mt) of CPO and 18,455 mt (FY2018: 15,519 mt) of PK were produced in the Indonesian mills. Average OER and KER achieved in the Indonesian operations were 23.7% (FY2018: 22.4%) and 4.3% (FY2018: 3.9%) respectively.

FFB Production (MT)



FFB Processed (MT)



MANAGEMENT DISCUSSION AND ANALYSIS

The kernel crushing plant in its Malaysian operations processed 25,663 mt (FY2018: 33,531 mt) of palm kernel to produce 11,757 mt (FY2018: 14,810 mt) of crude palm kernel oil ("CPKO") and 12,621 mt (FY2018: 16,447 mt) palm kernel expellers ("PKE"). Average extraction rate for CPKO was 45.8% (FY2018: 44.2%) and for PKE, it was 49.2% (FY2018: 49.1%) whereas at its Indonesian operations, the kernel crushing plant processed 17,837 mt (FY2018: 15,423 mt) of palm kernels to produce 7,169 mt (FY2018: 5,904 mt) and 10,331 mt (FY2018: 9,433 mt) of CPKO and PKE respectively.

The headwinds and uncertainties have dampened the global economy and depressed palm prices. Malaysian Palm Oil Board ("MPOB") average CPO price fell-off more than 18% from RM2,466 per mt in the first quarter of 2018 to RM2,013 per mt in the first quarter of 2019. In line with this, the average CPO price achieved decreased to RM1,998 per mt compared to RM2,532 per mt achieved in the previous year. Average CPO price from its Malaysian operations dropped to RM2,125 per mt (FY2018: RM2,639 per mt) whereas in its Indonesian operations, the CPO price declined to RM1,846 per mt (FY2018: RM2,380 per mt) at the end of financial year. The factors resulted in the Division's lower revenue of RM630.90 million, a decline of 16% from the previous year despite higher sales volume.

The Division's cost of sales for the current financial year was 2% lower than the prior year mainly due to lower outside FFB purchase cost arising from lower CPO prices and lower crop volume secured. Aside from lower commodity prices, the Division's performance continued to be affected by net unrealised foreign exchange loss of RM25.8 million (FY2018: RM23.7 million) on the US Dollar and Japanese Yen denominated borrowings. The increase in LIBOR rate further eroded its profitability.

As a result, the Division incurred a loss before tax of RM43.31 million compared to PBT of RM50.77 million in FY2018. Accordingly, its EBITDA was lower at RM118.99 million compared to RM218.91 million in FY2018. In line with lower commodity prices compared to the previous year, contribution to the Sabah state sales tax and statutory payment of cesses to MPOB was lower at RM22.0 million compared to RM26.5 million in FY2018.

The Division's capital expenditure of RM138.8 million (FY2018: RM131.2 million) consisted mainly of development expenditure in the Indonesian operations which included construction costs of the third palm oil mill, immature plantings expenditure and related infrastructure establishment and replanting expenditure in the Malaysian operations.

Pursuant to the Shareholders Agreement entered on 15 May 2018, the Division's subsidiary, PT Indonesia Plantation Synergy had subscribed 44,000 shares of Rp.1,000,000 each, representing 20% equity interest in PT Perindustrian Sawit Sinergi ("PT PSS") for a total cash consideration of Rp.44,000,000,000 (approximately RM13 million). With this, PT PSS became an associate of the Division.

Grabber system for in-field crop evacuation

Presently, the Division's operating units are certified under various national and international certification schemes. On the mandatory certification under the Malaysian Sustainable Palm Oil (MSPO) scheme, the entire Malaysian operations were certified. The Division continued with the recertification to the International Sustainability and Carbon Certification ISCC-EU scheme where premiums were derived for its own CPO. Across in Indonesia, its five operating units successfully achieved certification under the Indonesian Sustainable Palm Oil ("ISPO") scheme. The Division is striving towards full implementation of the mandatory Indonesian ISPO certification for its Indonesian operations.

The Division continues to pursue measures to contain rising production costs, implementing site-specific mechanisation for in-field crop evacuation, harnessing workable innovations and technologies, replanting with high-yield planting materials besides implementing other resource-saving initiatives. Global Positioning System (GPS) enabled handheld devices are used in tracking plantation activities.

The Division's research and development department in Sandakan with sub-stations in Sugut and Kutai Timur, aims to increase yield and efficiency, reduce production costs, ensuring environmental sustainability and enhancing profits over time. The ongoing oil palm breeding, selection and progeny testing programme will enable it to improve planting materials to meet present and future needs toward ensuring higher yields and other desired oil palm characteristics. The seed production unit has the capacity to produce over 1.5 million DxP seeds per annum derived from Deli Dura and AVROS pedigrees.

In addition, agronomic advisory services and integrated pest management best practices continue to be pursued. The Division continued its research collaborations with the International Plant Nutrition Institute (IPNI) on best management practices including improved fertiliser stewardship, and with ACGT Sdn Bhd and Genting Green Tech Sdn Bhd on oil palm biotechnology involving high yield biomarkers. Its pragmatic replanting policy was adhered to both in times of low as well as high CPO prices to achieve the desired age profile. All replanting programmes are carried out in accordance with the Division's environmental-friendly *zero burning policy*. Old palm stands are felled, chipped and left to decompose at site as per regulations set by the Department of Environment.

The Division acknowledges the importance of each employee towards achieving its goals and objectives. Its mission, vision and core values of I-TIC – integrity, teamwork, innovations and customer focus have been shared with all employees with the objective to strive for higher performance and making the organisation a better place to work. The Division remained focused with its High Performance Culture programme, embracing diversity and inclusion as well as its core values. The emphasis on quality, occupational safety and health remains a key focus to ensure a safe working environment for all employees. The Division also continued with its initiatives of upgrading the workers' living quarters to be complete with amenities such as electricity and water, medical care, crèche, learning centres, recreational and sports facilities. This has elevated the sense of belonging and esprit de corps among its people, motivating them to strive for higher performance.

The Division believes that the support of local communities are needed to ensure the success and sustainability of its business. The Division continues to be active in collaborations and partnerships with numerous NGOs and governmental bodies such Borneo Child Aid for the education of guest workers' children; Sabah Rugby Union and Education Department for youth sports development through rugby; Sandakan Pink Ribbon for grassroot breast health awareness; Borneo Bird Club in support of the Borneo Bird Festival and promotion of endemic Borneo birds; The Forest Trust for its smallholders outreach Rurality project; and the local hospital for employee blood donations among others.

To underscore the Division's environmental commitment, it has set aside parts of its land bank for conservation, rehabilitation with biodiversity enhancement, research and education while actively engaging with relevant stakeholders through various platforms and activities, including its signature *Walk With CEO* programme. The Division inked a conservation partnership memorandum of understanding with the Sabah Forestry Department for its *Secret Garden* in Sugut, Sabah. Concurrently, the Division continued to adopt and implement a myriad of best management environmental practices such as soil and water conservation, utilisation of by-products, integrated pest management and zero-burning practices. Besides, employees in the Indonesian operations volunteered in the *Sejuta Pohon* tree-planting project by planting suitable local tree species at rehabilitation plots.

The Division took up the leadership role, participated and contributed in many of the plantation fraternity's meetings, dialogues and conferences, including in the Malaysian Estate Owners' Association (MEOA), MPOB, Malaysian Oil Scientists' and Technologists' Association (MOSTA) and Malaysian Plantation Industries and Commodities (MPIC) Ministry.

Labour shortage remains one of the most important issues confronting the oil palm industry, resulting in annual crop losses. Most of the processes such as harvesting, manuring, upkeep and maintenance are performed manually. To mitigate this, site-specific in-field crop evacuation has been added to new areas in the estates toward improving efficiency and reducing dependency on workers.

The performance of the Division remains very much dependent on commodity prices. Other than fundamental factors of supply, demand and stocks, palm oil prices are affected by various factors and uncertainties including ongoing trade wars, tariff hikes, crude oil price fluctuations and price movements of soya bean oil which competes for a share of the global vegetable oil market.

Moving forward, the Division firmly believes that the long term outlook of the industry remains bright as the rising global demand for oils and fats will not be easily met with limited arable land amid a growing global population. Palm oil is increasingly being recognised as an exceptional resource due to its natural versatility. The Division remains committed to drive cost optimisation while intensifying harvesting and milling activities in its Indonesian operations and sustaining high yields from its Malaysian operations.

IPS palm oil mill

Our diverse range of capabilities and expertise enables us to participate in the entire infrastructure construction value chain from investing, designing and delivering to operating infrastructure assets.

While our concessions have been instruments of public-private collaboration and association, these infrastructures also provide long-term recurrent income streams.

From Malaysia to China, India, Vietnam and Argentina, our international portfolio of toll roads, port, power plant and water treatment facilities have helped enrich communities in the cities and countries where we operate.

INFRASTRUCTURE

>
Container ship unloading
at Kuantan Port

v
BESRAYA Highway, Kuala Lumpur

Revenue FY2019

RM943.39m

includes share of associate and joint venture's revenue

Profit Before Tax FY2019

RM268.25m

1,183

employees

Among the largest infrastructure company by length in Malaysia

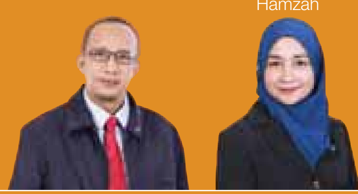
MANAGEMENT DISCUSSION AND ANALYSIS

Toll Management Team:

Wan Salwani Binti Wan Yusoff | Cyrus Eruch Daruwalla

Yap Pak How | Ong See Chang | Md Zohir Harun

Chua Lay Hoon | Hwa Tee Hai | Ungku Zaki Ungku Hamzah



Azarulizam Bin Ismail | Nur Amani Binti Zakaria

Port Management Team:

Wong Soon Fah | Mazlim Bin Husin | Selvarajah Nallapan

Ahmad Kamil Bin Shaharudin | Wang Guo Wei

Key Financial Indicators FY2019:

Revenue RM943.39m FY2018 (Restated): RM1,001.87m	**EBITDA** RM495.43m FY2018 (Restated): RM353.15m
PBT RM268.25m FY2018 (Restated): RM122.82m	**PBT Margin** 28.4% FY2018 (Restated): 12.3%

FY2018 figures have been restated following the adoption of MFRS from FRS previously.

The Infrastructure Division recorded a decreased revenue of 6% to RM943.39 million compared to RM1,001.87 million in FY2018 mainly due to lower contribution from the Group's share of associates' revenue during the financial year.

Pre-tax profit and margin however more than doubled to RM268.25 million and 28.4% respectively compared to RM122.82 million and 12.3% in FY2018 mainly due to higher contributions from the Group's local toll concessions in Malaysia as well as toll concession investment in Argentina.

The Division's total infrastructure assets comprises eight toll road concessions (with four in Malaysia, three in India and one in Argentina), a port in Pahang, a power plant in India and a water treatment plant in Vietnam.

TOLL ROADS

Malaysia

The Group's local toll road concessions are principally engaged in the design, construction, operation and maintenance of tolled highways. There are three operating toll roads namely the two wholly-owned urban highways – the 28.9 km Sungai Besi Highway ("BESRAYA") and 19.6 km New Pantai Expressway ("NPE") and a 50%-owned inter-urban highway, the 44.3 km Kajang Seremban Highway ("LEKAS"). These concessions cover the periods of 44, 34 and 33 years respectively.

In December 2018, the Government announced the deferment of toll hikes for affected highways in 2019. Scheduled toll rate increase for BESRAYA was due on 1 January 2018 while LEKAS was due for a toll rate increase on 1 January 2017. Existing toll rates charged for Class 1 vehicles of NPE's PJS 2 Toll Plaza and Class 5 vehicles (buses) have been discounted since 2011 as requested by the Government. Nevertheless, all toll hike deferments and discounts were compensated in accordance with the concession agreements, despite some delays in compensation for the year 2017 and 2018. The next scheduled toll hike for LEKAS is due on 1 January 2020.

BESRAYA recorded a revenue of RM154.81 million for FY2019, an increase of 18% from the previous year mainly due to its scheduled toll rate hike on 1 January 2018 as well as traffic growth of 7% from the Loke Yew Toll Plaza. Consequently, BESRAYA achieved a PBT of RM63.09 million which increased 89% compared to RM33.36 million in the preceding year due to higher revenue and lower amortisation.

In FY2019, NPE registered a revenue of RM177.22 million and PBT of RM116.96 million. On the back of steady traffic growth, revenue at the Pantai Dalam Toll Plaza and PJS 5 Toll Plaza grew by 4% and 3% respectively due to rapid developments along the vicinity of highway in Bangsar, Mid Valley City, Pantai Sentral Park, Old Klang Road, KL Sentral, Kuchai Lama, Bandar Sunway and Subang.

LEKAS contributed a revenue of RM41.41 million in FY2019, which increased by 4% from RM39.89 million in FY2018. Positive traffic growth was mainly attributed to higher occupancy of housing developments around Semenyih and Kajang Selatan which boosted LEKAS's short haul traffic. New link roads and interchange also improved road connectivity between new developments to LEKAS.

The Division's share of losses decreased by 6% to RM28.31 million compared to RM30.22 million in FY2018 on account of higher revenue during the year.

Relieving traffic congestion remains the Division's key focus area. Upgrading works on KM 11.3 of Kuchai Link 2 at BESRAYA's Kuchai interchange is in progress at 47% completion and is scheduled to be completed by end 2019. Kuchai Link 2 includes the construction of a 1.2 km directional ramp linking the NPE and BESRAYA, and the reconfiguration of a signalised junction from the existing four-phase system to a free-flow traffic intersection to overcome traffic congestion during peak hours at the Kuchai Interchange and the Jalan Kuchai Lama-Jalan Kuchai Maju intersection.

Along the BESRAYA, several ongoing massive construction works are being undertaken by third parties. BESRAYA's engineering and patrol teams are constantly monitoring the sites to ensure that its traffic management schemes remain effective to safeguard users and minimise disruption to residents and highway users. One major construction project, MRT Sungai Buloh-Serdang-Putrajaya Line (SSP Line) is adjacent to Kuchai Link 2 project and is scheduled for completion by 2022. Another project, Sungai Besi-Ulu Kelang Expressway (SUKE) also integrates with BESRAYA at KM 8 which is targeted for completion by 2020.

The contra flow traffic management scheme between KM 4 to KM 5 at southbound BESRAYA has proven successful in dispersing traffic from the Mines South Toll Plaza to Putrajaya during evening peak hours. During the year, lane reconfiguration works were undertaken at the Mines and Balakong to ease traffic flow from Seri Kembangan towards Balakong. Additional motorcycle shelters and upgrading works segregating barriers have been implemented gradually in BESRAYA to improve road safety.

New Pantai Expressway, Klang Valley

MANAGEMENT DISCUSSION AND ANALYSIS

Kajang Seremban Highway (LEKAS)

A new Pantai Sentral Interchange in NPE was opened to traffic in December 2018. The dedicated 2.8 km interchange provides direct entry and exit access from NPE to the 58-acre Pantai Sentral Park township developed by IJM Land. The interchange connects NPE to local road networks in Kerinchi, Bangsar South, Pantai Hill Park and Pantai Dalam which resulted in small traffic contributions to the Pantai Dalam Toll Plaza.

To complement the existing traffic management scheme at the Jalan Templer junction and Old Klang Road during peak hours, NPE conducted upgrading works at the Templer intersection which completed in October 2018. The mainline traffic flow from PJS 5 Toll Plaza towards Pantai Dalam Toll Plaza improved during peak hours. Traffic mitigation schemes will be monitored consistently to ensure effective traffic flow. To strengthen its patrolling and surveillance services, NPE upgraded the traffic control surveillance system, traffic light management system (SCATS) and installed additional closed-circuit television cameras (CCTV).

The Division is focused on traffic revenue enhancement from LEKAS and will undertake more awareness programmes to attract more road users to LEKAS. In view of the cost effectiveness of previous installations of Light Emitting Diode (LED) street lighting, which delivered about 50% cost savings on utilities and maintenance costs, LEKAS completed another phase of street lighting replacement in July 2018.

For the safety and convenience of its road users, the Division will continue to review improvement works to mitigate congestion. Its patrol teams are always ready to respond to and assist in any breakdown and accidents on its highways including temporary traffic diversion to enhance safety and minimise disruption.

The implementation of Radio Frequency Identification ("RFID") toll collection lanes in BESRAYA and NPE since August 2017 has reached another milestone in April 2019 with the introduction of the Touch 'n Go e-wallet as the payment mode is linked to RFID tags. As of March 2019, there are more than 200,000 pilot users using 167 RFID lanes at 23 tolled highways. Currently, the penetration rate of RFID transactions at BESRAYA and NPE has reached almost 4% and is expected to grow further. The RFID lanes are slated to be fully implemented for public use by end 2019 including on highways with a closed-toll system.

The Government had earlier expressed its intention of abolishing toll collections gradually. In response, a consultant was appointed to conduct a study on the way forward for tolled highways in Malaysia. The uncertainty on toll highways remain until a decision is made by the Government following the study. In view of the complexity, the Government is expected to carefully review the implications as it may exert pressure on the Government's financial position.

Recent proposals to implement toll rate discounts and free toll access during non-peak hours on selected highways may result in traffic migration to competing highways, hence impacting the Division's financial performance. Any deviation from current tolling arrangements including potential rebates and/or discounts will be assessed accordingly. The risk of delays or non-cash receipt of compensation from the Government for the non-revision of toll rates may be more pronounced for BESRAYA because compensation payments are about 25% of the company's revenue.

The improving public transportation network, discounted public transportation fares and competing routes may pose a threat to the performance of the Division's highways. However, such threat will only be relevant when the Klang Valley has a more integrated public transportation system and an effective highway network. The extent of competition will depend on time and cost savings.

Despite the challenges and uncertainties that toll concessionaires are currently facing, the Division will be proactive in its engagement and work with the Government to achieve a win-win outcome for the country and its stakeholders. Moving forward, it is envisaged that ongoing developments of massive commercial and residential projects along the corridors of its highways will increase tollable traffic and contribute positive revenue streams to the Division.

The Group via its investments in WCE Holdings Berhad and West Coast Expressway Sdn Bhd has a 41% effective interest in the 233 km West Coast Expressway project connecting Banting to Taiping. It has a 50-year concession period and is currently under construction.

India

In India, the Division's operating toll road is a 99.9%-owned Chilkaluripet-Vijayawada Tollway (68 km) while its wholly-owned Dewas Bypass Tollway (19.8 km) and Vijayapura Tollway (109.08 km) are under construction. The Indian tollways have concession periods ranging from 16 to 25 years.

The Division had disposed a remaining stake of 30% in Swarna Tollway (145 km) during FY2019. The disposal resulted in reversal of previously recognised equity accounted profits and foreign exchange differences of approximately RM41.45 million to the Group.

During FY2019, the Indian tollways contributed lower revenues by 43% to RM73.41 million (FY2018: RM129.34 million) due to lower contributions on account of the disposal of Swarna Tollway. Consequently, the Indian tollways recorded a pre-tax loss of RM13.68 million (FY2018: PBT of RM11.41 million). In addition, unrealised foreign exchange losses recorded were RM32.90 million in FY2019 as compared to a foreign exchange gain of RM1.73 million in the prior year.

Argentina

In Argentina, the Group's 20%-owned Grupo Concesionario del Oeste S.A. ("GCO") which operates a 21-year concession of the 56 km Western Access Tollway in Buenos Aires, has been extended to 31 December 2030 from 2018 previously. The tollway represents the most convenient route to the city for the 3 million inhabitants of the Western zone.

During the financial year, GCO contributed a revenue of RM59.15 million to the Group (FY2018: RM94.48 million). Our share of profit increased to RM140.47 million (FY2018: RM23.45 million), mainly due to a USD247 million compensation to GCO by the government through a Presidential Decree signed in July 2018 and the subsequent new concession contract which extended the concession period to the year 2030. The agreement was culminated from a two-year negotiation period with the government.

PORT

Following the completion and commencement of Kuantan Port's New Deep Water Terminal ("NDWT") Phase 1A in November 2018 and Phase 1B in June 2019, the port has recorded uplift in throughputs. During the financial year, an increase of 27% in revenue to RM318.72 million (FY2018: RM250.79 million) was recorded. Its PBT dropped 13% to RM74.00 million (FY2018: RM85.24 million) due to higher operating expenses of mainly cargo handling cost. Cargo throughput recorded was 20.46 million (FY2018: 17.03 million) freight weight tonnes, an increase of 17% from the previous year mainly arising from the operational commencement of Alliance Steel (M) Sdn Bhd ("Alliance Steel") during the year.

On 23 March 2018, the Port Division established an Unrated Islamic Medium Term Notes Programme of up to RM3.0 billion in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah") with a tenure of up to 25 years from the first issuance date in two tranches. Tranche 1 Sukuk Wakalah (up to RM1.2 billion) partially financed Phase 1 of NDWT with total drawdown to date of RM905 million.

With the expected surge in cargo volume, Kuantan Port has obtained ISO 9001:2015 certification in June 2018 to improve its quality management processes, port effectiveness and efficiency in order to provide better services to port users.

Western Access Tollway, Argentina

First vessel to berth at the New Deep Water Terminal, Kuantan Port

MANAGEMENT DISCUSSION AND ANALYSIS

Recognising the need for the port to handle multiple types of cargoes efficiently and effectively, continuous training on high-skill-needs areas were provided to employees to help them cope with the latest advancements in technology and port developments. Favourable staff retention benefits are offered to mitigate the risk of losing competent staff in the long run.

The risk of extended equipment breakdown times may prevent Kuantan Port from achieving its targeted productivity of cargo-handling at Kuantan Port 1 (existing port) and Kuantan Port 2 (NDWT). Hence, the Division is committed to equip Kuantan Port with the latest equipment and ensuring its maintenance team adheres to preventive maintenance to minimise incidents during loading or unloading of cargoes at berths.

The port is constantly mindful of changes in the political climate in the country. Continuous engagement and good rapport with the State Government, local authority such as Lembaga Pelabuhan Kuantan and other stakeholders will ensure that the port is kept abreast of any developments benefiting it as the main gateway to China and the Far East.

The application to increase port tariffs is in the pipeline and Kuantan Port is working hand-in-hand with the authorities and relevant agencies to pursue tariff revisions. The port's outlook for the coming year is positive.

Kuantan Port has obtained approval to operate as a Free Commercial Zone Port on 1 April 2019 and the Division is expected to expand its business line for the transhipment of raw minerals, semi-finished and finished products as well as containers.

Momentum continues as Alliance Steel began exporting its finished products through the port. In addition, the ease on India's import tax on palm oil, new found cargoes such as silica sand, slag for export and the lifting of bauxite moratorium by the Government is expected to further contribute to the future increase in cargo throughput.

Binh An Water Treatment Plant, Vietnam

Kuantan Port is seeing a promising future with the improvement in bilateral trade relationship between Malaysia and China with the revival of both Bandar Malaysia and the ECRL. Kuantan Port is anticipating an increase in containers and break-bulk cargoes throughput with respect to the construction of ECRL.

The Division is embarking on ISO45001:2018 certification which will provide a framework for the management of Occupational Health and Safety ("OHS"). The OHS Management System aims to increase the safety of workers and port users, reduce workplace hazards and improve the workplace environment. The process towards certification started in March 2019 and is expected to be completed by December 2019.

In line with the Group's digital transformation initiative, Kuantan Port is undertaking an initiative to install automatic Optical Character Recognition (OCR) at the port's main gate for container number and truck plate number recognition and damage inspection. The unmanned and paperless OCR technology, which is expected to be deployed in FY2020, will help the port save time, minimise errors and reduce operation cost. Additionally, the Division also installed a CCTV system for security surveillance as well as for operational monitoring and management. Kuantan Port is now at the initial stage of identifying opportunities in the *Internet of Things* solutions for the port. With the more positive sentiments surrounding the East Coast region of Peninsular Malaysia, the Division is poised to achieve better port throughput moving forward.

POWER PLANT

The Group's sole power plant concession in Andhra Pradesh, India, is its 20%-owned Gautami Power, a 469 MW natural gas based Combined Cycle Power Plant. The Group ceased equity accounting for its share of losses in Gautami Power which has been accounted up to its investment cost. The plant continues to be short of gas supply. Once gas supply is established, the investment is expected to turnaround and contribute regular income streams to the Group until the year 2023.

WATER TREATMENT PLANT

The Group's 36%-owned associate, Binh An Water Corporation Ltd in Vietnam contributed a consistent net profit of RM5.13 million (FY2018: RM4.73 million) to the Group during the financial year. The concession ends on 31 July 2019.

OTHERS

The Group's 21% stake in Scomi contributed a revenue of RM87.51 million (FY2018: RM163.53 million) and share of losses amounting to RM25.99 million (FY2018: RM56.01 million) which was attributable to operational and unrealised foreign exchange losses and asset impairments. Scomi is a global service provider mainly in the oil and gas industry specialising in high-performance drilling fluids solutions. It also provides transport solutions focused on the manufacturing and design of monorail systems, buses, special purpose vehicles, rail wagons and defense vehicles.

OUTLOOK

In the forthcoming financial year, following Government reforms and the gradual revival of several mega projects, our Construction Division expects a satisfactory performance backed by an outstanding order book of RM6.7 billion and expeditious execution of ongoing projects while replenishing its order book from local and overseas markets. The Group expects the Government to continue its fiscal reforms with prudent spending while working towards lowering national debt, healthy trade negotiations and promoting business-friendly policies for foreign and domestic investors. The revival of legacy mega projects should also augur well for our Industry Division, which is taking steps to improve its order book position and continue its cost optimisation measures.

Although consumer sentiments have improved, the Property Division expects the issues of affordable housing, oversupply of high-end homes, rising cost of living and tight mortgage lending regimes to remain the key challenges in the property market. In this regard, the Property Division remains committed to grow its business in view of the strategic locations of its properties and brand premium. Supported by total unbilled sales of about RM2.1 billion, the Division expects a satisfactory performance next year.

The Plantation Division expects continuing challenges of prevailing low commodity prices and volatility in foreign exchange rates although crop production has recovered in the Malaysian operations and more areas come into prime production age in the Indonesian operations. While the Division is optimistic about the future, it is mindful of the cost pressures in terms of wage increases and higher operational costs, and remains committed to cost optimisation, improving efficiency and sustaining high yields.

The Government reforms on toll concessions are ongoing and the Toll Division will be proactive in the management of associated risks by engaging with the Government in office to achieve a win-win outcome for both the country and its stakeholders. With the commencement of the New Deep Water Terminal in Kuantan Port, the Group's port operations are expected to provide recurrent revenue streams to the Infrastructure Division as it matures.

APPRECIATION

Our Chairman, Tan Sri Abdul Halim Bin Ali, who has served the Board since 2007 as an Independent Director initially and as the Chairman in 2011, will retire from the Board at the conclusion of the Annual General Meeting on 28 August 2019. I wish to record our sincere appreciation to Tan Sri Abdul Halim Bin Ali for his wisdom and invaluable services rendered to the Board and the Group over the years.

I wish to congratulate Tan Sri Dato' Tan Boon Seng @ Krishnan, our Deputy Chairman on being re-designated as the Chairman of the Company with effect from 29 August 2019, bringing with him extensive knowledge and experience in business to guide IJM to the next level of achievement.

I take this opportunity to inform that I will be retiring as the Managing Director of the Company at the conclusion of the Annual General Meeting and stepping down as the Chief Executive Officer of the Company on 31 August 2019, after having been with the Group for the past three decades, including my tenure with the Road Builder Group prior to the merger with IJM in 2008. It has been a delightful and enriching journey. I wish to thank the Directors, Management and employees of the Group for their dedication, contribution and commitment to the Group. I would also like to express my deepest appreciation to our shareholders, clients, bankers, contractors, business partners and suppliers for their continued support.

At the same time, I wish to congratulate Mr Liew Hau Seng, our Construction Division Head on being appointed as the new Chief Executive Officer & Managing Director with effect from 1 September 2019. I am certain with his business experience and knowledge, the Group will go from strength to strength.

CLOSING

Over the last few years, we had a very successful journey, staying on track with our strategy for sustainable, profitable growth in a fast-changing market environment. In the past year, we find ourselves yet again at an important point of our journey. We expect the current challenges that we are facing to prolong into the next financial year. As we continue to work hard to increase order book replenishment and sales in the domestic and international markets, we will remain vigilant in our actions while staying close to our industries and customers, contain rising costs and improve operational efficiency and productivity to stay relevant and continue creating value to our shareholders and stakeholders

Dato' Soam Heng Choon
Chief Executive Officer & Managing Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") is committed to ensuring that the highest standards of corporate governance are practiced throughout IJM Corporation Berhad ("IJM" or "the Company") and its subsidiaries (collectively referred to as "the Group"). The Board believes that a strong corporate governance is essential in enhancing shareholders' value and for long-term sustainability and growth.

The Board is pleased to present this overview statement which sets out a summary of the Group's corporate governance practices during the financial year ended 31 March 2019 ("FY2019") in accordance with the Malaysian Code on Corporate Governance ("the Code"). This statement is to be read together with the Corporate Governance Report 2019 ("CG Report") of the Company as the application of each practice as set out in the Code is disclosed in the CG Report. The CG Report is available on the Company's website www.ijm.com and Bursa Malaysia's website.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1. Board Duties and Responsibilities

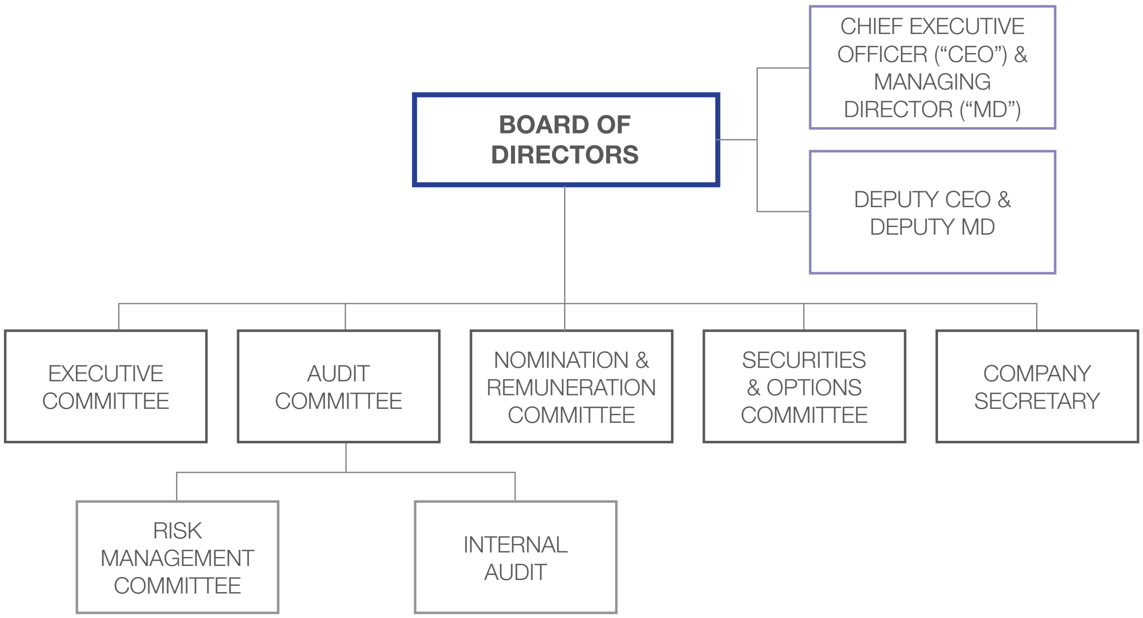
The Board is primarily responsible for the Group's overall strategic plans for business performance, overseeing the proper conduct of business, succession planning of key management, risk management, shareholders' communication, internal control, management information systems and statutory matters; whilst Management is accountable for the execution of the expressed policies and attainment of the Group's corporate objectives. The demarcation complements and reinforces the supervisory role of the Board and operational goals. Nevertheless, the Board is always guided by the Board Charter which outlines the duties and responsibilities and matters reserved for the Board in discharging its fiduciary duties. The Board Charter also acts as a source of reference and primary induction literature in providing insights to Board members and senior management. The Board reviews the Board Charter from time to time to ensure that it continues to remain relevant and appropriate and the last review conducted by the Board was in financial year 2018. The details of the Board Charter are available for reference at www.ijm.com.

During FY2019, the Board had a Strategic Review and Planning Session ("Session") whereby Management presented their short-term and long-term business strategy plans which covered economic, environmental and social aspects. The areas covered at the Session included the major investments of the Group, challenges and opportunities for the Group, strategies moving forward such as enhancing IJM's value proposition to investors, growing and optimising core businesses, sustainability initiatives, digital strategy and governance and innovation culture. Constructive views were shared and valuable insights were provided at the Session.

At the scheduled Board meeting held in February of each year, the Board reviews the Budget of the Group which includes comparing the actual results against budgets, and considering the new budget and proposed capital expenditure requirements. The Board and Management will deliberate on the proposed divisional budgets and debate the rationale and assumptions used for the Budget.

The Board has delegated certain functions to the Board Committees it established to assist in the execution of its responsibilities. The Board Committees operate under clearly defined terms of reference. The Board Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their terms of reference. The Chairmen of the respective Board Committees report to the Board on the outcome of their Board Committee meetings and such reports are included in the Board papers.

The governance structure of the Board is as follows:-



2. Roles and Responsibilities of the Chairman and the Chief Executive Officer & Managing Director

The role of the Independent Non-Executive Chairman and the Chief Executive Officer & Managing Director ("CEO&MD") are distinct and separate, and the positions are held by different individuals, in order to ensure that there is a balance of power and authority. The responsibilities of the Independent Non-Executive Chairman and the CEO&MD are set out in the Board Charter.

3. Company Secretary

The Board is supported by a qualified and competent Company Secretary to provide sound governance advice, ensure adherence to Board policies, rules and procedures, and advocate adoption of corporate governance best practices. The profile of the Company Secretary is provided on page 29. The Directors always have access to the advice and services of the Company Secretary especially relating to procedural and regulatory requirements such as company and securities laws and regulations, governance matters and Main Market Listing Requirements. The Company Secretary undertakes continuous professional development and her details of attendance at trainings/seminars are available for reference at www.ijm.com.

4. Board and Board Committees Meetings

All Directors are provided with the performance and progress reports on a timely basis prior to the scheduled Board meetings. All Board papers, including those on complicated issues or specific matters and minutes of all Board Committee meetings, are distributed electronically at least five (5) business days in advance to ensure Directors are well informed and have the opportunity to seek additional information, and are able to obtain further clarification from the Company Secretary, should such a need arise. The Company Secretary always ensures proper minutes of all deliberations and decisions of the Board and Board Committees are recorded. In order to enhance cybersecurity over the meeting materials, the Company migrated from the existing electronic portal to a more secure and collaborative portal during the FY2019.

Board meetings (including Board Committees' meetings) are scheduled in advance prior to the new calendar year, to enable the Directors to plan ahead and coordinate their respective schedules and/or events. The Board conducts at least four (4) scheduled meetings annually, with additional meetings convened as and when necessary. Directors are also invited to attend the Board Committees' meetings, where deemed necessary. During the FY2019, four (4) Board meetings were held.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The attendance record of each Director is as follows:

	Number of Meetings Attended	Percentage
Executive Directors		
Dato' Soam Heng Choon	4/4	100%
Lee Chun Fai	4/4	100%
Independent Non-Executive Directors		
Tan Sri Abdul Halim Bin Ali	4/4	100%
Datuk Lee Teck Yuen	4/4	100%
Pushpanathan A/L S A Kanagarayar	4/4	100%
Datuk Ir. Hamzah Bin Hasan	4/4	100%
Goh Tian Sui	4/4	100%
Dato' David Frederick Wilson	4/4	100%
Tunku Alina Binti Raja Muhd Alias	4/4	100%
Tan Ting Min	4/4	100%
Non-Executive Director		
Tan Sri Dato' Tan Boon Seng @ Krishnan	4/4	100%

In order to further enhance Board governance, the Board had during FY2019 conducted sessions of Non-Executive Directors without the presence of Executive Directors, prior to each of the Board meetings to address any of their areas of concern. Where appropriate, the relevant comments and feedback by the Non-Executive Directors were then shared with the Executive Directors.

The Directors also attended tender adjudication meetings and investment briefings, where Directors deliberate on the Group's participation in major project bids in excess of RM500 million (or RM250 million for overseas contracts) or investments. Informal meetings and consultations are frequently and freely held to share expertise and experiences. Directors also attended the annual Senior Management Forum where operational strategies, performance progress and other issues are presented, discussed and communicated to the managers of the Group. In addition, Directors also attended the functions and/or activities organised by the Group, such as the IJM Games, annual dinners and festive celebrations. Details of their attendance are available at www.ijm.com.

In fostering the commitment of the Board that the Directors devote sufficient time to carry out their responsibilities, the Directors are required to notify the Chairman before accepting any new directorships and such notifications shall include an indication of time that will be spent on the new appointments. In addition, assurances are given by the Directors that their new appointments will not affect their commitments and responsibilities as Directors of the Company. In the event that the Chairman has any new directorship or significant commitments outside the Company, he will also notify the Board. All Directors of the Company do not hold more than five (5) directorships each in public listed companies.

During the annual Board evaluation, each Director was assessed whether he/she was able to devote adequate time and attention for Board meetings, Board briefings, Board Committee meetings and activities of the Company. Overall, the Board was satisfied with the commitment of all members of the Board and the time contributed by each of them. The time commitment of the Directors was demonstrated by the full attendance and time spent at the Board and Board's Committee meetings during FY2019.

5. Code of Ethics & Conduct

The Board is committed to creating a corporate culture within the Group to operate the businesses of the Group in an ethical manner and to uphold the highest standards of professionalism and exemplary corporate conduct. The Board adheres to the principles and standards of business ethics and conduct as stipulated in the Code of Ethics and Conduct ("CEC") of the Group, which include the areas of conflict of interest, insider information, protection of funds and assets of the Group, compliance to the laws, personal gifting, sexual harassment, outside interest and misconduct. To further uphold the standards of professionalism and exemplary corporate conduct, the Board has adopted an Anti-Bribery and Corruption Policy ("ABC Policy") to set out some parameters to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group. The CEC and ABC Policy are available for reference at www.ijm.com.

6. Whistle-Blowing Policy

The Board encourages employees and associates to report incidences of suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, wastage, and/or abuse involving the resources of the Group. The Whistle-Blowing Policy adopted by the Company provides and facilitates a mechanism for any employee and associate to report concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, wastage and/or abuse. The Whistle-Blowing Policy is posted on the Company's website at www.ijm.com for ease of access for reporting by employees, associates and third parties of the Group.

II. Board Composition

There are eleven (11) Board members, nine (9) of whom are Non-Executive Directors, and among the Non-Executive Directors, eight (8) are Independent Non-Executive Directors. The Board comprises a majority of Independent Directors and the Chairman is one (1) of the Independent Non-Executive Directors.

Datuk Lee Teck Yuen is the Senior Independent Non-Executive Director to whom queries or concerns relating to the Group may be conveyed by shareholders by way of writing to the Company's registered address or electronic mail to csa@ijm.com or contact via Tel: +603-79858131.

The balance between Independent Non-Executive, Non-Executive and Executive Directors, together with the support from Management, is to ensure that there is an effective and fair representation for the shareholders, including minority shareholders. It further ensures that issues of strategy, performance and resources are fully addressed and investigated to take into account the long-term interests of shareholders, other relevant stakeholders and the community in which the Group conducts its business.

The composition and size of the Board is reviewed from time to time to ensure its appropriateness and effectiveness. The profile of each Director is presented on pages 24 to 29.

1. Independence

The Independent Non-Executive Directors play a crucial role of bringing objectivity to the decisions made by the Board. They provide independent judgment, experience and objectivity without being subordinated to operational considerations. They help to ensure that the interests of all stakeholders are taken into account and that the relevant issues are subjected to objective and impartial consideration by the Board.

The Company has adopted a policy to limit the tenure of independent directors to a maximum of 12 years. However, the retention of independent directors after serving a cumulative term of nine (9) years are subject to shareholders' approval in line with the recommendation of the Code.

To-date, one (1) of the Independent Non-Executive Directors, namely Tan Sri Abdul Halim Bin Ali, has served the Board as an Independent Director for more than nine (9) years.

Tan Sri Abdul Halim had completed his 9-year tenure in 2016, and was retained as an Independent Non-Executive Chairman by the shareholders of the Company at the Annual General Meetings ("AGMs") for the past three (3) years from 2016 to 2018. Following the completion of a 12-year tenure as an Independent Director, Tan Sri Abdul Halim will be stepping down from the Board at the conclusion of the forthcoming AGM to be held in August 2019.

2. Board Diversity

The Directors have a diverse set of skills, experience and knowledge necessary to govern the Group. The Directors are professionals in the fields of engineering, finance, accounting, property, real estate valuation, toll infrastructure, legal practice and public administration. Together, they bring a wide range of competencies, capabilities, technical skills and relevant business experience to ensure that the Group continues to be a competitive leader within its diverse industry segments with a strong reputation for technical and professional competence.

The Company currently has two (2) women directors on its Board and will endeavour to meet the 30% women Directors requirement as soon as practicable pursuant to the Board Diversity Policy of the Company which is available for reference at www.ijm.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The current board composition in terms of each of the Director's industry and/or background experience, age and ethnic composition is as follows:-

	Industry/ Background Experience							Age Composition				Ethnic Composition			
Directors	Public Service	Accounting/Finance	Construction & Engineering	Property Development	Real Estate Valuation	Toll Infrastructure	Legal Practice	40 to 49 years	50 to 59 years	60 to 69 years	70 to 79 years	Bumiputera	Chinese	Indian	Others
Tan Sri Abdul Halim Bin Ali	✓										✓	✓			
Tan Sri Dato' Tan Boon Seng @ Krishnan		✓								✓			✓		
Dato' Soam Heng Choon			✓	✓					✓				✓		
Lee Chun Fai		✓				✓		✓					✓		
Datuk Lee Teck Yuen				✓						✓			✓		
Datuk Ir. Hamzah Bin Hasan			✓							✓		✓			
Pushpanathan A/L S A Kanagarayar		✓								✓					✓
Dato' David Frederick Wilson			✓			✓					✓				✓
Goh Tian Sui					✓					✓			✓		
Tunku Alina Binti Raja Muhd Alias							✓		✓			✓			
Tan Ting Min		✓							✓				✓		

3. Nomination & Remuneration Committee

The Remuneration Committee was established on 2 December 1998 and was renamed as the Nomination & Remuneration Committee ("NRC") on 16 May 2001. The NRC comprises wholly of Independent Non-Executive Directors. Datuk Lee Teck Yuen, the Senior Independent Non-Executive Director, is the Chairman of the NRC, and the other members are Tan Sri Abdul Halim Bin Ali and Datuk Ir. Hamzah Bin Hasan. The terms of reference of the NRC are available for reference at www.ijm.com.

The activities of the NRC during FY2019 included the following:

(i) review of the IJM Scheme & Conditions of Service;

(ii) review of the appointment of a new managing director for the Industry Division;

(iii) review of the Balanced Scorecard of the Divisions and Group;

(iv) review of the salaries, bonuses & incentives of senior management of the Group;

(v) review of the extension of service contracts of senior management of the Group;

(vi) review of the service contract of the CEO&MD;

(vii) review of the retention of Independent Non-Executive Directors and re-appointment and re-election of Directors at the AGM;

(viii) review of the basis of entitlement for the vesting of shares under the fourth award of the Employee Share Grant Plan;

(ix) review of the proposed Remuneration Policy;

(x) establishment of a special committee to review the remuneration scheme for the Group including the Long Term Incentive Plan of the Company;

(xi) review of the Directors' fees and benefits payable to Non-Executive Directors;

(xii) review the proposed retirement gratuity of senior management staff;

(xiii) assessment and evaluation of the effectiveness of the Board and individual Directors through the annual Board evaluations (including the CEO&MD, Deputy CEO & Deputy MD and the independence of Independent Non-Executive Directors); and

(xiv) assessment and evaluation of the effectiveness of the Audit Committee and individual Committee members through the annual Audit Committee evaluation.

All recommendations of the NRC are subject to the endorsement of the Board.

The NRC meets as required. Three (3) meetings were held during FY2019 and the attendance record of each member of the NRC is as follows:

	Number of Meetings Attended	Percentage
Datuk Lee Teck Yuen	3/3	100%
Tan Sri Abdul Halim Bin Ali	3/3	100%
Datuk Ir. Hamzah Bin Hasan	2/3	67%

4. Board and Board Committee Evaluation

The Board undertook a formal and rigorous annual evaluation of its own performance, that is the Board as a whole and that of the Individual Directors for FY2019 via an in-house e-Evaluation System. The Board evaluation comprises a Board Assessment by Individual Directors, Self & Peer Assessments and Assessments of Independence of Independent Directors (collectively referred to as "the Assessments"). Based on the results of the Assessments, the NRC was satisfied with the performance and effectiveness of the Board.

The Board also undertook an evaluation on the Audit Committee via the e-Evaluation System to review its performance and determine whether the Audit Committee had carried out its duties in accordance with its terms of reference. The Board was satisfied with the performance and effectiveness of the Audit Committee.

In view of the appropriate level of knowledge, skills, experience and commitment of the Audit Committee members being critical to the Audit Committee's ability to discharge its responsibilities effectively, an assessment of the Audit Committee members (self & peers) was also carried out during the financial year.

The Board was satisfied with the outcome of the evaluation and was of the view that the internal evaluation was adequate to determine the overall effectiveness of the Board and individual Directors. The Board agreed that there was no necessity to engage an independent party to conduct the evaluation for FY2019. The engagement of an independent expert will be looked into at the appropriate time in the future as may be determined by the Board.

5. Directors' Training

During the financial year, all the Directors have attended various relevant in-house and external training programmes, workshops, seminars, briefings and/or conferences. The trainings attended by the Directors were related to corporate governance, finance, industry knowledge, sustainability and legislations. The Board has undertaken an assessment of the training needs of each Director through the Self & Peer Assessment during the financial year.

The details of training of each of the Directors of the Company are available for reference at www.ijm.com.

Where possible and when the opportunity arises, Board visits are organised to locations within the Group's operating businesses to enable the Directors to obtain a better perspective of the business and enhance their understanding of the Group's operations. Some of the Directors had visited the ICP Klang Factory, TRX City and Menara Prudential project site, Besraya Plaza Tol Loke Yew, Bandar Rimbayu Sales Gallery and Wisteria Residence in Kota Kemuning, Kuantan Port and MCKIP Gallery, and the oil palm estates and mills in Sabah during the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

III. Remuneration

1. Remuneration Policy and Procedures

The Company supports levels of remuneration and compensation necessary to attract, retain and motivate quality people required to lead, manage and serve the Company in a competitive environment. The appropriate levels of remuneration and compensation are essential to enhance the long-term interests of the stakeholders and shareholders.

The Board has adopted a remuneration policy to provide clear and guiding principles for determining the remuneration of the Board and senior management and to align their interests with the interests of shareholders and with the business strategies of the Group. The Remuneration Policy of the Company is available for reference at www.ijm.com.

The annual remuneration review takes place in April annually. The remuneration of the Group will be reviewed by the CEO&MD with the relevant internal and external inputs before presenting it to the NRC for approval. The NRC reviews the remuneration of Non-Executive Directors, Executive Directors and senior management in the month of May annually whereby the NRC will consider various factors including the performance of the Group, individual performance, duties, responsibilities and commitments of the Directors and senior management. Upon the review by the NRC, the appropriate recommendations will be made to the Board for approval. The Board will consider and, if deemed appropriate, approve the recommended remuneration for the Executive Directors and senior management. As for the remuneration of the Non-Executive Directors, upon the endorsement of the recommendation by the NRC, the Board will propose the remuneration for approval by the shareholders at the following AGM.

2. Directors' Remuneration

The details of the remuneration of Directors during the financial year are as follows:

A. Aggregate remuneration of Directors categorised into appropriate components:

The Company

	Salaries RM'000	Fees RM'000	Bonuses, Incentives & Others RM'000	EPF RM'000	Benefits-In-Kind RM'000	Total RM'000
Executive Directors	2,424	–	2,549	676	77	5,726
Non-Executive Directors	–	1,352	558*^	–	56	1,966
Total	2,424	1,352	3,107	676	133	**7,692**

** Includes an allowance of RM1,000 paid to the Non-Executive Directors for each of the Board and Board Committee meetings attended.*
^ Includes the advisory service fees of RM450,000 paid to Tan Sri Dato' Tan Boon Seng @ Krishnan.

Other Related Companies

	Salaries RM'000	Fees RM'000	Bonuses, Incentives & Others RM'000	EPF RM'000	Benefits-In-Kind RM'000	Total RM'000
Executive Directors	–	104	6	–	–	110
Non-Executive Directors	–	237	13	–	–	250
Total	–	341	19	–	–	**360**

B. Aggregate remuneration of each Director:

	Remuneration Received from The Company RM'000	Remuneration Received from Other Related Companies RM'000
Executive Directors		
Dato' Soam Heng Choon	3,730	110 #
Lee Chun Fai	1,996	–
Non-Executive Directors		
Tan Sri Dato' Tan Boon Seng @ Krishnan	601	91 #
Tan Sri Abdul Halim Bin Ali	322	–
Datuk Lee Teck Yuen	147	–
Datuk Ir. Hamzah Bin Hasan	187	–
Pushpanathan A/L S A Kanagarayar	232	159 #
Dato' David Frederick Wilson	117	–
Goh Tian Sui	124	–
Tunku Alina Binti Raja Muhd Alias	117	–
Tan Ting Min	119	–
Total	**7,692**	**360**

Fees and allowances received from IJM Plantations Berhad in their capacity as Non-Executive Directors.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

1. Composition of Audit Committee

The Audit Committee comprises entirely of Independent Non-Executive Directors. The Chairman of the Audit Committee, Mr Pushpanathan A/L S A Kanagarayar is a member of the Institute of Chartered Accountants of Scotland (ICAS), the Malaysian Institute of Certified Public Accountants (MICPA) and a Chartered Accountant of the Malaysian Institute of Accountants (MIA). He is not the Chairman of the Board. The other members of the Audit Committee are Tan Sri Abdul Halim Bin Ali and Datuk Ir. Hamzah Bin Hasan.

2. Relationship with the Auditors

Through the Audit Committee, the Board has a direct relationship with the external auditors. The role of the Audit Committee in relation to the external auditors is set out on pages 108 to 112. The external auditors were invited and had attended all the Audit Committee meetings and the AGM of the Company during the financial year.

The Audit Committee (together with the Chief Financial Officer and Chief Audit Executive) had undertaken an assessment on the suitability of the external auditors for the financial year pursuant to the External Auditors Policy, which has outlined the guidelines and procedures for the assessment and monitoring of external auditors. There were no major concerns from the results of the assessment of the External Auditors. The Board was satisfied with the performance of the external auditors in terms of their quality of service provided as well as their exercise of audit independence.

The details of the External Auditors Policy are available for reference at www.ijm.com. Pursuant to the policy, the engagement and concurring partners responsible for the Group audit are rotated at least every five (5) financial years, and in the event of a former audit partner being appointed as a member of the Board and Audit Committee, he/she shall observe a cooling-off period of at least two (2) years before such appointment.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

3. Related Party Transactions

Significant related party transactions of the Group for FY2019 are disclosed in Note 51 to the Financial Statements. Except for those disclosed in the Financial Statements, there were no material contracts of the Group involving Directors' and major shareholders' interests during the period.

The Audit Committee had reviewed the related party transactions that arose within the Group to ensure that the transactions were fair and reasonable, not detrimental to the minority shareholders and were in the best interests of the Company.

4. Directors' Responsibility Statement

The Directors are required by the Companies Act, 2016 ("the Act") to cause Management to prepare the financial statements for each financial year in accordance with the provisions of the Act and applicable approved accounting standards to give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year. Where there are new accounting standards or policies that become effective during the year, the impact of these new standards would be stated in the notes to the financial statements, accordingly.

In the preparation of the financial statements, the Directors ensure that Management have:

i) adopted appropriate accounting policies which were consistently applied;

ii) made judgments and used estimates that are reasonable and prudent;

iii) ensured that all applicable approved accounting standards have been followed; and

iv) prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose, with reasonable accuracy, the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the provisions of the Act.

The Directors have also taken such steps as are reasonably available to safeguard the assets of the Group and the Company, and to prevent fraud and other irregularities.

II. Risk Management and Internal Control Framework

The Board is responsible for establishing and maintaining a sound risk management and internal control system to ensure that the shareholders' investments, other stakeholders' interests and assets of the Group are safeguarded. The Board through the Audit Committee evaluates the adequacy and effectiveness of the internal control system by reviewing the actions taken on lapses, recommendations of internal auditors and Management responses.

The details of the internal audit function of the Group are set out in the Audit Committee Report on pages 108 to 112, and the overview of the risk management and internal control framework of the Group is set out on pages 113 to 121 of the Statement on Risk Management and Internal Control.

IJM Corporation Berhad's 34th Annual General Meeting, Holiday Villa, Subang

Analyst Briefing at Wisma IJM, Petaling Jaya

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Company places great importance in ensuring the highest standards of transparency and accountability in its communication with investors, analysts and the public.

At least two (2) scheduled Company Briefings are held each year, usually coinciding with the release of the Group's second and final quarter's results, to explain the results achieved as well as immediate and long term strategies, along with their implications.

The Company also conducts regular dialogues with financial analysts. As at 31 March 2019, IJM was covered by 21 research houses, of which 4, 10 and 7 had "Buy", "Hold" and "Sell" calls respectively.

The Company also participates in several institutional investor forums both locally and outside Malaysia. The summary of the Group's investor relations activities during the financial year and additional corporate information and/or disclosures of the Group are available for reference at www.ijm.com.

The Group has established a comprehensive website at www.ijm.com, which includes a dedicated section on Investor Relations, to support its communication with the investment community. To better serve stakeholders of the Group, an avenue is provided on the website (under "Investor Centre" page) for stakeholders to suggest improvements to the Group via email: ijmir@ijm.com.

Investor queries pertaining to financial performance or company developments may be directed to the Assistant General Manager (Investor Relations) of IJM Corporation Berhad, Mr Shane Guha Thakurta (Tel: +603-79858041, Fax: +603-79529388, E-mail: shanethakurta@ijm.com), whereas shareholder and company related queries may be referred to the Company Secretary, Ms Ng Yoke Kian (Tel: +603-79858131, Fax: +603-79521200, E-mail: csa@ijm.com).

II. Conduct of General Meetings

The AGM is the principal forum for dialogue with shareholders. The notice of AGM and the annual report are sent out to the shareholders at least 28 days before the date of the AGM.

All Directors had attended the AGM held during the financial year. At the AGM, a presentation was given to shareholders by the CEO&MD to explain the Group's strategy, performance and major developments, including the responses to questions raised by the Minority Shareholder Watch Group ("MSWG") in relation to the strategy and financial performance of the Group, which were submitted by MSWG prior to the AGM. The Board encourages shareholders to actively participate in the question and answer session at all general meetings.

Shareholders are encouraged to be aware of their rights with regards to the convening of general meetings and appointment of proxies. The details of the shareholder's rights are available for reference at www.ijm.com.

The Company has adopted electronic voting for the conduct of poll on all resolutions at the previous AGMs. All shareholders were briefed on the voting procedures by the poll administrator prior to the poll voting and an independent scrutineer was appointed to validate the votes cast and announce the poll results.

The extract of minutes of general meetings (including the list of attendance of Directors, pertinent questions raised by shareholders and the respective responses, and outcome of the voting results) are made available to the shareholders and public for reference at www.ijm.com.

A press conference is normally held after each AGM and/or General Meeting of the Company to provide the media an opportunity to receive an update from the Board on the proceedings at the meetings and to address any queries or areas of interest.

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board of Directors dated 15 July 2019.

AUDIT COMMITTEE REPORT

During the financial year, the Audit Committee carried out its duties and responsibilities in accordance with its terms of reference and held discussions with the internal auditors, external auditors and relevant members of Management. The Audit Committee is of the view that no material misstatements or losses, contingencies or uncertainties have arisen, based on the reviews made and discussions held.

MEMBERSHIP AND TERMS OF REFERENCE OF THE AUDIT COMMITTEE

MEMBERSHIP

The Audit Committee is appointed by the Board of Directors from amongst the Non-Executive Directors and consists of three (3) members, all of whom are Independent Non-Executive Directors.

The Chairman of the Audit Committee, Mr Pushpanathan A/L S A Kanagarayar is a member of the Institute of Chartered Accountants of Scotland (ICAS), the Malaysian Institute of Certified Public Accountants (MICPA) and a Chartered Accountant of the Malaysian Institute of Accountants (MIA). The other members of the Audit Committee are Tan Sri Abdul Halim Bin Ali and Datuk Ir Hamzah Bin Hasan.

Members of the Audit Committee *(left to right)*
- Pushpanathan A/L S A Kanagarayar
- Tan Sri Abdul Halim Bin Ali
- Datuk Ir Hamzah Bin Hasan

MEETINGS AND MINUTES

Four (4) meetings were held during the financial year with the attendance of the Chief Financial Officer, the Chief Audit Executive, the Engagement Partner and senior representatives of the external auditors and the Company Secretary.

A quorum consists of two (2) members present and both of whom must be Independent Directors. Other Board members and Senior Management may attend meetings upon the invitation of the Audit Committee. Both the internal and external auditors, too, may request a meeting if they consider that one is necessary.

During the financial year, the Chairman of the Audit Committee had engaged on a continuous basis with the relevant Senior Management, the Chief Audit Executive and the external auditors, in order to keep abreast of matters and issues affecting the Group.

The Company Secretary acts as the secretary to the Audit Committee. Minutes of each meeting are distributed electronically to each Board member, and the Chairman of the Audit Committee reports on key issues discussed at each meeting of the Board.

Details of the Audit Committee members' attendance are tabled below:

		No. of meetings attended
1	Pushpanathan A/L S A Kanagarayar *Independent Non-Executive Director (Chairman)*	4/4
2	Tan Sri Abdul Halim Bin Ali *Independent Non-Executive Director*	4/4
3	Datuk Ir Hamzah Bin Hasan *Independent Non-Executive Director*	4/4

AUTHORITY AND DUTIES

The details of the terms of reference of the Audit Committee are available for reference at www.ijm.com.

REVIEW OF THE AUDIT COMMITTEE

An annual assessment and evaluation on the performance and effectiveness of the Audit Committee was undertaken by the Board of Directors for the financial year ended 31 March 2019. The Audit Committee was assessed based on four (4) key areas, namely effectiveness and quality, internal and external audit, risk management and internal control, and financial reporting, to determine whether the Audit Committee had carried out its duties in accordance with its terms of reference.

As of the appropriate level of knowledge, skills, experience and commitment of its members being critical to the Audit Committee's ability to discharge its responsibilities effectively, an assessment of the Audit Committee members (self & peers) was also carried out for the financial year ended 31 March 2019.

The Board is satisfied that the Audit Committee and its members have discharged their functions, duties and responsibilities in accordance with the Audit Committee's terms of reference, and supported the Board in ensuring the Group upholds appropriate standards of Corporate Governance.

SUMMARY OF ACTIVITIES FOR THE FINANCIAL YEAR

During the year, the Audit Committee carried out the following activities:

1.0 Financial Reporting

- Reviewed the quarterly financial results and announcements as well as the year-end financial statements of the Group and Company (inclusive of the various required disclosures as a result of the first time full adoption of Malaysian Financial Reporting Standards (MFRSs) for the Group), and recommended them for approval by the Board;

- In the review of the quarterly financial results and annual audited financial statements, the Audit Committee discussed with Management and the external auditors, amongst others, the accounting principles and standards that were applied and their exercise of judgement on the items that may affect the financial results and statements; and

- Confirmed with Management and the external auditors that the Group's and Company's annual audited financial statements have been prepared in compliance with applicable Financial Reporting Standards.

2.0 Internal Audit

- Reviewed and approved the annual internal audit plan as proposed by the internal auditors to ensure the adequacy of the scope and coverage of work;

- Reviewed the effectiveness of the internal audit process, the Group Internal Audit Department's (IAD) organisation structure, resource requirements (adequacy and suitability) for the year and assessed the performance of the overall Internal Audit function;

- The Audit Committee met with the Chief Audit Executive twice during the year, without the presence of Management, to review key issues within their sphere of coverage and responsibility. During the private session with the Chief Audit Executive, it was noted that there were no major concerns and he conveyed that the internal auditors had been receiving full cooperation from the Management and staff throughout the course of their work;

- Reviewed the audit reports presented by the internal auditors on their findings and recommendations with respect to system and control weaknesses. The Audit Committee then considered those recommendations including the Management's responses thereon, before proposing that those control weaknesses be rectified and recommendations for improvements be implemented;

- Reviewed the internal auditors' findings on significant whistleblowing cases, if any, and management's responses and resolutions thereon; and

- Reviewed the report on the verification of allocation of options and shares conducted by the internal auditors in relation to the Employee Share Option Scheme and Employee Share Grant Plan under the Long Term Incentive Plan (LTIP) of the Company to ensure that it is in compliance with the criteria set out in the By-Laws of the LTIP that has been disclosed by the Company to eligible employees of the Group.

AUDIT COMMITTEE REPORT

3.0 External Audit

- Reviewed and endorsed the external auditors' audit strategy, audit plan and scope of work for the year;
- Exercised oversight over the relationship with the external auditors to ensure that their coverage is focused and that suitable reliance is placed on the work of the internal auditors;
- Reviewed the level and scope of assistance given by the internal auditors to the external auditors;
- The Audit Committee deliberated on the external auditors' presentation of:
  - the terms, areas of responsibility, associated duties and scope of the audit as set out in the external auditors' engagement letter;
  - the overall work plan and fee proposal;
  - the major issues that arose during the course of the audit and their resolution;
  - key accounting and audit judgements;
  - the unadjusted differences identified during the audit; and
  - recommendations made by them in their management letters and the adequacy of Management's responses thereon;
- Reviewed and approved the provision of any non-audit services by the external auditors that should have been agreed prior to the commencement of such work and confirmed as permissible for the external auditors to undertake, as provided under the By-Laws of the Malaysian Institute of Accountants.

  The amount of the external audit fees and non-audit fees incurred for the financial year ended 31 March 2019 were as follows:-

Fees incurred	Audit Fees RM'000	Non-Audit Fees RM'000
The Company	514	1,691
The Group	4,382	2,505

  The non-audit services rendered relate mainly to tax compliance and advisory services.

- The Audit Committee met with the external auditors twice during the year, without the presence of Management, to review key issues within their sphere of coverage and responsibility. During the private session with the external auditors, it was noted that there were no major concerns and they conveyed that the external auditors had been receiving full cooperation from the Management and staff throughout the duration of their engagement;
- Reviewed the external auditors report to the Audit Committee;
- Reviewed, assessed and monitored the performance, suitability and independence of the external auditors pursuant to the External Auditors Policy ("the Policy"). The Audit Committee undertook an annual assessment to assess the performance, suitability and independence of the external auditors based on, amongst others, the quality of service, adequacy of resources, communication and interaction, as well as independence, objectivity and professional scepticism. The external auditors provide an annual confirmation of their independence in accordance with the terms of their professional and regulatory requirements.

  Pursuant to the Policy, the engagement and concurring partners responsible for the Group audit are rotated at least every five (5) financial years, and in the event of a former audit partner being appointed as a member of the Board and Audit Committee, he/she shall observe a cooling-off period of at least two (2) years before such appointment.

  Following the review of the external auditors' effectiveness and independence, the Audit Committee concluded that there was nothing in the performance of the external auditors which required a change and that the relevant independence requirement continues to be met. Accordingly, the Board was recommended to re-appoint Messrs PricewaterhouseCoopers PLT as auditors of the Company. A resolution for their re-appointment will be tabled for approval at the forthcoming Annual General Meeting; and
- Recommended the proposed audit fee for the Board's approval.

4.0 Risk Management Committee

- Reviewed the Risk Management Committee's reports, assessed the adequacy and effectiveness of the risk management framework and the appropriateness of Management's responses to the identified key risk areas as well as proposed recommendations for improvements to be implemented.

5.0 Related Party Transactions

- Reviewed the related party transactions that arose within the Group to ensure that the transactions are fair and reasonable to the Group and Company, and are not to the detriment of the minority shareholders.

TRAINING

During the year, all the Audit Committee members attended various relevant seminars, training programmes and conferences. Details of these are available at www.ijm.com.

INTERNAL AUDIT FUNCTION

The IAD is headed by Mr Chan Weng Yew, who holds a Bachelor of Arts (Honours) in Economics from the University of Sheffield, England, is a Fellow of the Association of Chartered Certified Accountants (ACCA) and an Associate of the Institute of Internal Auditors Malaysia ("IIAM"), reports directly to the Audit Committee. The internal auditors have direct access to the Audit Committee and the Chief Executive Officer & Managing Director. The Audit Committee is satisfied that the internal auditors' independence have been maintained as adequate safeguards are in place. All internal auditors have signed the annual declaration that they were and had been independent, objective and in compliance with the Code of Ethics and Conduct of IJM Corporation Berhad ("IJM"), the MIA and the IIAM in carrying out their duties for the financial year. The Audit Committee is satisfied that the IAD has sufficient resources and is able to access information to undertake its duties effectively.

The IAD provides to the Board (primarily via the Audit Committee) and to Management reasonable assurance on the effectiveness of the Group's systems of internal control and the adequacy of these systems to manage business risks and to safeguard the Group's assets and resources.

The Internal Audit Charter sets out the purpose, functions, scope and responsibilities of the IAD and how it maintains independence from the first and second lines of defence by Management. The four main functions of IAD are to:

- Assess and report on the effectiveness of the design and operation of the framework of controls which enable risks to be assessed and managed;
- Assess and report on the effectiveness of management actions to address deficiencies in the framework of controls;
- Investigate and report on cases of suspected employee fraud and malpractice, if any; and
- Undertake designated consulting services for Management provided that they do not threaten IAD's independence from Management.

The Internal Audit Plan for 2018-2019, which was approved by the Audit Committee in February 2018, reflected the Group's 2018-2019 Operational Plan that was prioritised following a risk-based assessment of the business and a review against the Group's risk policies. The reviews carried out covered an extensive sample of controls over all risk types, business units and entities. During the year, the Internal Audit Plan for 2019-2020 was reviewed and approved by the Audit Committee in February 2019.

The IAD adopts a risk based auditing approach, guided by the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors, prioritising audit assignments based on the Group's business activity, risk management and past audit findings. They evaluated the adequacy and effectiveness of key controls in responding to risks within the organisation's governance, operations and information systems, in terms of:

- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations;
- Safeguarding of assets; and
- Compliance with relevant laws, regulations and contractual obligations.

AUDIT COMMITTEE REPORT

All internal control deficiencies were reported to the appropriate levels of Management when identified. The Audit Committee received quarterly reports from the IAD on audit reviews carried out, Management's responses to the findings and progress in addressing identified issues. The Management members were made responsible for ensuring that timely corrective actions on the reported control deficiencies were taken within the required timeframes. IAD conducted follow-up audits on key engagements to ensure that the corrective actions were implemented appropriately. In this respect, IAD has added value to enhancing the governance, risk management and control processes within the Group.

The Audit Committee reviewed and approved the IAD's financial budget and human resource requirements to ensure that the function is adequately resourced.

The total cost incurred in managing the IAD for the financial year under review was RM2.8 million (FY2018: RM3.7 million).

A summary of internal audit cost distribution is as follows:

Cost Category	% of total cost
Manpower	84%
Training	2%
Travelling (inclusive of accommodation)	6%
Overheads	8%

INTERNAL AUDIT ACTIVITIES FOR THE FINANCIAL YEAR

During the financial year, the IAD completed and reported on 83 audit assignments where periodic testings were conducted and while providing independent assessments covering the construction, property, industry, and infrastructure divisions, as well as the overseas operations of the Group and functional audits of the Group Support Services. These included ad-hoc audits conducted on the basis of special requests from the Board, Audit Committee, Senior Management or those arising from the Group's Whistle Blowing Programme.

During the financial year, the IAD provided internal audit services to IJM Plantations Berhad (IJMP), and in an effort to provide value added services, it also plays an active advisory role in the review and improvement of existing internal controls within the IJMP Group. IAD had completed and reported on 27 audit assignments to the Audit Committee of IJMP which were included in the 83 assignments mentioned above.

IAD comprises 20 auditors and the level of expertise and qualifications within the IAD as at the end of 31 March 2019 was as follows:

Expertise Category	Percentage of total auditors
Diploma Level	10%
Bachelor's Degree	42%
Post Graduate Degree (MBA, MA, etc)	10%
Professional Qualification (CPA, CIA, ACCA, CIMA, etc.)	38%

The Internal Auditors also strive to continuously keep updated with current developments to equip themselves with the awareness to address new risks and knowledge to better understand existing ones. A total of 1,041 hours were spent on structured training and development, which averages to about 50 hours per person per annum. This is in addition to the numerous hours spent on self-learning for audit purposes. The category of structured trainings attended are as follows:

Training & Development Category	Percentage of hours
Technical (e.g. auditing, accounting, tax)	51%
Management, Leadership & Soft skills	31%
Industry related	18%

IJM is a Corporate Member of the IIAM.

This Audit Committee Report is made in accordance with the resolution of the Board of Directors dated 15 July 2019.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board is committed to nurture and preserve throughout IJM Corporation Berhad ("the Company") and its subsidiaries ("the Group") a sound system of risk management and internal controls and good corporate governance practices as set out in the Board's Statement on Risk Management and Internal Control, made in compliance with Paragraph 15.26(b) of the Main Market Listing Requirements ("LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

BOARD'S RESPONSIBILITY

The Board affirms its responsibility for maintaining a sound risk management framework and internal control system to safeguard the shareholders' investments and the Group's assets, as well as to discharge its stewardship responsibility in identifying principal risks and ensuring the implementation of an appropriate risk management and internal control system to manage those risks in accordance with Principle B of the Malaysian Code on Corporate Governance.

The Board continually articulates, implements and reviews the adequacy and effectiveness of the Group's enterprise wide risk management and internal control system which has been embedded in all aspects of the Group's activities. The Board reviews the processes, responsibilities and assesses for reasonable assurance that risks have been managed within the Group's risk appetite and tolerable ranges and to ensure that the system is viable and robust.

Notwithstanding, the Group's system is designed to manage rather than eliminate the risks of failure to achieve the Group's business objectives. Accordingly, such systems can only provide a reasonable but not absolute assurance against material misstatement, loss or fraud, and that any adverse impact arising from a foreseeable future event or situation on the Group's objectives is mitigated and managed.

The Board has received assurance from the Chief Executive Officer & Managing Director and the Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control framework of the Group.

During FY2019, the Risk Management Committee ("RMC") reviewed, appraised and assessed the controls and actions in place to mitigate and manage the overall Group's risk exposure, as well as raised issues of concerns and recommended mitigating actions. The RMC reports to the Audit Committee on a quarterly basis where key risks and mitigating actions are deliberated and implemented. The Audit Committee then presented a summary of their deliberations and decisions to the Board.

During the financial year, the adequacy and effectiveness of the internal controls were reviewed by the Audit Committee in relation to the internal audits conducted by the Internal Audit Department, as well as the control issues reported by the external auditors. The Audit Committee deliberated on the audit issues and actions taken by Management, and a summary of these deliberations have been presented to the Board.

Where there are internal control and risk-related matters warranting the attention of the Board, these matters are recommended by the Audit Committee to the Board for its deliberation and decision.

KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

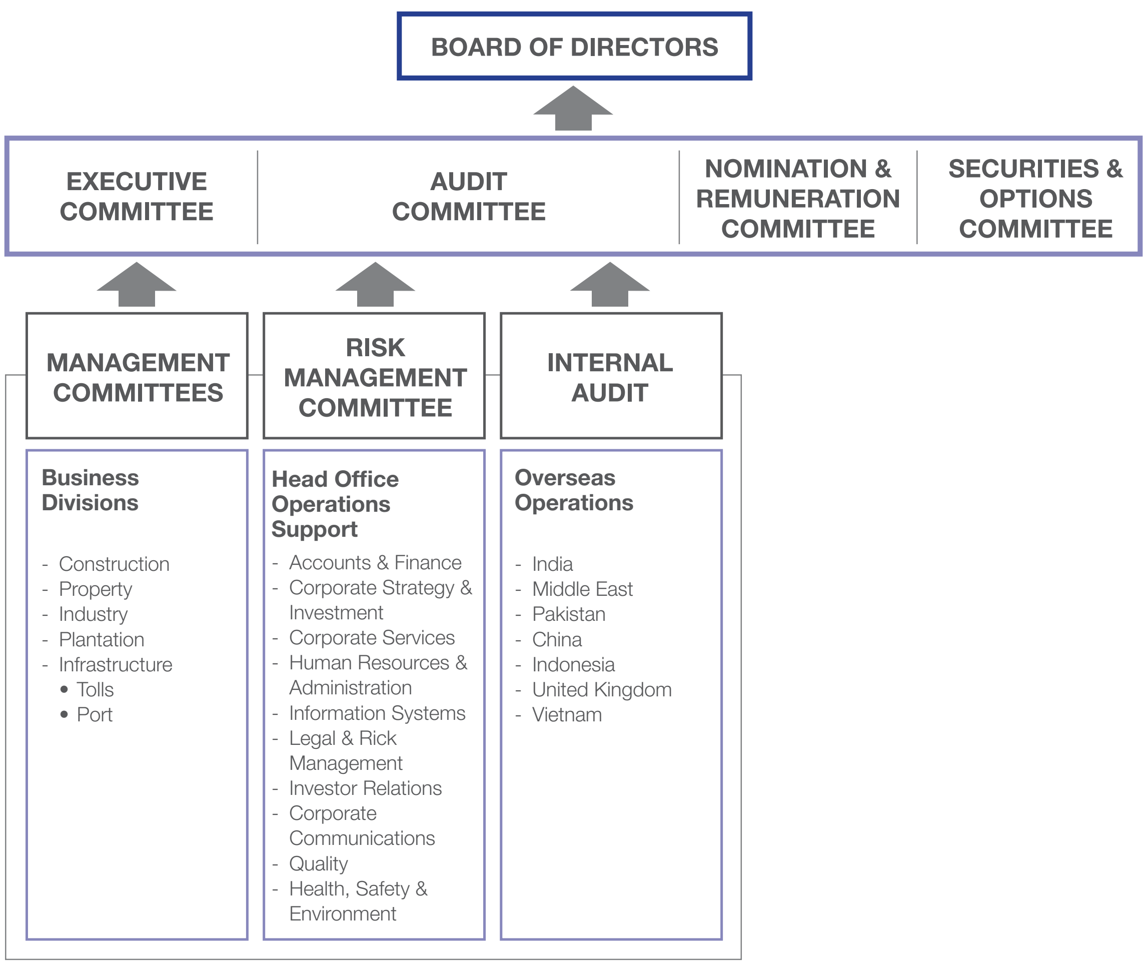
The Group has a well-defined organisational structure with clearly delineated lines of accountability, authority and responsibility to the Board, its committees and operating units. Key processes have been established in reviewing the adequacy and effectiveness of the risk management and internal control system.

1. **Authority and Responsibility**

    - The Executive Committee supports the Board in the operations of the Group and manages all the Group's business divisions in accordance with corporate objectives, strategies, policies, key performance indicators and annual budgets as approved by the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- The Audit Committee of the Company, with the assistance of the RMC, has oversight over the Group's risk management framework, policies and performs regular risk management assessments and through the Internal Audit Department, reviews the internal control procedures and processes, and evaluates the adequacy and effectiveness of the risk management and internal control system. The Audit Committee also seeks the observations of the independent external auditors of the Group, whenever required.
- The RMC oversees, performs regular reviews on risk management processes and ensures prudent risk management over the Group's business and operations. The RMC is chaired by the Chief Financial Officer of the Company and includes representatives from all business divisions, both local and overseas, as well as from the relevant Head Office operations support departments. Each business division's risk management function is led by the respective head of the division.
- The Nomination & Remuneration Committee assists the Board including but not limited to reviewing and recommending appropriate remuneration policies for Directors and senior management, reviewing succession plans, recommending candidates to the Board, and evaluating the performance of the Board as a whole and the contribution of each individual Director (including Board Committees) on an annual basis.
- The Securities and Options Committee administers options and/or shares under the employee share scheme of the Company and regulates the securities transactions in accordance with established regulations and by-laws.
- Management committees of respective business divisions of the Group are established to review and manage their operations respectively and report to the Executive Committee.



2. **Planning, Monitoring and Reporting**

    - Regular, comprehensive and up-to-date information are conveyed to the Board, its committees and management committees of the Group and business divisions covering finance, operations, key performance indicators and other business indicators such as economic and market conditions at their monthly or periodic meetings, facilitating the monitoring of performance against the corporate strategy and business plans.
    - Annual budgets by the business divisions and Group for the forthcoming year are prepared and approved by the Board. These budgets are used to monitor actual versus budgeted and prior period's performance with major variances being reviewed and management actions taken as necessary.
    - Half-yearly company briefings with analysts are conducted on the day of release of the financial results to apprise the shareholders, stakeholders and the general public of the Group's performance whilst promoting transparency and open discussions.
    - Annual validation of the Group's sustainability materiality matrix identified in FY2018 was carried out at the division and Group levels to ensure that the identified factors remained relevant and material to their business and stakeholders. Adjustments are made in line with current circumstances facing the Group. The outcome is disclosed in the Sustainability Statement of the Annual Report.

3. **Policies, Procedures and Values**

    - Clearly documented and formalised standard operating policies, standards and procedures to ensure compliance with internal controls, relevant laws and regulations, which are subjected to regular reviews and improvement, have been communicated to all levels and are easily accessible on the Company's intranet platform.
    - Established guidelines for recruitment and termination, human capital development and performance appraisal system based on the Group and divisional balanced scorecards, individual KPIs, core values and competencies, to enhance staff competency levels and measure employees' performance have been disseminated to all employees. Employee engagements and customer satisfaction surveys, where applicable, are conducted to gain feedbacks for continuous improvement.
    - Clearly defined levels of authority for day-to-day business aspects of the Group covering procurement, payments, investments, acquisition and disposal of assets are reviewed periodically and have been disseminated to all employees.
    - Adoption and consistent application of appropriate accounting policies in the annual financial statements of the Group, and prudent judgements and reasonable estimates have been made in accordance with the applicable accounting standards in Malaysia. Processes and controls are in place for effective and efficient financial reporting and disclosure in the annual and quarterly financial statements of the Group to give a true and fair view of the financial position and financial performance of the Group.
    - Top down communication is made to all levels, of the Company's values such as the IJM charter, our statements of vision, mission and core values, code of ethics and conduct, corporate disclosure policy, diversity and inclusion policy as well as avenues for whistle-blowing.

4. **Audits**

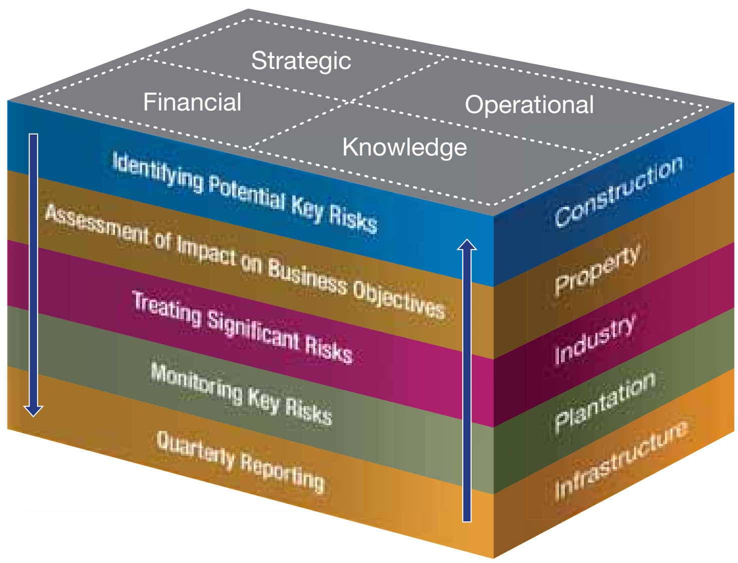
    - The Internal Audit Department ("IAD") performs internal audits on various operating units within the Group on a risk-based approach based on the annual audit plan approved by the Audit Committee. The IAD checks for compliance with policies and procedures and the effectiveness of the internal control system and highlights significant findings of non-compliances, if any, in the quarterly Audit Committee meetings of the Company and major subsidiaries. Further details of the IAD's functions and activities are set out in the Audit Committee Report.
    - The external auditor's annual audit strategy, audit plan and scope of works for the financial year in relation to the audit services on the Group's financial statements as well as non-audit services are reviewed and approved by the Audit Committee. Further details on the oversight of the external auditors are set out in the Audit Committee Report.
    - The Company and certain subsidiaries, which are accredited with various quality, health, safety and environment and other certifications, undergo scheduled on-site audits by auditors of relevant industry certification bodies. The results of these audits are reported to Management.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

5. Risk Management

The RMC principally develops, executes and maintains the enterprise wide risk management system to ensure that the Group's corporate objectives and strategies are achieved within the acceptable risk appetite of the Group. The RMC designed and developed the Group's risk management framework with the assistance of a professional organisation, PricewaterhouseCoopers in 2002. Its reviews cover responses to significant risks identified including non-compliance with applicable laws, rules, regulations and guidelines, changes to internal controls, risk management framework and management information systems, and outputs from monitoring processes as well as a continual review process of identified risks and effectiveness of mitigation strategies and controls on a quarterly basis.

Risk Management Process



A risk map addressing the risks to the achievement of strategic, financial, operational and other business objectives, using quantitative and qualitative aspects to assess their likelihood and impact matrices, and the controls for assuring the Board that the processes put in place continue to operate adequately and effectively to manage those risks at acceptable levels, is prepared quarterly by each business unit.

As the business risk profile changes, new areas are introduced for risk assessment and the necessary updates are made to the existing risks.

The Group's Head Office considers and incorporates the risks associated with the Group's strategic objectives and overall risk appetite which are not addressed by the respective business units. The consolidated major risks and the mitigating actions are reported to the RMC before being presented to the Audit Committee on a quarterly basis.

Risk Assessment Reviews

During the financial year ended 31 March 2019, all business divisions conducted their risk management and internal control system reviews which were assessed by the RMC and reported to the Audit Committee at each quarter. The Group identified major risk areas of concern and mitigating actions were undertaken within appropriate timeframes. The management of the Group's significant risks identified for the financial year 2019 is outlined below:

Significant Risks				
Market	**Credit and Liquidity**	**Operational**	**Cyber Security**	**Disaster Recovery**
• Economic • Political • Commodity • Currency • Regulatory	• Debt recovery	• Inadequate skilled workforce • Adverse weather • Physical progress	• Cyber threats and attacks	• Crisis management

a) **Market Risk Management**

Market risks refer to the risks resulting from economic and regulatory conditions and the inherent cyclical nature of the Group's businesses.

Economic risks

In the current economic climate, the slowdown in the local and global economy may affect the Construction and Industry Division's order book replenishment and result in overcapacity situations in their factories. During the financial year, the Industry Division's performance was affected by softening demand for its piles and quarry products and lower selling prices, while the Property Division continued to face challenges of a subdued and saturated market as well as stiff competition from established competitors in Malaysia affecting its sales. All of these factors affect the Group's profitability and cash flows.

To mitigate such economic risks, the Group has various measures in place including the following:

- securing long term Build-Operate-Transfer ("BOT") projects. In the last 2 years, the Group secured the Solapur-Bijapur Section of the National Highway, NH-13 (New NH-52) (109.08 km) and Dewas Bypass (19.8 km) BOT projects in India;
- exploring various business and geographical diversifications including new real estate investment through the development of Menara Prudential, a 27-storey office building within the Tun Razak Exchange, Kuala Lumpur;
- regularly reviewing the business plans against performances to address any shortfalls;
- maintaining good relationships with vendors and negotiating for more favourable terms;
- maintaining existing customers and winning new customers;
- seeking alternative uses of available capacity for its factories and shutdown of certain plants such as the Kuala Terengganu and Senai plants to reduce manpower and increase cost efficiency in other plants. These plants can be revived swiftly once the market improves;
- enhancing efficiency and productivity in its operations;
- cost reduction initiatives to contain rising production costs such as sourcing cheaper alternative raw materials; and
- adopting innovative marketing strategies with appropriate product differentiation and flexibility in product offerings to suit the market demand for its properties.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Group has invested in emerging markets over the years such as in India, the Middle East, Indonesia and China. Whilst the Group is able to tap into these markets, foreign engagements entail added risks given their different operating, economic and regulatory environments as well as intensive local and international competition. Nevertheless, the Group continues to monitor these market risks associated with foreign ownership including currency, inflation, tax, political and expropriation risks, employ detailed feasibility assessments whilst continuously seeking out local as well as other international opportunities to replenish orders, diversify its business and grow earnings.

Foundation stone laying ceremony of the Solapur-Bijapur road project in India

Political risks

Political risks refer to the change of government, government decisions, reforms, events or conditions that may affect the performance of the Group's businesses such as minimum wage increase, new taxes and renegotiation of major contracts. The Group's overseas operations may be impacted by Britain's decision to leave the European Union and the recent general elections in India. The Group will closely monitor and be proactive in the management of associated risks by engaging and working with the governments in office to improve business, consumer and market sentiments.

Commodity and Currency risks

Commodity risk is prevalent in the Plantation Division as its prices for palm products are subject to market volatility which affects its profitability. The Plantation Division manages such commodity risk with the following measures:

- constant monitoring of the commodity prices to determine the appropriate timing to transact sales;
- selling using the Malaysian Palm Oil Board's average price mechanism;
- hedging through forward sales contracts; and
- entering into crude palm oil pricing swap arrangements with financial institutions as an additional hedge.

The Group's results are exposed to the foreign currency fluctuations in respect of those transactions and borrowings which are denominated in currencies other than their respective functional currencies. These foreign currencies mainly comprised the United States Dollar, Chinese Yuan, Singapore Dollar and Japanese Yen. The exchange exposures are managed by the Group with the following measures:

- entering into forward foreign exchange contracts or cross currency swap contracts where applicable; and
- keeping foreign currency denominated borrowings at an acceptable level.

Regulatory risks

The Group's businesses are governed by relevant laws, regulations, standards, licenses and concession agreements. The Group constantly assesses the impact of new laws and regulations affecting its businesses to ensure that its processes and infrastructure settings are able to operate under the new requirements. New laws and regulations which have an impact to the Group during FY2019 includes the following:

- LR of Bursa Securities;
- Malaysian Budget 2019 and Finance Act;
- Goods And Services Tax (Repeal) Act 2018; and
- Sales Tax Act and Services Tax Act 2018.

The Group manages these regulatory risks with the following measures:

- being updated with the new laws and/or requirements by participating in seminars, conferences and trainings, both in-house and external, as presented by authorities, experts or specialists;
- implementing appropriate policies, procedures, guidelines, self-audit processes and contracts management practices; and
- maintaining regular communication with the authorities, industry, accounting, tax and legal experts to ensure compliance at all times.

The Group is also mindful of the government's plans for various reforms and will take cognisance of the legal and regulatory changes being implemented in due course and will make the necessary adaptations and changes to comply with the new requirements.

The Group has adopted an Anti-Bribery and Corruption Policy in view of the introduction of Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, which is expected to come into force in June 2020. The Group has also adopted a Responsible Supply Chain Policy to extend the Group's values and principles to its suppliers, service providers and contractors in order to foster trust and long-term benefit to all stakeholders in its supply chain.

The other policies which affect the Group's Property Division are the loan to value cap requirement and strict mortgage lending policies by banks resulting in lower loan approvals. Coupled with the slower project approvals from the authorities, all these factors affect the demand for the Division's properties, slow down the progress of its developments and reduce profitability levels. To mitigate such risks, the Property Division carries out the following measures:

- liaising closely with government officials and external institutions;
- maintaining close working relationships with financial institutions to counter the cooling policies;
- developing innovative marketing strategies and negotiating for attractive interest rates for loans;
- adopting the industrialised building system which is less dependent on labour, whilst improving the productivity and quality of construction work;
- switching product focus to landed properties and/or affordable housing where demand is still resilient due to support by the younger demographics; and
- delaying the launch of certain high-end high rise projects where appropriate.

In addition to the above, the Group's Legal Department provides legal input on compliance with applicable laws and regulations, including on business, contracts and operational matters.

b) Credit and Liquidity Risk Management

These risks arise from the inability to recover debts in a timely manner which may affect the Group's profitability, cash flows and funding. Such risks are more widespread in the Construction and Industry Division's overseas operations. The Group minimises such exposures with the following measures:

- assessing the creditworthiness of potential customers before granting credit limits and periods;
- employing strict debt repayment policies;
- persistent and close monitoring of collections and overdue debts; and
- ensuring effective credit utilisation to keep leverage at a comfortable level.

c) Operational Risk Management

Inadequate skilled workforce risk

Similar to many other companies in the same line of business, the Group faces a common challenge in the form of inadequate skilled workforce. This risk is more acute in the Plantation Division due to the difficulty in recruiting skilled workers which may slow down its harvesting operations. Various measures carried out by the Plantation Division to attract more skilled labour included the following:

- working with the industry fraternity to improve the availability of labour;
- upgrading the living quarters of guest workers complete with amenities including electricity and water, medical care, crèche, education centres, recreational and sports facilities, in phases;
- entering into partnership with NGOs such as the Borneo Child Aid to provide education to the children of guest workers with the intention of retaining the workers;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- encouraging local school leavers to participate in the plantation sector and to offer suitable internship programmes for undergraduates via joint ventures with universities and agricultural/labour authorities; and
- reviewing the remuneration benefits of workers from time to time to stay competitive.

To mitigate the risk of inadequate skilled workforce within the Group, it implemented various remuneration and welfare schemes to attract and retain employees to meet existing and future needs. Some of these initiatives include the following:

- the Long Term Incentive Plan ("LTIP"), which comprises an employee share option scheme and an employee share grant plan for qualified employees. For more details of the LTIP scheme, please refer to the Financial Statements section of the Annual Report;
- enhancing work-life practices such as offering staggered hours, family care leave, car park space for expectant mothers and extended maternity leave; and
- enhancing the Group's hospitalisation and surgical plans and other employee benefits.

Adverse weather risk

The Plantation Division's crop productivity may be affected by prolonged dry weather. To mitigate the dry weather condition and in anticipation of its recurrence in the future, the Plantation Division had carried out measures which included the following:

- employing good agronomic and estate practices as per the Division's operating manual;
- carrying out water conservation and irrigation measures to ensure its oil palms receive adequate water;
- deepening reservoirs, where possible, to increase water storage capacity with the objective of irrigating the surrounding fields; and
- ensuring appropriate agricultural training for its cadets and field staff.

Severe flooding may affect crop harvesting activities and the quality of the fruits. The Division employs proper estate management to expeditiously evacuate crops for processing.

Physical progress risk

In any construction project, there may be delays in physical progress due to matters beyond its control such as late handover of site possession. Such incidences are mitigated with proper planning to ensure availability of resources and sites, close monitoring of site progress to prevent major delays and ensuring proper documentation are in place to seek extension of time where necessary.

d) Cyber Security Management

Digital transformation and new technologies are exposing organisations to new vulnerabilities, making cyber security threats one of the most important concerns of today's enterprises. Cyber attacks can cause major damage to the bottom line, as well as loss of business reputation and stakeholders' trust. In order to secure the critical business systems from cyber attacks, the Group has established an Information Security Management System ("ISMS") to ensure relevant cyber risks are managed closely and appropriate controls are implemented effectively.

In addition, independent enterprise wide assessments are conducted on a regular basis to ensure that the systems are robust, effective and continuously improved to enhance the Group's cyber resilience. Recently, the Company adopted the International Standard for Information Technology ("IT") security as advised by the Securities Commission Malaysia in their 'Regulatory Framework for Cyber Security Resilience' and achieved the ISO/IEC 27001:2013 certification from Sirim QAS International Sdn Bhd in May 2019.

e) Disaster Recovery Management

With the advent of cyber threats and other potential hazards such as fires, floods, earthquakes and major equipment failures, amongst others, the continuity of business operations is of a major concern to the Group. In line with that, the Group has established a crisis management plan and an IT Service Management System ("ITSM") to deal with major incidences and crisis situations affecting its businesses, financial position, cyber security and of public concern. The Group regularly reviews the crisis management and recovery plans to ensure its relevance and appropriateness.

Additionally, the Group has production facilities for critical business systems at an external hosting centre in Cyberjaya, Selangor which was designed to provide high availability while the disaster recovery facilities have migrated to Cloud as a service acting as a warm site for systems recovery and business continuity. To align with the Group objective in adopting international standards, IJM has also attained the ISO/IEC 20000-1:2011 certification from Sirim QAS International Sdn Bhd in May 2019 for its ITSM.

Bomba fire drill demonstration at our plantation estate

6. **SUSTAINABILITY**

Major sustainability risks have been addressed in line with the Group's sustainability framework and business strategies emphasising key focus areas of Marketplace, Environment, Community and Workplace as elaborated in the Sustainability Statement.

7. **INSURANCE**

As a global conglomerate with a diverse business portfolio, the Group faces exposure to numerous risks. Hence, the Group has in place adequate and regularly reviewed insurance coverage for its business operations, assets and employees where it is available on economically acceptable terms to minimise the related financial impacts.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the LR of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

CONCLUSION

For the financial year under review and up to the date of issuance of this statement, the Board is pleased to state that the Group's system of risk management and internal control was rated overall as satisfactory, adequate and effective for the Group's purpose and safeguards the Group's assets and shareholders' investments, as well as the interests of customers, employees and other stakeholders. There have been no material losses, contingencies or uncertainties identified from the reviews.

The Board will continue to monitor all major risks affecting the Group and will take the necessary measures to mitigate them and enhance the adequacy and effectiveness of the risk management and internal control system of the Group.

This Statement on Risk Management and Internal Control is made in accordance with a resolution of the Board of Directors dated 15 July 2019.

5 SUSTAINABILITY STATEMENT

Inspiring positive change through responsible business conduct and collaborations

SUSTAINABILITY STATEMENT

COMMITMENT TO SUSTAINABILITY

CONTRIBUTING TO A VIBRANT MARKETPLACE

REDUCING ENVIRONMENTAL IMPACT

NURTURING AND EMPOWERING COMMUNITIES

ENSURING A FAIR, INCLUSIVE AND SAFE WORKPLACE

COMMITMENT TO SUSTAINABILITY

Our approach to sustainability recognises that meeting and exceeding the expectations of all stakeholders are not only the right thing to do but also critical to the long-term success of IJM. Sustainability is part and parcel of our business strategy.

Running a responsible business helps us attract and maintain our investors and top talents, grow our base of customers, participate in nation building alongside the government's growth agenda and create brand affinity with our customers and the public.

We established a governance framework for sustainability in financial year ("FY") 2017, available on the Company's website, that defines and guides us towards impact-focused targets.

The Sustainability Statement ("Statement") describes the Group's commitments, goals, progress and performance across a broad range of issues and is organised into four main pillars.

Marketplace	Environment
Setting out our approach to ethics and governance, while maintaining our reputation, product and services quality, and customer satisfaction	Managing the Group's environmental impact
Community	**Workplace**
Contributing positively to the communities in which we operate	Valuing our people and providing opportunities for growth, while ensuring a safe and diverse workplace

Strong encouragement from Bursa Malaysia on Environment, Social and Governance (ESG) disclosure

STATEMENT OVERVIEW

Being transparent, fair and accountable are important to IJM as we build and maintain trust with our clients, people, investors and stakeholders. We make continuous efforts to strengthen our reporting approach through ongoing stakeholder engagement and voluntary adherence to global non-financial reporting standards such as the Global Reporting Initiative (GRI) and Bursa Malaysia's Sustainability Reporting Guide as well as the LBG Framework for corporate community investment. This is in line with the United Nations Sustainable Development Goals ("SDGs") target 12.6, which encourages companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

The Statement covers IJM Group's business operations in Malaysia and Indonesia for the period from 1 April 2018 to 31 March 2019. The operations in Malaysia and Indonesia accounted for 88% and 5% of the Group's total operating revenue in FY2019 respectively. The Statement includes data from IJM's subsidiaries but excludes data from associates and joint ventures which are outside of Management's control. We disclose our key non-financial metrics and include data from the last three years. Data presented in this Statement has not been verified by an independent third party.

COMMITMENT TO SUSTAINABILITY

CONTINUOUS ENGAGEMENT

Our stakeholders are diverse, becoming more sophisticated and have increasing expectations on the way we run our business. We strive to understand their needs and meet their expectations in order to generate shared value, form lasting relationships and better manage our business risks and opportunities. We continue to engage with our stakeholders in an open and transparent manner.

Stakeholders	Shareholders, Investors and Lenders	Clients/Customers	Subcontractors and Suppliers
Why We Engage	Shareholders, investors and lenders provide us with the financial capacity to sustain our growth. We work to ensure they have a strong understanding of our strategy, performance and business fundamentals.	Focusing on customers' needs is a core value. We engage with our customers to understand their needs and identify opportunities to improve our products and services.	Our broad range of subcontractors and suppliers support many aspects of our business. We encourage them to adhere to high standards of professionalism and collaborate with us to ensure we can continually improve our operations and deliver mutual benefits.
Method and Frequency of Engagement	• Annual general meetings • Bi-annual analyst briefings • Investor conferences • Regular meetings • Company's website • Annual reports • Scheduled site visits	• Customer satisfaction platforms i.e. phone calls, email, social media • Annual customer satisfaction surveys • Events and scheduled site visits	• Tender sessions • Annual subcontractors/ suppliers HSE performance evaluations • Briefings such as product/ technology briefing sessions • Events and trainings
Key Topics Raised	• Impact of new government policies and regulations • Business outlook and strategy • Financial and operational performance • Risk management • Environment, social and governance practices and commitments	• Customer service and experience • Product/service quality and support • Timely and smooth delivery of projects/products/services • Health, safety and environment ("HSE") practices • Supply chain traceability	• Product/service quality and delivery • New equipment/technology reliability and performance • HSE compliances and practices • Workers' welfare and well-being • Supply chain traceability

Given the value of collaboration with various stakeholders, we support SDG 17 and recognise its efficacy in achieving common goals towards sustainable development. We also actively participate in industry association activities to learn, develop and contribute to a collective voice towards best practices for the industries we serve, continuously and successfully. The list of associations where our Group and Divisions are members and active partners can be found on our Company's website.

Regulators and Government Authorities	Media	Employees	Local Community, Industry Associations, Academia and NGOs
Regulators and the government set the legal framework for our business operations. We engage with them to ensure we comply with existing legislations.	The media is our primary channel of communication across a wide variety of key stakeholders. They disseminate information such as our Group's financial performance and provide us with valuable feedback and insights about our business environment.	We work to create a diverse and inclusive workplace where every employee is encouraged to reach their full potential. This enables us to retain and develop the best talents.	We work in partnerships with the local community, industry associations, academia and NGOs to build positive relationships and ensure that we can deliver mutual benefits.
• Compliance and certification exercises • Periodic site visits and audits • Company representations at industry association initiatives/technical working groups • Consultations, briefings and trainings • Annual reports	• Press releases, press conferences and interviews • Annual reports • Company's website • Events and site visits e.g. media appreciation events, project launches • Annual general meetings	• Workplace and intranet • Annual forums and divisional townhall meetings e.g. Senior Management Forums, Regional Alignment Forums • Trainings and workshops • Annual performance appraisals • Triennial MyVoice employee engagement surveys • Employee events and roadshows e.g. festive celebrations, annual dinners, IJM Games, HSE campaigns • Sports and social programmes via Kelab Sukan IJM, IJM Toastmasters Club	• Community outreach and development programmes • Events e.g. product launches and festive celebrations • Company's website and advertisements • Annual reports and social media • Educational briefings and site visits
• Compliance with laws and regulations • Certifications/awards • Corporate governance • Industry updates and best practices • Industry support on national policies and efforts	• Company's strategy for growth and value creation • Company's financial and non-financial performance • Industry outlook	• Company's performance and direction • Human capital competencies and capabilities • Welfare and remuneration • Health and safety practices • Workplace and living conditions • Career path and progression	• Company's reputation and branding • Good corporate citizenship • Best management practices • Industry-related research and knowledge sharing • Strategic partnerships

COMMITMENT TO SUSTAINABILITY

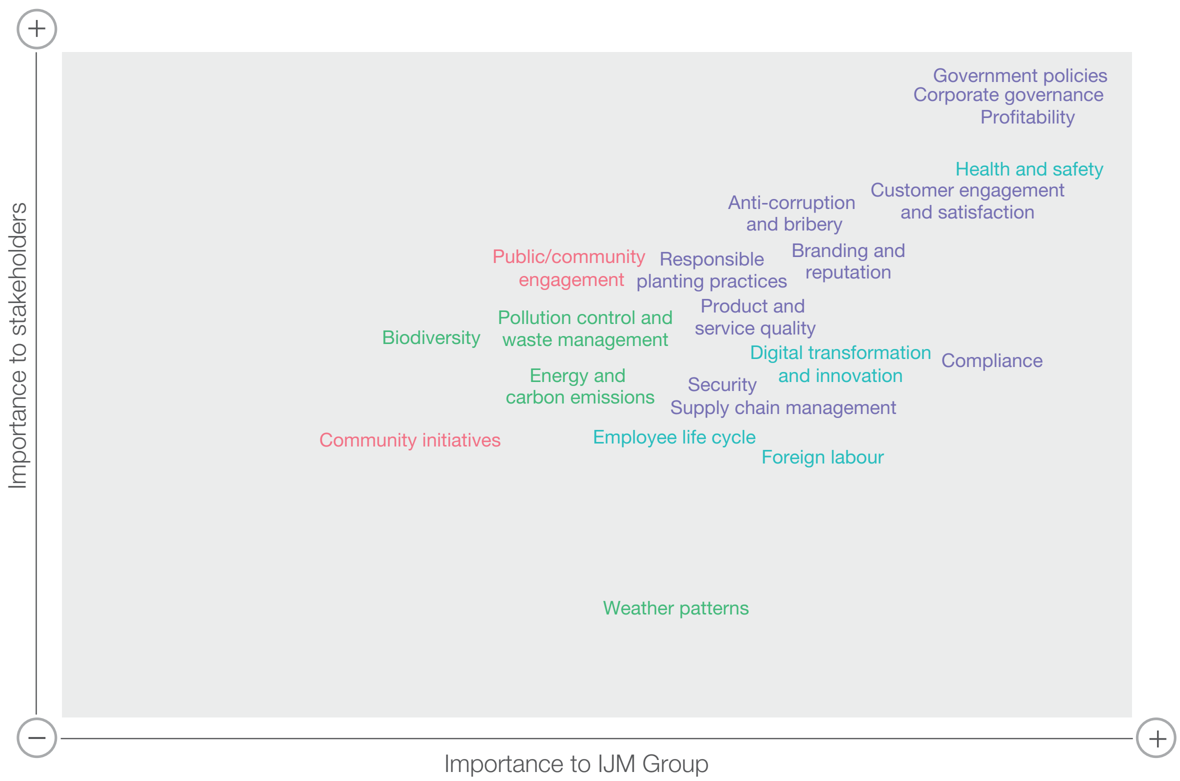
MATERIALITY MATRIX: WHAT MATTERS MOST

Our sustainability efforts are fundamental to the success of our business. It is a key part of our core business strategy and it is therefore driven from the top with input from a wide range of stakeholders. From these ongoing engagements, we gathered input from our business divisions as well as Group Services to formulate the Group materiality matrix. We also considered the topics spelt out in the Statement on Risk Management and Internal Control, assessments by various financial and sustainability-related rating agencies as well as research publications.

The top right section of the matrix underscores topics most material to IJM Group and our stakeholders. All topics in the matrix are discussed in the ensuing sections of the Statement.

Group and Divisional Champions discussing materiality at a workshop on 23 January 2019

IJM Corporation Berhad's FY2019 Materiality Matrix



Legend:
Marketplace, Environment, Community, Workplace

SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

As an organisation, we are not just a subscriber to the SDGs – we are a catalyst and accelerator of sustainable development. We recognise the importance of sustainability in ensuring that we can maintain competitiveness and business continuity, alongside understanding our impact on the wider community and environment.

IJM supports the SDGs, which provides a framework for development and addresses the challenges that the global population faces, from tackling climate change and environmental risks to managing societal needs and building economic growth. We highlight the goals that are closely related to the Company's priority issues and areas of long-standing commitment, investment and progress.

Business representations at the United Nations Sustainable Development Goals Workshop on 11 October 2018

Top 5 Material Topics and Supporting SDGs				
Government policies pages 56 to 97	Corporate governance page 130	Profitability pages 56 to 97	Health and safety pages 155 to 159	Customer engagement and satisfaction page 133
SDG 1, 8, 9, 11	**SDG 5, 16**	**SDG 8**	**SDG 3, 6, 8, 11, 17**	**SDG 12**

PROGRESS AGAINST OUR TARGETS

Legend: ■ Achieved ■ In progress ■ Not achieved

Target	Financial Year	Progress Update
CORPORATE Establish a Group Sustainability Roadmap	2020	■ In progress. We will report on the Roadmap in the following annual report.
MARKETPLACE Develop a Group Supply Chain Policy	2019	■ Achieved. We have developed a Supply Chain Policy. Please refer to page 133.
ENVIRONMENT Perform a water footprint assessment on the Industry Division	2019	■ Achieved. Please refer to pages 141 to 142.
COMMUNITY Redesigning the volunteerism experience at IJM	2019	■ Achieved. Please refer to page 147.
WORKPLACE Zero fatalities at the workplace for all business divisions	Ongoing	■ Achieved. There was no work-related fatality in FY2019. Please refer to pages 156 to 157.
Develop a Group Human Rights Policy	2019	■ Achieved. Please refer to page 165.
Improvement measures following the feedback from the employee engagement survey	2018 to 2020	■ In progress. The next MyVoice Survey will take place in early 2020.

The upcoming targets will be established in line with the upcoming Group Sustainability Roadmap in FY2020.

CONTRIBUTING TO A VIBRANT MARKETPLACE

Our business landscape is ever changing and seeing rapid political, economic, social, legal and technological shifts. We make concerted effort to build lasting, shared values through the investments we make, the assets we build and the utility we deliver to our customers through our quality products and services. We recognise that we have a duty to utilise and manage our various input capitals, as depicted in the Value Creation table on pages 62 to 63, in a responsible manner. This include being committed to high standards of corporate governance and upholding the trust in our brand and reputation that helps cultivate multiple stakeholder partnerships and relationships.

EMBEDDING STRONG ETHICS AND GOVERNANCE

Ethics and conduct

The IJM Group was founded on strong ethics and professionalism since inception in 1983. Our Code of Ethics and Conduct ("CEC") sets out principles and rules of conduct for IJMers to adhere to in our everyday work. The CEC applies to Directors and employees, including full time, probationary, contract and temporary staff. Each employee has a duty to read and understand the CEC. In addition to the CEC, IJM Group has in place a number of Company policies that establishes the rules of conduct within the organisation; representing the main points of reference for all who work for us. These policies can be found on the Company's website.

Recent developments on corporate liability

Bribery and corruption present significant risks to business and hinders social and economic growth. On 5 April 2018, the Malaysian Parliament amended the Malaysian Anti-Corruption Commission Act 2009 to incorporate among others, a new Section 17A to introduce a statutory corporate liability offence. This new provision provides that a commercial organisation commits an offence if any person associated with it commits a corrupt act in order to procure any business or advantage in the conduct of its business. We are looking to enhance our internal compliance system and resilience to the changes of the legal environment which is expected to come into force in June 2020. In May 2019, we adopted an Anti-Bribery and Corruption Policy to set out some parameters to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group. We intend to build an effective, accountable and inclusive organisation at all levels, in line with SDG 16.

Maintaining our governance standards

Our corporate governance structure and practices ensure robust board and management accountability to our stakeholders. We are guided by the Malaysian Code on Corporate Governance in ensuring the principles and best practices of good corporate governance are applied throughout the Group. The Board of Directors monitors and responds to the Group's overall strategic plans for business performance and conduct, management's succession planning, risk management, shareholders' communication, internal control, management information systems and statutory matters. The Board has delegated certain functions to its Board Committees to assist in the execution of its responsibilities. Details on our corporate governance framework and practices are elaborated in the Corporate Governance Overview Statement on pages 98 to 107 of the Annual Report.

COMMITMENT TO QUALITY

Our reputation depends on the value that we deliver to our customers and the community. Our steadfast commitment to our motto of *Excellence Through Quality* continues to stamp our mark of excellence in all our products and services.

The importance of quality management system is communicated to new hires during the orientation in February 2019

Road work assessment carried out by the Quality System department together with site personnel

Awarded the highest achievement in Construction Quality Excellence Award during the QLASSIC Day 2019

All our business divisions have management systems implemented and certified in accordance with local and international benchmark standards. We aim to ensure organisational commitment to continuous improvement of processes and activities, guaranteeing the competence of our employees to deliver the work assigned and the economic and technical organisational capacity to carry them out.

Our Construction, Property, Industry and Infrastructure (Port and Toll) Divisions are certified with the ISO 9001:2015 Quality Management System. This standard combines the process approach and risk-based thinking, and emphasises a number of quality management principles including strong customer focus, the motivation and implication of top management and continuous improvement.

Our Construction Division also developed internal measures to ensure quality control through a self-regulated assessment system. Formulated in 2000, the IJM Quality and Safety Assessment System (“IQSAS”) provides procedures and testing methods in which standards were set out for the various quality and safety aspects of building construction. In upholding the quality and safety policies, the Quality Management Committee together with the Occupational Health and Safety Management Committee conducts an annual review of the Quality Management Systems and Safety and Health Management System. The Pantai Sentral Interchange project, which was completed in FY2019, achieved an IQSAS score of 88%.

The Construction Industry Development Board (“CIDB”) established the Quality Assessment System in Construction (“QLASSIC”) in 2007, as a benchmark of workmanship quality of building construction work based on the Construction Industry Standard (“CIS 7”). During the year, the Property Division attained the QLASSIC 2018 and 2019 Excellence Awards for the Seri Riana Residence Phase 2B and Saujana Duta Phase 2L respectively for the High and Highest QLASSIC Achievement Awards. The award recognises developers and contractors who have achieved a high score of 80% and above.

Our Industry Division’s products are locally and internally certified with MS 1314:Part 4:2004 Precast concrete piles, SS EN 206:2014 Concrete, JIS G 3137:2008 Small diameter steel bars for prestressed concrete, MS 1138:Part 3:2007 Prestressing steel, C60 Shoring system, BS 5975 Code of practice for temporary works procedures and the permissible stress design of falsework and BS EN 12812 Falsework.

Our Plantation Division’s continued focus on quality and sustainability is substantiated by national and international certification standards, namely the International Sustainability and Carbon Certification ("ISCC"), Malaysian Sustainable Palm Oil ("MSPO") and Indonesian Sustainable Palm Oil ("ISPO"). Understanding that the products of this Division satisfy food and industrial value chains, the Division is also certified for Good Manufacturing Practices Plus and Good Agricultural Practice.

We are the first construction company listed in Bursa Malaysia to be certified for both the ISO/IEC 27001:2013 (Information Security Management System – ISMS) and ISO/IEC 20000-1:2011 (Information Technology Service Management System – ITSMS) by SIRIM QAS International.

CONTRIBUTING TO A VIBRANT MARKETPLACE

FEATURE PROJECT: IJM DEVELOPED, BUILT AND OWNS THE FIRST COMMERCIAL BUILDING AT TRX

IJM developed and constructed a 27-storey Grade-A office tower at the upcoming international financial district Tun Razak Exchange ("TRX") in Kuala Lumpur. The commercial building, called *Menara Prudential*, costed around RM500 million to develop and is the Prudential Group's new Malaysian headquarters. The first building to be completed and occupied at TRX, it houses all of Prudential's assurance, takaful, asset management and shared services businesses under one roof. The respective office floors were officially handed over to Prudential, the anchor tenant, in June 2019.

The LEED Gold-certified and MSC Status commercial building was built over a land area of 1.18 acres with a gross floor area of 560,136 square feet. During construction, state-of-the-art Building Information Modelling technology was used to better plan and manage the site, thereby reducing construction complications while saving cost and time. Materials used in the construction of Menara Prudential were also of high recycled content and sourced locally wherever possible. The building was designed after the *tengkolok*, a traditional Malay headgear.

Menara Prudential sits in the Tun Razak Exchange financial district

Menara Prudential features several smart and sustainable office building attributes:

Energy

- Use of artificial intelligence in facilities management to optimise energy consumption in indoor lighting and temperature performance

Water efficient landscaping eliminates the use of potable water for landscape irrigation

Water

- Smart water system that channels recycled water from rainwater harvesting and treated water to be reused for landscaping and toilet flushing
- Effluent water treatment for chilled water usage

Safety, health and security

- Low emitting materials chosen to increase indoor environmental quality
- Proximity to emergency services with commitments from the police, fire brigade and ambulance services to respond within a stipulated time
- 24-hours security with CCTV monitoring
- 2-tier entry and exit system – visitors management and turnstile
- Smart card system adoption that allows customisation based on access protocols

Convenience

- Centrally located with excellent transport links – accessible to major arterial roads and the largest MRT exchange station
- Multi-storey car park with parking guidance system and dedicated lady parking bays
- Bicycle storage and changing rooms
- Dual entrance with street and central public park frontages

MSC Malaysia Cybercentre Status

- Power supply redundancy plan via dual supply scheme with Automatic Transfer Switch to ensure 15 seconds of restoration time
- Equipped with fibre-optic backbone to floors
- High-speed broadband connectivity

ENSURING CUSTOMER SATISFACTION

We understand that in today's increasingly competitive, complex and dynamic marketplace, customers are seeking for more than a contractor, developer, raw materials or service provider. They need a responsive partner whose approach combines deep expertise and experience with an unwavering commitment to excellence, value, collaboration and shared success. In engaging with customers and their consumption choices, we strive to encourage sustainable living and production as set out in SDG 12.

Customer engagement and satisfaction remains a material topic across all Divisions. Our business divisions adopt different targets and methodologies in measuring customer satisfaction, due to the diversity of our business, although essentially all are aimed at addressing customers' expectations. These methods allow us to continuously engage with our customers and remain focused on the quality of the relationships we build as well as the products and services we provide.

Construction	Property	Industry	Port	Toll
Customer Satisfaction Survey	Customer Satisfaction Score	Customer Satisfaction Survey	Customer Satisfaction Survey	Highway Users Satisfaction Survey
Achieved average **78%** for all projects (target: 75%)	Achieved satisfaction level of **6.9 out of 10**	Achieved **94%** (target: 80%)	Achieved **97%** (target: 65%)	Achieved **89%** (target: 85%)

RESPONSIBLE SUPPLY CHAIN

The Group is highly dependent on third party contractors, consultants, professional service providers and vendors in carrying out our business activities. For our responsible best practices to be carried through, the supply chain has to be adequately addressed. We are committed to building strong and lasting relationships with our supply chain, founded on trust and mutual benefit. We also recognise our position to lead and positively influence the industry. In May 2019, we adopted a Responsible Supply Chain Policy that extends the Group's values and principles to our suppliers, service providers and contractors. This policy can be found on the Company's website.

BRANDING AND REPUTATION

At IJM, we are committed to building a positive reputation with stakeholders across our footprint. Our stakeholders recognise IJM's ability to create value reliably in changing market conditions.

Above our track record, we have built a reputation for deep industry knowledge, excellence in product and service delivery, integrity and professionalism across all business divisions and the markets we operate in. The IJM brand is an important driver when we pursue new business opportunities and attract talents.

The media coverage we received, brand and customer surveys we conducted and awards and accolades we garnered in categories of business excellence, as well as our long-standing customer relationships have all provided a positive and accurate picture of our business activities.

In 2017, we embarked on a branding programme with the objective of building our brand equity and ensuring that the brand evolves with the business. This branding initiative aims to drive a cohesive and consistent IJM brand across all operations, while strengthening the awareness and perception of the IJM brand externally.

Awarded the Outstanding Contribution Towards Sustainability at the Royal Institution of Surveyors Malaysia ("RISM") award presentation held at the RISM's 57th anniversary dinner

The Edge Malaysia Property Excellence Awards – Top Property Developers Awards in 2018

CONTRIBUTING TO A VIBRANT MARKETPLACE

As part of the programme, a thorough brand audit exercise was conducted to gain a contextual understanding of internal and external stakeholder expectations and needs, opportunities and challenges and perceptions of the Group brand from stakeholders.

The findings of the brand audit exercise led to the development of a sustainable, relevant and differentiated brand promise for IJM. The brand promise – *Delivering Inspired Solutions* – means that at IJM, we are committed to implementing informed and inspired initiatives that exceed expectations, backed by decades of experience, knowledge and success stories.

The other phases of the branding programme involve the launch of the brand campaign, visual identity system and new brand identity guidelines across all mediums of the Company's communications – all of which will take place in the next financial year.

In conjunction with the branding programme, we took the opportunity to revamp our corporate website – www.ijm.com. The outcome is a refreshed, clean and simplified design with improved functionality for front-end users to reflect the new branding.

IJM's Brand Promise

The new corporate website provides timely, seamless and easy-to-navigate user experience

RIDING THE WAVES OF DIGITAL TRANSFORMATION AND INNOVATION

Advances in technology and digitalisation provide opportunities for businesses to become more productive, innovative and relevant in a fast-changing world. At the same time, risks such as data security, privacy and ethical concerns as well as technology and talent management that may arise from rapid digitalisation also have to be appropriately addressed. With the launch of the National Policy on Industry 4.0 in 2018, IJM Group established a roadmap to drive digital transformation and innovation which covers amongst others, Internet of Things, robotic automations, data integration and workplace modernisation which focuses on digitisation, team collaboration, data security and sustainability.

Group CEO & MD stresses on the need for innovation and intrapreneurship at the Senior Management Forum 2018

In 2018, we kicked-off an 18-months digital transformation journey to update and integrate our existing Information Technology ("IT") landscape across all business divisions. We embarked on a Group-wide project with a globally renowned software company to strengthen our IT backbone for digital transformation and to integrate our manufacturing and project site operations (Operational Technologies) with our core IT systems. This will allow the consolidation of near real time data into valuable information for more efficient and effective analysis to improve decision making.

The IJM Group is rolling out harmonisation efforts in the area of finance, logistics and human resource. We are still in the early phase of the digital transformation process and are beginning to see the results of a digitalised and streamlined procurement process that brings greater efficiency and cost savings. In early 2019, the Construction, Property and Port Divisions piloted a live auction via a cloud-based solution for procurement, spend management and supply chain service that connects suppliers to buyers.

Building Information Modelling ("BIM") which entails the digitalisation of construction information on construction sites, has continued to expand in scope and scale. It has created seamless synergy within the Construction and Property Divisions in the journey of digitalisation. Utilising BIM for coordination on construction during the planning stage, by transforming drawings and plans into BIM models with rich details, helps the team detect issues in the early phase and identify the exact location of discrepancies. The process bridges the information gap between the design team, construction team and building owners, ensuring that all parties are on the same page. Through this process, we achieved optimised schedules and improved work quality.

Our Construction Division implemented the face ID biometric and access control in five project sites – Uptown Damansara8, Affin Bank (TRX), HSBC (TRX), LRT3, and 3Residence projects. The face scanner allows us to have better control of people entering and exiting the site while enabling us to immediately perform a headcount in case of an emergency. The on-site workforce can be monitored in real-time and it has expedited workers registration tracking and status of their work permits. The system allows the verification of the validity of workers' credentials and CIDB green cards. Those not in compliance with the requirements will not be allowed entry into the site.

Among the projects initiated by the Industry Division at its Kuantan factory include robotic pile shoe welding, which resulted in the increase of production efficiency by 35% on average, and a predictive maintenance system for overhead cranes at the Kuantan factory.

We implemented real time quality control monitoring and online concrete cube strength checks which observe the quality of concrete on real-time basis and promote transparency. There was also the installation of radio-frequency identification ("RFID") chips onto moulds and a RFID reader to track the efficiency of the spun piles production lines on real-time basis. An implementation of an auto mould oil spraying process saw immediate cost-savings within the first two months. We also adopted industrial automation at the quarries and ready-mixed concrete plants.

With the participation of Malaysia Digital Economy Corporation, the Port Division is carrying out pilot projects with a start-up based in the USA to digitalise the process of berth planning and vessels scheduling. This is expected to enhance operational efficiency with real-time monitoring. A safety app has also been launched to capture incidents at Port operations and monitor the status of resolutions.

With our diversified business interests, we are constantly looking for ways to raise innovation capabilities and competitiveness. On 23 October 2018, we signed a memorandum of understanding with the Asia Centre of Excellence for Smart Technology ("ACES"). In line with the Malaysian Government's Industry 4.0 goals, ACES was established by the East Coast Economic Region Development Council and TUM International GmBH to provide Industry 4.0 certifications, advisory, consulting and training services on smart technologies and practices in Malaysia as well as throughout the Southeast Asian region. Malaysia's National Policy on Industry 4.0, which was launched in the same month, creates a platform for transition into a more technologically advanced, open and high-income economy that is able to compete globally.

Engineers undergoing Building Information Modelling (BIM) training

Face ID biometric and access control at construction project sites

Industry Division showcasing the digital technology adopted in the Nilai manufacturing plant

REDUCING ENVIRONMENTAL IMPACT

We are aware of the significant risks posed by climate change, environmental pollution, resource scarcity and freshwater shortage. As part of our commitment to excellence, we endeavour to incorporate more sustainable approaches in our business operations. This is achieved by optimising energy usage and reducing carbon emissions, lowering the amount of pollution and waste we generate, conserving and protecting water supplies as well as protecting biodiversity. We find that measuring and managing our environmental performance helps to lower environmental impacts.

In FY2019, we modified our Health, Safety and Environment ("HSE") Policy statement into two separate policies – Environment Policy and Occupational Safety and Health ("OSH") Policy. The change to the policies was a result of our continuous engagement with the Department of Environment, who highlighted a need for a stand-alone policy on environment today.

We place a high level of importance and are committed to protecting the environment, an intended outcome of the Environmental Management System ("EMS"). The Construction and Industry Divisions comply with the EMS ISO 14001:2015, whilst the Property Division is in the midst of obtaining the certification. By managing all environmental risks and capitalising on the opportunities for improvement, we not only reduce the impact of pollution from its activities, but also elevate our capabilities to operate in a more sustainable manner.

We practice self-regulation, ensuring that all practices are in-line with the necessary requirements to keep the sites safe and the surrounding environment protected. The environmental quality monitoring has been carried out to ensure compliance with regulatory limits as defined in the Environmental Impact Assessment ("EIA") approval conditions or relevant Malaysian Standards. We did not receive any notification of non-compliance with environmental laws and regulations in FY2019.

PREVENTING POLLUTION

Keeping the environment safe from harm and pollution is a collective responsibility. IJM Group is committed to controlling and preventing environmental pollution from occurring in our business activities. All Divisions adhere to the Environmental Pollution Control Guidelines on air, noise and water pollution control in line with the objectives of our Environment Policy.

We maintain best management practices to control erosion and sedimentation impact from construction and quarrying activities. We actively identify and assess environmental aspects to determine controls that are best suited to manage potential pollution at sites. These controls have been implemented at all workplaces based on the needs and site conditions which include silt fences, sand bag barriers, sediment basin or silt traps. Controls have also been put into place for periodic monitoring of air quality, noise and vibration levels at sites.

Employees performed environmental audit at a project site

Employees of the Property Division engaged on environmental protection and the benefits of the Environmental Management System

Silt trap with noise barrier in the background at one of the project sites

Kuantan Port's Emergency Response Team conducts an oil spill drill

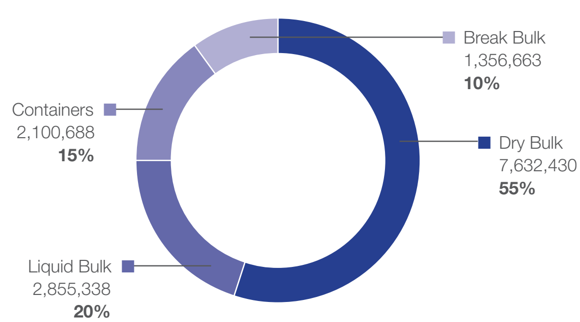
In the case of a spill, IJM workplaces have identified and planned actions to respond to the situation. The area of the spill shall be cordoned off and restricted from entry, with designated and trained personnel cleaning up the spill with proper equipment and clothing. In the event of a major spill that has an impact on a large area or can lead to risk of injury or explosion, the Hazardous Materials (Hazmat) team will be notified with instructions to contain the situation. The Port Division conducts oil spill drills and have the Oil Spill Emergency Response Team ready for emergencies. Kuantan Port abides to all local and international regulations, including the Marine Oil Pollution Convention (MARPOL 73/78 Convention) and the International Safety Guide for Oil Tankers and Terminals (ISGOTT). No significant spills were reported for the Group during the reporting period.

Responsible handling of materials

The Port Division exports bauxite, the sedimentary mined rock that is the principal ore for aluminium, amongst other dry bulk cargoes such as iron ore, palm kernel expellers and fertilisers. Since the lifting of the moratorium on bauxite mining activities in April 2019 following a Federal Government halt on 15 January 2016, the Port Division is taking extra precautions which include implementing a stringent Standard Operating Procedure ("SOP") by the Ministry of Water, Land and Natural Resources. On pollution control, the new SOP allows only two berths at the Kuantan Port to handle bauxite for export, via the conveyor system to transport bauxite directly to the ships from the centralised transit stockpiles. The warehouse storing bauxite has only two entry-exit points covered with netting to reduce 75% of wind and a 3 metres high boundary hoarding. The warehouse is equipped with a washing bay and a high-pressure water jet, perimeter drains and a retention pond to ensure that all cargo trucks are cleaned before going on the road. The SOP states that the monthly capacity of bauxite is capped at 600,000 tonnes.

The Port Division recently installed a conveyor belt at the New Deep Water Terminal that will later connect the Kuantan Port to an iron and steel plant belonging to Alliance Steel (M) Sdn Bhd. This conveyor belt improves productivity as it helps move both heavy and light materials, such as iron ore and coal, to and from Kuantan Port to Alliance Steel. The conveyor system is equipped to cater 180,000 tonnes of storage area which is surrounded by perimeter drains. Washing bays are also available to wash lorries before they exit onto the main road. Any contaminated surface runoff water is treated via the treatment plant. The 700 metres conveyor belt connects the storage area to the vessels, thus minimising cargo spillage from the stockpile to the wharf area, and hence avoiding pollution.

Port Division's Throughput by Cargo Type in FY2019 (Freight Weight Tonnes)

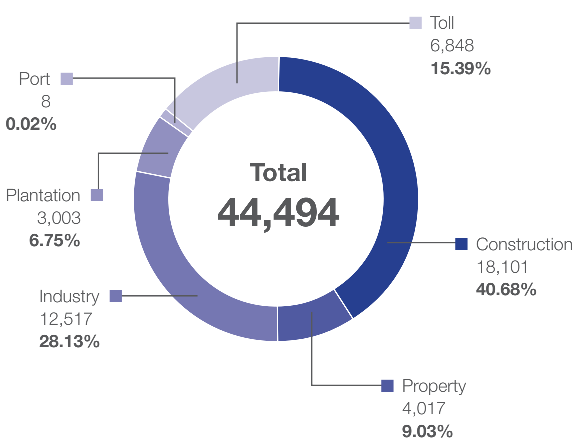


REDUCING ENVIRONMENTAL IMPACT

REDUCING AND MANAGING WASTE

We aim to reduce the amount of waste we generate and to reuse or recycle materials. In FY2019, we generated 44,494 tonnes of waste as a Group, a significant drop from the previous year of 68,607 tonnes. The highest volume of waste generated in the reporting period were from Construction, Industry and Toll Divisions. Around 12% of our total waste footprint was reused or recycled in the reporting year.

Total Scheduled and Non-Scheduled Waste Generated in FY2019 (MT)



Our Construction Division practices waste management by segregating timber, steel and concrete wastes. All sites ensure availability of adequate receptacles for temporary collection of waste that are removed from sites by licensed contractors.

Reused or Recycled Construction Waste

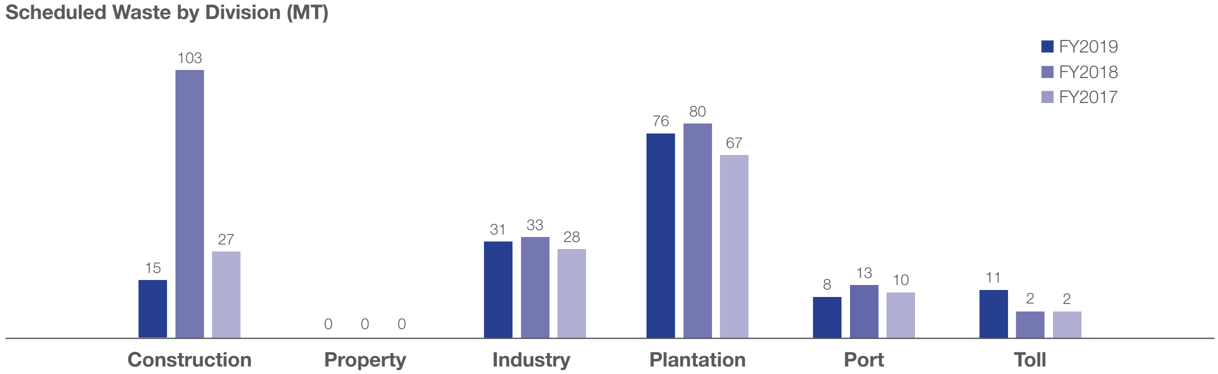
Waste Type	Reused (MT)	Recycled (MT)
Timber	5	1,177
Steel	Less than 1	360
Concrete	455	444

Our Industry Division continues to reclaim concrete waste generated from operations since January 2016. The concrete reclaimer is used to segregate sand, aggregates and slurry effluents from unused concrete resulting in cost savings and effective waste management. In FY2019, the system reclaimed 455 tonnes of sand and 652 tonnes of aggregates for production use instead of landfilling. The recovered sand and aggregates are mixed into the stockpile and reused in production. Slurry effluents from the concrete reclaimer flows into the tank and allows suspended particles to settle out of water as it flows slowly through the tank, thereby providing recycled water. Water separated by this method, totalling 2,058 m³, is reused for concrete batching, truck washing, sprinkler systems and cleaning purposes.

Handling scheduled wastes

We manage scheduled wastes according to the stipulated legislations where a designated storage area is constructed at all sites based on guidelines and specifications. Licensed contractors are appointed to transport these wastes off site to a treatment facility. We emphasise on reducing the generation of such wastes through proper handling of chemicals or materials that are disposed as scheduled wastes. We inspect and maintain our machineries and equipment frequently to avoid any spillage or leaking that may contribute to the generation of scheduled wastes.

Scheduled Waste by Division (MT)



Recovering energy from waste and making good use of organic materials exemplify how waste can be a resource. One example is the collection of methane gas from our oil palm mills. In FY2019, the Plantation Division generated 481,435 MT of biomass residues from by-products generated from mill operations.

By-products Generated from Mill Operations

Raw Material	Percentage Recycled from Raw Materials	Usage
Fiber	100%	Fuel
Shell	99%	Fuel
Empty fruit bunches	96%	Mulch and fuel

At present, the management and control of electronic waste or e-waste is regulated under the Environment Quality (Scheduled Wastes) Regulations 2005. Under this regulation, e-waste is categorised as scheduled waste. Most e-waste contains precious metals (such as gold, silver, platinum and palladium), iron, copper, aluminium and plastics that can be extracted and sold. We practice the disposal of scheduled wastes via contractors registered with the state environmental department.

Electrical and Electronic Equipment Wastes (By Number of Units)

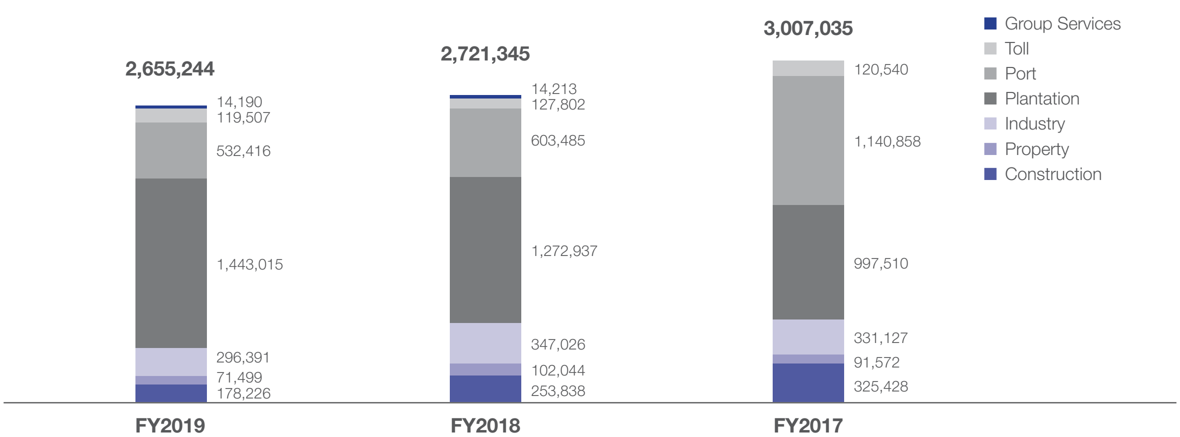
E-waste Type	2015	2016	2017	2018
Monitors	23	57	96	50
Desktop computers	196	93	78	101
Notebook computers	32	16	59	39
Printers	54	73	37	31
Servers	8	4	–	27
Others i.e. scanner, fax machine, AVR, UPS, keyboard, hard disk, projector, network equipment	183	80	56	122

MEASURING AND MANAGING OUR WATER FOOTPRINT

Malaysia is blessed with rich water resources, receiving an average annual rainfall of 3,000mm, equivalent to 990 billion m³ of water. Yet, we are faced with water shortages and crisis in some parts of the country during the dry season. We respect water as a precious resource and focus on its sustainable use. Water management is a key component of our social license to operate and crucial in meeting future water needs. This is in line with SDG 6 in ensuring the availability and sustainable management of water, as we proactively increase water-efficiency across all businesses.

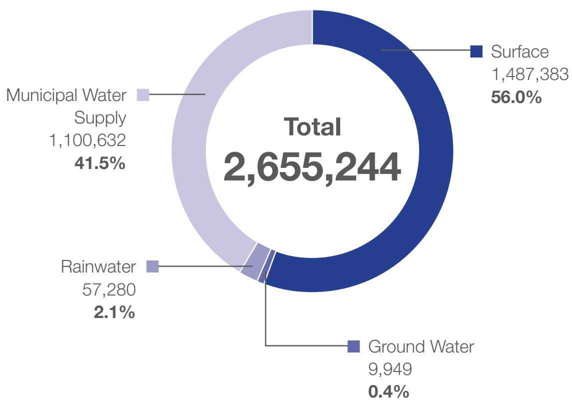
As a Group, our water usage decreased by 2% from 2.72 million m³ in FY2018 to 2.65 million m³ in FY2019. The Plantation and Port Divisions were the largest consumers, accounting for 74% of our total water footprint. The Plantation Division used over 1.4 million m³ to process fresh fruit bunches in the palm oil mills. Sourced from the catchment ponds, this processed water saw an increase of 13% from FY2018 in line with the increased production in the Indonesian operations.

Total Water Consumption by Division (m³)



REDUCING ENVIRONMENTAL IMPACT

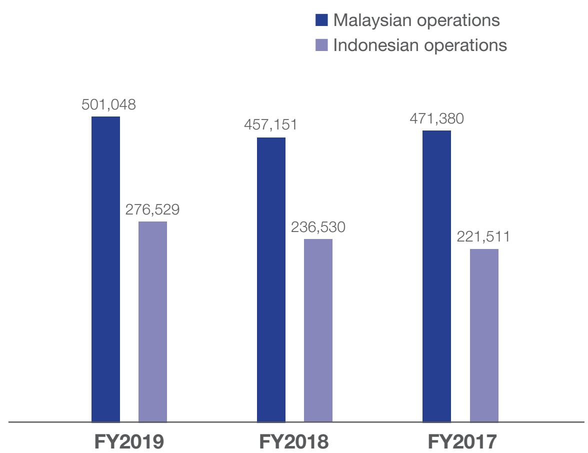
Total Water Consumption by Source in FY2019 (m³)



We invest in technologies to treat, reuse and recycle water from our operations so that we can responsibly manage our water footprint while meeting environmental standards. For instance, the Construction Division adopts the CLEARTEC wastewater treatment equipment to remove suspended solids below 50mg/litre from both construction site rainwater runoff and selected industrial waste water. This is to allow the treated water to either be discharged into the public drainage system or recycled for further use. This system has been implemented at or planned in several of our construction projects.

The Plantation Division has in place a water management plan in all its estates, including stringent periodic audits to ensure the adherence to the environmental management plans and policies. The Division treats the Palm Oil Mill Effluents ("POME") that is generated from the milling activities in order to meet with the stringent environmental limits. The treated POME is then channelled to the field for land irrigation.

Total POME Generated from Oil Palm Mill Operations (m³)



Rainwater harvesting

Several Divisions have implemented rainwater harvesting systems to reduce our consumption of water.

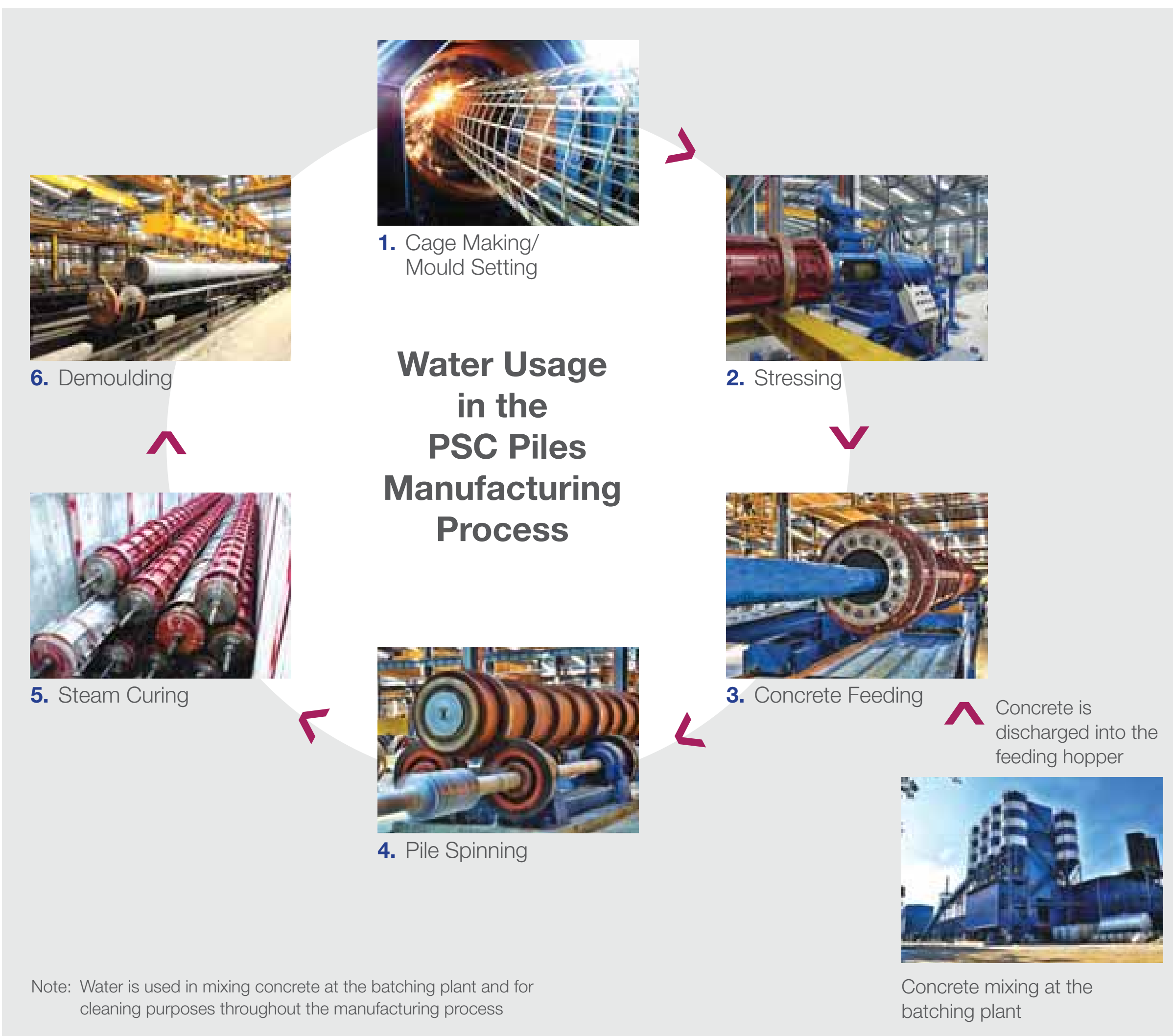
Division	Examples of Harvested Water Usage
Property	Landscaping at Menara Prudential at TRX, Kuala Lumpur; The Arc at Bandar Rimbayu, Selangor; and The Light Waterfront, Penang
Industry	Road cleaning at all quarries and factories
Plantation	Mill processing, nursery irrigation and domestic use
Port	Washing bays
Toll	Landscaping and road cleaning at Loke Yew and Eco Majestic Toll Plazas

CASE STUDY: WATER USAGE AT THE PRETENSIONED SPUN CONCRETE PILE FACTORIES

Our Industry Division, the first commercial manufacturer of pretensioned spun concrete ("PSC") piles in Malaysia and the largest in South East Asia, has 11 PSC pile factories in Peninsular Malaysia. PSC piles are often used in the construction industry to construct bridges, build foundations, civil engineering works, marine structures, and piled embankments. In this reporting period, the factories produced 1.46 million tonnes of piles.

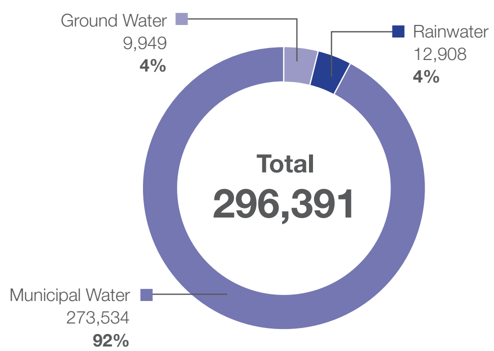
Aside from the materials used to create spun piles such as aggregates, cement, prestressing steel and spiral wire, water is also used in the manufacturing process. Water is mostly used in mixing concrete at the batching plants, where the concrete is discharged via the feeding hoppers during the concrete feeding process. Water is used in the boilers to produce steam for the steam curing process and the sprinkler systems as well as facility cleaning during the other stages of the manufacturing process.

Eighty-eight percent of the total water consumed by Industry Division was used at the PSC pile factories. In 2000, we invested in rainwater harvesting systems for our factories, collecting 12,908 m³ of water in FY2019. Water from the rainwater harvesting system is used for cleaning purposes for the batching plants, hoppers and mixers; as well as for the sprinkler systems. Wastewater is either discharged directly or recycled, after on-site treatment.



REDUCING ENVIRONMENTAL IMPACT

Water Consumption by Source for Industry Division in FY2019 (m³)



Our water usage was at its peak in FY2009 due to the commencement of the Senai Factory, adding to a total of nine factories. The use of autoclaves in the production process consumed large amounts of water.

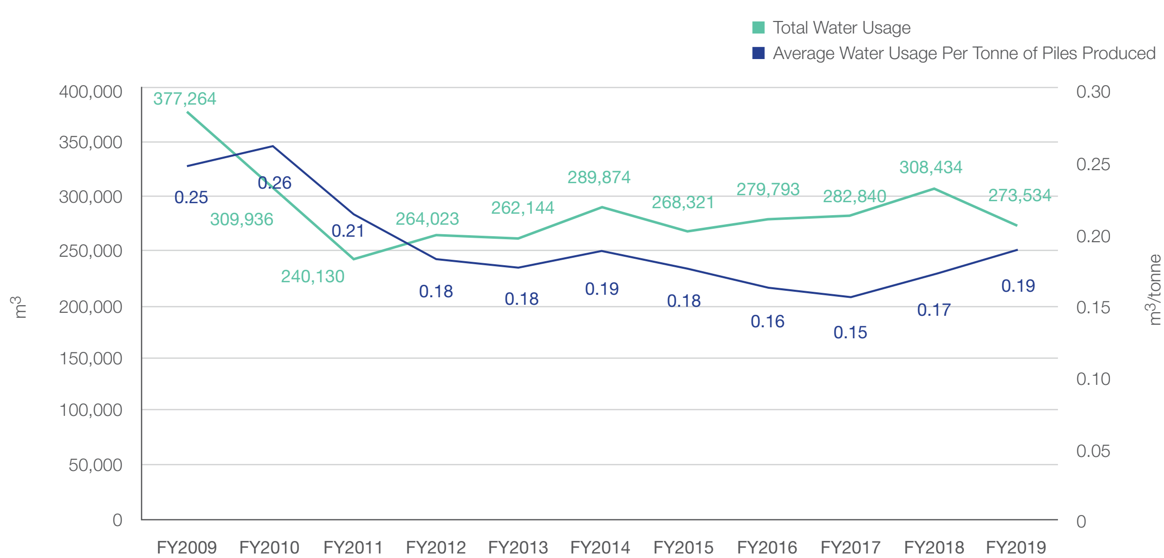
In FY2009, water usage was high also owing to a trial test on an additive i.e. Polycarboxylic Ether (PCE) in three factories (Jawi, Klang and Kapar). The additive has better adhesive strength thus reducing the cement used in the production process which gradually eliminated the need for autoclaves, in the ensuing years. In September 2010, we eliminated the use of autoclaves from the manufacturing process along with the normal cast's steam curing process, significantly reducing water usage.

In FY2011, we saw a 36% decrease in water use from its peak in FY2009, having successfully optimised the use of cement and water in the concrete mix. We conducted further studies to improve on our cement-water ratio without affecting the quality. In September 2012, we started using the additive in large-diameter pile production at our Lumut factory allowing further water use reduction in FY2013.

In FY2014, we started seeing a hike in water usage as a result of introducing the concrete pumping process at the Jawi factory in December 2012. During the initial stages of the process, more water was used as we were in the trial stages of concrete pumping. In the following years, we continued to review and improve the concrete pumping cement-water ratio. We saw a gradual decrease in the average water usage from FY2014 to FY2017.

In FY2018, we saw an increase in water usage to 308,434 m³, a 9% increase from FY2017. This hike was due to the increase in production of the Grade 90 and Grade 100 piles. We are now installing water meters in our factories in stages to monitor water usage in our operations.

PSC Pile Factories' Water Usage (m³)



CONSERVING LAND AND BIODIVERSITY

We seek to understand and respond to any potential impacts our activities may have on the biodiversity and ecosystems in our projects and operations. All projects and operations undergo EIA prior to project approval and implementation. We seek to minimise our impact to the ecosystem and carry out biodiversity conservation in areas where we operate.

Our Construction Division, through its Erosion and Sedimentation Control Plan, enhances project aesthetics and eliminates damage to natural resources. Best management practices include usage of sand bunds for land reclamation works along the seaside to prevent sea pollution, control of surface water runoff by constructing temporary drainage systems to prevent flooding and use of temporary measures such as groundcover, turfing, vegetation and hydroseeding to prevent slope erosions.

Ongoing collaboration with Sabah Wildlife Department in Honorary Wildlife Wardens Training

HCV-HCS reassessment in Antutan Estate, PT Primabahagia

Responsible planting practices

Our Plantation Division is committed to No Deforestation, No Peat and No Exploitation ("NDPE") which were released in February 2019, to ensure a Deforestation-Free and Exploitation-Free supply chain. We are committed to no deforestation of High Conservation Value ("HCV") and High Carbon Stock ("HCS") areas in any new plantings. Integrated HCV and HCS assessments will be conducted, apart from the social and environmental impact assessments prior to any new land development activities. The Division has set aside 4,308 hectares of HCV areas in our Malaysian and Indonesian operations for conservation, biodiversity enhancement and rehabilitation purposes.

We also work with our supply chain to ensure adherence to the NDPE commitments. We adopt a zero burning policy in new planting and replanting activities. Recognising the importance of adopting the landscape approach in managing HCV areas, we engage with neighbouring communities to mitigate wildlife poaching and encroachment. The Plantation Division commits to the principles under the national sustainability standards which include the MSPO and ISPO.

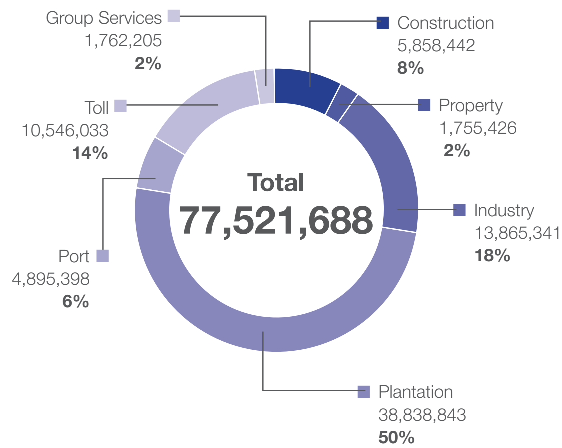
REDUCING ENVIRONMENTAL IMPACT

TACKLING CARBON FOOTPRINT

Malaysia is committed in addressing climate change and has been actively involved in international conventions and developed several policies to address climate change such as the National Policy on Climate Change. Understanding the diversity of our businesses, we are long-term stewards of various assets and we recognise the challenge that climate change presents as highlighted by the international community. In line with SDG 13 and the national policy, we are raising awareness on climate change amongst employees.

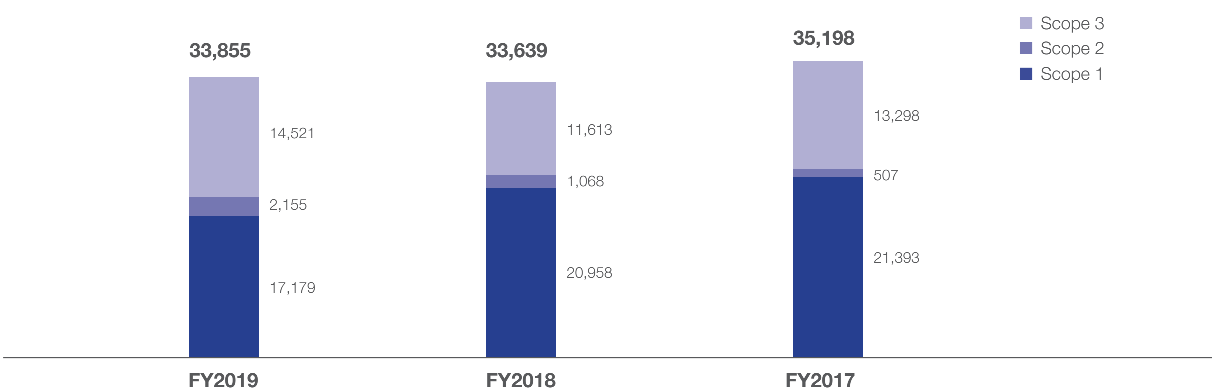
In 2018, Bursa Malaysia published the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). With the effects of climate change becoming increasingly visible and a stronger determination to prevent a detrimental global temperature increase of 1.5 degrees, we do our part and carry out activities which help to mitigate climate change and promote sustainable energy. As a Group, we used over 77.5 million kWh of electricity in FY2019. The biggest consumption of electricity was by the Plantation, Industry and Toll Divisions. Each business has its own specific guidelines on strategic initiatives, performance standards and specific requirements relating to energy efficiency and climate change mitigation measures. Plantation Division consumed approximately 38.8 million kWh of electricity, where more than 75% of its energy is generated using renewable sources.

Total Energy Consumption by Division in FY2019 (kWh)



Since FY2009, the Industry Division has been progressively reducing carbon emissions at its factories. In the reporting period, the biggest reduction was seen in Scope 1 and Scope 3 at 51% and 43% respectively.

Total CO_2 Reduction by Source (tCO_2e)



Note:

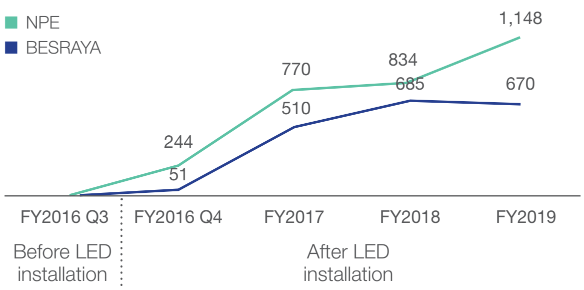
- Scope 1: Direct CO_2 emissions that are emitted from sources owned or controlled by our organisation such as from stationary combustion of light fuel oil, diesel and natural gas to produce steam
- Scope 2: Indirect CO_2 emissions that are consumed by our organisation such as purchased electricity for factory use, that may be offset by using renewable energy such as solar PV systems
- Scope 3: Other CO_2 emissions by related activities not owned or controlled by our organisation such as cement purchased for our consumption

We have installed rooftop solar photovoltaic (PV) systems at the Industry Division's factories. About 3,730 tonnes of CO_2 emission was avoided in the last three financial years due to the usage of renewable energy.

Factories	Kapar	Jawi	Senai	Ulu Choh	Lumut
Solar capacity (kWp)	445	700	666	900	776
Total solar energy generated (kWh)	494,427	725,582	303,741	859,773	721,646

Our Toll Division have implemented energy saving efforts. The light emitting diode ("LED") lamps installed at our toll highways since 2015 have shown significant savings. In FY2019, we saw 51% and 47% cost savings for Besraya Highway ("BESRAYA") and New Pantai Expressway ("NPE") respectively against the base year FY2016. This resulted in a cumulative reduction of 1,916 tonnes of CO_2 for BESRAYA and 2,996 tonnes of CO_2 for NPE since the installation of LEDs.

Annual CO_2 Emission Reduction Following Installation of LED Lighting (tCO_2e)



The future of green construction and buildings

We realise the projects we undertake for our customers are investment for the future. They create jobs and build the economy; improve the resilience of the world's infrastructure, increase access to energy, resources and vital services; and make the world a safer, cleaner place. The market and client demand have been major forces in driving green construction and buildings. Lowering greenhouse gas emissions, reducing construction waste and conserving natural resources are some of the environmental concerns that are forcing us to re-evaluate how buildings are constructed.

The market and client demand for green buildings sets the tone for our growing list of project portfolio with green building certifications.

Project Portfolio with Green Building Certifications

Green Building Index ("GBI")	• The Light Linear • The Light Point • The Light Collection I • The Light Collection II • The Light Collection III • The Light Collection IV • The Address • Bandar Rimbayu • Kondominium Altitude 236
GreenRE	• Pantai Sentral Park (Parcel 2)
LEED	• Menara Prudential

Employee-initiated information session on green buildings by an external consultant who volunteered his time and expertise to educate our employees on green buildings

NURTURING AND EMPOWERING COMMUNITIES

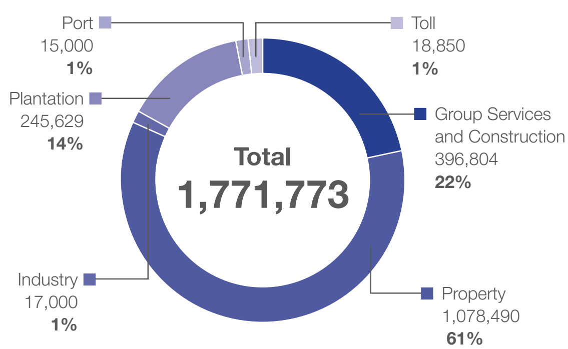
Being a good corporate citizen is fundamental to our values as a company. Being a responsible and engaged company brings mutual benefit to both our stakeholders and us. Our role extends beyond mere engagement to include caring and supporting those who live in the communities where we operate. Investing in our communities means one step towards leaving no one behind as set out in the SDGs.

In the last financial year, we established the Group's Community Investment Policy. The policy stipulates our contribution focus in three areas – community development, sports and education. We aim to drive awareness and create greater alignment to the policy for increased value creation within the community and improved impact measurement.

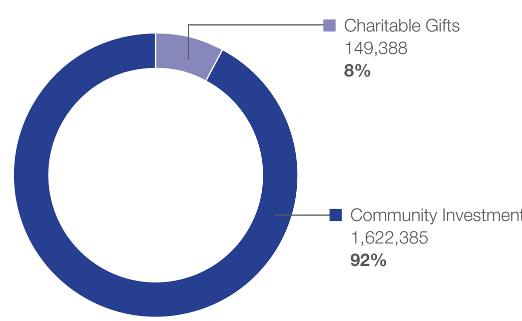
The LBG Framework is the global standard for measuring, benchmarking and reporting on corporate community investment. The LBG Framework helps us understand how we are contributing to the community, if we are doing the right thing, doing them well, and achieving what we set out to do. Above all, the framework enabled us to focus on investing resources for the mutual benefit of the Company and community. In FY2019, IJM Group contributed RM1.8 million to the community, amounting to 0.3% of the Group's pre-tax profit.

92% of our giving was strategically motivated, where we consciously invested resources to bring about social and environmental change. The remaining 8% were one-off charitable donations. Our biggest contribution was towards supporting sports development, especially at the grassroots level.

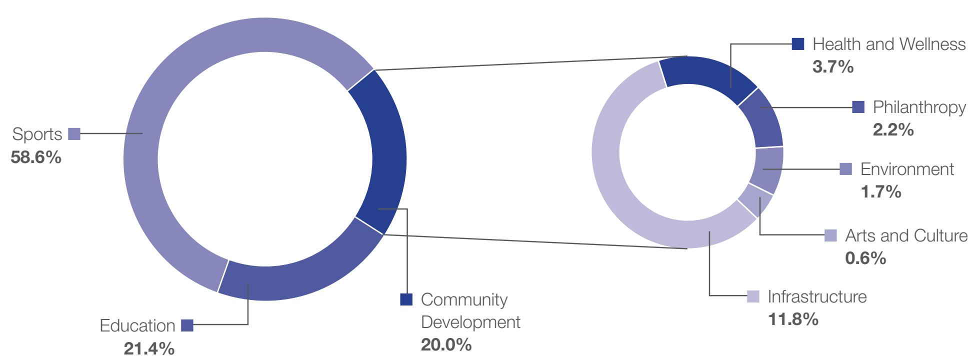
Expenditure by Division in FY2019 (RM)



Motive for Contribution in FY2019 (RM)



Supported Causes by Community Investment Pillars in FY2019



Donation to fire victims at Kampung Gas, Sandakan contributed by IJM employees during the 12th IJM Games

Toll Division contributed school supplies to employees' children via the *Back to School* programme

REDESIGNING THE EMPLOYEE VOLUNTEERISM EXPERIENCE

Community investment is a key component of a company's social responsibility effort affecting important stakeholder groups such as employees. The time, talent and know-how of our employees can be significant and impactful, and we encourage our employees to support local communities through volunteerism. In FY2019, IJM Group initiated a redesign of the Group's employee volunteerism experience. We encourage our employees to participate in programmes that strengthen the communities in which we operate.

Employees initiated an appreciation session for the neighbouring Fire and Rescue Department following a tragic national loss of fellow fire-fighters

Property Division contributed monetary aid and household items to single-parent families in Seremban under the *Deepavali Charity Cheer* programme

Industry Division attending to a special needs learning center near where we operate

NURTURING AND EMPOWERING COMMUNITIES

SUPPORTING COMMUNITY GROWTH AND WELLNESS

We invest in the construction and upgrade of infrastructure and buildings in local communities; as well as promote health awareness and environment conservation.

Bridging the infrastructure divide

We understand our position in supporting the development efforts of the country, in providing and maintaining basic infrastructure and creating high impact connections that are safe and convenient for public use. We keep in mind the sustainable development of communities and the areas they live in as we design, finance, build and operate roads and other infrastructures.

With a total investment of RM98 million, the Pantai Sentral Interchange was opened to the public on 13 December 2018. The interchange is an example of the cooperation between the government and property developers like ourselves in improving the connectivity, accessibility, liveability and commuting experience for residents, commuters and motorists alike. The 2.8km interchange directly links the township to the New Pantai Expressway, further enhancing connectivity to and from Pantai Sentral Park on top of existing connections to the township. To date, IJM Group has spent about RM225 million on interchanges and flyovers to improve connectivity for our township residents.

The Pantai Sentral Interchange was opened to the public on 13 December 2018

As a developer for the community, the Property Division supported the REHDA Youth in their community project to rebuild the Women's Aid Organisation's ("WAO") childcare centre, which was destroyed in a fire in 2016. The project garnered the collaborative strengths of the property industry whereby all sponsorships were via pro bono services and donation of building materials in kind. Utilising our expertise as a property developer, we were tasked to oversee the reconstruction of the childcare centre. The new centre is the first Platinum-certified childcare centre in Malaysia by GreenRE, the leading Malaysian green real estate certification body. The green features reduce operating costs of the home due to the efficient use of electricity and water. The use of low volatile organic compound (VOC) paints and adhesives, green-certified timber and building materials ensure a healthy living environment for the children.

Rebuilding of WAO Child Refuge Centre

Affordable housing

We believe that every Malaysian has a right to a quality home and living environment. As a responsible developer, we want to do our part so that many Malaysians are able to realise their aspirations of owning a home. We support the Housing and Local Government Ministry's target to build 100,000 affordable homes by the end of 2019 by designating landbanks for this segment. Majority of these homes are located in prime locations and mixed development townships allowing all residents to enjoy the common connectivity, surroundings, recreational resources and conveniences. In line with the Government's move to provide budget housing, the Property Division has initiated projects where more than 2,000 affordable houses will be built around Klang Valley and Negeri Sembilan. In FY2019, 314 homes have been completed and more than 1,700 units are currently under construction.

Our Plantation Division continues to support their neighbouring community through road maintenance and repairs of places of worship, providing transportation and clean water to be used during droughts. We continue to support the Rurality project, a smallholder transformation project, which started in June 2015. We support farmers to develop their resilience by improving productivity and the livelihoods of smallholders supplying crops to the Desa Talisai Palm Oil Mill.

Home Rehabilitation Programme

Our Property Division continues to enhance the lives of the underprivileged through its signature Home Rehabilitation Programme. Under this programme in 2018, we adopted and gentrified a home in Kampung Baru Rahang, Seremban, giving the family a safe home and shelter as well as improving their quality of life. The home of a visually-impaired man was upgraded with all the essential repairs required for safe, sanitary and functional living. The home was freshly painted and repaired to protect the structure and surfaces as well as enhanced the aesthetic appearance of both the interior and exterior of the home.

Our Home Rehabilitation Programme has gained enormous support from our contracting partners and material suppliers, and serves as a key influence and initiative for engaging and inculcating a culture of corporate responsibility among our business associates.

This programme is undertaken in close collaboration with the State Social Welfare Department. In its eighth year, IJM Land's Home Rehabilitation Programme has restored and rehabilitated homes for underprivileged families across Malaysia, including Penang, Johor, Sabah and Negeri Sembilan.

Handing over the refurbished house to the owner

House condition before the Home Rehabilitation Programme

House condition after the Home Rehabilitation Programme

Plantation Division improving accessibility for their neighbouring community

Promoting health awareness and environmental conservation

Our community programmes include health awareness to maintain a healthy lifestyle. Our Divisions supported various sporting events campaigning for health awareness such as *Relay for Life 2018* by the National Cancer Society of Malaysia-Penang Branch; *Run & Ride for Sight 2019* by St Nicholas Home Penang where the sighted pilot guides and directs the blind on a tandem bicycle; *End Polio Charity Walk* by the Rotary Club of Sandakan North Borneo; and *HOPE Run 2018* by the Duchess of Kent Hospital promoting the *pain free hospital* concept. We also run health grassroots outreach programmes in schools in collaboration with the Sandakan Pink Ribbon since 2006.

NURTURING AND EMPOWERING COMMUNITIES

Reduce, reuse and recycle efforts at Bandar Rimbayu benefits both the township community and environment


Environmental awareness outreach programme at SK Ladang Sandak, Sandakan


Property Division employees created 3D murals of Seberang Perai's landscape made from plastic bottle caps


Breast health awareness outreach programme at SMK Gum Gum in Sandakan, Sabah

We also promote environmental awareness in the local communities. Our green certified township, Bandar Rimbayu organised green activities to raise awareness among its residents as well as the community from the surrounding areas. We engaged with the residents and community, consisting mostly families with young children, to inculcate the practice and adoption of the 3Rs: Reduce, Reuse and Recycle through hands-on workshops and environmental exhibits, in collaboration with the Community Recycle for Charity. Recycling bins were also installed to help residents kick-start their green commitment.

In September 2018, the Property Division partnered with the Seberang Perai Municipal Council ("MPSP") on a tree planting project. The project saw 5,110 Golden Penda trees planted at various locations across three districts in Seberang Perai, including four recreational parks and 38 schools. Projects like this also foster *gotong royong* (community spirit) among community members towards a cleaner and greener environment. This initiative was recognised in the Malaysia Book of Records.

In a separate event, the Property Division and 900 other volunteers from other organisations created 3D murals made from plastic bottle caps. This is in line with MPSP's 8R (Rethink, Refuse, Reduce, Reuse, Repair, Re-gift, Recover and Recycle) Smart Consumption Model introduced in January 2018. The four large 3D murals using 113,190 plastic bottle caps, featuring landscapes of Seberang Perai now decorates the walls of the MPSP building.

Our Plantation Division supports local environmental awareness events with local non-governmental organisations such as the Borneo Bird Festival in partnership with the Sandakan Borneo Bird Club Sabah and breast health awareness talks in partnership with the Sandakan Pink Ribbon.

NURTURING GENERATIONS RESPONSIBLE FOR THE FUTURE

Providing affordable and quality education

We recognise that education is the gateway that improves quality of life while opening up economic and social opportunities. In line with SDG 4, we provide equal access for women and men to affordable and quality educational opportunities and skills they need to participate in social and economic development. Through our scholarship and academic excellence awards, mentoring programme, industry exposure through site visits, university outreach initiatives as well as learning and development programmes, we believe the younger generation will be better equipped to face challenges.

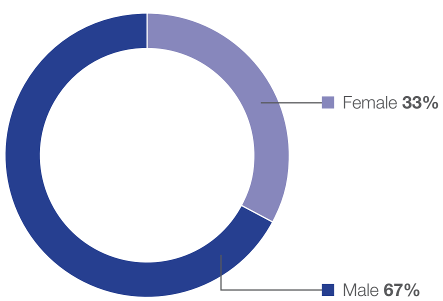
IJM Scholarship Award Programme and Academic Excellence Award

Launched in 1994, the IJM Scholarship Award Programme has benefitted more than 250 students and continues to develop tomorrow's best talents through structured career development programmes. In FY2019, we awarded 14 deserving scholars with scholarships totalling RM654,500 in various fields of studies including civil engineering, electrical engineering, mechanical engineering, quantity surveying, accountancy and finance.

Beyond financing, IJM scholars are paired with a mentor at IJM for guidance throughout the duration of the scholar's studies. This mentorship continues when they join IJM as full-time employees after graduation. Many IJM scholars have progressed in their careers holding positions such as project managers, quantity surveyors, accountants and senior engineers within the Group.

The IJM Academic Excellence Award gives recognition to the children of IJM employees who have done well academically. In FY2019, 52 students were rewarded for their achievements in their SPM, O-Level, IGCSE, STPM and A-Level examinations. We believe that building education capacity is a vital ingredient to help improve the quality of life for individuals in the local communities. In helping them to realise their academic aspirations, we provide opportunities for these young talents to reach their potential and pursue fulfilling careers.

Gender Breakdown of Scholars from 2009 to 2018



Mentorship session during the IJM Scholarship and Academic Excellence Award 2018

IJM Scholarship and Academic Excellence Award 2018

NURTURING AND EMPOWERING COMMUNITIES

Investing in a future-ready workforce

Inspire to Innovate

Following the success of the first all-encompassing and integrated engineering challenge in FY2018, we organised a second challenge with the theme *Inspire to Innovate*. The programme brings together students from ten public and private universities around Malaysia in the fields of civil engineering, architecture and quantity surveying.

Participants were challenged to showcase and pitch ideas for a future township. For the FY2019's challenge, one of IJM Land's flagship development, Seremban 2 township was chosen as the project site. Participants had to create a smart living community within the 2,300 acres of township.

The concept of smart living community incorporates the use of eco-friendly materials into the building design, using Internet of Things and connecting people and business communities. The challenge allows participants to gain real life experience of designing innovative masterplans, concepts, spaces and solutions that will impact the way people live, work and interact in the township.

Secondary school leadership camp

Throughout the eight-month programme, various skills and technical workshops, and talks on soft skills and professional development, project management, BIM, digital transformation and sustainable development were delivered by a mix of IJM employees, consultants and partners. These efforts were put to play to help participants make connections and propose innovative integrated solutions, while approaching the challenge with a sense of practicality and commercial viability.

We believe that education with real and practical applicability will align an industry-ready talent pipeline with classroom learnings to what is needed in the workplace. We hope that these efforts will help narrow the current gaps in Malaysia's human capital.

UPM Green Building Innovation Challenge

University students attending the training session at our property office in Seremban

Inspire to Innovate finale

Top 10 best employer brands in the category of real estate/property

We received the Graduate Choice Award ("GCA") 2018, in recognition for demonstrating exceptional employer branding within universities across Malaysia, voted for by undergraduates. The GCA is acknowledged and recognised by the Ministry of Education Malaysia, Malaysia Digital Economy Corporation and the Career Development Centre Club Malaysia. IJM was also voted as Malaysia's 100 most desired graduate employers in Malaysia for 2018 by local students and graduates in an annual national survey.

Supporting creative talents

We continue to support in its fifth year, the Asia Young Designer Award ("AYDA") competition, themed *Forward: Challenging Design Boundaries*. The competition is supported by the Ministry of Education (MOE) and in partnership with Nippon Paint Malaysia, aimed at developing and nurturing young creative talents in architecture and interior design in Malaysia, strengthening the bond between the institution and the industry. The competition saw 1,262 design entries from 43 participating local design institutes in FY2019. Finalists of the competition visited IJM Land's award-winning township – Bandar Rimbayu to gain insight on the roles of stakeholders, the people behind the development and the innovation and strategies incorporated when constructing the township. AYDA alumni and past winners have been known to have progressed in becoming reputable architects and interior designers in their field – from being attached to globally recognised architectural firms to taking on leadership roles in self-established firms.

Winners of the Asia Young Designer Award

CHAMPIONING SPORTS

IJM Group supports sports with the knowledge that it contributes to improved health and wellbeing, as well as influence engagement, culture and togetherness. In FY2019, our biggest contribution was made under our sports pillar with more than RM1 million spent on initiatives such as public running and cycling events as well as grassroots rugby, archery, volleyball and football development programmes.

As property developers and infrastructure owners, we are able to use our spaces for a good cause. We have been organising the IJM Land Half Marathon at our Seremban 2 township, an event that attracted more than 9,000 participants in FY2019 from across the country on leading healthy lifestyles. For the third year in a row, funds raised from the event were channelled towards two charities, namely the Pertubuhan Hospice Negeri Sembilan and Malaysia Lysosomal Diseases Association to support the organisations' activities.

For the fourth time running, the Hollywood-themed *Run With Me 2018* event at Bandar Rimbayu combined healthy lifestyle and fun

Main sponsors of the 2018 48th COBRA 10s rugby tournament

NURTURING AND EMPOWERING COMMUNITIES

IJM also sponsored and organised the IJM-Allianz Duo Highway Challenge in two of its highways – BESRAYA and NPE. The event connects customers, communities and employees through a shared passion for running. Cycling events such as the RHB Shimano Highway Ride 2018 at our LEKAS highway and Kuantan Port's *Fun Ride 2018* brings together passionate cyclists. These events are aimed at promoting healthy urban lifestyles at safe venues for sports enthusiasts.

At the grassroots level, the Property Division provides a football training ground at The Arc, Bandar Rimbayu. The iconic social hub provides 50 to 80 children from Destiny Football Development Centre a platform to master tactics, agility and characteristics and social elements of a much-loved national sport on a weekly basis. We also work together with at least one underprivileged home in the area to provide children living close by the opportunity to benefit from this inclusive programme.

Our Industry Division has been supporting students from Sekolah Kebangsaan Tok Muda in the area of non-mainstream sports since 2016. In FY2019, the Division contributed RM10,000 to the school for their Archery Development Programme. This contribution is used to fund archery equipment, facilities and coaching fees that will benefit close to 150 school children and teachers. Apart from archery, contributions have been made in previous years for their Softball Development programme that saw the school winning second place in the district level Klang Softball competition. We believe our contribution and support will create continuous interest towards non-mainstream sports and engagement with the students and the local community.

Industry Division continues to support SK Tok Muda's sports programmes

IJM Land Half Marathon 2018 encourages healthy living and fitness, and brings together communities in Seremban 2 and the surrounding vicinities

IJM Allianz Duo Highway Challenge – BESRAYA and NPE

Property Division provides training ground to young, aspiring footballers at The Arc, Bandar Rimbayu

Kuantan Port's *Fun Ride 2018* breakwater experience

ENSURING A FAIR, INCLUSIVE AND SAFE WORKPLACE

IJM's mission to deliver sustainable value to our stakeholders and enrich lives with the IJM Mark of Excellence is fuelled by the talent, diversity and dedication of our employees. We promote an inclusive and diverse work culture while providing employees with fair remuneration as well as a healthy and safe workplace. We aim to enhance the employee experience where IJMers feel included, empowered, engaged and together contribute to an inspiring and productive working environment.

CREATING A SAFER WORKPLACE

The Occupational Safety and Health Master Plan 2020 by the Department of Occupational Safety and Health ("DOSH") focuses on implementing the preventive culture to further strengthen the establishment of a *Safe and Healthy Work Culture* among employees and workers. This master plan is a continuation of the previous two OSH strategic plans started in 2006.

The preventive culture places a high priority on awareness, responsibility and commitment among employers and workers. Keeping in mind the rights of workers in regards to OSH, the preventive culture encourages the involvement of workers in OSH activities, enhances OSH knowledge, skills, and to efficiently manage OSH risks. The desired outcome is to transform hazardous workplaces into a safe and healthy work environment, protecting the most important asset of our Company – the workers.

In support of SDG 3 and 8 in providing a healthy, safe and secure working environment, health and safety remains a material topic for IJM. In FY2019, we modified our HSE Policy statement into two separate policies – Environment Policy and Occupational Safety and Health ("OSH") policy. The change to the policies is a result of our continuous engagement with the Department of Environment. The revised OSH policy emphasises that maintaining a healthy and safe workplace is the responsibility of everyone.

We are in compliance with widely used and recognised management systems such as OHSAS 18001:2007, Occupational Health and Safety Assessment Series; and the Malaysian Standard on Occupational Health and Safety Management Systems, MS1722:2011. These management systems enable all projects to employ a systematic management of HSE requirements and continually improve the level of OSH performance at workplaces.

Committed to the Occupational Safety and Health Policy aimed at protecting workers' rights to a safe, healthy and conducive work environment

ENSURING A FAIR, INCLUSIVE AND SAFE WORKPLACE

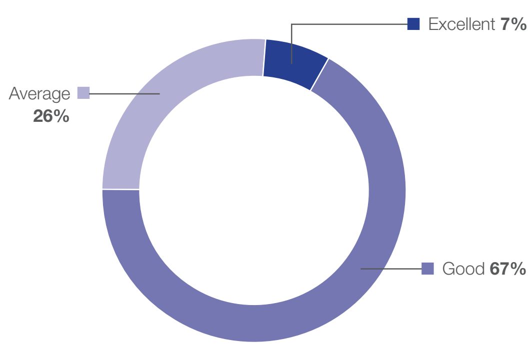
A key element in these management systems is the identification of hazards and risks and determining the necessary controls to prevent these risks. The system emphasises on ensuring all potential risks are determined and controls are put in place during the planning stage. Opportunities to enhance the implementation by eliminating and mitigating hazards and risks are performed before any work commences through best available control measures. In the Construction Division, all workplaces have implemented this process covering all routine and non-routine construction activities at their sites throughout the period under review.

Risk reduction for our workers and nearby communities is a cornerstone of our programmes. We constantly conduct safety and health programmes on work practices for workers to reduce the risks of accidents to our workers and the nearby communities in our effort to ensure safe, inclusive and accessible surroundings as outlined in SDG 11.

We also conduct regular site inspections and internal audit sessions to evaluate the performance of construction projects and verify the effectiveness of our HSE management system. A total of 42 HSE surprise inspections and 23 HSE internal audits were carried out in FY2019.

Screen system offers added safety and protection in the construction of high-rise buildings

HSE Surprise Inspections in FY2019

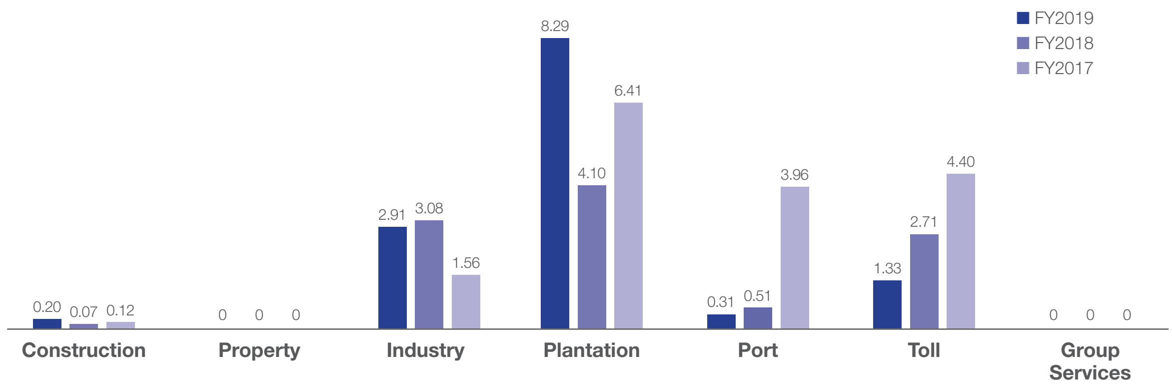


Managing and monitoring our OSH performance

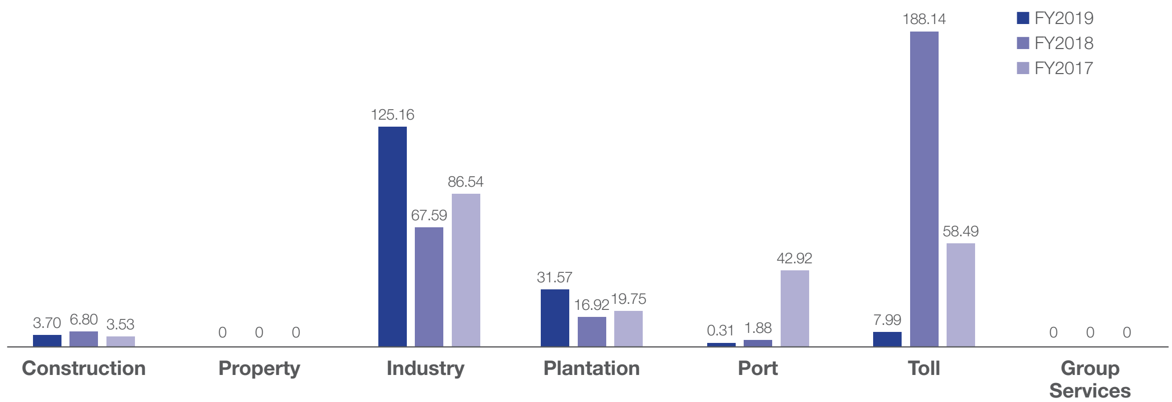
For the year under review, the Group recorded a Lost Time Injury ("LTI") frequency rate of 3.07. This indicator reflects the number of incidents occurring for every 1 million working hours. In accidents, the Group documented a total of 189 LTIs across all Divisions during the reporting period. The Plantation Division has the highest frequency rate due to the manual and physical nature of the working environment. To address this, the Division has conducted more trainings, implemented working permits at high risk stations at the mills and tightened overall supervision. The Port Division's frequency rate has also seen a decrease from FY2017 through to FY2019 due to the implementation of the Occupational Safety and Health Management System such as Risk Assessment before performing any activities, Job Safety Analysis, Safety Work Procedure and enforcement.

The severity rate measures the amount of time lost due to work-related injury occurring for every 1 million working hours. In our Industry Division, hand and finger injuries sustained during manual handling and activities were the most common type of accidents. We have since performed root cause analyses, taken corrective and preventive actions by applying the hierarchy of control method, enhanced our standard operating procedures as well as performed workers briefing. The Toll Division saw a 96% decrease in its severity rate from FY2018 following more constant monitoring, frequent toolbox talks, training and knowledge sharing.

LTI Frequency Rate (per 1 million man-hours worked)



LTI Severity Rate (per 1 million man-hours worked)



Achieving man-hours without LTI

Several project sites – TRX Unity, Almas Tower and Potpourri Ara Damansara – achieved their targeted LTI-free achievement with at least 1.5 million man-hours worked. The celebration served as an appreciation to all employees and subcontractors for their efforts in ensuring a safe workplace and subsequently achieving an accident free operation.

Collaborated with DOSH Kuala Lumpur and Putrajaya to raise public awareness on safety and health in conjunction with the World OSH Day 2018

During the financial year, the Construction and Industry Divisions received a total fine of RM60,000 due to fatality cases reported in the previous year. We regret all incidences at the workplace and continue to pursue our goal of zero fatalities. The Board and Management are committed to ensuring that the strategy and underpinning programmes are embedded in the Company to prevent future incidents. No work-related fatalities were reported during the reporting period.

Escalating OSH awareness, competency and collaborations

The human capital and its competency are regarded as one of the driving forces within any organisation. Ensuring high levels of OSH performance can only materialise when the workforce is competent and able to make the right decisions. In equipping our employees with the right competency and skillset, we carry out various programmes and initiatives to create a sense of responsibility and instil OSH as a key priority in the workplace.

ENSURING A FAIR, INCLUSIVE AND SAFE WORKPLACE

These initiatives are also extended to our subcontractors. In FY2019, 285 in-house and On-Job-Trainings were conducted at project sites on topics such as emergency response team awareness, scheduled waste management, sediment and erosion control, working at heights, plant and machinery and best management practices.

On 31 July 2018, we celebrated the *IJM HSE Day*, showcasing divisional OSH and environmental initiatives through live demonstration and exhibition. HSE campaigns were also carried out in the respective Divisions. The Construction Division launched the HSE campaign themed *Zero fatality – let's create a safer workplace* in FY2019. This commitment was cascaded out to all project sites and teams to ensure that all parties involved at the workplace are on the same page as the management in doing their utmost to create a safer workplace. The campaign acts as a platform for engagement among the members of the project and in support of events initiated by DOSH such as *Workplace Accident Free Week 2018*.

On-the-job demonstration on lifting by the supervisor to workers

Kuantan Port staff attending *Working at Height* training as part of the Fall Prevention Programme organised in collaboration with NIOSH and PERKESO

The launch of the OSH campaign themed *Zero fatality – let's create a safer workplace*

Workplace Accident Free Week 2018

On 5 March 2019, DOSH Putrajaya made a visit to our MRT V203 project to gain knowledge on the launching gantry and its work processes. Engagement programmes like these also help strengthen the relationship between the Company and authorities for future collaborations.

We also ran workshops on Occupational Safety and Health in Construction Industry (Management) ("OSHCIM"), in collaboration with DOSH, CIDB and Universiti Teknologi Malaysia. The guideline was established in 2017, based on the *Safety by Design* concept where clients, designers, contractors, competent persons and other duty holders work together to eliminate and control hazards through design at the pre-construction phase. IJM was identified as one of the market leaders to put the guideline into practice through a pilot project. The Property Division participated in a pilot programme to adopt OSHCIM at the Riana Dutamas Phase 2, Segambut project.

On 20 February 2019, the Port Division welcomed 60 doctors and lecturers from Malaysia One Health University Network. The visit allowed us to understand how we can work with the Health Ministry to prevent zoonotic outbreaks relating to international trade. The visitors were brought to the wharf area and container yard to gain insight on the facilities used to surveil and quarantine affected vessels or containers.

Port Division together with the Health Ministry addressing zoonotic outbreaks

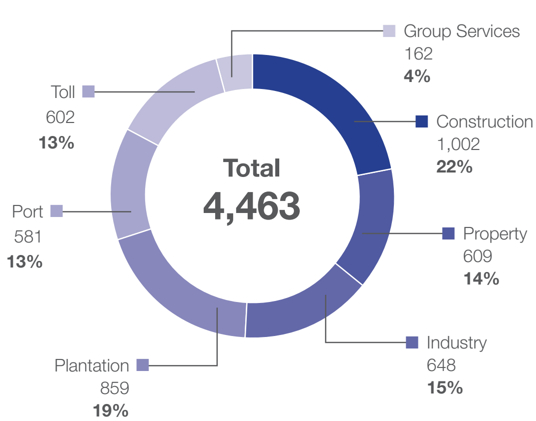

Mock-up accident at BESRAYA

On 25 October 2018, the Toll Division simulated a mock-up accident at the Loke Yew Toll Plaza, BESRAYA. This simulation exercise was done in collaboration with the Fire and Rescue Department, the Royal Malaysia Police, and several hospitals and first aid teams to increase employee awareness on road accidents management and the authorities involved when accidents take place.

DRIVING A DIVERSE AND DEDICATED WORKFORCE

Employees are the driving force for the sustainable growth of IJM Group, and this diverse body of employees is a valuable resource for the Group. IJM Group employed 4,463 employees across our business divisions as at 31 March 2019. The biggest employers are the Construction, Plantation and Industry Divisions that collectively employ 56% of the total workforce (excludes workers). Permanent full-time employees make up 85% of the total workforce.

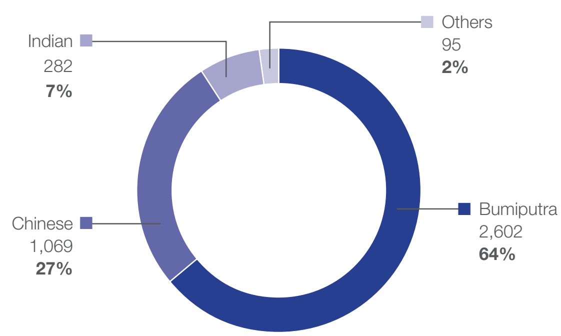
Employees by Division in FY2019



Our Diversity and Inclusion Policy instil our core value for *Respect for Diversity*. We recognise and respect each other regardless of gender, age, race, or through experience. Surrounding ourselves with talented people from different backgrounds is how we prepare for future opportunities and challenges. We fill our job vacancies according to ability, potential and performance, and all employment contracts comply with local employment laws.

In FY2019, 64% of the total Malaysian workforce were Bumiputra (Malays and the indigenous population), 27% Chinese and 7% Indian. Non-Malaysians constitute less than 1% of the workforce in all Divisions except for IJM Plantations Berhad and Group Services. The Plantation Division employs 47% of non-Malaysians in Sabah, East Malaysia and its Indonesian operations while Group Services employs 3% of non-Malaysians.

Malaysian Employees by Race in FY2019

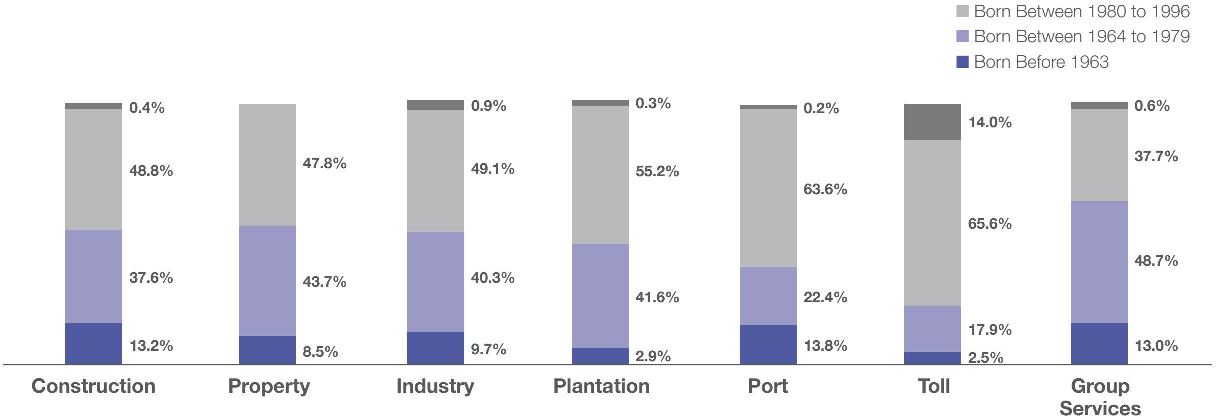


ENSURING A FAIR, INCLUSIVE AND SAFE WORKPLACE

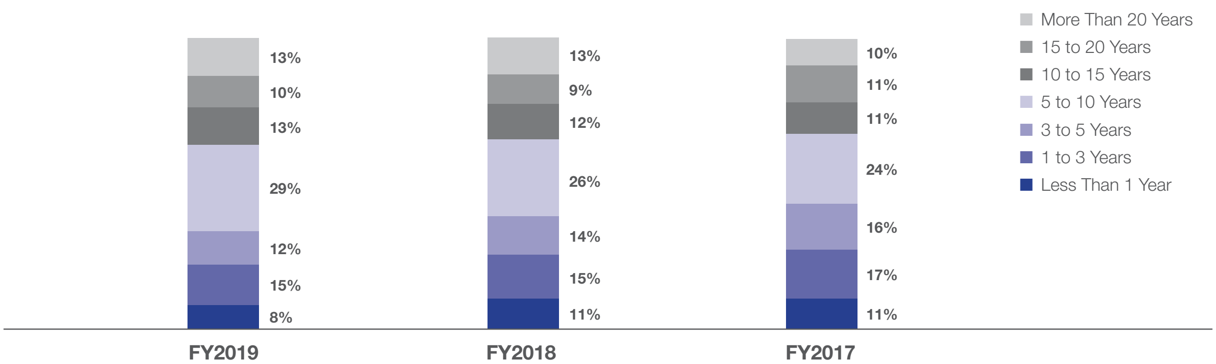
In the reporting year, we honoured 53 of our employees with the 20-years Long Service Awards. The award recognises their commitment, dedication and loyalty put forward throughout their years of service with the Group.

About 66% of the workforce have been with the Group for more than five years. In total, 13% of the workforce have been with the Group for more than 20 years and above.

Employees by Generation in FY2019

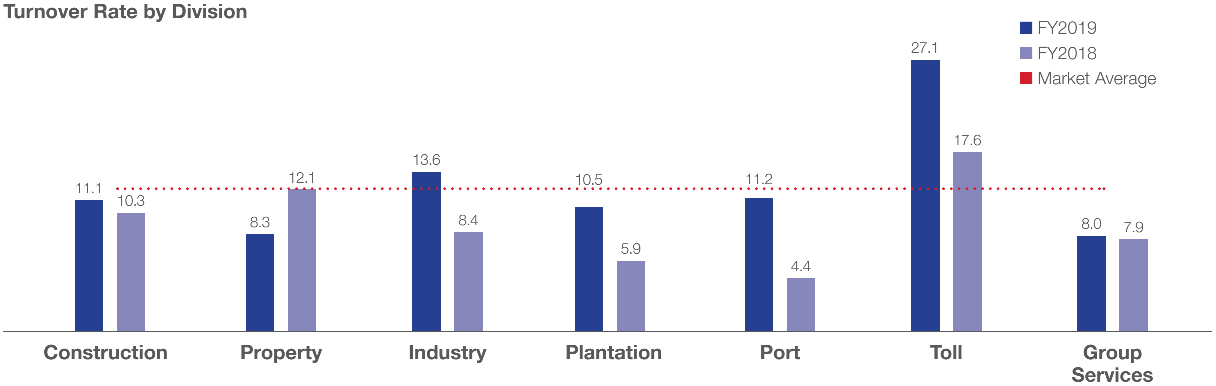


Workforce by Length of Services



Staff turnover remains a valuable indicator of the Group's sustainability and is an ongoing area of focus for us. Generally, our employee turnover rate remains lower than the market average of 12%, except for the Industry and Toll Divisions. The Toll Division hires many part-timers where high turnover is common, whilst the Industry Division saw an increase due to plant optimisation exercises carried out during the year. Voluntary leavers are all employees who resign or leave the business through a mutual agreement and does not include redundancy and retirement.

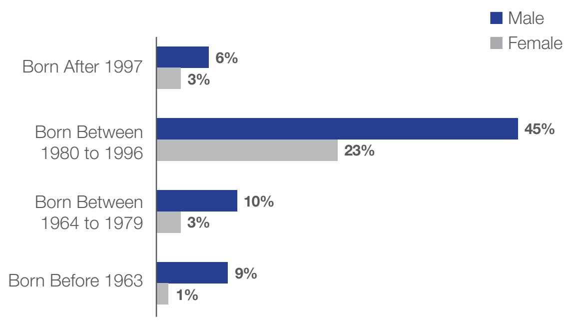
Turnover Rate by Division



Note:

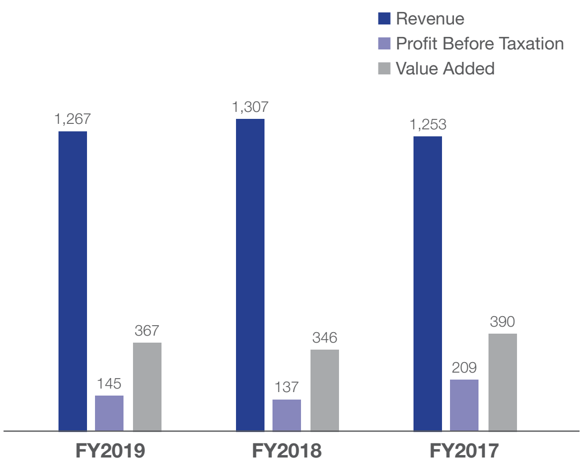
Market average turnover rate as published in the Market Remuneration Report by Korn Ferry dated September 2017. This is a survey conducted across all industries covering 360 companies nationwide.

Employee Turnover by Generation and Gender in FY2019

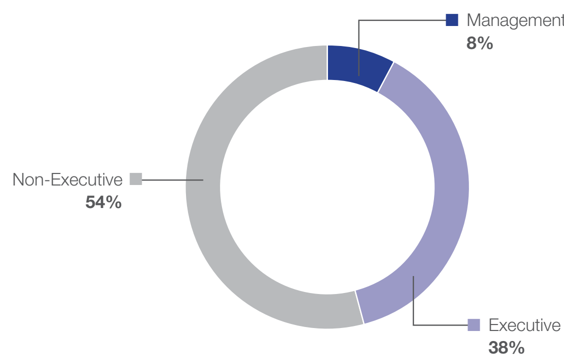


We do not tolerate discriminatory behaviour and are mindful when we hire new employees and in our interaction with each other. We are convinced that a diversified workforce and an open and appreciative corporate culture are important success factors for our business. We challenge ourselves to provide a workplace where the best individuals can thrive and apply their authentic selves to succeed along with the Group. IJM Group tracks, measures and evaluates our workforce representation and impact as part of our strategic business imperative to build a diverse and inclusive organisation.

Productivity per Employee (RM)



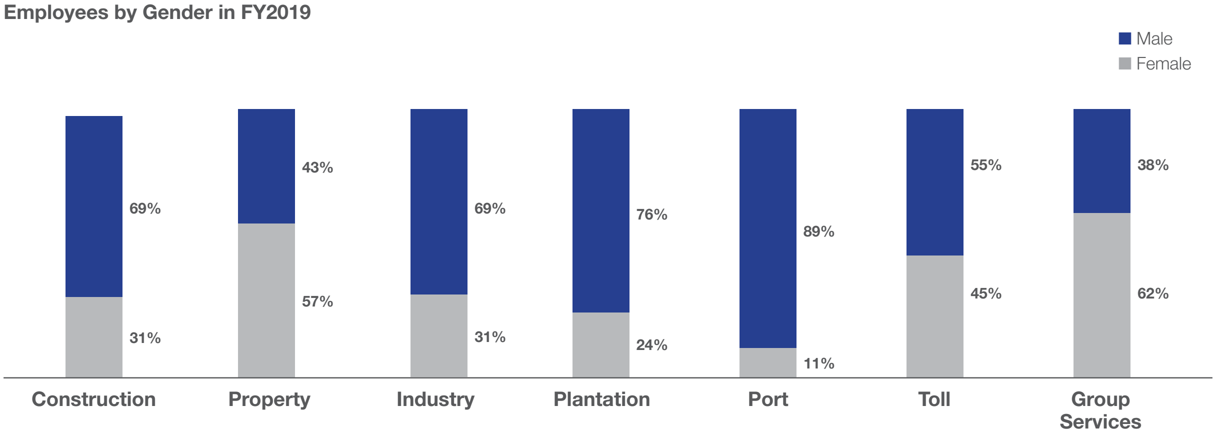
New Employee hires by Employee Category in FY2019



Including everyone in women's advancement

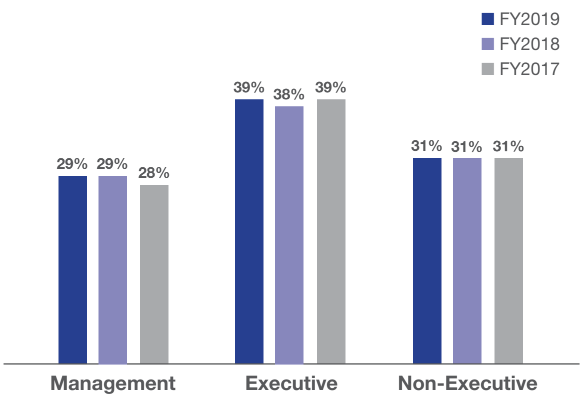
We support the career development of women at all employment levels. Female employees make up one third of the total workforce – 29% of management roles, 39% of executive roles and 31% of non-executive roles. This is in line with SDG 5 which calls specifically for gender equality and the empowerment of all women. Due to the nature of business, certain Divisions have a higher proportion of male employees versus female employees.

Employees by Gender in FY2019



ENSURING A FAIR, INCLUSIVE AND SAFE WORKPLACE

Women Representation by Employment Category



Women leaders participating in a workshop in conjunction with International Women's Day

Employee compensation and benefits

In today's competitive business climate, benefits and compensation are important factors in attracting and retaining employees. We continue to add and evolve our programmes to meet our employees' needs and position IJM as their employer of choice. It is important to recognise our employees' performance through appropriate remuneration in line with the market and maintain a positive employee experience.

We listen to our employees and provide a wide range of wellness programmes that cater to their physical and mental health, and financial wellbeing. The expanded benefits are part of IJM Group's ongoing commitment to support greater work-life balance for employees across the Group. As a compassionate employer, we continuously review and revise employee benefits.

Work Benefits Introduced or Revised in Each Calendar Year since 2011

Legend: ✤ New ♦ Revised

2011	2013	2015	2016	2017	2018
✤ Relocation cost ♦ Per diem allowance ♦ Hospitalisation and surgical benefit cascaded to all levels of employees	♦ Outpatient medical limits ✤ Optical ♦ Medical check-up extended to employees below the age of 45 ♦ Long Service Award and retirement gift choices	✤ Staggered hours ✤ Family care leave of 3 days ♦ Extended maternity leave for 30 days at half of the monthly basis salary	♦ Paternity leave increased from 2 to 3 days ♦ Subsistence allowance incidental expenses for employees on-site ♦ Term life coverage ✤ Private retirement scheme ♦ Personal accident coverage ♦ Hospitalisation and surgical coverage	✤ Flexible working hours ♦ Two Saturdays off (for those on-site) ✤ Return trip for overseas assignee and air travel for assignee's family ♦ International Assignment Policy	♦ Study and exam leave ✤ Bereavement leave and contribution ✤ Early release for expectant mothers and new fathers

IJM Group introduced the paid parental leave benefit in addition to other employee benefits. Parental leave enables our female and male employees to take time off work following the birth of their child while maintaining their jobs.

Return to Work Rates after Parental Leave by Gender in FY2019

Gender	Female	Male
Total employees who went on maternity or paternity leave	73	166
Return to work rate	99%	100%

Benefitting employees beyond their working years

On 2 October 2018, IJM was awarded the Highest Asset Under Management for Large Corporation at the CIMB Principal Corporate Private Retirement Scheme ("PRS") Conference 2018. This award recognises corporates that help their employees build a comfortable nest egg; proving our commitment towards our employees' well-being even beyond their working years. We are among one of the pioneers in the country who embraced corporate PRS for the benefit of our employees. We introduced the PRS in July 2016 as part of the financial wellness initiative to inculcate the habit of savings among employees for retirement.

Recognised at the CIMB Principal Corporate Private Retirement Scheme Conference 2018

Acting on employee engagements

Employee engagement measures the degree to which people are connected to the company they work for and is a core metric for measuring the health and success of the organisation. Following the feedback of the MyVoice Survey 2017, our business divisions constantly communicate with employees to keep them abreast on business direction and operational progress. These engagements are performed through different means such as regional meetings, townhalls, newsletters, emails and the internal Workplace platform by Facebook. IJM Group has also reviewed the performance management framework and processes, as well as remuneration structure to raise reward differentiation. The next MyVoice Survey will take place in early 2020.

We continue to engage our employees and learnt that our employees feel connected to the Company when we provide a fair and secure workplace. We want all our employees to feel valued and recognised for the part they play in our success. It is also important they feel healthy, motivated and at their best, not just at work but in everything they do. We continue to run employee wellness programmes in the four areas – emotional, financial, physical and environmental wellness. This year, we centered our wellness programmes around family, finances, mental and physical health.

Senior Management Forum 2018 themed *Waking Up to a New Reality*


Health check-up booth during the International Men's Day event


160 Port employees getting updates from the Management at the Townhall in early 2019

ENSURING A FAIR, INCLUSIVE AND SAFE WORKPLACE

Sports and recreation help bind our employees through shared experiences and shared achievements. Our Kelab Sukan IJM ("KSIJM") organises a variety of sport and recreational activities throughout the year. We also provide a platform for the IJM Toastmasters Club, initiated in 2004 by our own employees, to provide exposure on public speaking and leadership skills.

Employees practice their public speaking and leadership skills through the IJM Toastmasters Club

IJM Games 2018

Our Plantation Division hosted the 12th edition of the biennial IJM Games. The 3-days event saw 5 business divisions, 10 sports, 267 medals, 408 athletes, 324 volunteers and 790 people gathered in Sandakan, Sabah. The games, themed *Celebrate Diversity, Celebrate Extraordinary*, brought together employees from different backgrounds competing with mutual respect, friendship and fair play. The IJM Games reveal the unifying power of sports and dedication to excellence and achievement, the same exuberance shown in our work culture. IJMers' inherent passion for sports shines through in events like this and is amplified through community-based sporting events organised throughout the year at the national and grassroots level.

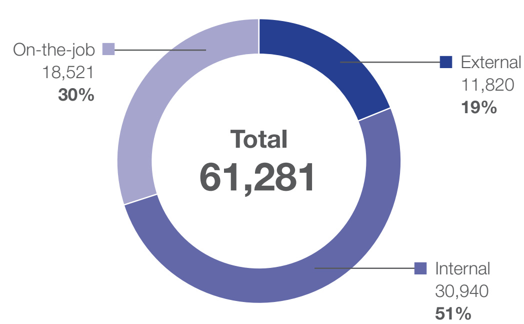
Oath-taking, marking the opening of the IJM Games 2018 hosted by the Plantation Division

KSIJM committee members organised the annual dinner 2018 themed *The Greatest Show*

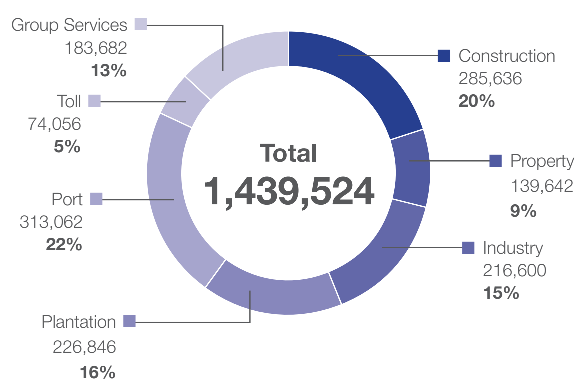
Learning and development

A clear focus on learning and development is crucial to ensuring we keep our people engaged, productive and successful at every stage of their careers. In FY2019, IJM Group invested more than RM1.4 million in 3,944 employees over 61,281 training hours. We also launched the IJM learning and development micro-learning series initiative in November 2018 to deliver bite-size learnings through online platforms.

Training Hours by Type in FY2019



Learning and Development Spending by Division in FY2019 (RM)




Employees undergoing value adding training

We continue to invest in development programmes to enhance our employees' leadership competencies through the Leadership Accelerated Development Programme ("LEAD"). The second cohort of the two-year programme commenced early 2018 and saw 15 participants enhancing competency through a variety of leadership modules such as global mindset, resilience, learning agility and digital proficiency. LEAD provides exposure to these promising leaders to develop the capabilities needed to perform well and keep up with a fast paced and dynamic environment.

PROTECTING HUMAN RIGHTS

We believe that societies, economies and businesses thrive when human rights are protected. We recognise our responsibility to human rights in all aspects of doing business. In running an ethical business, our Human Rights Policy stipulates our commitment to treating people with dignity and respect within the Group and throughout our supply chain. We are committed to developing and retaining a diverse and inclusive workforce, free of unlawful discrimination, harassment and retaliation.

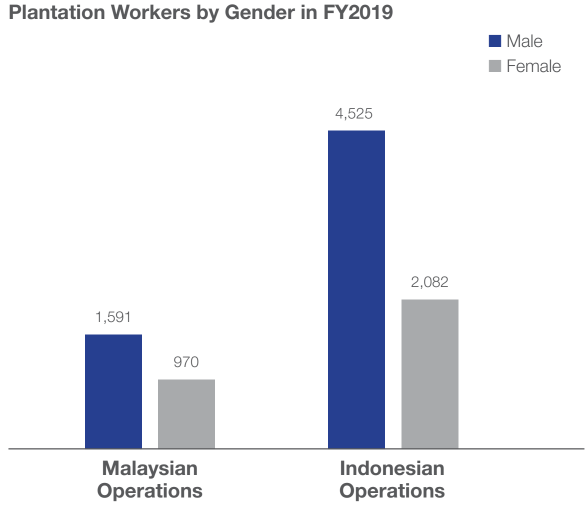
We do not tolerate any discrimination, harassment or retaliation by employees including sexual harassment, degrading or offensive comments or jokes, violence, intimidation or threats. On 7 December 2018, our managers received training on identifying harassment in the workplace. We enforce the policy by providing employees a method to report concerns through whistle blowing. We promptly investigate all complaints and take appropriate responsive actions when warranted.

We do not tolerate child labour and any form of forced labour in our direct operations. IJM Group does not and will not employ any person below the age of 18 in Malaysia and 17 in Indonesia.

IJM ensures our employees earn a fair wage. In line with the revision of the Minimum Wages Order (Amendment) 2018 at the end of 2018, the minimum wage throughout Malaysia has been increased to RM1,100. The previous minimum wage was RM1,000 in Peninsular Malaysia and RM920 in Sabah, Sarawak and Labuan. The Plantation Division, which has operations in Indonesia, adheres to the minimum wage agreements set by each Indonesian provincial government and observes all related guidelines and revisions in the agreements.

The plantation industries that we operate in relies heavily on guest workers. Our guest workers are hired directly by the Plantation Division, who are mostly from Indonesia. We are committed to protecting these workers' rights. We comply with all applicable labour laws, rules and regulations in the countries where we operate.

Plantation Workers by Gender in FY2019




Legalisation process with the Indonesian Consulate for workers in Sugut region

We respect the rights of our employees to associate and to collectively bargain in accordance with national laws. We recognise union representation, which amounts to 2% of the Group's workforce, all of whom are from the Port Division. The communication of the collective bargaining agreements is performed in English and Bahasa Malaysia.

6
FINANCIAL STATEMENTS & OTHERS

Inspiring growth through continuous effort and resilience

DIRECTORS' REPORT AND STATEMENT

The Directors have pleasure in submitting their report and statement together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2019.

PRINCIPAL ACTIVITIES

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

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

FINANCIAL RESULTS

	The Group RM'000	The Company RM'000
Net profit for the financial year	440,709	403,615
Attributable to:		
Owners of the Company	418,916	403,615
Non-controlling interests	21,793	-
	440,709	403,615

DIVIDENDS

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

	RM'000
In respect of the financial year ended 31 March 2018:	
A single tier second interim dividend of 3 sen per share, paid on 20 July 2018	108,927
In respect of the financial year ended 31 March 2019:	
A single tier first interim dividend of 2 sen per share, paid on 27 December 2018	72,541
	181,468

On 29 May 2019, the Directors have 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 as at 5:00 pm on 28 June 2019.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2019.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES

During the financial year, the number of issued and paid-up ordinary shares of the Company was increased from 3,628,678,020 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") at the following issue prices:

Number of shares issued units	ESOS exercise price RM/share	Award of options under ESOS ("ESOS Award")
9,200	2.16	First ESOS Award
19,600	2.54	Second ESOS Award
28,800		

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

TREASURY SHARES

During the financial year, the Company repurchased 9,039,000 of its ordinary shares from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") for RM15,965,746. The average price paid for the shares repurchased was approximately RM1.77 per share.

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

LONG TERM INCENTIVE PLAN

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

The main features of the ESOS are as follows:

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

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

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

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

DIRECTORS' REPORT AND STATEMENT (cont'd)

LONG TERM INCENTIVE PLAN (cont'd)

The main features of the ESOS are as follows: (cont'd)

(e) The details of the First, Second, Third, Fourth, Fifth, Sixth and Seventh ESOS Awards are as follows:

First ESOS Award

Award Date	Number of options awarded	Option Price on Award Date	Adjusted Option Price	Vesting Dates	
24/12/12	29,640,600 options	RM4.44 per share	RM2.16 per share Note 1	24/12/13	40%
				24/12/14	30%
				24/12/15	30%

Second ESOS Award

Award Date	Number of options awarded	Option Price on Award Date	Adjusted Option Price	Vesting Dates	
24/12/13	31,729,600 options	RM5.22 per share	RM2.54 per share Note 2	24/12/14	40%
				24/12/15	30%
				24/12/16	30%

Third ESOS Award

Award Date	Number of options awarded	Option Price on Award Date	Adjusted Option Price	Vesting Dates	
24/12/14	10,651,000 options	RM5.88 per share	RM2.91 per share Note 3	24/12/15	40%
				24/12/16	30%
				24/12/17	30%

Fourth ESOS Award

Award Date	Number of options awarded	Option Price on Award Date	Adjusted Option Price	Vesting Dates	
24/12/15	19,605,100 options	RM3.06 per share	RM3.03 per share Note 4	24/12/16	40%
				24/12/17	30%
				24/12/18	30%

Fifth ESOS Award

Award Date	Number of options awarded	Option Price on Award Date	Vesting Dates	
24/12/16	16,034,000 options	RM2.93 per share	24/12/17	40%
			24/12/18	30%
			24/12/19	30%

Sixth ESOS Award

Award Date	Number of options awarded	Option Price on Award Date	Vesting Dates	
30/3/18	79,522,700 options	RM2.70 per share	30/3/19	40%
			30/3/20	30%
			30/3/21	30%

LONG TERM INCENTIVE PLAN (cont'd)

The main features of the ESOS are as follows: (cont'd)

(e) The details of the First, Second, Third, Fourth, Fifth, Sixth and Seventh ESOS Awards are as follows: (cont'd)

Seventh ESOS Award

Award Date	Number of options awarded	Option Price on Award Date	Vesting Dates	
30/3/19	41,834,600 options	RM2.16 per share	30/3/20	40%
			30/3/21	30%
			30/3/22	30%

Note:

1. The option price had been adjusted to RM4.37 on 13 June 2014, following the declaration of a single tier special dividend of 10 sen per share for the financial year ended 31 March 2014 on 27 May 2014. The option price was adjusted to RM2.18 on 11 September 2015, following the 1:1 Bonus Issue. The option price was further adjusted to RM2.16 on 25 June 2016, following the declaration of a single tier special dividend of 3 sen per share for the financial year ended 31 March 2016 on 26 May 2016.
2. The option price had been adjusted to RM5.14 on 13 June 2014, following the declaration of a single tier special dividend of 10 sen per share for the financial year ended 31 March 2014 on 27 May 2014. The option price was adjusted to RM2.57 on 11 September 2015, following the 1:1 Bonus Issue. The option price was further adjusted to RM2.54 on 25 June 2016, following the declaration of a single tier special dividend of 3 sen per share for the financial year ended 31 March 2016 on 26 May 2016.
3. The option price was adjusted to RM2.94 on 11 September 2015, following the 1:1 Bonus Issue. The ESOS exercise price was further adjusted to RM2.91 on 25 June 2016, following the declaration of a single tier special dividend of 3 sen per share for the financial year ended 31 March 2016 on 26 May 2016.
4. The option price had been adjusted to RM3.03 on 25 June 2016, following the declaration of a single tier special dividend of 3 sen per share for the financial year ended 31 March 2016 on 26 May 2016.

The vesting of the options is contingent upon the acceptance of the ESOS Awards by the eligible Group Employee and fulfilment of the relevant vesting conditions as at the relevant vesting dates. The vesting conditions include the tenure and performance of the eligible Group Employee who have accepted the ESOS Awards.

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

The main features of the ESGP are as follows:

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

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

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

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

DIRECTORS' REPORT AND STATEMENT (cont'd)

LONG TERM INCENTIVE PLAN (cont'd)

The main features of the ESGP are as follows: (cont'd)

(c) The Company had made the following awards of shares under the ESGP to the eligible Group Employee:-

Date of Award	Awards	Provisional number of shares awarded to eligible Group Employee		Tentative Vesting Dates	
		PSP*1	RSP*2	50%	50%
15 April 2013	First ESGP Award	1,516,100	4,559,300	15 June 2015	15 June 2016
15 April 2014	Second ESGP Award	1,357,100	5,034,400	15 June 2016	15 June 2017
15 April 2015	Third ESGP Award	1,429,000	5,321,900	15 June 2017	15 June 2018
15 April 2016	Fourth ESGP Award	3,701,400	11,552,800	15 June 2018	15 June 2019
15 April 2017	Fifth ESGP Award	3,379,200	11,605,800	15 June 2019	15 June 2020
15 April 2018	Sixth ESGP Award	3,169,000	11,600,600	15 June 2020	15 June 2021
15 April 2019	Seventh ESGP Award	3,181,200	11,661,600	15 June 2021	15 June 2022

*1 The quantum of shares to be vested may vary from 0% to 200% of the provisional number of shares awarded.
*2 The quantum of shares to be vested may vary from 0% to 150% of the provisional number of shares awarded.

The vesting of shares is contingent upon the acceptance of the ESGP Awards by the eligible Group Employee and fulfilment of the relevant vesting conditions as at the relevant vesting dates. The shares are vested to the eligible Group Employee at no consideration over a period of up to three (3) years.

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

The aggregate maximum allocation of the options and shares to the Directors and senior management of the Group shall not be more than 50% of the Company's shares available under the LTIP. As at 31 March 2019, the total number of options (ESOS) and shares (ESGP) allocated to the Directors and senior management of the Group is 18.55% of the shares available under the LTIP. Whereas, the total number of options (ESOS) and shares (ESGP) allocated to the Directors and senior management of the Group during the financial year is 3.28% of the shares available under the LTIP.

DIRECTORS

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

Tan Sri Abdul Halim bin Ali #*@, *Independent Non-Executive Chairman*
Tan Sri Dato' Tan Boon Seng @ Krishnan, *Deputy Non-Executive Chairman*
Dato' Soam Heng Choon @, *Chief Executive Officer ("CEO") & Managing Director ("MD")*
Mr Lee Chun Fai, *Deputy CEO & Deputy MD*
Datuk Lee Teck Yuen *, *Senior Independent Non-Executive Director*
Datuk Ir. Hamzah bin Hasan #*, *Independent Non-Executive Director*
Mr Pushpanathan a/l S A Kanagarayar #, *Independent Non-Executive Director*
Mr Goh Tian Sui, *Independent Non-Executive Director*
Dato' David Frederick Wilson @, *Independent Non-Executive Director*
Tunku Alina Binti Raja Muhd Alias, *Independent Non-Executive Director*
Ms Tan Ting Min, *Independent Non-Executive Director*

members of the Audit Committee
* members of the Nomination and Remuneration Committee
@ members of the Securities and Options Committee

DIRECTORS' SHAREHOLDING

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

IJM Corporation Berhad

	Number of ordinary shares			
Name of Directors	**Balance at 1.4.2018**	**Acquired**	**Disposed**	**Balance at 31.3.2019**
Tan Sri Abdul Halim bin Ali				
Direct interest	30,000	-	-	30,000
Tan Sri Dato' Tan Boon Seng @ Krishnan				
Direct interest	6,043,066	450,000	-	6,493,066
Indirect interest	371,972(1)	50,000	-	421,972(1)
Dato' Soam Heng Choon				
Direct interest	1,561,800	352,700	-	1,914,500
Lee Chun Fai				
Direct interest	424,300	172,200	-	596,500
Indirect interest	250,000(1)	-	-	250,000(1)
Datuk Lee Teck Yuen				
Direct interest	11,764,692	-	-	11,764,692
Goh Tian Sui				
Indirect interest	10,000(1)	-	-	10,000(1)

	Options over ordinary shares ("Options") under Employee Share Option Scheme ("ESOS")					
	Provisional Number of Options+		Number of Options			
Name of Directors	**At 1.4.2018**	**At 31.3.2019**	**At 1.4.2018**	**Vested**	**Exercised**	**At 31.3.2019**
First ESOS Award on 24.12.2012						
Lee Chun Fai	-	-	376,400	-	-	376,400
Second ESOS Award on 24.12.2013						
Lee Chun Fai	-	-	378,500	-	-	378,500
Third ESOS Award on 24.12.2014						
Dato' Soam Heng Choon	-	-	935,000	-	-	935,000
Lee Chun Fai	-	-	162,800	-	-	162,800
Fourth ESOS Award on 24.12.2015						
Dato' Soam Heng Choon	396,000	-	924,000	396,000	-	1,320,000
Lee Chun Fai	115,500	-	269,500	115,500	-	385,000
Sixth ESOS Award on 30.03.2018						
Dato' Soam Heng Choon	1,320,000	792,000	-	528,000	-	528,000
Lee Chun Fai	660,000	396,000	-	264,000	-	264,000
Seventh ESOS Award on 30.03.2019						
Dato' Soam Heng Choon	-	660,000	-	-	-	-
Lee Chun Fai	-	330,000	-	-	-	-

DIRECTORS' REPORT AND STATEMENT (cont'd)

DIRECTORS' SHAREHOLDING (cont'd)

IJM Corporation Berhad (cont'd)

Name of Directors	Number of ordinary shares ("Shares") under Employee Share Grant Plan ("ESGP") — Performance Share Plan++ +Provisional Number at 1.4.2018	Performance Share Plan++ +Provisional Number at 31.3.2019	Performance Share Plan++ Vested	Retention Share Plan+++ +Provisional Number at 1.4.2018	Retention Share Plan+++ +Provisional Number at 31.3.2019	Retention Share Plan+++ Vested
Third ESGP Award on 15.4.2015						
Dato' Soam Heng Choon	196,500	-	98,200	50,600	-	75,900
Fourth ESGP Award on 15.4.2016						
Dato' Soam Heng Choon	471,600	235,800	117,900	121,400	60,700	60,700
Lee Chun Fai	268,600	94,800	86,900	107,400	37,900	85,300
Fifth ESGP Award on 15.4.2017						
Dato' Soam Heng Choon	471,600	471,600	-	121,400	121,400	-
Lee Chun Fai	189,600	189,600	-	75,800	75,800	-
Sixth ESGP Award on 15.4.2018						
Dato' Soam Heng Choon	-	471,600	-	-	121,400	-
Lee Chun Fai	-	189,600	-	-	75,800	-

IJM Plantations Berhad (a subsidiary)

Name of Directors	Number of ordinary shares — Balance at 1.4.2018	Acquired	Disposed	Balance at 31.3.2019
Tan Sri Abdul Halim bin Ali				
Direct interest	20,000	-	-	20,000
Tan Sri Dato' Tan Boon Seng @ Krishnan				
Direct interest	716,060	-	-	716,060
Indirect interest	481,033(1)	-	-	481,033(1)

Notes:-

(1) Through a family member

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

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

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

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

DIRECTORS' BENEFITS AND REMUNERATION

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

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

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

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a liability insurance for the Directors and officers of the Group throughout the financial year, which provides appropriate insurance cover for the Directors and officers of the Group. The amount of insurance premium paid for the financial year 2019 was RM168,352.

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

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

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

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

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

DIRECTORS' REPORT AND STATEMENT (cont'd)

OTHER STATUTORY INFORMATION (cont'd)

In the opinion of the Directors:

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

(b) the financial statements of the Group and of the Company set out on pages 178 to 367 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2019 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016.

LIST OF DIRECTORS OF SUBSIDIARIES

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

Dato' Sri Haji Abd Rahim bin Abdul
Abdullah B. Mohammad Sheriff Sahib
Tuan Haji Adam bin Abdul Hamid
Aw Soon Lee
Dato' Azahari bin Muhammad Yusof
Aziz Bin Bahaman
Chai Kian Soon
Chan Kai Leong
Chan Kok Keong
Chang Cheen Ying
Chen Silu
Chitra Ramachandran
Datuk Dr Choo Yuen May
Choy Teik San
Chow Man Fui
Chua Lay Hoon
Cyrus Eruch Daruwalla
Dato' David Frederick Wilson
Deepak Das Gupta
Devananda Naraidoo
Edward Chong Sin Kiat
Faizal Amir bin Mohd Zain
Fatimah Binti Merican
Fong Wah Sin
Gan Chin Giap
Gan Sher Lin
Goh Chee Huat
Harjeet Singh Daya Singh
Dato' Hoo Kim See
Hu Hai Shan
James Ponniah a/l Joseph
Jenny Pascaline Anna
John Patrick Griffin
John Lee Yow Meng
Joseph Tek Choon Yee
Dato' Josphine Juliana A/P S Arulanandam
Khor Kar Buan
Dato' Khor Kiem Teoh
Khoo Choom Kwong
Kunalan A/L Thamudaran
Lau Liang See
Lee Chun Fai
Lee Chee Heong
Lee Hong Chai
Datuk Lee Teck Yuen
Leong Yew Kuen
Liew Hau Seng
Liew Kiam Woon
Lu, Yong
Marie Cindhia Veronique Magny-Antoine
Mark Andrew Lahiff
Ma, Zhengguo
Mazlim bin Husin
Dato' Md Naim bin Nasir
Dato' Mohamed Feisal bin Ibrahim
M. Ramachandran a/l V. D. Nair
Najeeb Amin
Nicholas James Terry
Novan Maharahaje
Ong Teng Cheng
Ong Wah Cheong
Tan Sri Datuk Wira Pang Tee Chew
Pook Fong Fee
Purushothaman a/l Kumaran
Pushpanathan a/l S A Kanagarayar
Ramesh Chandra Sinha
Ravi Kumar Kandala
Rishal Tanee
Rodziah binti Morshidi
Sandra Segran a/l Kenganathan
Dato' Soam Heng Choon
Syed Sarfaraz Haider Rizvi
Tan Boon Leng
Tan Sri Dato' Tan Boon Seng @ Krishnan
Tan Khee Leng
Tan Khuan Beng
Tang King Hua
Tharamangalam Sundaramurthy Subramanyam
Dato' Toh Chin Leong
T. Vijay Kumar
Tong Wai Yong
Venkata Sunil Kumar Aripirala
Venkatesen Saminada Chetty
Wan Salwani binti Wan Yusoff
Wong Soon Fah
Yeo Yee Khim
Yong Juen Wah
Zabidin bin Abu Samah
Zhou, Yan

SUBSIDIARIES

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

AUDITORS' REMUNERATION

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

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

This report and statement was approved by the Board of Directors on 29 May 2019.

Signed on behalf of the Board of the Directors:

TAN SRI ABDUL HALIM BIN ALI
DIRECTOR

DATO' SOAM HENG CHOON
DIRECTOR

Petaling Jaya

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31 March 2019

	Note	The Group 2019 RM'000	The Group 2018 RM'000	The Company 2019 RM'000	The Company 2018 RM'000
Operating revenue	4,13	5,655,661	5,965,587	540,030	486,561
Cost of sales		(4,506,479)	(4,807,627)	(269)	(404)
Gross profit		1,149,182	1,157,960	539,761	486,157
Other operating income		216,577	202,026	115,435	104,777
Tendering, selling and distribution expenses		(123,485)	(117,503)	-	-
Administrative expenses		(339,528)	(365,614)	(39,092)	(44,329)
Other operating expenses		(153,406)	(79,073)	(88,700)	(63,702)
Net impairment of financial assets		(3,987)	-	-	-
Operating profit before finance cost	5	745,353	797,796	527,404	482,903
Finance cost	9	(225,103)	(185,674)	(103,675)	(81,277)
Operating profit after finance cost		520,250	612,122	423,729	401,626
Share of profits of associates		142,551	8,242	-	-
Share of losses of joint ventures		(14,813)	(9,303)	-	-
Profit before taxation	13	647,988	611,061	423,729	401,626
Income tax expense	10	(207,279)	(232,799)	(20,114)	(16,380)
Net profit for the financial year		440,709	378,262	403,615	385,246
Other comprehensive income (net of tax):					
Items that will not be reclassified to profit or loss:					
Actuarial gain on defined benefit plan		1,831	1,643	-	-
Share of other comprehensive losses of associates		-	(3,449)	-	-
Others		-	(38)	-	-
		1,831	(1,844)	-	-
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences of foreign operations		(4,072)	(169,488)	231	4,129
Share of other comprehensive losses of associates		(1,348)	(19,029)	-	-
Realisation of other comprehensive loss arising from disposal of foreign subsidiary and associate		21,740	-	-	-
Realisation of other comprehensive loss arising from dilution of interests in an associate		-	1,873	-	-
		16,320	(186,644)	231	4,129
		18,151	(188,488)	231	4,129
Total comprehensive income for the financial year		458,860	189,774	403,846	389,375

	Note	The Group 2019 RM'000	The Group 2018 RM'000	The Company 2019 RM'000	The Company 2018 RM'000
Net profit attributable to:					
Owners of the Company		418,916	346,651	403,615	385,246
Non-controlling interests		21,793	31,611	-	-
Net profit for the financial year		440,709	378,262	403,615	385,246
Total comprehensive income attributable to:					
Owners of the Company		426,928	209,116	403,846	389,375
Non-controlling interests		31,932	(19,342)	-	-
Total comprehensive income for the financial year		458,860	189,774	403,846	389,375
Earnings per share for net profit attributable to owners of the Company:					
- Basic	11(a)	11.56 Sen	9.56 Sen		
- Fully diluted	11(b)	11.55 Sen	9.53 Sen		

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2019

	Note	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	14(A)	6,099,350	6,074,349	6,022,651
Treasury shares	14(B)	(18,070)	(2,104)	(10)
Shares held under trust	14(D)	(1,379)	(1,521)	(4,016)
Exchange translation reserve		(174,332)	(181,678)	(45,739)
Share-based payment reserve		105,934	85,048	80,138
Other reserves	15	32,476	38,567	35,874
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	56	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	16	2,755,848	1,910,000	1,950,000
Term loans	17	1,982,960	940,150	2,121,809
Government support loans	18	92,970	125,715	154,474
Hire purchase and lease payables	19	11	290	802
Deferred tax liabilities	22	614,540	592,643	588,471
Trade and other payables	23	347,469	541,229	542,988
Contract liabilities	40	-	155,461	158,414
Retirement benefits	24	21,831	19,410	10,511
		5,815,629	4,284,898	5,527,469
Deferred income	26	70,355	70,355	73,063
		17,270,405	14,873,548	16,171,740
NON-CURRENT ASSETS				
Property, plant and equipment	27	2,946,837	2,753,002	2,855,864
Land use rights	28	145,968	150,668	165,831
Investment properties	29	584,162	498,601	68,867
Concession assets	30	3,568,740	3,342,386	3,097,066
Associates	32	842,859	823,540	893,096
Joint ventures	33	764,503	708,630	754,288
Available-for-sale financial assets	34	-	2,155	2,155
Financial assets at fair value through other comprehensive income	34	3,665	-	-
Long term receivables	35	206,220	251,352	176,699
Intangible assets	36	102,200	101,596	102,618
Deferred tax assets	22	371,200	319,521	319,014
Inventories	37	631,921	663,465	514,788
		10,168,275	9,614,916	8,950,286

	Note	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
CURRENT ASSETS				
Inventories	37	8,236,097	7,683,817	7,159,333
Produce growing on bearer plants	38	7,750	10,615	13,249
Trade and other receivables	39	2,090,197	1,713,724	1,777,392
Contract assets	40	326,836	280,263	274,274
Financial assets at fair value through profit or loss	41	444,699	311,079	299,164
Derivative financial instruments	21	4,470	1,055	2,909
Tax recoverable		169,697	150,041	129,329
Deposits, cash and bank balances	42	1,557,953	1,467,653	2,147,777
Assets held for sale	43	-	124	-
		12,837,699	11,618,371	11,803,427
Less:				
CURRENT LIABILITIES				
Contract liabilities	40	773,877	478,213	463,233
Trade and other payables	44	3,101,618	2,934,322	2,360,112
Current tax liabilities		55,769	34,465	12,979
Derivative financial instruments	21	4,467	5,858	-
Provisions	25	2,870	2,764	2,753
Borrowings				
- Bank overdrafts	45	75,753	32,309	44,514
- Others	45	1,721,215	2,871,808	1,698,382
		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

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 March 2019

	Note	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	14(A)	6,099,350	6,074,349	6,022,651
Treasury shares	14(B)	(18,070)	(2,104)	(10)
Shares held under trust	14(D)	(1,379)	(1,521)	(4,016)
Exchange translation reserve		2,151	1,920	(2,209)
Share-based payment reserve		105,934	85,048	80,138
Retained profits		493,910	298,160	184,957
TOTAL EQUITY		6,681,896	6,455,852	6,281,511
NON-CURRENT LIABILITIES				
Bonds	16	1,300,000	1,300,000	1,300,000
Term loans	17	244,770	-	176,940
Trade and other payables	44	827,662	852,537	948,028
		2,372,432	2,152,537	2,424,968
		9,054,328	8,608,389	8,706,479
NON-CURRENT ASSETS				
Property, plant and equipment	27	11,758	1,840	2,430
Investment properties	29	7,266	7,440	7,312
Subsidiaries	31	7,247,640	7,107,756	7,038,258
Associates	32	280,605	332,800	371,800
Joint ventures	33	239,938	232,819	225,700
Available-for-sale financial assets	34	-	2,050	2,050
Financial assets at fair value through other comprehensive income	34	2,050	-	-
Deferred tax assets	22	1,711	1,941	2,132
		7,790,968	7,686,646	7,649,682

	Note	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
CURRENT ASSETS				
Trade and other receivables	39	2,223,660	1,999,562	1,357,052
Contract assets	40	-	-	7
Financial assets at fair value through profit or loss	41	10,545	18,740	20,807
Deposits, cash and bank balances	42	28,095	85,316	230,397
Tax recoverable		-	-	2,196
Assets held for sale	43	-	124	-
		2,262,300	2,103,742	1,610,459
Less:				
CURRENT LIABILITIES				
Contract liabilities	40	891	939	850
Trade and other payables	44	400,883	330,943	341,714
Current tax liabilities		3,127	778	-
Derivative financial instruments	21	4,467	5,858	-
Borrowings				
- Bank overdraft	45	-	-	1,098
- Others	45	589,572	843,481	210,000
		998,940	1,181,999	553,662
NET CURRENT ASSETS		1,263,360	921,743	1,056,797
		9,054,328	8,608,389	8,706,479

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 March 2019

The Group	Note	Share capital RM'000	Treasury shares RM'000	Shares held under trust RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Share-based payment reserve RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000	Perpetual Sukuk of a subsidiary RM'000	Non-controlling interests RM'000	Total equity RM'000
		Attributable to owners of the Company											
At 1 April 2018													
- as previously reported		6,074,349	(2,104)	(1,521)	91,721	(186,254)	85,048	51,092	3,376,581	9,488,912	-	1,276,411	10,765,323
- effects of transition from FRSs to MFRSs	55	-	-	-	(91,721)	4,576	-	(12,525)	(42,747)	(142,417)	-	(104,611)	(247,028)
		6,074,349	(2,104)	(1,521)	-	(181,678)	85,048	38,567	3,333,834	9,346,495	-	1,171,800	10,518,295
- effects of adoption of MFRS 9	55	-	-	-	-	226	-	(6,300)	(77,128)	(83,202)	-	-	(83,202)
At 1 April 2018, as restated		6,074,349	(2,104)	(1,521)	-	(181,452)	85,048	32,267	3,256,706	9,263,293	-	1,171,800	10,435,093
Comprehensive income:													
Net profit for the financial year		-	-	-	-	-	-	-	418,916	418,916	-	21,793	440,709
Other comprehensive income:													
Currency translation differences arising from translation of net investment in foreign operations		-	-	-	-	(13,272)	-	-	-	(13,272)	-	9,200	(4,072)
Realisation of other comprehensive loss arising from disposal of foreign subsidiary and associate		-	-	-	-	21,740	-	-	-	21,740	-	-	21,740
Share of other comprehensive losses of associates		-	-	-	-	(1,348)	-	-	-	(1,348)	-	-	(1,348)
Actuarial gain on defined benefit plan		-	-	-	-	-	-	-	892	892	-	939	1,831
		-	-	-	-	7,120	-	-	892	8,012	-	10,139	18,151
Total comprehensive income for the financial year		-	-	-	-	7,120	-	-	419,808	426,928	-	31,932	458,860

The Group (cont'd)	Note	Share capital RM'000	Treasury shares RM'000	Shares held under trust RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Share-based payment reserve RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000	Perpetual Sukuk of a subsidiary RM'000	Non-controlling interests RM'000	Total equity RM'000
		Attributable to owners of the Company											
Share of reserves in an associate	15(a)	-	-	-	-	-	-	409	(299)	110	-	-	110
Transferred to retained profits	15(c)	-	-	-	-	-	-	(200)	200	-	-	-	-
Issuance of ESOS and ESGP		-	-	-	-	-	45,817	-	-	45,817	-	-	45,817
Transactions with owners:													
Accretion of interest in a subsidiary		-	-	-	-	-	-	-	(274)	(274)	-	(854)	(1,128)
Single tier second interim dividend:													
- Year ended 31 March 2018	12	-	-	-	-	-	-	-	(108,927)	(108,927)	-	-	(108,927)
Single tier first interim dividend:													
- Year ended 31 March 2019	12	-	-	-	-	-	-	-	(72,541)	(72,541)	-	-	(72,541)
Dividends paid by subsidiaries to non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	(21,485)	(21,485)
Capital repayment upon liquidation of a foreign subsidiary		-	-	-	-	-	-	-	-	-	-	(214)	(214)
Issuance of shares by a subsidiary to non-controlling shareholders		-	-	-	-	-	-	-	-	-	–	17,482	17,482

STATEMENTS OF CHANGES IN EQUITY (cont'd)

for the financial year ended 31 March 2019

		Attributable to owners of the Company											
The Group (cont'd)	Note	Share capital RM'000	Treasury shares RM'000	Shares held under trust RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Share-based payment reserve RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000	Perpetual Sukuk of a subsidiary RM'000	Non-controlling interests RM'000	Total equity RM'000
Transactions with owners: (cont'd)													
Issuance of shares:													
- Vesting of shares under ESGP	14(A)	24,879	-	-	-	-	(24,879)	-	-	-	-	-	-
- Exercise of ESOS	14(A),(D)	122	-	142	-	-	(52)	–	-	212	-	-	212
Shares buy back	14(B)	-	(15,966)	-	-	-	-	-	-	(15,966)	-	-	(15,966)
Issuance of Perpetual Sukuk by a subsidiary		-	-	-	-	-	-	-	-	-	647,108	-	647,108
Total transactions with owners		25,001	(15,966)	142	-	-	(24,931)	-	(181,742)	(197,496)	647,108	(5,071)	444,541
At 31 March 2019		6,099,350	(18,070)	(1,379)	-	(174,332)	105,934	32,476	3,494,673	9,538,652	647,108	1,198,661	11,384,421

The Group (cont'd)	Note	Share capital RM'000	Treasury shares RM'000	Shares held under trust RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Share-based payment reserve RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		Attributable to owners of the Company										
At 1 April 2017												
- as previously reported		6,022,651	(10)	(4,016)	91,759	(44,550)	80,138	48,399	3,302,903	9,497,274	1,319,406	10,816,680
- effects of transition from FRSs to MFRSs	55	-	-	-	(91,759)	(1,189)	-	(12,525)	(39,161)	(144,634)	(100,838)	(245,472)
At 1 April 2017, as restated		6,022,651	(10)	(4,016)	-	(45,739)	80,138	35,874	3,263,742	9,352,640	1,218,568	10,571,208
Comprehensive income:												
Net profit for the financial year		-	-	-	-	-	-	-	346,651	346,651	31,611	378,262
Other comprehensive income:												
Currency translation differences arising from translation of net investment in foreign operations		-	-	-	-	(117,742)	-	-	-	(117,742)	(51,746)	(169,488)
Realisation of other comprehensive income arising from dilution of interest in an associate		-	-	-	-	2,192	-	(319)	-	1,873	-	1,873
Share of other comprehensive (losses)/ income of associates		-	-	-	-	(20,389)	-	1,360	(3,449)	(22,478)	-	(22,478)
Actuarial gain on defined benefit plan		-	-	-	-	-	-	-	850	850	793	1,643
Others		-	-	-	-	-	-	-	(38)	(38)	-	(38)
		-	-	-	-	(135,939)	-	1,041	(2,637)	(137,535)	(50,953)	(188,488)
Total comprehensive (losses)/ income for the financial year		-	-	-	–	(135,939)	-	1,041	344,014	209,116	(19,342)	189,774

STATEMENTS OF CHANGES IN EQUITY (cont'd)
for the financial year ended 31 March 2019

The Group (cont'd)	Note	Share capital RM'000	Treasury shares RM'000	Shares held under trust RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Share-based payment reserve RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		Attributable to owners of the Company										
Share of reserves in an associate	15(a)	-	-	-	-	-	-	1,652	2,766	4,418	-	4,418
Dilution of interest in an associate		-	-	-	-	-	-	-	(1,843)	(1,843)	-	(1,843)
Issuance of ESOS and ESGP		-	-	-	-	-	35,769	-	-	35,769	-	35,769
Transactions with owners:												
Accretion of interest in a subsidiary		-	-	-	-	-	-	-	(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	12	-	-	-	-	-	-	-	(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:												
- Vesting of shares under ESGP	14(A)	24,346	-	-	-	-	(24,346)	-	-	-	-	-
- Exercise of ESOS	14(A),(D)	19,983	-	9,864	-	-	(6,513)	-	-	23,334	-	23,334
- Shares held under trust	14(A),(D)	7,369	-	(7,369)	-	-	-	-	-	-	-	-
Shares buy back	14(B)	-	(2,094)	-	-	-	-	-	-	(2,094)	-	(2,094)
Total transactions with owners		51,698	(2,094)	2,495	-	-	(30,859)	-	(274,845)	(253,605)	(27,426)	(281,031)
At 31 March 2018		6,074,349	(2,104)	(1,521)	-	(181,678)	85,048	38,567	3,333,834	9,346,495	1,171,800	10,518,295

The Company	Note	Share capital RM'000	Treasury shares RM'000	Shares held under trust RM'000	Exchange translation reserve RM'000	Share-based payment reserve RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000
			Non-distributable					Distributable	
At 1 April 2018									
- as previously reported		6,074,349	(2,104)	(1,521)	1,920	85,048	-	298,160	6,455,852
- effects of adoption of MFRS 9	55	-	-	-	-	-	-	(26,397)	(26,397)
At 1 April 2018, as restated		6,074,349	(2,104)	(1,521)	1,920	85,048	-	271,763	6,429,455
Comprehensive income:									
Net profit for the financial year		-	-	-	-	-	-	403,615	403,615
Other comprehensive income:									
Currency translation differences arising from translation of foreign projects		-	-	-	231	-	-	-	231
Total comprehensive income for the financial year		-	-	–	231	-	-	403,615	403,846
Issuance of ESOS and ESGP		-	-	-	-	45,817	-	-	45,817
Transactions with owners:									
Single tier second interim dividend:									
- Year ended 31 March 2018	12	-	-	-	-	-	-	(108,927)	(108,927)
Single tier first interim dividend:									
- Year ended 31 March 2019	12	-	-	-	-	-	-	(72,541)	(72,541)
Issuance of shares:									
- Vesting of shares under ESGP	14(A)	24,879	-	-	-	(24,879)	-	-	-
- Exercise of ESOS	14(A),(D)	122	-	142	-	(52)	-	-	212
Shares buy back	14(B)	-	(15,966)	-	-	-	-	-	(15,966)
At 31 March 2019		6,099,350	(18,070)	(1,379)	2,151	105,934	-	493,910	6,681,896

STATEMENTS OF CHANGES IN EQUITY (cont'd)

for the financial year ended 31 March 2019

The Company (cont'd)	Note	Share capital RM'000	Treasury shares RM'000	Shares held under trust RM'000	Exchange translation reserve RM'000	Share-based payment reserve RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000
		Non-distributable						Distributable	
At 1 April 2017		6,022,651	(10)	(4,016)	(2,209)	80,138	-	184,957	6,281,511
Comprehensive income:									
Net profit for the financial year		-	-	-	-	-	-	385,246	385,246
Other comprehensive income:									
Currency translation differences arising from translation of foreign projects		-	-	-	4,129	-	-	-	4,129
Total comprehensive income for the financial year		-	-	-	4,129	-	-	385,246	389,375
Issuance of ESOS and ESGP		-	-	-	-	35,769	-	-	35,769
Transactions with owners:									
Single tier second interim dividend: - Year ended 31 March 2017		-	-	-	-	-	-	(163,195)	(163,195)
Single tier first interim dividend: - Year ended 31 March 2018	12	-	-	-	-	-	-	(108,848)	(108,848)
Issuance of shares:									
- Vesting of shares under ESGP	14(A)	24,346	-	-	-	(24,346)	-	-	-
- Exercise of ESOS	14(A),(D)	19,983	-	9,864	-	(6,513)	-	-	23,334
- Shares held under trust	14(A),(D)	7,369	-	(7,369)	-	-	-	-	-
Shares buy back	14(B)	-	(2,094)	-	-	-	-	-	(2,094)
At 31 March 2018		6,074,349	(2,104)	(1,521)	1,920	85,048	-	298,160	6,455,852

CONSOLIDATED CASH FLOW STATEMENTS

for the financial year ended 31 March 2019

	Note	2019 RM'000	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			
Investments in associates		(12,513)	(51)
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)
Subscription of Redeemable Unsecured Murabahah Stocks in an associate		(24,870)	(27,100)
Purchase of land held for property development		(114)	(159,725)
Purchase of property, plant and equipment, land use rights and investment properties		(451,265)	(579,807)
Cost incurred on concession assets		(139,616)	(43,899)
Additions to port infrastructure		(200,927)	(425,579)
Quarry development expenditure incurred	36	(4,432)	(2,710)
Disposal of property, plant and equipment, land use rights and investment properties		22,684	8,176
Disposal of a subsidiary	48	3,592	-
Disposal of an associate		140,348	-
Disposal of assets held for sale		162	-
Disposal of financial assets at fair value through profit or loss		573,336	777,788
Redemption of preference shares of an associate		8,187	1,020
Capital distribution to minority shareholders upon liquidation of a subsidiary		(214)	-
Dividends received from associates		51,429	35,107
Dividends received from other investments		817	683
Dividends received from a joint venture		8,000	58,000
Income from unit trusts		-	452
Interest received		84,512	87,450
Advances to associates		(45,792)	(68,986)
Repayments from associates		8	17
Advances to joint ventures		(99,155)	(63,971)
Repayments from joint ventures		14,057	7,490
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
Issuance of perpetual sukuk by a subsidiary		647,108	-
Drawdown of bonds		1,105,000	-
Repayment of bonds		(40,000)	(30,000)
Proceeds from bank borrowings		2,887,599	880,340
Repayments of bank borrowings		(3,288,256)	(604,349)

CONSOLIDATED CASH FLOW STATEMENTS (cont'd)

for the financial year ended 31 March 2019

	Note	2019 RM'000	2018 RM'000
FINANCING ACTIVITIES (cont'd)			
Repayment of government support loans		(37,000)	(34,000)
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)
Re-purchase of treasury shares	14(B)	(15,966)	(2,094)
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	49	1,451,135	1,407,001

Reconciliation of liabilities arising from financing activities:

A reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities is as follows:

	*Borrowings RM'000
The Group:	
At 1 April 2018	5,914,846
Cash flow:	
Net drawdown of borrowings	626,745
Payment for loan transaction costs	(6,333)
Non-cash changes:	
Foreign exchange movement	74,010
Others	10,298
At 31 March 2019	6,619,566
At 1 April 2017	5,992,436
Cash flow:	
Net drawdown of borrowings	211,282
Non-cash changes:	
Foreign exchange movement	(298,250)
Others	9,378
At 31 March 2018	5,914,846

* Borrowings of the Group include bonds, term loans, government support loans, hire purchase and lease payables, other short term borrowings and advances from the State Government.

COMPANY CASH FLOW STATEMENTS

for the financial year ended 31 March 2019

	Note	2019 RM'000	2018 RM'000
OPERATING ACTIVITIES			
Receipts from customers		36,515	73,950
Payments to contractors, suppliers and employees		(50,074)	(72,602)
Income tax paid		(17,535)	(13,215)
Net cash flow used in operating activities		(31,094)	(11,867)
INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss		(61,639)	(4,313)
Acquisition of shares in subsidiaries		(15,117)	(44,269)
Acquisition of shares in an associate		(105)	-
Purchase of property, plant and equipment		(10,609)	(635)
Disposal of assets held for sale		162	-
Disposal of financial assets at fair value through profit or loss		64,357	170
Disposal of property, plant and equipment		118	2
Dividends received from subsidiaries		470,876	439,527
Dividends received from associates		41,083	16,336
Dividends received from other investments		533	536
Interest received		8,016	8,330
Repayments from subsidiaries		1,188,884	479,835
Repayments from associates		4	2
Repayments from joint ventures		123	144
Advances to subsidiaries		(1,370,349)	(1,088,138)
Advances to associates		(3)	(3)
Advances to joint ventures		(192)	(75)
Net cash flow from/(used in) investing activities		316,142	(192,551)
FINANCING ACTIVITIES			
Issuance of shares by the Company:			
- Exercise of share options		212	23,334
Drawdown of bonds		200,000	-
Proceeds from bank borrowings		1,445,781	574,994
Repayments of bank borrowings		(1,667,123)	(75,000)
Repayment to a subsidiary		(24,875)	(95,491)
Interest paid		(99,171)	(81,277)
Dividends paid by the Company		(181,468)	(272,043)
Re-purchase of treasury shares	14(B)	(15,966)	(2,094)
Net cash flow (used in)/from financing activities		(342,610)	72,423

COMPANY CASH FLOW STATEMENTS (cont'd)

for the financial year ended 31 March 2019

	Note	2019 RM'000	2018 RM'000
NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		(57,562)	(131,995)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		85,316	229,299
FOREIGN EXCHANGE DIFFERENCES ON OPENING BALANCES		341	(11,988)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	49	28,095	85,316

Reconciliation of liabilities arising from financing activities:

A reconciliation between the opening and closing balances in the Company's statement of financial position for liabilities arising from financing activities is as follows:

	*Borrowings RM'000	Amount owing to a subsidiary RM'000
The Company:		
At 1 April 2018	2,143,481	852,537
Cash flow:		
Net drawdown of bonds	200,000	-
Net repayment of borrowings	(221,342)	-
Net repayment of balances	-	(24,875)
Others	4,145	-
Non-cash changes:		
Foreign exchange movement	8,058	-
At 31 March 2019	2,134,342	827,662
At 1 April 2017	1,686,940	948,028
Cash flow:		
Net drawdown of borrowings	499,994	-
Net repayment of balances	-	(95,491)
Non-cash changes:		
Foreign exchange movement	(43,453)	-
At 31 March 2018	2,143,481	852,537

* Borrowings of the Company include bonds, term loans and other short term borrowings.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 March 2019

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

1 BASIS OF PREPARATION

The financial statements of the Group and the Company for the financial year ended 31 March 2019 are the first set of financial statements prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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

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

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

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

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

(i) The new standard, amendments to standards, annual improvements and interpretation that are mandatory for the Group's and the Company's financial year beginning on 1 April 2019 and the Group and the Company have not early adopted are as follows* :

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

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

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

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

  As at the reporting date, the Group has non-cancellable operating lease commitments of RM57.4 million (see Note 52(b)(ii)). Of these commitments, the Group expects the amount related to short-term leases and low value leases to be insignificant and these will be recognised on a straight-line basis as expense in the consolidated statement of comprehensive income.

  For the remaining lease commitments, the Group expects to recognise right-of-use assets and lease liabilities on 1 April 2019.

  The Group will apply the standard from its mandatory adoption date of 1 April 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to its first adoption.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2019

1 BASIS OF PREPARATION (cont'd)

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

(i) The new standard, amendments to standards, annual improvements and interpretation that are mandatory for the Group's and the Company's financial year beginning on 1 April 2019 and the Group and the Company have not early adopted are as follows* : (cont'd)

- Amendments to MFRS 128 "Long term interests in Associates and Joint Ventures" clarify that an entity should apply MFRS 9 "Financial Instruments" (including the impairment requirements) to long term interests in an associate or joint venture, which in substance form part of the entity's net investment, for which settlement is neither planned nor likely to occur in the foreseeable future.

  In addition, such long term interests are subject to loss allocation and impairment requirements in MFRS 128.

  The amendments shall be applied retrospectively.

- Amendments to MFRS 9 'Prepayment features with negative compensation' (effective 1 January 2019) allow companies to measure some prepayable financial assets with negative compensation at amortised cost. Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than the unpaid amounts of principal and interest. To qualify for amortised cost measurement, the negative compensation must be reasonable compensation for early termination of the contract, and the asset must be held within a 'held to collect' business model.

  The amendments shall be applied retrospectively.

- Annual improvements to MFRSs 2015 – 2017 Cycle :

  (i) Amendments to MFRS 3 'Business Combinations' (effective from 1 January 2019) clarify that when a party obtains control of a business that is a joint operation, the acquirer should account the transaction as a business combination achieved in stages. Accordingly it should remeasure its previously held interest in the joint operation (rights to the assets and obligations for the liabilities) at fair value on the acquisition date.

  (ii) Amendments to MFRS 11 'Joint Arrangements' (effective from 1 January 2019) clarify that when a party obtains joint control of a business that is a joint operation, the party should not remeasure its previously held interest in the joint operation.

  (iii) Amendments to MFRS 112 'Income Taxes' (effective from 1 January 2019) clarify that where income tax consequences of dividends on financial instruments classified as equity is recognised (either in profit or loss, other comprehensive income or equity) depends on where the past transactions that generated distributable profits were recognised. Accordingly, the tax consequences are recognised in profit or loss when an entity determines payments on such instruments are distribution of profits (that is, dividends). Tax on dividend should not be recognised in equity merely on the basis that it is related to a distribution to owners.

  (iv) Amendments to MFRS 123 'Borrowing Costs' (effective from 1 January 2019) clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

- Amendments to MFRS 119 'Plan amendment, curtailment or settlement' (effective 1 January 2019) requires an entity to use the updated actuarial assumptions from remeasurement of its net defined benefit liability or asset arising from plan amendment, curtailment or settlement, to determine current service cost and net interest for the remaining period after the change to the plan. The amendments will be applied prospectively.

1 BASIS OF PREPARATION (cont'd)

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

(i) The new standard, amendments to standards, annual improvements and interpretation that are mandatory for the Group's and the Company's financial year beginning on 1 April 2019 and the Group and the Company have not early adopted are as follows* : (cont'd)

- IC Interpretation 23 "Uncertainty over income tax treatments" provides guidance on how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. If an entity concludes that it is not probable that the tax treatment will be accepted by the tax authority, the effect of the tax uncertainty should be included in the period when such determination is made. An entity shall measure the effect of uncertainty using the method which best predicts the resolution of the uncertainty.

(ii) The amendments to published standards that are mandatory for the Group's and the Company's financial year beginning on 1 April 2020 and the Group and the Company have not early adopted are as follows* :

- The Conceptual Framework for Financial Reporting (Revised 2018)

  Key changes to the Framework are as follows:

  - Objective of general purpose financial reporting - clarification that the objective of financial reporting is to provide useful information to the users of financial statements for resource allocation decisions and assessment of management's stewardship.
  - Qualitative characteristics of useful financial information - reinstatement of the concepts of prudence when making judgement of uncertain conditions and "substance over form" concept to ensure faithful representation of economic phenomenon.
  - Clarification on reporting entity for financial reporting - introduction of new definition of a reporting entity, which might be a legal entity or a portion of a legal entity.
  - Elements of financial statements - the definitions of an asset and a liability have been refined. Guidance in determining unit of account for assets and liabilities have been added, by considering the nature of executory contracts and substance of contracts.
  - Recognition and derecognition - the probability threshold for asset or liability recognition has been removed. New guidance on de-recognition of asset and liability have been added.
  - Measurement - explanation of factors to consider when selecting a measurement basis have been provided.
  - Presentation and disclosure - clarification that statement of profit or loss ('P&L') is the primary source of information about an entity's financial performance for a reporting period. In principle, recycling of income/expense included in other comprehensive income to P&L is required if this results in more relevant information or a more faithful representation of P&L.

  Amendments to References to the Conceptual Framework in MFRS Standards

  The MASB also issued Amendments to References to the Conceptual Framework in MFRS Standards ('Amendments'), to update references and quotations to fourteen (14) Standards so as to clarify the version of Conceptual Framework these Standards refer to, for which the effective date above applies.

  The amendments should be applied retrospectively in accordance with MFRS 108 unless retrospective application would be impracticable or involve undue cost or effort.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2019

1 BASIS OF PREPARATION (cont'd)

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

(ii) The amendments to published standards that are mandatory for the Group's and the Company's financial year beginning on 1 April 2020 and the Group and the Company have not early adopted are as follows* : (cont'd)

- Amendments to MFRS 101 "Presentation of Financial Statements" and MFRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors" clarify the definition of materiality and use a consistent definition throughout MFRSs and the Conceptual Framework for Financial Reporting.

  The definition of "material" has been revised as "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

  The amendments also:

  - clarify that an entity assesses materiality in the context of the financial statements as a whole.
  - explain the concept of obscuring information in the new definition. Information is obscured if it has the effect similar as omitting or misstating that information.
  - clarify the meaning of "primary users of general purpose financial statements" to whom those financial statements are directed, by defining them as "existing and potential investors, lenders and other creditors" who must rely on general purpose financial statements for much of the financial information they need.

- Amendments to MFRS 3 "Definition of a Business" revise the definition of a business. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs.

  The amendments provide guidance to determine whether an input and a substantive process are present, including situation where an acquisition does not have outputs. To be a business without outputs, there will now need to be an organised workforce. It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

  In addition, the revised definition of the term "outputs" is narrower, focuses on goods or services provided to customers, generating investment returns and other income but exclude returns in the form of cost savings.

  The amendments introduce an optional simplified assessment known as "concentration test" that, if met, eliminates the need for further assessment. Under this concentration test, if substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset (or a group of similar assets), the assets acquired would not represent a business.

The above amendments shall be applied prospectively.

* These new standards, amendments to published standards and interpretation will be adopted on the respective effective dates. The Group and the Company have started a preliminary assessment on the effects of the above new standard, amendments to published standards and interpretation and the impact is still being assessed.

(b) IFRIC Agenda Decision on MFRS 123 "Borrowing Costs"

In March 2019, IFRIC published an agenda decision on borrowings costs confirming, receivables, contract assets and inventories for which revenue is recognized over time are non-qualification assets. On 20 March 2019, the Malaysian Accounting Standards Board decided an entity shall apply the change in accounting policy as a result of the IFRIC Agenda Decision to financial statements for annual periods beginning on or after 1 July 2020.

The Group is assessing the impact on the change in accounting policy pursuant to the IFRIC agenda decision on borrowing costs incurred on property under construction where control is transferred over time.

2 ECONOMIC ENTITIES IN THE GROUP

(a) Subsidiaries

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

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

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

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

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

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

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2019

2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

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

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

(c) Disposal of subsidiaries

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

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

(d) Associates

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

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

When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

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

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

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

2 ECONOMIC ENTITIES IN THE GROUP (cont'd)

(d) Associates (cont'd)

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

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

(e) Joint arrangements

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

(i) Joint ventures

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

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

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

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

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

(ii) Joint operations

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2019

3 GOODWILL

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

Goodwill on acquisition of subsidiaries is included in the statement of financial position as intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and carried at cost less accumulated impairment.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the business combination in which the goodwill arose. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at each business segment. The Group allocates goodwill to each business segment in each country in which it operates. See accounting policy 25 on impairment of non-financial assets. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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

4 INVESTMENTS

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

The amounts due from subsidiaries, joint ventures and associates of which the Company does not expect repayment in the foreseeable future are considered as part of the Company's investments in the subsidiaries, joint ventures and associates.

Long term investments are classified as financial assets at fair value through other comprehensive income. These are initially measured at fair value plus transaction costs and subsequently, at fair value, with the changes in fair value recognised in other comprehensive income. These are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. A significant or prolonged decline in the fair value of the investment below its cost is considered as an indicator that the asset is impaired.

Short term investments in marketable securities are classified as financial assets at fair value through profit or loss and measured at fair value on the date a transaction is entered into and are subsequently re-measured at fair value with the changes in fair value recognised in profit or loss. On disposal of an investment, the difference between net disposal proceeds and its fair value is recognised in profit or loss.

5 FOREIGN CURRENCIES

(a) Functional and presentation currency

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

(b) Transactions and balances

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

Exchange differences are deferred in other comprehensive income when they are attributable to items that form part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as at fair value through other comprehensive income (2018: available-for-sale financial assets), are included in other comprehensive income.

(c) Group companies

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

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2019

6 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

All property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment except for freehold land and capital work-in-progress which are not depreciated. Freehold land is not depreciated as it has an infinite life. Depreciation on capital work-in-progress commences when the assets are ready for their intended use. All costs directly related to bearer plants are capitalised until such time as the bearer plants reach maturity, at which point all costs are expensed and depreciation commences.

The cost is net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the government. When the amount of GST incurred is not recoverable from the government, the GST is recognised as part of the cost of acquisition of the property, plant and equipment.

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

The Group amortises plantation infrastructure in equal annual instalments over the period of the respective leases ranging from 21 to 81 years. Leasehold lands classified as finance leases are amortised in equal instalments over the period of the respective leases that range from 60 to 883 years.

Bearer plants are living plant that are used in the production or supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce, except for incidental scrap sales. The bearer plants that are available for use are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes plantation expenditure incurred from land clearing to the stage of maturity. Bearer plants have an average life cycle of twenty-five (25) years with the first three (3) years as immature bearer plants and the remaining years as mature bearer plants. The mature bearer plants are depreciated over its remaining useful lives of twenty-two (22) years on a straight-line basis. The immature bearer plants are not depreciated until such time when it is available for use.

Other property, plant and equipment are depreciated on a straight-line basis to write-off the cost of the assets, or their revalued amounts, to their residual values over their estimated useful lives, summarised as follows:

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

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

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

Gains or losses on disposals are determined by comparing the net disposal proceeds with the carrying amounts and are included in other operating income/other operating expenses in the profit or loss.

7 INVESTMENT PROPERTIES

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

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

7 INVESTMENT PROPERTIES (cont'd)

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

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

Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains or losses on disposals are determined by comparing the net disposal proceeds with the carrying amount and are included in the profit or loss.

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

8 CONCESSION ASSETS

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

(a) Expressway development expenditure

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

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

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

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

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

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

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

(b) Port infrastructure

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2019

9 REVENUE AND PROFIT RECOGNITION

Revenue from contracts with customers is recognised by reference to each distinct performance obligation promised in the contract with the customer when or as the Group transfers controls of the goods or services promised in a contract and the customer obtains control of the goods or services.

Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of discounts. The transaction price is allocated to each distinct good or service promised in the contract. Depending on the terms 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 satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- 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.

If any of the above conditions are not met, the Group recognises revenue at the point in time when the performance obligation is satisfied.

(a) Construction contracts

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

Revenue and profits for construction contracts are recognised over time arising from the fulfillment of the following criteria:

- The customer of the construction contracts simultaneously receives and consumes the benefits provided as the contruction service progress.
- The construction service relates to the creation or enhancement of an asset or a combination of assets which the customer controls.
- The construction service 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.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date. The stage of completion of a construction contract is determined based on the proportion that the contract costs incurred for work performed to-date bear to the estimated total costs for the contract.

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

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

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is only included in contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. Variation claim gives rise to a variable consideration which are estimated at either the expected value or most likely amount and included in revenue to the extent that it is highly probable that the revenue will not be reversed. No element of financing is deemed present as the payment schedule and credit terms of 30 days to 90 days are consistent with the market practice.

9 REVENUE AND PROFIT RECOGNITION (cont'd)

(a) Construction contracts (cont'd)

The customer pays according to the progress claim submitted to them based on the progress of the construction measured over time. If the construction services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised. Further details on the accounting policy of contract assets and contract liability are disclosed in accounting policy 12 on contract assets and contract liabilities.

(b) Revenue from property development

Contracts with customers may include multiple promises to the customers and therefore accounted for as separate performance obligations. In such cases, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

The revenue from property development is measured based on the transaction prices net of expected liquidated ascertained damages ("LAD") payment. LAD is determined based on the expected value method.

The transaction price is adjusted for the effects of time value of money if the timing of payments provides the customer with a significant benefit of financing the transfer of goods or services to the customer. For contracts with advance payment from customer at the beginning of the contract prior to the transfer of developed properties which will take more than one year to complete, a contract liability will be recognised when the advance payment is received.

For contracts with deferred payment scheme, the Group adjusts the promised consideration for the effects of the significant financing component using the discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception. The significant financing component is recognised as finance income in the statement of comprehensive income over the credit period using the effective interest rate applicable at the inception date.

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. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if 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.

The promised property is specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) as in the attached layout plan in the sale and purchase agreements. The purchaser could enforce its rights to the promised property if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised property for another use is substantive and the promised property sold to the purchaser does not have an alternative use to the Group. The Group has the right to payment for performance completed to date, is entitled to continue to transfer to the customer the development units promised, and has the rights to complete the construction of the properties and enforce its rights to full payment.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the level the proportion that the property development costs incurred to date bear to the estimated total costs for the property development.

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the consideration to which it will be entitled to in exchange for the assets sold.

When the Group is not able to determine the probability that the Group will collect the consideration to which the Group will be entitled to in exchange of development properties, the Group will defer the recognition of revenue from sales of the development properties. Consideration received from the customer is recognised as a contract liability.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2019

9 REVENUE AND PROFIT RECOGNITION (cont'd)

(b) Revenue from property development (cont'd)

Payments made by defaulted purchasers of development properties are forfeited and recognised as forfeiture income in the profit or loss when the terms and conditions in respect of the right of forfeiture as stipulated in the sale and purchase agreements signed with the purchasers are fulfilled.

(c) Plantations and upstream manufacturing

The Group's revenue is derived mainly from its upstream operations. In the upstream operations, the Group sells plantation products and produce such as crude palm oil, palm kernel and FFB (collectively known as "plantation products and produce").

Revenue from sales of plantation produce are recognised (net of discount and taxes collected on behalf) at the point when the control of goods has been transferred to the customer. Based on the terms of the contract with the customer, control transfers upon delivery of the goods to a location specified by the customer and the acceptance of the goods by the customer. There is no element of financing present as the Group's sales of goods are on credit terms ranging from 1 to 30 days. The Group's obligation to provide quality claims against off-spec goods under the Group's contractual terms is recognised as a provision.

(d) Sale of manufactured goods and construction materials

Sales are recognised based on the transaction prices specified in the contracts, which are at a point in time upon delivery of products and customer acceptance, and performance of after-sales services, if any, net of goods and services tax ("GST") or sales tax and discounts and after eliminating sales within the Group. There is no element of financing present as the Group's sales of goods are on credit terms ranging from 30 to 120 days, which is consistent with the market practice.

(e) Concession revenue

Concession revenue from the operation of toll roads is recognised over time for the usage of the expressways. Revenue for port operations is recognised over time as and when the services are performed. Revenue is recognised based on the transaction prices specified in the contracts. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with the market practice.

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

(f) Hotel and club operations revenue

Hotel room revenue is recognised over time when service is rendered to the customers over their stay at the hotel. The transaction price is the net amount collected from the customer.

Revenue from the sales of food and beverage is recognised at a point in time, which is upon delivery to customers. Payment of the transaction price is due immediately when the customer purchases the food and beverage.

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

There is no element of financing as the sales are made with credit terms ranging from nil to 30 days, which is consistent with the market practice.

9 REVENUE AND PROFIT RECOGNITION (cont'd)

(g) Interest income

Interest income is recognised using the effective interest method.

Interest income from financial assets at fair value through profit or loss ("FVTPL") is recognised as part of net gains or net losses on these financial instruments.

Interest income on financial assets at amortised cost and financial assets at fair value through other comprehensive income ("FVOCI") (2018: available-for-sale debt securities, held-to-maturity investments and loans and receivables) calculated using the effective interest method is recognised in the statement of comprehensive income as part of other operating income.

<u>Accounting policies applied from 1 April 2018</u>

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

<u>Accounting policies applied until 31 March 2018</u>

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

(h) Management fees

Fees from management services are recognised as revenue over time during the period in which the services are rendered. There is no element of financing as the sales are made with a credit terms of 30 days, which is consistent with the market practice.

(i) Dividend income

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

Dividend income is received from financial assets measured at FVTPL and at FVOCI (2018: from financial assets at FVTPL and available for sale financial assets).

Dividend income from financial assets at FVTPL is recognised as part of net gains or net losses on these financial instruments. Dividend income from financial assets at FVOCI (2018: available for sale) is recognised as other operating income in statement of comprehensive income.

From 1 April 2018 onward, dividend that clearly represents a recovery of part of the cost of an investment is recognised in other comprehensive income if it relates to an investment in equity instruments measured at FVOCI.

(j) Other revenue

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

10 BORROWINGS AND BORROWING COSTS

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2019

10 BORROWINGS AND BORROWING COSTS (cont'd)

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

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

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

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

Where an entity has modification of terms of borrowings which do not result in extinguishment, the following accounting policy is considered:

Accounting policy applied from 1 April 2018

When borrowings measured at amortised cost are modified without this resulting in derecognition, any gain or loss, being the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate, are recognised immediately in profit or loss.

Accounting policy applied until 31 March 2018

Until 31 March 2018, the Group had accounted for modification of borrowings measured at amortised cost without resulting in extinguishment of the original borrowings and amortised the difference arising from the modification over the remaining life of the modified borrowings.

11 INVENTORIES

(a) Land held for property development

Land held for property development consists of land held for future development where no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as inventory under non-current asset and is stated at the lower of cost and net realisable value.

Costs associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is transferred to property development costs (under current assets) when development activities, including activities associated with obtaining approvals prior to commencement of physical development, have commenced and the development is expected to be completed within the normal operating cycle.

(b) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or that can be allocated on a reasonable basis to these activities, such as direct building costs, and other related development expenditure, including interest expenses incurred during the period of active development.

Property development costs not recognised as an expense are recognised as an asset and are stated at the lower of cost and net realisable value.

(c) Completed buildings, vacant industrial and bungalow lots

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

11 INVENTORIES (cont'd)

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

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

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses, except for contracted palm oil and palm products inventories, which are determined based on the contract price.

12 CONTRACT ASSETS AND CONTRACT LIABILITIES

Contract asset is the right to consideration for goods or services transferred to the customers. In the case of property development and construction contracts, contract asset is the excess of cumulative revenue earned over cumulative billings to-date. The balance is classified as contract assets under current assets in the statement of financial position.

When there is objective evidence of impairment, the amount of impairment is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract assets.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The balance is classified as contract liabilities under current liabilities in the statement of financial position.

13 CONTRACT COST ASSETS

The Group has recognised an asset in respect of sales commissions and legal fee on loan incurred to secure property development contracts. These costs are incremental costs that would not have been incurred by the Group if the respective contracts have not been obtained. The Group expects to recover these costs in the future through property development revenue earned from the customer. Accordingly, the contract cost asset is amortised on a straight-line basis over the term of the specific contract to which the costs relate, ranging from a period of 2 years to 3 years.

The Group has elected the practical expedient to recognise the incremental costs in relation to the contracts with an amortisation period of less than one year as an expense when incurred.

An impairment is recognised in profit or loss to the extent that the carrying amount of the contract cost asset recognised exceeds the remaining amount of consideration that the Group expects to receive for the specific contract that the costs relate to (after deducting additional costs required to be incurred in relation to the contracts).

14 TRADE AND OTHER RECEIVABLES

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

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2019

14 TRADE AND OTHER RECEIVABLES (cont'd)

(c) Loans to subsidiaries are recognised initially at fair value. If there is any difference between cash disbursed and fair value on initial recognition, the difference would be accounted as additional investment in the subsidiary as it reflects the substance of the transaction.

Loans to subsidiaries are subsequently measured at amortised cost using the effective interest method, less loss allowance. Details on the Company's impairment policies of loans to subsidiaries are provided in the accounting policy 22(D) on impairment of financial assets.

15 LEASES

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

(a) Accounting by lessee

Finance leases

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

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

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

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

Operating leases

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

(b) Accounting by lessor

Finance leases

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

Operating leases

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

16 QUARRY DEVELOPMENT

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

The overburden removal costs in the development of a quarry face is recognised as deferred expenditure if all the following conditions are met:

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

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

17 LAND USE RIGHTS

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

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

18 INCOME TAXES

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

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

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

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

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2019

18 INCOME TAXES (cont'd)

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

19 EMPLOYEE BENEFITS

(a) Short term employee benefits

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

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

(b) Post-employment benefits

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

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

(i) Defined contribution plan

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

(ii) Defined benefit plan

The liability recognised in the statement of financial position in respect of a defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period, less the fair value of plan assets, together with adjustments for its actuarial gains/losses and past service costs.

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

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

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

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

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

19 EMPLOYEE BENEFITS (cont'd)

(c) Share-based compensation

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

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

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

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

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

20 CASH AND CASH EQUIVALENTS

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

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

21 SHARE CAPITAL

(i) Classification

Ordinary shares are classified as equity.

(ii) Share issue costs

Incremental costs directly attributable to the issue of new shares are deducted against equity.

(iii) Dividends

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2019

21 SHARE CAPITAL (cont'd)

(iv) Purchase of own shares

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

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

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

(v) Shares held under trust

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

(vi) Perpetual Sukuk

Perpetual Sukuk is classified as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity. Incremental costs directly attributable to the issuance of the instrument are shown in equity as a deduction, net of tax, from the proceeds.

Perpetual Sukuk holders' entitlement is accounted for as an appropriation in equity and the distribution is recognised in the period in which it is declared.

22 FINANCIAL INSTRUMENTS

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

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

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

Financial Assets

Accounting policies applied from 1 April 2018

(A) Classification

From 1 April 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ('OCI') or through profit or loss), and
- those to be measured at amortised cost.

(B) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

22 FINANCIAL INSTRUMENTS (cont'd)

Financial Assets (cont'd)

Accounting policies applied from 1 April 2018 (cont'd)

(C) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ('FVTPL'), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ("SPPI").

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories to classify its debt instruments:

(i) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest ("SPPI") are measured at amortised cost. Interest income from these financial assets is included in other operating income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss together with foreign exchange gains and losses. Impairment is presented as a separate line item in the statement of comprehensive income.

(ii) Fair value through other comprehensive income ('FVOCI')

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other operating income using the effective interest rate method. Impairment is presented as a separate line item in the statement of comprehensive income.

(iii) Fair value through profit or loss ('FVTPL')

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different basis. Fair value changes are presented net and recognised in profit or loss in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other operating income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in profit or loss.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2019

22 FINANCIAL INSTRUMENTS (cont'd)

Financial Assets (cont'd)

Accounting policies applied from 1 April 2018 (cont'd)

(D) Impairment – financial assets and financial guarantee contracts

(a) Impairment for debt instruments and financial guarantee contracts

The Group assesses on a forward-looking basis the expected credit loss ('ECL') associated with its debt instruments carried at amortised cost and at FVOCI and financial guarantee contracts issued. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group has seven types of financial instruments that are subject to the ECL model:

- Trade receivables
- Other receivables
- Loans to subsidiaries (applicable in Company's separate financial statements)
- Contract assets
- Financial guarantee contracts
- Redeemable Convertible Unsecured Loan Stocks ("RCULS")
- Redeemable Unsecured Murabahah Stocks ("RUMS")

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment was immaterial.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group expects to receive, over the remaining life of the financial instrument. For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(i) General 3-stage approach for other receivables, loans to subsidiaries, financial guarantee contracts, RCULS and RUMS

At each reporting date, the Group measures ECL through loss allowance at an amount equal to 12 months ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

(ii) Simplified approach for trade receivables, contract assets and lease receivables

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables, contract assets and lease receivables.

(b) Significant increase in credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

22 FINANCIAL INSTRUMENTS (cont'd)

Financial Assets (cont'd)

Accounting policies applied from 1 April 2018 (cont'd)

(D) Impairment – financial assets and financial guarantee contracts (cont'd)

(b) Significant increase in credit risk (cont'd)

The following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor
- significant increases in credit risk on other financial instruments of the same debtor
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

(c) Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

(i) Quantitative criteria:

The Group defines a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

(ii) Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on an individual basis.

(d) Groupings of instruments for ECL measured on collective basis

(i) Collective assessment

To measure ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2019

22 FINANCIAL INSTRUMENTS (cont'd)

Financial Assets (cont'd)

Accounting policies applied from 1 April 2018 (cont'd)

(D) Impairment – financial assets and financial guarantee contracts (cont'd)

(d) Groupings of instruments for ECL measured on collective basis (cont'd)

(ii) Individual assessment

Trade receivables and contract assets which are in default or credit-impaired are assessed individually.

Loans to subsidiaries in the Company's separate financial statements are assessed on individual basis for ECL measurement, as credit risk information is obtained and monitored based on each loan to subsidiary.

(E) Write-off

(i) Trade receivables and contract assets

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicator that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and significant delays in collection periods.

Impairment of trade receivables and contract assets are presented as net impairment and disclosed as a separate line item in the statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

(ii) Other receivables

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in a write back of impairment.

Accounting policies applied until 31 March 2018

(A) Classification

Until 31 March 2018, the Group classified its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depended on the nature of the asset and the purpose for which the financial assets were acquired. Management determined the classification at initial recognition.

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

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

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the end of the reporting period which are presented as non-current assets. The Group's loans and receivables comprise 'long term receivables', 'trade and other receivables' (other than prepayments and GST receivables) and 'deposits, cash and bank balances' in the statement of financial position.

22 FINANCIAL INSTRUMENTS (cont'd)

Financial Assets (cont'd)

Accounting policies applied until 31 March 2018 (cont'd)

(A) Classification (cont'd)

(iii) Available-for-sale financial assets

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

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

(B) Recognition and initial measurement

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

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

(C) Subsequent measurement – gains and losses

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

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

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

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

(D) Impairment of financial assets

In the prior year, the Group assessed impairment of financial assets based on the incurred loss model.

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2019

22 FINANCIAL INSTRUMENTS (cont'd)

Financial Assets (cont'd)

Accounting policies applied until 31 March 2018 (cont'd)

(D) Impairment of financial assets (cont'd)

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

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

When a receivable is uncollectible, it is written off against the related allowance account. Such receivables are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

If 'loans and receivables' have a variable interest rate, the discount rate for measuring any impairment is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Available-for-sale financial assets

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

(E) Derecognition

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

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

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each reporting period. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss.

Fair value estimation

The fair value of publicly traded derivatives and securities is based on quoted market prices at the end of the reporting period.

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

22 FINANCIAL INSTRUMENTS (cont'd)

Fair value estimation (cont'd)

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

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

Offsetting financial instruments

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

Financial Liabilities

(A) Classification

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

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

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

(ii) Other financial liabilities

Other financial liabilities of the Group comprise 'bonds', 'term loans', 'government support loans', 'trade and other payables' (other than retirement benefits payable and GST payables) and 'borrowings' in the statement of financial position.

(B) Recognition, initial measurement and subsequent measurement

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

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

(C) Derecognition

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

23 TRADE AND OTHER PAYABLES

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the financial year ended 31 March 2019

24 GOVERNMENT GRANTS

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

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

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

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

25 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

26 PROVISIONS

Provisions are recognised when:

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

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

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

27 SEGMENTAL INFORMATION

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

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

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

28 PRODUCE GROWING ON BEARER PLANTS

Produce growing on bearer plants are measured at fair value less costs to sell. Any gains or losses arising from changes in the fair value less costs to sell of produce growing on bearer plants are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows from the produce growing on bearer plants, which are estimated using the expected output method and the estimated market price of the produce growing on bearer plants.

29 CONTINGENT LIABILITIES

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

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

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

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provisions of MFRS 137 “Provisions, Contingent Liabilities and Contingent Assets” and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with MFRS 15 “Revenue from Contracts with Customers”.

30 FINANCIAL GUARANTEE CONTRACTS

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

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value.

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

<u>Accounting policy applied from 1 April 2018</u>

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 ‘Financial Instruments’ and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 ‘Revenue from Contracts with Customers’, where appropriate.

<u>Accounting policy applied until 31 March 2018</u>

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with FRS 137 ‘Provisions, Contingent Liabilities and Contingent Assets’ and the amount initially recognised less cumulative amortisation, where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

1 GENERAL INFORMATION

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

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

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

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 29 May 2019.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

(a) Income taxes

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

(b) Deferred tax assets

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

(c) Construction contracts

Revenue is recognised when or as the control of the asset is transferred to the customers and, depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress, based on the stage of completion method. The stage of completion of a construction contract is determined based on the proportion that the contract costs incurred for work performed to-date bear to the estimated total costs for the contract. When it is probable that the estimated total contract costs of a contract will exceed the total contract revenue of the contract, the expected loss on the contract is recognised as an expense immediately.

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

The Group has estimated total contract revenue based on the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably based on the latest available information, and in the absence of such, the Directors' best estimates derived from reasonable assumptions, experience and judgement. Where the actual approved variations and claims differ from the estimates, such difference will impact the contract profits/(losses) recognised.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(d) Property development

Revenue is recognised as and when the control of the asset is transferred to customers 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. Depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the stage of completion of the development activity at the end of the reporting period. The stage of completion is determined based on the proportion that the property development costs incurred to-date bear to the estimated total costs for the property development. Where it is probable that total property development costs of a development phase will exceed total property development revenue of the development phase, the expected loss on the development phase is recognised as an expense immediately.

Significant judgement is required in determining the completeness and accuracy of the total property development costs as estimates of future property development costs are inherently uncertain, which involve management's estimation of future cost to completion of the development. Substantial changes in cost estimates in future periods may affect the profitability of the respective property development projects. Where the actual total property development costs are different from the estimated total property development costs, such difference will impact the property development profits/(losses) recognised.

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

(e) Fair value of produce growing on bearer plants

To arrive at the fair value, the Group has considered the oil content of the unripe fresh fruit bunches ("FFB") and assumed that the net cash flows to be generated from FFB prior to more than 15 days to harvest is negligible. Therefore, the quantity of unripe FFB on the bearer plants of up to 15 days prior to harvest was used for valuation purpose. The fair value of the unripe FFB was derived based on a certain percentage of the fair value of the ripe FFB, to adjust for the actual oil extraction rate and kernel extraction rate of the unripe FFB from the laboratory tests, less costs to sell, which were established based on historical information.

(f) Amortisation of expressway development expenditure

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

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

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

(g) Impairment of assets

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2019

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(h) Accounting for pre-cropping costs

The Group has accounted for the pre-cropping costs in accordance with the underlying principles set out in Agriculture: Bearer Plants (Amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 141 "Agriculture") during the financial year. The adoption of the amendments to MFRS 116 and MFRS 141 has been applied retrospectively and comparative figures have been restated.

Accordingly, the pre-cropping costs, which comprise new planting expenditure and replanting expenditure incurred have been capitalised as bearer plants upon the adoption of the amendments to MFRS 116 and MFRS 141 and are depreciated on a straight line basis over the economic useful life of the mature bearer plants.

The Group has applied some judgement in identifying the pre-cropping costs incurred for the plantation activities which are eligible for capitalisation, and allocating these costs between mature and immature bearer plants, by reference to the relative size of the immature plantations over the total planted area of the respective oil palm estates of the Group and the Company. The mature bearer plants are amortised over the economic useful life of the plants, which is estimated to be 22 years.

(i) Measurement of ECL allowance

The measurement of ECL allowance for financial assets measured at amortised cost are areas that require the use of significant assumptions about the future economic conditions and credit behaviour of customers. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is detailed in Note 3(b). Areas of significant judgements involved in the measurement of ECL are detailed as follows:

- Establishing groups of similar financial assets for the purpose of measuring ECL on collective basis

  Where ECL measurement is determined on collective basis, the financial instruments are grouped on the basis of shared risk characteristics, such that risk exposures within a group are similar. Note 3(b)(i) set out the characteristics considered by the Group in this judgement. Depending on how the groupings are determined for which expected loss rates applied, the measurement of ECL outcome differs accordingly. The Group considers all available reasonable and supportable information that is forward-looking in deriving the groupings. The appropriateness of groupings is monitored and reviewed on periodic basis by the Group.

- Determining the number and relative weightings of forward-looking scenarios

  The Group measures loss allowance at the probability-weighted amount that reflects the possibility of credit loss occurring. This requires forecast of economic variables and their associated impact on PD ('probability of default'), LGD ('loss given default') and EAD ('exposure at default') which are provided in possible scenarios along with scenario weightings. Probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting. As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and are appropriately representative of the range of possible scenarios.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

The Group uses derivative financial instruments such as cross currency swap contracts and Crude Palm Oil ("CPO") pricing swap contracts to hedge certain financial risk exposures.

(a) Market risk

(i) Currency risk

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

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

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

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

	The Group		The Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Net monetary liabilities denominated in USD	(363,319)	(809,390)	(293,172)	(559,632)
Effects to profit after tax if the USD had strengthened/weakened by 5% against RM:				
- strengthened	(13,833)	(30,351)	(11,141)	(21,266)
- weakened	13,833	30,351	11,141	21,266
Net monetary assets denominated in AP	2,846	13,158	2,846	13,158
Effects to profit after tax if the AP had strengthened/weakened by 5% against RM:				
- strengthened	108	500	108	500
- weakened	(108)	(500)	(108)	(500)
Net monetary assets denominated in BND	10,693	-	-	-
Effects to profit after tax if the BND had strengthened/weakened by 5% against RM:				
- strengthened	406	-	-	-
- weakened	(406)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

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

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

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

	The Group	
	2019 RM'000	2018 RM'000
Net monetary assets denominated in SGD	14,149	14,554
Effects to profit after tax if the SGD had strengthened/weakened by 1% against RM:		
- strengthened	108	111
- weakened	(108)	(111)
Net monetary liabilities denominated in CNY	(5,285)	(8,408)
Effects to profit after tax if the CNY had strengthened/weakened by 1% against RM:		
- strengthened	(40)	(64)
- weakened	40	64

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

	The Group	
	2019 RM'000	2018 RM'000
Net monetary liabilities denominated in USD	(146,976)	(176,761)
Effects to profit after tax if the USD had strengthened/weakened by 5% against INR:		
- strengthened	(5,836)	(7,019)
- weakened	5,836	7,019

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

	The Group	
	2019 RM'000	2018 RM'000
Net monetary liabilities denominated in USD	(506,251)	(685,681)
Effects to profit after tax if the USD had strengthened/weakened by 5% against IDR:		
- strengthened	(18,984)	(25,713)
- weakened	18,984	25,713

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

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

As at the reporting date, the Group's Indonesian Rupiah ("IDR") functional currency entities had Japanese Yen ("JPY") denominated net monetary liabilities. The effects to the Group's profit after tax if the JPY had strengthened/weakened by 5% against IDR are as follows:

	The Group	
	2019 RM'000	2018 RM'000
Net monetary liabilities denominated in JPY	(192,156)	-
Effects to profit after tax if the JPY had strengthened/weakened by 5% against IDR:		
- strengthened	(7,206)	-
- weakened	7,206	-

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

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

(ii) Cash flow interest rate risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

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

(a) Market risk (cont'd)

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

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

	The Group		The Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Borrowings based on cost of funds ("COF"):				
- increase by 25 basis points	(1,904)	(1,415)	-	-
- decrease by 25 basis points	1,904	1,415	-	-
- increase by 50 basis points	(1,200)	-	-	-
- decrease by 50 basis points	1,200	-	-	-
Borrowings based on London interbank offered rate ("LIBOR"):				
- increase by 25 basis points	(523)	-	(523)	-
- decrease by 25 basis points	523	-	523	-
- increase by 50 basis points	(2,149)	(5,494)	-	(1,836)
- decrease by 50 basis points	2,149	5,494	-	1,836
Borrowings based on Marginal cost of lending rate ("MCLR"):				
- increase by 50 basis points	(1,066)	(750)	-	-
- decrease by 50 basis points	1,066	750	-	-

(iii) Price risk

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

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

	The Group	
	2019 RM'000	2018 RM'000
CPO Swap Contracts		
Effects to profit after tax if crude palm oil prices:		
- increase by 10%	(3,490)	(687)
- decrease by 10%	3,490	687

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

(a) Market risk (cont'd)

(iii) Price risk (cont'd)

Physical forward selling commodity contracts are entered into and continue to be held for the purpose of the delivery of the physical commodity in accordance with the Group's expected sale requirements as follows:

	The Group	
	Tonnage Tonnes	Average contract price per tonne RM
Physical forward selling commodity contracts		
Sales contracts:		
31 March 2019	-	-
31 March 2018	6,750	2,720

(b) Credit risk

Credit risk – Measurement of ECL

The Group has applied MFRS 9 "Financial Instruments" on 1 April 2018 which requires the impairment of loans and receivables to be assessed using the expected credit loss ("ECL") model. ECL represents a probability-weighted estimate of the difference between the present value of contractual cash flows and the present value of cash flows that the Group expects to receive, over the remaining life of the financial instrument.

The Group and the Company have the following financial instruments that are subject to the ECL model:

Group and Company

- Trade receivables
- Contract assets
- Other receivables (current and non-current)
- Cash and cash equivalents
- Amounts due from related companies
- Redeemable Convertible Unsecured Loan Stocks ("RCULS")
- Redeemable Unsecured Murabahah Stocks ("RUMS")

(i) Trade receivables and contract assets using simplified approach

The Group applies the MFRS 9 simplified approach in measuring expected credit losses which estimates a lifetime expected credit loss allowance for all trade receivables and contract assets.

The Group assessed ECL for trade receivables based on two different approaches, namely collective assessment and individual debtor assessment.

Collective approach

To measure the expected credit losses under the collective approach, trade receivables and contract assets have been grouped based on shared credit risk characteristics and number of days past due. The expected loss rates are developed based on the historical credit losses rate. The historical loss rates are further adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

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

(b) Credit risk (cont'd)

Credit risk – Measurement of ECL (cont'd)

(i) Trade receivables and contract assets using simplified approach (cont'd)

Collective approach (cont'd)

The Group has identified (i) internal credit rating and (ii) actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation to be the most relevant factors, and accordingly adjust the historical loss rates based on expected changes in these factors.

As at 31 March 2019, the group's trade receivables, contract assets and amounts owing by joint ventures of RM1,437,334,000, RM326,836,000 and RM744,451,000 respectively were assessed for impairment under the simplified approach.

Individual debtor assessment

The Group applies individual debtor assessment for debtors with different risk characteristics, where the credit risk information of these debtors is obtained and monitored individually. The Group assesses the lifetime ECL based on the PD*LGD*EAD approach, which is further defined as follows:

PD	Probability of default (the likelihood that the borrower cannot pay during the contractual period)
LGD	Loss given default (Percentage of contractual cash flows that will not be collected if default happens)
EAD	Exposure at default (Outstanding amount that is exposed to default risk)

The Group has taken into account the probability-weighted recoverable amount determined via the evaluation of a range of possible outcomes. In deriving the PD and LGD, the Group considers historical data by each debtor by category and adjusts for forward-looking macroeconomic data. The Group has identified the industry and geographical area which the debtor operates in, to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

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

(b) Credit risk (cont'd)

Credit risk – Measurement of ECL (cont'd)

(ii) Other receivables, amounts due from related companies, financial guarantee contract, RCULS and RUMS issued using general 3-stage approach

The Group and the Company use three categories for other receivables which reflect their credit risk and how the loss allowance is determined for each of those categories for other receivables which reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's ECL model is as follows:

Category	**Group's definition of category**	**Basis of recognising ECL**
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows	12 months ECL
Underperforming	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime ECL
Non-performing	Interest and/or principal repayments are 90 days past due or there is evidence indicating the asset is credit impaired	Lifetime ECL (credit-impaired)
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount	Asset is written off

Based on the above, loss allowance is measured on either 12 months ECL or lifetime ECL using a PD*LGD*EAD methodology.

(iii) Cash and cash equivalents

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

(c) Liquidity risk

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

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

(c) Liquidity risk (cont'd)

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

The Group	Less than 1 year RM'000	Between 1 and 5 years RM'000	Over 5 years RM'000
At 31 March 2019			
Bonds	357,932	1,617,047	1,795,096
Term loans	681,343	1,897,320	345,268
Government support loans	34,000	66,715	37,798
Trade and other payables	3,067,753	146,386	417,723
Short term borrowings*	985,218	-	-
Hire purchase and lease payables	286	11	-
Financial guarantee contracts**	2,045	12,807	10,375
Provisions	2,870	-	-
Derivative financial instruments	4,467	-	-
	5,135,914	3,740,286	2,606,260
At 31 March 2018			
Bonds	132,876	1,312,385	970,610
Term loans	1,734,933	938,171	47,107
Government support loans	34,000	90,714	50,798
Trade and other payables	2,889,021	399,868	401,986
Short term borrowings*	1,233,079	-	-
Hire purchase and lease payables	637	297	-
Financial guarantee contracts**	1,418	8,179	18,611
Provisions	2,764	-	-
Derivative financial instruments	5,858	-	-
	6,034,586	2,749,614	1,489,112
At 1 April 2017			
Bonds	124,559	1,034,182	1,381,689
Term loans	832,919	2,070,614	85,947
Government support loans	34,000	114,715	60,798
Trade and other payables	2,300,750	383,972	419,539
Short term borrowings*	1,055,309	-	-
Hire purchase and lease payables	760	837	-
Financial guarantee contracts**	1,055	8,980	17,026
Provisions	2,753	-	-
	4,352,105	3,613,300	1,964,999

* As at 31 March 2018, short term borrowings of the Group include bankers' acceptances, revolving credits, revolving loans, letters of credit and bank overdrafts.

** A subsidiary of the Group provided corporate guarantees and undertaking to an Indonesian bank in respect of plasma loans facility amounting to RM68.1 million (2018: RM40.0 million). No loss is expected to arise from these corporate guarantees and undertaking and the risk of default in the repayment obligation is minimal as all amounts are estimated to be recoverable. As at 31 March 2019, RM28.6 million (2018: RM28.2 million) has been drawn down.

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

(c) Liquidity risk (cont'd)

The Company	Less than 1 year RM'000	Between 1 and 5 years RM'000	Over 5 years RM'000
At 31 March 2019			
Bonds	267,201	981,188	564,681
Term loans	41,802	280,088	-
Short term borrowings (revolving credits and revolving loans)	370,378	-	-
Trade and other payables	400,883	827,662	-
Derivative financial instruments	4,467	-	-
	1,084,731	2,088,938	564,681
At 31 March 2018			
Bonds	61,713	978,856	538,277
Term loans	494,569	-	-
Short term borrowings (revolving credits and revolving loans)	372,396	-	-
Trade and other payables	330,900	852,537	-
Derivative financial instruments	5,858	-	-
	1,265,436	1,831,393	538,277
At 1 April 2017			
Bonds	61,729	709,821	869,025
Term loans	4,042	177,457	-
Short term borrowings (revolving credits and revolving loans)	212,200	-	-
Trade and other payables	341,670	948,028	-
	619,641	1,835,306	869,025

The exposure of the borrowings of the Group and the Company to interest rate changes and the contractual repricing dates at the reporting dates are disclosed in Notes 16, 17, 44 and 45 to the financial statements.

(d) Capital risk

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

Management monitors capital based on the Group's and the Company's gearing ratio. The Group and the Company are also required by the banks to maintain certain gearing ratios. The Group's and the Company's strategies are to maintain a gearing ratio of not greater than 1 time. The gearing ratio is calculated as net debt divided by equity capital. Net debt is calculated as total borrowings (excluding trade and other payables) less cash and cash equivalents. Equity capital is equivalent to capital and reserves attributable to owners of the Company.

The Group is subject to certain externally imposed capital requirements in the form of loan covenants. The Group and the Company monitor compliance with loan covenants based on the terms of the respective loan agreements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2019

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

(d) Capital risk (cont'd)

As at 31 March 2018, the Group had not complied with a financial covenant on certain of its borrowings amounting to RM1.2 billion. Subsequent to the reporting date of 31 March 2018, the Group had successfully obtained waivers/ indulgence from the relevant financial institutions. In accordance with FRS 101, the portion of the non-current liabilities of the borrowings of RM259.4 million had been reclassified as current liabilities as at 31 March 2018.

(e) Fair value measurements

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

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

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

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2019				
The Group				
Assets:				
Financial assets at fair value through profit or loss	444,699	-	-	444,699
Financial assets at fair value through other comprehensive income	-	-	3,665	3,665
Derivative financial instruments	-	4,470	-	4,470
Total assets	444,699	4,470	3,665	452,834
Liabilities:				
Derivative financial instruments	-	4,467	-	4,467
Total liabilities	-	4,467	-	4,467
The Company				
Assets:				
Financial assets at fair value through profit or loss	10,545	-	-	10,545
Financial assets at fair value through other comprehensive income	-	-	2,050	2,050
Total assets	10,545	-	2,050	12,595
Liabilities:				
Derivative financial instruments	-	4,467	-	4,467
Total liabilities	-	4,467	-	4,467

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

(e) Fair value measurements (cont'd)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2018				
The Group				
Assets:				
Financial assets at fair value through profit or loss	311,079	-	-	311,079
Available-for-sale financial assets	-	-	2,155	2,155
Derivative financial instruments	-	1,055	-	1,055
Total assets	311,079	1,055	2,155	314,289
Liabilities:				
Derivative financial instruments	-	5,858	-	5,858
Total liabilities	-	5,858	-	5,858
The Company				
Assets:				
Financial assets at fair value through profit or loss	18,740	-	-	18,740
Available-for-sale financial assets	-	-	2,050	2,050
Total assets	18,740	-	2,050	20,790
Liabilities:				
Derivative financial instruments	-	5,858	-	5,858
Total liabilities	-	5,858	-	5,858

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2019

4 OPERATING REVENUE

	The Group 2019 RM'000	The Group 2018 RM'000	The Company 2019 RM'000	The Company 2018 RM'000
Revenue from contract with customers:				
- construction contracts	1,959,537	2,288,184	-	-
- property development	1,380,002	1,143,932	-	-
- sale of quarry and manufactured products	880,116	1,049,290	-	-
- sale of goods	19,172	31,556	-	-
- toll concession revenue	398,823	387,556	-	-
- port revenue	288,306	216,430	-	-
- sale of crude palm oil and plantations related products	630,900	747,217	-	-
- management services	9,680	15,187	27,216	29,825
- rendering of other services	40,126	31,464	-	-
	5,606,662	5,910,816	27,216	29,825
Revenue from other sources:				
- dividend income	533	536	512,492	456,399
- interest income	-	1,023	-	-
- amortisation of deferred income	14,510	13,749	-	-
- port lease	26,123	28,462	-	-
- rental income	7,833	11,001	322	337
	48,999	54,771	512,814	456,736
	5,655,661	5,965,587	540,030	486,561
Timing of revenue recognition for revenue from contract with customers:				
- At a point in time	2,122,357	2,334,119	-	-
- Over time	3,484,305	3,576,697	27,216	29,825
	5,606,662	5,910,816	27,216	29,825

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

	2019 RM'000	2018 RM'000
Operating revenue of the Group	5,655,661	5,965,587
Share of operating revenue of:		
Associates	442,378	563,572
Joint ventures	170,800	216,393
	6,268,839	6,745,552

5 OPERATING PROFIT BEFORE FINANCE COST

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

	Note	The Group 2019 RM'000	The Group 2018 RM'000	The Company 2019 RM'000	The Company 2018 RM'000
Construction contract costs		1,832,938	2,130,100	269	404
Property development costs *		976,719	851,847	-	-
Cost of quarry and manufactured products sold		768,582	918,126	-	-
Cost of plantation products sold		532,224	545,807	-	-
Toll operation costs		194,125	226,903	-	-
Port operation costs		201,891	134,844	-	-
Property, plant and equipment:					
- depreciation	27	182,660	191,284	521	481
- written off	27	2,372	1,792	31	-
- loss on disposal		-	1,471	-	-
Land use rights:					
- amortisation	28	5,596	5,636	-	-
Investment properties:					
- depreciation	29	1,525	672	174	173
Rental of land and buildings		8,991	8,916	2,117	2,177
Hire of plant and equipment		7,656	8,796	-	-
Auditors' remuneration:					
- statutory audit	8				
Current year		4,185	4,032	477	426
Under accrual in respect of prior years		197	142	37	-
Foreign exchange losses/(gains) (net)		45,696	3,721	12,624	(6,591)
Fair value loss:					
- financial assets held for trading		6,076	7,139	5,477	6,210
- derivative financial instruments		2,753	5,858	2,753	5,858
Concession assets:					
- amortisation	30	145,758	162,900	-	-
- written off	30	612	81	-	-
Amortisation of quarry development expenditure	36	3,828	3,732	-	-
Bad debts written off		261	1,160	-	-
Impairment of:					
- trade and other receivables	39	10,524	5,152	-	-
- amounts owing by joint ventures	33	354	-	-	-
- investment in an associate		-	-	52,300	39,000
Loss on disposal of a subsidiary	13,48	2,695	-	-	-
Loss on disposal of an associate	13	41,449	-	-	-

* In the preceding financial year, impairment of property development costs of RM21,869,000 (Note 37(b)) had been included in costs of sales.

Direct operating expenses from investment properties that generated rental income for the Group and the Company during the financial year amounted to RM210,000 (2018: RM215,000) and RM163,000 (2018: RM188,000) respectively.

Direct operating expenses from investment properties that did not generate rental income for the Group and the Company during the financial year amounted to RM143,000 (2018: RM283,000) and RM71,000 (2018: RM41,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2019

5 OPERATING PROFIT BEFORE FINANCE COST (cont'd)

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

	Note	The Group 2019 RM'000	The Group 2018 RM'000	The Company 2019 RM'000	The Company 2018 RM'000
Gross dividends received from:					
- subsidiaries					
(quoted)		-	-	24,743	34,581
(unquoted)		-	-	446,133	404,946
- associates					
(quoted)		-	-	36,408	11,809
(unquoted)		-	-	4,675	4,527
- other investments					
(quoted)		817	683	533	536
Interest income:					
- bank deposits		42,487	42,212	3,088	3,227
- loans and receivables from related parties		21,125	31,406	105,441	85,249
- loans and receivables from non-related parties		8,864	19,123	17	-
- others		22,991	20,355	4,911	5,103
Profits from Islamic placements		2,438	2,644	-	-
Profits from Redeemable Unsecured Murabahah Stocks		10,314	2,432	-	-
Gain on disposal of property, plant and equipment		6,423	4,692	34	1
Gain on disposal of investment properties		2,306	-	-	-
Reversal of impairment of:					
- Property development costs	37(b)	10	-	-	-
Rental income		15,389	12,019	322	337
Bad debts recovered		618	2,529	-	-
Write back of allowance for impairment of receivables	39	6,891	4,938	-	-
Write back of allowance for impairment of amounts owing by joint ventures	33	-	193	-	-
Write back of building stocks		214	-	-	-
Amortisation of government grants	26	-	2,553	-	-
Income from quoted unit trusts		12,050	9,446	-	-
Fair value gains:					
- financial assets held for trading		4,087	456	-	-
- derivative financial instruments		7,530	972	-	-

6 EMPLOYEE BENEFITS COST

	Note	The Group 2019 RM'000	The Group 2018 RM'000	The Company 2019 RM'000	The Company 2018 RM'000
Wages, salaries and bonus		410,767	437,622	22,351	25,546
Defined contribution retirement plan		47,132	50,122	3,230	3,739
Defined benefit retirement plan	24	4,661	12,989	-	-
Other employee benefits		31,211	31,106	1,796	2,716
Share-based payments		45,817	35,711	7,947	8,012
		539,588	567,550	35,324	40,013
Less expenses capitalised into:					
- Construction contract costs		(97,110)	(92,898)	-	-
- Property, plant and equipment	27(e)	(15,388)	(16,734)	-	-
- Concession assets	30	(1,285)	(594)	-	-
- Property development costs	37(b)	(153)	(132)	-	-
		425,652	457,192	35,324	40,013

7 DIRECTORS' REMUNERATION

	The Group 2019 RM'000	The Group 2018 RM'000	The Company 2019 RM'000	The Company 2018 RM'000
Directors of the Company:				
Fees	1,693	1,582	1,352	1,223
Defined contribution retirement plan	676	852	676	852
Other emoluments	4,595	5,861	4,576	5,839
Share-based payments	2,503	2,923	2,503	2,923
	9,467	11,218	9,107	10,837

The estimated monetary value of benefits-in-kind provided to the Directors of the Group and of the Company by way of usage of the Group's and the Company's assets and the provision of other benefits during the financial year amounted to RM133,000 (2018: RM130,000) and RM133,000 (2018: RM130,000) respectively.

8 AUDITORS' REMUNERATION – STATUTORY AUDIT

	The Group 2019 RM'000	The Group 2018 RM'000	The Company 2019 RM'000	The Company 2018 RM'000
PricewaterhouseCoopers Malaysia *	2,829	2,605	514	426
Other member firms of PricewaterhouseCoopers International Limited *	769	854	-	-
Other auditors of subsidiaries	784	715	-	-
	4,382	4,174	514	426

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

9 FINANCE COST

	Note	The Group 2019 RM'000	The Group 2018 RM'000	The Company 2019 RM'000	The Company 2018 RM'000
Interest expenses arising from:					
- Advances from subsidiaries		-	-	4,504	-
- Bank borrowings		195,602	153,850	31,319	19,537
- Hire purchase and leasing		38	112	-	-
- Bonds		136,652	94,585	67,852	61,740
- Amortisation of government support loan		4,255	5,241	-	-
- Amortised costs on financial liabilities		27,455	16,085	-	-
- Others		12,700	2,494	-	-
		376,702	272,367	103,675	81,277
Less interest capitalised into:					
- Property, plant and equipment	27(e)	(6,211)	(1,900)	-	-
- Investment properties	29	(12,551)	(670)	-	-
- Concession assets	30	(34,746)	(40)	-	-
- Land held for property development	37(a)	(1,887)	(697)	-	-
- Property development costs	37(b)	(122,127)	(106,846)	-	-
		(177,522)	(110,153)	-	-
		199,180	162,214	103,675	81,277
Foreign exchange losses		28,599	26,211	-	-
Less foreign exchange losses capitalised into:					
- Property, plant and equipment	27(e)	(2,676)	(2,751)	-	-
		25,923	23,460	-	-
		225,103	185,674	103,675	81,277

10 INCOME TAX EXPENSE

	The Group 2019 RM'000	The Group 2018 RM'000	The Company 2019 RM'000	The Company 2018 RM'000
Current tax:				
- Malaysian income tax	236,220	216,711	19,884	16,189
- Overseas taxation	717	13,235	-	-
	236,937	229,946	19,884	16,189
Deferred taxation (Note 22)	(29,658)	2,853	230	191
	207,279	232,799	20,114	16,380

10 INCOME TAX EXPENSE (cont'd)

	The Group		The Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Current tax:				
- Current year	241,405	232,203	18,749	16,081
- Benefits from previously unrecognised temporary differences	(1,449)	(822)	-	-
- (Over)/under accrual in prior years (net)	(3,019)	(1,435)	1,135	108
	236,937	229,946	19,884	16,189
Deferred taxation:				
- Origination and reversal of temporary differences	(29,658)	2,853	230	191
	207,279	232,799	20,114	16,380

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

	The Group		The Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Profit before taxation	647,988	611,061	423,729	401,626
Tax calculated at the Malaysian tax rate of 24% (2018: 24%)	155,517	146,655	101,695	96,390
Tax effects of:				
- Different tax rates in other countries	8,561	(4,047)	-	-
- Expenses not deductible for tax purposes	134,027	123,536	41,839	38,924
- Income not subject to tax	(34,986)	(36,461)	(124,555)	(119,042)
- Utilisation of tax incentives	(378)	(1,095)	-	-
- Current year's deferred tax assets derecognised or not recognised on unused tax losses and unutilised deductible temporary differences	4,665	35,434	-	-
- Recognition of deferred tax assets on unused tax losses which was previously not recognised	(2,727)	(34,609)	-	-
- Utilisation of previously unrecognised tax losses and deductible temporary differences	(1,449)	(822)	-	-
- Share of results of associates and joint ventures	(29,408)	3,272	-	-
- Reduction in tax rate due to increase in chargeable income	-	(2,257)	-	-
- Others	-	(221)	-	-
(Over)/under accrual in prior years (net)	(3,019)	(1,435)	1,135	108
(Over)/under accrual of deferred tax in prior years (net)	(23,524)	4,849	-	-
Income tax expense	207,279	232,799	20,114	16,380

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

11 EARNINGS PER SHARE

(a) Basic

The basic earnings per share for the financial year has been calculated based on the Group's net profit attributable to owners of the Company for the financial year and the weighted average number of ordinary shares in issue during the financial year, excluding ordinary shares purchased by the Company and held as treasury shares (Note14(B)). The weighted average number of ordinary shares in issue is derived after taking into account the issuance of shares pursuant to the exercise of ESOS and vesting of ESGP (2018: issuance of shares pursuant to the exercise of ESOS and vesting of ESGP).

	The Group 2019 RM'000	The Group 2018 RM'000
Net profit attributable to owners of the Company	418,916	346,651
	'000	'000
Weighted average number of ordinary shares in issue	3,624,337	3,625,719
Basic earnings per share (sen)	11.56	9.56

(b) Fully diluted

The fully diluted earnings per share of the Group is calculated by dividing the Group's net profit attributable to owners of the Company for the financial year of RM418,916,000 (2018: RM346,651,000) by the weighted average number of ordinary shares in issue, adjusted to assume the conversion of all dilutive potential ordinary shares, i.e. the ESOS and ESGP (2018: the ESOS and ESGP). A calculation is done to determine the number of shares that could have been acquired at market price (determined as the weighted average annual share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding ESOS and ESGP (2018: outstanding ESOS and ESGP).

	The Group 2019 RM'000	The Group 2018 RM'000
Net profit attributable to owners of the Company	418,916	346,651
	'000	'000
Weighted average number of ordinary shares in issue	3,624,337	3,625,719
Adjustments for ESOS	-	7,651
Adjustments for ESGP	3,764	3,433
Weighted average number of ordinary shares for diluted earnings per share	3,628,101	3,636,803
Diluted earnings per share (sen)	11.55	9.53

12 DIVIDENDS

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

	The Company			
	2019		2018	
	Dividend per share Sen	Amount of dividend RM'000	Dividend per share Sen	Amount of dividend RM'000
Single tier first interim dividend	2.00	72,541**	3.00	108,848
Single tier second interim dividend	2.00	*	3.00	108,927**
	4.00	72,541	6.00	217,775

* The amount of dividend will be determined based on the number of shareholders entitled to receive the dividend as at 5:00pm on 28 June 2019.

** Dividends paid during the year.

On 29 May 2019, the Directors have declared a single tier second interim dividend in respect of the financial year ended 31 March 2019 of 2.0 sen per share to be paid on 19 July 2019 to every member who is entitled to receive the dividend as at 5:00pm on 28 June 2019. The second interim dividend has not been recognised in the Statement of Changes in Equity as it was declared subsequent to the financial year end.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2019 (2018: Nil).

13 SEGMENTAL REPORTING

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

The Group has the following principal business segments:

(a) Construction - Construction activities

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

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

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

(e) Infrastructure - Tollway and port operations

Other operations of the Group comprise mainly investment holding.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2019 is as follows:

	Construction RM'000	Property develop-ment RM'000	Manufac-turing & quarrying RM'000	Plantation RM'000	Infra-structure RM'000	Invest-ment & others RM'000	Group RM'000
REVENUE:							
Total revenue	2,858,810	1,482,011	930,501	630,900	943,391	541,136	7,386,749
Less: Inter-segment revenue	(533,449)	-	(44,077)	-	-	(540,384)	(1,117,910)
	2,325,361	1,482,011	886,424	630,900	943,391	752	6,268,839
Less: Share of operating revenue of associates and joint ventures	(344,208)	(54,693)	(3,071)	-	(211,206)	-	(613,178)
Revenue from external customers	1,981,153	1,427,318	883,353	630,900	732,185	752	5,655,661
Revenue from contract with customers *							
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

* Included in revenue from external customers are revenue from contract with customers of RM5,606,662,000 (Note 4).

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

	Construction RM'000	Property develop-ment RM'000	Manufac-turing & quarrying RM'000	Plantation RM'000	Infra-structure RM'000	Invest-ment & others RM'000	Group RM'000
RESULTS:							
Profit/(loss) before taxation	174,392	202,043	58,993	(43,306)	268,251	(12,385)	647,988
Depreciation and amortisation (A) *	8,734	13,465	48,530	111,552	157,086	-	339,367
Finance cost (B)	84,054	13,017	7,198	50,744	70,090	-	225,103
Earnings/(losses) before interest, tax, depreciation and amortisation	267,180	228,525	114,721	118,990	495,427	(12,385)	1,212,458
Other than (A) and (B), profit/(loss) before taxation also includes:							
- Interest income	57,260	21,920	1,282	4,361	8,171	15,225	108,219
- Share of profits/(losses) of associates	29,311	(3,822)	124	497	114,313	2,128	142,551
- Share of profits/(losses) of joint ventures	10,648	2,848	-	-	(28,309)	-	(14,813)
- Loss on disposal of an associate (Note 5(a))	-	-	-	-	(41,449)	-	(41,449)
- Loss on disposal of a subsidiary	-	-	(2,695)	-	-	-	(2,695)

* It comprises depreciation and amortisation of property, plant and equipment, land use rights, investment properties, concession assets and intangible assets.

13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2019 is as follows: (cont'd)

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

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

	Construction RM'000	Property develop-ment RM'000	Manufac-turing & quarrying RM'000	Plantation RM'000	Infra-structure RM'000	Invest-ment & others RM'000	Group RM'000
ASSETS:							
Segment assets	2,247,025	11,356,498	1,447,279	2,255,326	5,082,436	76,513	22,465,077
Unallocated assets:							
- Deferred tax assets							371,200
- Tax recoverable							169,697
Consolidated total assets							23,005,974
Segment assets include:							
- Investment in associates	275,264	19,298	1,867	12,908	498,057	35,465	842,859
- Investment in joint ventures	173,556	474,626	-	-	116,304	17	764,503
- Additions to non-current assets* (other than financial instruments and deferred tax assets)	28,352	97,302	128,354	138,763	455,684	-	848,455
LIABILITIES:							
Segment liabilities	3,519,790	3,788,526	282,629	878,679	2,480,816	804	10,951,244
Unallocated liabilities:							
- Deferred tax liabilities							614,540
- Current tax liabilities							55,769
Consolidated total liabilities							11,621,553

* Non-current assets comprise property, plant and equipment, land use rights, investment properties, concession assets, intangible assets and land held for property development (included in inventories).

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2018 is as follows:

	Construction RM'000	Property develop-ment RM'000	Manufac-turing & quarrying RM'000	Plantation RM'000	Infra-structure RM'000	Invest-ment & others RM'000	Group RM'000
REVENUE:							
Total revenue	3,312,054	1,260,461	1,076,247	747,217	1,001,873	488,637	7,886,489
Less: Inter-segment revenue	(635,980)	-	(19,150)	-	-	(485,807)	(1,140,937)
	2,676,074	1,260,461	1,057,097	747,217	1,001,873	2,830	6,745,552
Less: Share of operating revenue of associates and joint ventures	(348,505)	(78,605)	(3,081)	-	(349,774)	-	(779,965)
Revenue from external customers	2,327,569	1,181,856	1,054,016	747,217	652,099	2,830	5,965,587
Revenue from contract with customers *							
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
RESULTS:							
Profit before taxation	221,219	120,687	82,479	50,771	122,817	13,088	611,061
Depreciation and amortisation (A) **	10,721	11,815	48,234	121,584	169,317	-	361,671
Finance cost (B)	57,717	14,126	6,256	46,556	61,019	-	185,674
Earnings before interest, tax, depreciation and amortisation	289,657	146,628	136,969	218,911	353,153	13,088	1,158,406

* Included in revenue from external customers are revenue from contract with customers of RM5,910,816,000 (Note 4).

** It comprises depreciation and amortisation of property, plant and equipment, land use rights, investment properties, concession assets, intangible assets and government grants.

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

13 SEGMENTAL REPORTING (cont'd)

The segment information provided to the EXCO for the reportable segments for the financial year ended 31 March 2018 is as follows: (cont'd)

	Construction RM'000	Property develop-ment RM'000	Manufac-turing & quarrying RM'000	Plantation RM'000	Infra-structure RM'000	Invest-ment & others RM'000	Group RM'000
Other than (A) and (B), profit before taxation also includes:							
- Interest income	60,420	41,574	1,245	5,722	6,585	2,626	118,172
- Impairment of property development costs	-	(21,869)	-	-	-	-	(21,869)
- Share of profits/(losses) of associates	28,661	2,884	(310)	-	(21,776)	(1,217)	8,242
- Share of profits/(losses) of joint ventures	26,344	(5,420)	-	-	(30,227)	-	(9,303)
ASSETS:							
Segment assets	1,735,566	10,519,040	1,461,472	2,269,221	4,627,768	150,658	20,763,725
Unallocated assets:							
- Deferred tax assets							319,521
- Tax recoverable							150,041
Consolidated total assets							21,233,287
Segment assets include:							
- Investment in associates	244,217	22,114	1,817	-	512,360	43,032	823,540
- Investment in joint ventures	173,250	397,944	-	-	137,214	222	708,630
- Additions to non-current assets* (other than financial instruments and deferred tax assets)	6,392	563,621	62,663	135,445	584,139	-	1,352,260
LIABILITIES:							
Segment liabilities	3,467,539	4,044,576	280,734	836,609	1,447,500	10,926	10,087,884
Unallocated liabilities:							
- Deferred tax liabilities							592,643
- Current tax liabilities							34,465
Consolidated total liabilities							10,714,992

* Non-current assets comprise property, plant and equipment, land use rights, investment properties, concession assets, intangible assets and land held for property development (included in inventories).

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

13 SEGMENTAL REPORTING (cont'd)

Geographical information:

	Revenue from external customers RM'000	Non-* current assets RM'000
2019		
Malaysia	4,975,100	5,947,051
India	314,042	656,617
Indonesia	306,064	1,312,101
Other countries	60,455	64,059
	5,655,661	7,979,828
2018		
Malaysia	5,365,373	5,629,570
India	205,691	583,766
Indonesia	328,854	1,247,485
Other countries	65,669	48,897
	5,965,587	7,509,718

* Non-current assets comprise property, plant and equipment, land use rights, investment properties, concession assets, intangible assets and land held for property development (included in inventories).

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

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

(A) SHARE CAPITAL

	The Group and the Company			
	31.3.2019		31.3.2018	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued and fully paid:				
At 1 April 2018/2017	3,628,678	6,074,349	3,613,386	6,022,651
Issuance of shares arising from:				
- Vesting of shares under ESGP	6,981	24,879	7,167	24,346
- Exercise of share options	29	122	5,325	19,983
- Shares held under trust (Note 14(D))	-	-	2,800	7,369
At 31 March 2019/2018	3,635,688	6,099,350	3,628,678	6,074,349

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

(A) SHARE CAPITAL (cont'd)

During the financial year, the number of issued and paid-up ordinary shares of the Company was increased from 3,628,678,020 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") at the following issue prices:

Number of shares issued units	ESOS exercise price RM/share	Award of options under ESOS ("ESOS Award")
9,200	2.16	First ESOS Award
19,600	2.54	Second ESOS Award
28,800		

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

(B) TREASURY SHARES

	The Group and the Company			
	31.3.2019		31.3.2018	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
At 1 April 2018/2017	798	2,104	3	10
Shares buy back	9,039	15,966	795	2,094
At 31 March 2019/2018	9,837	18,070	798	2,104

The shareholders of the Company had approved an ordinary resolution at the Annual General Meeting held on 28 August 2018 for the Company to repurchase its own shares up to a maximum of 10% of the issued and paid-up capital of the Company. The Directors of the Company were committed to enhancing the value of the Company and believed that the repurchase plan was being applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 9,039,000 of its ordinary shares from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") for RM15,965,746. The average price paid for the shares repurchased was approximately RM1.77 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares as allowed for under Section 127 of the Companies Act 2016. The Company has the right to reissue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

(C) SHARE-BASED PAYMENTS

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

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

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

(i) Share options

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

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

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

First ESOS Award	Second ESOS Award	Third ESOS Award	Fourth ESOS Award	Fifth ESOS Award	Sixth ESOS Award	Seventh ESOS Award	Percentage (%)
24 December 2013	24 December 2014	24 December 2015	24 December 2016	24 December 2017	30 March 2019	30 March 2020	40
24 December 2014	24 December 2015	24 December 2016	24 December 2017	24 December 2018	30 March 2020	30 March 2021	30
24 December 2015	24 December 2016	24 December 2017	24 December 2018	24 December 2019	30 March 2021	30 March 2022	30

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

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

The first tranche of ESOS under the First ESOS Award amounting to 10,525,800 options had been vested and were exercisable as at 24 December 2013. The second tranche of ESOS under the First ESOS Award amounting to 7,215,700 options had been vested and were exercisable as at 24 December 2014. The third tranche of ESOS under the First ESOS Award amounting to 13,641,100 options had been vested and were exercisable as at 24 December 2015.

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

			Number of share options over ordinary shares			
Grant Date	Expiry Date	Exercise Price RM/share	Balance at 1.4.2018 '000	Forfeited '000	Exercised '000	Balance at 31.3.2019 '000
24 December 2012	23 December 2022	4.44/4.37*/ 2.18**/ 2.16***	5,414	-	(25)	5,389

As at 31 March 2019, 5,389,000 (2018: 5,413,800) outstanding options from the First ESOS Award are exercisable. The weighted average quoted price of shares of the Company at the time when the options were exercised during the year was RM2.60 (2018: RM3.46).

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

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

(i) Share options (cont'd)

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

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

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

			Number of share options over ordinary shares			
Grant Date	Expiry Date	Exercise Price RM/share	Balance at 1.4.2018 '000	Forfeited '000	Exercised '000	Balance at 31.3.2019 '000
24 December 2013	23 December 2022	5.22/5.14*/ 2.57**/ 2.54***	20,553	-	(62)	20,491

As at 31 March 2019, 20,491,100 (2018: 20,553,400) outstanding options from the Second ESOS Award are exercisable. The weighted average quoted price of shares of the Company at the time when the options were exercised was RM2.74 (2018: RM3.45).

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

The first tranche of ESOS under the Third ESOS Award amounting to 7,869,700 options had been vested and were exercisable as at 24 December 2015. The second tranche of ESOS under the Third ESOS Award amounting to 5,418,700 options had been vested and were exercisable as at 24 December 2016. The third tranche of ESOS under the Third ESOS Award amounting to 4,948,300 options had been vested and were exercisable as at 24 December 2017.

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

			Number of share options over ordinary shares			
Grant Date	Expiry Date	Exercise Price RM/share	Balance at 1.4.2018 '000	Forfeited '000	Exercised '000	Balance at 31.3.2019 '000
24 December 2014	23 December 2022	5.88/2.94* 2.91**	11,882	-	-	11,882

As at 31 March 2019, 11,881,600 (2018: 11,881,600) outstanding options from the Third ESOS Award are exercisable. The weighted average quoted price of shares of the Company at the time when the options were exercised was Nil (2018: RM3.45).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

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

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

(i) Share options (cont'd)

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

The first tranche of ESOS under the Fourth ESOS Award amounting to 7,012,100 options had been vested and were exercisable as at 24 December 2016. The second tranche of ESOS under the Fourth ESOS Award amounting to 4,768,800 options had been vested and were exercisable as at 24 December 2017. The third tranche of ESOS under the Fourth ESOS Award amounting to 4,601,800 options have been vested and were exercisable as at 24 December 2018.

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

			Number of share options over ordinary shares			
Grant Date	**Expiry Date**	**Exercise Price RM/share**	**Balance at 1.4.2018 '000**	**Forfeited '000**	**Exercised '000**	**Balance at 31.3.2019 '000**
24 December 2015	23 December 2022	3.06/3.03*	15,076	(1,064)	-	14,012

As at 31 March 2019, out of the 14,012,000 (2018: 15,075,820) outstanding options from the Fourth ESOS Award, 14,012,000 (2018: 9,410,200) options are exercisable. The weighted average quoted price of shares of the Company at the time when the options were exercised was Nil (2018: RM3.45).

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

The first tranche of ESOS under the Fifth ESOS Award amounting to 5,338,900 options had been vested and were exercisable as at 24 December 2017. The second tranche of ESOS under the Fifth ESOS Award amounting to 3,825,900 options have been vested and were exercisable as at 24 December 2018.

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

			Number of share options over ordinary shares			
Grant Date	**Expiry Date**	**Exercise Price RM/share**	**Balance at 1.4.2018 '000**	**Forfeited '000**	**Exercised '000**	**Balance at 31.3.2019 '000**
24 December 2016	23 December 2022	2.93	14,880	-	-	14,880

As at 31 March 2019, out of the 14,880,280 (2018:14,880,280) outstanding options from the Fifth ESOS Award, 9,117,700 (2018: 5,291,800) options are exercisable. The weighted average quoted price of shares of the Company at the time when the options were exercised was nil (2018: RM3.11).

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

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

(i) Share options (cont'd)

(f) On 30 March 2018, the sixth award of options under the ESOS of 79,352,700 options ("Sixth ESOS Award") was awarded to the Group Employee at an exercise price of RM2.70 per ordinary share.

The first tranche of ESOS under the Sixth ESOS Award amounting to 27,137,200 options have been vested and were exercisable as at 30 March 2019.

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

			Number of share options over ordinary shares			
Grant Date	Expiry Date	Exercise Price RM/share	Balance at 1.4.2018 '000	Forfeited '000	Exercised '000	Balance at 31.3.2019 '000
30 March 2018	23 December 2022	2.70	79,353	(1,194)	-	78,159

As at 31 March 2019, out of the 78,158,600 outstanding options from the Sixth ESOS Award, 27,137,200 options are exercisable. None of the options are exercised under the Sixth ESOS Award.

(g) On 30 March 2019, the seventh award of options under the ESOS of 41,977,500 options ("Seventh ESOS Award") has been awarded to the Group Employee at an exercise price of RM2.16 per ordinary share.

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

			Number of share options over ordinary shares			
Grant Date	Expiry Date	Exercise Price RM/share	Balance at 1.4.2018 '000	Granted '000	Exercised '000	Balance at 31.3.2019 '000
30 March 2019	23 December 2022	2.16	-	41,978	-	41,978

As at 31 March 2019, none of the options are vested under the Seventh ESOS Award.

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2019

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

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

(i) Share options (cont'd)

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

	First ESOS Award	Second ESOS Award	Third ESOS Award	Fourth ESOS Award	Fifth ESOS Award	Sixth ESOS Award	Seventh ESOS Award
Fair value at the date of offer (RM)	1.08/ 0.54**	1.02/ 0.51**	1.08/ 0.54**	0.73	0.73	0.47	0.58
Share price at the date of offer (RM)	4.98	5.80	6.60	3.40	3.25	2.68	2.22
Exercise price (RM)	4.44/ 4.37*/ 2.18**/ 2.16***	5.22/ 5.14*/ 2.57**/ 2.54***	5.88/ 2.94**/ 2.91***	3.06/ 3.03***	2.93	2.70	2.16
Expected volatility (%)	25.9	18.4	16.5	19.0	21.2	24.6	45.6
Expected life (years)	5	4	3	7	6	4	3

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

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

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

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

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

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

There was no change to Fourth, Fifth, Sixth and Seventh ESOS Award because these were awarded to the Group Employee on the respective dates, which were after the modification date.

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

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

(ii) Share grants

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

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

As at 31 March 2019 and 31 March 2018, there are no outstanding share grants under the First ESGP Award.

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

As at 31 March 2019 and 31 March 2018, there are no outstanding share grants under the Second ESGP Award.

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

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

	Number of share grants			
Grant Date	**Balance at 1.4.2018 '000**	**Forfeited '000**	**Issued '000**	**Balance at 31.3.2019 '000**
15 April 2015	3,431	(213)	(3,218)	-

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

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

	Number of share grants			
Grant Date	**Balance at 1.4.2018 '000**	**Forfeited '000**	**Issued '000**	**Balance at 31.3.2019 '000**
15 April 2016	14,798	(7,270)	(3,764)	3,764

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

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

	Number of share grants			
Grant Date	**Balance at 1.4.2018 '000**	**Forfeited '000**	**Issued '000**	**Balance at 31.3.2019 '000**
15 April 2017	14,717	-	-	14,717

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

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

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

(ii) Share grants (cont'd)

On 15 April 2018, the sixth award of shares under the ESGP ("Sixth ESGP Award") has been made to the eligible Group Employee and once accepted will be vested to the eligible Group Employee at no consideration over a period of up to three years, subject to the fulfilment of vesting conditions.

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

	Number of share grants			
Grant Date	Balance at 1.4.2018 '000	Granted '000	Issued '000	Balance at 31.3.2019 '000
15 April 2018	-	14,198	-	14,198

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

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

(D) SHARES HELD UNDER TRUST

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

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

	The Group and the Company	
	31.3.2019 RM'000	31.3.2018 RM'000
At 1 April 2018/2017	1,521	4,016
Subscription of new shares (Note 14(A))	-	7,369
Exercise of share options via ETF mechanism	(142)	(9,864)
At 31 March 2019/2018	1,379	1,521

15 OTHER RESERVES

	The Group 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Other reserves	32,476	38,567	35,874

	The Group 31.3.2019 RM'000	31.3.2018 RM'000
(a) Capital reserve		
At 1 April 2018/2017		
- as previously reported	34,592	32,940
- effects of transition from FRSs to MFRSs (Note 55)	(12,525)	(12,525)
At 1 April 2018/2017, as restated	22,067	20,415
Share of capital reserve in an associate	409	1,652
At 31 March 2019/2018	22,476	22,067
(b) Fair value reserve		
At 1 April 2018/2017		
- as previously reported	6,300	2,786
- effects of adoption of MFRS 9 (Note 55)	(6,300)	-
At 1 April 2018/2017, as restated	-	2,786
Share of fair value reserve in an associate	-	3,514
At 31 March 2019/2018	-	6,300
(c) Redemption reserve		
At 1 April 2018/2017	10,200	10,200
Transferred to retained profits	(200)	-
At 31 March 2019/2018	10,000*	10,200*

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

	The Group 31.3.2019 RM'000	31.3.2018 RM'000
(d) Hedge reserve		
At 1 April 2018/2017	-	2,473
Realisation of other comprehensive income arising from dilution of interest in an associate	-	(319)
Share of hedge reserve in an associate	-	(2,154)
At 31 March 2019/2018	-	-
Total reserves at 31 March 2019/2018	32,476	38,567

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

16 BONDS

	Unsecured Sukuk Murabahah Notes (a) RM'000	Sukuk Mudharabah Notes (b) RM'000	Secured Sukuk Wakalah (c) RM'000	Total RM'000
The Group				
31.3.2019				
At 1 April 2018	1,300,000	650,000	-	1,950,000
Drawdown during the year	200,000	-	905,000	1,105,000
Redeemed during the year	-	(40,000)	-	(40,000)
At 31 March 2019	1,500,000	610,000	905,000	3,015,000
Less:				
Discount on issuance	-	-	(4,734)	(4,734)
Amortisation of discount	-	-	582	582
	-	-	(4,152)	(4,152)
	1,500,000	610,000	900,848	3,010,848
Less:				
Amount redeemable within 12 months (Note 45)	(200,000)	(55,000)	-	(255,000)
	1,300,000	555,000	900,848	2,755,848
31.3.2018				
At 1 April 2017	1,300,000	680,000	-	1,980,000
Redeemed during the year	-	(30,000)	-	(30,000)
At 31 March 2018	1,300,000	650,000	-	1,950,000
Less:				
Amount redeemable within 12 months (Note 45)	-	(40,000)	-	(40,000)
	1,300,000	610,000	-	1,910,000
1.4.2017				
At 1 April 2017	1,300,000	680,000	-	1,980,000
Less:				
Amount redeemable within 12 months (Note 45)	-	(30,000)	-	(30,000)
	1,300,000	650,000	-	1,950,000

16 BONDS (cont'd)

	Unsecured Sukuk Murabahah Notes (a) RM'000	Total RM'000
The Company		
31.3.2019		
At 1 April 2018	1,300,000	1,300,000
Drawdown during the year	200,000	200,000
	1,500,000	1,500,000
Less:		
Amount redeemable within 12 months (Note 45)	(200,000)	(200,000)
At 31 March 2019	1,300,000	1,300,000
31.3.2018		
Non-current:		
At 1 April 2017/At 31 March 2018	1,300,000	1,300,000
1.4.2017		
Non-current:		
At 1 April 2017	1,300,000	1,300,000

A. Maturity profile of Bonds

	Note	Carrying amount RM'000	< 1 year RM'000	1 - 2 years RM'000	The Group 2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	> 5 years RM'000
31.3.2019								
Unsecured								
Sukuk Murabahah Notes	(a)	1,500,000	200,000	150,000	150,000	300,000	200,000	500,000
Secured								
Sukuk Mudharabah Notes	(b)	610,000	55,000	60,000	60,000	60,000	60,000	315,000
Sukuk Wakalah	(c)	900,848	-	-	-	50,000	85,000	765,848
		3,010,848	255,000	210,000	210,000	410,000	345,000	1,580,848
31.3.2018								
Unsecured								
Sukuk Murabahah Notes	(a)	1,300,000	-	200,000	150,000	150,000	300,000	500,000
Secured								
Sukuk Mudharabah Notes	(b)	650,000	40,000	55,000	60,000	60,000	60,000	375,000
		1,950,000	40,000	255,000	210,000	210,000	360,000	875,000

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

16 BONDS (cont'd)

A. Maturity profile of Bonds (cont'd)

	Note	Carrying amount RM'000	< 1 year RM'000	1 - 2 years RM'000	The Group 2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	> 5 years RM'000
1.4.2017								
Unsecured								
Sukuk Murabahah Notes	(a)	1,300,000	-	-	200,000	150,000	150,000	800,000
Secured								
Sukuk Mudharabah Notes	(b)	680,000	30,000	40,000	55,000	60,000	60,000	435,000
		1,980,000	30,000	40,000	255,000	210,000	210,000	1,235,000

	Note	Carrying amount RM'000	< 1 year RM'000	1 - 2 years RM'000	The Company 2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	> 5 years RM'000
Unsecured								
Sukuk Murabahah Notes	(a)							
31.3.2019		1,500,000	200,000	150,000	150,000	300,000	200,000	500,000
31.3.2018		1,300,000	-	200,000	150,000	150,000	300,000	500,000
1.4.2017		1,300,000	-	-	200,000	150,000	150,000	800,000

B. Principal features of Bonds

(a) Sukuk Murabahah Notes

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

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

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

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

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

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

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

On 20 August 2018, the Company issued a sixth tranche of RM200,000,000 pursuant to the Programme at its nominal value that carries a profit rate of 5.05% per annum. It is repayable in full 10 years after the issue date.

16 BONDS (cont'd)

B. Principal features of Bonds (cont'd)

(b) Sukuk Mudharabah Notes

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

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

As at 31 March 2019, the profit rate of the Sukuk is 5.01% (31.3.18 and 1.4.17: 4.96%) per annum.

(ii) The Sukuk is secured by the following:

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

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

(c) Sukuk Wakalah

(i) On 23 March 2018, a subsidiary, Kuantan Port Consortium Sdn Bhd ("KPC") established an unrated Islamic Medium Term Notes Programme of up to RM3.0 billion in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar (the "Sukuk Wakalah") with a tenure of up to 25 years from the first issuance date.

On 2 May 2018, KPC made the first issuance of the Sukuk Wakalah for an amount of RM650,000,000 at nominal value and carries a profit rate ranging from 4.89% to 5.15% per annum. It is repayable in 8 various annual instalments, commencing 4 years after the issue date.

On 30 July 2018, KPC made the second issuance for an amount of RM225,000,000 of the Sukuk Wakalah at nominal value and carries a profit rate ranging from 5.06% to 5.08% per annum. It is repayable in 8 various annual instalments, commencing 4 years after the issue date.

On 31 January 2019, KPC made the third issuance for an amount of RM30,000,000 of the Sukuk Wakalah at nominal value and carries a profit rate of 5.09% per annum. It is repayable in 9 various annual instalments, commencing 4 years after the issue date.

(ii) The Sukuk Wakalah is secured by the following:

- a debenture creating a fixed and floating charge over present and future assets;
- an assignment of balance of revenue from leases, subleases and tenancies, interest, rights, titles and benefits on contract from contractors, suppliers and others including performance or maintenance bonds, designated accounts and insurance/takaful policy;

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

16 BONDS (cont'd)

B. Principal features of Bonds (cont'd)

(c) Sukuk Wakalah (cont'd)

(ii) The Sukuk Wakalah is secured by the following: (cont'd)

- Parri Passu ranking between Government of Malaysia pursuant to the Privatisation Agreement dated 16 June 2015 and the Sukuk Wakalah under the Security Sharing Arrangement;
- equal priority for profit and/or principal payment of the Sukuk Wakalah and transfer to the Operating Account, for the principal payment of the Government Support Loan;
- in the event that takaful/insurance proceeds are received pursuant to total lost event, an equal and proportionate basis of redemption of the Sukuk Wakalah and transfer to the Operating Account for repayment of the Government Support Loan; and
- in the event of early termination of the Privatisation Agreement dated 16 June 2015, an equal and proportionate basis of compensation proceeds shall be used to redeem the Sukuk and transfer to the Operating Account for repayment of the Government Support Loan.

The Sukuk Wakalah contains covenants which require KPC to maintain its finance to equity ratio of not more than 4.0 times, finance service cover ratio of more than 1.25 times at all times and post-dividend finance service cover ratio of more than 1.5 times.

17 TERM LOANS

	Note	The Group 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000	The Company 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Current:							
Secured	45	80,834	232,856	232,985	-	-	-
Unsecured	45	505,381	1,441,918	455,717	30,596	483,188	-
		586,215	1,674,774	688,702	30,596	483,188	-
Non-current:							
Secured		936,257	460,903	613,651	-	-	-
Unsecured		1,046,703	479,247	1,508,158	244,770	-	176,940
		1,982,960	940,150	2,121,809	244,770	-	176,940
		2,569,175	2,614,924	2,810,511	275,366	483,188	176,940

A. Currency profile of term loans

The currency exposure profile of term loans is as follows:

	Note	The Group 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000	The Company 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
United States Dollar		859,866	1,470,339	1,424,555	275,366	483,188	176,940
Chinese Yuan		5,285	8,408	35,547	-	-	-
Japanese Yen		192,933	-	-	-	-	-
		1,058,084	1,478,747	1,460,102	275,366	483,188	176,940

17 TERM LOANS (cont'd)

B. Effective interest rate and maturity profile of term loans

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

The Group	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Note	Floating interest rate < 1 year RM'000	Floating interest rate 1-2 years RM'000	Floating interest rate 2-3 years RM'000	Floating interest rate 3-4 years RM'000	Floating interest rate 4-5 years RM'000	Floating interest rate > 5 years RM'000	Fixed interest rate < 1 year RM'000	Fixed interest rate 1-2 years RM'000	Fixed interest rate 2-3 years RM'000	Fixed interest rate 3-4 years RM'000	Fixed interest rate 4-5 years RM'000
31.3.2019															
Secured															
Term loan 1	5.4	85,339	RM	(a)	-	34,554	50,785	-	-	-	-	-	-	-	-
Term loan 2	4.7	49,745	RM	(b)	-	-	-	25,000	24,745	-	-	-	-	-	-
Term loan 3	4.9	99,340	RM	(c)	5,550	7,400	7,400	7,400	7,400	64,190	-	-	-	-	-
Term loan 4	3.5	381,818	GBP	(d)	-	381,818	-	-	-	-	-	-	-	-	-
Term loan 5	4.8	6,975	RM	(e)	6,975	-	-	-	-	-	-	-	-	-	-
Term loan 6	4.8	10,722	RM	(f)	10,722	-	-	-	-	-	-	-	-	-	-
Term loan 7	4.8	2,245	RM	(g)	2,245	-	-	-	-	-	-	-	-	-	-
Term loan 8	5.1	138,325	RM	(h)	4,000	4,000	6,000	6,000	10,000	108,325	-	-	-	-	-
Term loan 9	4.9	3,212	RM	(i)	-	-	-	-	-	3,212	-	-	-	-	-
Term loan 10	4.9	99,474	RM	(j)	3,700	7,400	7,400	7,400	7,400	66,174	-	-	-	-	-
Term loan 11	4.9	10,710	RM	(k)	10,710	-	-	-	-	-	-	-	-	-	-
Term loan 12	5.0	52,627	RM	(l)	36,800	15,827	-	-	-	-	-	-	-	-	-
Term loan 13	9.3	60,078	INR	(m)	132	264	990	1,321	2,641	54,730	-	-	-	-	-
Term loan 14	4.9	10,065	RM	(n)	-	-	10,065	-	-	-	-	-	-	-	-
Term loan 15	4.9	4,291	RM	(o)	-	-	-	4,291	-	-	-	-	-	-	-
Term loan 16	4.9	1,687	RM	(p)	-	-	-	-	1,687	-	-	-	-	-	-
Term loan 17	4.9	438	RM	(q)	-	-	-	438	-	-	-	-	-	-	-
		1,017,091			80,834	451,263	82,640	51,850	53,873	296,631	-	-	-	-	-

17 TERM LOANS (cont'd)

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

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

				Floating interest rate						Fixed interest rate				
The Group (cont'd)	**Effective interest rate as at year end % p.a**	**Total carrying amount RM'000**	**Currency**	**< 1 year RM'000**	**1-2 years RM'000**	**2-3 years RM'000**	**3-4 years RM'000**	**4-5 years RM'000**	**> 5 years RM'000**	**< 1 year RM'000**	**1-2 years RM'000**	**2-3 years RM'000**	**3-4 years RM'000**	**4-5 years RM'000**
31.3.2019														
Unsecured														
Term loan 24	3.8	112,186	USD	-	40,795	40,795	30,596	-	-	-	-	-	-	-
Term loan 25	4.5	163,180	USD	30,596	40,795	40,795	40,795	10,199	-	-	-	-	-	-
Term loan 26	5.3	80,000	RM	-	-	-	-	-	-	80,000	-	-	-	-
Term loan 27	5.2	40,000	RM	20,000	20,000	-	-	-	-	-	-	-	-	-
Term loan 28	6.4	5,285	CNY	3,058	2,227	-	-	-	-	-	-	-	-	-
Term loan 29	3.9	51,737	USD	19,554	19,554	12,629	-	-	-	-	-	-	-	-
Term loan 30	3.9	51,737	USD	19,554	19,554	12,629	-	-	-	-	-	-	-	-
Term loan 31	4.3	171,098	USD	-	10,693	42,775	53,468	64,162	-	-	-	-	-	-
Term loan 32	4.3	162,952	USD	-	10,015	40,059	50,753	62,125	-	-	-	-	-	-
Term loan 33	1.1	192,933	JPY	-	9,647	38,586	57,880	86,820	-	-	-	-	-	-
Term loan 34	5.4	76,000	RM	16,000	16,000	16,000	16,000	12,000	-	-	-	-	-	-
Term loan 35	4.9	12,500	RM	10,000	2,500	-	-	-	-	-	-	-	-	-
Term loan 36	4.2	36,942	RM	7,643	29,299	-	-	-	-	-	-	-	-	-
Term loan 37	9.2	195,548	INR	195,548	-	-	-	-	-	-	-	-	-	-
Term loan 38	8.9	53,010	INR	53,010	-	-	-	-	-	-	-	-	-	-
Term loan 39	5.3	146,976	USD	50,418	62,335	34,223	-	-	-	-	-	-	-	-
		1,552,084		425,381	283,414	278,491	249,492	235,306	-	80,000	-	-	-	-
Total term loans		2,569,175		506,215	734,677	361,131	301,342	289,179	296,631	80,000	-	-	-	-

17 TERM LOANS (cont'd)

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

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

					Floating interest rate						Fixed interest rate				
The Group (cont'd)	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Note	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	> 5 years RM'000	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000
31.3.2018															
Secured															
Term loan 1	5.3	41,000	RM	(a)	-	-	41,000	-	-	-	-	-	-	-	-
Term loan 4	3.1	143,064	GBP	(d)	-	-	143,064	-	-	-	-	-	-	-	-
Term loan 5	4.6	16,218	RM	(e)	9,280	6,938	-	-	-	-	-	-	-	-	-
Term loan 6	4.6	30,444	RM	(f)	18,800	11,644	-	-	-	-	-	-	-	-	-
Term loan 7	4.9	6,735	RM	(g)	4,490	2,245	-	-	-	-	-	-	-	-	-
Term loan 11	5.0	26,109	RM	(k)	-	20,551	5,558	-	-	-	-	-	-	-	-
Term loan 12	5.0	51,851	RM	(l)	-	38,200	13,651	-	-	-	-	-	-	-	-
Term loan 13	9.3	8,019	INR	(m)	-	-	-	-	-	8,019	-	-	-	-	-
Term loan 18	4.9	100,000	RM	(r)	100,000	-	-	-	-	-	-	-	-	-	-
Term loan 19	5.1	193,590	RM	(s)	55,520	55,520	55,520	27,030	-	-	-	-	-	-	-
Term loan 20	5.0	16,875	RM	(t)	16,875	-	-	-	-	-	-	-	-	-	-
Term loan 21	5.1	31,963	RM	(u)	-	-	-	-	-	31,963	-	-	-	-	-
Term loan 22	5.0	27,891	RM	(v)	27,891	-	-	-	-	-	-	-	-	-	-
		693,759			232,856	135,098	258,793	27,030	-	39,982	-	-	-	-	-

17 TERM LOANS (cont'd)

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

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

The Group (cont'd)	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Floating interest rate < 1 year RM'000	Floating interest rate 1-2 years RM'000	Floating interest rate 2-3 years RM'000	Floating interest rate 3-4 years RM'000	Floating interest rate 4-5 years RM'000	Floating interest rate > 5 years RM'000	Fixed interest rate < 1 year RM'000	Fixed interest rate 1-2 years RM'000	Fixed interest rate 2-3 years RM'000	Fixed interest rate 3-4 years RM'000	Fixed interest rate 4-5 years RM'000
31.3.2018														
Unsecured														
Term loan 26	5.3	160,000	RM	-	-	-	-	-	-	160,000	-	-	-	-
Term loan 27	5.2	50,000	RM	50,000	-	-	-	-	-	-	-	-	-	-
Term loan 28	7.5	8,408	CNY	3,058	3,058	2,292	-	-	-	-	-	-	-	-
Term loan 29	2.8	67,645	USD	18,554	18,554	18,554	11,983	-	-	-	-	-	-	-
Term loan 30	2.8	67,645	USD	18,554	18,554	18,554	11,983	-	-	-	-	-	-	-
Term loan 31	3.1	154,618	USD	57,982	57,982	38,654	-	-	-	-	-	-	-	-
Term loan 32	3.1	154,618	USD	57,982	57,982	38,654	-	-	-	-	-	-	-	-
Term loan 35	4.9	22,500	RM	-	-	-	-	-	-	10,000	12,500	-	-	-
Term loan 37	8.5	158,598	INR	158,598	-	-	-	-	-	-	-	-	-	-
Term loan 38	8.5	50,490	INR	50,490	-	-	-	-	-	-	-	-	-	-
Term loan 39	3.9	176,760	USD	176,760	-	-	-	-	-	-	-	-	-	-
Term loan 40	3.6	154,620	USD	154,620	-	-	-	-	-	-	-	-	-	-
Term loan 41	2.9	154,620	USD	154,620	-	-	-	-	-	-	-	-	-	-
Term loan 42	2.7	173,948	USD	173,948	-	-	-	-	-	-	-	-	-	-
Term loan 43	5.1	830	RM	-	-	-	830	-	-	-	-	-	-	-
Term loan 44	3.3	154,620	USD	154,620	-	-	-	-	-	-	-	-	-	-
Term loan 45	3.2	95,283	USD	24,739	24,739	24,739	21,066	-	-	-	-	-	-	-
Term loan 46	3.2	115,962	USD	17,393	23,193	23,193	23,193	23,193	5,797	-	-	-	-	-
		1,921,165		1,271,918	204,062	164,640	69,055	23,193	5,797	170,000	12,500	-	-	-
Total term loans		2,614,924		1,504,774	339,160	423,433	96,085	23,193	45,779	170,000	12,500	-	-	-

17 TERM LOANS (cont'd)

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

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

					Floating interest rate						Fixed interest rate				
The Group (cont'd)	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Note	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	> 5 years RM'000	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000
1.4.2017															
Secured															
Term loan 1	5.2	7,799	RM	(a)	-	-	-	-	7,799	-	-	-	-	-	-
Term loan 4	3.0	17,896	GBP	(d)	-	-	-	17,896	-	-	-	-	-	-	-
Term loan 5	4.6	25,461	RM	(e)	9,280	9,280	6,901	-	-	-	-	-	-	-	-
Term loan 6	4.6	51,475	RM	(f)	18,800	18,800	13,875	-	-	-	-	-	-	-	-
Term loan 7	4.6	11,225	RM	(g)	4,490	4,490	2,245	-	-	-	-	-	-	-	-
Term loan 11	4.7	19,000	RM	(k)	-	-	19,000	-	-	-	-	-	-	-	-
Term loan 12	4.9	49,772	RM	(l)	-	9,700	36,800	3,272	-	-	-	-	-	-	-
Term loan 18	4.7	200,000	RM	(r)	100,000	100,000	-	-	-	-	-	-	-	-	-
Term loan 19	4.9	221,132	RM	(s)	27,760	55,520	55,520	55,520	26,812	-	-	-	-	-	-
Term loan 20	4.8	39,375	RM	(t)	22,500	16,875	-	-	-	-	-	-	-	-	-
Term loan 21	4.7	124,451	RM	(u)	-	-	-	24,451	50,000	50,000	-	-	-	-	-
Term loan 22	5.0	41,278	RM	(v)	12,383	28,895	-	-	-	-	-	-	-	-	-
Term loan 23	8.5	37,772	CNY	(w)	-	-	-	-	-	-	37,772	-	-	-	-
		846,636			195,213	243,560	134,341	101,139	84,611	50,000	37,772	-	-	-	-

17 TERM LOANS (cont'd)

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

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

				Floating interest rate						Fixed interest rate				
The Group (cont'd)	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	> 5 years RM'000	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000
1.4.2017														
Unsecured														
Term loan 26	5.3	200,000	RM	-	-	-	-	-	-	40,000	80,000	80,000	-	-
Term loan 27	5.0	50,000	RM	-	10,000	20,000	20,000	-	-	-	-	-	-	-
Term loan 28	9.4	11,972	CNY	3,193	3,193	3,193	2,393	-	-	-	-	-	-	-
Term loan 29	2.0	108,353	USD	30,958	77,395	-	-	-	-	-	-	-	-	-
Term loan 30	2.0	108,353	USD	30,958	77,395	-	-	-	-	-	-	-	-	-
Term loan 31	2.5	176,903	USD	-	66,339	66,339	44,225	-	-	-	-	-	-	-
Term loan 32	2.5	176,903	USD	-	66,339	66,339	44,225	-	-	-	-	-	-	-
Term loan 37	8.8	221,991	INR	221,991	-	-	-	-	-	-	-	-	-	-
Term loan 38	8.8	20,460	INR	20,460	-	-	-	-	-	-	-	-	-	-
Term loan 39	3.7	234,809	USD	32,502	42,783	54,722	67,657	37,145	-	-	-	-	-	-
Term loan 40	3.0	176,940	USD	-	176,940	-	-	-	-	-	-	-	-	-
Term loan 43	5.0	8,996	RM	-	-	3,460	3,750	1,786	-	-	-	-	-	-
Term loan 44	2.8	176,940	USD	-	176,940	-	-	-	-	-	-	-	-	-
Term loan 45	2.4	132,677	USD	49,754	66,339	16,584	-	-	-	-	-	-	-	-
Term loan 46	2.4	132,677	USD	-	19,903	26,535	26,535	26,535	33,169	-	-	-	-	-
Term loan 47	9.4	23,575	CNY	23,575	-	-	-	-	-	-	-	-	-	-
Term loan 48	4.8	2,326	RM	2,326	-	-	-	-	-	-	-	-	-	-
		1,963,875		415,717	783,566	257,172	208,785	65,466	33,169	40,000	80,000	80,000	-	-
Total term loans		2,810,511		610,930	1,027,126	391,513	309,924	150,077	83,169	77,772	80,000	80,000	-	-

17 TERM LOANS (cont'd)

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

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

The Company	Effective interest rate as at year end % p.a	Total carrying amount RM'000	Currency	Floating interest rate < 1 year RM'000	Floating interest rate 1-2 years RM'000	Floating interest rate 2-3 years RM'000	Floating interest rate 3-4 years RM'000	Floating interest rate 4-5 years RM'000	Floating interest rate > 5 years RM'000	Fixed interest rate < 1 year RM'000	Fixed interest rate 1-2 years RM'000	Fixed interest rate 2-3 years RM'000	Fixed interest rate 3-4 years RM'000	Fixed interest rate 4-5 years RM'000
31.3.2019														
Unsecured														
Term loan 24	3.8	112,186	USD	-	40,795	40,795	30,596	-	-	-	-	-	-	-
Term loan 25	4.5	163,180	USD	30,596	40,795	40,795	40,795	10,199	-	-	-	-	-	-
		275,366		30,596	81,590	81,590	71,391	10,199	-	-	-	-	-	-
31.3.2018														
Unsecured														
Term loan 40	3.6	154,620	USD	154,620	-	-	-	-	-	-	-	-	-	-
Term loan 41	2.9	154,620	USD	154,620	-	-	-	-	-	-	-	-	-	-
Term loan 42	2.7	173,948	USD	173,948	-	-	-	-	-	-	-	-	-	-
		483,188		483,188	-	-	-	-	-	-	-	-	-	-
1.4.2017														
Unsecured														
Term loan 40	3.0	176,940	USD	-	176,940	-	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

17 TERM LOANS (cont'd)

C. Principal features of secured term loans

(a) Term loan 1 of RM85,339,000 (31.3.2018: RM41,000,000, 1.4.2017: RM7,799,000) and revolving credit of RM8,943,000 (31.3.2018: RM11,607,000, 1.4.2017: Nil) (Note 45(A)(a)) is secured by way of:

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

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

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

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

(v) a corporate guarantee by IJML.

(b) Term Loan 2 of RM49,745,000 (31.3.2018: RM Nil, 1.4.2017: RM Nil) is secured by way of:

(i) a first and third party legal charge over 17 parcels of freehold land of subsidiaries of IJML; and

(ii) a corporate guarantee by IJML.

(c) Term Loan 3 of RM99,340,000 (31.3.2018: RM Nil, 1.4.2017: RM Nil) is secured by way of:

(i) a facility agreement for the sum of RM100,000,000;

(ii) a first and third party first legal charge over certain properties and parcels of land of the subsidiaries of IJML; and

(iii) a corporate guarantee by IJML.

(d) Term loan 4 of RM381,818,000 (31.3.2018: RM143,064,000, 1.4.2017: RM17,896,000) is secured by way of:

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

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

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

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

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

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

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

(viii) a corporate guarantee by IJML.

(e) Term loan 5 of RM6,975,000 (31.3.2018: RM16,218,000, 1.4.2017: RM25,461,000) is secured by way of:

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

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

(iii) a corporate guarantee by IJML.

(f) Term loan 6 of RM10,722,000 (31.3.2018: RM30,444,000, 1.4.2017: RM51,475,000) is secured by way of:

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

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

(iii) a corporate guarantee by IJML.

17 TERM LOANS (cont'd)

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

(g) Term loan 7 of RM2,245,000 (31.3.2018: RM6,735,000, 1.4.2017: RM11,225,000) is secured by way of:

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

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

(iii) a corporate guarantee by IJML.

(h) Term Loan 8 of RM138,325,000 (31.3.2018: RM Nil, 1.4.2017: RM Nil) is secured by way of:

(i) a facility agreement for the sum of RM140,000,000;

(ii) a first party legal charge over 67 parcels of leasehold land of a subsidiary of IJML; and

(iii) a corporate guarantee by IJML.

(i) Term Loan 9 of RM3,212,000 (31.3.2018: RM Nil, 1.4.2017: RM Nil) and revolving credit of RM200,000 (31.3.2018: RM Nil, 1.4.2017: RM Nil) (Note 45(A)(b)) is secured by way of:

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

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

(iii) a corporate guarantee by IJML.

(j) Term Loan 10 of RM99,474,000 (31.3.2018: RM Nil, 1.4.2017: RM Nil) and revolving credit of RM97,948,000 (31.3.2018: RM Nil, 1.4.2017: RM Nil) (Note 45(A)(c)) is secured by way of:

(i) a facility agreement for the sum of RM200,000,000;

(ii) a first and third party second legal charge over certain properties and parcels of land of the subsidiaries of IJML; and

(iii) a corporate guarantee by IJML.

(k) Term loan 11 of RM10,710,000 (31.3.2018: RM26,109,000, 1.4.2017: RM19,000,000) is secured by way of:

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

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

(iii) a corporate guarantee by IJML.

(l) Term loan 12 of RM52,627,000 (31.3.2018: RM51,851,000, 1.4.2017: RM49,772,000) is secured by way of:

(i) a first legal charge over 115 parcels of land and completed units of inventories of a subsidiary of IJML (Note 37); and

(ii) a corporate guarantee by IJML.

(m) Term loan 13 of RM60,078,000 (31.3.2018: RM8,019,000, 1.4.2017: RM Nil) is secured by first charge on all the assets (except for the concession assets) and 26% equity shares of an Indian tollway subsidiary of the Company, together with all the rights, title, interest, benefits, claims and demands whatsoever to and in respect of such equity share capital.

(n) Term Loan 14 of RM10,065,000 (31.3.2018: RM Nil, 1.4.2017: RM Nil) is secured by way of:

(i) a third party second legal charge over 24 parcels of leasehold land of a subsidiary of IJML; and

(ii) a corporate guarantee from IJML and an associate of the Company.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

17 TERM LOANS (cont'd)

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

(o) Term Loan 15 of RM4,291,000 (31.3.2018: RM Nil, 1.4.2017: RM Nil) is secured by way of:

(i) a facility agreement for the sum of RM12,000,000;

(ii) a first party first legal charge over 1,915 parcels of adjoining freehold land of a subsidiary of IJML; and

(iii) a corporate guarantee from IJML.

(p) Term Loan 16 of RM1,687,000 (31.3.2018: RM Nil, 1.4.2017: RM Nil) is secured by way of:

(i) a facility agreement for the sum of RM20,000,000;

(ii) a first party first legal charge over 1,698 parcels of adjoining freehold land of a subsidiary of IJML; and

(iii) a corporate guarantee from IJML.

(q) Term Loan 17 of RM438,000 (31.3.2018: RM Nil, 1.4.2017: RM Nil) is secured by way of:

(i) a facility agreement for the sum of RM18,000,000;

(ii) a first party first legal charge over 1,516 parcels of adjoining freehold land of a subsidiary of IJML; and

(iii) a corporate guarantee from IJML.

(r) Term loan 18 of RM Nil (31.3.2018: RM100,000,000, 1.4.2017: RM200,000,000) was secured by way of:

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

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

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

The loan was fully repaid during the financial year.

(s) Term loan 19 of RM Nil (31.3.2018: RM193,590,000, 1.4.2017: RM221,132,000) was secured by way of:

(i) a facility agreement for the sum of RM222,089,000;

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

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

The loan was fully repaid during the financial year.

(t) Term loan 20 of RM Nil (31.3.2018: RM16,875,000, 1.4.2017: RM39,375,000) was secured by way of:

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

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

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

The loan was fully repaid during the financial year.

(u) Term loan 21 of RM Nil (31.3.2018: RM31,963,000, 1.4.2017: RM124,451,000) and revolving credit of RM Nil (31.3.2018: RM29,849,000, 1.4.2017: RM13,349,000) (Note 45(A)(f)) was secured by way of:

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

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

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

The loan was fully repaid during the financial year.

17 TERM LOANS (cont'd)

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

(v) Term loan 22 of RM Nil (31.3.2018: RM27,891,000, 1.4.2017: RM41,278,000) was secured by way of:

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

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

(iii) a corporate guarantee by IJML.

The loan was fully repaid during the financial year.

(w) Term loan 23 of RM37,772,000 was secured by way of an irrevocable standby letter of credit issued on behalf of IJML of CNY60,000,000. The loan was fully repaid in the preceding financial year.

18 GOVERNMENT SUPPORT LOANS

	Note	The Group 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Government Support Loans:				
- Government Support Loan 1	(a)	52,874	78,169	102,625
- Government Support Loan 2	(b)	73,200	80,650	84,953
		126,074	158,819	187,578
Less: Payable within 12 months (Note 44)		(33,104)	(33,104)	(33,104)
		92,970	125,715	154,474

A. Maturity profile of Government Support Loans

	Total carrying amount RM'000	< 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	> 5 years RM'000
31.3.2019							
Government Support Loan 1	52,874	26,153	26,721	-	-	-	-
Government Support Loan 2	73,200	6,951	9,600	9,281	8,974	8,676	29,718
	126,074	33,104	36,321	9,281	8,974	8,676	29,718
31.3.2018							
Government Support Loan 1	78,169	26,153	25,016	27,000	-	-	-
Government Support Loan 2	80,650	6,951	6,721	9,281	8,974	8,676	40,047
	158,819	33,104	31,737	36,281	8,974	8,676	40,047
1.4.2017							
Government Support Loan 1	102,625	26,153	25,286	24,186	27,000	-	-
Government Support Loan 2	84,953	6,951	6,720	6,497	8,974	8,676	47,135
	187,578	33,104	32,006	30,683	35,974	8,676	47,135

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

18 GOVERNMENT SUPPORT LOANS (cont'd)

B. Principal features of Government Support Loans

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

(a) Government Support Loan 1 - Unsecured

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

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

(b) Government Support Loan 2 – Secured

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

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

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

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

19 HIRE PURCHASE AND LEASE PAYABLES

	The Group		
	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Minimum lease payments:			
- Payable within 1 year	286	637	760
- Payable between 1 and 5 years	11	297	837
	297	934	1,597
Less: Future finance charges	(8)	(45)	(110)
Present value of hire purchase and lease liabilities	289	889	1,487
Present value of hire purchase and lease liabilities:			
- Payable within 1 year (Note 44)	278	599	685
- Payable between 1 and 5 years (included in non-current liabilities)	11	290	802
	289	889	1,487

Hire purchase and lease liabilities are effectively secured as the rights to the leased assets revert to the financier in the event of default. As at the reporting period, the effective interest rate was 6.22% (31.3.2018: 6.12%, 1.4.2017: 6.22%) per annum.

20 FINANCIAL INSTRUMENTS BY CATEGORY

The Group	Note	Financial assets at amortised costs RM'000	Financial assets at fair value through profit and loss RM'000	Financial assets at fair value through other comprehensive income RM'000	Total RM'000
At 31 March 2019					
Assets as per statement of financial position:					
Non-current assets:					
Associates *	32	163,850	-	-	163,850
Joint ventures **	33	848,347	71,778	-	920,125
Financial assets at fair value through other comprehensive income	34	-	-	3,665	3,665
Long term receivables	35	206,220	-	-	206,220
Current assets:					
Derivative financial instruments	21	-	4,470	-	4,470
Trade and other receivables ***	39	1,951,342	-	-	1,951,342
Financial assets at fair value through profit or loss	41	-	444,699	-	444,699
Deposits, cash and bank balances	42	1,557,953	-	-	1,557,953
Total		4,727,712	520,947	3,665	5,252,324

	Note	Financial liabilities at fair value through profit and loss RM'000	Other financial liabilities at amortised costs RM'000	Total RM'000
Liabilities as per statement of financial position:				
Non-current liabilities:				
Bonds	16	-	2,755,848	2,755,848
Term loans	17	-	1,982,960	1,982,960
Government support loans	18	-	92,970	92,970
Hire purchase and lease payables	19	-	11	11
Trade and other payables ****	23	-	334,749	334,749
Current liabilities:				
Derivative financial instruments	21	4,467	-	4,467
Trade and other payables *****	44	-	3,080,801	3,080,801
Borrowings	45	-	1,796,968	1,796,968
Total		4,467	10,044,307	10,048,774

* Associates comprise Redeemable Unsecured Murabahah Stocks ("RUMS") and amount owing by an associate.

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

*** Trade and other receivables exclude prepayments, GST receivables and costs to secure contracts.

**** Trade and other payables exclude deposits.

***** Trade and other payables exclude retirement benefits payable and GST payables.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2019

20 FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

The Group (cont'd)	Note	Loans and receivables RM'000	Assets at fair value through the profit and loss RM'000	Available-for-sale financial assets RM'000	Total RM'000
At 31 March 2018					
Assets as per statement of financial position:					
Non-current assets:					
Associates *	32	56,024	-	-	56,024
Joint ventures **	33	829,477	-	-	829,477
Available-for-sale financial assets	34	-	-	2,155	2,155
Long term receivables	35	251,352	-	-	251,352
Current assets:					
Derivative financial instruments	21	-	1,055	-	1,055
Trade and other receivables ***	39	1,607,380	-	-	1,607,380
Financial assets at fair value through profit or loss	41	-	311,079	-	311,079
Deposits, cash and bank balances	42	1,467,653	-	-	1,467,653
Total		4,211,886	312,134	2,155	4,526,175

	Note	Liabilities at fair value through the profit and loss RM'000	Other financial liabilities at amortised costs RM'000	Total RM'000
Liabilities as per statement of financial position:				
Non-current liabilities:				
Bonds	16	-	1,910,000	1,910,000
Term loans	17	-	940,150	940,150
Government support loans	18	-	125,715	125,715
Hire purchase and lease payables	19	-	290	290
Trade and other payables	23	-	541,229	541,229
Current liabilities:				
Derivative financial instruments	21	5,858	-	5,858
Trade and other payables ****	44	-	2,922,724	2,922,724
Borrowings	45	-	2,904,117	2,904,117
Total		5,858	9,344,225	9,350,083

* Associates comprise RUMS and amount owing by an associate.

** Joint ventures comprise RCULS, RCSIDS and amounts owing by joint ventures.

*** Trade and other receivables exclude prepayments, GST receivables and costs to secure contracts

**** Trade and other payables exclude retirement benefits payable and GST payables.

20 FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

The Group (cont'd)	Note	Loans and receivables RM'000	Assets at fair value through the profit and loss RM'000	Available-for-sale financial assets RM'000	Total RM'000
At 1 April 2017					
Assets as per statement of financial position:					
Non-current assets:					
Associates *	32	28,016	-	-	28,016
Joint ventures **	33	792,997	-	-	792,997
Available-for-sale financial assets	34	-	-	2,155	2,155
Long term receivables	35	176,699	-	-	176,699
Current assets:					
Derivative financial instruments	21	-	2,909	-	2,909
Trade and other receivables ***	39	1,694,510	-	-	1,694,510
Financial assets at fair value through profit or loss	41	-	299,164	-	299,164
Deposits, cash and bank balances	42	2,147,777	-	-	2,147,777
Total		4,839,999	302,073	2,155	5,144,227

	Note	Other financial liabilities at amortised costs RM'000	Total RM'000
Liabilities as per statement of financial position:			
Non-current liabilities:			
Bonds	16	1,950,000	1,950,000
Term loans	17	2,121,809	2,121,809
Government support loans	18	154,474	154,474
Hire purchase and lease payables	19	802	802
Trade and other payables	23	542,988	542,988
Current liabilities:			
Trade and other payables ****	44	2,334,539	2,334,539
Borrowings	45	1,742,896	1,742,896
Total		8,847,508	8,847,508

* Associates comprise RUMS and amount owing by an associate.
** Joint ventures comprise RCULS, RCSIDS and amounts owing by joint ventures.
*** Trade and other receivables exclude prepayments, GST receivables and costs to secure contracts.
**** Trade and other payables exclude retirement benefits payable and GST payables.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2019

20 FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

The Company	Note	Financial assets at amortised costs RM'000	Financial assets at fair value through profit and loss RM'000	Financial assets at fair value through other comprehensive income RM'000	Total RM'000
At 31 March 2019					
Assets as per statement of financial position:					
Non-current assets:					
Subsidiaries *	31	951,621	-	-	951,621
Joint ventures **	33	168,160	71,778	-	239,938
Financial assets at fair value through other comprehensive income	34	-	-	2,050	2,050
Current assets:					
Trade and other receivables ***	39	2,223,390	-	-	2,223,390
Financial assets at fair value through profit or loss	41	-	10,545	-	10,545
Deposits, cash and bank balances	42	28,095	-	-	28,095
Total		3,371,266	82,323	2,050	3,455,639

	Note	Financial liabilities at fair value through profit and loss RM'000	Other financial liabilities at amortised costs RM'000	Total RM'000
Liabilities as per statement of financial position:				
Non-current liabilities:				
Bonds	16	-	1,300,000	1,300,000
Term loans	17	-	244,770	244,770
Trade and other payables	44	-	827,662	827,662
Current liabilities:				
Derivative financial instruments	21	4,467	-	4,467
Trade and other payables	44	-	400,883	400,883
Borrowings	45	-	589,572	589,572
Total		4,467	3,362,887	3,367,354

* Subsidiaries comprise amounts owing by subsidiaries.

** Joint ventures comprise RCULS, RCSIDS and amounts owing by joint ventures.

*** Trade and other receivables exclude prepayments.

20 FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

The Company (cont'd)	**Note**	**Loans and receivables RM'000**	**Assets at fair value through the profit and loss RM'000**	**Available-for-sale financial assets RM'000**	**Total RM'000**
At 31 March 2018					
Assets as per statement of financial position:					
Non-current assets:					
Subsidiaries *	31	844,735	-	-	844,735
Joint ventures **	33	232,819	-	-	232,819
Available-for-sale financial assets	34	-	-	2,050	2,050
Current assets:					
Trade and other receivables ***	39	1,999,176	-	-	1,999,176
Financial assets at fair value through profit or loss	41	-	18,740	-	18,740
Deposits, cash and bank balances	42	85,316	-	-	85,316
Total		3,162,046	18,740	2,050	3,182,836

	Note	**Liabilities at fair value through the profit and loss RM'000**	**Other financial liabilities at amortised costs RM'000**	**Total RM'000**
Liabilities as per statement of financial position:				
Non-current liabilities:				
Bonds	16	-	1,300,000	1,300,000
Trade and other payables	44	-	852,537	852,537
Current liabilities:				
Derivative financial instruments	21	5,858	-	5,858
Trade and other payables ****	44	-	330,900	330,900
Borrowings	45	-	843,481	843,481
Total		5,858	3,326,918	3,332,776

* Subsidiaries comprise amounts owing by subsidiaries.
** Joint ventures comprise RCULS, RCSIDS and amounts owing by joint ventures.
*** Trade and other receivables exclude prepayments.
**** Trade and other payables exclude GST payable.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

20 FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

The Company (cont'd)	Note	Loans and receivables RM'000	Assets at fair value through the profit and loss RM'000	Available-for-sale financial assets RM'000	Total RM'000
At 1 April 2017					
Assets as per statement of financial position:					
Non-current assets:					
Subsidiaries *	31	817,196	-	-	817,196
Joint ventures **	33	225,700	-	-	225,700
Available-for-sale financial assets	34	-	-	2,050	2,050
Current assets:					
Trade and other receivables ***	39	1,355,466	-	-	1,355,466
Financial assets at fair value through profit or loss	41	-	20,807	-	20,807
Deposits, cash and bank balances	42	230,397	-	-	230,397
Total		2,628,759	20,807	2,050	2,651,616

	Note	Other financial liabilities at amortised costs RM'000	Total RM'000
Liabilities as per statement of financial position:			
Non-current liabilities:			
Bonds	16	1,300,000	1,300,000
Term loans	17	176,940	176,940
Trade and other payables	44	948,028	948,028
Current liabilities:			
Trade and other payables ****	44	341,670	341,670
Borrowings	45	211,098	211,098
Total		2,977,736	2,977,736

* Subsidiaries comprise amounts owing by subsidiaries.
** Joint ventures comprise RCULS, RCSIDS and amounts owing by joint ventures.
*** Trade and other receivables exclude prepayments.
**** Trade and other payables exclude GST payable.

21 DERIVATIVE FINANCIAL INSTRUMENTS

	Note	The Group Assets RM'000	The Group Liabilities RM'000	The Company Assets RM'000	The Company Liabilities RM'000
At 31 March 2019					
Current:					
Crude palm oil ("CPO") swap contracts	(a)	4,470	-	-	-
Cross currency swap	(c)	-	4,467	-	4,467
		4,470	4,467	-	4,467
At 31 March 2018					
Current:					
Crude palm oil ("CPO") swap contracts	(a)	1,055	-	-	-
Forward foreign exchange contracts	(b)	-	3,920	-	3,920
Cross currency swap	(c)	-	1,938	-	1,938
		1,055	5,858	-	5,858
At 1 April 2017					
Current:					
Crude palm oil ("CPO") swap contracts	(a)	2,909	-	-	-

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

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

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

As at 31 March 2019, the outstanding CPO swap contracts are made up of notional amounts of 21,000 metric tonnes (31.3.2018: 3,750 metric tonnes, 1.4.2017: 11,250 metric tonnes) with contracted prices ranging from RM2,340 to RM2,505 per metric tonne (31.3.2018: RM2,645 to RM2,710 per metric tonne, 1.4.2017: ranging from RM2,775 to RM2,925 per metric tonne) commencing from 1 January 2019 to 31 March 2020 (31.3.2018: 1 January 2018 to 30 September 2018, 1.4.2017: 1 January 2017 to 31 March 2018).

(b) Forward foreign exchange contracts

In the preceding financial year, the Company entered into forward foreign exchange contracts to hedge its foreign exchange exposure in the borrowings that was denominated in foreign currency. As at 31 March 2018, the outstanding notional value of the contract and its contractual exchange rate were as follows:

Settlement date	Currency to be paid	Amount in foreign currency to be paid	Contractual rate	Amount to be paid
09.04.18	US Dollar	20,000,000	4.013	RM80,260,000
19.06.18	US Dollar	20,000,000	3.914	RM78,280,000

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

(c) Cross currency swap

During the financial year, the Company has entered into structured cross currency swap contracts to swap USD floating rate liability into MYR floating rate liability, thus hedging the USD/MYR currency and interest rate risks. As at 31 March 2019, the outstanding notional value of the contract is USD 45 million (31.3.2018: USD 35 million, 1.4.2017: Nil).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

21 DERIVATIVE FINANCIAL INSTRUMENTS (cont'd)

(d) Maturity profile of derivative financial instruments

Types of derivative	< 1 year RM'000	1 – 3 years RM'000	> 3 years RM'000	Total fair value of derivative financial assets/ (liabilities) RM'000
The Group				
As at 31 March 2019				
(i) CPO swap contracts	4,470	-	-	4,470
(ii) Cross currency swap	(4,467)	-	-	(4,467)
				3
As at 31 March 2018				
(i) CPO swap contracts	1,055	-	-	1,055
(ii) Forward foreign exchange contracts	(3,920)	-	-	(3,920)
(iii) Cross currency swap	(1,938)	-	-	(1,938)
				(4,803)
As at 1 April 2017				
(i) CPO swap contracts	2,909	-	-	2,909
The Company				
As at 31 March 2019				
(i) Cross currency swap	(4,467)	-	-	(4,467)
As at 31 March 2018				
(i) Forward foreign exchange contracts	(3,920)	-	-	(3,920)
(ii) Cross currency swap	(1,938)	-	-	(1,938)
				(5,858)

22 DEFERRED TAXATION

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

The following amounts, determined after appropriate offsetting, are shown in the statement of financial position.

	The Group			The Company		
	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Deferred tax assets	371,200	319,521	319,014	1,711	1,941	2,132
Deferred tax liabilities	(614,540)	(592,643)	(588,471)	-	-	-
	(243,340)	(273,122)	(269,457)	1,711	1,941	2,132

	The Group		The Company	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
At 1 April 2018/2017,				
- As previously reported	(378,030)	(371,694)	1,941	2,132
- Effects of transition from FRSs to MFRSs (Note 55)	104,908	102,237	-	-
- As restated	(273,122)	(269,457)	1,941	2,132
Credited/(charged) to income statement (Note 10)				
- Property, plant and equipment	(17,727)	36,663	39	23
- Concession assets	(6,933)	(32,138)	-	-
- Post–employment benefit	4,581	(276)	-	-
- Intangible assets	(145)	245	-	-
- Tax losses	(5,431)	(28,845)	-	-
- Payables	28,185	9,106	(269)	(214)
- Inventories	8,248	7,252	-	-
- Construction contracts	947	559	-	-
- Borrowings	1,021	1,257	-	-
- Investment properties	2	1,197	-	-
- Derivative financial instruments	(820)	353	-	-
- Share-based payment	1,638	(465)	-	-
- Contract liabilities	16,092	3,285	-	-
- Others	-	(1,046)	-	-
	29,658	(2,853)	(230)	(191)
Exchange differences	124	(812)	-	-
At 31 March 2019/2018	(243,340)	(273,122)	1,711	1,941

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

22 DEFERRED TAXATION (cont'd)

	The Group			The Company		
	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Subject to income tax						
Deferred tax assets (before offsetting)						
- Property, plant and equipment	4,076	1,068	931	-	-	-
- Inventories	118,576	119,428	123,183	-	-	-
- Post-employment benefit	5,549	934	1,210	-	-	-
- Payables	185,292	157,076	147,970	1,716	1,985	2,199
- Tax losses	57,971	62,763	100,381	-	-	-
- Construction contracts	13,966	13,019	12,460	-	-	-
- Borrowings	108	108	108	-	-	-
- Investment properties	8,525	8,523	7,326	-	-	-
- Concession assets	5,983	7,133	7,263	-	-	-
- Share-based payment	12,480	10,842	11,307	-	-	-
- Contract liabilities	18,502	2,410	(875)	-	-	-
- Others	1,357	1,357	2,403	-	-	-
	432,385	384,661	413,667	1,716	1,985	2,199
Offsetting	(61,185)	(65,140)	(94,653)	(5)	(44)	(67)
Deferred tax assets (after offsetting)	371,200	319,521	319,014	1,711	1,941	2,132
Deferred tax liabilities (before offsetting)						
- Property, plant and equipment	(190,552)	(169,268)	(213,755)	(5)	(44)	(67)
- Intangible assets	(5,457)	(5,312)	(5,557)	-	-	-
- Borrowings	(11,792)	(12,813)	(14,070)	-	-	-
- Inventories	(188,607)	(197,707)	(208,714)	-	-	-
- Payables	(35)	(4)	(4)	-	-	-
- Concession assets	(279,024)	(273,241)	(241,233)	-	-	-
- Derivative financial instruments	(1,073)	(253)	(606)	-	-	-
- Others	815	815	815	-	-	-
	(675,725)	(657,783)	(683,124)	(5)	(44)	(67)
Offsetting	61,185	65,140	94,653	5	44	67
Deferred tax liabilities (after offsetting)	(614,540)	(592,643)	(588,471)	-	-	-

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

	The Group			The Company		
	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Unutilised deductible temporary differences	117,015	132,674	113,514	-	-	-
Unused tax losses	438,787	509,459	727,896	-	-	-
	555,802	642,133	841,410	-	-	-

22 DEFERRED TAXATION (cont'd)

The unutilised deductible temporary differences as stated above are available indefinitely for offset against future taxable profits of the subsidiaries in which those items arose. The unused tax losses of RM438,787,000 (31.3.2018: RM397,006,000, 1.4.2017: RM649,550,000) which will expire in the following financial years:

	The Group 31.3.2019 RM'000	 31.3.2018 RM'000	 1.4.2017 RM'000
Financial year			
2018	-	-	46,340
2019	-	70,144	92,375
2020	59,122	54,626	170,433
2021	144,975	153,431	47,377
2022	83,797	86,410	165,073
2023	10,400	11,755	91,978
2024	11,673	12,004	12,192
2025	118,163	7,256	16,450
2026	10,393	920	7,332
2027	264	460	-
	438,787	397,006	649,550

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

23 TRADE AND OTHER PAYABLES

	Note	The Group 31.3.2019 RM'000	 31.3.2018 RM'000	 1.4.2017 RM'000
Advances from the State Government	(a)	33,180	33,180	33,180
Land and development costs payable	(b)	443,870	427,873	426,063
Less: Payable within 12 months (Note 44)		(246,539)	(15,489)	(12,238)
Payable after 12 months		197,331	412,384	413,825
Deposits	(c)	12,720	-	-
Refundable membership securities I	(d)	5,577	5,615	5,628
Refundable membership securities II	(d)	8,970	-	-
Lease payable to Kuantan Port Authority	(e)	95,816	96,116	96,021
Less: Payable within 12 months (Note 44)		(6,125)	(6,066)	(5,666)
Payable after 12 months		89,691	90,050	90,355
		347,469	541,229	542,988

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

23 TRADE AND OTHER PAYABLES (cont'd)

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

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

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

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

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

(b) This represents the present value of the deferred development cost of RM228,355,000 (31.3.2018: RM210,729,000, 1.4.2017: RM214,733,000) in connection with a mixed development at Royal Mint Street, United Kingdom ("UK"), which will become payable upon surplus cash flow being available from the development; and the present value of the land and deferred development costs of RM215,515,000 (31.3.2018: RM217,144,000, 1.4.2017: RM211,330,000) in connection with a mixed development in Kuala Lumpur, which will become payable as the development progresses.

(c) As at 31 March 2019, the balance represents performance deposits received from a school operator, which is mainly to safeguard default or early termination of the lease agreement being entered into between an indirect subsidiary and the school operator during the construction period of the school buildings and also to guarantee rental for a lock-in-period of the first six years of the lease period.

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

Refundable membership securities II is in relation to Marina Membership and Composite Membership of the golf and marina club of Sebana Golf & Marina Resort Berhad ("SGMR"), which is an indirect subsidiary of the Company. The membership securities of Marina Membership and Composite Membership are repayable on 31 December 2053 and 31 March 2056 respectively, unless the membership is redeemed, purchased or cancelled.

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

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

24 RETIREMENT BENEFITS

(a) Defined contribution plan

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

(b) Unfunded defined benefit plan

A local indirect subsidiary of the Company operates an unfunded defined benefit scheme ("the scheme") for its eligible employees. Under the scheme, eligible employees are entitled to retirement benefits by applying a certain factor (either 0.50, 0.75 or 1.00 depending on the number of years of service with the company) to the 100% of final salary on attainment of the retirement age of 55 years based on the number of years of service with the company. The net obligation in respect of the scheme, calculated using the projected unit credit method is determined by an actuarial valuation carried out every 3 years by a qualified actuary. The last actuarial valuation was performed for the financial year ended 26 March 2019.

The indirect subsidiaries of the Company in Indonesia operate an unfunded defined benefit scheme ("the scheme") for its eligible employees. Under the scheme, the eligible employees are entitled to retirement benefits computed by applying certain factors on the severance pay and service pay. The severance pay and service pay are derived by applying certain multipliers on the final salary upon attainment of the retirement age of 55 years, based on the number of years of service with the company. The net obligation in respect of the scheme, calculated using the projected unit credit method is determined by an actuarial valuation carried out every year by a qualified actuary. The last actuarial valuation was performed for the financial year ended 31 March 2019.

The amounts of unfunded defined benefit recognised in the statement of financial position may be analysed as follows:

		The Group	
	31.3.2019 RM'000	**31.3.2018 RM'000**	**1.4.2017 RM'000**
Present values of unfunded defined benefit obligations, recognised as liability in the statement of financial position	22,314	21,034	11,889
Analysed as:			
Current (included in other payables – Note 44)	483	1,624	1,378
Non-current	21,831	19,410	10,511
	22,314	21,034	11,889

The movements during the financial year on the amounts recognised in the consolidated statement of financial position are as follows:

	The Group	
	31.3.2019 RM'000	**31.3.2018 RM'000**
At 1 April 2018/2017	21,034	11,889
Charged to profit or loss (Note 6)	4,661	12,989
Capitalised in bearer plants (Note 27(e))	564	1,888
Contributions paid during the financial year	(2,451)	(1,939)
Adjustment for actuarial gain	(1,831)	(1,643)
Exchange differences	337	(2,150)
At 31 March 2019/2018	22,314	21,034

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

24 RETIREMENT BENEFITS (cont'd)

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

	The Group 2019 RM'000	2018 RM'000
The expenses recognised in the profit or loss were analysed as follows:		
Current service cost	3,426	12,392
Interest cost	1,235	597
Total unfunded defined benefit retirement plan (Note 6)	4,661	12,989
The charges to the profit or loss were included in the following line items in the statement of comprehensive income:		
Cost of sales	4,569	12,873
Administrative expenses	92	116
Total included in employee benefits cost (Note 6)	4,661	12,989

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

	31.3.2019 %	The Group 31.3.2018 %	1.4.2017 %
Defined benefit plan operated by a local subsidiary:			
Discount rate	4.7	4.7	4.7
Expected rate of salary increases	5.0	5.5	5.5
Defined benefit plan operated by Indonesian subsidiaries:			
Discount rate	8.0	8.0	8.0
Expected rate of salary increases	8.0	8.0	8.0

Any reasonable change in the principal actuarial assumptions will not result in any significant change to the financial performance of the Group.

25 PROVISIONS

	Note	31.3.2019 RM'000	The Group 31.3.2018 RM'000	1.4.2017 RM'000
Provisions (current)	(a)	2,870	2,764	2,753

	The Group 31.3.2019 RM'000	31.3.2018 RM'000
Provision for maintenance		
At 1 April 2018/2017	2,764	2,753
Current year provision	4,165	4,399
Utilised during the year	(3,860)	(4,131)
Over provision in respect of prior years	-	(185)
Reclassification	(199)	(72)
At 31 March 2019/2018	2,870	2,764

(a) Provision for maintenance is in respect of the contractual obligations under the respective concession agreements to maintain and restore the Expressway Development Expenditure ("EDE") to a specified standard of serviceability.

26 DEFERRED INCOME

	Note	31.3.2019 RM'000	The Group 31.3.2018 RM'000	1.4.2017 RM'000
Government grants	(a)	-	-	2,708
Deferred gain	(b)	70,355	70,355	70,355
		70,355	70,355	73,063

(a) Government grants:

	Note	The Group 31.3.2019 RM'000	31.3.2018 RM'000
<u>Cost</u>			
At 1 April 2018/2017		-	56,333
Reversal upon expiry of concession period		-	(53,112)
Exchange translation differences		-	(3,221)
At 31 March 2019/2018		-	-
<u>Accumulated amortisation</u>			
At 1 April 2018/2017		-	(53,625)
Current amortisation	5(b)	-	(2,553)
Reversal upon expiry of concession period		-	53,112
Exchange translation differences		-	3,066
At 31 March 2019/2018		-	-
		-	-

The government grants represented grants received from the Indian Government for certain toll road concessions awarded to the Group.

(b) The deferred gain represents the Group's share of the gain arising from the disposal of a parcel of land to a joint venture held via a wholly-owned subsidiary of the Company.

27 PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

The Group	Freehold land RM'000	Leasehold land RM'000	Plantation infrastructure RM'000	Buildings RM'000	Hotel properties RM'000	Plant, machinery, equipment and vehicles RM'000	Office equipment, furniture, fittings and renovations RM'000	Bearer plants Note (a) RM'000	Capital work-in-progress RM'000	Total RM'000
31.3.2019										
Net book value										
At 1 April 2018, as previously reported	71,441	143,416	354,750	317,649	239,228	664,896	37,074	-	161,681	1,990,135
Effects of transition from FRSs to MFRSs (Note 55)	-	-	-	-	-	-	-	762,867	-	762,867
At 1 April 2018, as restated	71,441	143,416	354,750	317,649	239,228	664,896	37,074	762,867	161,681	2,753,002
Additions	34,610	-	20,927	20,672	504	88,783	7,130	37,721	163,490	373,837
Disposal of a subsidiary (Note 48)	(1,401)	-	-	(972)	-	(1,344)	-	-	-	(3,717)
Disposals	-	-	-	(260)	-	(4,430)	(43)	-	-	(4,733)
Written off (Note 5(a))	-	-	(1)	(513)	-	(1,583)	(275)	-	-	(2,372)
Depreciation charges for the year	-	(2,038)	(13,136)	(23,404)	(7,833)	(90,166)	(9,309)	(44,854)	-	(190,740)
Transferred from/(to) investment properties (Note 29)	-	-	-	1,584	-	-	-	-	(1,049)	535
Exchange differences arising from translation of assets of foreign operations	(266)	-	3,957	2,231	-	1,948	77	12,708	370	21,025
Reclassifications	-	-	4,137	6,029	-	207,165	4,957	-	(222,288)	-
At 31 March 2019	104,384	141,378	370,634	323,016	231,899	865,269	39,611	768,442	102,204	2,946,837

27 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of property, plant and equipment are as follows: (cont'd)

The Group (cont'd)	Freehold land RM'000	Leasehold land RM'000	Plantation infrastructure RM'000	Buildings RM'000	Hotel properties RM'000	Plant, machinery, equipment and vehicles RM'000	Office equipment, furniture, fittings and renovations RM'000	Bearer plants Note (a) RM'000	Capital work-in-progress RM'000	Total RM'000
31.3.2018										
Net book value										
At 1 April 2017, as previously reported	72,407	145,503	377,456	300,941	208,278	620,806	41,984	-	222,271	1,989,646
Effects of transition from FRSs to MFRSs (Note 55)	-	-	-	-	-	-	-	866,218	-	866,218
At 1 April 2017, as restated	72,407	145,503	377,456	300,941	208,278	620,806	41,984	866,218	222,271	2,855,864
Additions	-	-	19,120	4,924	438	71,952	7,903	47,682	163,714	315,733
Disposals	(148)	-	-	(62)	-	(4,699)	(46)	-	-	(4,955)
Written off (Note 5(a))	-	-	-	(120)	-	(1,540)	(132)	-	-	(1,792)
Depreciation charges for the year	-	(2,087)	(14,817)	(24,286)	(5,348)	(98,034)	(11,423)	(42,709)	-	(198,704)
Transferred to investment properties (Note 29)	-	-	-	(301)	-	-	-	-	-	(301)
Transferred from property development costs (Note 37(b))	-	-	-	-	-	-	-	-	674	674
Transferred to assets held for sale (Note 43)	-	-	-	(124)	-	-	-	-	-	(124)
Exchange differences arising from translation of assets of foreign operations	(818)	-	(36,876)	(17,717)	-	(17,808)	(910)	(108,324)	(30,940)	(213,393)
Reclassifications	-	-	9,867	54,394	35,860	94,219	(302)	-	(194,038)	-
At 31 March 2018	71,441	143,416	354,750	317,649	239,228	664,896	37,074	762,867	161,681	2,753,002

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

27 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of property, plant and equipment are as follows: (cont'd)

The Group	Freehold land RM'000	Leasehold land RM'000	Plantation infrastructure RM'000	Buildings RM'000	Hotel properties RM'000	Plant, machinery, equipment and vehicles RM'000	Office equipment, furniture, fittings and renovations RM'000	Bearer plants Note (a) RM'000	Capital work-in-progress RM'000	Total RM'000
At 31 March 2019										
Cost	104,384	172,982	465,360	547,433	258,555	1,800,844	127,612	1,092,999	102,336	4,672,505
Accumulated depreciation	-	(31,604)	(94,726)	(224,379)	(24,186)	(928,843)	(87,889)	(324,557)	-	(1,716,184)
Accumulated impairment	-	-	-	(38)	(2,470)	(6,732)	(112)	-	(132)	(9,484)
Net book value	104,384	141,378	370,634	323,016	231,899	865,269	39,611	768,442	102,204	2,946,837
At 31 March 2018										
Cost	71,441	172,982	437,234	520,728	258,051	1,562,001	118,354	1,056,815	161,813	4,359,419
Accumulated depreciation	-	(29,566)	(82,484)	(203,041)	(16,353)	(887,355)	(81,168)	(293,948)	-	(1,593,915)
Accumulated impairment	-	-	-	(38)	(2,470)	(9,750)	(112)	-	(132)	(12,502)
Net book value	71,441	143,416	354,750	317,649	239,228	664,896	37,074	762,867	161,681	2,753,002
At 1 April 2017										
Cost	72,407	172,982	452,660	487,136	244,968	1,480,717	144,482	1,155,520	225,188	4,436,060
Accumulated depreciation	-	(27,479)	(75,204)	(186,157)	(13,340)	(852,463)	(102,373)	(289,302)	-	(1,546,318)
Accumulated impairment	-	-	-	(38)	(23,350)	(7,448)	(125)	-	(2,917)	(33,878)
Net book value	72,407	145,503	377,456	300,941	208,278	620,806	41,984	866,218	222,271	2,855,864

27 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of property, plant and equipment are as follows: (cont'd)

The Company	Buildings RM'000	Plant, machinery, equipment and vehicles RM'000	Office equipment, furniture, fittings and renovations RM'000	Capital work-in-progress RM'000	Total RM'000
31.3.2019					
Net book value					
At 1 April 2018	-	1,298	542	-	1,840
Additions	-	-	116	10,493	10,609
Disposals	-	(79)	-	-	(79)
Written off (Note 5(a))	-	-	(31)	-	(31)
Depreciation charges for the year	-	(418)	(162)	-	(580)
Exchange differences	-	(1)	-	-	(1)
At 31 March 2019	-	800	465	10,493	11,758
31.3.2018					
Net book value					
At 1 April 2017	426	1,615	389	-	2,430
Additions	-	338	297	-	635
Disposals	-	(1)	-	-	(1)
Transferred to investment properties (Note 29)	(301)	-	-	-	(301)
Transferred to assets held for sale (Note 43)	(124)	-	-	-	(124)
Depreciation charges for the year	(1)	(628)	(144)	-	(773)
Exchange differences	-	(26)	-	-	(26)
At 31 March 2018	-	1,298	542	-	1,840
At 31 March 2019					
Cost	-	2,871	4,287	10,493	17,651
Accumulated depreciation	-	(2,071)	(3,822)	-	(5,893)
Net book value	-	800	465	10,493	11,758
At 31 March 2018					
Cost	-	4,101	4,484	-	8,585
Accumulated depreciation	-	(2,803)	(3,942)	-	(6,745)
Net book value	-	1,298	542	-	1,840
At 1 April 2017					
Cost	577	4,423	4,187	-	9,187
Accumulated depreciation	(151)	(2,808)	(3,798)	-	(6,757)
Net book value	426	1,615	389	-	2,430

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

27 PROPERTY, PLANT AND EQUIPMENT (cont'd)

(a) Analysis of mature and immature bearer plants are as follows:

Bearer plants comprise oil palms.

The Group	Mature RM'000	Immature RM'000	Total RM'000
31.3.2019			
Net Book Value			
At 1 April 2018, as previously reported	-	-	-
Effects of transition from FRSs to MFRSs (Note 55)	588,358	174,509	762,867
At 1 April 2018, as restated	588,358	174,509	762,867
Additions	-	37,721	37,721
Depreciation charges for the year	(44,854)	-	(44,854)
Reclassification	54,670	(54,670)	-
Exchange differences	10,069	2,639	12,708
At 31 March 2019	608,243	160,199	768,442
31.3.2018			
Net Book Value			
At 1 April 2017, as previously reported	-	-	-
Effects of transition from FRSs to MFRSs (Note 55)	619,345	246,873	866,218
At 1 April 2017, as restated	619,345	246,873	866,218
Additions	-	47,682	47,682
Depreciation charges for the year	(42,709)	-	(42,709)
Reclassification	85,304	(85,304)	-
Exchange differences	(73,582)	(34,742)	(108,324)
At 31 March 2018	588,358	174,509	762,867
At 31 March 2019			
Cost	932,796	160,199	1,092,995
Accumulated depreciation	(324,553)	-	(324,553)
Net book value	608,243	160,199	768,442
At 31 March 2018			
Cost	882,306	174,509	1,056,815
Accumulated depreciation	(293,948)	-	(293,948)
Net book value	588,358	174,509	762,867
At 1 April 2017			
Cost	908,647	246,873	1,155,520
Accumulated depreciation	(289,302)	-	(289,302)
Net book value	619,345	246,873	866,218

27 PROPERTY, PLANT AND EQUIPMENT (cont'd)

(b) Assets acquired under finance lease agreements

Included in property, plant and equipment of the Group are the net book values of the following assets acquired under finance lease agreements:

	The Group 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Plant, machinery, equipment and vehicles	1,888	2,368	3,146

(c) Net book values of assets pledged as security for term loans, revolving credit and bank overdraft of certain subsidiaries (Notes 17, 45(A) & (B)):

	The Group 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Land	106,898	108,449	110,000
Building	55,440	51,885	53,739
	162,338	160,334	163,739

(d) During the financial year, the following depreciation charges of the Group and the Company have been included in the aggregate costs incurred to-date within construction contract costs, included in the addition of bearer plants and capitalised as concession assets as set out below:

	Note	The Group 31.3.2019 RM'000	The Group 31.3.2018 RM'000	The Company 31.3.2019 RM'000	The Company 31.3.2018 RM'000
Included in the addition of bearer plants	27(e)	4,099	4,605	-	-
Capitalised as concession assets	30	100	-	-	-
Included in the aggregate costs incurred to-date within construction contract costs		3,881	2,815	59	292

(e) During the financial year, the following expenses of the Group have been included in the addition of property, plant and equipment as set out below:

	Note	The Group 31.3.2019 RM'000	The Group 31.3.2018 RM'000
Employee benefits cost	6	15,388	16,734
Finance cost, including foreign exchange losses	9	8,887	4,651
Retirement benefits	24(b)	564	1,888
Depreciation of property, plant and equipment, included in the addition of bearer plants	27(d)	4,099	4,605
Amortisation of land use rights	28	345	481

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2019

28 LAND USE RIGHTS

	Note	The Group Land use rights RM'000
Net book value		
At 1 April 2018		150,668
Amortisation for the financial year	5(a)	(5,941)
Exchange differences		1,241
At 31 March 2019		145,968
At 31 March 2019		
Cost		195,392
Accumulated amortisation		(49,424)
		145,968
At 1 April 2017		165,831
Additions		4,212
Amortisation for the financial year	5(a)	(6,117)
Exchange differences		(13,258)
At 31 March 2018		150,668
At 31 March 2018		
Cost		193,833
Accumulated amortisation		(43,165)
		150,668
At 1 April 2017		
Cost		205,960
Accumulated amortisation		(40,129)
		165,831

During the financial year, amortisation expenses of RM345,000 (2018: RM481,000) have been capitalised in property, plant and equipment (Note 27(e)).

The Group's land use rights with carrying value of RM45.4 million (31.3.2018: RM43.2 million, 1.4.2017: RM51.3 million) are still in the process of having the land title secured or being transferred to the Group.

As at 31 March 2019, the land use rights with a net book value of RM935,000 has been pledged as security for bank overdraft of a subsidiary (Note 45(B)).

29 INVESTMENT PROPERTIES

The Group	Note	Freehold land RM'000	Leasehold land RM'000	Freehold buildings RM'000	Long term leasehold buildings RM'000	Work in progress RM'000	Total RM'000
31.3.2019							
Net book value							
At 1 April 2018		162,790	7,284	9,889	23,162	295,476	498,601
Additions		407	389	816	1,090	84,999	87,701
Disposals		-	-	-	(9,222)	-	(9,222)
Depreciation charges for the year	5(a)	-	(485)	(200)	(840)	-	(1,525)
Transferred (to)/from property, plant and equipment	27	-	-	(1,584)	-	1,049	(535)
Transferred from property development costs (included in inventories)	37(b)	-	-	-	-	9,142	9,142
Reclassification		-	9,213	2,520	89,819	(101,552)	-
At 31 March 2019		163,197	16,401	11,441	104,009	289,114	584,162
31.3.2018							
Net book value							
At 1 April 2017		6,134	7,381	9,846	23,471	22,035	68,867
Additions		156,656	-	8	-	238,601	395,265
Depreciation charges for the year	5(a)	-	(97)	(266)	(309)	-	(672)
Transferred from property, plant and equipment	27	-	-	301	-	-	301
Transferred from property development costs (included in inventories)	37(b)	-	-	-	-	34,840	34,840
At 31 March 2018		162,790	7,284	9,889	23,162	295,476	498,601
At 31 March 2019:							
Costs		163,197	18,315	14,044	105,660	289,114	590,330
Accumulated depreciation		-	(1,914)	(2,232)	(1,651)	-	(5,797)
Accumulated impairment		-	-	(371)	-	-	(371)
Net book value		163,197	16,401	11,441	104,009	289,114	584,162
At 31 March 2018:							
Cost		162,790	8,713	13,496	24,549	295,476	505,024
Accumulated depreciation		-	(1,429)	(3,236)	(1,387)	-	(6,052)
Accumulated impairment		-	-	(371)	-	-	(371)
Net book value		162,790	7,284	9,889	23,162	295,476	498,601

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

29 INVESTMENT PROPERTIES (cont'd)

The Group (cont'd)	Note	Freehold land RM'000	Leasehold land RM'000	Freehold buildings RM'000	Long term leasehold buildings RM'000	Work in progress RM'000	Total RM'000
At 1 April 2017:							
Cost		6,134	8,713	13,051	24,549	22,035	74,482
Accumulated depreciation		-	(1,332)	(2,834)	(1,078)	-	(5,244)
Accumulated impairment		-	-	(371)	-	-	(371)
Net book value		6,134	7,381	9,846	23,471	22,035	68,867

The Company	Note	Leasehold buildings RM'000	Freehold buildings RM'000	Total RM'000
31.3.2019				
Net book value				
At 1 April 2018		2,923	4,517	7,440
Depreciation charges for the year	5(a)	(33)	(141)	(174)
At 31 March 2019		2,890	4,376	7,266
31.3.2018				
Net book value				
At 1 April 2017		2,955	4,357	7,312
Transferred from property, plant and equipment	27	-	301	301
Depreciation charges for the year	5(a)	(32)	(141)	(173)
At 31 March 2018		2,923	4,517	7,440
At 31 March 2019:				
Cost		3,053	6,912	9,965
Accumulated depreciation		(163)	(2,536)	(2,699)
Net book value		2,890	4,376	7,266
At 31 March 2018:				
Cost		3,053	6,912	9,965
Accumulated depreciation		(130)	(2,395)	(2,525)
Net book value		2,923	4,517	7,440
At 1 April 2017:				
Cost		3,053	6,475	9,528
Accumulated depreciation		(98)	(2,118)	(2,216)
Net book value		2,955	4,357	7,312

29 INVESTMENT PROPERTIES (cont'd)

During the financial year, finance cost of RM12,551,000 (2018: RM670,000) (Note 9) has been capitalised in investment properties of the Group.

The above properties are not occupied by the Group and are used to either earn rentals or for capital appreciation, or both. As at 31 March 2019, the fair value of the properties of the Group and the Company was estimated at RM767,946,000 (31.3.2018: RM561,046,000, 1.4.2017: RM106,660,000) and RM7,177,000 (31.3.2018: RM11,389,000, 1.4.2017: RM11,678,000) respectively by the Directors based on either valuations by independent professionally qualified valuers or the Directors' estimates by reference to open market value of properties in the vicinity. The fair values of investment properties are within level 3 of the fair value hierarchy. The most significant input in the valuation approach adopted by the Group is price per square foot.

The fair value of the investment properties includes investment properties that are under construction, which are measured at costs as the fair value is not reliably measurable until construction is completed.

30 CONCESSION ASSETS

	The Group 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Expressway development expenditure	2,183,497	2,164,847	2,325,629
Port infrastructure	1,385,243	1,177,539	771,437
	3,568,740	3,342,386	3,097,066

	Note	The Group 31.3.2019 RM'000	31.3.2018 RM'000
Expressway development expenditure:			
Cost			
At 1 April 2018/2017		3,223,398	3,390,604
Additions		143,032	43,939
Reversal upon expiry of concession period		-	(128,931)
Written off	5(a)	(1,032)	(124)
Exchange translation differences		(3,183)	(82,090)
At 31 March 2019/2018		3,362,215	3,223,398
Accumulated amortisation			
At 1 April 2018/2017		(779,503)	(772,177)
Current amortisation	5(a)	(135,748)	(157,173)
Reversal upon expiry of concession period		-	128,931
Written off	5(a)	420	43
Exchange translation differences		518	20,873
At 31 March 2019/2018		(914,313)	(779,503)
		2,447,902	2,443,895

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2019

30 CONCESSION ASSETS (cont'd)

	Note	The Group 31.3.2019 RM'000	The Group 31.3.2018 RM'000
Less: Deferred income			
Cost			
At 1 April 2018/2017 and at 31 March 2019/2018		(400,456)	(400,456)
Accumulated amortisation			
At 1 April 2018/2017		121,408	107,658
Current amortisation	5(a)	14,643	13,750
At 31 March 2019/2018		136,051	121,408
		(264,405)	(279,048)
		2,183,497	2,164,847
Port infrastructure:			
Cost			
At 1 April 2018/2017		1,375,372	949,793
Additions		232,357	425,579
At 31 March 2019/2018		1,607,729	1,375,372
Accumulated amortisation			
At 1 April 2018/2017		(197,833)	(178,356)
Current amortisation	5(a)	(24,653)	(19,477)
At 31 March 2019/2018		(222,486)	(197,833)
		1,385,243	1,177,539

Concession assets incurred during the financial year include the capitalisation of the following expenses:

	Note	The Group 2019 RM'000	The Group 2018 RM'000
Employee benefits cost	6	1,285	594
Finance cost	9	34,746	40
Depreciation	27(d)	100	-

The concession assets with net carrying values of RM2,474,852,000 (31.3.2018: RM1,111,929,600, 1.4.2017: RM1,831,819,000) are pledged as security for the bonds (Note 16).

Deferred income comprises:

(a) compensation received by New Pantai Expressway Sdn Bhd ("NPE"), an indirect subsidiary of the Company, from the Malaysian Government as a result of the cessation of toll collections with effect from 14 February 2009 at the PJS2 Toll Plaza for Kuala Lumpur bound road users on the NPE; and

(b) compensation received by Besraya Sdn Bhd, an indirect subsidiary of the Company, from the Malaysian Government as a result of the cessation of toll collections with effect from 24 February 2009 at the Salak Jaya Toll Plaza.

30 CONCESSION ASSETS (cont'd)

Expressway development expenditure comprises toll road concessions in Malaysia and India, with concession periods ranging from 15 to 44 years and ending between 2024 and 2042. During the concession periods, certain Malaysian and Indian subsidiaries, which are the concessionaires have the rights and obligations to construct, operate and maintain the expressways, which is in line with the provisions of the respective concession agreements.

The amounts of construction revenue and profits recognised during the financial year on construction services for tollway concessions amounted to RM128,037,000 and RM5,266,000 (31.3.2018: RM21,759,000 and RM9,257,000) respectively.

Port infrastructure comprises a port concession in Malaysia, with a concession period of 30 years ending in 2045.

On 22 November 1997, Kuantan Port Consortium Sdn Bhd ("KPC"), an indirect subsidiary of the Company, entered into a Privatisation Agreement ("Agreement") with the Government of Malaysia ("Government") and Kuantan Port Authority ("KPA"), a concession to manage, operate and develop Kuantan Port ("Port") for a period of 30 years commencing from 1 January 1998.

On 16 June 2015, the said Agreement was superseded and replaced with a new Privatisation Agreement ("PA"), whereby the Government and KPA have requested KPC to develop a New Deep Water Terminal ("NDWT") adjacent to the existing port. The concession commenced on 1 June 2015 for a period of 30 years and is subject for an extension of 30 years provided that certain obligations as mentioned in the new PA are fulfilled by KPC.

The amounts of construction revenue and profit recognised during the financial year on exchanging construction services for port concession amounted to RM193,683,000 and RM10,057,000 (31.3.2018: RM408,452,000 and RM21,681,000) respectively.

31 SUBSIDIARIES

	The Company		
	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
At cost:			
Quoted shares:			
- in Malaysia	536,031	534,904	534,100
Unquoted shares:			
- in Malaysia	5,605,817	5,605,817	5,605,817
- outside Malaysia	66,170	52,180	8,716
	6,208,018	6,192,901	6,148,633
Less: Accumulated impairment			
Unquoted shares			
- outside Malaysia	(1,035)	(1,035)	(1,035)
	6,206,983	6,191,866	6,147,598
Amounts owing by subsidiaries	951,621	844,735	817,196
Costs of investment in relation to share options and share grants being granted to employees of subsidiaries	89,036	71,155	73,464
	7,247,640	7,107,756	7,038,258

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

31 SUBSIDIARIES (cont'd)

	The Company		
	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Market value*			
Quoted shares:			
- in Malaysia	776,939	1,087,605	1,590,731

The amounts owing by subsidiaries are unsecured, bear interest rate at 5% (31.3.2018: 5%, 1.4.2017: 5%) per annum and are repayable on demand. However, the management does not intend to demand for repayment of the amounts owing by subsidiaries within the period of twelve months.

The Group's effective equity interest in the subsidiaries and their respective principal activities and countries of incorporation are set out in Note 54 to the financial statements.

* The market values of quoted shares are traded in an active market and are within Level 1 of the fair value hierarchy.

As at 31 March 2019, the total non-controlling interests are RM1,198,661,000 (31.3.2018: RM1,171,800,000, 1.4.2017: RM1,218,568,000), of which RM591,463,000 (31.3.2018: RM610,311,000, 1.4.2017: RM683,166,000) is attributable to IJM Plantations Berhad and RM235,949,654 (31.3.2018: RM214,507,368, 1.4.2017: RM188,038,272) is attributable to Kuantan Port Consortium Sdn Bhd. The other non-controlling interests are individually not significant.

Set out below are the summarised financial information for the subsidiaries which have non-controlling interests that are material to the Group. The financial information below is based on amounts before inter-company eliminations.

	Kuantan Port Consortium Sdn. Bhd.		IJM Plantations Berhad	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
Proportion of ordinary shares held by non-controlling interests	40%	40%	44%	44%
Summarised statements of comprehensive income:				
Revenue	318,720	250,794	630,900	747,217
Net profit/(loss) for the financial year	54,279	66,173	(44,229)	23,792
Total comprehensive income/(loss) for the financial year	53,606	66,173	(26,237)	(105,733)
Net profit/(loss) attributable to non-controlling interests	21,686	26,421	(23,826)	8,150
Dividends paid to non-controlling interests	-	-	19,311	27,060
Summarised statements of financial position:				
Current assets	243,082	117,642	291,338	407,909
Current liabilities	(192,299)	(752,030)	(208,085)	(358,901)
Non-current assets	1,622,514	1,339,097	1,991,155	1,889,286
Non-current liabilities	(1,083,115)	(169,805)	(743,890)	(556,083)
Net assets	590,182	534,904	1,330,518	1,382,211

31 SUBSIDIARIES (cont'd)

Set out below are the summarised financial information for the subsidiaries which have non-controlling interests that are material to the Group. The financial information below is based on amounts before inter-company eliminations. (cont'd)

	Kuantan Port Consortium Sdn. Bhd.		IJM Plantations Berhad	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
Summarised cash flows:				
Cash flows (used in)/from operating activities	(428,018)	56,351	93,766	126,865
Cash flows used in investing activities	(280,688)	(102,824)	(140,445)	(125,085)
Cash flows from/(used in) financing activities	819,059	41,701	(33,417)	(143,813)
Net increase/(decrease) in cash and cash equivalents during the financial year	110,353	(4,772)	(80,096)	(142,033)
Cash and cash equivalents at beginning of the financial year	3,973	8,745	206,165	385,994
Foreign exchange differences on opening balances	-	-	1,752	(37,796)
Cash and cash equivalents at end of the financial year	114,326	3,973	127,821	206,165

32 ASSOCIATES

	Note	The Group 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Share of net assets of associates	(a)	679,009	767,516	865,080
Redeemable Unsecured Murabahah Stocks	(b)	150,119	43,300	16,200
Amount owing by an associate*		13,731	12,724	11,816
		842,859	823,540	893,096

* Amount owing by an associate represents unsecured advances which bear interest at a fixed rate of 7.90% (31.3.2018: 7.69%, 1.4.2017: 7.71%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

32 ASSOCIATES (cont'd)

(a) Share of net assets of associates

	The Group 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Quoted shares, at cost:			
- in Malaysia	345,419	345,314	345,314
- outside Malaysia	38,080	38,080	38,080
Unquoted shares, at cost:			
- in Malaysia	74,438	82,622	83,591
- outside Malaysia	172,871	349,810	349,810
	630,808	815,826	816,795
Share of post-acquisition retained profits	187,676	102,069	133,333
Share of post-acquisition reserves	(15,248)	(14,552)	953
Currency translation differences	(31,445)	(35,532)	15,253
	771,791	867,811	966,334
Less: Accumulated impairment	(92,782)	(100,295)	(101,254)
	679,009	767,516	865,080

	The Company 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Quoted shares, at cost:			
- in Malaysia	345,419	345,314	345,314
- outside Malaysia	38,080	38,080	38,080
Unquoted shares, at cost:			
- in Malaysia	28,309	28,309	28,309
- outside Malaysia	51,214	51,214	51,214
	463,022	462,917	462,917
Less: Accumulated impairment	(182,417)	(130,117)	(91,117)
	280,605	332,800	371,800
Market value*			
Quoted shares:			
- in Malaysia	153,515	296,346	436,674
- outside Malaysia	119,234	200,778	237,540
	272,749	497,124	674,214

* The market values of quoted shares are traded in an active market and are within Level 1 of the fair value hierarchy.

The Group has assessed whether there is any impairment of its investment in an associate of the Company as the associate has incurred losses during the financial year and the market value is lower than the carrying amount. This assessment was performed by calculating the value-in-use ("VIU") of the investment based on the net cash inflows attributable to the shareholders, after taking into consideration the investing and financing activities. This computation is based on a discount rate of 16% (31.3.2018: 18%). Based on management's assessment, an impairment of RM52.3 million (31.3.2018: RM39 million) has been recognised during the financial year as other operating expenses.

32 ASSOCIATES (cont'd)

(a) The Group's effective equity interest in the associates and their respective principal activities and countries of incorporation are set out in Note 54 to the financial statements.

(b) During the financial year, a subsidiary of the Company has subscribed for RM93,760,000 (31.3.2018: RM27,100,000, 1.4.2017: RM16,200,000) nominal value of Redeemable Unsecured Murabahah Stocks ("RUMS"), maturing on 12 July 2056, as issued by West Coast Expressway Sdn Bhd ("WCE"), an associate of the Company. The consideration for the subscription of RUMS is by way of cash of RM24,870,000 and capitalisation of the amount owing by the associate of the Company of RM68,890,000.

The terms of the RUMS are as follows:

(i) The RUMS bear a cumulative and non-compounding profit rate that is determined prior to each issuance of RUMS. As at 31 March 2019, the effective profit rate of RUMS is 10% (31.3.2018: 10%, 1.4.2017: 10%) per annum.

(ii) Each issuance of RUMS shall be valid from and including the date of the issuance until the maturity date provided that if each issuance of RUMS has not been fully redeemed by such date, it shall be valid until it is redeemed and cancelled in accordance with the provision stated in the Deed Poll.

(iii) The RUMS will be redeemed by WCE at 100% of their nominal value on their respective maturity dates. Any early redemption of RUMS shall be at a redemption price as mutually agreed between WCE and the subsidiary of the Company.

(iv) Any issuance of RUMS redeemed shall be immediately cancelled and thereafter will not be available for resale or reissue.

(v) WCE may make Periodic Profit Payments (as defined in the Deed Poll) or redeem the RUMS subject to the conditions in relation to the Project Financing Facilities (as defined in the Deed Poll).

(c) Certain losses of associates of the Group are not recognised when they exceed the Group's cost of investment and advances as the Group has no further obligations beyond these amounts. The Group's share of such losses is as follows:

	The Group	
	2019 RM'000	2018 RM'000
Current year share of losses	(33,281)	(35,445)
Cumulative share of losses	(82,459)	(49,178)

(d) Set out below are the associates of the Group as at the reporting dates, which, in the opinion of the management, are material to the Group. The associates as listed below have share capital consisting solely of ordinary shares, which are held either directly or indirectly by the Group.

Name of entity	Place of business/ country of incorporation	% of ownership 31.3.2019	31.3.2018	1.4.2017	Nature of relationship	Measurement method
Grupo Concesionario del Oeste S.A.	Argentina	20	20	20	Associate	Equity
Hexacon Construction Pte Limited	Singapore	45.5	45.5	45.5	Associate	Equity
WCE Holdings Berhad	Malaysia	26	26	26	Associate	Equity

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

32 ASSOCIATES (cont'd)

(e) Set out below are the summarised financial information for material associates which are accounted for using the equity method:

Summarised statements of financial position:

	Grupo Concesionario del Oeste S.A.			Hexacon Construction Pte Limited			WCE Holdings Berhad		
	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Current									
Cash and cash equivalents	9,122	180,656	152,922	486,728	429,988	491,323	921,134	1,296,218	1,053,888
Other current assets (excluding cash)	191,887	42,147	37,709	139,770	181,053	155,769	162,335	90,412	192,042
Total current assets	201,009	222,803	190,631	626,498	611,041	647,092	1,083,469	1,386,630	1,245,930
Other current liabilities (including trade and other payables)	(193,639)	(103,583)	(103,028)	(251,455)	(327,824)	(347,589)	(358,218)	(543,486)	(298,714)
Total current liabilities	(193,639)	(103,583)	(103,028)	(251,455)	(327,824)	(347,589)	(358,218)	(543,486)	(298,714)
Non-current									
Assets	756,920	24,485	62,764	261,197	279,696	241,930	3,706,383	2,761,710	1,653,212
Financial liabilities	-	-	-	-	-	-	(2,904,348)	(2,292,849)	(1,619,853)
Other liabilities	(244,953)	(45,978)	(74,854)	(31,756)	(26,757)	(31,488)	(791,136)	(594,721)	(289,911)
Total non-current liabilities	(244,953)	(45,978)	(74,854)	(31,756)	(26,757)	(31,488)	(3,695,484)	(2,887,570)	(1,909,764)
Non-controlling interests	-	-	-	-	-	-	(41,974)	(40,678)	(39,305)
Net assets (excluding non-controlling interests)	519,337	97,727	75,513	604,484	536,156	509,945	694,176	676,606	651,359
Market value (Group's share)	119,234	200,778	237,540	-*	-*	-*	140,645	261,247	350,097

* Hexacon Construction Pte Limited is a private company and there is no quoted market price available for its shares.

32 ASSOCIATES (cont'd)

(e) Set out below are the summarised financial information for material associates which are accounted for using the equity method: (cont'd)

Summarised statement of comprehensive income:

	Grupo Concesionario del Oeste S.A.		Hexacon Construction Pte Limited		WCE Holdings Berhad	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Revenue	294,274	470,067	587,196	486,067	715,954	1,124,377
Depreciation and amortisation	(55,524)	(30,754)	-	-	(115)	(276)
Interest income	94,860	32,814	-	-	1,956	2,253
Finance cost	(91,943)	(4,175)	-	-	(8,579)	(1,781)
Profit before taxation	699,781	172,134	74,456	76,222	18,621	33,716
Income tax expense	(935)	(55,464)	(11,173)	(14,351)	245	(5,682)
Profit after taxation from continuing operations	698,846	116,670	63,283	61,871	18,866	28,034
Loss after taxation from discontinuing operations	-	-	-	-	-	(3,019)
Other comprehensive (loss)/income	-	-	(1,356)	7,724	-	399
Less: Profit/(loss) after taxation attributable to non-controlling interests	-	-	-	-	(1,296)	(298)
Total comprehensive income	698,846	116,670	61,927	69,595	17,570	25,116
Dividends received from associates	36,408	11,809	2,451	2,133	-	-

Note: The summarised financial information above reflects the amounts presented in the financial statements of the associates.

Reconciliation of the summarised financial information presented to the carrying amount of its interests in associates:

	Grupo Concesionario del Oeste S.A.		Hexacon Construction Pte Limited		WCE Holdings Berhad	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
Net assets at 1 April 2018/2017	97,727	75,513	536,156	509,945	676,606	651,359
Less: Gross dividends distributed during the year	(181,135)	(58,751)	(5,387)	(4,688)	-	-
Net profit for the financial year	698,846	116,670	63,283	61,871	17,570	24,717
Other comprehensive (loss)/ income	-	-	(1,356)	7,724	-	399
Other reserves	-	-	-	-	-	131
Foreign exchange differences	(96,101)	(35,705)	11,788	(38,696)	-	-
Net assets at 31 March 2019/2018	519,337	97,727	604,484	536,156	694,176	676,606
Interests in associates	104,387	19,643	275,040	243,951	183,710	178,964
Less: Net assets attributable to non-controlling interests	-	-	-	-	(43,905)	(33,199)
Carrying value	104,387	19,643	275,040	243,951	139,805	145,765

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

32 ASSOCIATES (cont'd)

(f) Set out below are the financial information of all individually immaterial associates on an aggregate basis.

	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Carrying amounts of interest in associates	159,777	358,157	471,185

	2019 RM'000	2018 RM'000
Share of associates' losses	(20,676)	(42,292)
Share of associates' other comprehensive losses	(731)	(25,883)
Share of associates' total comprehensive losses	(21,407)	(68,175)

33 JOINT VENTURES

	Note	31.3.2019 RM'000	The Group 31.3.2018 RM'000	1.4.2017 RM'000
Redeemable Convertible Unsecured Loan Stocks ("RCULS")	(A)	240,000	240,000	240,000
At cost:				
- In Malaysia		111,875	111,875	111,875
Share of post-acquisition reserves		(274,721)	(238,493)	(161,556)
Currency translation differences		7,224	5,771	10,972
		84,378	119,153	201,291
Redeemable Convertible Secured Islamic Debt Securities ("RCSIDS")	(B)	71,778	64,659	57,540
Amounts owing by joint ventures		744,451	652,078	622,910
Less: Allowance for impairment of amounts owing by joint ventures		(136,104)	(127,260)	(127,453)
		608,347	524,818	495,457
		764,503	708,630	754,288

(A) RCULS

In 2007 and 2009, the Company had subscribed for a total of RM240,000,000 nominal value of Redeemable Convertible Unsecured Loan Stocks ("RCULS"), maturing on 8 February 2026, as issued by Lebuhraya Kajang-Seremban Sdn Bhd ("Lekas"), a joint venture of the Company. The terms of RCULS are as follows:

(i) The RCULS bear fixed cumulative interest of 7% per annum from the date of subscription until the date of redemption or maturity, whichever is earlier.

(ii) The RCULS are convertible on the basis of one RCULS for one new ordinary share of RM1 each in Lekas.

(iii) The conversion period is the period commencing from the date immediately after the first anniversary of the date of issuance of the final completion certificate of the final phase of the works under the Concession Agreement and ending on such a date falling 3 years thereafter. The conversion option expired on 23 August 2013.

33 JOINT VENTURES (cont'd)

(B) RCSIDS

In the previous financial year, the Company acquired RM90,109,292 nominal value of Redeemable Convertible Secured Islamic Debt Securities ("RCSIDS"), maturing on 10 April 2023, as issued by Lekas, a joint venture of the Company. The terms of RCSIDS are as follows:

(i) The RCSIDS bear a fixed, cumulative and non-compounding profit rate of 7.9% per annum.

(ii) Every RM1 nominal value of the RCSIDS or every RM1 profit payable on such RCSIDS can be converted into 1 ordinary share of Lekas at the conversion price of RM1. The profit in respect of the RCSIDS can only be converted into ordinary shares if it is done in conjunction with the conversion of the corresponding RCSIDS.

(iii) The conversion period commences from the date immediately after the issue date and ends on the maturity date.

(iv) The RCSIDS may, prior to the maturity date, be redeemed in part or in full at their aggregate nominal value plus accrued and unpaid profit. No cash payment will be made for the principal amount in respect of the RCSIDS and the profit earned on the relevant profit payment dates during the subsistence of the syndicated term loan facility and until the maturity date. Any early redemption shall take place on a profit payment date or such other dates as may be mutually agreed between the parties. All outstanding RCSIDS and cumulative profit shall be redeemed by the issuer on the maturity date.

The RCSIDS which have been redeemed will be cancelled and cannot be reissued and the outstanding profit which has not been converted into new ordinary shares shall be paid by the issuer in the form of cash payment on the maturity date.

	The Company		
	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
RCULS	240,000	240,000	240,000
Unquoted shares, at cost	50,000	50,000	50,000
	290,000	290,000	290,000
Less: Allowance for impairment of investments	(138,695)	(138,695)	(138,695)
	151,305	151,305	151,305
RCSIDS	71,778	64,659	57,540
Amounts owing by joint ventures	50,422	50,422	50,422
Less: Allowance for impairment of amounts owing by joint ventures	(33,567)	(33,567)	(33,567)
	16,855	16,855	16,855
	239,938	232,819	225,700

The amounts owing by joint ventures of the Group and the Company are mainly unsecured advances for the joint ventures' working capital requirements which bear interest at rates ranging from 5.0% to 7.9% (31.3.2018: 4.6% to 7.9%, 1.4.2017: 4.6% to 7.9%) and at 7.9% (31.3.2018: 7.9%, 1.4.2017: 7.9%) per annum respectively. The Group has not recognised loss allowance for the net balances of RM142,983,000 as at 31 March 2019 (31.3.2018: RM140,738,000) which was past due as the receivables are secured by collaterals.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

33 JOINT VENTURES (cont'd)

Movements on the Group's and the Company's allowance for impairment of amounts owing by joint ventures are as follows:

	Note	The Group 31.3.2019 RM'000	The Group 31.3.2018 RM'000	The Company 31.3.2019 RM'000	The Company 31.3.2018 RM'000
At 1 April 2018/2017					
- As previously reported		127,260	127,453	33,567	33,567
- Effect of adoption of MFRS 9	55	8,490	-	-	-
- As restated		135,750	127,453	33,567	33,567
Allowance for impairment during the year	5(a)	354	-	-	-
Write back of allowance for impairment of amounts owing by joint ventures	5(b)	-	(193)	-	-
At 31 March 2019/2018		136,104	127,260	33,567	33,567

The Group has carried out an assessment on the recoverability of the amounts owing by joint ventures and management believes that the current impairment recognised is adequate.

The management has assessed whether there is any impairment of its investment in a joint venture of the Company as the joint venture has incurred a loss during the financial year. As at 31 March 2019, the carrying amount of the interest in that joint venture for the Group and the Company amounted to RM115,154,000 (31.3.2018: RM136,345,000) and RM239,938,000 (31.3.2018: RM232,819,000) respectively.

This assessment was performed by calculating the value-in-use ("VIU") of the investment based on net cash inflow generated from its toll operations over the remaining concession period of 20 years up to the year 2039.

Key assumptions used were:

Annual growth rate of traffic volume	1.2% for the year 2020 and ranges from -1.6% to 9.5% per annum from the year of 2020 to 2039
Discount rate	8.8%

Based on management's assessment, there is no provision for impairment required during the financial year.

As at the reporting date, if the change in the annual growth rate of traffic volume and the discount rate used in the VIU had been 50 basis points lower and 50 basis points higher respectively, with all variables held constant, no provision for impairment is required.

(a) Details of the joint ventures are as follows:

	Group's effective interest in joint ventures 31.3.2019 %	31.3.2018 %	1.4.2017 %	Principal activities
Astaka Tegas Sdn Bhd *	50	50	50	Dormant
Elegan Pesona Sdn Bhd	50	50	50	Property development
IJM Properties-JA Manan Development Joint Venture	50	50	50	Property development
Sierra Ukay Sdn Bhd *	50	50	50	Property development
IJM Properties-Danau Lumayan Joint Venture	60	60	60	Dormant
IJM Management Services-Giat Bernas Joint Venture	70	70	70	Project and construction management services
Nasa Land Sdn Bhd	50	50	50	Property development

33 JOINT VENTURES (cont'd)

(a) Details of the joint ventures are as follows: (cont'd)

	Group's effective interest in joint ventures 31.3.2019 %	31.3.2018 %	1.4.2017 %	Principal activities
368 Segambut Sdn Bhd	50	50	50	Property development
IJM Perennial Development Sdn Bhd	50	50	50	Property development
IJM-SCL Joint Venture	50	50	50	Dormant
IJM-Gayatri Joint Venture	60	60	60	Dormant
IJM-NBCC-VRM Joint Venture	50	50	50	Dormant
Lebuhraya Kajang-Seremban Sdn Bhd	50	50	50	Toll road operations
IJMC-Zublin Joint Venture	-	50	50	Construction
ISZL Consortium	25	25	25	Construction
BSC-RBM-PATI JV	25	25	25	Construction
IJMC-Ambang Usaha Joint Venture	-	-	50	Construction
IJMC-Gayatri Joint Venture	60	60	60	Construction
IJM-LFE Joint Venture	70	70	70	Construction
Shimizu-Nishimatsu-UEMB-IJM Joint Venture	20	20	20	Construction
IJMC-JAKS Joint Venture	-	-	60	Construction
Kiara Teratai-IJM Joint Venture	40	40	40	Construction
IJM Sunway Sdn Bhd	50	50	50	Construction
IJM LFE Sdn Bhd	70	70	70	Construction
IJM-CHEC Joint Venture	60	60	60	Construction

* Joint ventures related to WCE Holdings Berhad, an associate of the Company.

(b) As at 31 March 2019 and 31 March 2018, there are no contingent liabilities and capital commitments relating to the Group's interest in the joint ventures.

(c) Set out below are the joint ventures of the Group as at 31 March 2019, 31 March 2018 and 1 April 2017, which, in the opinion of the management, are material to the Group. The joint ventures as listed below have share capital consisting solely of ordinary shares, which are held directly or indirectly by the Group.

Name of entity	Place of business/ country of incorporation	% of ownership 31.3.2019	31.3.2018	1.4.2017	Nature of relationship	Measurement method
Lebuhraya Kajang-Seremban Sdn Bhd	Malaysia	50	50	50	Joint venture	Equity
Elegan Pesona Sdn Bhd	Malaysia	50	50	50	Joint venture	Equity
Nasa Land Sdn Bhd	Malaysia	50	50	50	Joint venture	Equity

Lebuhraya Kajang-Seremban Sdn Bhd, Elegan Pesona Sdn Bhd and Nasa Land Sdn Bhd are private companies and there is no quoted market price available for their shares.

33 JOINT VENTURES (cont'd)

(d) Set out below are the summarised financial information for material joint ventures which are accounted for using the equity method:

(i) Summarised statements of financial position:

	Lebuhraya Kajang-Seremban Sdn Bhd			Elegan Pesona Sdn Bhd			Nasa Land Sdn Bhd		
	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Current									
Cash and cash equivalents	41,148	76,710	64,881	7,198	17,388	103,698	5,820	25,612	11,095
Other current assets (excluding cash)	52,394	10,986	7,507	13,938	24,989	65,112	326,995	311,129	320,842
Total current assets	93,542	87,696	72,388	21,136	42,377	168,810	332,815	336,741	331,937
Financial liabilities (excluding trade and other payables)	(55,000)	(45,000)	(35,000)	-	-	-	-	-	-
Other current liabilities (including trade and other payables)	(173,925)	(155,315)	(139,221)	(17,514)	(24,624)	(35,987)	(122,223)	(127,211)	(106,678)
Total current liabilities	(228,925)	(200,315)	(174,221)	(17,514)	(24,624)	(35,987)	(122,223)	(127,211)	(106,678)
Non-current									
Assets	1,202,940	1,237,642	1,280,108	2,847	2,620	4,070	164	733	571
Financial liabilities (excluding trade and other payables)	(1,469,675)	(1,491,301)	(1,504,877)	-	-	-	(138,623)	(139,063)	(160,455)
Other non-current liabilities (including trade and other payables)	(113,789)	(93,012)	(72,235)	-	-	-	-	-	-
Total non-current liabilities	(1,583,464)	(1,584,313)	(1,577,112)	-	-	-	(138,623)	(139,063)	(160,455)
Net (liabilities)/assets	(515,907)	(459,290)	(398,837)	6,469	20,373	136,893	72,133	71,200	65,375

33 JOINT VENTURES (cont'd)

(d) Set out below are the summarised financial information for material joint ventures which are accounted for using the equity method: (cont'd)

(ii) Summarised statements of comprehensive income:

	Lebuhraya Kajang-Seremban Sdn Bhd		Elegan Pesona Sdn Bhd		Nasa Land Sdn Bhd	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Revenue	82,816	79,787	1,312	901	8,840	80,171
Depreciation and amortisation	(35,207)	(42,672)	-	-	-	-
Interest income	2,387	2,023	1,020	1,583	556	191
Finance cost	(88,272)	(88,147)	(41)	(689)	(6,544)	(2,080)
(Loss)/profit before taxation	(56,617)	(60,453)	2,469	930	3,853	5,560
Income tax expense	-	-	(373)	(1,450)	(2,786)	265
Net (loss)/profit for the year/ total comprehensive (loss)/ income	(56,617)	(60,453)	2,096	(520)	1,067	5,825
Dividends received from joint ventures	-	-	8,000	58,000	-	-

(iii) Reconciliation of the summarised information presented to the carrying amounts of interest in joint ventures is set out below:

	Lebuhraya Kajang-Seremban Sdn Bhd		Elegan Pesona Sdn Bhd		Nasa Land Sdn Bhd	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
Net (liabilities)/assets at 1 April 2018/2017	(459,290)	(398,837)	20,373	136,893	71,200	65,375
Net (loss)/profit for the financial year	(56,617)	(60,453)	2,096	(520)	1,067	5,825
Dividend	-	-	(16,000)	(116,000)	-	-
Others	-	-	-	-	(134)	-
Net (liabilities)/assets at 31 March 2019/2018	(515,907)	(459,290)	6,469	20,373	72,133	71,200
Interests in joint ventures	(257,954)	(229,645)	3,235	10,187	36,067	35,600
Goodwill	-	-	-	-	11,597	11,597
RCULS	240,000	240,000	-	-	-	-
Carrying amounts of interests in joint ventures	(17,954)	10,355	3,235	10,187	47,664	47,197

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

33 JOINT VENTURES (cont'd)

(e) Set out below are the financial information of all individually immaterial joint ventures on an aggregate basis.

	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Carrying amounts of interest in joint ventures	51,433	51,414	47,978

	2019 RM'000	2018 RM'000
Share of joint ventures' profits / share of joint ventures' total comprehensive income	11,914	18,271

34 (a) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

At 1 April 2018, the Group and the Company have made an irrevocable election to classify its equity investments of RM2,155,000 and RM2,050,000 respectively as fair value through other comprehensive income ("FVOCI"), which was previously classified as available-for-sale financial assets (see Note 34(b)).

Equity investments at fair value through other comprehensive income ("FVOCI") comprise the following investments:

	The Group			The Company		
	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Non-current assets						
Unquoted shares in Malaysia	3,560	-	-	2,050	-	-
Others	105	-	-	-	-	-
	3,665	-	-	2,050	-	-

These investments were previously classified as available-for-sale financial assets as at 31 March 2018 and 1 April 2017, as disclosed in Note 34(b).

All of the financial assets at FVOCI are denominated in Malaysian Ringgit.

(b) AVAILABLE-FOR-SALE FINANCIAL ASSETS

Financial assets previously classified as available-for-sale financial assets as at 31 March 2018 and 1 April 2018 included the following classes of financial assets:

	The Group			The Company		
	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Non-current assets						
Unquoted shares:						
Equity securities	-	2,050	2,050	-	2,050	2,050
Others	-	105	105	-	-	-
	-	2,155	2,155	-	2,050	2,050

Arising from the initial application of MFRS 9 on 1 April 2018, the Group and the Company have irrevocably elected to present their fair value changes in other comprehensive income. The Group and the Company consider this classification to be more relevant as these investments are strategic investments, which are not held for trading purpose.

35 LONG TERM RECEIVABLES

	Note	The Group 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Lease receivables	(a)	9,765	13,264	15,481
Less: Amount receivable within 12 months (included in trade and other receivables - Note 39)		(3,115)	(2,548)	(2,193)
		6,650	10,716	13,288
Deposits	(b)	-	80,774	82,309
Amounts due from non-controlling interests	(c)	52,897	33,809	38,684
Advances for plasma schemes	(d)	75,010	54,166	42,418
Other receivables	(e)	135,367	135,591	-
Less: Allowance for impairment of other receivables	39	(63,704)	(63,704)	-
		71,663	71,887	-
		206,220	251,352	176,699

(a) Lease receivables

	The Group 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Lease receivables:			
- Receivable within 1 year	3,700	3,365	3,217
- Receivable between 1 and 5 years	7,228	10,928	14,317
	10,928	14,293	17,534
Less: Unearned interest income	(1,163)	(1,029)	(2,053)
	9,765	13,264	15,481
Lease receivables (net of unearned interest income):			
- Receivable within 1 year	3,115	2,548	2,193
- Receivable between 1 and 5 years	6,650	10,716	13,288
	9,765	13,264	15,481

IJM Properties Sdn Bhd, an indirect subsidiary of the Company, entered into a lease arrangement with a third party to lease a building for a period of 15 years commencing 1 March 2007.The Group does not have any significant exposure to credit risk from the lease receivables as the ownership and rights to the building revert to the Group in the event of default.

(b) The deposits represent monies received from buyers of development units of a mixed development project at Royal Mint Street, United Kingdom that are held by a stakeholder. As at the end of the current financial year, the deposits were reclassified to current assets as the balance is receivable within a year.

(c) The amounts due from non-controlling interests are denominated in USD. The amounts due from non-controlling interests are in respect of advances made by subsidiaries of IJM Plantations Berhad, a subsidiary of the Company to non-controlling interests. The advances are operational in nature for furtherance of the overseas subsidiaries' business operations. The amounts due from non-controlling interests are currently interest free, secured against the equity shares held by the non-controlling interests in the respective companies and repayable on demand. Management reserves the right to charge interest in the future. Management does not intend to demand for repayment of the amounts owing by the non-controlling interests within the period of twelve months. As a result, the amounts are classified as non-current assets as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2019

35 LONG TERM RECEIVABLES (cont'd)

(d) The Government of the Republic of Indonesia requires companies involved in plantation development to provide support to develop and cultivate oil palm lands for local communities in oil palm plantations as part of their social obligation which are known as "Plasma" schemes.

In line with this requirement, the subsidiaries of IJM Plantations Berhad ("indirect subsidiaries"), a subsidiary of the Company, have involvement in several cooperative programs for the development and cultivation of oil palm lands for local communities. The indirect subsidiaries supervise and manage the plasma schemes. Advances made by the indirect subsidiaries to the plasma schemes in the form of plantation development costs are recoverable either through bank loans obtained by the cooperatives or direct repayments from the plasma schemes when these plasma areas come into production. Accordingly, the credit risk arising from these advances is minimal

Management expects that these advances will not be repaid within the next financial year. As a result, these amounts are classified as non-current assets.

(e) The other receivables are unsecured advances which bear interest at a rate of 6.5% (31.3.2018: 6.5%, 1.4.2017: 6.5%) per annum. The Group has not recognised loss allowance for the net balances of RM71,663,000 as at 31 March 2019 (31.3.2018: RM71,887,000) which was past due as the receivables are secured by collaterals.

36 INTANGIBLE ASSETS

The Group	Goodwill on consolidation RM'000	Quarry development expenditure RM'000	Total RM'000
31 March 2019			
Cost			
At 1 April 2018	1,083,900	70,483	1,154,383
Additions	-	4,432	4,432
At 31 March 2019	1,083,900	74,915	1,158,815
Accumulated amortisation			
At 1 April 2018	-	(48,348)	(48,348)
Amortisation for the financial year (Note 5(a))	-	(3,828)	(3,828)
At 31 March 2019	-	(52,176)	(52,176)
Accumulated impairment			
At 1 April 2018/At 31 March 2019	(1,004,439)	-	(1,004,439)
At 31 March 2019	79,461	22,739	102,200

36 INTANGIBLE ASSETS (cont'd)

The Group (cont'd)	**Goodwill on consolidation RM'000**	**Quarry development expenditure RM'000**	**Total RM'000**
31 March 2018			
Cost			
At 1 April 2017	1,083,900	67,773	1,151,673
Additions	-	2,710	2,710
At 31 March 2018	1,083,900	70,483	1,154,383
Accumulated amortisation			
At 1 April 2017	-	(44,616)	(44,616)
Amortisation for the financial year (Note 5(a))	-	(3,732)	(3,732)
At 31 March 2018	-	(48,348)	(48,348)
Accumulated impairment			
At 1 April 2017/At 31 March 2018	(1,004,439)	-	(1,004,439)
At 31 March 2018	79,461	22,135	101,596
1 April 2017			
Cost	1,083,900	67,773	1,151,673
Accumulated amortisation	-	(44,616)	(44,616)
Accumulated impairment	(1,004,439)	-	(1,004,439)
	79,461	23,157	102,618

During the financial year, amortisation of quarry development expenditure of RM3,828,000 (2018: RM3,732,000) was included in cost of sales.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2019

37 INVENTORIES

	Note	31.3.2019 RM'000	The Group 31.3.2018 RM'000	1.4.2017 RM'000
Non-current				
Land held for property development	(a)	631,921	663,465	514,788
Current				
Cost:				
Raw materials:				
- Construction materials		10,829	10,038	17,149
- Other raw materials		132,266	134,954	132,652
Finished goods:				
- Completed buildings		995,584	880,536	994,485
- Quarry and manufactured products		170,127	153,927	140,856
- Palm kernels		2,058	2,195	4,064
Oil palm nurseries		8,710	8,849	10,574
Fertilisers and chemicals		16,777	15,320	22,109
Stores, spares & consumables		20,232	20,919	21,985
Goods in transit		-	6,891	7,347
		1,356,583	1,233,629	1,351,221
Net realisable value:				
Finished goods:				
- Completed buildings		18,726	23,558	19,995
- Crude palm oil		35,213	68,485	39,770
- Consumables		1,135	936	1,040
- Palm kernel expellers		287	550	232
- Crude palm kernel oil		4,865	7,085	9,703
		60,226	100,614	70,740
		1,416,809	1,334,243	1,421,961
Property development costs	(b)	6,819,288	6,349,574	5,737,372
Total current		8,236,097	7,683,817	7,159,333
Total inventories		8,868,018	8,347,282	7,674,121

Inventories recognised as an expense during the year amounted to RM1,680,015,000 (31.3.2018: RM1,707,691,000).

37 INVENTORIES (cont'd)

(a) Land held for property development

	The Group	
	31.3.2019 RM'000	31.3.2018 RM'000
Cost:		
Freehold land	420,208	431,162
Leasehold land	114,210	113,827
Development costs	40,755	35,177
	575,173	580,166
Net realisable value:		
Freehold land	53,076	79,627
Leasehold land	3,672	3,672
	56,748	83,299
	631,921	663,465
At 1 April 2018/2017	663,465	514,788
Additions during the year	7,096	164,822
Transferred to property development costs (Note 37(b)):		
- Land cost	(36,816)	(7,733)
- Development costs	(589)	4,233
	(37,405)	(3,500)
Disposals during the year	-	(538)
Exchange differences	(1,235)	(12,107)
At 31 March 2019/2018	631,921	663,465

During the financial year, finance cost of RM1,887,000 (2018: RM697,000) (Note 9) has been capitalised in land held for property development.

The carrying values of leasehold and freehold land amounting to RM3,371,000 and RM543,000 (31.3.2018: RM3,371,000 and RM543,000 respectively and 1.4.2017: RM3,371,000 and RM543,000 respectively) are pledged as security for the term loans of the subsidiaries (Note 17).

(b) Property development costs

	Note	The Group	
		31.3.2019 RM'000	31.3.2018 RM'000
At 1 April 2018/2017, as previously reported			
Freehold land – at cost		740,497	736,076
Leasehold land – at cost		2,892,093	2,727,193
Development costs		5,818,452	5,384,892
Accumulated costs charged to profit or loss		(2,649,715)	(2,468,951)
Completed units transferred to inventories		(570,949)	(710,083)
Allowance for write down		(102,038)	(81,747)
		6,128,340	5,587,380
- Effects of transition from FRSs to MFRSs	55	221,234	149,992
At 1 April 2018/2017, as restated		6,349,574	5,737,372

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

37 INVENTORIES (cont'd)

(b) Property development costs (cont'd)

	Note	The Group 31.3.2019 RM'000	The Group 31.3.2018 RM'000
Less: Completed development properties:			
Freehold land – at cost		(29,564)	(8,722)
Leasehold land – at cost		(8,129)	(27,042)
Development costs		(566,338)	(672,686)
Accumulated costs charged to profit or loss		324,318	500,477
Completed units transferred to inventories		279,713	207,736
Allowance for write down		-	237
		-	-
		6,349,574	5,737,372
Costs incurred during the financial year:			
- Purchase of land		-	237,231
- Development costs		1,524,671	1,221,568
		1,524,671	1,458,799
Transferred from land held for property development:	37(a)		
- Land cost		36,816	7,733
- Development costs		589	(4,233)
		37,405	3,500
Costs charged to profit or loss		(807,700)	(703,199)
Write back/(impairment) during the year	5(b), (a)	10	(21,869)
Completed units transferred to inventories		(264,789)	(56,974)
Transferred to property, plant and equipment	27	-	(674)
Transferred to investment properties	29	(9,142)	(34,840)
Exchange differences		(10,741)	(32,541)
At 31 March 2019/2018		6,819,288	6,349,574
At 31 March:			
Freehold land – at cost		729,671	740,497
Leasehold land – at cost		2,853,151	2,892,093
Development costs		5,936,527	6,004,453
Accumulated costs charged to profit or loss		(2,142,132)	(2,615,299)
Completed units transferred to inventories		(455,901)	(570,132)
Allowance for write down		(102,028)	(102,038)
		6,819,288	6,349,574

During the financial year, employee benefits cost and finance cost of RM153,000 (2018: RM132,000) (Note 6) and RM122,127,000 (2018: RM106,846,000) (Note 9) respectively have been capitalised in property development costs.

The carrying values of freehold land and leasehold land amounting to RM303,768,000 (31.3.2018: RM401,189,000, 1.4.2017: RM617,862,000) and RM1,271,086,000 (31.3.2018: RM1,326,525,000, 1.4.2017: RM1,458,196,000) respectively are pledged as security for certain revolving credits (Note 45) and term loans of the subsidiaries (Note 17).

As at 31 March 2019, land titles to leasehold land with a carrying value of RM426,000 (31.3.2018: RM898,000, 1.4.2017: RM2,284,000) are in the process of being transferred.

38 PRODUCE GROWING ON BEARER PLANTS

Produce growing on bearer plants comprises oil palm fresh fruit bunches ("FFB") growing on palm trees.

	The Group 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Current			
Oil palm FFB	7,750	10,615	13,249

	Note	The Group 31.3.2019 RM'000	31.3.2018 RM'000
At 1 April 2018/2017			
- as previously reported		-	-
- effect of transition from FRSs to MFRSs	55	10,615	13,249
At 1 April 2018/2017, as restated		10,615	13,249
Harvest produce transfer to inventories		(10,615)	(13,249)
Change in fair value less cost to sell		7,675	11,582
Exchange differences		75	(967)
At 31 March 2019/2018		7,750	10,615

During the financial year, the Group harvested approximately 976,395 tonnes (2018: 932,950 tonnes) of FFB. The quantity of unharvested FFB of the Group as at 31 March 2019 is approximately 45,275 tonnes (31.3.2018: 43,246 tonnes, 1.4.207: 39,296 tonnes).

The fair value measurement of the Group's produce growing on bearer plants is categorised within Level 3 of the fair value hierarchy. A change of 10% in the discounted market price of FFB used ranging from RM222 to RM325 per metric tonne (2018: from RM339 to RM377 per metric tonne) would cause the fair value of the Group's produce growing on bearer plants to increase or decrease equally by approximately RM1.2 million (2018: RM1.6 million).

39 TRADE AND OTHER RECEIVABLES

	The Group 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000	The Company 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Trade receivables	1,437,334	1,072,876	1,261,063	55,298	57,094	67,795
Trade advances	126,589	54,201	45,874	1,646	1,388	1,626
Other receivables	333,609	247,344	347,537	3,238	3,130	25,513
Amounts owing by subsidiaries	-	-	-	2,235,421	1,983,380	1,311,514
Amounts owing by associates	212,185	334,188	191,947	1,340	1,341	1,340
Amount owing by a joint operation partner *	82,589	47,239	52,391	-	-	-
Deposits	40,028	34,730	34,891	381	380	463
	2,232,334	1,790,578	1,933,703	2,297,324	2,046,713	1,408,251
Less: Allowance for impairment of trade and other receivables	(191,461)	(125,372)	(213,037)	(73,934)	(47,537)	(52,785)
	2,040,873	1,665,206	1,720,666	2,223,390	1,999,176	1,355,466
Prepayments	30,720	32,783	52,375	270	386	1,586
Costs to secure contracts	18,604	15,735	4,351	-	-	-
	2,090,197	1,713,724	1,777,392	2,223,660	1,999,562	1,357,052

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2019

39 TRADE AND OTHER RECEIVABLES (cont'd)

Other receivables include the current portion of the following items:

	The Group		
	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Lease receivables (Note 35)	3,115	2,548	2,193

The currency exposure profile of trade and other receivables is as follows:

	The Group		
	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
United States Dollar	3,855	4,239	1,520
Singapore Dollar	4,999	2,548	5,615
Brunei Dollar	10,693	1,692	4,882
	19,547	8,479	12,017

* The balance represents an amount owing by a joint operation partner, WCE Holdings Berhad (a 26% associate of the Company) and amount owing by a subsidiary of joint operation partner. IJMC-KEB joint venture is a 70% unincorporated joint operation of the Group between IJM Construction Sdn Bhd ("IJMC") and WCE Holdings Berhad, carry out the engineering, procurement and construction works for the construction of the West Coast Expressway. IJMC is a wholly-owned subsidiary of the Company.

<u>Trade and other receivables that are neither past due nor impaired:</u>

Credit terms of trade receivables range from payment in advance to 120 days (31.3.2018 and 1.4.2017: range from payment in advance to 120 days).

Trade and other receivables that are neither past due nor impaired comprise:

- Receivables in relation to construction business arising from rendering of construction services to companies with a good collection track record with the Group and the Company. These receivables include retention sums which are to be settled in accordance with the terms of the respective contracts;
- Receivables in relation to property development business arising from sale of development units to large number of property purchasers with end financing facilities from reputable end-financiers, and the ownership and rights to the properties revert to the Group in the event of default; and
- Receivables from other external parties with no history of default.

<u>Trade and other receivables that are past due but not impaired:</u>

The Group had carried out an assessment on the recoverability of these balances and the management believed that these balances were recoverable.

Set out below was the ageing analysis of trade and other receivables which were past due but not impaired in accordance with FRS 139 incurred loss model:

	The Group		The Company	
	31.3.2018 RM'000	1.4.2017 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Up to 6 months	237,492	272,279	-	-
More than 6 months	163,441	85,891	891	1,023
	400,933	358,170	891	1,023

39 TRADE AND OTHER RECEIVABLES (cont'd)

Trade and other receivables that are impaired:

The receivables are individually impaired either because of significant delays in collection periods or because the debtors are in unexpectedly difficult economic situations. As at 31 March 2019, trade and other receivables of the Group and the Company of RM191,461,000 (31.3.2018: RM125,372,000, 1.4.2017: RM213,037,000) and RM73,934,000 (31.3.2018: RM47,537,000, 1.4.2017: RM52,785,000) respectively were impaired and provided for.

Movements on the Group's and the Company's allowance for impairment of trade and other receivables are as follows:

		The Group		The Company	
	Note	31.3.2019 RM'000	31.3.2018* RM'000	31.3.2019 RM'000	31.3.2018* RM'000
At 1 April 2018/2017, as previously reported		125,372	213,037	47,537	52,785
Effects of adoption of MFRS 9	55	71,233	-	26,397	-
At 1 April 2018/2017, as restated		196,605	213,037	73,934	52,785
Allowance for impairment of receivables during the year	5(a)	10,524	5,152	-	-
Write back of allowance for impairment of receivables	5(b)	(6,891)	(4,938)	-	-
Bad debts written off		(5,917)	(13,975)	-	(5,248)
Foreign currency exchange differences		(2,803)	(10,200)	-	-
Reclassification of balances **		-	(63,704)	-	-
Others		(57)	-	-	-
At 31 March 2019/2018		191,461	125,372	73,934	47,537

* Loss allowance disclosed in comparative period was based on FRS 139 incurred loss model.
** These balances were reclassified to non-current (Note 35).

Of the above Group impairment, RM179,619,000 (31.3.2018: RM92,554,000, 1.4.2017: RM112,739,000) related to trade receivables.

Of the above Company impairment, RM32,122,000 (31.3.2018: RM5,725,000, 1.4.2017: RM10,973,000) related to trade receivables.

Concentrations of credit risk with respect to trade and other receivables are limited due to the Group's large number of customers, who are dispersed over a broad spectrum of industries and businesses, other than the concentration of credit risk in respect of amounts due from WCE Holdings Berhad, an associate and companies related to the associate. The Group has carried out an assessment on the recoverability of these balances and management believes that the current impairment recognised is adequate.

The amounts owing by subsidiaries and associates are unsecured and repayable on demand. Certain amounts owing by subsidiaries and associates bear interest at rates ranging from 5.0% to 7.9% (31.3.2018: 5.0% to 7.9%, 1.4.2017: 5.0% to 7.65%) per annum. The Company has carried out an assessment on the recoverability of these balances and management believes that the carrying amount is recoverable.

The amount owing by a joint operation partner mainly comprises receivables arising from the rendering of construction services to the joint operation and has no history of default. The credit term of these trade related balances is 30 days (31.3.2018 and 1.4.2017: 30 days). As at 31 March 2018, non-trade advances of RM10,596,705 were included in the amount owing by a joint operation partner, which were unsecured, repayable on demand and bore interest at a fixed rate of 6%. During the financial year, this balance has been repaid.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above.

There is no material difference between the carrying values of trade and other receivables and their fair values, due to the short-term duration of the receivables.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2019

40 CONTRACT ASSETS AND CONTRACT LIABILITIES

	The Group			The Company		
	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Contract Assets:						
Contract assets from construction (Note (a))	39,350	12,830	54,874	-	-	7
Contract assets from property development (Note (b))	287,486	267,433	219,400	-	-	-
Total	326,836	280,263	274,274	-	-	7
Analysed as:						
Non-current	-	-	-	-	-	-
Current	326,836	280,263	274,274	-	-	7
	326,836	280,263	274,274	-	-	7
Contract Liabilities:						
Contract liabilities from construction (Note (a))	528,360	390,862	394,579	891	939	850
Contract liabilities from property development (Note (b))	245,517	242,812	227,068	-	-	-
Total	773,877	633,674	621,647	891	939	850
Analysed as:						
Non-current	-	155,461	158,414	-	-	-
Current	773,877	478,213	463,233	891	939	850
	773,877	633,674	621,647	891	939	850

(a) Contract assets and contract liabilities from construction

The Group and the Company issue progress billings to customers when the billing milestones are attained. The Group and the Company recognise revenue when the performance obligation is satisfied.

The Group's and the Company's contract assets and contract liabilities relating to construction contracts as of each reporting period can be summarised as follows:

	The Group			The Company		
	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Contract assets	39,350	12,830	54,874	-	-	7
Contract liabilities	(528,360)	(390,862)	(394,579)	(891)	(939)	(850)
	(489,010)	(378,032)	(339,705)	(891)	(939)	(843)

40 CONTRACT ASSETS AND CONTRACT LIABILITIES (cont'd)

(a) Contract assets and contract liabilities from construction (cont'd)

	The Group		The Company	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
At 1 April 2018/2017	(378,032)	(339,705)	(939)	(843)
Revenue recognised during the year	1,959,537	2,288,184	50	-
Progress billings issued during the year	(1,944,574)	(2,326,129)	-	-
Advances received on contracts	(127,011)	-	-	-
Exchange translation differences	1,070	(382)	(2)	(96)
At 31 March 2019/2018	(489,010)	(378,032)	(891)	(939)

The unsatisfied performance obligations at the end of the reporting period are expected to be recognised in the following periods:

	The Group		The Company	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
Within 1 year	2,500,606	2,291,870	-	-
Between 1 and 4 years	4,224,487	5,683,145	-	-
	6,725,093	7,975,015	-	-

(b) Contract assets and contract liabilities from property development

The Group issues progress billings to purchasers when the billing milestones are attained. The Group recognises revenue when the performance obligation is satisfied.

The Group's contract assets and contract liabilities relating to the sale of properties as of each reporting period can be summarised as follows:

	The Group		
	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Contract assets	287,486	267,433	219,400
Contract liabilities	(245,517)	(242,812)	(227,068)
	41,969	24,621	(7,668)

	The Group	
	31.3.2019 RM'000	31.3.2018 RM'000
At 1 April 2018/2017	24,621	(7,668)
Revenue recognised during the year	1,380,002	1,143,932
Progress billings issued during the year	(1,367,333)	(1,118,777)
Exchange translation differences	4,679	7,134
	41,969	24,621

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2019

40 CONTRACT ASSETS AND CONTRACT LIABILITIES (cont'd)

(b) Contract assets and contract liabilities from property development (cont'd)

The unsatisfied performance obligations at the end of the reporting period are expected to be recognised in the following periods:

	The Group	
	31.3.2019 RM'000	**31.3.2018 RM'000**
Within 1 year	226,248	371,937
Between 1 and 4 years	473,001	524,187
	699,249	896,124

41 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group			The Company		
	31.3.2019 RM'000	**31.3.2018 RM'000**	**1.4.2017 RM'000**	**31.3.2019 RM'000**	**31.3.2018 RM'000**	**1.4.2017 RM'000**
Quoted securities in Malaysia - held for trading:						
Quoted shares	2,874	2,335	3,198	-	-	-
Quoted real estate investment trusts	7,701	6,452	7,035	7,701	6,452	7,035
Quoted unit trusts	431,280	290,004	275,159	-	-	-
Quoted securities outside Malaysia - held for trading:						
Quoted government securities	2,844	9,412	13,717	2,844	9,412	13,717
Quoted unit trusts	-	2,876	55	-	2,876	55
	444,699	311,079	299,164	10,545	18,740	20,807

The fair values of all quoted securities are determined based on their quoted market prices in an active market and are within level 1 of the fair value hierarchy.

The currency exposure profile of financial assets at fair value through profit or loss is as follows:

	The Group and the Company		
	31.3.2019 RM'000	**31.3.2018 RM'000**	**1.4.2017 RM'000**
Argentine Peso	2,844	12,288	13,772

42 DEPOSITS, CASH AND BANK BALANCES

		The Group			The Company		
	Note	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Deposits with licensed banks	49	693,600	671,821	1,053,596	21,173	16,981	69,550
Cash and bank balances		401,538	393,632	624,232	6,922	68,335	160,847
Housing Development Accounts (a)		462,815	402,200	469,949	-	-	-
	49	864,353	795,832	1,094,181	6,922	68,335	160,847
		1,557,953	1,467,653	2,147,777	28,095	85,316	230,397

(a) Cash and bank balances include balances amounting to RM462,815,000 (31.3.2018: RM402,200,000, 1.4.2017: RM469,949,000) which are maintained in designated Housing Development Accounts pursuant to the Housing Developers (Control and Licensing) Act, 1966 and Housing Regulations, 1991 in connection with the Group's property development projects. The utilisation of these balances is restricted before completion of the housing development projects and fulfilment of all relevant obligations to the purchasers, such that the cash can only be withdrawn from such accounts for the purpose of completing the particular projects.

The currency exposure profile of deposits with licensed banks is as follows:

	The Group			The Company		
	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
United States Dollar	-	23,318	190,371	-	-	-
Japanese Yen	777	-	-	-	-	-
	777	23,318	190,371	-	-	-

The currency exposure profile of cash and bank balances and Housing Development Accounts is as follows:

	The Group			The Company		
	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
United States Dollar	23,655	85,260	106,623	2,592	58,849	74,675
Singapore Dollar	9,150	12,006	21,018	-	-	-
Argentine Peso	2	870	53	2	870	53
Pakistan Rupee	115	117	-	115	117	-
	32,922	98,253	127,694	2,709	59,836	74,728

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2019

42 DEPOSITS, CASH AND BANK BALANCES (cont'd)

The effective interest rates per annum as at the end of the financial year for the Group and the Company are as follows:

	The Group			The Company		
	31.3.2019 %	31.3.2018 %	1.4.2017 %	31.3.2019 %	31.3.2018 %	1.4.2017 %
Deposits with licensed banks:						
Ringgit Malaysia	3.08	3.04	2.97	3.20	3.20	3.05
US Dollar	-	1.20	1.13	-	-	-
Indian Rupee	6.28	5.94	5.69	6.61	6.44	6.50
Indonesian Rupiah	5.75	5.88	6.00	-	-	-
Cash at bank held under Housing Development Accounts	2.24	2.02	1.91	-	-	-

Deposits, cash and bank balances are mainly deposits with banks with high credit ratings assigned by international credit rating agencies.

The cash and bank balances are deposits held at call with banks and earn no interest.

Deposits with licensed banks of the Group and of the Company have a maturity period ranging between 1 and 365 days (31.3.2018: 1 and 90 days, 1.4.2017: 1 and 90 days). Except for the restricted deposits with licensed banks, the deposits with the maturity period of more than 3 months are readily convertible to known amount of cash and subject to insignificant risk of change in value.

43 ASSETS HELD FOR SALE

	The Group and the Company		
	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Property, plant and equipment (Note 27)	-	124	-

On 9 February 2018, the Directors of the Company approved the execution of a sale and purchase agreement for the disposal of an apartment measuring approximately 721 square feet at Fraser's Silverpark Resort for a cash consideration of RM161,500. During the financial year, the disposal was completed and a net gain of RM37,725 is recognised in profit or loss.

44 TRADE AND OTHER PAYABLES

	Note	The Group 31.3.2019 RM'000	The Group 31.3.2018 RM'000	The Group 1.4.2017 RM'000	The Company 31.3.2019 RM'000	The Company 31.3.2018 RM'000	The Company 1.4.2017 RM'000
Current:							
Trade payables		1,169,695	1,367,405	1,126,226	261	271	1,544
Trade accruals		950,518	724,568	682,830	36,293	29,504	32,389
Amounts owing to subsidiaries		-	-	-	356,191	292,362	297,947
Amounts owing to associates		136	1	21	1	1	1
Amounts owing to joint ventures		7,611	6,153	29,636	-	69	-
Government support loans	18	33,104	33,104	33,104	-	-	-
Hire purchase and lease payables	19	278	599	685	-	-	-
Land and development costs payable	23(b)	246,539	15,489	12,238	-	-	-
Land costs payable *		109,257	223,421	-	-	-	-
Other payables and accruals		577,872	555,892	468,328	8,137	8,736	9,833
Lease payable to Kuantan Port Authority	23(e)	6,125	6,066	5,666	-	-	-
		3,101,135	2,932,698	2,358,734	400,883	330,943	341,714
Retirement benefits payable	24	483	1,624	1,378	-	-	-
		3,101,618	2,934,322	2,360,112	400,883	330,943	341,714
Non-current:							
Amount owing to a subsidiary **		-	-	-	827,662	852,537	948,028

* As at 31 March 2019, the land costs payable is in connection to a property development in Kuala Lumpur, which will become payable as the development progresses.

** This amount is due and payable after twelve months.

The currency exposure profile of trade and other payables is as follows:

	The Group 31.3.2019 RM'000	The Group 31.3.2018 RM'000	The Group 1.4.2017 RM'000	The Company 31.3.2019 RM'000	The Company 31.3.2018 RM'000	The Company 1.4.2017 RM'000
United States Dollar	546	966	7,526	-	-	-

As at the reporting date, the current amounts owing to subsidiaries, associates and joint ventures are unsecured and repayable on demand. Credit terms of trade and other payables range from payments in advance to 120 days (31.3.2018 and 1.4.2017: range from payments in advance to 120 days).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2019

45 BORROWINGS

	Note	The Group 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000	The Company 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Secured							
Bonds	16	55,000	40,000	30,000	-	-	-
Term loans	17	80,834	232,856	232,985	-	-	-
Revolving credits (A)		107,091	117,831	92,824	-	-	-
Bank overdrafts (B)	49	550	-	-	-	-	-
		243,475	390,687	355,809	-	-	-
Unsecured							
Bonds	16	200,000	-	-	200,000	-	-
Term loans	17	505,381	1,441,918	455,717	30,596	483,188	-
Bankers' acceptances		35,367	48,568	62,159	-	-	-
Revolving credits		543,392	838,843	816,588	175,398	225,000	210,000
Revolving loans		183,578	135,293	-	183,578	135,293	-
Bank overdrafts	49	75,203	32,309	44,514	-	-	1,098
Letters of credit		10,572	16,499	8,109	-	-	-
		1,553,493	2,513,430	1,387,087	589,572	843,481	211,098
		1,796,968	2,904,117	1,742,896	589,572	843,481	211,098

The currency exposure profile of the above bank borrowings is as follows:

	The Group 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000	The Company 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
United States Dollar	534,078	1,355,734	425,046	234,572	618,481	-
Chinese Yuan	33,137	3,058	26,768	-	-	-
	567,215	1,358,792	451,814	234,572	618,481	-

As at the reporting date, the weighted average annual effective interest rates for the bank borrowings, other than the bonds and term loans which are disclosed in Notes 16 and 17 respectively, of the Group and of the Company are as follows:

	The Group and The Company 31.3.2019 Bankers' acceptances %	Revolving credits %	Revolving loans %	Bank overdrafts %
Ringgit Malaysia	4.21	4.66	-	7.40
Indian Rupee	-	8.90	-	9.13
United States Dollar	-	3.54	3.61	-
Chinese Yuan	-	5.13	-	5.44

45 BORROWINGS (cont'd)

As at the reporting date, the weighted average annual effective interest rates for the bank borrowings, other than the bonds and term loans which are disclosed in Notes 16 and 17 respectively, of the Group and of the Company are as follows: (cont'd)

	The Group and The Company 31.3.2018			
	Bankers' acceptances %	Revolving credits %	Revolving loans %	Bank overdrafts %
Ringgit Malaysia	4.15	4.59	-	-
Indian Rupee	-	8.50	-	8.55
United States Dollar	-	2.66	2.93	-
Chinese Yuan	-	5.13	-	4.79

	The Group and The Company 1.4.2017		
	Bankers' acceptances %	Revolving credits %	Bank overdrafts %
Ringgit Malaysia	3.79	4.48	7.15
Indian Rupee	8.80	8.75	9.95
United States Dollar	-	1.80	-
Chinese Yuan	-	5.13	4.79

The security of bonds and term loans are disclosed in Notes 16 and 17 respectively.

(A) As at the reporting date, the following revolving credits of the Group are secured as follows:

	Note	The Group 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Revolving credit (i)	(a)	8,943	11,607	-
Revolving credit (ii)	(b)	200	-	-
Revolving credit (iii)	(c)	97,948	-	-
Revolving credit (iv)	(d)	-	2,000	2,000
Revolving credit (v)	(e)	-	24,375	27,475
Revolving credit (vi)	(f)	-	29,849	13,349
Revolving credit (vii)	(g)	-	50,000	50,000
		107,091	117,831	92,824

(a) The security for revolving credit (i) of RM8,943,000 (31.3.2018: RM11,607,000, 1.4.2017: RM Nil) is disclosed in Note 17(C)(a).

(b) The security for revolving credit (ii) of RM200,000 (31.3.2018: RM Nil, 1.4.2017: RM Nil) is disclosed in Note 17(C)(i).

(c) The security for revolving credit (iii) of RM97,948,000 (31.3.2018: RM Nil, 1.4.2017: RM Nil) is disclosed in Note 17(C)(j).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2019

45 BORROWINGS (cont'd)

(A) As at the reporting date, the following revolving credits of the Group are secured as follows: (cont'd)

(d) The revolving credit (iv) of RM Nil (31.3.2018: RM2,000,000, 1.4.2017: RM2,000,000) was secured by way of:

(i) a facility agreement for the sum of RM9,000,000, which had been partially repaid in the previous financial year;

(ii) a registered open all monies third party charge over certain parcels of freehold vacant commercial land of a subsidiary of IJML (Note 37); and

(iii) a corporate guarantee by IJML.

(e) The revolving credit (v) of RM Nil (31.3.2018: RM24,375,000, 1.4.2017: RM27,475,000) was secured by way of a Lien-Holder's Caveat over landed properties (Note 37) of a subsidiary of IJML with a minimum security cover of 1.0 time the loan outstanding.

(f) The security for revolving credit (vi) of RM Nil (31.3.2018: RM29,849,000, 1.4.2017: RM13,349,000) was disclosed in Note 17(C)(u).

(g) The security for revolving credit (vii) of RM Nil (31.3.2018: RM50,000,000, 1.4.2017: RM50,000,000) in accordance with the Shariah Principle of Bai' al-Inah was secured by way of:

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

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

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

(iv) a corporate guarantee by IJML.

(B) The bank overdrafts of RM550,000 (31.3.2018: RM Nil, 1.4.2017: RM Nil) of a subsidiary of the Company is secured by a fixed charge over certain property, plant and equipment (Note 27) and land use rights (Note 28) of the subsidiary.

46 IMPAIRMENT OF ASSETS

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segments.

The carrying amounts of goodwill allocated to the CGUs are as follows:

	Manufacturing and quarrying RM'000	Construction RM'000	Property RM'000	Total RM'000
31.3.2019				
At 1 April 2018/At 31 March 2019	56,026	13,132	10,303	79,461
31.3.2018				
At 1 April 2017/At 31 March 2018	56,026	13,132	10,303	79,461

46 IMPAIRMENT OF ASSETS (cont'd)

The recoverable amounts of the respective CGUs are determined based on value-in-use ("VIU") calculations, using pre-tax cash flow projections on the following basis:

CGU	Basis of cash flow projections	Growth rate 2019 %	Growth rate 2018 %	Discount rate 2019 %	Discount rate 2018 %
Manufacturing and Quarrying	Financial budgets approved by management covering a 5-year period based on past performance and expectations of market development	2.1	2.3	7.0	7.0
Construction	Discounted cash flows of the construction order book covering a 3-year period	N/A	N/A	10.0	10.0
Property	Discounted cash flows of a property development project covering a 17-year period	N/A	N/A	10.0	10.0

N/A denotes not applicable

The discount rates used are pre-tax and reflect the specific risks relating to the respective CGUs.

There are no reasonably possible changes in any of the key assumptions used that would cause the carrying amount of the CGUs to materially exceed the recoverable amounts.

47 ACQUISITION OF SUBSIDIARIES

(a) On 23 May 2018, Industrial Concrete Products Sdn Bhd, a wholly-owned subsidiary of the Company incorporated a wholly-owned subsidiary, namely IJM IBS Sdn Bhd with an initial share capital of one ordinary share of RM1 each. The incorporation has no significant effect on the financial results of the Group in the current financial year and the financial position of the Group as at the end of the current financial year.

(b) In the preceding financial year, the Group acquired the following subsidiaries:

(i) On 21 November 2017, IJM RE Commercial Sdn Bhd ("IJMREC"), a wholly-owned subsidiary of IJM RE Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company, entered into a share sale and purchase agreement with KLIFD Sdn Bhd to acquire 1,000,000 ordinary shares in Fairview Valley Sdn Bhd ("FVSB"), representing a 100% equity interest in FVSB, for a total purchase consideration of RM1,000,000. FVSB is the land owner cum developer of a purpose-built 27-storey office building on a piece of freehold land identified as Plot B10.17-CT within the Tun Razak Exchange and held under H.S.(D) 119946, PT No. 179, Seksyen 67, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, measuring approximately 1.175 acres.

(ii) On 12 December 2017, the Company incorporated a wholly-owned subsidiary in India, namely Vijayapura Tollway Private Limited with an initial share capital of 1,000,000 equity shares of INR10 each.

The acquisitions (i) and (ii) had no significant effect on the financial results of the Group in the preceding financial year and the financial position of the Group as at the end of the preceding financial year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2019

48 DISPOSAL OF SUBSIDIARY

On 23 October 2018, ICPB (Mauritius) Limited, a wholly-owned subsidiary of Industrial Concrete Products Sdn Bhd ("ICP") via ICP Investments (L) Limited entered into a share purchase agreement to dispose 32,083,669 ordinary shares of INR10 each, representing 99.99% of the issued and paid-up share capital of IJM Steel Products Private Limited ("IJMSPPL") 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). Following the completion of the disposal, IJMSPPL ceased to be a subsidiary of the Group.

Details of the disposal are as follows:

	Note	At date of disposal RM'000
Non-current asset		
Property, plant and equipment	27	3,717
Current assets		
Inventories		74
Other receivables		1,080
Cash and bank balances		42
		1,196
Current liability		
Trade and other payables		(251)
Net assets disposed		4,662
Transfer from foreign exchange reserve		1,667
Net disposal proceeds		(3,634)
Loss on disposal of a subsidiary	5(a)	(2,695)
The net cash flows on disposal is determined as follows:		
Total proceeds from disposal – cash consideration		3,634
Cash and cash equivalents of subsidiary disposed of		(42)
Cash inflow to the Group on disposal		3,592

49 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the Group's and the Company's cash flow statements comprise the following:

	Note	The Group 2019 RM'000	The Group 2018 RM'000	The Company 2019 RM'000	The Company 2018 RM'000
Deposits with licensed banks	42	693,600	671,821	21,173	16,981
Cash and bank balances	42	864,353	795,832	6,922	68,335
Bank overdrafts					
- Secured	45	(550)	-	-	-
- Unsecured	45	(75,203)	(32,309)	-	-
		1,482,200	1,435,344	28,095	85,316
Less:					
Restricted deposits with licensed banks	(a)	(31,065)	(28,343)	-	-
		1,451,135	1,407,001	28,095	85,316

49 CASH AND CASH EQUIVALENTS (cont'd)

(a) As at the reporting date, the restricted deposits with licensed banks are mainly deposits of certain subsidiaries, which were assigned to the banks to be held as security in respect of a corporate guarantee facility to a cooperative in Indonesia; escrow amounts in respect of toll collected on behalf of the tollway authority and being pledged as consent for an assignment of performance bond in relation to Sukuk Wakalah.

50 FAIR VALUES OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is assumed to be the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

Quoted market prices, when available, are used as a measure of fair values. However, for a significant portion of the Group's and of the Company's financial instruments, quoted market prices do not exist. For such financial instruments, fair values presented are estimates derived using the discounted value of future cash flows or other valuation techniques. These techniques involve uncertainties and are significantly affected by the assumptions used and judgements made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in assumptions could significantly affect these estimates and the resulting fair values.

The carrying values of financial assets and financial liabilities of the Group and of the Company at the reporting date approximated their fair values except for the following:

		The Group		The Company	
	Note	Carrying value RM'000	Fair value* RM'000	Carrying value RM'000	Fair value* RM'000
Financial Liabilities					
At 31 March 2019					
(i) Bonds	16	3,010,848	3,008,667	1,500,000	1,518,050
(ii) Term loans	17	2,569,175	2,569,175	275,366	275,366
(iii) Government support loans	18	126,074	129,175	-	-
(iv) Advances from the State Government	23(a)	33,180	(aa)	-	-
At 31 March 2018					
(i) Bonds	16	1,950,000	1,959,349	1,300,000	1,308,469
(ii) Term loans	17	2,614,924	2,614,544	483,188	483,188
(iii) Government support loans	18	158,819	149,983	-	-
(iv) Advances from the State Government	23(a)	33,180	(aa)	-	-
At 1 April 2017					
(i) Bonds	16	1,980,000	2,004,955	1,300,000	1,312,966
(ii) Term loans	17	2,810,511	2,799,061	176,940	176,940
(iii) Government support loans	18	187,578	178,262	-	-
(iv) Advances from the State Government	23(a)	33,180	(aa)	-	-

(aa) The fair value of the Advances from the State Government has not been disclosed as the repayment is scheduled upon completion of certain conditions as set out in Note 23(a) to the financial statements, of which the completion date could not be reasonably determined as at the year end.

* The fair values of the financial liabilities above have been derived based on discounted cash flows using market interest rates applicable for similar financial instruments as at the reporting date and are within Level 2 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

51 SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances.

(a) The following transactions with related parties were carried out under terms and conditions negotiated amongst the related parties:

The Group	2019 RM'000	2018 RM'000
(aa) Associates		
(i) Sales/progress billings in respect of construction contract:		
- West Coast Expressway Sdn Bhd	460,385	432,136
(ii) Interest charged to:		
- Kuantan Pahang Holding Sdn Bhd	1,005	909
(iii) Net repayment from:		
- West Coast Expressway Sdn Bhd	525,677	279,030
(ab) Joint ventures		
(i) Project management and sales and marketing fees charged to:		
- Elegan Pesona Sdn Bhd	249	1,191
- Nasa Land Sdn Bhd	202	1,076
- 368 Segambut Sdn Bhd	1,498	2,074
- IJM-CHEC Joint Venture	1,058	1,073
(ii) Toll operation and maintenance revenue charged to:		
- Lebuhraya Kajang Seremban Sdn Bhd	8,710	7,979
(iii) Interest charged to:		
- Sierra Ukay Sdn Bhd	6,678	16,747
- Lebuhraya Kajang Seremban Sdn Bhd	7,119	7,119
- Nasa Land Sdn Bhd	4,016	3,411
- 368 Segambut Sdn Bhd	3,388	3,120
- ISZL Consortium	4,707	-
(iv) Net (advances to)/repayment from:		
- 368 Segambut Sdn Bhd	(2,748)	(4,462)
- Sierra Ukay Sdn Bhd	(10,256)	2,807
- Elegan Pesona Sdn Bhd	3,383	1,395
- Nasa Land Sdn Bhd	281	(21,790)
- IJM Perennial Development Sdn Bhd	(92,846)	(30,337)
- ISZL Consortium	10,365	575
- IJM-CHEC Joint Venture	643	1,163
- IJM Properties-Danau Lumayan Joint Venture	-	(1,036)
- Lebuhraya Kajang Seremban Sdn Bhd	8,543	-
(ac) Joint operation partner		
(i) Progress billings in respect of construction contracts to:		
- IJMC-KEB Joint Venture	138,265	129,657
(ii) Project management fee charged to:		
- IJMC-KEB Joint Venture	1,082	6,413
(ad) Other related parties *		
(i) Purchase of fresh fruit bunches	4,076	5,943

* Companies in which a Director of the Company has deemed interest through his family members.

51 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(a) The following transactions with related parties were carried out under terms and conditions negotiated amongst the related parties: (cont'd)

The Company	2019 RM'000	2018 RM'000
(aa) Subsidiaries		
(i) Interest charged to/(by):		
- IJM Properties Sdn Bhd	38,242	36,621
- Murni Lapisan Sdn Bhd	7,503	-
- Suria Bistari Development Sdn Bhd	4,517	4,303
- IJM Land Berhad	25,742	26,061
- IJM Land Management Services Sdn Bhd	1,626	1,775
- IJM RE Sdn Bhd	5,230	4,295
- Fairview Valley Sdn Bhd	12,591	-
- RB Development Sdn Bhd	688	479
- Nilai Cipta Sdn Bhd	500	3,500
- New Pantai Expressway Sdn Bhd	(2,923)	502
- CIDB Inventures Sdn Bhd	(1,079)	-
(ii) Capital contribution via share-based payment in:		
- IJM Construction Sdn Bhd	15,414	10,510
- IJM Land Berhad	7,843	6,280
- IJM Plantations Berhad	3,238	2,327
- Industrial Concrete Products Sdn Bhd	6,398	4,637
- Road Builder (M) Holdings Bhd	4,015	3,427
(iii) Share-based payments charged to:		
- Kuantan Port Consortium Sdn Bhd	769	1,929
- Industrial Concrete Products Sdn Bhd	2,865	3,554
- Malaysian Rock Products Sdn Bhd	-	873
- IJM Plantations Berhad	2,147	3,606
- IJM Construction Sdn Bhd	8,419	11,110
- IJM Land Management Services Sdn Bhd	4,491	7,125
- Besraya (M) Sdn Bhd	716	613
(iv) Management fees charged to:		
- IJM Construction Sdn Bhd	9,310	10,217
- IJM Plantations Berhad	1,813	1,992
- Industrial Concrete Products Sdn Bhd	4,521	4,968
- New Pantai Expressway Sdn Bhd	1,137	1,250
- Kuantan Port Consortium Sdn Bhd	3,387	3,721
- Besraya (M) Sdn Bhd	1,050	1,153
- IJM Land Management Services Sdn Bhd	5,948	6,524
(v) Office rental charged by:		
- IJM Construction Sdn Bhd	2,058	2,119
(vi) Repayment from/(advances to):		
- IJM Investments (M) Limited	(147,705)	(94,670)
- IJM Construction Sdn Bhd	18,786	22,347
- IJM Properties Sdn Bhd	(70,840)	13,385
- IJM Land Berhad	427,745	(278,947)
- Panorama Jelita Sdn Bhd	(18,464)	-
- Murni Lapisan Sdn Bhd	(36,274)	-
- Seremban Two Holdings Sdn Bhd	(5,610)	-
- Cypress Potential Sdn Bhd	(2,167)	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2019

51 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(a) The following transactions with related parties were carried out under terms and conditions negotiated amongst the related parties: (cont'd)

The Company (cont'd)	**2019 RM'000**	**2018 RM'000**
(aa) Subsidiaries (cont'd)		
(vi) Repayment from/(advances to): (cont'd)		
- Jelita Kasturi Sdn Bhd	(9,114)	-
- IJM Shared Services Sdn Bhd (formerly known as Makmur Venture Sdn Bhd)	(962)	-
- IJM (India) Infrastructure Limited	207	3,763
- IJM Investments (L) Ltd	(183,340)	(44,214)
- Kuantan Port Consortium Sdn Bhd	63,491	(52,341)
- IJM Land Management Services Sdn Bhd	13,605	8,721
- Industrial Concrete Products Sdn Bhd	7,605	9,781
- IJM Plantations Berhad	3,169	6,648
- RB Development Sdn Bhd	(4,150)	-
- Besraya (M) Sdn Bhd	2,103	1,536
- New Pantai Expressway Sdn Bhd	2,154	1,944
- IJM RE Sdn Bhd	(85,788)	(30,958)
- Fairview Valley Sdn Bhd	(187,353)	(145,785)
- Vijayawada Tollway Private Limited	-	4,723
- IJM Highway Services Sdn Bhd	237	598
- IJM Rewa (Mauritius) Limited	(793)	(1)
(vii) (Repayments to)/advances from:		
- Road Builder (M) Holdings Bhd	(24,875)	(95,491)
- IJM (India) Geotechniques Private Limited	-	(2,492)
- CIDB Inventures Sdn Bhd	64,570	-
- IJM Vijayawada (Mauritius) Limited	(572)	(452)
(ab) Joint ventures		
(i) Interest charged to:		
- Lebuhraya Kajang Seremban Sdn Bhd	7,119	7,119

(b) Key management compensation during the financial year:

Key management personnel comprises the Directors and certain management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

	The Group		**The Company**	
	2019 RM'000	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
Wages, salaries and bonus	10,321	13,080	5,613	7,158
Defined contribution retirement plan	1,685	2,029	932	1,080
Fees and other employee benefits	6,157	2,174	2,154	1,546
Share-based payments	4,969	5,875	2,991	3,462
	23,132	23,158	11,690	13,246

51 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(c) Transactions with Directors and key management of the Company relating to the purchase of properties during the financial year:

In the ordinary course of business, certain Directors and key management personnel of the Group purchased properties from the property development subsidiaries during the financial year.

The following transactions with Directors and key management personnel were carried out under terms not more favourable than those generally available to the public or employees of the Group, or under negotiated terms which the Board of Directors, after deliberation, has believed to be in the best interests of the Group:

	The Group	
	2019 RM'000	2018 RM'000
Progress billings during the financial year:		
- Directors and key management personnel of the Company	827	1,336
- Close family members of Directors and key management personnel of the Company	1,996	1,672
Amount outstanding arising from progress billings as at end of financial year from:		
- Directors and key management personnel of the Company	-	-
- Close family members of Directors and key management personnel of the Company	39	373

(d) The amounts that remained outstanding at the reporting date in respect of the transactions with related parties are disclosed in Notes 31, 32, 33, 39 and 44.

52 COMMITMENTS

(a) Capital commitments:

	The Group		
	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Approved and contracted for	1,500,496	1,032,709	1,098,039
Approved but not contracted for	84,376	145,331	71,913
	1,584,872	1,178,040	1,169,952
Analysed as follows:			
Purchases of property, plant and equipment and land use rights	193,144	433,513	265,607
Purchases of development land	16,127	17,568	5,948
Concession assets	1,346,275	608,302	808,942
Investment properties	29,326	118,657	89,455
	1,584,872	1,178,040	1,169,952

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

52 COMMITMENTS (cont'd)

(b) Non-cancellable operating lease commitments

(i) The Group as lessor:

The non-cancellable operating lease commitments are in relation to operating lease receivables from various tenants.

	The Group 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Future minimum sublease receipts:			
- expiring not later than 1 year	19,225	17,282	14,399
- expiring later than 1 year but not later than 5 years	75,906	66,744	50,269
- expiring later than 5 years	79,275	87,599	66,568
	174,406	171,625	131,236

(ii) The Group as lessee:

The non-cancellable operating lease commitments is in relation to the operating lease payables by IJM Plantations Berhad, a 56%-owned subsidiary of the Company and its subsidiaries, which is pursuant to the Sub-lease Agreement dated 30 September 2015 for land use rights until the end of the respective land use rights periods.

	The Group 31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000
Future minimum lease payments:			
- expiring not later than 1 year	1,134	1,134	1,134
- expiring later than 1 year but not later than 5 years	4,537	4,537	4,537
- expiring later than 5 years	51,706	52,836	53,966
	57,377	58,507	59,637

53 CONTINGENT LIABILITIES (UNSECURED)

	The Group		The Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Performance guarantees in respect of the contract performance on concession agreements	-	-	47,320	8,827
Stamp duty matters under appeal	1,932	1,948	-	-
Sales and service tax matters under appeal	3,212	3,240	775	782
	5,144	5,188	48,095	9,609

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2019

SUBSIDIARIES

Name	Country of incorporation	Effective equity interest 2019 %	Effective equity interest 2018 %	Principal activities
Held by the Company				
CIDB Inventures Sdn Bhd	Malaysia	100	100	Infrastructure investment
Emcee Corporation Sdn Bhd	Malaysia	100	100	Dormant
IJM Construction Sdn Bhd	Malaysia	100	100	Civil and building construction and investment holding
IJM Construction (Middle East) LLC *	United Arab Emirates	100	100	Construction
IJM Highway Services Sdn Bhd	Malaysia	100	100	Provision of toll operation and maintenance services
IJM International Limited *	Hong Kong	100	100	Investment holding
IJM Investments (L) Ltd ^	Federal Territory of Labuan	100	100	Investment holding
IJM Investments (M) Limited #	Republic of Mauritius	100	100	Investment holding
IJM Land Berhad	Malaysia	100	100	Investment holding
IJM Overseas Ventures Sdn Bhd ^^^	Malaysia	100	100	Under member's voluntary liquidation
IJM Plantations Berhad	Malaysia	56	56	Cultivation of oil palms and investment holding
IJM RE Sdn Bhd	Malaysia	100	100	Investment holding
Industrial Concrete Products Sdn Bhd	Malaysia	100	100	Production and sale of concrete products and investment holding
Kamad Quarry Sdn Bhd	Malaysia	100	100	Dormant
Kemena Industries Sdn Bhd *	Malaysia	55	55	Manufacture and sale of ready-mixed concrete and reinforced concrete products
IJM Shared Services Sdn Bhd (formerly known as Makmur Venture Sdn Bhd)	Malaysia	100	100	Investment holding
Nilai Cipta Sdn Bhd	Malaysia	70	70	Dormant
RB Manufacturing Sdn Bhd	Malaysia	100	100	Dormant
Road Builder (M) Holdings Bhd	Malaysia	100	100	Investment holding
Held by IJM Construction Sdn Bhd				
Commerce House Sdn Bhd	Malaysia	100	100	Trading in construction materials and providing insurance agency services

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2019 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2019 %	2018 %	Principal activities
Held by IJM Construction Sdn Bhd (cont'd)				
IJM Building Systems Sdn Bhd	Malaysia	100	100	Construction contracts, trading and rental of aluminium formworks
IJM Construction Vietnam Co., Ltd #	Vietnam	100	100	Provision of construction services, consulting service and installation of electrical system and mechanical system
IJM Investments J.A. Limited *	United Arab Emirates	100	100	Investment holding
IJM-Norwest JV	**	100	100	Civil and building construction
Jurutama Sdn Bhd	Malaysia	100	100	Construction contract
Prebore Piling & Engineering Sdn Bhd	Malaysia	100	100	Piling, engineering and other construction works
Road Builder (M) Sdn Bhd	Malaysia	100	100	Civil and building construction
Held by IJM Investments J.A. Limited				
IJM Construction (Pakistan) (Private) Limited #	Pakistan	100	100	Civil and building construction
IJM Gulf Limited ^^^	United Arab Emirates	-	60	Deregistered
IM Technologies Pakistan (Private) Limited *	Pakistan	60	60	Civil, building construction and property development
Karachi Expressway J.A. Limited ^^^	United Arab Emirates	-	100	Deregistered
Held by Road Builder (M) Sdn Bhd				
RBM-PATI JV	**	100	100	Construction
Held by IJM Investments (M) Limited				
IEMCEE Infra (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
IJM Dewas (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
IJMII (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
IJM Rajasthan (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
IJM Rewa (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
IJM Trichy (Mauritius) Ltd #	Republic of Mauritius	100	100	Investment holding

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2019 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2019 %	2018 %	Principal activities
Held by IJM Investments (M) Limited (cont'd)				
IJM Vijayawada (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
IJM Realty (Mauritius) Limited #	Republic of Mauritius	100	100	Investment holding
Held by IJM Dewas (Mauritius) Limited				
Dewas Bypass Tollway Private Limited * (of which 26% (2018: 26%) is held directly by the Company)	India	100	100	Highway development
Held by IJMII (Mauritius) Limited				
IJM (India) Infrastructure Limited *	India	99.9	99.9	Construction
Held by IJM (India) Infrastructure Limited				
IJM (India) Geotechniques Private Limited *	India	99.9	99.9	Soil investigation & testing, foundation laying & treatment & piling
IJM Lingamaneni Township Private Limited*	India	98	98	Property development
Roadstar (India) Infrastructure Private Limited *	India	70	70	Under members' voluntary liquidation
Swarnandhra-IJMII Integrated Township Development Company Private Limited *	India	51	51	Property development
Swarnandhra RoadCare Private Limited *	India	99.9	99.9	Road maintenance
Held by IJM Realty (Mauritius) Limited				
Nagpur Integrated Township Private Limited *	India	94.9	94.9	Property development
Held by IJM Rewa (Mauritius) Limited				
Rewa Tollway Private Limited *	India	100	100	Infrastructure development
Vijayapura Tollway Private Limited * (of which 26% (2018: 100%) is held directly by the Company)	India	100	100	Highway development

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2019 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2019 %	2018 %	Principal activities
Held by IJM Vijayawada (Mauritius) Ltd				
Vijayawada Tollway Private Limited * (of which 25.51% (2018: 25.51%) is held directly by the Company)	India	99.9	99.9	Highway development
Held by IJM Land Berhad				
Asas Panorama Sdn Bhd	Malaysia	60	60	Property development
Emko Properties Sdn Bhd	Malaysia	100	100	Property development
ERMS Berhad	Malaysia	100	100	Hotel operations
IJM Land Management Services Sdn Bhd	Malaysia	100	100	Provision of management services
IJM Properties Sdn Bhd	Malaysia	100	100	Property development and investment holding
Mintle Limited #	Jersey	51	51	Property investment
OneAce Global Limited	Federal Territory of Labuan	100	100	Investment holding
RB Development Sdn Bhd	Malaysia	100	100	Property development
RB Land Sdn Bhd	Malaysia	100	100	Property development and construction activities
Sova Holdings Sdn Bhd	Malaysia	70	70	Property development
Held by Emko Properties Sdn Bhd				
Emko Management Services Sdn Bhd	Malaysia	100	100	Property management
Held by ERMS Berhad				
Holiday Villa Management Sdn Bhd	Malaysia	100	100	Dormant
Held by IJM Properties Sdn Bhd				
Aqua Aspect Sdn Bhd	Malaysia	80	80	Property development
Chen Yu Land Sdn Bhd	Malaysia	100	100	Property development
Cypress Potential Sdn Bhd	Malaysia	70	70	Property development activities and property investment
Era Moden Hartanah Sdn Bhd	Malaysia	55	55	Dormant
Ever Mark (M) Sdn Bhd	Malaysia	100	100	Dormant

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2019 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2019 %	Effective equity interest 2018 %	Principal activities
Held by IJM Properties Sdn Bhd (cont'd)				
IJM Management Services Sdn Bhd	Malaysia	100	100	Providing project and construction management services and sales and marketing services
IJMP-MK Joint Venture	**	70	70	Property development
Jalinan Masyhur Sdn Bhd	Malaysia	51	51	Dormant
Jelutong Development Sdn Bhd	Malaysia	80	80	Property development
Larut Leisure Enterprise (Hong Kong) Limited *	Hong Kong	99	99	Investment holding
Liberty Heritage (M) Sdn Bhd	Malaysia	100	100	Dormant
Manda'rina Sdn Bhd	Malaysia	100	100	Property development
Maxharta Sdn Bhd	Malaysia	100	100	Investment holding
NS Central Market Sdn Bhd	Malaysia	70	70	Property development
Preferred Accomplishment Sdn Bhd	Malaysia	100	100	Sale of electricity
Radiant Pillar Sdn Bhd * (of which 10.6% (2018: 10.6%) is held indirectly by the Company via WCE Holdings Berhad)	Malaysia	71	71	Property development and investment holding
Sinaran Intisari (M) Sdn Bhd	Malaysia	100	100	Dormant
Suria Bistari Development Sdn Bhd	Malaysia	51	51	Property development
The Light Waterfront Sdn Bhd	Malaysia	100	100	Dormant
Valencia Terrace Sdn Bhd	Malaysia	100	100	Property development
Worldwide Ventures Sdn Bhd	Malaysia	86	86	Property development and investment holding
Held by Cypress Potential Sdn Bhd				
Sebana Golf & Marina Resort Berhad *	Malaysia	70	70	Resort, marina and golf course operator
Held by Larut Leisure Enterprise (Hong Kong) Limited				
Jilin Dingtai Enterprise Development Co. Ltd. *	People's Republic of China	99	99	Property development

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2019 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2019 %	Effective equity interest 2018 %	Principal activities
Held by Maxharta Sdn Bhd				
Jelita Kasturi Sdn Bhd	Malaysia	100	100	Property development
Panorama Jelita Sdn Bhd	Malaysia	100	100	Property development
Eksplorasi Cemerlang Sdn Bhd	Malaysia	100	100	Dormant
Held by Radiant Pillar Sdn Bhd				
Bandar Rimbayu Sdn Bhd * (of which 10.6% (2018: 10.6%) is held indirectly by the Company via WCE Holdings Berhad)	Malaysia	71	71	Property development
IJMP-RPSB Joint Venture * (of which 5.3% (2018: 5.3%) is held indirectly by the Company via WCE Holdings Berhad)	**	85	85	Dormant
Held by Worldwide Ventures Sdn Bhd				
Island Golf View Sdn Bhd	Malaysia	86	86	Property development
Sheffield Enterprise Sdn Bhd (of which 30% (2018: 30%) is held directly by IJM Properties Sdn Bhd)	Malaysia	90	90	Under members' voluntary liquidation
Held by Mintle Limited				
RMS (England) Limited #	England and Wales	51	51	Property development
Held by RMS (England)				
RMS (England) 1 Limited #	England and Wales	51	51	Dormant
RMS (England) 2 Limited #	England and Wales	51	51	Dormant
Held by RB Land Sdn Bhd				
Aras Varia Sdn Bhd	Malaysia	100	100	Property development and clubhouse operations
Casa Warna Sdn Bhd	Malaysia	100	100	Property management
Dian Warna Sdn Bhd	Malaysia	100	100	Property development
Ikatan Flora Sdn Bhd	Malaysia	100	100	Property development
Murni Lapisan Sdn Bhd	Malaysia	100	100	Property development and construction activities
RB Property Management Sdn Bhd	Malaysia	100	100	Property development

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2019 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2019 %	2018 %	Principal activities
Held by RB Land Sdn Bhd (cont'd)				
Seremban Two Holdings Sdn Bhd	Malaysia	100	100	Property development
Seremban Two Property Management Sdn Bhd	Malaysia	100	100	Property management
Seremban Two Properties Sdn Bhd	Malaysia	100	100	Property development
Shah Alam 2 Sdn Bhd	Malaysia	100	100	Property development
Tarikan Abadi Sdn Bhd	Malaysia	100	100	Property development
Titian Tegas Sdn Bhd	Malaysia	100	100	Property development
Unggul Senja Sdn Bhd	Malaysia	100	100	Property development
Held by IJM Plantations Berhad				
Akrab Perkasa Sdn. Bhd.	Malaysia	56	56	Dormant
Berakan Maju Sdn. Bhd.	Malaysia	56	56	Cultivation of oil palms
Desa Talisai Palm Oil Mill Sdn. Bhd.	Malaysia	56	56	Dormant
Desa Talisai Sdn. Bhd.	Malaysia	56	56	Investment holding
Dynasive Enterprise Sdn. Bhd.	Malaysia	56	56	Investment holding
Excellent Challenger (M) Sdn. Bhd.	Malaysia	56	56	Cultivation of oil palms
Gunaria Sdn. Bhd.	Malaysia	56	56	Investment holding
IJM Biofuel Sdn Bhd	Malaysia	56	56	Dormant
IJM Edible Oils Sdn. Bhd.	Malaysia	56	56	Palm oil and kernel milling
Minat Teguh Sdn. Bhd.	Malaysia	56	56	Investment holding
Rakanan Jaya Sdn. Bhd.	Malaysia	56	56	Cultivation of oil palms
Ratus Sempurna Sdn. Bhd.	Malaysia	56	56	Property holding
Sabang Mills Sdn. Bhd.	Malaysia	56	56	Dormant
Sijas Plantations Sdn. Bhd.	Malaysia	56	56	Dormant
Held by Dynasive Enterprise Sdn Bhd				
PT Prima Alumga #	Indonesia	53	53	Cultivation of oil palms
Held by Gunaria Sdn Bhd				
PT Sinergi Agro Industri #	Indonesia	53	53	Cultivation of oil palms
PT Karya Bakti Sejahtera Agrotama #	Indonesia	53	53	Cultivation of oil palms

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2019 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2019 %	Effective equity interest 2018 %	Principal activities
Held by Minat Teguh Sdn. Bhd				
PT Primabahagia Permai #	Indonesia	53	53	Cultivation of oil palms
Held by PT Primabahagia Permai				
PT Indonesia Plantation Synergy #	Indonesia	48	48	Cultivation of oil palms and milling
Held by IJM RE Sdn Bhd				
IJM RE Commercial Sdn Bhd	Malaysia	100	100	Investment holding
Held by IJM RE Commercial Sdn Bhd				
Fairview Valley Sdn Bhd	Malaysia	100	100	Property development, property investment and investment holding
Held by Industrial Concrete Products Sdn Bhd				
Durabon Sdn Bhd	Malaysia	100	100	Processing and sales of steel bars
ICP Investments (L) Limited ^	Federal Territory of Labuan	100	100	Investment holding
ICP Jiangmen Co. Ltd. *	People's Republic of China	96	96	Production and sale of concrete products
ICP Marketing Sdn Bhd	Malaysia	100	100	Dormant
ICP Precast Products Sdn Bhd	Malaysia	100	100	Dormant
IJM IBS Sdn Bhd (1)	Malaysia	100	-	Manufacture of industrialised building system
Malaysian Rock Products Sdn Bhd	Malaysia	100	100	Quarrying, sale of rock products and investment holding
ICPB (Mauritius) Limited #	Mauritius	100	-	Investment holding
Held by ICP Investments (L) Limited				
ICPB (Mauritius) Limited #	Mauritius	-	100	Investment holding
Held by ICPB (Mauritius) Limited				
IJM Steel Products Private Limited * (2)	India	-	100	Dormant
IJM Concrete Products Private Limited *	India	100	100	Production and supply of ready-mixed concrete

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2019 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2019 %	Effective equity interest 2018 %	Principal activities
Held by IJM Concrete Products Private Limited				
IJM-AIKYA Joint Venture *	India	-	100	Ceased operation
Held by Malaysian Rock Products Sdn Bhd				
Aggregate Marketing Sdn Bhd	Malaysia	100	100	Under member's voluntary liquidation
Azam Ekuiti Sdn Bhd	Malaysia	100	100	Leaseholder of quarry land
Bohayan Industries Sdn Bhd	Malaysia	70	70	Dormant
IJM Concrete (Private) Limited ^	United Arab Emirates	60	60	Investment holding
IJM Concrete Products Pakistan (Private) Limited *	Pakistan	100	100	Dormant
Kuang Rock Products Sdn Bhd	Malaysia	100	100	Quarrying and sale of rock products
Oriental Empire Sdn Bhd	Malaysia	100	100	Leaseholder of quarry land
Scaffold Master Sdn Bhd	Malaysia	100	100	Sale and rental of steel scaffolding
Strong Mixed Concrete Sdn Bhd	Malaysia	100	100	Production and supply of ready-mixed concrete
Warga Sepakat Sdn Bhd	Malaysia	100	100	Leaseholder of quarry land
Held by IJM Concrete (Private) Limited				
IJM Concrete Pakistan *	Pakistan	-	60	Deregistered
IJM Concrete Pakistan (Private) Limited *	Pakistan	-	60	Deregistered
Held by Strong Mixed Concrete Sdn Bhd				
SMC Islamabad (Private) Limited *	Pakistan	60	60	Production and supply of ready-mixed concrete
Held by RB Manufacturing Sdn Bhd				
Kuching Riverine Resort Management Sdn Bhd	Malaysia	100	100	Property management
Held by Road Builder (M) Holdings Bhd				
Besraya (M) Sdn Bhd	Malaysia	100	100	Toll road operation

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2019 (cont'd)

SUBSIDIARIES (cont'd)

Name	Country of incorporation	Effective equity interest 2019 %	2018 %	Principal activities
Held by Road Builder (M) Holdings Bhd (cont'd)				
Essmarine Terminal Sdn Bhd	Malaysia	100	100	Investment holding
Gagah Garuda Sdn Bhd	Malaysia	100	100	Investment holding
HMS Resource Sdn Bhd	Malaysia	100	100	Investment holding
Kuantan Port Consortium Sdn Bhd (of which 30% (2018 : 30%) is held directly by Essmarine Terminal Sdn Bhd)	Malaysia	60	60	Port management
New Pantai Expressway Sdn Bhd	Malaysia	100	100	Design, construction, management, operation and maintenance of New Pantai Highway
NPE Property Development Sdn Bhd	Malaysia	100	100	Property development
Held by Kuantan Port Consortium Sdn Bhd				
KP Port Services Sdn Bhd	Malaysia	60	60	Port supporting services, stevedorage, storage handling and providing nitrogen purging and pigging services
Held by KP Port Services Sdn Bhd				
KPN Services Sdn Bhd ^^^	Malaysia	-	60	Liquidated
ASSOCIATES				
Held by the Company				
Bionic Land Berhad *	Malaysia	20	20	Investment holding and provision of management services
Cofreth (M) Sdn Bhd *	Malaysia	25	25	Total facilities management, operations & maintenance, co-generation and district cooling system/service provider
Emas Utilities Corporation Sdn Bhd *	Malaysia	40	40	Investment holding
Grupo Concesionario del Oeste S.A. *	Argentina	20	20	Construction, renovation, repair, conservation and operation of Acesso Oeste highway

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2019 (cont'd)

ASSOCIATES (cont'd)

Name	Country of incorporation	Effective equity interest 2019 %	Effective equity interest 2018 %	Principal activities
Held by the Company (cont'd)				
Inversiones E Inmobiliaria Sur-Sur S.A. *	Chile	25	25	Property development
WCE Holdings Berhad *	Malaysia	26	26	Investment holding
Scomi Group Berhad *	Malaysia	21	21	Investment holding and provision of management services
Held by CIDB Inventures Sdn Bhd				
Swarna Tollway Private Limited * (3)	India	-	30	Infrastructure development
Held by IEMCEE Infra (Mauritius) Limited				
GVK Gautami Power Limited *	India	20	20	Power generation
Held by IJM Construction Sdn Bhd				
Hexacon Construction Pte Limited *	Singapore	45.5	45.5	Civil and building construction
Highway Master Sdn Bhd	Malaysia	50	50	Road pavement construction
Integrated Water Services (M) Sdn Bhd *	Malaysia	35	35	Operation and maintenance of a water treatment plant
Held by IJM Investments (L) Ltd				
Earning Edge Sdn Bhd	Malaysia	22	22	Property development
Held by IJM Land Berhad				
Kuantan Pahang Holding Sdn Bhd	Malaysia	40	40	Investment holding
Held by PT Indonesia Plantation Synergy				
PT Perindustrian Sawit Sinergi * (4)	Indonesia	9.6	-	Dormant
Held by IJM Properties Sdn Bhd				
Cekap Tropikal Sdn Bhd *	Malaysia	50	50	Property development
Good Debut Sdn Bhd *	Malaysia	50	50	Property development
MASSCORP-Vietnam Sdn Bhd *	Malaysia	20	20	Investment holding
Sierra Selayang Sdn Bhd *	Malaysia	50	50	Dormant

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2019

54 LIST OF SUBSIDIARIES AND ASSOCIATES AS AT 31 MARCH 2019 (cont'd)

ASSOCIATES (cont'd)

Name	Country of incorporation	Effective equity interest 2019 %	Effective equity interest 2018 %	Principal activities
Held by KP Port Services Sdn Bhd				
KP Depot Services Sdn Bhd *	Malaysia	18	18	Provision of container depot services
Held by Malaysian Rock Products Sdn Bhd				
DML-MRP Resources (M) Sdn Bhd ^^^	Malaysia	50	50	Under members' voluntary liquidation
Held by Road Builder (M) Holdings Bhd				
West Coast Expressway Sdn Bhd * (of which 21.2% (2018: 21.2%) is held indirectly by the Company via WCE Holdings Berhad)	Malaysia	41	41	Design, construction and development of the West Coast Expressway Project and managing its toll operations
Held by Road Builder (M) Sdn Bhd				
Budi Benar Sdn Bhd ^^^	Malaysia	25	25	Under members' voluntary liquidation

\# Audited by a member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers PLT, Malaysia.

* Audited by a firm other than member firm of PricewaterhouseCoopers International Limited and PricewaterhouseCoopers PLT, Malaysia.

** Unincorporated entities.

^ Entity is not required to be audited under the laws of the country of incorporation.

^^^ Entity is not required to be audited as it is either in liquidation or liquidated.

(1) On 23 May 2018, Industrial Concrete Products Sdn Bhd, a wholly-owned subsidiary of the Company has incorporated a wholly-owned subsidiary, known as IJM IBS Sdn Bhd.

(2) On 23 October 2018, ICPB (Mauritius) Limited, a wholly-owned subsidiary of Industrial Concrete Products Sdn Bhd has disposed 99.99% of the issued and paid up share capital of IJM Steel Products Private Limited.

(3) On 26 November 2018, CIDB Inventures Sdn Bhd, a wholly-owned subsidiary of the Company has exercised its rights pursuant to a Shareholders Agreement dated 26 October 2015 to dispose the 30% of the issued and paid up share capital of Swarna Tollway Private Limited to MAIF Investments India 3 Pte Ltd.

(4) During the financial year, a subsidiary of IJM Plantations Berhad, which in turn is a subsidiary of the Company, has subscribed for 44,000 shares of IDR1,000,000 each in PT Perindustrian Sawit Sinergi ("PT PSS") equivalent to 20% of the direct equity interest for a total cash consideration of IDR44,000,000,000 (approximately RM12,408,000).

55 EFFECTS OF TRANSITION FROM FRSs TO MFRSs

The Group applies MFRS 1 'First-time adoption of MFRS' in its first set of MFRS financial statements for the financial year ended 31 March 2019. Aside from the short-term exemption on first-time application of MFRS 9 'Financial Instruments' and certain transition elections disclosed in Note 55(B), the Group has consistently applied the same accounting policies in its opening MFRS statement of financial position at the date of transition, 1 April 2017, and throughout all periods presented, as if these policies had always been in effect. These policies comply with each MFRS effective as at 31 March 2019, including MFRS 15 'Revenue from Contracts with Customers'. The financial statements for the financial year ended 31 March 2018 were prepared in accordance with Financial Reporting Standards. Accordingly, the comparative figures for 2018 in these financial statements have been restated to give effect to these changes. Note 55(C) discloses the impact of the transition to MFRS on the Group's reported financial position, financial performance and cash flows. The transition to MFRS did not give rise to a significant financial impact on the Company's financial statements.

(A) MFRS 1 mandatory exceptions

The Group has applied the following mandatory exceptions as required by MFRS 1:

(i) Estimates

MFRS estimates as at transition date are consistent with the estimates as at the same date made in conformity with Financial Reporting Standards ("FRS").

(ii) Classification and measurement of financial assets

For financial assets that exist at the beginning of the first MFRS reporting period at 1 April 2018, an assessment was performed as to whether a financial asset meets the condition to be classified and measured as financial asset measured at amortised cost or financial asset measured at fair value through other comprehensive income in accordance with MFRS 9 on the basis of the facts and circumstances that exist at the beginning of the first MFRS reporting period.

(iii) Impairment of financial assets

Impairment requirements in MFRS 9 are applied retrospectively for debt instruments measured at amortised cost or fair value through other comprehensive income. The requirements are applied using reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the initial recognition of financial instruments and compare that to the credit risk at the beginning of the first MFRS reporting period, at 1 April 2018, to determine if there has been a significant increase in credit risk.

(B) MFRS 1 exemption options

The Group elected the following exemptions as permitted by MFRS 1 in the first set of MFRS financial statements.

(i) Business combinations

The Group has elected to apply MFRS 3 "Business Combinations" prospectively from the date MFRS 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 127 "Consolidated Financial Statements" on the same date as MFRS 3. This election does not have any impact on the financial results of the Group.

(ii) 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.

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

The assets and liabilities of subsidiaries, associates and joint ventures 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

55 EFFECTS OF TRANSITION FROM FRSs TO MFRSs (cont'd)

(B) MFRS 1 exemption options (cont'd)

The Group elected the following exemptions as permitted by MFRS 1 in the first set of MFRS financial statements. (cont'd)

(iv) Revenue

The Group has elected to apply the following practical expedients under MFRS 15:

(a) No restatement of completed contracts that begin and end within the same annual reporting period;

(b) No restatement for completed contracts as at transition date;

(c) The use of transaction price at the date the contract was completed for completed contracts in the comparative period with variable consideration;

(d) No restatement of contract modifications that occurred before transition date;

(e) No disclosure is required on the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the Group expects to recognise the amount as revenue for all reporting periods presented before the first MFRS reporting period, at 1 April 2018.

(v) Foreign currency transactions and advance consideration

In accordance with MFRS 1, the Group elected not to apply IC Interpretation 22 "Foreign Currency Transactions and Advance Consideration" to assets, expenses and income in the scope of that Interpretation initially recognised before the transition date.

(vi) First time application of 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: Disclosures" 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.

(vii) Designation of previously recognised financial instruments

MFRS 1 permits a previously recognised financial instrument to be designated at fair value through profit or loss or fair value through other comprehensive income on the basis of the facts and circumstances that exist at beginning of the first MFRS reporting period provided the criteria in MFRS 9 are met. The Group elected to designate certain equity instruments of RM2,155,000 at fair value through other comprehensive income at the beginning of the first MFRS reporting period, which is on 1 April 2018.

(C) Transitioning adjustments arising from MFRS 15 and MFRS 141

<u>MFRS 15 "Revenue from Contracts with Customers"</u>

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:

(i) Determining the transaction price

Transaction price shall be estimated based on the amount of the consideration to which an entity expects to be entitled in exchange for transferring the promised goods and services, to the extent that it is highly probable that a significant reversal will not occur.

55 EFFECTS OF TRANSITION FROM FRSs TO MFRSs (cont'd)

(C) Transitioning adjustments arising from MFRS 15 and MFRS 141 (cont'd)

MFRS 15 "Revenue from Contracts with Customers" (cont'd)

(ii) 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 and common facilities. 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.

(iii) 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, after which, the revenue will be recognised over time. 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.

(iv) Accounting for incremental costs of obtaining a contract

Expenses attributable to securing contracts with customers for property development activites and construction contracts had been capitalised and expensed by reference to the progress towards complete satisfaction of that performance obligation.

(v) 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 and net realisable value in accordance with MFRS 102 "Inventories".

(vi) Presentation of contract assets and contract liabilities in the statement of financial position

MFRS 15 requires separate presentation of contract assets and contract liabilities in the statement of financial position. This results in some reclassifications as of 1 April 2017 and 31 March 2018, which were previously included in trade and other receivables and payables financial statement 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 have received the consideration or have 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2019

55 EFFECTS OF TRANSITION FROM FRSs TO MFRSs (cont'd)

(C) Transitioning adjustments arising from MFRS 15 and MFRS 141 (cont'd)

MFRS 141 "Agriculture" and amendments to MFRS 116 "Property, plant and equipment"

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 141 and amendments to MFRS 116, 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.

With the adoption of the MFRS 141 and amendments to MFRS 116, 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.

(D) Change in accounting policy upon application of MFRS 9 "Financial Instruments"

The accounting policies were changed to reflect the application of MFRS 9 from the beginning of the first MFRS reporting period. MFRS 9 replaces the provisions of FRS 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. MFRS 9 also significantly amends other standards dealing with financial instruments such as MFRS 7 "Financial Instuments: Disclosures". The cumulative effects of the changes are recognised in the statement of financial position as at the beginning of the first MFRS reporting period, which is on 1 April 2018.

The nature of adjustments made to the statements of financial position of the Group and the Company as at 1 April 2018 in respect of items within the scope of MFRS 9 are described as follows:

(i) Classification and measurement of financial assets

Until 31 March 2018, financial assets were classified in the following categories: financial assets at fair value through profit or loss ("FVTPL"), loans and receivables, and available for sale ("AFS") financial assets. See accounting policy 22 on accounting policies for classification and measurement of financial instruments under FRS 139.

From 1 April 2018, the Group applies the MFRS 9's classification approach to all types of financial assets. 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, FVTPL and fair value through other comprehensive income ("FVOCI").

55 EFFECTS OF TRANSITION FROM FRSs TO MFRSs (cont'd)

(D) Change in accounting policy upon application of MFRS 9 "Financial Instruments" (cont'd)

(i) Classification and measurement of financial assets (cont'd)

The Group has made an irrevocable election to classify 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 include:

- equity investments, previously measured at fair value through profit or loss will continue to be measured on the same basis under MFRS 9; and
- debt instruments, previously 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 and the Company for financial liabilities as the new requirements only affect the accounting for financial liabilities that are designated at FVTPL and the Group and the Company do not have such liabilities. The derecognition rules have been transferred from FRS 139 "Financial Instruments: Recognition and Measurement" and have not been changed.

(ii) Impairment of financial assets

Until 31 March 2018, the Group and the Company assessed the impairment of loans and receivables and AFS financial assets based on the incurred impairment loss model. See accounting policy 22 on impairment of financial assets under FRS 139.

From 1 April 2018, the Group and the Company apply expected credit loss ("ECL") model to determine impairment on investment in debt instruments that are measured at amortised cost and financial guarantee contracts. The new accounting policies on MFRS 9 are set out in accounting policy 22.

Upon the adoption of MFRS 9, the Group and the Company have 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, lease receivables and financial guarantee contracts at the end of each reporting period. The assessment has resulted a decrease in retained profits with a corresponding adjustment to trade receivables as at 1 April 2018.

(iii) 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
for the financial year ended 31 March 2019

55 EFFECTS OF TRANSITION FROM FRSs TO MFRSs (cont'd)

(E) Financial effects of the transition from FRSs to MFRSs

(i) Statements of Comprehensive Income for financial year ended 31 March 2018

The Group	As previously stated under FRSs RM'000	Effects of adoption of MFRS 141 RM'000	Effects of adoption of MFRS 15 RM'000	31 March 2018 As restated RM'000
Consolidated Statement of Comprehensive Income				
Year ended 31 March 2018				
Operating 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 financial 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 for the financial year	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

55 EFFECTS OF TRANSITION FROM FRSs TO MFRSs (cont'd)

(E) Financial effects of the transition from FRSs to MFRSs (cont'd)

(ii) Statements of Financial Position as at 1 April 2017

The Group (cont'd)	**As previously stated under FRSs RM'000**	**Effects of adoption of MFRS 1 RM'000**	**Effects of adoption of MFRS 141 RM'000**	**Effects of adoption of MFRS 15 RM'000**	**1 April 2017 As restated RM'000**
Consolidated Statement of Financial Position					
As at 1 April 2017					
Capital and reserves attributable to owners of the Company					
Revaluation reserve	91,759	(91,759)	-	-	-
Exchange translation reserve	(44,550)	-	(1,189)	-	(45,739)
Other reserves	48,399	(12,525)	-	-	35,874
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					
Contract liabilities	-	-	-	463,233	463,233
Trade and other payables	2,518,205	-	-	(158,093)	2,360,112
Provisions	10,718	-	-	(7,965)	2,753

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2019

55 EFFECTS OF TRANSITION FROM FRSs TO MFRSs (cont'd)

(E) Financial effects of the transition from FRSs to MFRSs (cont'd)

(iii) Statements of Financial Position as at 31 March 2018/1 April 2018

The Group (cont'd)	**As previously stated under FRSs RM'000**	**Effects of adoption of MFRS 1 RM'000**	**Effects of adoption of MFRS 141 RM'000**	**Effects of adoption of MFRS 15 RM'000**	**31 March 2018 As restated (after effects of transition from FRSs to MFRSs) RM'000**	**Effects of adoption of MFRS 9 RM'000**	**1 April 2018 As restated RM'000**
Consolidated Statement of Financial Position							
As at 31 March 2018/ 1 April 2018							
Capital and reserves attributable to owners of the Company							
Revaluation reserve	91,721	(91,721)	-	-	-	-	-
Exchange translation reserve	(186,254)	-	4,576	-	(181,678)	226	(181,452)
Other reserves	51,092	(12,525)	-	-	38,567	(6,300)	32,267
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)	-	-	-	-

55 EFFECTS OF TRANSITION FROM FRSs TO MFRSs (cont'd)

(E) Financial effects of the transition from FRSs to MFRSs (cont'd)

(iii) Statements of Financial Position as at 31 March 2018/1 April 2018 (cont'd)

The Group (cont'd)	**As previously stated under FRSs RM'000**	**Effects of adoption of MFRS 1 RM'000**	**Effects of adoption of MFRS 141 RM'000**	**Effects of adoption of MFRS 15 RM'000**	**31 March 2018 As restated (after effects of transition from FRSs to MFRSs) RM'000**	**Effects of adoption of MFRS 9 RM'000**	**1 April 2018 As restated RM'000**
Consolidated Statement of Financial Position (cont'd)							
As at 31 March 2018/ 1 April 2018 (cont'd)							
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							
Contract liabilities	-	-	-	478,213	478,213	-	478,213
Trade and other payables	3,020,359	-	-	(86,037)	2,934,322	-	2,934,322

(iv) Restatement of Statement of Cash Flows for financial year ended 31 March 2018

The Group (cont'd)	**As previously stated under FRSs RM'000**	**Effects of transition from FRSs to MFRSs RM'000**	**Restated under MFRSs RM'000**
Consolidated Statement of Cash Flows			
Year ended 31 March 2018			
Net cash flow 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, land use rights and investment properties	(541,863)	(37,944)	(579,807)
Additions to plantation development expenditure	(21,164)	21,164	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

for the financial year ended 31 March 2019

55 EFFECTS OF TRANSITION FROM FRSs TO MFRSs (cont'd)

(E) Financial effects of the transition from FRSs to MFRSs (cont'd)

(v) Statement of financial position as at 1 April 2018

The Company	As previously stated under FRSs RM'000	Effects of adoption of MFRS 9 RM'000	1 April 2018 As restated RM'000
Company Statement of Financial Position			
As at 1 April 2018			
Capital and reserves attributable to owners of the Company			
Retained profits	298,160	(26,397)	271,763
Current assets			
Trade and other receivables	1,999,562	(26,397)	1,973,165

56 PERPETUAL SUKUK OF A SUBSIDIARY

On 19 March 2019, IJM Land Berhad ("IJML") ("the issuer"), a wholly-owned subsidiary of the Company made its first issuance of RM650 million aggregate nominal value of subordinated Perpetual Islamic Notes ("Perpetual Sukuk") pursuant to a Perpetual Islamic Notes Issuance Programme of RM2.0 billion in nominal value based on the Shariah Principle of Musharakah with a subordinated Guarantee from the Company ("the Kafalah Provider"). The proceeds arising from the Perpetual Sukuk will be utilised for Shariah-compliant purposes which include the refinancing of IJML Group's existing borrowings, investments, working capital requirements and its general corporate purposes.

The salient features of the Perpetual Sukuk are as follows:

(a) The Perpetual Sukuk is unsecured and issued under the Shariah Principle of Musharakah.

(b) The Perpetual Sukuk and the subordinated Guarantee shall at all times rank as follows:

(i) Below all present and future creditors of the issuer or the Kafalah Provider.

(ii) Pari passu with any instruments or security issued or guaranteed by the issuer or Kafalah Provider that is expressed to rank whether by its terms or by operation or law, pari passu with the Perpetual Sukuk or Subordinated Guarantee ("Parity Obligations").

(iii) Above any class of the issuer's or Kafalah Provider's share capital including without limitation, any ordinary shares and preference shares in the capital of the issuer or the Kafalah Provider ("Junior Obligations").

(c) Perpetual in tenure. However, IJML has a call option to redeem all of the Perpetual Sukuk on the First Call Date and on each periodic distribution date thereafter. The First Call Date for the Perpetual Sukuk Tranche 1 of RM350 million and Tranche 2 of RM300 million shall fall on 19 March 2026 and 19 March 2027 respectively.

56 PERPETUAL SUKUK OF A SUBSIDIARY (cont'd)

The salient features of the Perpetual Sukuk are as follows: (cont'd)

(d) IJML has the option to redeem all of the Perpetual Sukuk if:

   (i) there are changes or amendments to the Malaysian Financial Reporting Standards resulting the Perpetual Sukuk no longer being classified as "equity" ("Accounting Event"), or

   (ii) the expected periodic distribution amount made would not be fully tax deductible for Malaysian income tax purposes ("Tax Event"), or

   (iii) there are amendments, clarification or change in the rating methodology by the Rating Agency resulting in a lower equity credit as compared to its first assigned equity credit or if equity credit is not assigned for the Perpetual Sukuk. ("Rating Event"), or

   (iv) the Company ceases to hold more than fifty per cent of voting shares in IJML or when IJML ceases to be a subsidiary of the Company ("Change of Control Event").

(e) The Perpetual Sukuk carries initial fixed periodic distribution rates of 5.65% and 5.73% per annum and payable semi-annually. If IJML does not exercise its option to redeem on the First Call Date, the periodic distribution rate shall be increased by 1% per annum after the First Call Date.

(f) Upon occurrence of "Change of Control Event" and if IJML does not elect to redeem the Perpetual Sukuk, the periodic distribution rate shall be increased by three per cent per annum.

(g) IJML may opt to defer payment in whole or in part of the expected periodic distribution amount. So long as any deferred periodic distribution amount is not made in full, the issuer and the Kafalah Provider shall not declare or pay any dividends or no other payments can be made in respect of any of its ordinary shares and preference shares or its Parity Obligations except on a pro-rata basis with the Perpetual Sukuk.

(h) If, during the six-month period ending on the day before the relevant scheduled Periodic Distribution Date, either or both of the following have occurred:

   (i) A dividend, distribution or other payment has been declared or paid by the Issuer and/or Kafalah Provider in respect of any of the Issuer's or the Kafalah Provider's Junior Obligation or Parity Obligations except on a pro-rata basis with the Sukuk Musharakah; and

   (ii) The Issuer's or the Kafalah Provider's Junior Obligations, or Parity Obligations except on a pro-rata basis with the Sukuk Musharakah have been purchased, redeemed, reduced, cancelled, bought-back or acquired by the Issuer or the Kafalah Provider.

   An Issuer's or the Kafalah Provider's Compulsory Periodic Distribution Payment Event ("CPDPE") shall have occurred.

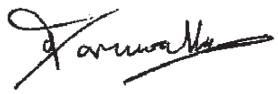
(i) To facilitate the issuance of the Perpetual Sukuk, IJML entered into a notional Musharakah Arrangement with the Sukuk Trustee to undertake a Musharakah Venture consisting of Shariah compliant business operations of certain subsidiaries. The Musharakah Venture does not represent collateralisation of business operations or land title to the Musharakah Venture.

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Cyrus Eruch Daruwalla, being the officer primarily responsible for the financial management of IJM Corporation Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the financial statements set out on pages 178 to 367 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at Petaling Jaya on 29 May 2019.



CYRUS ERUCH DARUWALLA

Before me:

INDEPENDENT AUDITORS' REPORT

to the members of IJM Corporation Berhad
(Incorporated in Malaysia) (Company No. 104131-A)

pwc

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of IJM Corporation Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position of the Group and of the Company as at 31 March 2019, and the statements of comprehensive income, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 178 to 367.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

INDEPENDENT AUDITORS' REPORT

to the members of IJM Corporation Berhad (cont'd)
(Incorporated in Malaysia) (Company No. 104131-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Revenue and costs recognition of the Group 1) Construction contracts Revenue: RM1,959,537,000 Cost: RM1,832,938,000 2) Property development activities Revenue: RM1,380,002,000 Cost: RM976,719,000 Refer to Notes 9(a) and 9(b) for the accounting policies and Notes 2(c), 2(d), 4 and 5(a) to the financial statements. We focused on this area because the accounting for construction contracts and property development activities is inherently complex as it involved the use of significant judgements made by management in the following areas: a) Stage of completion and the overall progress of projects as to whether provision for liquidated ascertained damages is required b) Extent of costs incurred for construction contracts and property development projects, and construction costs or property development costs yet to be incurred c) Status of variation orders and claims with customers	We evaluated and tested the key controls in respect of the review and approval of construction contract and property development project budgets to assess the reliability of these budgets. We checked the extent of costs incurred to date to internal quantity surveyors' latest valuations or sub-contractor claim certificates to corroborate the stage of completion. Where costs have not been billed or certified, we assessed the adequacy of management's accruals of such costs by checking subsequent contractors' claims certificates or approvals from internal quantity surveyors. We discussed with management, read management meeting minutes to understand the overall progress of construction and property development projects. With regards to projects whereby actual progress is behind planned progress, we understand the cause of the delays, inspected correspondences with customers and sub-contractors and corroborated key judgement applied by management as to whether provision for liquidated ascertained damages is required. We checked the reasonableness of the estimated total construction costs and property development costs, including subsequent changes to the costs, by agreeing to supporting documentation; i.e. approved budgets, quotations, correspondences, contracts and variation orders with sub-contractors. We had discussions with management to understand the nature of the variation orders and claims included in revenue and inspected correspondences from the customers and minutes of meetings to corroborate the key judgement applied by management. Based on the procedures performed above, we noted no material exceptions in the revenue and costs recognition for construction contracts and property development activities.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Key audit matters (cont'd)

Key audit matters	How our audit addressed the key audit matters
Recoverability of trade receivables Refer to Notes 14 and 22 for the accounting policies and Notes 2(i), 3(b) and 39 to the financial statements. The Group and the Company adopted MFRS 9 "Financial Instruments" ("MFRS 9") on 1 April 2018. MFRS 9 introduces an expected credit loss ("ECL") impairment model, which requires the use of significant assumptions about future economic conditions and credit risk of the customers in the calculation of loss allowance. Opening adjustments of RM71.2 million and RM26.4 million were made for additional loss allowances of the Group and of the Company respectively as at 1 April 2018. The Group and the Company have assessed the lifetime expected credit loss of trade receivables amount using the simplified approach, incorporating expected loss rates, forward looking information and probability-weighted estimates. As at 31 March 2019, the Group's and the Company's trade receivables prior to loss allowances were RM1,437,334,000 and RM55,298,000, of which, RM179,619,000 and RM32,122,000 have been provided for as loss allowances respectively. We focused on this area because management's assessment of ECL requires significant judgement over the expected loss rates, forward looking information and probability-weighted estimates. The details of the significant estimates and judgement used by the Group and the Company have been disclosed in Note 2(i) to the financial statements.	We evaluated management's assumption on the opening balance adjustment to the Group's retained earnings to confirm that adjustments are made without the use of hindsight and ECL is recognised within the appropriate period. We checked the expected timing and quantum of receipts of trade receivables by comparing it to the historical payment trend of individual customers and sighting of correspondence between the Group and the customers. We have assessed and considered the reasonableness of the forward looking information included in management's assessment. We held discussions with management to understand the status of the ongoing negotiations on the recovery of trade receivables and corroborated the key assumptions included in the ECL model, namely on likelihood, quantum and timing of receipt of the balances. We found management's assessment of its loss allowance of trade receivables to be materially consistent with the supporting information provided to us.

INDEPENDENT AUDITORS' REPORT

to the members of IJM Corporation Berhad (cont'd)
(Incorporated in Malaysia) (Company No. 104131-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Key audit matters (cont'd)

Key audit matters	How our audit addressed the key audit matters
Accounting for pre-cropping costs (plantation development expenditure)	
Refer to Note 6 for the accounting policies and Notes 2(e), 2(h) and 55 to the financial statements. The adoption of the MFRS framework has resulted in a change in the Group's accounting for pre-cropping costs incurred ("bearer plants"), from the capital maintenance method adopted previously to the amortisation method in accordance with the underlying principles set out in Agriculture: Bearer Plants (Amendments to MFRS 116 "Property, plant and equipment" and MFRS 141 "Agriculture"). The transition to MFRS has been applied retrospectively and comparative figures have been restated. The Group has applied some judgement in identifying the pre-cropping costs incurred for the plantation activities which were eligible for capitalisation, and allocating these costs between mature and immature bearer plants, by reference to the relative size of the immature plantations over the total planted area of the respective oil palm estates of the Group and the Company. The mature bearer plants are amortised over the economic useful life of the plants, which is estimated to be 22 years. We focused on this area because the restatement amounts are material and there are judgement and estimates involved in allocating the pre-cropping costs incurred to the planting activities carried out in each financial year.	Upon the adoption of the MFRS framework, we performed the following procedures in relation to the change in the Group's accounting for pre-cropping costs: • Obtained management's assessment of the effects of transition to MFRS; • Compared the requirements under the existing accounting policy and the revised accounting policy as a result of the transition to MFRS; • Discussed with management on the judgement applied and performed the following procedures on the key assumptions applied by management in arriving at the restated amounts: - Checked the reliability of data collated by agreeing to the underlying accounting records; - Tested the appropriateness of the cost components capitalised as bearer plants, on sampling basis, to supporting documentation such as supplier's invoices; - Evaluated the reasonableness of the basis of allocating the costs incurred between mature and immature bearer plants; - Tested the allocation of costs incurred between mature and immature bearer plants; - Compared the reasonableness of the economic useful life of the bearer plants to industry practice; and • Checked that the disclosures in the financial statements are made in accordance with the requirements set out in MFRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors". Based on the procedures performed, we did not identify any material exceptions.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and Statement, which we obtained prior to the date of this auditors' report, and the Chairman's Statement and other sections of the 2019 Annual Report, which are expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

INDEPENDENT AUDITORS' REPORT

to the members of IJM Corporation Berhad (cont'd)
(Incorporated in Malaysia) (Company No. 104131-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Auditors' responsibilities for the audit of the financial statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (cont'd)

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 54 to the financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

OTHER MATTERS

1. As stated in Note 55 to the financial statements, the Group and the Company adopted Malaysian Financial Reporting Standards on 1 April 2018 with a transition date of 1 April 2017. These standards were applied retrospectively by the Directors to the comparative information in these financial statements, including the statements of financial position of the Group and of the Company as at 31 March 2018 and 1 April 2017, and the statements of comprehensive income, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year ended 31 March 2018 and the related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 31 March 2019, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2018 do not contain misstatements that materially affect the financial position as at 31 March 2019 and financial performance and cash flows for the financial year then ended.

2. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

PAULINE HO
02684/11/2019J
Chartered Accountant

Kuala Lumpur
29 May 2019

LIST OF MATERIAL PROPERTIES
as at 31 March 2019

No	Location	Description	Area Hectares	Tenure	Existing Use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building	Net Book Value (RM'000)
1	Mukim Tanjung Dua Belas, Kuala Langat District, Selangor PT 36309, 36330 - 36334, 36341, 36342, 36344, 36348 - 36349, 41090, 41184 - 41186, 41188 - 41189, 41211, 41213, 41215 - 41217, 43417, 44088	Mixed development	415.88	Leasehold (expiring 2111)	Under development	A: 2014	N/A	1,178,911
2	PT 9209 (HSD 119538) PT 9210 (HSD 119539) PT 9238 (HSD 119552)	Residential	4.53	Leasehold (expiring 2106)	Under development	A: 2013	N/A	1,061,766
	PT 9211 (HSD 119540) PT 9216 (HSD 119543) PT 9222 (HSD 119548) PT 9223 (HSD 119549)	Residential land	7.26		For future development			
	PT 9212 (HSD 119541) PT 9217 (HSD 119544) PT 9218 (HSD 119545) PT 9219 (HSD 119546) PT 9220 (HSD 119547) PT 9230 (HSD 119550)	Commercial land	11.63					
3	AGL264342 Royal Mint Street London, United Kingdom	Mixed development	1.10	Leasehold (expiring 3011)	Under development	A: 2012	N/A	918,696
4	Kutai Timur East Kalimantan Indonesia	Agriculture land	21,827	Leasehold (expiring 2044, 2045 & 2053)	Oil Palm Estate, Palm Oil Mill and Kernel Crushing Plant	A: 2008, 2012 & 2014	7	715,359
5	Mukim Sungai Karang Kuantan, Pahang							612,444
	HSD No. 19137 - 19178 HSD No. 19180 - 19195	Industrial/ Commercial	273.68	Leasehold (expiring 2065 & 2098)	Under development	A: 2013	N/A	
	HSD No. 19179, 19196	Residential						
	HSD No. 20044, 20046	Industrial						
	HSD No. 20056 - 20061	Industrial/ Commercial						
	HSD No. 47540	Commercial	404.69	Leasehold (expiring 2115)	Under development	A: 2017	N/A	

No	Location	Description	Area Hectares	Tenure	Existing Use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building	Net Book Value (RM'000)
6	Seksyen 8, Georgetown Daerah Timur Laut Penang Parcel A1, Lot 691 Geran 117786	Residential	12.98	Freehold	Under development	N/A	N/A	424,556
	Parcel A1-3, Lot 10005 Geran 165499	Residential	1.73	Freehold	Under development			
	Balance Parcel A1	Residential, Mixed development & Commercial	13.96	Freehold	Reclaimed			
	Parcel A2	Mixed development & Commercial	8.75	Freehold	Yet to be reclaimed			
	Parcel B1	Residential & Commercial	15.06	Leasehold	Yet to be reclaimed			
	Lot 657 PN 9242	Recreation & Amenities	0.56	Leasehold (expiring 2105)	For future development			
	Lot 10014 PN 11267 & Lot 10015 PN 11268	Residential & Commercial	1.83	Leasehold (expiring 2104)	Under development/ For future development			
7	PT 27234 - 27461 Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus PT 37811 - 37915 Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus	Residential	5.31		Under development			
	PT 32965 Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus PT 23227 - 23243 Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus PT 36987 - 37048 PT 37049 - 37055 PT 37057 - 37067 PT 37069 - 37150 PT 37801 PT 37158 - 37323 PT 37334 - 37527 PT 37528 PT 39938 - 40039 Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus	Residential land	47.24					

LIST OF MATERIAL PROPERTIES (cont'd)

as at 31 March 2019

No	Location	Description	Area Hectares	Tenure	Existing Use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building	Net Book Value (RM'000)
7	PT 32116 - 32118 PT 36982 - 36983 PT 37154 PT 37327 - 37328 PT 37535 PT 36066 Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus PT 23245 - 23247 PT 23996 PT 22597 PT 25326 - 25328 PT 27157 - 27159 Lot 51509 Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus	Commercial land	35.63	Freehold	For future development	A: 2004	N/A	386,188
	PT 27161 Mukim Rasah, Daerah Seremban, Negeri Sembilan Darul Khusus PT 37152 PT 37324 - 37326 PT 37533 - 37534 PT 32134 Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus	Agriculture land	213.46					
8	Huihai Plaza, Xi'an Road Chaoyang District Changchun, Jilin Province, The People's Republic of China	Commercial	4.18	Leasehold (expiring 2043)	Under development	A: 2014	N/A	306,900
9	Bulungan, East Kalimantan, Indonesia	Agriculture land	15,188	Leasehold (expiring 2043 & 2046)	Oil Palm Estate	A: 2008	N/A	249,965

No	Location	Description	Area Hectares	Tenure	Existing Use	Date of Revaluation (R)/ Acquisition (A)	Approx. Age of Building	Net Book Value (RM'000)
10	Mukim Bandar Ampang Daerah Hulu Langat Selangor PT 5453 - 5464 PT 5467 - 5508 PT 5510 PT 5685 - 5706 PT 5707 - 5728 PT 5729 - 5741 PT 5743 - 5764 PT 5779 - 5786 PT 5817 - 5842 PT 5843 - 5854 PT 5859 - 5874 PT 5875 - 5894 PT 5895 - 5916 PT 5917 - 5938 PT 5939 - 5947 PT 5949 PT 5950	Residential	0.77	Leasehold (expiring 2112)	Under development	A: 2015	N/A	201,998
	PT 15797			Leasehold (expiring 2113)				
	PT 15843 - 15845 PT 15971 - 15972			Leasehold (expiring 2116)				

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 35th Annual General Meeting ("AGM") of IJM CORPORATION BERHAD (104131-A) will be held at the Victorian Ballroom, Level 1, Holiday Villa Hotel & Suites Subang, 9 Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 28 August 2019, at 3.00 p.m. to transact the following matters:-

1. To receive the audited financial statements for the year ended 31 March 2019 together with the reports of the Directors and Auditors thereon.

2. To re-elect Dato' David Frederick Wilson who retires by rotation in accordance with Clause 88 of the Company's Constitution and who being eligible, offers himself for re-election. (Resolution 1)

   Please refer to Note 1

3. To re-appoint PricewaterhouseCoopers PLT as Auditors and to authorise the Directors to fix their remuneration. (Resolution 2)

4. As special business to consider and pass the following resolutions:-

   a) DIRECTORS' FEES (Resolution 3)

      "THAT the Directors' fees of RM1,351,500 for the year ended 31 March 2019 be approved to be divided amongst the Directors in such manner as they may determine."

      Please refer to Note 2

   b) DIRECTORS' BENEFITS (Resolution 4)

      "THAT the payment of Directors' benefits to the Non-Executive Directors up to an amount of RM411,050 for the period from 29 August 2019 until the next Annual General Meeting be approved."

      Please refer to Note 2

   c) DIRECTORS' FEES AND MEETING ALLOWANCE OF A SUBSIDIARY (Resolution 5)

      "THAT the payment of Directors' fees and/or meeting allowance by a subsidiary to several common Directors be approved:-

      (i) Directors' fees of RM341,000 for the year ended 31 March 2019; and

      (ii) Directors' meeting allowance of up to an amount of RM29,000 from 29 August 2019 until the next Annual General Meeting."

      Please refer to Note 2

   d) AUTHORITY TO ISSUE SHARES UNDER SECTIONS 75 AND 76 (Resolution 6)

      "THAT the Directors be and are hereby authorised, pursuant to Sections 75 and 76 of the Companies Act 2016, to allot and issue not more than 10% of the total number of issued shares of the Company at any time, upon such terms and conditions and for such purposes as the Directors in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force, and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof."

      Please refer to Note 3

e) PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (Resolution 7)

"THAT the Directors be and are hereby authorised to purchase the ordinary shares of the Company through the stock exchange of Bursa Malaysia Securities Berhad at any time upon such terms and conditions as the Directors in their absolute discretion deem fit provided that:-

i) the aggregate number of shares purchased (which are to be treated as treasury shares) does not exceed 10% of the total number of issued shares of the Company; and

ii) the funds allocated for the purchase of shares shall not exceed its retained profits

AND THAT the Directors be and are hereby further authorised to deal with the treasury shares in their absolute discretion (which may be distributed as dividends, resold, transferred, cancelled and/or in any other manner as prescribed by the Companies Act 2016, and the relevant rules, regulations and/or requirements)

AND THAT such authority shall continue to be in force until:-

a) the conclusion of the next Annual General Meeting ("AGM");

b) the expiration of the period within which the next AGM is required by law to be held; or

c) revoked or varied in a general meeting,

whichever occurs first."

Please refer to Note 4

By Order of the Board

Ng Yoke Kian
Company Secretary
MAICSA 7018150

Petaling Jaya
29 July 2019

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

Notes:-

1. RE-ELECTION OF DIRECTOR

Dato' David Frederick Wilson is standing for re-election as Director, being eligible, has offered himself for re-election at this AGM. His profile is set out on page 28 of the Annual Report 2019.

The performance of Dato' David Wilson had been assessed through the Board annual evaluation (including his independence as an Independent Non-Executive Director). The Nomination & Remuneration Committee and the Board are satisfied with his performance.

Tan Sri Abdul Halim Bin Ali, who has completed his 12-year tenure as an Independent Director pursuant to the Board Charter, and Dato' Soam Heng Choon are also subject to retirement by rotation in accordance with Clause 88 of the Company's Constitution. Both of them will be retiring from the Board at the conclusion of this AGM.

2. DIRECTORS' FEES AND BENEFITS

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors, and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at the general meeting.

The Resolution 3, if approved, will authorise the payment of Directors' fees to the Non-Executive Directors ("NED") pursuant to Clause 95 of the Company's Constitution.

The Resolution 4, if approved, will authorise the payment of Directors' benefits to the NED by the Company. The Directors' benefits of RM411,050 for the period from 29 August 2019 until the next AGM in year 2020 are derived from the estimated meeting allowance based on the number of scheduled meetings and unscheduled meetings (when necessary) for the Board and Board Committees, number of NEDs involved in the meetings, travel claims of the NEDs and car benefits of the Deputy Non-Executive Chairman. The meeting allowance for a NED is RM1,000 per meeting.

The Resolution 5 is in relation to the payment of Directors' fees and/or meeting allowance by IJM Plantations Berhad ("IJMP"), a 56% owned subsidiary to several common Directors of the Company. The details are as follows:-

(a) Directors' fees of RM341,000 payable to Tan Sri Dato' Tan Boon Seng @ Krishnan, Dato' Soam Heng Choon and Pushpanathan A/L S A Kanagarayar for the financial year ended 31 March 2019; and

(b) the common Directors are also entitled to the meeting allowance of IJMP for RM1,000 per person for each meeting attended. The estimated Directors' meeting allowance of RM29,000 is based on the number of scheduled meetings and unscheduled meetings (when necessary) for the Board and Board Committees of IJMP during the period from 29 August 2019 until the next AGM in year 2020.

The Directors' fees and/or meeting allowance payable by IJMP are subject to the shareholders' approval at the general meeting of IJMP.

3. AUTHORITY TO ISSUE SHARES UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

The Resolution 6, if approved, will empower the Directors to issue up to 10% of the total number of issued shares (excluding treasury shares) of the Company, for purposes of funding future investment projects, working capital, acquisitions and/or so forth. The approval is a renewal of general mandate and is sought to provide flexibility and avoid any delay and cost in convening a general meeting for such issuance of shares for fund raising activities, including placement of shares. The authorisation, unless revoked or varied by the Company at a general meeting, will expire at the next AGM. At this juncture, there is no decision to issue new shares. Should there be a decision to issue new shares after the authorisation is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

4. SHARE BUY-BACK AUTHORITY

The details of the proposal are set out in the Share Buy-Back Statement dated 29 July 2019, which is published at the Company's website at **www.ijm.com/investor/agm**.

5. APPOINTMENT OF PROXY AND ENTITLEMENT OF ATTENDANCE

(i) every member, including authorised nominee and exempt authorised nominee which holds securities for multiple beneficial owners in one (1) securities account (Omnibus Account), is entitled to appoint another person as his proxy and such proxy need not be a member;

(ii) a member who appoints a proxy must duly execute the Form of Proxy, and if more than one (1) proxy is appointed, the number of shares to be represented by each proxy must be clearly indicated;

(iii) a corporate member who appoints a proxy must execute the Form of Proxy under seal or the hand of its officer or attorney duly authorised;

(iv) the duly executed Form of Proxy must be deposited at the Registered Office before 3.00 p.m. on 26 August 2019;

(v) only members whose names appear in the Record of Depositors and/or Register of Members as at 21 August 2019 will be entitled to attend and vote at the meeting; and

(vi) the Annual Report, Share Buy-Back Statement and Form of Proxy are made available for viewing and/or downloading at **www.ijm.com/investor/agm**.

FORM OF PROXY

I/We ____

NRIC/Passport/Company No.: ______________________ Mobile Phone No.: ______________

CDS Account No.: ______________________ Number of Shares Held: ______________

Address: ____

____

being a member of **IJM CORPORATION BERHAD (104131-A)**, hereby appoint:-

1) Name of proxy: ______________________ NRIC No.: ______________

Address: ____

______________________ Number of Shares Represented: ______________

2) Name of proxy: ______________________ NRIC No.: ______________

Address: ____

______________________ Number of Shares Represented: ______________

or failing him/her, the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the 35th Annual General Meeting ("AGM") of IJM CORPORATION BERHAD to be held at the Victorian Ballroom, Level 1, Holiday Villa Hotel & Suites Subang, 9 Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 28 August 2019, at 3.00 p.m., and at any adjournment thereof, in the manner indicated below:-

No.	Resolutions	For	Against
1.	To re-elect Dato' David Frederick Wilson as Director		
2.	To re-appoint PricewaterhouseCoopers PLT as Auditors and to authorise the Directors to fix their remuneration		
3.	To approve the payment of Directors' fees of RM1,351,500		
4.	To approve the payment of Directors' benefits of RM411,050		
5.	To approve the payment of Directors' fees of RM341,000 and/or meeting allowance of up to an amount of RM29,000 by a subsidiary		
6.	To authorise the issuance of up to 10% of the total number of issued shares of the Company		
7.	To approve the Proposed Renewal of Share Buy-Back Authority		

Please indicate with "X" how you wish your vote to be cast. In the absence of specific instruction, your Proxy will vote or abstain as he/she thinks fit.

Signed (and sealed) this ________________ day of ________________ 2019

Signature(s): ________________________________

Notes:-

(i) every member, including authorised nominee and exempt authorised nominee which holds securities for multiple beneficial owners in one (1) securities account (Omnibus Account), is entitled to appoint another person as his proxy and such proxy need not be a member;

(ii) a member who appoints a proxy must duly execute the Form of Proxy, and if more than one (1) proxy is appointed, the number of shares to be represented by each proxy must be clearly indicated;

(iii) a corporate member who appoints a proxy must execute the Form of Proxy under seal or the hand of its officer or attorney duly authorised;

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(v) only members whose names appear in the Record of Depositors and/or Register of Members as at **21 August 2019** will be entitled to attend and vote at the meeting; and

(vi) the Annual Report, Share Buy-Back Statement and Form of Proxy are available for viewing and/or downloading at **www.ijm.com/investor/agm**.

Please Fold Here

Stamp

The Company Secretary

IJM CORPORATION BERHAD (104131-A)

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Selangor Darul Ehsan
Malaysia

Please Fold Here

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(104131-A)

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Certified to OHSAS 18001:2007 Cert. No. : SR 0105
Certified to MS 1722:2011 Cert. No. : SR 0308
Certified to ISO 14001:2015 Cert. No. : ER 0489

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- CIMB Bank Berhad
- HSBC Bank Malaysia Berhad
- Malayan Banking Berhad
- Public Bank Berhad
- RHB Banking Group
- Standard Chartered Bank Malaysia Berhad
- Sumitomo Mitsui Banking Corporation

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Fax : 603-2173 1288
Website: www.pwc.com/my

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STOCK EXCHANGE LISTING
Main Market of
Bursa Malaysia Securities Berhad
since 29 September 1986
BMSB Code : 3336
Reuters Code : IJMS.KL
Bloomberg Code : IJM MK

DIVISIONAL OFFICES

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Mr Choo Teck Kooi Ben

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