



# IJM CORPORATION BERHAD (104131-A)

## Part A1 : Quarterly Report

Quarterly report for the financial period ended:	30/09/2019
Quarter:	2nd Quarter
Financial Year End:	31/03/2020
The figures:	Have not been audited
Full Quarterly Report:	Refer attached

## Part A2 : Summary of Key Financial Information for the financial period ended 30/09/2019

	Individual Quarter		Cumulative Period	
	Current year quarter 30/09/2019 RM'000	Preceding year quarter 30/09/2018 RM'000	Current year to date 30/09/2019 RM'000	Preceding year to date 30/09/2018 RM'000
1 Revenue	1,574,228	1,309,166	3,117,786	2,753,482
2 Profit before taxation	114,211	35,832	257,611	139,060
3 Net profit for the period	84,152	11,766	164,623	72,583
4 Net profit attributable to owners of the Company	70,102	21,918	129,526	84,682
5 Basic earnings per share (sen)	1.93	0.60	3.57	2.33
6 Proposed/Declared dividend per share (sen)	2.00	2.00	2.00	2.00
	<b>As at end of current quarter 30/09/2019</b>		<b>As at preceding financial year end</b>	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		2.65		2.63

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter			Cumulative Period		
	Current year quarter	Preceding year quarter	Change (+/-)	Current year to date	Preceding year to date	Change (+/-)
	30/09/2019 RM'000	30/09/2018 RM'000	%	30/09/2019 RM'000	30/09/2018 RM'000	%
Operating revenue	<b>1,574,228</b>	1,309,166	20.2%	<b>3,117,786</b>	2,753,482	13.2%
Cost of sales	<b>(1,306,477)</b>	(1,093,689)	19.5%	<b>(2,606,429)</b>	(2,249,084)	15.9%
Gross profit	<b>267,751</b>	215,477	24.3%	<b>511,357</b>	504,398	1.4%
Other operating income	<b>43,919</b>	54,263	-19.1%	<b>130,965</b>	127,954	2.4%
Foreign exchange differences	<b>(14,764)</b>	(33,513)	-55.9%	<b>(25,195)</b>	(104,554)	-75.9%
Tendering, selling and distribution expenses	<b>(34,134)</b>	(28,158)	21.2%	<b>(58,049)</b>	(60,704)	-4.4%
Administrative expenses	<b>(75,315)</b>	(83,112)	-9.4%	<b>(133,905)</b>	(168,517)	-20.5%
Other operating expenses	<b>27,760</b>	(50,862)	-154.6%	<b>(25,937)</b>	(64,755)	-59.9%
Operating profit before finance cost	<b>215,217</b>	74,095	190.5%	<b>399,236</b>	233,822	70.7%
Finance cost	<b>(60,018)</b>	(56,803)	5.7%	<b>(114,623)</b>	(116,636)	-1.7%
Operating profit after finance cost	<b>155,199</b>	17,292	797.5%	<b>284,613</b>	117,186	142.9%
Share of (losses)/profits of associates	<b>(62,276)</b>	24,036	-359.1%	<b>(46,571)</b>	31,406	-248.3%
Share of profits/(losses) of joint ventures	<b>21,288</b>	(5,496)	-487.3%	<b>19,569</b>	(9,532)	-305.3%
Profit before taxation	<b>114,211</b>	35,832	218.7%	<b>257,611</b>	139,060	85.3%
Income tax expense	<b>(30,059)</b>	(24,066)	24.9%	<b>(92,988)</b>	(66,477)	39.9%
Net profit for the period	<b>84,152</b>	11,766	615.2%	<b>164,623</b>	72,583	126.8%
<u>Other comprehensive income / (loss) (net of tax):</u>						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Currency translation differences of foreign operations	<b>(20,388)</b>	(33,814)		<b>27,915</b>	(50,360)	
Share of other comprehensive income of associates	<b>805</b>	4,568		<b>1,701</b>	5,238	
	<b>(19,583)</b>	(29,246)	33.0%	<b>29,616</b>	(45,122)	165.6%
Total comprehensive income/(loss) for the period	<b>64,569</b>	(17,480)	-469.4%	<b>194,239</b>	27,461	607.3%
<u>Net profit/(loss) attributable to:-</u>						
Owners of the Company	<b>70,102</b>	21,918	219.8%	<b>129,526</b>	84,682	53.0%
Perpetual sukuk	<b>9,521</b>	-		<b>20,053</b>	-	
Non-controlling interests	<b>4,529</b>	(10,152)	144.6%	<b>15,044</b>	(12,099)	224.3%
	<b>84,152</b>	11,766	615.2%	<b>164,623</b>	72,583	126.8%
<u>Total comprehensive income/(loss) attributable to:-</u>						
Owners of the Company	<b>46,007</b>	(3,523)	-1405.9%	<b>145,923</b>	38,074	283.3%
Perpetual sukuk	<b>9,521</b>	-		<b>20,053</b>	-	
Non-controlling interests	<b>9,041</b>	(13,957)	-164.8%	<b>28,263</b>	(10,613)	-366.3%
	<b>64,569</b>	(17,480)	-469.4%	<b>194,239</b>	27,461	607.3%
<u>Earnings per share (sen):-</u>						
Basic	<b>1.93</b>	0.60		<b>3.57</b>	2.33	
Fully diluted	<b>1.93</b>	0.60		<b>3.57</b>	2.33	

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

	<b>30/09/2019</b>	<b>31/03/2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	<b>6,112,021</b>	6,099,350
Treasury shares	<b>(18,070)</b>	(18,070)
Shares held under trust	<b>(1,342)</b>	(1,379)
Other reserves	<b>(23,222)</b>	(35,922)
Retained profits	<b>3,551,610</b>	3,494,673
	<b>9,620,997</b>	9,538,652
Perpetual sukuk of a subsidiary	<b>848,527</b>	647,108
Non-controlling interests	<b>1,213,211</b>	1,198,661
	<b>11,682,735</b>	11,384,421
<b>NON-CURRENT LIABILITIES</b>		
Bonds	<b>2,796,184</b>	2,755,848
Term loans	<b>2,029,574</b>	1,982,960
Government support loans	<b>57,890</b>	92,970
Lease liabilities	<b>121,908</b>	-
Hire purchase and lease payables	<b>-</b>	11
Deferred tax liabilities	<b>623,575</b>	614,540
Trade and other payables	<b>249,216</b>	347,469
Retirement benefits	<b>24,208</b>	21,831
Derivative financial instruments	<b>244</b>	-
	<b>5,902,799</b>	5,815,629
<b>DEFERRED INCOME</b>	<b>70,355</b>	70,355
	<b>17,655,889</b>	17,270,405

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

	30/09/2019 RM'000	31/03/2019 RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	2,893,326	2,946,837
Land use rights	-	145,968
Right-of-use assets	341,904	-
Concession assets	3,646,946	3,568,740
Investment properties	633,834	584,162
Associates	762,621	842,859
Joint ventures	874,483	764,503
Financial assets at fair value through other comprehensive income	3,665	3,665
Long term receivables	209,296	206,220
Deferred tax assets	412,788	371,200
Inventories	645,842	631,921
Intangible assets	101,844	102,200
	<b>10,526,549</b>	<b>10,168,275</b>
<b>CURRENT ASSETS</b>		
Inventories	8,096,153	8,236,097
Produce growing on bearer plants	10,679	7,750
Trade and other receivables	2,531,136	2,090,197
Contract assets	325,374	326,836
Financial assets at fair value through profit or loss	398,715	444,699
Derivative financial instruments	6,188	4,470
Tax recoverable	172,962	169,697
Deposits, cash and bank balances	1,602,875	1,557,953
	<b>13,144,082</b>	<b>12,837,699</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	3,058,517	3,101,618
Contract liabilities	925,716	773,877
Provisions	5,214	2,870
Derivative financial instruments	268	4,467
Lease liabilities	15,343	-
Borrowings:		
- Bank overdrafts	126,047	75,753
- Others	1,787,351	1,721,215
Current tax liabilities	96,286	55,769
	<b>6,014,742</b>	<b>5,735,569</b>
<b>NET CURRENT ASSETS</b>	<b>7,129,340</b>	<b>7,102,130</b>
	<b>17,655,889</b>	<b>17,270,405</b>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)</b>	<b>2.65</b>	<b>2.63</b>

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

	-----Attributable to owners of the Company-----					Total RM'000	Perpetual sukuk RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Shares held under trust RM'000	Other reserves RM'000	Retained profits RM'000				
<b>At 1 April 2019</b>	<b>6,099,350</b>	<b>(18,070)</b>	<b>(1,379)</b>	<b>(35,922)</b>	<b>3,494,673</b>	<b>9,538,652</b>	<b>647,108</b>	<b>1,198,661</b>	<b>11,384,421</b>
Total comprehensive income for the period	-	-	-	16,397	129,526	145,923	20,053	28,263	<b>194,239</b>
Issuance of employee share options and share grants (net)	-	-	-	8,649	-	8,649	-	-	<b>8,649</b>
Single tier second interim dividend: Year ended 31 March 2019	-	-	-	-	(72,589)	(72,589)	-	-	<b>(72,589)</b>
Distribution to perpetual sukuk holders	-	-	-	-	-	-	(18,394)	-	<b>(18,394)</b>
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(13,713)	<b>(13,713)</b>
Issuance of perpetual sukuk by a subsidiary	-	-	-	-	-	-	199,760	-	<b>199,760</b>
Issuance of shares:									
- exercise of employee share options	421	-	37	(96)	-	362	-	-	<b>362</b>
- vesting of shares under ESGP	12,250	-	-	(12,250)	-	-	-	-	<b>-</b>
<b>At 30 September 2019</b>	<b>6,112,021</b>	<b>(18,070)</b>	<b>(1,342)</b>	<b>(23,222)</b>	<b>3,551,610</b>	<b>9,620,997</b>	<b>848,527</b>	<b>1,213,211</b>	<b>11,682,735</b>
<b>At 1 April 2018 (as previously reported)</b>	6,074,349	(2,104)	(1,521)	41,607	3,376,581	9,488,912	-	1,276,411	10,765,323
Effects of transition from FRSs to MFRSs *	-	-	-	(99,670)	(42,747)	(142,417)	-	(104,611)	(247,028)
Effects of adoption of MFRS 9 *	-	-	-	(6,074)	(77,128)	(83,202)	-	-	(83,202)
<b>At 1 April 2018 (as restated)</b>	<b>6,074,349</b>	<b>(2,104)</b>	<b>(1,521)</b>	<b>(64,137)</b>	<b>3,256,706</b>	<b>9,263,293</b>	<b>-</b>	<b>1,171,800</b>	<b>10,435,093</b>
Total comprehensive income for the period	-	-	-	(46,608)	84,682	38,074	-	(10,613)	27,461
Accretion of interest in an associate	-	-	-	-	110	110	-	-	110
Issuance of employee share options and share grants	-	-	-	23,577	-	23,577	-	-	23,577
Accretion of interests in subsidiaries	-	-	-	-	(1,127)	(1,127)	-	-	(1,127)
Capital distribution upon liquidation of a subsidiary	-	-	-	-	-	-	-	(214)	(214)
Single tier second interim dividend: Year ended 31 March 2018	-	-	-	-	(108,927)	(108,927)	-	-	(108,927)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(21,485)	(21,485)
Issuance of shares:									
- exercise of employee share options	122	-	142	(52)	-	212	-	-	212
- vesting of shares under ESGP	24,879	-	-	(24,879)	-	-	-	-	-
Shares buy back	-	(7,890)	-	-	-	(7,890)	-	-	(7,890)
<b>At 30 September 2018</b>	<b>6,099,350</b>	<b>(9,994)</b>	<b>(1,379)</b>	<b>(112,099)</b>	<b>3,231,444</b>	<b>9,207,322</b>	<b>-</b>	<b>1,139,488</b>	<b>10,346,810</b>

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

	<b>6 months ended 30/09/2019 RM'000</b>	<b>6 months ended 30/09/2018 RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	2,848,123	2,787,538
Payments to contractors, suppliers and employees	(2,435,180)	(2,665,254)
Income tax paid	(85,806)	(86,876)
<b>Net cash flow from operating activities</b>	<b>327,137</b>	<b>35,408</b>
<b>INVESTING ACTIVITIES</b>		
Investments in associates	-	(12,513)
Subscription of Redeemable Unsecured Murabahah Stocks in an associate	-	(15,010)
Acquisition of financial assets at fair value through profit or loss	(321,672)	(409,033)
Purchases of property, plant and equipment, development land, land use rights, investment properties, concession assets and deferred expenditure	(387,244)	(452,003)
Disposal of investments, property, plant and equipment, land use rights, investment properties and assets held for sale	379,505	261,927
Capital distribution to minority shareholders upon liquidation of a subsidiary	-	(214)
Interest received	41,862	32,288
Dividends received from associates and other investments	41,398	19,773
Net advances to associates and joint ventures	(89,857)	(6,622)
<b>Net cash flow used in investing activities</b>	<b>(336,008)</b>	<b>(581,407)</b>
<b>FINANCING ACTIVITIES</b>		
Issuance of shares by the Company		
- exercise of share options	362	212
Re-purchase of treasury shares	-	(7,890)
Net proceeds from/(repayments to) bank and government borrowings	80,341	(85,118)
Repayments of hire purchase and lease liabilities	(4,258)	(302)
Interest paid	(166,391)	(134,601)
Dividends paid by subsidiaries to non-controlling shareholders	(13,713)	(21,485)
Distribution to perpetual sukuk holders	(18,394)	-
Dividends paid by the Company	(72,589)	(108,927)
Net (repayment)/drawdown of bonds	(5,000)	1,035,000
Proceeds from issuance of perpetual Sukuk	199,760	-
Net placements of restricted deposits	(6,970)	(816)
Acquisition of additional interests in a subsidiary	-	(1,127)
<b>Net cash flow (used in)/from financing activities</b>	<b>(6,852)</b>	<b>674,946</b>
<b>Net (decrease)/increase in cash and cash equivalents during the financial period</b>	<b>(15,723)</b>	<b>128,947</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>1,451,135</b>	<b>1,407,001</b>
Foreign exchange differences on opening balances	2,915	4,659
<b>Cash and cash equivalents at end of the financial period</b>	<b>1,438,327</b>	<b>1,540,607</b>
Cash and cash equivalents comprise the following :		
Deposits, cash and bank balances	1,602,875	1,659,551
Bank overdrafts	(126,047)	(90,467)
	1,476,828	1,569,084
Less: restricted deposits with licensed banks	(38,501)	(28,477)
	1,438,327	1,540,607

# IJM CORPORATION BERHAD (104131-A)

## A NOTES TO THE QUARTERLY RESULTS

### A1. Basis of Preparation

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

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

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

### A2. Changes in Accounting Policies

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

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

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

#### MFRS 16 "Leases"

MFRS 16 "Leases" supersedes MFRS 117 "Leases" and the related interpretations. MFRS 16 eliminates the classification of leases by the lessee as either finance leases or operating leases. MFRS 16 introduces a single accounting model, requiring the lessee to recognise the "right-of-use" of the underlying asset and the lease liability reflecting future lease payment liabilities in the statement of financial position. The right-of-use asset is depreciated in accordance with the principles in MFRS 116 "Property, Plant and Equipment" and the lease liability is accreted over time with interest expense recognised in the statement of comprehensive income. For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

## IJM CORPORATION BERHAD (104131-A)

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

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

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

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

(i) Leases previously classified as operating leases

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

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

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

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

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

(ii) Leases previously classified as finance leases

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



## IJM CORPORATION BERHAD (104131-A)

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

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

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

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

(i) Consolidated Statement of Comprehensive Income

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

(ii) Consolidated Statement of Cash Flows

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

## IJM CORPORATION BERHAD (104131-A)

### A3. Audit Report

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

### A4. Seasonality or Cyclicity of Operations

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

### A5. Unusual Significant Items

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

### A6. Material Changes in Estimates

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

### A7. Debt and Equity Securities

- (a) For the financial period ended 30 September 2019, the number of issued and paid-up ordinary shares of the Company was increased from 3,635,687,820 to 3,639,288,920 by way of the issuance of:-
- i. 3,450,700 new ordinary shares arising from the vesting of shares under the Employee Share Grant Plan ("ESGP"); and
  - ii. 150,400 new ordinary shares arising from the exercise of options under the Employee Share Option Scheme ("ESOS").
- (b) There were no share buybacks, cancellations and repayments of debt and equity securities for the financial period ended 30 September 2019.

### A8. Dividend Paid

On 19 July 2019, a single tier second interim dividend of 2 sen per share in respect of the financial year ended 31 March 2019 was paid totalling RM72,588,598.

## IJM CORPORATION BERHAD (104131-A)

### A9. Segmental Information

	GROUP			GROUP		
	3 months ended 30/09/2019	3 months ended 30/09/2018	Change (+/-)	6 months ended 30/09/2019	6 months ended 30/09/2018	Change (+/-)
	RM'000	RM'000	%	RM'000	RM'000	%
<b><u>External revenue: *</u></b>						
Construction	594,162	530,013	12.1%	1,112,163	1,056,931	5.2%
Property development	375,978	255,566	47.1%	838,361	590,259	42.0%
Manufacturing and quarrying	227,754	220,240	3.4%	459,041	451,900	1.6%
Plantation	172,861	140,086	23.4%	305,928	323,229	-5.4%
Infrastructure	203,092	162,986	24.6%	401,752	330,749	21.5%
Investment and others	381	275	38.5%	541	414	30.7%
	<u>1,574,228</u>	<u>1,309,166</u>	20.2%	<u>3,117,786</u>	<u>2,753,482</u>	13.2%
<b><u>Inter-segment revenue:</u></b>						
Construction	87,927	124,031	-29.1%	178,871	299,900	-40.4%
Property development	2	-		2	-	
Manufacturing and quarrying	14,833	12,375	19.9%	26,124	17,945	45.6%
Plantation	-	-		-	-	
Infrastructure	-	-		-	-	
Investment and others	227,043	179,868	26.2%	273,542	243,880	12.2%
	<u>329,805</u>	<u>316,274</u>	4.3%	<u>478,539</u>	<u>561,725</u>	-14.8%
<b><u>Profit/(loss) before taxation:</u></b>						
Construction	38,494	38,509	0.0%	79,116	78,199	1.2%
Property development	37,200	21,924	69.7%	83,053	66,821	24.3%
Manufacturing and quarrying	17,923	16,081	11.5%	33,101	29,227	13.3%
Plantation	(4,954)	(31,749)	84.4%	(10,337)	(58,018)	82.2%
Infrastructure	35,235	8,536	312.8%	79,643	33,392	138.5%
Investment and others	(9,687)	(17,469)	44.5%	(6,965)	(10,561)	34.0%
	<u>114,211</u>	<u>35,832</u>	218.7%	<u>257,611</u>	<u>139,060</u>	85.3%
<b><u>Earnings before interest, tax, depreciation and amortisation:</u></b>						
Construction	66,918	71,240	-6.1%	133,940	134,473	-0.4%
Property development	42,364	16,920	150.4%	93,952	69,422	35.3%
Manufacturing and quarrying	33,874	29,854	13.5%	64,603	56,887	13.6%
Plantation	32,395	14,501	123.4%	61,499	34,880	76.3%
Infrastructure	104,098	61,222	70.0%	213,618	137,644	55.2%
Investment and others	(9,682)	(17,467)	44.6%	(6,954)	(10,560)	34.1%
	<u>269,967</u>	<u>176,270</u>	53.2%	<u>560,658</u>	<u>422,746</u>	32.6%
Finance Cost	(60,018)	(56,803)		(114,623)	(116,636)	
Depreciation and amortisation	(95,738)	(83,635)		(188,424)	(167,050)	
Profit before taxation	<u>114,211</u>	<u>35,832</u>	218.7%	<u>257,611</u>	<u>139,060</u>	85.3%
				As at 30/09/2019 RM'000	As at 31/03/2019 RM'000	
<b><u>Total Assets:</u></b>						
Construction				2,600,765	2,247,025	
Property development				11,390,987	11,356,498	
Manufacturing and quarrying				1,493,644	1,447,279	
Plantation				2,385,403	2,255,326	
Infrastructure				5,156,998	5,082,436	
Investment and others				57,084	76,513	
Total segment assets				<u>23,084,881</u>	<u>22,465,077</u>	
Unallocated corporate assets				585,750	540,897	
Consolidated total assets				<u>23,670,631</u>	<u>23,005,974</u>	

## IJM CORPORATION BERHAD (104131-A)

### A9. Segmental Information (continued)

\* Included in revenue from external customers are revenue from contracts with customers of RM3,090,281,000 for financial period ended 30 September 2019 (30 September 2018: RM2,539,879,000). The timing of revenue recognition for revenue from contracts with customers is as follows:

	Construction	Property development	Manufacturing & Quarrying	Plantation	Infrastructure	Investment & Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>3 months ended 30/09/2019</b>							
Timing of revenue recognition:							
- At a point in time	2,556	98,518	219,670	172,861	-	-	493,605
- Over time	591,607	273,873	7,318	-	192,392	51	1,065,241
	594,163	372,391	226,988	172,861	192,392	51	1,558,846
<b>6 months ended 30/09/2019</b>							
Timing of revenue recognition:							
- At a point in time	4,985	258,004	443,750	305,928	-	-	1,012,667
- Over time	1,107,178	576,571	13,740	-	380,050	75	2,077,614
	1,112,163	834,575	457,490	305,928	380,050	75	3,090,281
<b>3 months ended 30/09/2018</b>							
Timing of revenue recognition:							
- At a point in time	6,857	218,985	219,407	140,086	-	-	585,335
- Over time	523,156	36,332	1,252	-	55,019	-	615,759
	530,013	255,317	220,659	140,086	55,019	-	1,201,094
<b>6 months ended 30/09/2018</b>							
Timing of revenue recognition:							
- At a point in time	13,055	222,500	447,510	323,229	-	-	1,006,294
- Over time	1,043,876	367,264	2,561	-	119,884	-	1,533,585
	1,056,931	589,764	450,071	323,229	119,884	-	2,539,879

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

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

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

On 9 October 2019, the Company made an announcement on members' voluntary winding-up of a dormant subsidiary, ICP Investments (L) Limited ("ICPIL"). ICPIL is a wholly-owned subsidiary of Industrial Concrete Products Sdn Bhd and which in turn is a wholly-owned subsidiary of the Company. This winding-up has no material impact on the financial results of the Group for the period-to-date.

## IJM CORPORATION BERHAD (104131-A)

### A12. Contingent Liabilities

The changes in contingent liabilities are summarised as follows:-

	<b>RM'000</b>
Balance as at 31 March 2019	5,144
- Exchange differences	<u>52</u>
Balance as at 30 September 2019	<u><u>5,196</u></u>

### A13. Capital Commitments

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

	<b>RM'000</b>
Approved and contracted for	1,343,332
Approved but not contracted for	<u>107,771</u>
	<u><u>1,451,103</u></u>

Analysed as follows:

- Purchases of property, plant and equipment and right-of-use assets	188,428
- Purchases of development land	30,722
- Concession assets	1,206,451
- Investment properties	<u>25,502</u>
	<u><u>1,451,103</u></u>

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

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

## IJM CORPORATION BERHAD (104131-A)

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

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

In the current quarter, the Group achieved an operating revenue of RM1,574.23 million, an increase of 20.2% over the corresponding quarter of the preceding year, following higher revenues contributed by the Group's Construction, Property Development, Manufacturing & Quarrying, Plantation and Infrastructure divisions. The Group also recorded a pre-tax profit for the current quarter of RM114.21 million, an increase of 218.7% over the corresponding quarter of the preceding year, following improved earnings posted by the Group's Property Development, Manufacturing & Quarrying, Plantation and Infrastructure divisions.

For the current period ended 30 September 2019, the Group posted an operating revenue of RM3,117.79 million, an increase of 13.2% over the corresponding period of the preceding year, mainly due to higher revenue contributed by the Group's Construction, Property, Manufacturing & Quarrying and Infrastructure divisions. The Group's pre-tax profit for the current period totalled RM257.61 million, an increase of 85.3% compared to the corresponding period of the preceding year, mainly due to higher earnings achieved by the Group's Construction, Property Development, Manufacturing & Quarrying, Plantation and Infrastructure divisions.

Further analysis of the divisional performances is given below.

Operating Segment	Commentary
Construction	Revenue for the current quarter and period ended 30 September 2019 increased by 12.1% and 5.2% respectively compared to the corresponding period of the preceding year following the completion of certain major projects during the current quarter. Pre-tax profit for the current quarter was almost unchanged compared to the corresponding quarter of the preceding year and marginally higher for the period ended 30 September 2019 compared to the corresponding period of the preceding year.
Property development	Current quarter revenue and pre-tax profit increased by 47.1% and 69.7% respectively compared to the previous year's corresponding quarter. On a period to date basis, the revenue and pre-tax profit was 42.0% and 24.3% higher, respectively, as compared to the corresponding period of the preceding year. The improved financial results were mainly due to the higher sales recorded and the completion of some development projects during the current period.
Manufacturing and quarrying	Current quarter revenue and pre-tax profit increased by 3.4% and 11.5% respectively compared to the previous year's corresponding quarter. Revenue and pre-tax profit for the period to date was also higher by 1.6% and 13.3% respectively compared to the previous year's corresponding period with improved margins recorded by the piles and ready-mixed concrete sectors.
Plantation	Revenue for the current quarter increased by 23.4% compared to the corresponding quarter of the preceding year mainly due to higher CPO sales volume. Revenue for the current period to date decreased by 5.4% mainly due to lower commodity prices. The lower pre-tax losses recorded in the current quarter and period to date were mainly attributable to the net foreign exchange gains of RM0.01 million in the current quarter and RM0.2 million in the current period to date as compared to net foreign exchange losses of RM22.6 million and RM53.5 million respectively in the corresponding period of the preceding year following the strengthening of the Indonesian Rupiah against the US Dollar.

## IJM CORPORATION BERHAD (104131-A)

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

Operating Segment	Commentary
Infrastructure	Revenue for the current quarter and period to date increased by 24.6% and 21.5% respectively compared to the corresponding period of the preceding year. This was mainly due to an expansion of cargo throughput handled by the Group's port concession which grew by 43% and 59% in the current quarter and period to date respectively compared to the corresponding period of the preceding year. The Group's wholly-owned toll concessions in Malaysia also contributed to revenue growth in the current quarter and period to date compared to the corresponding period of the preceding year. The higher contributions from the Group's local tolls and port concessions increased the Division's pre-tax profits for the current quarter and period to date to RM35.2 million and RM79.6 million respectively compared to pre-tax profits of RM8.5 million and RM33.4 million recorded in the previous year's corresponding period. This was also a result of lower net unrealised foreign exchange losses of RM4.9 million and RM4.3 million on the US Dollar denominated borrowings for the current quarter and period to date respectively as compared to unrealised foreign exchange losses of RM20.3 million and RM43.0 million respectively in the corresponding period of the preceding year.

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

The Group's pre-tax profit decreased to RM114.2 million compared to RM143.4 million posted in the immediate preceding quarter mainly due to lower contributions from the Group's Construction, Property Development and Infrastructure divisions.

## IJM CORPORATION BERHAD (104131-A)

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

The Group expects the current financial year to be satisfactory given the factors below:

The Group's Construction division continues to be impacted by the subdued property market and reduced infrastructure spending by the Government. With reduced availability of new construction jobs in the local market and a more competitive tender environment, the division will remain vigilant and cautious to preserve its earnings whilst focusing on the execution and timely completion of its existing outstanding order book of RM5.1 billion.

Although consumer sentiments have improved, the key issues of price affordability, overhang of high-rise properties, rising cost of living and tight financing arrangements will continue to have a dampening effect on the local property market. In view of the strategic locations of its properties and the brand premium that has been established and given the potential conversion of unbilled sales of about RM1.9 billion, the Property Development division is expected to maintain a satisfactory performance in the current financial year.

The Group's Industry division whilst continuing with its mitigation efforts towards the improvement of product quality, cost and process efficiency, expects a challenging year, given the competitive domestic and overseas environment in which it operates.

The Plantation division continues to face cost pressures arising mainly from wage increases, and the impact of the volatility of foreign exchange rates particularly that of the Rupiah against the US Dollar and Japanese Yen. Current commodity price levels and anticipated better crop production from both the Malaysian and Indonesian operations for the second half of the financial year are expected to contribute to an improved performance.

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

### **B4. Profit Forecast**

Not applicable.



## IJM CORPORATION BERHAD (104131-A)

### B5. Taxation

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

	<b>INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER</b>		<b>CUMULATIVE PERIOD 6 MONTHS ENDED 30 SEPTEMBER</b>	
	<b>2019 RM'000</b>	<b>2018 RM'000</b>	<b>2019 RM'000</b>	<b>2018 RM'000</b>
Malaysian income tax	37,421	39,855	95,044	83,698
Overseas taxation	568	(3,903)	568	(6,515)
Deferred taxation	(7,930)	(11,886)	(2,624)	(10,706)
	<u>30,059</u>	<u>24,066</u>	<u>92,988</u>	<u>66,477</u>

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

### B6. Status of Corporate Proposals

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

## IJM CORPORATION BERHAD (104131-A)

### B7. Group Borrowings

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

	<b>As at 30/09/2019 RM'000</b>
<b>(a) (i) Short Term Borrowings</b>	
Secured:-	
- Islamic bonds	60,000
- Term loans	78,802
- Hire purchase and lease payables (included in trade and other payables)	88
- Revolving credits	105,012
- Government support loans (included in trade and other payables)	9,930
Unsecured:-	
- Islamic bonds	150,000
- Government support loans (included in trade and other payables)	25,874
- Term loans	723,574
- Revolving credits	401,706
- Revolving loans	209,525
- Bankers' acceptances	41,211
- Letters of Credit	17,521
- Bank overdrafts	126,047
	<u>1,949,290</u>
<b>(ii) Long Term Borrowings</b>	
Secured:-	
- Islamic bonds	1,396,184
- Term loans	921,179
- Government support loans	57,890
Unsecured:-	
- Islamic bonds	1,400,000
- Term loans	1,108,395
	<u>4,883,648</u>

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	341,100	1,430,567
Indian Rupee	8,877,303	528,199
Chinese Yuan	52,723	30,817
Japanese Yen	5,247,200	204,019
Pound Sterling	87,542	451,018
		<u>2,644,620</u>

## IJM CORPORATION BERHAD (104131-A)

### B8. Changes in Material Litigation

There was no material litigation since 31 March 2019.

### B9. Dividends

The Company has declared a single tier first interim dividend in respect of the financial year ending 31 March 2020 of 2 sen per share to be paid on 27 December 2019 to every member who is entitled to receive the dividend at the close of business on 13 December 2019.

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

### B10. Earnings per Share

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	RM'000	RM'000	RM'000	RM'000
<u>Basic Earnings per share:-</u>				
(a) Net profit for the period attributable to owners of the Company	70,102	21,918	129,526	84,682
(b) Weighted average number of ordinary shares ('000)	3,629,449	3,634,891	3,627,934	3,631,872
<b>Basic Earnings per share (sen)</b>	<b>1.93</b>	<b>0.60</b>	<b>3.57</b>	<b>2.33</b>
<u>Diluted Earnings per share:-</u>				
(a) Net profit for the period attributable to owners of the Company	70,102	21,918	129,526	84,682
(b) Weighted average number of ordinary shares ('000)	3,629,449	3,634,891	3,627,934	3,631,872
Effect of dilution ('000)				
- Employee share options and share grants	353	3,764	155	3,764
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	3,629,802	3,638,655	3,628,089	3,635,636
<b>Diluted Earnings per share (sen)</b>	<b>1.93</b>	<b>0.60</b>	<b>3.57</b>	<b>2.33</b>

## IJM CORPORATION BERHAD (104131-A)

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

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	30/09/2019 RM'000	30/09/2018 RM'000	30/09/2019 RM'000	30/09/2018 RM'000
Interest income	26,840	28,728	85,446	57,226
Other income (including investment income)	15,439	15,621	32,946	50,163
Interest expense	(60,018) *	(56,803) *	(114,623) *	(116,636) *
Depreciation and amortisation	(95,738)	(83,635)	(188,424)	(167,050)
Net (allowance)/reversal of impairment of receivables	(681)	4,695	373	3,804
Net gains/(losses) on disposal of investments or properties	316	(36,989)	2,162	(35,787)
Net reversal/(allowance) of impairment of assets	39,946	(106)	(2,090)	(400)
Net foreign exchange losses	(14,764)	(33,513)	(25,195)	(104,554)
Net gains on derivatives	1,340	2,941	9,242	14,444
<i>* Includes unrealised foreign exchange gains/(losses) incurred by the Plantation division, classified under Finance Cost</i>	(2,709)	(10,825)	(2,709)	(22,581)

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

## IJM CORPORATION BERHAD (104131-A)

### B12 Derivative financial instruments

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

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

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

CPO pricing swap contracts	Notional volume outstanding as at 30/09/2019 (metric tonnes)	Notional value outstanding as at 30/09/2019 (RM'000)	Fair value as at 30/09/2019 (RM'000)
- Less than 1 year	26,000	60,822	3,269
- 1 year to 3 years	-	-	-
- More than 3 years	-	-	-

#### (b) Cross Currency Swap Contracts

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

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

Cross currency swap contracts	Notional value outstanding as at 30/09/2019 (USD'000)	Notional value outstanding as at 30/09/2019 (RM'000)	Fair value as at 30/09/2019 (RM'000)
- Less than 1 year	57,000	235,322	2,919
- 1 year to 3 years	-	-	-
- More than 3 years	-	-	-

#### (c) Interest Rate Swap Contracts

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

As at 30 September 2019, the outstanding notional value of the IRS contracts and their fair values are as follows:

Interest rate swap contracts	Base Currency	Notional value outstanding as at 30/09/2019 (RM'000)	Fair value as at 30/09/2019 (RM'000)
- Less than 1 year	USD	163,625	(268)
- 1 year to 3 years	USD	163,625	(244)
- More than 3 years	-	-	-

## IJM CORPORATION BERHAD (104131-A)

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

The Group recognised a total net fair value gain on derivative financial instruments of RM9.24 million during the current financial period. The details are as follows:

Type of derivative	Current quarter fair value gains/(losses) RM'000	Current period fair value gains/(losses) RM'000	Basis of fair value measurement	Reasons for the gains/(losses)
Crude palm oil ("CPO") pricing swap contracts	(1,405)	2,364	Price differentials between the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange and the fixed contracted CPO prices.	The average future CPO price quoted on the Bursa Malaysia Derivative Exchange is lower than the contracted fixed CPO prices.
Cross currency swap contracts	3,253	7,386	Exchange rate differentials between the USD/MYR spot rate and the contracted USD/MYR rate; Interest rate differentials between the USD floating interest rate and the contracted MYR interest rate.	The fair value gain or loss is affected by movements in the USD/MYR spot rates and the USD and MYR interest rates.
Interest rate swap contracts	(508)	(508)	The difference between floating and fixed interest rates	Fair value gain is recorded when the floating interest rates are higher than the fixed interest rates. Conversely, a fair value loss is recorded when the floating interest rates are lower than the fixed interest rates.