



IJM CORPORATION BERHAD (104131-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended:	31/12/2018
Quarter:	3rd Quarter
Financial Year End:	31/03/2019
The figures:	Have not been audited
Full Quarterly Report:	Refer attached

Part A2 : Summary of Key Financial Information for the financial period ended 31/12/2018

	Individual Quarter		Cumulative Period	
	Current year quarter 31/12/2018 RM'000	Preceding year quarter 31/12/2017 RM'000 Restated	Current year to date 31/12/2018 RM'000	Preceding year to date 31/12/2017 RM'000 Restated
1 Revenue	1,507,249	1,549,419	4,260,731	4,610,026
2 Profit before taxation	177,306	159,173	316,366	529,526
3 Net profit for the period	101,176	99,732	173,759	361,890
4 Net profit attributable to owners of the Company	93,423	93,393	178,105	328,791
5 Basic earnings per share (sen)	2.57	2.57	4.90	9.07
6 Proposed/Declared dividend per share (sen)	-	-	2.00	3.00
	As at end of current quarter 31/12/2018		As at preceding financial year end	Restated
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		2.57		2.58

CONDENSED STATEMENT OF COMPREHENSIVE INCOME*(The figures have not been audited)*

	Individual Quarter			Cumulative Period		
	Current year quarter	Preceding year quarter	Change (+/-)	Current year to date	Preceding year to date	Change (+/-)
	31/12/2018	31/12/2017		31/12/2018	31/12/2017	
	RM'000	RM'000	%	RM'000	RM'000	%
		Restated			Restated	
Operating revenue	1,507,249	1,549,419	-2.7%	4,260,731	4,610,026	-7.6%
Cost of sales	(1,201,501)	(1,265,548)	-5.1%	(3,450,585)	(3,702,707)	-6.8%
Gross profit	305,748	283,871	7.7%	810,146	907,319	-10.7%
Other operating income	38,356	47,281	-18.9%	166,310	146,336	13.6%
Foreign exchange differences	45,359	(4,540)	-1099.1%	(59,195)	(8,555)	591.9%
Tendering, selling and distribution expenses	(30,642)	(35,251)	-13.1%	(91,346)	(100,361)	-9.0%
Administrative expenses	(88,068)	(84,047)	4.8%	(256,585)	(261,017)	-1.7%
Other operating expenses	(19,022)	(14,464)	31.5%	(83,777)	(46,076)	81.8%
Operating profit before finance cost	251,731	192,850	30.5%	485,553	637,646	-23.9%
Finance cost	(68,687)	(48,368)	42.0%	(185,323)	(143,776)	28.9%
Operating profit after finance cost	183,044	144,482	26.7%	300,230	493,870	-39.2%
Share of (losses)/profits of associates	(648)	19,763	-103.3%	30,758	34,051	-9.7%
Share of (losses)/profits of joint ventures	(5,090)	(5,072)	0.4%	(14,622)	1,605	-1011.0%
Profit before taxation	177,306	159,173	11.4%	316,366	529,526	-40.3%
Income tax expense	(76,130)	(59,441)	28.1%	(142,607)	(167,636)	-14.9%
Net profit for the period	101,176	99,732	1.4%	173,759	361,890	-52.0%
<u>Other comprehensive income / (loss) (net of tax):</u>						
<i>Items that will not be reclassified to profit or loss:</i>						
Share of other comprehensive losses of associates	-	(1,039)		-	(3,459)	
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Currency translation differences of foreign operations	63,378	(33,817)		13,018	(118,755)	
Share of other comprehensive income/(losses) of associates	2,855	(1,726)		8,093	(17,702)	
	66,233	(36,582)	-281.1%	21,111	(139,916)	-115.1%
Total comprehensive income for the period	167,409	63,150	165.1%	194,870	221,974	-12.2%
<u>Net profit/(loss) attributable to:-</u>						
Owners of the Company	93,423	93,393	0.0%	178,105	328,791	-45.8%
Non-controlling interests	7,753	6,339	22.3%	(4,346)	33,099	-113.1%
	101,176	99,732	1.4%	173,759	361,890	-52.0%
<u>Total comprehensive income/(loss) attributable to:-</u>						
Owners of the Company	151,289	69,673	117.1%	189,363	223,261	-15.2%
Non-controlling interests	16,120	(6,523)	-347.1%	5,507	(1,287)	-527.9%
	167,409	63,150	165.1%	194,870	221,974	-12.2%
<u>Earnings per share (sen):-</u>						
Basic	2.57	2.57		4.90	9.07	
Fully diluted	2.57	2.55		4.90	8.96	

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

(The figures have not been audited)

	31/12/2018	31/03/2018	01/04/2017
	RM'000	RM'000	RM'000
		Restated	Restated
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	6,099,350	6,074,349	6,022,651
Treasury shares	(18,064)	(2,104)	(10)
Shares held under trust	(1,379)	(1,521)	(4,016)
Other reserves	(32,087)	(53,559)	70,273
Retained profits	3,252,511	3,347,252	3,279,164
	9,300,331	9,364,417	9,368,062
Non-controlling interests	1,176,570	1,175,280	1,225,738
	10,476,901	10,539,697	10,593,800
NON-CURRENT LIABILITIES			
Bonds	2,730,000	1,910,000	1,950,000
Term loans	1,579,317	940,150	2,121,809
Government support loans	91,906	125,715	154,474
Hire purchase and lease payables	22	290	802
Deferred tax liabilities	590,223	573,912	573,481
Trade and other payables	693,617	696,690	701,402
Provisions	117,239	117,087	109,705
Retirement benefits	22,016	19,410	10,511
	5,824,340	4,383,254	5,622,184
DEFERRED INCOME	70,355	70,355	73,063
	16,371,596	14,993,306	16,289,047

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(The figures have not been audited)

	31/12/2018	31/03/2018	01/04/2017
	RM'000	RM'000	RM'000
		Restated	Restated
NON-CURRENT ASSETS			
Property, plant and equipment	2,911,795	2,753,002	2,855,864
Land use rights	147,197	150,668	165,831
Concession assets	3,506,583	3,342,386	3,097,066
Plantation development expenditure	-	-	-
Investment properties	575,800	498,601	68,867
Associates	746,849	829,134	901,392
Joint ventures	720,973	708,473	754,288
Available-for-sale financial assets	-	2,155	2,155
Financial assets at fair value through other comprehensive income	2,155	-	-
Long term receivables	280,825	251,352	176,699
Deferred tax assets	331,232	320,395	319,730
Inventories	645,054	663,465	514,788
Intangible assets	101,728	101,596	102,618
	9,970,191	9,621,227	8,959,298
CURRENT ASSETS			
Inventories	7,639,813	7,490,185	7,013,375
Produce growing on bearer plants	7,310	10,615	13,249
Trade and other receivables	1,813,255	1,713,256	1,776,563
Contract assets	424,265	262,390	279,381
Financial assets at fair value through profit or loss	450,853	311,079	299,164
Derivative financial instruments	6,071	1,055	2,909
Assets held for sale	-	124	-
Tax recoverable	192,690	150,041	129,329
Deposits, cash and bank balances	1,551,258	1,467,653	2,147,777
	12,085,515	11,406,398	11,661,747
CURRENT LIABILITIES			
Trade and other payables	2,431,567	2,627,207	2,102,097
Contract liabilities	457,636	459,908	463,308
Provisions	5,040	2,764	10,718
Derivative financial instruments	1,748	5,858	-
Borrowings:			
- Bank overdrafts	126,913	32,309	44,514
- Others	2,613,466	2,871,808	1,698,382
Current tax liabilities	47,740	34,465	12,979
	5,684,110	6,034,319	4,331,998
NET CURRENT ASSETS	6,401,405	5,372,079	7,329,749
	16,371,596	14,993,306	16,289,047
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	2.57	2.58	2.59

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2018

(The figures have not been audited)

	-----Attributable to owners of the Company-----					Total 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			
At 1 April 2018 (as previously reported)	6,074,349	(2,104)	(1,521)	41,607	3,376,581	9,488,912	1,276,411	10,765,323
Effects of transition from FRSs to MFRSs (see Note A2)	-	-	-	(95,166)	(29,329)	(124,495)	(101,131)	(225,626)
Effects of adoption of MFRS 9 (see Note A2)	-	-	-	226	(90,361)	(90,135)	-	(90,135)
At 1 April 2018 (as restated)	6,074,349	(2,104)	(1,521)	(53,333)	3,256,891	9,274,282	1,175,280	10,449,562
Total comprehensive income for the period	-	-	-	11,258	178,105	189,363	5,507	194,870
Accretion of interest in an associate	-	-	-	-	110	110	-	110
Issuance of employee share options and share grants	-	-	-	34,919	-	34,919	-	34,919
Accretion of interests in a subsidiary	-	-	-	-	(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)
Single tier first interim dividend: Year ending 31 March 2019	-	-	-	-	(72,541)	(72,541)	-	(72,541)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	(21,485)	(21,485)
Issuance of shares by a subsidiary to non-controlling shareholders	-	-	-	-	-	-	17,482	17,482
Issuance of shares:								
- exercise of employee share options	122	-	142	(52)	-	212	-	212
- vesting of shares under ESGP	24,879	-	-	(24,879)	-	-	-	-
Shares buy back	-	(15,960)	-	-	-	(15,960)	-	(15,960)
At 31 December 2018	6,099,350	(18,064)	(1,379)	(32,087)	3,252,511	9,300,331	1,176,570	10,476,901
At 1 April 2017 (as previously reported)	6,022,651	(10)	(4,016)	175,746	3,302,903	9,497,274	1,319,406	10,816,680
Effects of transition from FRSs to MFRSs (see Note A2)	-	-	-	(105,473)	(23,739)	(129,212)	(93,668)	(222,880)
At 1 April 2017 (as restated)	6,022,651	(10)	(4,016)	70,273	3,279,164	9,368,062	1,225,738	10,593,800
Total comprehensive income for the period	-	-	-	(102,071)	325,332	223,261	(1,287)	221,974
Accretion of interest in an associate	-	-	-	1,652	(1,406)	246	-	246
Issuance of employee share options and share grants	-	-	-	28,160	-	28,160	-	28,160
Single tier second interim dividend: Year ended 31 March 2017	-	-	-	-	(163,195)	(163,195)	-	(163,195)
Single tier first interim dividend: Year ended 31 March 2018	-	-	-	-	(108,848)	(108,848)	-	(108,848)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	(29,844)	(29,844)
Issuance of shares by a subsidiary to non-controlling shareholders	-	-	-	-	-	-	420	420
Issuance of shares:								
- exercise of employee share options	19,578	-	9,187	(6,298)	-	22,467	-	22,467
- vesting of shares under ESGP	24,346	-	-	(24,346)	-	-	-	-
- shares held under trust	7,369	-	(7,369)	-	-	-	-	-
Shares buy back	-	(605)	-	-	-	(605)	-	(605)
At 31 December 2017	6,073,944	(615)	(2,198)	(32,630)	3,331,047	9,369,548	1,195,027	10,564,575
				Amounts attributable to owners of the Company				
	Other reserves RM'000	Retained profits RM'000	RM'000	Non- controlling interests RM'000	Total equity RM'000			
At 31 March 2018 (as previously reported)	41,607	3,376,581	9,488,912	1,276,411	10,765,323			
Effects of transition from FRSs to MFRSs At 31 March 2018 (as restated) - without the effects of adoption of MFRS 9	(95,166)	(29,329)	(124,495)	(101,131)	(225,626)			
	(53,559)	3,347,252	9,364,417	1,175,280	10,539,697			

IJM CORPORATION BERHAD (104131-A)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2018
(The figures have not been audited)

	9 months ended 31/12/2018 RM'000	9 months ended 31/12/2017 RM'000 Restated
OPERATING ACTIVITIES		
Receipts from customers	3,902,310	4,501,160
Payments to contractors, suppliers and employees	(3,822,962)	(3,713,474)
Income tax paid	(162,186)	(188,994)
Net cash flow (used in)/from operating activities	(82,838)	598,692
INVESTING ACTIVITIES		
Additional investment in an associate	(105)	-
Subscription of Redeemable Unsecured Murabahah Stocks in an associate	(16,010)	(21,500)
Investment in a joint venture	(12,408)	-
Acquisition of financial assets at fair value through profit or loss	(547,104)	(623,651)
Purchases of property, plant and equipment, development land, land use rights, investment properties, concession assets and deferred expenditure	(629,492)	(655,896)
Disposal of investments, property, plant and equipment, land use rights, investment properties and assets held for sale	566,036	677,120
Redemption of preference shares of an associate	8,187	-
Capital distribution to minority shareholders upon liquidation of a subsidiary	(214)	-
Interest received	49,788	69,500
Income from unit trusts	-	295
Dividends received from associates, joint venture and other investments	20,472	88,983
Net advances to associates and joint ventures	(16,871)	(119,705)
Net cash flow used in investing activities	(577,721)	(584,854)
FINANCING ACTIVITIES		
Issuance of shares by the Company	212	22,467
- exercise of share options	17,482	420
Issuance of shares by subsidiaries to non-controlling shareholders	(15,960)	(605)
Re-purchase of treasury shares	26,067	(11,553)
Net proceeds from/(repayment of) bank and government borrowings	(461)	(535)
Repayments to hire purchase and lease creditors	(216,098)	(185,340)
Interest paid	(21,485)	(29,844)
Dividends paid by subsidiaries to non-controlling shareholders	(181,468)	(272,043)
Dividends paid by the Company	1,035,000	(30,000)
Net drawdown/(repayment) of Bonds	(1,206)	(1,304)
Net placements of restricted deposits	(1,127)	-
Acquisition of additional interests in a subsidiary	640,956	(508,337)
Net cash flow from/(used in) financing activities	(19,603)	(494,499)
Net decrease in cash and cash equivalents during the financial period	1,407,001	2,077,331
Cash and cash equivalents at beginning of the financial period	7,423	(33,883)
Foreign exchange differences on opening balances	1,394,821	1,548,949
Cash and cash equivalents at end of the financial period	1,551,258	1,616,948
Cash and cash equivalents comprise the following :	(126,913)	(42,258)
Deposits, cash and bank balances	1,424,345	1,574,690
Bank overdrafts	(29,524)	(25,741)
Less: restricted deposits with licensed banks	1,394,821	1,548,949

IJM CORPORATION BERHAD (104131-A)

A NOTES TO THE QUARTERLY RESULTS

A1. Basis of Preparation

The unaudited 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 unaudited interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2018 which are available at <http://www.ijm.com>. The explanatory notes attached to the unaudited interim financial report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2018.

A2. Changes in Accounting Policies

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

The interim financial report of the Group for the period ended 31 December 2018 is prepared in accordance with MFRS Framework, including MFRS 1 “First-time Adoption of Malaysian Financial Reporting Standards”. Subject to certain transition elections and effects of adoption of MFRS 141 “Agriculture”, MFRS 9 “Financial Instruments” and MFRS 15 “Revenue from contracts with customers” as disclosed below, the Group has consistently applied the same accounting policies in its opening MFRS balance sheet as at 1 April 2017, being the transition date, and throughout all periods presented, as if these policies had always been in effect.

Transition from FRSs to MFRSs:

(i) MFRS 1 exemption options

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

(a) Exemption for business combinations

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

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

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

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A2. Changes in Accounting Policies (continued)

Transition from FRSs to MFRSs (continued):

(i) MFRS 1 exemption options (continued)

(c) MFRS 9 “Financial Instruments”

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

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

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

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

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

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

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

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

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A2. Changes in Accounting Policies (continued)

Transition from FRSs to MFRSs (continued):

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

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

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

(iii) MFRS 9 “Financial Instruments”

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

(a) Classification and measurement

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

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

The other financial assets held by the Group which include:

- equity investments, currently measured at fair value through profit or loss will continue to be measured on the same basis under MFRS 9; and
- debt instruments, currently classified as loans and receivables and measured at amortised cost meet the conditions to be classified at amortised cost under MFRS 9.

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

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A2. Changes in Accounting Policies (continued)

Transition from FRSs to MFRSs (continued):

(iii) MFRS 9 “Financial Instruments” (continued)

(b) Impairment

MFRS 9 changes the recognition of impairment provision for financial assets by introducing an expected credit loss model. Upon the adoption of MFRS 9, the Group has revised its impairment methodology to include expected credit losses based on an assessment of any significant increase in credit risk for financial assets measured at amortised cost, contract assets and lease receivables at the end of each reporting period. The assessment has resulted in a decrease of RM86.7 million in retained profits with a corresponding adjustment to trade receivables as at 1 April 2018.

(c) Hedge accounting

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

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

(iv) MFRS 15 “Revenue from Contracts with Customers”

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

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

(a) Determining the transaction price

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

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

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

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A2. Changes in Accounting Policies (continued)

Transition from FRSs to MFRSs (continued):

(iv) MFRS 15 “Revenue from Contracts with Customers” (continued)

(c) Timing of recognition for the sales of properties

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

(d) Accounting for incremental costs of obtaining a contract

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

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

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

(f) Presentation of contract assets and contract liabilities in the balance sheet

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

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

IJM CORPORATION BERHAD (104131-A)

A2. Changes in Accounting Policies (continued)

Transition from FRSs to MFRSs (continued):

(iv) MFRS 15 “Revenue from Contracts with Customers” (continued)

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

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

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

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

	As previously stated under FRSs	Effects of adoption of MFRS 141	Effects of adoption of MFRS 15	31 December 2017 as restated
	RM'000	RM'000	RM'000	RM'000
Condensed Consolidated Statement of Comprehensive Income				
Quarter ended 31 December 2017				
Revenue	1,566,198	-	(16,779)	1,549,419
Costs of sales	(1,266,036)	(6,088)	6,576	(1,265,548)
Other operating income	49,032	-	(1,751)	47,281
Tendering, selling and distribution expenses	(44,119)	-	8,868	(35,251)
Other operating expenses	(13,176)	(1,288)	-	(14,464)
Share of losses of joint ventures	(2,281)	-	(2,791)	(5,072)
Profit before taxation	172,426	(7,376)	(5,877)	159,173
Income tax expense	(62,336)	2,552	343	(59,441)
Net profit for the period	110,090	(4,824)	(5,534)	99,732
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences of foreign operations	(36,727)	2,910	-	(33,817)
Total comprehensive income	70,598	(1,914)	(5,534)	63,150
Net profit attributable to:				
Owners of the Company	101,364	(2,493)	(5,478)	93,393
Non-controlling interests	8,726	(2,331)	(56)	6,339
Total comprehensive income/(loss) attributable to:				
Owners of the Company	76,098	(947)	(5,478)	69,673
Non-controlling interests	(5,500)	(967)	(56)	(6,523)
Earnings per share (sen):				
Basic	2.79			2.57
Fully Diluted	2.76			2.55

IJM CORPORATION BERHAD (104131-A)

A2. Changes in Accounting Policies (continued)

Transition from FRSs to MFRSs (continued):

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

	As previously stated under FRSs	Effects of adoption of MFRS 141	Effects of adoption of MFRS 15	31 December 2017 as restated
	RM'000	RM'000	RM'000	RM'000
Condensed Consolidated Statement of Comprehensive Income				
Period ended 31 December 2017				
Revenue	4,628,318	-	(18,292)	4,610,026
Costs of sales	(3,683,395)	(19,380)	68	(3,702,707)
Other operating income	151,509	-	(5,173)	146,336
Tendering, selling and distribution expenses	(126,024)	-	25,663	(100,361)
Other operating expenses	(44,595)	(1,481)	-	(46,076)
Share of profits of joint ventures	5,387	-	(3,782)	1,605
Profit before taxation	551,903	(20,861)	(1,516)	529,526
Income tax expense	(173,620)	7,768	(1,784)	(167,636)
Net profit for the period	378,283	(13,093)	(3,300)	361,890
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences of foreign operations	(125,503)	6,748	-	(118,755)
Total comprehensive income	231,619	(6,345)	(3,300)	221,974
Net profit attributable to:				
Owners of the Company	338,621	(6,637)	(3,193)	328,791
Non-controlling interests	39,662	(6,456)	(107)	33,099
Total comprehensive income/(loss) attributable to:				
Owners of the Company	229,510	(3,056)	(3,193)	223,261
Non-controlling interests	2,109	(3,289)	(107)	(1,287)
Earnings per share (sen):				
Basic	9.34			9.07
Fully Diluted	9.23			8.96

IJM CORPORATION BERHAD (104131-A)

A2. Changes in Accounting Policies (continued)

Transition from FRSs to MFRSs (continued):

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

	As previously stated under FRSs	Effects of adoption of MFRS 1	Effects of adoption of MFRS 141	Effects of adoption of MFRS 15	31 March 2018 As restated (after effects of transition from FRSs to MFRSs)	Effects of adoption of MFRS 9	1 April 2018 As restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Condensed Consolidated Statement of Financial Position							
As at 31 March 2018/1 April 2018							
<i>Total Equity</i>							
Other reserves	41,607	(104,246)	9,080	-	(53,559)	226	(53,333)
Retained profits	3,376,581	104,246	(125,821)	(7,754)	3,347,252	(90,361)	3,256,891
Non-controlling interests	1,276,411	-	(102,085)	954	1,175,280	-	1,175,280
<i>Non-current liabilities</i>							
Deferred tax liabilities	682,177	-	(108,265)	-	573,912	-	573,912
<i>Non-current assets</i>							
Property, plant and equipment	1,990,135	-	762,867	-	2,753,002	-	2,753,002
Associates	829,134	-	-	-	829,134	(3,479)	825,655
Joint ventures	708,425	-	-	48	708,473	-	708,473
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	8,973	320,395	-	320,395
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)	-	-	-	-
<i>Current assets</i>							
Property development costs	6,128,340	-	-	(6,128,340)	-	-	-
Inventories	1,334,243	-	-	6,155,942	7,490,185	-	7,490,185
Produce growing on bearer plants	-	-	10,615	-	10,615	-	10,615
Trade and other receivables	1,952,313	-	-	(239,057)	1,713,256	(86,656)	1,626,600
Contract assets	-	-	-	262,390	262,390	-	262,390
<i>Current liabilities</i>							
Trade and other payables	3,020,359	-	-	(393,152)	2,627,207	-	2,627,207
Contract liabilities	-	-	-	459,908	459,908	-	459,908
Net assets per share attributable to owners of the Company (RM)	2.62				2.58		2.56

IJM CORPORATION BERHAD (104131-A)

A2. Changes in Accounting Policies (continued)

Transition from FRSs to MFRSs (continued):

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

	As previously stated under FRSs	Effects of adoption of MFRS 1	Effects of adoption of MFRS 141	Effects of adoption of MFRS 15	1 April 2017 As restated
	RM'000	RM'000	RM'000	RM'000	RM'000
Condensed Consolidated Statement of Financial Position (continued)					
As at 1 April 2017					
<i>Total Equity</i>					
Other reserves	175,746	(104,284)	(1,189)	-	70,273
Retained profits	3,302,903	104,284	(116,986)	(11,037)	3,279,164
Non-controlling interests	1,319,406	-	(95,001)	1,333	1,225,738
<i>Non-current liabilities</i>					
Deferred tax liabilities	669,456	-	(95,975)	-	573,481
<i>Non-current assets</i>					
Property, plant and equipment	1,989,646	-	866,218	-	2,855,864
Joint ventures	754,783	-	-	(495)	754,288
Deferred tax assets	297,762	-	12,952	9,016	319,730
Land held for property development	514,788	-	-	(514,788)	-
Inventories	-	-	-	514,788	514,788
Plantation development expenditure	1,201,570	-	(1,201,570)	-	-
<i>Current assets</i>					
Property development costs	5,587,380	-	-	(5,587,380)	-
Inventories	1,421,961	-	-	5,591,414	7,013,375
Produce growing on bearer plants	-	-	13,249	-	13,249
Trade and other receivables	2,031,003	-	-	(254,440)	1,776,563
Contract assets	-	-	-	279,381	279,381
<i>Current liabilities</i>					
Trade and other payables	2,518,205	-	-	(416,108)	2,102,097
Contract liabilities	-	-	-	463,308	463,308
Net assets per share attributable to owners of the Company (RM)	2.63				2.59

IJM CORPORATION BERHAD (104131-A)

A2. Changes in Accounting Policies (continued)

Transition from FRSs to MFRSs (continued):

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

	As previously stated under FRSs	Effects of transition from FRSs to MFRSs	Restated under MFRSs
	RM'000	RM'000	RM'000
Condensed Consolidated Statement of Cash Flows			
Period ended 31 December 2017			
<i>Net cash flow (used in)/from operating activities:</i>			
Payments to contractors, suppliers and employees	(3,725,854)	12,380	(3,713,474)
<i>Net cash flow used in investing activities:</i>			
Purchase of property, plant and equipment, development land, land use rights, investment properties, concession assets and deferred expenditure	(643,516)	(12,380)	(655,896)

A3. Audit Report

The audit report for the financial year ended 31 March 2018 was not subject to any modification or qualification.

A4. Seasonality or Cyclicalities 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 31 December 2018.

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 31 December 2018.

IJM CORPORATION BERHAD (104131-A)

A7. Debt and Equity Securities

- (a) For the financial period ended 31 December 2018, the number of issued and paid-up ordinary shares of the Company was increased from 3,628,678,020 to 3,635,687,820 by way of the issuance of:-
- i. 6,981,000 new ordinary shares arising from the vesting of shares under the Employee Share Grant Plan (“ESGP”); and
 - ii. 28,800 new ordinary shares arising from the exercise of options under the Employee Share Option Scheme (“ESOS”).
- (b) For the financial period ended 31 December 2018, 9,035,000 ordinary shares were repurchased in the open market at an average price of RM1.77 per share and retained as treasury shares of the Company.

There were no cancellations and repayments of debt and equity securities for the financial period ended 31 December 2018.

A8. Dividend Paid

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

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

IJM CORPORATION BERHAD (104131-A)

A9. Segmental Information

	GROUP			GROUP		
	3 months ended 31/12/2018	3 months ended 31/12/2017	Change (+/-)	9 months ended 31/12/2018	9 months ended 31/12/2017	Change (+/-)
	RM'000	RM'000	%	RM'000	RM'000	%
	Restated			Restated		
External revenue:						
Construction	479,303	576,356	-16.8%	1,536,234	1,783,703	-13.9%
Property development	479,937	334,390	43.5%	1,070,196	897,301	19.3%
Manufacturing and quarrying	219,236	261,421	-16.1%	671,136	835,742	-19.7%
Plantation	142,869	224,868	-36.5%	466,098	605,900	-23.1%
Infrastructure	185,748	151,834	22.3%	516,497	486,131	6.2%
Investment and others	156	550	-71.6%	570	1,249	-54.4%
	1,507,249	1,549,419	-2.7%	4,260,731	4,610,026	-7.6%
Inter-segment revenue:						
Construction	127,950	174,063	-26.5%	427,850	461,829	-7.4%
Property development	-	-	-	-	-	-
Manufacturing and quarrying	14,798	4,331	241.7%	32,743	15,759	107.8%
Plantation	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-
Investment and others	85,418	92,803	-8.0%	329,298	473,949	-30.5%
	228,166	271,197	-15.9%	789,891	951,537	-17.0%
Profit/(loss) before taxation:						
Construction	34,247	52,379	-34.6%	112,446	179,537	-37.4%
Property development	65,202	20,606	216.4%	132,023	77,069	71.3%
Manufacturing and quarrying	14,952	19,289	-22.5%	44,179	69,153	-36.1%
Plantation	(2,010)	25,013	-108.0%	(60,028)	54,559	-210.0%
Infrastructure	63,421	41,974	51.1%	96,813	142,348	-32.0%
Investment and others	1,494	(88)	1797.7%	(9,067)	6,860	-232.2%
	177,306	159,173	11.4%	316,366	529,526	-40.3%
Earnings before interest, tax, depreciation and amortisation:						
Construction	53,555	68,748	-22.1%	188,028	227,726	-17.4%
Property development	81,400	31,591	157.7%	150,822	108,448	39.1%
Manufacturing and quarrying	28,721	32,999	-13.0%	85,608	109,875	-22.1%
Plantation	44,443	65,874	-32.5%	79,324	178,734	-55.6%
Infrastructure	121,758	95,128	28.0%	259,402	302,928	-14.4%
Investment and others	1,494	(88)	1797.7%	(9,067)	6,860	-232.2%
	331,371	294,252	12.6%	754,117	934,571	-19.3%
Finance Cost	(68,687)	(48,368)	-	(185,323)	(143,776)	-
Depreciation and amortisation	(85,378)	(86,711)	-	(252,428)	(261,269)	-
Profit before taxation	177,306	159,173	11.4%	316,366	529,526	-40.3%
				As at 31/12/2018	As at 31/03/2018	
				RM'000	RM'000	
Total Assets:					Restated	
Construction				2,191,901	1,735,566	
Property development				10,640,305	10,306,910	
Manufacturing and quarrying				1,463,441	1,461,472	
Plantation				2,259,522	2,269,221	
Infrastructure				4,863,796	4,633,362	
Investment and others				112,819	150,658	
Total segment assets				21,531,784	20,557,189	
Unallocated corporate assets				523,922	470,436	
Consolidated total assets				22,055,706	21,027,625	

IJM CORPORATION BERHAD (104131-A)

A9. Segmental Information (continued)

	Construction	Property development	Manufacturing & Quarrying	Plantation	Infrastructure	Investment & Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 31/12/2018							
Timing of revenue recognition:							
- At a point in time	3,815	283,267	212,612	142,869	73,073	-	715,636
- Over time	475,488	188,419	5,921	-	2,058	25	671,911
- Others	-	8,251	703	-	110,617	131	119,702
	479,303	479,937	219,236	142,869	185,748	156	1,507,249
9 months ended 31/12/2018							
Timing of revenue recognition:							
- At a point in time	16,870	505,767	660,122	466,098	188,814	-	1,837,671
- Over time	1,519,364	555,683	8,482	-	6,201	25	2,089,755
- Others	-	8,746	2,532	-	321,482	545	333,305
	1,536,234	1,070,196	671,136	466,098	516,497	570	4,260,731
3 months ended 31/12/2017							
Timing of revenue recognition:							
- At a point in time	8,941	163,862	254,295	224,868	44,535	-	696,501
- Over time	567,415	170,228	5,868	-	2,017	-	745,528
- Others	-	300	1,258	-	105,282	550	107,390
	576,356	334,390	261,421	224,868	151,834	550	1,549,419
9 months ended 31/12/2017							
Timing of revenue recognition:							
- At a point in time	22,716	378,116	813,027	605,900	171,149	-	1,990,908
- Over time	1,760,987	518,290	18,968	-	6,017	-	2,304,262
- Others	-	895	3,747	-	308,965	1,249	314,856
	1,783,703	897,301	835,742	605,900	486,131	1,249	4,610,026

A10. Carrying Amount of Revalued Property, Plant and Equipment

The valuations of certain property, plant and equipment have been brought forward without amendments from the audited financial statements for the Financial Year 2018.

A11. Changes in the Composition of the Group

During the financial period-to-date, the following changes in composition were effected:

- (i) On 23 May 2018, Industrial Concrete Products Sdn Bhd, which is a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary known as IJM IBS Sdn Bhd. This incorporation has no material impact on the financial results of the Group for the period-to-date.
- (ii) On 5 October 2018, the Company made an announcement on members' voluntary winding-up of a dormant subsidiary, Sheffield Enterprise Sdn Bhd ("SESB"). SESB is a 90%-owned subsidiary of the Company via IJM Land Berhad. This winding-up has no material impact on the financial results of the Group for the period-to-date.

IJM CORPORATION BERHAD (104131-A)

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

- (iii) On 23 October 2018, ICPB (Mauritius) Limited, a wholly-owned subsidiary of the Company via ICP Investments (L) Limited and Industrial Concrete Products Sdn Bhd, entered into a share purchase agreement to dispose 32,083,669 ordinary shares of INR10 each, representing 99.99% of the issued and paid-up share capital of IJM Steel Products Private Limited to Pravan Holdings LLP and Highworth Holdings LLP in equal proportion for a total consideration of INR63,999,998 (which is equivalent to RM3.6 million). The disposal has no material impact on the financial results of the Group for the period-to-date.
- (iv) On 26 November 2018, CIDB Inventures Sdn Bhd (“CIDBI”), a wholly-owned subsidiary of the Company exercised its rights pursuant to a Shareholders Agreement dated 26 October 2015 to dispose 81,000,000 ordinary shares in Swarna Tollway Private Limited (“STPL”) to MAIF Investments India 3 Pte Ltd, representing the remaining 30% issued and paid-up share capital of STPL, for a total consideration of INR2,419.43 million (which is equivalent to RM140.3 million). The disposal of the remaining stake resulted in losses of approximately RM41.4 million to the Group for the financial period-to-date.

A12. Contingent Liabilities

The changes in contingent liabilities are summarised as follows:-

	RM'000
Balance as at 31 March 2018	5,188
- Exchange differences	(9)
	<hr/>
Balance as at 31 December 2018	<u>5,179</u>

A13. Capital Commitments

Capital commitments not provided for in the financial statements as at 31 December 2018 are as follows:

	RM'000
Approved and contracted for	1,667,395
Approved but not contracted for	124,096
	<hr/>
	<u>1,791,491</u>
 <u>Analysed as follows:</u>	
- Purchases of property, plant and equipment and land use rights	205,461
- Purchases of development land	33,127
- Concession assets	1,467,539
- Investment properties	85,364
	<hr/>
	<u>1,791,491</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 RM1,507.25 million, a decrease of 2.7% over the corresponding quarter of the preceding year, following lower revenues contributed by the Group's Construction, Manufacturing & Quarrying and Plantation divisions. The Group also recorded a pre-tax profit for the current quarter of RM177.31 million, a growth of 11.4% over the corresponding quarter of the preceding year, mainly due to improved earnings posted by the Group's Property Development and Infrastructure divisions.

For the current period ended 31 December 2018, the Group posted an operating revenue of RM4,260.73 million, a decrease of 7.6% over the corresponding period of the preceding year, mainly due to lower revenue contributed by the Group's Construction, Manufacturing & Quarrying and Plantation divisions. The Group's pre-tax profit for the current period totalled RM316.37 million, a decrease of 40.3% compared to the corresponding period of the preceding year, mainly due to an increase in net unrealised foreign exchange losses of RM59.2 million in the current period as opposed to a loss of RM8.6 million in the corresponding period of the preceding year. The Group also recognised a one-off loss on disposal of its remaining 30% equity interest in Swarna Tollway Private Limited amounting to RM41.4 million in the current period. Lower profits were also reported by the Group's Construction, Manufacturing & Quarrying, Plantation and Infrastructure divisions in the current period compared to the corresponding period of the preceding year.

Further analysis of the divisional performances is given below.

Operating Segment	Commentary
Construction	Revenue for the current quarter and period ended 31 December 2018 declined by 16.8% and 13.9% respectively compared to the corresponding period of the preceding year as newer projects have yet to reach optimal construction phase. Consequently, pre-tax profit for the current quarter and period also fell by 34.6% and 37.4% respectively compared to the corresponding period of the preceding year mainly due to project revenues not yet reaching optimal construction phase as well as lower construction margins.
Property development	Current quarter revenue and pre-tax profit increased by 43.5% and 216.4% respectively compared to the previous year's corresponding quarter. The revenue and pre-tax profit for the current period was also 19.3% and 71.3% higher as compared to the corresponding period of the preceding year. The improved financial results were mainly due to the launching of a condominium project in Penang, higher sales achieved from the disposal of completed stocks as well as certain parcels of commercial land during the current quarter and period. In addition, higher margins derived from the current development projects have also contributed to the increase in pre-tax profit for the current quarter and period.
Manufacturing and quarrying	Current quarter revenue and pre-tax profit decreased by 16.1% and 22.5% respectively compared to the previous year's corresponding quarter. Revenue and pre-tax profit for the period was also lower by 19.7% and 36.1% respectively compared to the previous year's corresponding period. These were mainly due to lower sales volumes and margins in the piles and quarrying sectors.

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

Operating Segment	Commentary
Plantation	Revenue for the current quarter and period decreased by 36.5% and 23.1% respectively compared to the corresponding period of the preceding year mainly due to lower CPO sales volume and commodity prices. The pre-tax losses of RM2.0 million for the current quarter and RM60.0 million for the period were mainly attributable to the lower commodity prices, compounded by the production cost pressure in the Malaysian operations and also the increase in young mature areas in the Indonesian operations incurring full fixed plantation maintenance and overhead costs set against the start-up crop yield. The Division's results were also affected by the net unrealised foreign exchange gain of RM18.0 million and loss of RM35.5 million on the US Dollar denominated borrowings for the current quarter and period respectively as compared to the unrealised foreign exchange losses of RM3.6 million and RM12.9 million respectively in the corresponding period of the preceding year.
Infrastructure	Revenue for the current quarter and period increased by 22.3% and 6.2% 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 56% in the current quarter and 7% in the current period compared to the corresponding period of the preceding year. The Group's wholly-owned toll concessions in Malaysia also contributed revenue growth of 14% in both the current quarter as well as the current period 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 profit for the current quarter to RM63.4 million from RM42.0 million recorded in the previous year's corresponding quarter. However, the Division's pre-tax profit for the current period decreased to RM96.8 million from RM142.3 million recorded in the corresponding period of the preceding year mainly due to the one-off loss of RM41.4 million arising from the disposal of the remaining 30% equity interests in Swarna Tollway Private Limited as well as increased net foreign exchange loss of RM36.1 million in the current period compared to a net foreign exchange gain of RM1.2 million in the corresponding period of the preceding year. These losses were mitigated by higher contributions from the Group's local tolls as well as toll concession investment in Argentina.

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

The Group's pre-tax profit increased to RM177.3 million compared to RM35.8 million posted in the immediate preceding quarter mainly due to higher contributions from the Group's Property development, Plantation and Infrastructure divisions coupled with a turnaround in the net foreign exchange differences from a loss of RM33.5 million in the immediate preceding quarter to a gain of RM45.4 million in the current quarter.

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B3. Prospects for the Current Financial Year

The Group's Construction division expects a satisfactory performance based on an outstanding order book of RM8.4 billion, underpinned by the implementation of on-going domestic projects.

The local property market is expected to remain challenging due to the key issues of price affordability, the overhang of high priced properties, rising costs of living and tight financing arrangements. Nonetheless, the Property Development division remains steadfast in its efforts to grow its business in view of the strategic locations of its properties and the brand premium that it has established. With unbilled sales of about RM2.2 billion, the division is expected to maintain a satisfactory performance in the current financial year.

Given a difficult and competitive operating environment both domestically and overseas, the Group's Industry division expects a lower performance for the current financial year.

The Group's Plantation division expects a challenging year due to the weak commodity prices, volatile foreign exchange rates particularly that of the Indonesian Rupiah against the US Dollar as well as Japanese Yen and higher borrowing costs. Notwithstanding the anticipated recovery of crop production from the effects of the prolonged dry weather and increased young mature areas, the division continues to be affected by the start-up yields whilst incurring full plantation maintenance costs and overheads.

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

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

B4. Profit Forecast

Not applicable.

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B5. Taxation

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

	INDIVIDUAL QUARTER 3 MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD 9 MONTHS ENDED 31 DECEMBER	
	2018 RM'000	2017 RM'000 Restated	2018 RM'000	2017 RM'000 Restated
Malaysian income tax	50,575	46,605	134,273	144,013
Overseas taxation	10,168	-	3,653	(161)
Deferred taxation	15,387	12,836	4,681	23,784
	76,130	59,441	142,607	167,636

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

B6. Status of Corporate Proposals

As at 31 December 2018, there were no outstanding corporate proposals.

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B7. Group Borrowings

Particulars of the Group's borrowings as at 31 December 2018 are as follows:

	As at 31/12/2018 RM'000
(a) (i) Short Term Borrowings	
Secured:-	
- Islamic bonds	55,000
- Term loans	169,740
- Hire purchase and lease payables (included in trade and other payables)	404
- Revolving credits	132,542
- Government support loans (included in trade and other payables)	6,951
Unsecured:-	
- Islamic bonds	200,000
- Government support loans (included in trade and other payables)	26,153
- Term loans	627,883
- Revolving credits	1,062,422
- Revolving loans	290,185
- Bankers' acceptances	65,740
- Letters of Credit	9,954
- Bank overdrafts	126,913
	2,773,887
(ii) Long Term Borrowings	
Secured:-	
- Islamic bonds	1,430,000
- Hire purchase and lease payables	22
- Term loans	735,113
- Government support loans	65,610
Unsecured:-	
- Islamic bonds	1,300,000
- Government support loans	26,296
- Term loans	844,204
	4,401,245

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	387,375	1,603,190
Indian Rupee	6,198,028	367,543
Chinese Yuan	48,800	29,475
Japanese Yen	5,247,200	196,069
Pound Sterling	47,057	247,590
		2,443,867

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B8. Changes in Material Litigation

There was no material litigation since 31 March 2018.

B9. Dividends

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

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

B10. Earnings per Share

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
<u>Basic Earnings per share:-</u>				
(a) Net profit for the period attributable to owners of the Company	93,423	93,393	178,105	328,791
(b) Weighted average number of ordinary shares ('000)	3,635,689	3,628,374	3,633,678	3,624,765
Basic Earnings per share (sen)	2.57	2.57	4.90	9.07
<u>Diluted Earnings per share:-</u>				
(a) Net profit for the period attributable to owners of the Company	93,423	93,393	178,105	328,791
(b) Weighted average number of ordinary shares ('000)	3,635,689	3,628,374	3,633,678	3,624,765
Effect of dilution ('000)				
- Employee share options and share grants	3,764	38,556	3,764	43,041
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	3,639,453	3,666,930	3,637,442	3,667,806
Diluted Earnings per share (sen)	2.57	2.55	4.90	8.96

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B11. Notes to the Statement of Comprehensive Income

	Individual Quarter		Cumulative Period	
	Current year quarter	Preceding year quarter	Current year to date	Preceding year to date
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Interest income	31,161	32,361	88,387	84,979
Other income (including investment income)	15,164	10,773	65,326	54,403
Interest expense	(68,687) *	(48,368) *	(185,323) *	(143,776) *
Depreciation and amortisation	(85,378)	(86,711)	(252,428)	(261,269)
Net (allowance)/reversal of impairment of receivables	(605)	2,938	3,199	(986)
Net (losses)/gains on disposal of investments or properties	(4,236)	(555)	(40,023)	1,628
Net reversal/(allowance) of impairment of assets	96	(223)	(304)	(1,760)
Net foreign exchange gains/(losses)	45,359	(4,540)	(59,195)	(8,555)
Net (losses)/gains on derivatives	(6,908)	3,054	7,536	771
Fair value losses on produce growing on bearer plants	(3,052)	(1,290)	(3,358)	(1,481)
<i>* Includes unrealised foreign exchange losses incurred by the Plantation division classified under Finance Cost</i>	(10,553)	(3,725)	(33,134)	(12,841)

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

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B12 Derivative financial instruments

(a) Crude Palm Oil Pricing Swap Contracts

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

As at 31 December 2018, the outstanding notional volume and value of the CPO pricing swap contracts and their fair values are as follows:

CPO pricing swap contracts	Notional volume outstanding as at 31/12/2018 (metric tonnes)	Notional value outstanding as at 31/12/2018 (RM'000)	Fair value as at 31/12/2018 (RM'000)
- Less than 1 year	25,500	61,427	6,071
- 1 year to 3 years	-	-	-
- More than 3 years	-	-	-

(b) Cross Currency Swap Contracts

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

As at 31 December 2018, the outstanding notional value of the cross currency swap contracts and their fair values are as follows:

Cross currency swap contracts	Notional value outstanding as at 31/12/2018 (USD'000)	Notional value outstanding as at 31/12/2018 (RM'000)	Fair value as at 31/12/2018 (RM'000)
- Less than 1 year	90,000	373,368	(1,748)
- 1 year to 3 years	-	-	-
- More than 3 years	-	-	-

(c) Forward foreign exchange contracts

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

As at 31 December 2018, there are no outstanding forward foreign exchange contracts.

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B13. Fair value changes of derivative financial instruments

The Group recognised a total net fair value gain on derivative financial instruments of RM7.54 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	5,658	7,570	Price differentials between the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange and the fixed contracted CPO prices.	The average future CPO price quoted on the Bursa Malaysia Derivative Exchange has dropped below the contracted prices.
Cross currency swap contracts	(12,566)	(2,414)	Exchange rate differentials between the USD/MYR spot rate and the contracted USD/MYR rate; Interest rate differentials between the USD floating interest rate and the contracted MYR interest rate.	The fair value gain or loss is affected by movements in the USD/MYR spot rates and the USD and MYR interest rates.
Forward foreign exchange contracts	-	2,380	Exchange rate differentials between the market spot rate and the contracted rate between USD and MYR.	The market spot rate for USD against the MYR has risen above the contracted rate.