



IJM CORPORATION BERHAD (104131-A)

Part A1 : Quarterly Report

Quarterly report for the financial period ended: 31/12/2019
Quarter: 3rd 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 31/12/2019

	Individual Quarter		Cumulative Period	
	Current year quarter 31/12/2019 RM'000	Preceding year quarter 31/12/2018 RM'000	Current year to date 31/12/2019 RM'000	Preceding year to date 31/12/2018 RM'000
1 Revenue	1,440,362	1,507,249	4,558,148	4,260,731
2 Profit before taxation	163,588	177,306	421,199	316,366
3 Net profit for the period	85,699	101,176	250,322	173,759
4 Net profit attributable to owners of the Company	49,767	93,423	179,293	178,105
5 Basic earnings per share (sen)	1.37	2.57	4.94	4.90
6 Proposed/Declared dividend per share (sen)	-	-	2.00	2.00
	As at end of current quarter 31/12/2019		As at preceding financial year end	
7 Net assets per share attributable to ordinary equity holders of the Company (RM)		2.64		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 (+/-)
	31/12/2019	31/12/2018		31/12/2019	31/12/2018	
	RM'000	RM'000	%	RM'000	RM'000	%
Operating revenue	1,440,362	1,507,249	-4.4%	4,558,148	4,260,731	7.0%
Cost of sales	(1,084,808)	(1,201,501)	-9.7%	(3,691,237)	(3,450,585)	7.0%
Gross profit	355,554	305,748	16.3%	866,911	810,146	7.0%
Other operating income	42,835	38,356	11.7%	173,800	166,310	4.5%
Foreign exchange differences	33,121	45,359	-27.0%	7,926	(59,195)	113.4%
Tendering, selling and distribution expenses	(36,132)	(30,642)	17.9%	(94,181)	(91,346)	3.1%
Administrative expenses	(99,063)	(88,068)	12.5%	(232,968)	(256,585)	-9.2%
Other operating expenses	(48,602)	(19,022)	155.5%	(74,539)	(83,777)	-11.0%
Operating profit before finance cost	247,713	251,731	-1.6%	646,949	485,553	33.2%
Finance cost	(54,475)	(68,687)	-20.7%	(169,098)	(185,323)	-8.8%
Operating profit after finance cost	193,238	183,044	5.6%	477,851	300,230	59.2%
Share of (losses)/profits of associates	(27,229)	(648)	4102.0%	(73,800)	30,758	-339.9%
Share of (losses)/profits of joint ventures	(2,421)	(5,090)	-52.4%	17,148	(14,622)	217.3%
Profit before taxation	163,588	177,306	-7.7%	421,199	316,366	33.1%
Income tax expense	(77,889)	(76,130)	2.3%	(170,877)	(142,607)	19.8%
Net profit for the period	85,699	101,176	-15.3%	250,322	173,759	44.1%
<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	(14,288)	63,378		13,627	13,018	
Share of other comprehensive income of associates	(269)	2,855		1,432	8,093	
	(14,557)	66,233	-122.0%	15,059	21,111	-28.7%
Total comprehensive income for the period	71,142	167,409	-57.5%	265,381	194,870	36.2%
<u>Net profit/(loss) attributable to:-</u>						
Owners of the Company	49,767	93,423	-46.7%	179,293	178,105	0.7%
Perpetual sukuk	11,732	-		31,785	-	
Non-controlling interests	24,200	7,753	212.1%	39,244	(4,346)	1003.0%
	85,699	101,176	-15.3%	250,322	173,759	44.1%
<u>Total comprehensive income attributable to:-</u>						
Owners of the Company	37,189	151,289	-75.4%	183,112	189,363	-3.3%
Perpetual sukuk	11,732	-		31,785	-	
Non-controlling interests	22,221	16,120	37.8%	50,484	5,507	816.7%
	71,142	167,409	-57.5%	265,381	194,870	36.2%
<u>Earnings per share (sen):-</u>						
Basic	1.37	2.57		4.94	4.90	
Fully diluted	1.37	2.57		4.94	4.90	

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

	31/12/2019	31/03/2019
	RM'000	RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	6,112,021	6,099,350
Treasury shares	(18,070)	(18,070)
Shares held under trust	(1,342)	(1,379)
Other reserves	(25,542)	(35,922)
Retained profits	3,528,788	3,494,673
	9,595,855	9,538,652
Perpetual sukuk of a subsidiary	860,019	647,108
Non-controlling interests	1,235,432	1,198,661
	11,691,306	11,384,421
NON-CURRENT LIABILITIES		
Bonds	2,876,359	2,755,848
Term loans	1,686,580	1,982,960
Government support loans	58,701	92,970
Lease liabilities	121,386	-
Hire purchase and lease payables	-	11
Deferred tax liabilities	627,312	614,540
Trade and other payables	249,216	347,469
Retirement benefits	24,804	21,831
Derivative financial instruments	229	-
	5,644,587	5,815,629
DEFERRED INCOME	70,355	70,355
	17,406,248	17,270,405

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

	31/12/2019 RM'000	31/03/2019 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	2,876,361	2,946,837
Land use rights	-	145,968
Right-of-use assets	336,963	-
Concession assets	3,687,240	3,568,740
Investment properties	637,912	584,162
Associates	927,749	842,859
Joint ventures	855,047	764,503
Financial assets at fair value through other comprehensive income	3,665	3,665
Long term receivables	212,067	206,220
Deferred tax assets	426,030	371,200
Inventories	648,010	631,921
Intangible assets	101,615	102,200
	10,712,659	10,168,275
CURRENT ASSETS		
Inventories	8,256,960	8,236,097
Produce growing on bearer plants	13,946	7,750
Trade and other receivables	2,276,799	2,090,197
Contract assets	212,806	326,836
Financial assets at fair value through profit or loss	543,189	444,699
Derivative financial instruments	-	4,470
Tax recoverable	124,894	169,697
Deposits, cash and bank balances	2,032,442	1,557,953
	13,461,036	12,837,699
CURRENT LIABILITIES		
Trade and other payables	3,056,182	3,101,618
Contract liabilities	954,163	773,877
Provisions	1,630	2,870
Derivative financial instruments	24,060	4,467
Lease liabilities	14,046	-
Borrowings:		
- Bank overdrafts	131,783	75,753
- Others	2,488,825	1,721,215
Current tax liabilities	96,758	55,769
	6,767,447	5,735,569
NET CURRENT ASSETS	6,693,589	7,102,130
	17,406,248	17,270,405
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	2.64	2.63

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

	-----Attributable to owners of the Company-----						Perpetual sukuk RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Shares held under trust RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000			
At 1 April 2019	6,099,350	(18,070)	(1,379)	(35,922)	3,494,673	9,538,652	647,108	1,198,661	11,384,421
Total comprehensive income for the period	-	-	-	3,819	179,293	183,112	31,785	50,484	265,381
Issuance of employee share options and share grants (net)	-	-	-	18,907	-	18,907	-	-	18,907
Single tier second interim dividend: Year ended 31 March 2019	-	-	-	-	(72,589)	(72,589)	-	-	(72,589)
Single tier first interim dividend: Year ending 31 March 2020	-	-	-	-	(72,589)	(72,589)	-	-	(72,589)
Distribution to perpetual sukuk holders	-	-	-	-	-	-	(18,634)	-	(18,634)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(13,713)	(13,713)
Issuance of perpetual sukuk by a subsidiary	-	-	-	-	-	-	199,760	-	199,760
Issuance of shares:									
- exercise of employee share options	421	-	37	(96)	-	362	-	-	362
- vesting of shares under ESGP	12,250	-	-	(12,250)	-	-	-	-	-
At 31 December 2019	6,112,021	(18,070)	(1,342)	(25,542)	3,528,788	9,595,855	860,019	1,235,432	11,691,306
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 *	-	-	-	(99,670)	(42,747)	(142,417)	-	(104,611)	(247,028)
Effects of adoption of MFRS 9 *	-	-	-	(6,074)	(77,128)	(83,202)	-	-	(83,202)
At 1 April 2018 (as restated)	6,074,349	(2,104)	(1,521)	(64,137)	3,256,706	9,263,293	-	1,171,800	10,435,093
Total comprehensive income for the period	-	-	-	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 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)
Single tier first interim dividend: Year ended 31 March 2019	-	-	-	-	(72,541)	(72,541)	-	-	(72,541)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	(21,485)	(21,485)
Issuance of shares by a subsidiary to non-controlling shareholders	-	-	-	-	-	-	-	17,482	17,482
Issuance of 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)	(42,891)	3,252,326	9,289,342	-	1,173,090	10,462,432

* Certain figures on the effects of transition from FRSs to MFRSs and effects of adoption of MFRS 9 were amended to be consistent with the audited financial statements for the year ended 31 March 2019.

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

	9 months ended 31/12/2019 RM'000	9 months ended 31/12/2018 RM'000
OPERATING ACTIVITIES		
Receipts from customers	4,725,611	3,902,310
Payments to contractors, suppliers and employees	(3,650,439)	(3,822,962)
Income tax paid	(123,163)	(162,186)
Net cash flow from/(used in) operating activities	952,009	(82,838)
INVESTING ACTIVITIES		
Investments in associates	-	(12,513)
Subscriptions of Redeemable Convertible Preference Shares and Redeemable Unsecured Murabahah Stocks in associates	(188,317)	(16,010)
Acquisition of financial assets at fair value through profit or loss	(573,835)	(547,104)
Purchases of property, plant and equipment, development land, land use rights, investment properties, concession assets and deferred expenditure	(592,543)	(629,492)
Disposal of investments, property, plant and equipment, land use rights, investment properties and assets held for sale	492,749	566,036
Redemption of preference shares of an associate	-	8,187
Capital distribution to minority shareholders upon liquidation of a subsidiary	-	(214)
Interest received	59,163	49,788
Dividends received from associates, joint venture and other investments	55,004	20,472
Net advances to associates and joint ventures	(103,303)	(16,871)
Net cash flow used in investing activities	(851,082)	(577,721)
FINANCING ACTIVITIES		
Issuance of shares by the Company		
- exercise of share options	362	212
Issuance of shares by subsidiaries to non-controlling shareholders	-	17,482
Re-purchase of treasury shares	-	(15,960)
Net proceeds from/(repayments to) bank and government borrowings	475,590	26,067
Repayments of hire purchase and lease liabilities	(6,541)	(461)
Interest paid	(250,109)	(216,098)
Dividends paid by subsidiaries to non-controlling shareholders	(13,713)	(21,485)
Distribution to perpetual sukuk holders	(18,634)	-
Dividends paid by the Company	(145,178)	(181,468)
Net drawdown of bonds	75,000	1,035,000
Proceeds from issuance of perpetual Sukuk	199,760	-
Net placements of restricted deposits	(5,134)	(1,206)
Acquisition of additional interests in a subsidiary	-	(1,127)
Net cash flow from financing activities	311,403	640,956
Net increase/(decrease) in cash and cash equivalents during the financial period	412,330	(19,603)
Cash and cash equivalents at beginning of the financial period	1,451,135	1,407,001
Foreign exchange differences on opening balances	1,384	7,423
Cash and cash equivalents at end of the financial period	1,864,849	1,394,821
Cash and cash equivalents comprise the following :		
Deposits, cash and bank balances	2,032,442	1,551,258
Bank overdrafts	(131,783)	(126,913)
	1,900,659	1,424,345
Less: restricted deposits with licensed banks	(35,810)	(29,524)
	<u>1,864,849</u>	<u>1,394,821</u>

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 31 December 2019, the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the financial period ended 31 December 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 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	Effects of adoption of MFRS 16	As at 1 April 2019
	RM'000	RM'000	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 31 December 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 31 December 2019.

A7. Debt and Equity Securities

- (a) For the financial period ended 31 December 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 31 December 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.

On 27 December 2019, a single tier first interim dividend of 2 sen per share in respect of the financial year ending 31 March 2020 was paid totalling RM72,589,044.

IJM CORPORATION BERHAD (104131-A)

A9. Segmental Information

	GROUP			GROUP		
	3 months ended 31/12/2019	3 months ended 31/12/2018	Change (+/-)	9 months ended 31/12/2019	9 months ended 31/12/2018	Change (+/-)
	RM'000	RM'000	%	RM'000	RM'000	%
<u>External revenue:</u>						
Construction	482,154	479,303	0.6%	1,594,317	1,536,234	3.8%
Property development	325,053	479,937	-32.3%	1,163,414	1,070,196	8.7%
Manufacturing and quarrying	192,455	219,236	-12.2%	651,496	671,136	-2.9%
Plantation	237,812	142,869	66.5%	543,740	466,098	16.7%
Infrastructure	202,721	185,748	9.1%	604,473	516,497	17.0%
Investment and others	167	156	7.1%	708	570	24.2%
	1,440,362	1,507,249	-4.4%	4,558,148	4,260,731	7.0%
<u>Inter-segment revenue:</u>						
Construction	85,453	127,950	-33.2%	264,324	427,850	-38.2%
Property development	-	-	-	2	-	-
Manufacturing and quarrying	9,782	14,798	-33.9%	35,906	32,743	9.7%
Plantation	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-
Investment and others	185,887	85,418	117.6%	459,429	329,298	39.5%
	281,122	228,166	23.2%	759,661	789,891	-3.8%
<u>Profit/(loss) before taxation:</u>						
Construction	28,454	34,247	-16.9%	107,570	112,446	-4.3%
Property development	63,515	65,202	-2.6%	146,568	132,023	11.0%
Manufacturing and quarrying	13,132	14,952	-12.2%	46,233	44,179	4.6%
Plantation	33,303	(2,009)	1757.7%	22,966	(60,027)	138.3%
Infrastructure	27,523	63,421	-56.6%	107,166	96,812	10.7%
Investment and others	(2,339)	1,493	-256.7%	(9,304)	(9,067)	-2.6%
	163,588	177,306	-7.7%	421,199	316,366	33.1%
<u>Earnings before interest, tax, depreciation and amortisation:</u>						
Construction	56,612	53,555	5.7%	190,552	188,028	1.3%
Property development	69,296	81,400	-14.9%	163,248	150,822	8.2%
Manufacturing and quarrying	29,589	28,721	3.0%	94,192	85,608	10.0%
Plantation	65,831	44,444	48.1%	127,330	79,324	60.5%
Infrastructure	96,775	121,758	-20.5%	310,393	259,402	19.7%
Investment and others	(2,328)	1,493	-255.9%	(9,282)	(9,067)	-2.4%
	315,775	331,371	-4.7%	876,433	754,117	16.2%
Finance Cost	(54,475)	(68,687)	-	(169,098)	(185,323)	-
Depreciation and amortisation	(97,712)	(85,378)	-	(286,136)	(252,428)	-
Profit before taxation	163,588	177,306	-7.7%	421,199	316,366	33.1%
				As at 31/12/2019 RM'000	As at 31/03/2019 RM'000	
<u>Total Assets:</u>						
Construction				2,597,058	2,247,025	
Property development				11,633,920	11,356,498	
Manufacturing and quarrying				1,509,215	1,447,279	
Plantation				2,418,697	2,255,326	
Infrastructure				5,405,210	5,082,436	
Investment and others				58,671	76,513	
Total segment assets				23,622,771	22,465,077	
Unallocated corporate assets				550,924	540,897	
Consolidated total assets				24,173,695	23,005,974	

IJM CORPORATION BERHAD (104131-A)

A9. Segmental Information (continued)

	Construction RM'000	Property development RM'000	Manufacturing & Quarrying RM'000	Plantation RM'000	Infrastructure RM'000	Investment & Others RM'000	Total RM'000
3 months ended 31/12/2019							
Revenue from contract with customers							
Timing of revenue recognition:							
- At a point in time	2,624	80,470	188,417	237,812	-	-	509,323
- Over time	479,530	238,441	3,227	-	191,157	44	912,399
	482,154	318,911	191,644	237,812	191,157	44	1,421,722
Revenue from other sources	-	6,142	811	-	11,564	123	18,640
	482,154	325,053	192,455	237,812	202,721	167	1,440,362
9 months ended 31/12/2019							
Revenue from contract with customers							
Timing of revenue recognition:							
- At a point in time	7,609	338,474	632,167	543,740	-	-	1,521,990
- Over time	1,586,708	815,012	16,967	-	571,207	119	2,990,013
	1,594,317	1,153,486	649,134	543,740	571,207	119	4,512,003
Revenue from other sources	-	9,928	2,362	-	33,266	589	46,145
	1,594,317	1,163,414	651,496	543,740	604,473	708	4,558,148
3 months ended 31/12/2018							
Revenue from contract with customers							
Timing of revenue recognition:							
- At a point in time	3,815	283,267	212,612	142,869	-	-	642,563
- Over time	475,488	188,419	5,921	-	175,721	25	845,574
	479,303	471,686	218,533	142,869	175,721	25	1,488,137
Revenue from other sources	-	8,251	703	-	10,027	131	19,112
	479,303	479,937	219,236	142,869	185,748	156	1,507,249
9 months ended 31/12/2018							
Revenue from contract with customers							
Timing of revenue recognition:							
- At a point in time	16,870	505,767	660,122	466,098	-	-	1,648,857
- Over time	1,519,364	555,683	8,482	-	488,898	25	2,572,452
	1,536,234	1,061,450	668,604	466,098	488,898	25	4,221,309
Revenue from other sources	-	8,746	2,532	-	27,599	545	39,422
	1,536,234	1,070,196	671,136	466,098	516,497	570	4,260,731

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:-

	RM'000
Balance as at 31 March 2019	5,144
- Exchange differences	<u>(113)</u>
Balance as at 31 December 2019	<u><u>5,031</u></u>

A13. Capital Commitments

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

	RM'000
Approved and contracted for	1,177,535
Approved but not contracted for	<u>120,169</u>
	<u><u>1,297,704</u></u>

Analysed as follows:

- Purchases of property, plant and equipment and right-of-use assets	131,529
- Purchases of development land	15,899
- Concession assets	1,091,872
- Investment properties	24,812
- Share of capital commitments of an associate	<u>33,592</u>
	<u><u>1,297,704</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 RM1,440.36 million, a decrease of 4.4% over the corresponding quarter of the preceding year, following lower revenues contributed by the Group's Property Development and Manufacturing & Quarrying divisions. The Group also recorded a pre-tax profit for the current quarter of RM163.59 million, a decrease of 7.7% over the corresponding quarter of the preceding year, as the Group's Construction, Property Development, Manufacturing & Quarrying and Infrastructure divisions posted lesser profits.

For the current period ended 31 December 2019, the Group posted an operating revenue of RM4,558.15 million, an increase of 7.0% over the corresponding period of the preceding year, mainly due to higher revenue contributed by the Group's Construction, Property Development, Plantation and Infrastructure divisions. The Group's pre-tax profit for the current period totalled RM421.20 million, an increase of 33.1% compared to the corresponding period of the preceding year, mainly due to higher earnings achieved by the Group's 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 31 December 2019 increased by 0.6% and 3.8% respectively compared to the corresponding period of the preceding year. However, pre-tax profit for the current quarter and period decreased by 16.9% and 4.3% respectively compared to the corresponding period of the preceding year mainly attributable to the decrease in overall construction margin and increased finance cost.
Property development	Current quarter revenue and pre-tax profit decreased by 32.3% and 2.6% respectively compared to the previous year's corresponding quarter. The decline in current quarter revenue was mainly due to the completion of certain development projects and sale of commercial land that took place during the previous year's corresponding quarter whilst new launches for the current quarter are being realigned due to product adjustments. On a period basis, the revenue and pre-tax profit was 8.7% and 11.0% higher as compared to the corresponding period of the preceding year. Higher work progress achieved for the current on-going projects has contributed to the higher revenue recorded whereas higher share of profits of joint ventures as well as the recognition of unrealised foreign exchange gains during the current period have contributed to the increase in pre-tax profit before tax for the current period.
Manufacturing and quarrying	Both current quarter revenue and pre-tax profit decreased by 12.2% compared to the previous year's corresponding quarter mainly due to lower deliveries of piles and ready-mixed concrete. Revenue and pre-tax profit for the period was lower by 2.9% and higher by 4.6% respectively compared to the previous year's corresponding period with improved margins recorded by the piles and ready-mixed concrete sectors.

IJM CORPORATION BERHAD (104131-A)

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

Operating Segment	Commentary
Plantation	Revenue for the current quarter increased by 66.5% compared to the corresponding quarter of the preceding year mainly due to higher CPO sales volume and prices. Revenue for the current period also increased by 16.7% mainly due to higher commodity sales volumes. Overall FFB production for the current quarter and period also increased by 11.6% and 11.0% respectively as a result of the crop recovery from the 2015/2016 El Nino lagged effect and peak cropping cycle. Despite the unrealised fair value losses of RM24.4 million on crude palm oil pricing contracts, the higher FFB production coupled with better commodity prices and favorable currency movements on US Dollar and Japanese Yen denominated borrowings resulted in improved financial performances for the current quarter and period compared to the corresponding period of the preceding year.
Infrastructure	Revenue for the current quarter and period increased by 9.1% and 17.0% 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 14% and 40% in the current quarter and period 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 compared to the corresponding period of the preceding year. Despite increased revenue, the Division's pre-tax profit for the current quarter decreased by 56.6% compared to the corresponding quarter of the preceding year mainly due to lower contribution from associates. Over the current period, the Division's pre-tax profit climbed 10.7% compared to the corresponding period of the preceding year. This was mainly due to higher contributions from the Group's wholly-owned local tolls and port concessions as well as lower net unrealised foreign exchange loss of RM6.0 million on the US Dollar denominated borrowings as compared to unrealised foreign exchange loss of RM36.1 million in the corresponding period of the preceding year. These were partly dampened by the weaker contribution from associates in the current period.

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

The Group's pre-tax profit increased to RM163.6 million compared to RM114.2 million posted in the immediate preceding quarter mainly due to higher contributions from the Group's Property Development and Plantation divisions.

The Group's Property Development division recorded higher margins from its current projects coupled with an unrealised foreign exchange gain of RM15.9 million in the current quarter as opposed to an unrealised foreign exchange loss of RM6.4 million in the immediate preceding quarter.

The financial performance of the Group's Plantation division also improved due to higher FFB production (increasing by 16.8% over the immediate preceding quarter), higher commodity prices and favourable currency movement on its foreign currency denominated borrowings.

IJM CORPORATION BERHAD (104131-A)

B3. Prospects for the Current Financial Year

The Group's Construction division expects a challenging year in view of 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 RM4.5 billion.

The local property market is expected to remain challenging although consumer sentiments have improved. The key issues of price affordability, the overhang of high-rise properties, rising cost of living and tight financing arrangements will continue to have a dampening effect. Nonetheless, the Property Development division remains steadfast in its efforts to grow its business in view of the strategic locations of its properties and the brand premium that it has established. With the potential conversion of unbilled sales of about RM1.9 billion, the division is expected to maintain a satisfactory performance in the current financial year.

The Group's Industry division expects a challenging year given the competitive domestic and overseas operating environment. It would however, continue with its mitigation efforts through the improvement of product quality, cost and process efficiency.

The Group's Plantation division expects crop production in the final quarter of the financial year to reduce as the cropping pattern moves to the normal trough. Notwithstanding the division continuing to face cost pressures arising mainly from wage increases, the continuation of the prevailing commodity prices and foreign exchange rates particularly that of the Rupiah against the US Dollar and the Japanese Yen are expected to contribute to an improved performance for the financial year.

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.

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

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:

	INDIVIDUAL QUARTER 3 MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD 9 MONTHS ENDED 31 DECEMBER	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Malaysian income tax	83,337	50,575	178,381	134,273
Overseas taxation	504	10,168	1,072	3,653
Deferred taxation	(5,952)	15,387	(8,576)	4,681
	<u>77,889</u>	<u>76,130</u>	<u>170,877</u>	<u>142,607</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 31 December 2019, there were no outstanding corporate proposals.

IJM CORPORATION BERHAD (104131-A)

B7. Group Borrowings

Particulars of the Group's borrowings as at 31 December 2019 are as follows:

	As at 31/12/2019 RM'000
(a) (i) Short Term Borrowings	
Secured:-	
- Islamic bonds	60,000
- Term loans	584,464
- Hire purchase (included in trade and other payables)	21
- Revolving credits	119,458
- 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	639,601
- Revolving credits	610,670
- Revolving loans	287,070
- Bankers' acceptances	30,677
- Letters of Credit	6,885
- Bank overdrafts	131,783
	2,656,433
(ii) Long Term Borrowings	
Secured:-	
- Islamic bonds	1,476,359
- Term loans	659,406
- Government support loans	58,701
Unsecured:-	
- Islamic bonds	1,400,000
- Term loans	1,027,174
	4,621,640

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

	Foreign Currency '000	RM Equivalent '000
US Dollar	351,700	1,442,396
Indian Rupee	10,631,354	612,366
Chinese Yuan	52,800	30,972
Japanese Yen	5,247,200	198,083
Pound Sterling	104,231	560,813
		2,844,630

IJM CORPORATION BERHAD (104131-A)

B8. Changes in Material Litigation

There was no material litigation since 31 March 2019.

B9. Dividends

In respect of the financial year ending 31 March 2020, a single tier first interim dividend of 2 sen per share was paid on 27 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
31/12/2019	31/12/2018	31/12/2019	31/12/2018
RM'000	RM'000	RM'000	RM'000

Basic Earnings per share:-

(a) Net profit for the period attributable to owners of the Company	49,767	93,423	179,293	178,105
(b) Weighted average number of ordinary shares ('000)	3,629,452	3,635,689	3,628,441	3,633,678
Basic Earnings per share (sen)	1.37	2.57	4.94	4.90

Diluted Earnings per share:-

(a) Net profit for the period attributable to owners of the Company	49,767	93,423	179,293	178,105
(b) Weighted average number of ordinary shares ('000)	3,629,452	3,635,689	3,628,441	3,633,678
Effect of dilution ('000)				
- Employee share options and share grants	-	3,764	114	3,764
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	3,629,452	3,639,453	3,628,555	3,637,442
Diluted Earnings per share (sen)	1.37	2.57	4.94	4.90

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
	31/12/2019 RM'000	31/12/2018 RM'000	31/12/2019 RM'000	31/12/2018 RM'000
Interest income	26,308	31,161	111,754	88,387
Other income (including investment income)	24,607	15,164	57,553	65,326
Interest expense	(54,475) *	(68,687) *	(169,098) *	(185,323) *
Depreciation and amortisation	(97,712)	(85,378)	(286,136)	(252,428)
Net (allowance)/reversal of impairment of receivables	(3,126)	(605)	(2,753)	3,199
Net gains/(losses) on disposal of investments or properties	609	(4,236)	2,771	(40,023)
Net (allowance)/reversal of impairment of assets	(1,780)	96	(3,870)	(304)
Net foreign exchange gains/(losses)	33,121	45,359	7,926	(59,195)
Net (losses)/gains on derivatives	(31,576)	(6,908)	(22,334)	7,536
<i>* Includes unrealised foreign exchange gains/(losses) incurred by the Plantation division, classified under Finance Cost</i>	2,709	(10,553)	-	(33,134)

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 31 December 2019, the outstanding notional volume and value of the CPO pricing swap contracts and their fair values are as follows:

CPO pricing swap contracts	Notional volume outstanding as at 31/12/2019 (metric tonnes)	Notional value outstanding as at 31/12/2019 (RM'000)	Fair value as at 31/12/2019 (RM'000)
- Less than 1 year	31,000	73,646	(19,456)
- 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 2019, the outstanding notional value of the cross currency swap contracts and their fair values are as follows:

Cross currency swap contracts	Notional value outstanding as at 31/12/2019 (USD'000)	Notional value outstanding as at 31/12/2019 (RM'000)	Fair value as at 31/12/2019 (RM'000)
- Less than 1 year	77,000	319,410	(4,350)
- 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 31 December 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 31/12/2019 (RM'000)	Fair value as at 31/12/2019 (RM'000)
- Less than 1 year	USD	163,625	(254)
- 1 year to 3 years	USD	163,625	(229)
- 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 loss on derivative financial instruments of RM22.34 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	(24,401)	(22,037)	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	(7,269)	117	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	94	(414)	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.